



Company: Salesforce  
Unlevered Free Cash Flows



### Assumptions

Date	Sunday, March 7, 2021
Discount Rate	10.89%
Tax Rate	21%
Revenue Growth Rate	10%

Year	2020	2021	2022	2023	2024	2025
Revenue	21,252	23,377	25,715	28,286	31,115	34,227
COGS	(5,438)	(5,844)	(5,844)	(5,844)	(5,844)	(5,844)
Selling/General/Admin. Expenses, Total	(11,302)	(11,302)	(11,302)	(11,302)	(11,302)	(11,302)
Research & Development	(3,598)	(3,598)	(3,598)	(3,598)	(3,598)	(3,598)
Other Operating Expenses	(64)	(64)	(64)	(64)	(64)	(64)
Interest/Invest Income - Non-Operating	2,170	-	-	-	-	-
<b>EBITDA</b>	<b>3,020</b>	<b>2,569</b>	<b>4,907</b>	<b>7,478</b>	<b>10,307</b>	<b>13,418</b>
Depreciation/Amortization	(459)	(459)	(459)	(459)	(459)	(459)
<b>EBIT</b>	<b>2,561</b>	<b>2,110</b>	<b>4,448</b>	<b>7,019</b>	<b>9,848</b>	<b>12,959</b>
Tax	(489)	(443)	(934)	(1,474)	(2,068)	(2,721)
<b>EBIT (1-t)</b>	<b>2,072</b>	<b>1,667</b>	<b>3,514</b>	<b>5,545</b>	<b>7,780</b>	<b>10,238</b>
Add Back Depreciation	459	459	459	459	459	459
Change in Net Working Capital						
CAPEX	(710)	(710)	(710)	(710)	(710)	(710)
<b>Unlevered Free Cash Flows</b>	<b>1,821</b>	<b>1,416</b>	<b>3,263</b>	<b>5,294</b>	<b>7,529</b>	<b>9,987</b>
<b>PV Unlevered Free Cash Flows</b>		<b>1,277</b>	<b>2,653</b>	<b>3,883</b>	<b>4,979</b>	<b>5,956</b>
<b>SUM PV Free Cash Flows</b>	<b>18,748</b>					

#### Terminal value - Growing perpetuity

Long term growth rate	5%
2025 FCF x (1+g)	10,486
Terminal value in 2025	178,033
PV Terminal Value	106,179
Enterprise Value	124,927

#### Terminal value - EBITDA Multiple

EBITDA multiple	15
Terminal value in 2025	201,274
PV Terminal Value	120,040
	138,788

#### Net Debt

Total Debt	2,673
Cash and Short Term Investments	11,966
Net Debt	(9,293)

#### Total Shares Outstanding

478.7

#### Share Price Target

Growing Perpetuity	\$ 280.38
EBITDA Multiple	\$ 309.34

#### Enterprise Value

Market Cap	193,422
Total Debt	2,673
Less Cash	(11,966)
Enterprise Value	184,129

#### Ratios

2021 EV/EBITDA	71.68
2021 EV/Sales	7.88