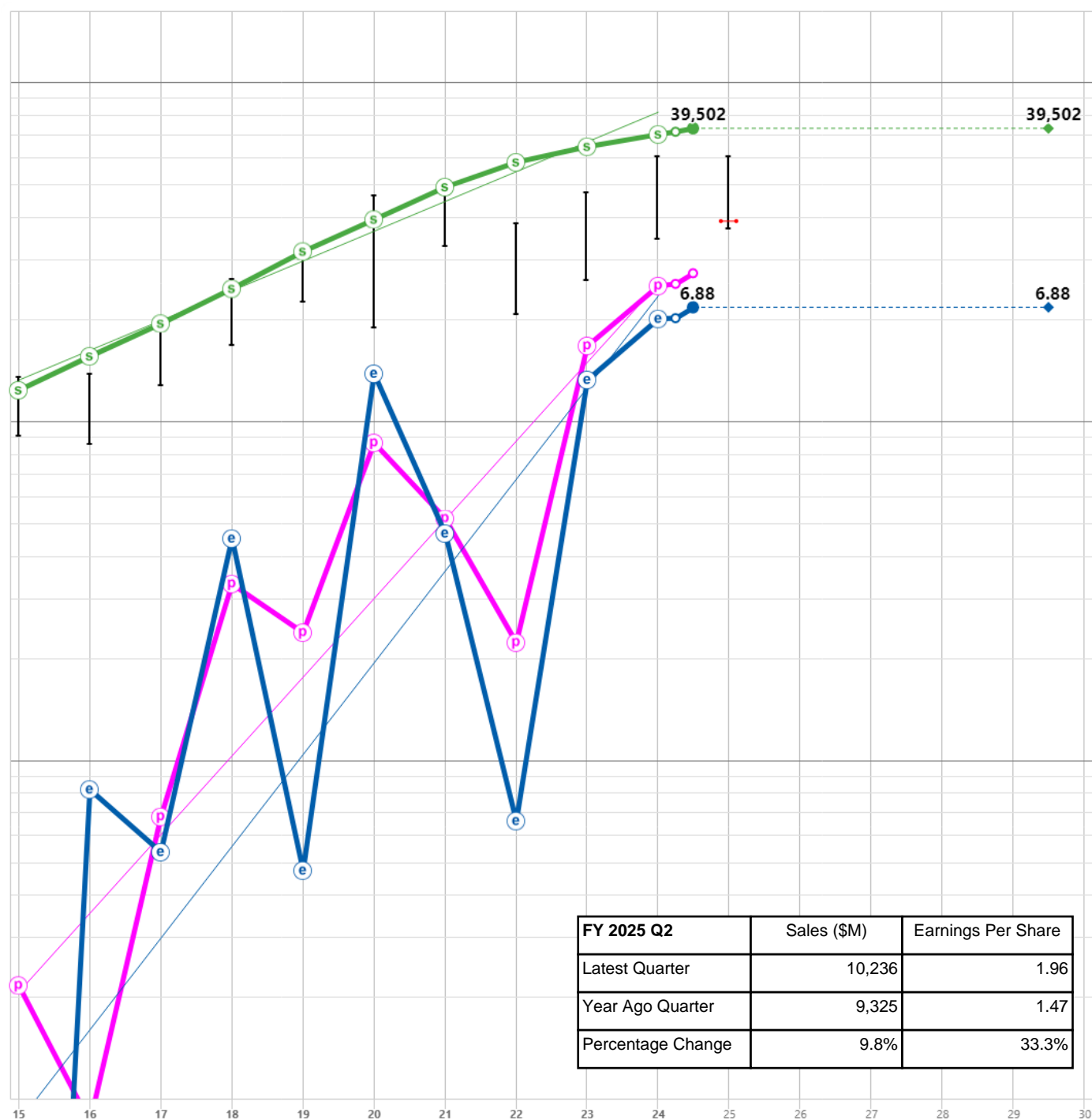


# Stock Selection Guide

Company	Salesforce	Date	10/02/25
Prepared by	LEWIS	Data taken from	BI Stock Data
Where traded	NYS	Industry	Software - Application
Capitalization --- Outstanding Amounts	Reference		
Preferred (\$M)	0.0	% Insiders	% Institution
Common (M Shares)	962.0	1.9	56.7
Debt (\$M)	11,237.0	% to Tot Cap	15.5 % Pot Dil 0.6

Symbol: CRM

## 1 VISUAL ANALYSIS of Sales, Earnings, and Price



(1) Historical Sales Growth

22.4%

(3) Historical Earnings Per Share Growth

86.5%

(2) Estimated Future Sales Growth

(4) Estimated Future Earnings Per Share Growth

## 2 EVALUATING Management

Salesforce

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Last 5 Year Avg.
% Pre-tax Profit on Sales	1.0%	0.3%	1.9%	7.4%	4.1%	12.1%	5.8%	2.1%	14.2%	19.6%	10.8%
% Earned on Equity	-1.0%	2.7%	1.4%	7.5%	0.4%	10.0%	2.6%	0.4%	7.0%	10.5%	6.1%
% Debt To Capital	29.1%	26.5%	21.0%	16.9%	14.8%	13.1%	19.4%	19.4%	17.4%	15.7%	17.0%

## 3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is building block for translating earnings into future stock prices.

**CURRENT PRICE** 238.88 (10/02/25)

**52-WEEK HIGH** 369.00

**52-WEEK LOW** 226.48

	A	B	C	D	E	F	G	H
Year	Price		Earnings	Price Earnings Ratio		Dividend	% Payout	% High Yield
	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C * 100	F / B * 100
2020	284.5	115.3	4.38	65.0	26.3	0.00	0.0	0.0
2021	311.8	201.5	1.48	210.6	136.2	0.00	0.0	0.0
2022	234.5	126.3	0.21	1,116.6	601.6	0.00	0.0	0.0
2023	289.3	159.7	4.20	68.9	38.0	0.00	0.0	0.0
2024	369.0	212.0	6.36	58.0	33.3	1.60	25.2	0.8
<b>AVERAGE</b>		<b>163.0</b>		<b>303.8</b>	<b>167.1</b>		<b>5.0</b>	
CURRENT/TTM			6.88	53.6	32.9	1.66	24.2	
<b>AVERAGE PRICE EARNINGS RATIO: 235.5</b>					<b>CURRENT PRICE EARNINGS RATIO: 34.7</b>			

## 4 EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

### A HIGH PRICE - NEXT 5 YEARS

Avg. High P/E X Estimate High Earnings/Share = Forecasted High Price \$

### B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 167.1 X Estimate Low Earnings/Share 6.88 = Forecasted Low Price \$

(b) Avg. Low Price of Last 5 Years 163.0

(c) Recent Market Low Price 159.7

(d) Price Dividend Will Support  $\frac{\text{Indicated Dividend}}{\text{High Yield}} = \frac{1.66}{0.75\%} = 220.5$   
Selected Forecasted Low Price \$

### C ZONING using 25%-50%-25%

Forecasted High Price Minus Forecasted Low Price = Range. 25% of Range  
Buy Zone to  
Hold Zone to  
Sell Zone to

Present Market Price of 238.88 is in the **INVALID** Zone

### D UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)

$\frac{\text{High Price} - \text{Current Price}}{\text{Current Price} - \text{Low Price}} = \frac{238.88 - 238.88}{238.88 - 159.7} = \frac{0}{79.18} = 0$  To 1

### E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

$\frac{\text{High Price} - \text{Current Price}}{\text{Current Price}} = \frac{238.88 - 238.88}{238.88} = 0 \times 100 = 0 - 100 = -100\%$  % Appreciation

## 5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

**A**  $\frac{\text{Indicated Annual Dividend}}{\text{Current Price}} = \frac{1.66}{238.88} = 0.0070 = 0.7\%$  Current Yield

### B AVERAGE YIELD - USING FORECAST HIGH P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast High PE}} = \frac{25.2\%}{303.8} = 0.0\%$

### C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

Annualized Appreciation 0.0 %  
Average Yield 0.0 %  
Annualized Rate of Return %

### AVERAGE YIELD - USING FORECAST AVERAGE P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast Average PE}} = \frac{25.2\%}{167.1} = 15.1\%$

### COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E

Annualized Appreciation -100.0 %  
Average Yield %  
Annualized Rate of Return %