

ModernGraham Valuation

Company Name:

salesforce.com, inc.

Company Ticker CRM

Date of Analysis

4/12/2017



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass 6 out of the following 7 tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$58,718,203,497	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.83	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	301.10%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	210.18	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	7.78	Fail

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	0.83	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-1.59	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago		Pass
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.40
MG Growth Estimate	15.00%
MG Value	\$15.27
MG Value based on 3% Growth	\$5.75
MG Value based on 0% Growth	\$3.37
Market Implied Growth Rate	100.84%

MG Opinion

Current Price	\$83.37
% of Intrinsic Value	545.91%
Opinion	Overvalued
MG Grade	F

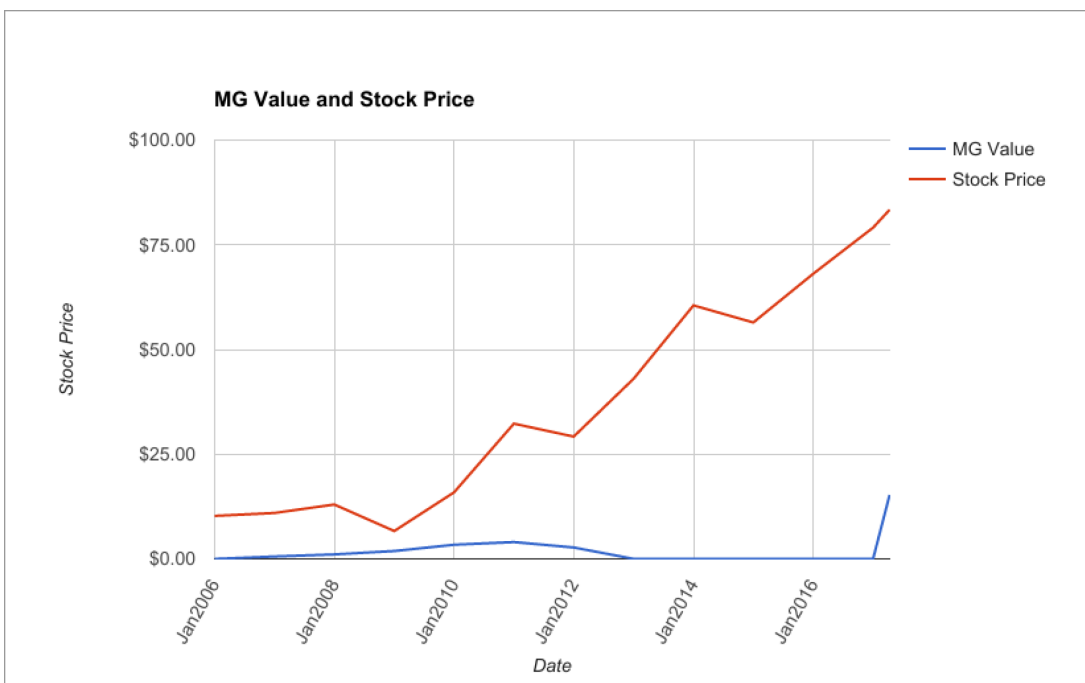
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$5.84
Graham Number	\$17.40
PEmg	210.18
Current Ratio	0.83
PB Ratio	7.78
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.27	Next Fiscal Year Estimate	\$0.40
Jan2017	\$0.26	Jan2017	-\$0.10
Jan2016	-\$0.07	Jan2016	-\$0.28
Jan2015	-\$0.42	Jan2015	-\$0.33
Jan2014	-\$0.39	Jan2014	-\$0.24
Jan2013	-\$0.48	Jan2013	-\$0.11
Jan2012	-\$0.02	Jan2012	\$0.07
Jan2011	\$0.12	Jan2011	\$0.10
Jan2010	\$0.16	Jan2010	\$0.09
Jan2009	\$0.09	Jan2009	\$0.05
Jan2008	\$0.04	Jan2008	\$0.03
Jan2007	\$0.00	Jan2007	\$0.01
Jan2006	\$0.06	Jan2006	-\$0.01
Jan2005	\$0.02	Jan2005	-\$0.09
Jan2004	\$0.01	Jan2004	-\$0.17
Jan2003	-\$0.09	Jan2003	-\$0.24
Jan2002	-\$0.34	Jan2002	-\$0.27
Jan2001	-\$0.60	Balance Sheet Information 1/1/2017	
Dec2000	\$0.00	Total Current Assets	\$5,996,827,000
Dec1999	\$0.00	Total Current Liabilities	\$7,258,353,000
Dec1998	\$0.00	Long-Term Debt	\$2,008,391,000
		Total Assets	\$17,584,923,000
		Intangible Assets	\$8,518,891,000
		Total Liabilities	\$10,084,796,000
		Shares Outstanding (Diluted Average)	700,217,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

Recommended Reading:

Other ModernGraham posts about the company

- [Salesforce.com Valuation – January 2016 Update \\$CRM](#)
- [26 Companies in the Spotlight This Week – 12/13/14](#)
- [Salesforce.com Inc. Annual Valuation – 2014 \\$CRM](#)

Other ModernGraham posts about related companies

- [Paypal Holdings Inc Valuation – Initial Coverage \\$PYPL](#)
- [Netflix Inc Valuation – February 2017 \\$NFLX](#)
- [Shutterstock Inc Valuation – Initial Coverage \\$\\$SSTK](#)
- [Synchronoss Technologies Inc Valuation – Initial Coverage \\$\\$SNCR](#)
- [eBay Inc Valuation – December 2016 \\$EBAY](#)
- [Facebook Inc Valuation – July 2016 \\$FB](#)
- [Salesforce.com Valuation – January 2016 Update \\$CRM](#)
- [Facebook Inc Valuation – January 2016 Update \\$FB](#)
- [Netflix Inc Valuation – November 2015 Update \\$NFLX](#)
- [Facebook Inc. Analysis – August 2015 Update \\$FB](#)