

**salesforce.com, inc.**  
**Consolidated Balance Sheets**  
(in millions)

	<u>January 31, 2020</u>	<u>January 31, 2019</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents .....	\$ 4,145	\$ 2,669
Marketable securities .....	3,802	1,673
Accounts receivable, net .....	6,174	4,924
Costs capitalized to obtain revenue contracts, net .....	926	788
Prepaid expenses and other current assets .....	916	629
Total current assets .....	15,963	10,683
Property and equipment, net .....	2,375	2,051
Operating lease right-of-use assets (Note 1) .....	3,040	0
Costs capitalized to obtain revenue contracts, noncurrent, net .....	1,348	1,232
Strategic investments .....	1,963	1,302
Goodwill .....	25,134	12,851
Intangible assets acquired through business combinations, net .....	4,724	1,923
Capitalized software and other assets, net .....	579	695
Total assets .....	<u>\$55,126</u>	<u>\$30,737</u>
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Accounts payable, accrued expenses and other liabilities .....	\$ 3,433	\$ 2,691
Operating lease liabilities, current (Note 1) .....	750	0
Unearned revenue .....	10,662	8,564
Total current liabilities .....	14,845	11,255
Noncurrent debt .....	2,673	3,173
Noncurrent operating lease liabilities (Note 1) .....	2,445	0
Other noncurrent liabilities .....	1,278	704
Total liabilities .....	<u>21,241</u>	<u>15,132</u>
Commitments and contingencies (See Notes 13 and 15)		
Stockholders' equity:		
Preferred stock, \$0.001 par value; 5 shares authorized and none issued and outstanding .....	0	0
Common stock, \$0.001 par value; 1,600 shares authorized, 893 and 770 issued and outstanding at January 31, 2020 and 2019, respectively .....	1	1
Additional paid-in capital .....	32,116	13,927
Accumulated other comprehensive loss .....	(93)	(58)
Retained earnings .....	1,861	1,735
Total stockholders' equity .....	<u>33,885</u>	<u>15,605</u>
Total liabilities and stockholders' equity .....	<u>\$55,126</u>	<u>\$30,737</u>

See accompanying Notes.

**salesforce.com, inc.**

**Consolidated Statements of Operations**

(in millions, except per share data)

	<b>Fiscal Year Ended January 31,</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>
Revenues:			
Subscription and support	\$16,043	\$12,413	\$ 9,766
Professional services and other	1,055	869	774
Total revenues	17,098	13,282	10,540
Cost of revenues (1)(2):			
Subscription and support	3,198	2,604	2,033
Professional services and other	1,037	847	740
Total cost of revenues	4,235	3,451	2,773
Gross profit	12,863	9,831	7,767
Operating expenses (1)(2):			
Research and development	2,766	1,886	1,553
Marketing and sales	7,930	6,064	4,671
General and administrative	1,704	1,346	1,089
Loss on settlement of Salesforce.org reseller agreement (Note 7)	166	0	0
Total operating expenses	12,566	9,296	7,313
Income from operations	297	535	454
Gains on strategic investments, net	427	542	19
Other expense	(18)	(94)	(53)
Income before benefit from (provision for) income taxes	706	983	420
Benefit from (provision for) income taxes (3)	(580)	127	(60)
Net income	\$ 126	\$ 1,110	\$ 360
Basic net income per share	\$ 0.15	\$ 1.48	\$ 0.50
Diluted net income per share	\$ 0.15	\$ 1.43	\$ 0.49
Shares used in computing basic net income per share	829	751	715
Shares used in computing diluted net income per share	850	775	735

(1) Amounts include amortization of intangible assets acquired through business combinations, as follows:

	<b>Fiscal Year Ended January 31,</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>
Cost of revenues	\$ 440	\$ 215	\$ 166
Marketing and sales	352	232	121

(2) Amounts include stock-based expense, as follows:

	<b>Fiscal Year Ended January 31,</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>
Cost of revenues	\$ 204	\$ 161	\$ 130
Research and development	510	307	260
Marketing and sales	852	643	469
General and administrative	219	172	138

(3) Amounts include a benefit related to the partial release of the valuation allowance of \$612 million, and \$2 million, for fiscal 2019 and 2018, respectively. The fiscal 2019 benefit was partially offset by an increase in unrecognized tax benefits.

See accompanying Notes.

**salesforce.com, inc.**

**Consolidated Statements of Cash Flows**  
(in millions)

	<b>Fiscal Year Ended January 31,</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Operating activities:</b>			
Net income	\$ 126	\$ 1,110	\$ 360
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	2,135	982	784
Amortization of costs capitalized to obtain revenue contracts, net	876	737	592
Expenses related to employee stock plans	1,785	1,283	997
Loss on settlement of Salesforce.org reseller agreement (Note 7)	166	0	0
Gains on strategic investments, net	(427)	(542)	(19)
Changes in assets and liabilities, net of business combinations:			
Accounts receivable, net	(1,000)	(923)	(719)
Costs capitalized to obtain revenue contracts, net	(1,130)	(981)	(1,156)
Prepaid expenses and other current assets and other assets	(119)	(58)	18
Accounts payable	15	74	(39)
Accrued expenses and other liabilities	967	213	392
Operating lease liabilities	(728)	0	0
Unearned revenue	1,665	1,503	1,528
Net cash provided by operating activities	<u>4,331</u>	<u>3,398</u>	<u>2,738</u>
<b>Investing activities:</b>			
Business combinations, net of cash acquired	(369)	(5,115)	(25)
Purchases of strategic investments	(768)	(362)	(216)
Sales of strategic investments	434	260	131
Purchases of marketable securities	(3,857)	(1,068)	(2,003)
Sales of marketable securities	1,444	1,426	558
Maturities of marketable securities	779	146	78
Capital expenditures	(643)	(595)	(534)
Net cash used in investing activities	<u>(2,980)</u>	<u>(5,308)</u>	<u>(2,011)</u>
<b>Financing activities:</b>			
Proceeds from issuance of debt, net	0	2,966	0
Proceeds from employee stock plans	840	704	650
Principal payments on financing obligations (1)	(173)	(131)	(106)
Repayments of debt	(503)	(1,529)	(323)
Net cash provided by financing activities	<u>164</u>	<u>2,010</u>	<u>221</u>
<b>Effect of exchange rate changes</b>	<u>(39)</u>	<u>26</u>	<u>(12)</u>
<b>Net increase in cash and cash equivalents</b>	<u>1,476</u>	<u>126</u>	<u>936</u>
<b>Cash and cash equivalents, beginning of period</b>	<u>2,669</u>	<u>2,543</u>	<u>1,607</u>
<b>Cash and cash equivalents, end of period</b>	<u>\$ 4,145</u>	<u>\$ 2,669</u>	<u>\$ 2,543</u>

(1) Previously referred to as principal payments on capital lease obligations.

See accompanying Notes.