Salesforce, Inc. NYSE:CRM
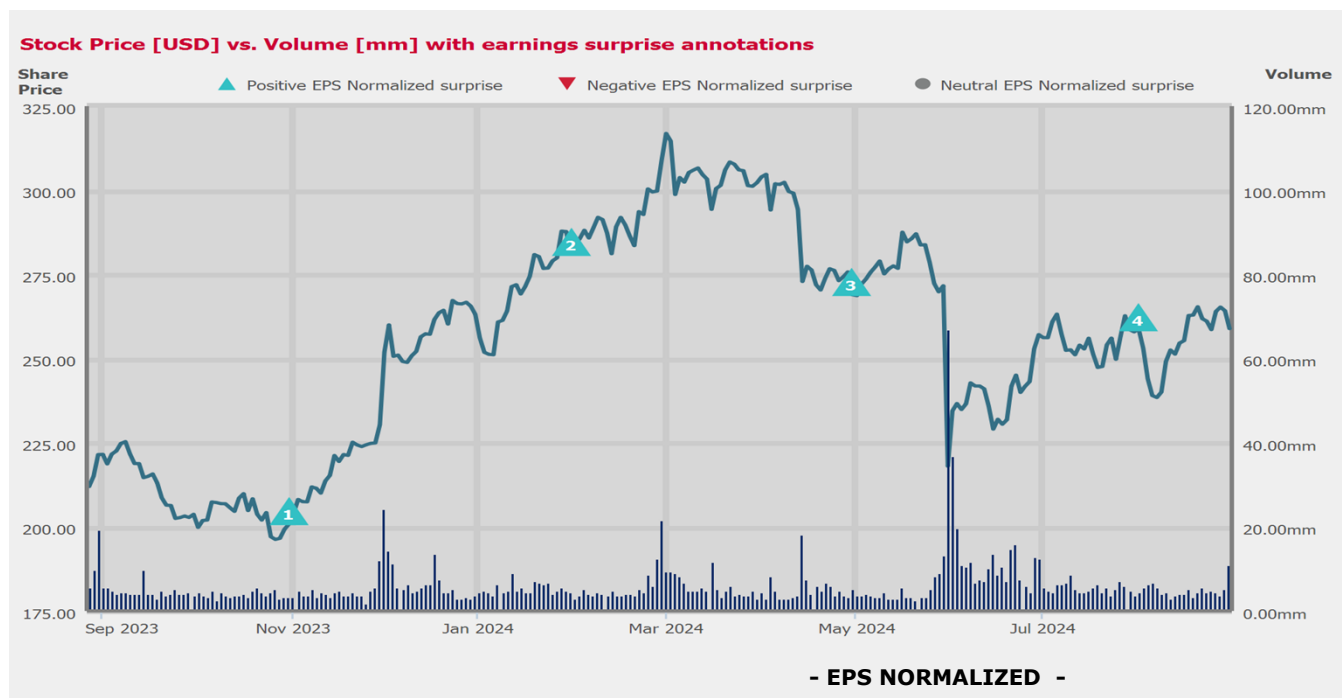
FQ2 2025 Earnings Call Transcripts

Wednesday, August 28, 2024 9:00 PM GMT

S&P Global Market Intelligence Estimates

	-FQ2 2025-			-FQ3 2025-	-FY 2025-	-FY 2026-	
	CONSENSUS	ACTUAL	SURPRISE	CONSENSUS	CONSENSUS	CONSENSUS	GUIDANCE
EPS Normalized	2.36	2.56	▲8.47	2.43	9.90	11.01	-
Revenue (mm)	9233.57	9325.00	▲0.99	9413.25	37848.05	41372.33	50000.00

Currency: USD
Consensus as of Aug-28-2024 4:47 PM GMT

Stock Price [USD] vs. Volume [mm] with earnings surprise annotations

▲ Positive EPS Normalized surprise   ▼ Negative EPS Normalized surprise   ● Neutral EPS Normalized surprise

- EPS NORMALIZED -

	CONSENSUS	ACTUAL	SURPRISE
FQ3 2024	2.06	2.11	▲1 2.43 %
FQ4 2024	2.27	2.29	▲2 0.88 %
FQ1 2025	2.37	2.44	▲3 2.95 %
FQ2 2025	2.36	2.56	▲4 8.47 %

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Call Participants

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President & CFO

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Presentation

Operator

Welcome to Salesforce's Fiscal 2025 Second Quarter Results Conference Call. [Operator Instructions]

I would now like to hand the conference over to your speaker, Mike Spencer, Executive Vice President of Finance and Strategy and Investor Relations. Sir, you may begin.

Michael Spencer
Executive Vice President of Investor Relations

Good afternoon, and thanks for joining us today on the fiscal 2025 second quarter results conference call. Our press release, SEC filings and a replay of today's call can be found on our website. Joining me on the call today is Marc Benioff, Chair and CEO; Amy Weaver, President and Chief Financial Officer; and Brian Millham, President and Chief Operating Officer.

As a reminder, our commentary today will include non-GAAP measures. Reconciliations between our GAAP and non-GAAP results and guidance can be found in our earnings materials and press release. Some of our comments today may contain forward-looking statements that are subject to risks, uncertainties and assumptions, which could change. Should any of these risks materialize or should our assumptions prove to be incorrect, actual company results could materially differ from these forward-looking statements. A description of these risks, uncertainties and assumptions and other factors that could affect our financial results is included in our SEC filings, including the most recent report on Forms 10-K, 10-Q and any other SEC filings. Except as required by law, we do not undertake any responsibility to update these forward-looking statements.

And with that, let me hand the call over to Marc.

Marc R. Benioff
Co-Founder, Chairman & CEO

All right. Thanks so much, Mike, and thanks, everyone, for being on the call. We've got so many exciting things to talk about today, and we're so excited to be with you, and we're also getting really jacked for Dreamforce, so looking forward to that. And we are just going to have a great call here.

So look, a year ago on this call, we talked about 2 amazing transformations. So we're transforming Salesforce for as we're talking about the short and the long term, which was really code words for really addressing our financials, but really looking at this incredible AI opportunity. And now we look at a year later, I just couldn't be more excited about how these 2 transformations are driving the success of the company. And really, I don't think I've been more excited about the history of Salesforce and now the future of Salesforce and how well positioned we are for the future.

And you can see it in our numbers with strong performance across revenue, cash flow, margin and cRPO, the numbers are beyond my expectation in the quarter, you can see that it's been pretty awesome. And you can also see them the incredible innovation of our product and engineering teams are delivering the success of our customers. And we're going to talk about a whole different kind of sales force today, a different kind of architecture and a product that we didn't even talk about on the last earnings call that is going to be fundamental to our future and a manifestation of our decade of AI leadership, which is Agentforce.

Now in just a few weeks, we're going to kick off Dreamforce, and I hope all of you are planning to be there, the largest AI event in the world with more than 45,000 trailblazers in San Francisco. And this year, Dreamforce is really becoming Agentforce. And I'll tell you, a funny thing about Agentforce, even one of our very top executives in engineering sent me a text last week and said, "Hey, should we be renaming the company from Salesforce to Agentforce because we're all getting so excited about Agentforce?"

And I also told Mike that I really want to make sure all of you are there and to do what he can to put together an analyst briefing at Dreamforce. And I told them I pay for to have outstanding culinary chefs and maybe we can bring in some great entertainment for all of you -- to encourage you all to come. So I just gave him a huge budget to really motivate everyone, because I think this is going to be a moment that everyone is going to have to see in person to understand what is going on.

And I'm going to explain that in a second because we're going to show our new Agentforce agents and how we've reimagined enterprise software for this new world of autonomous AI. And every customer, I'm going to try to get every customer who comes to Dreamforce to turn agents on while they're there. So many of the customers, of course, are already using our applications. You know that, okay? And of course, we're automating all our customer touch points. That's our Customer 360.

And we've been talking now for the last couple of years about how we've really built this phenomenal Data Cloud that has really become, I would say, our fastest-growing, most exciting product ever up until one that we're better to talk about, which is to help our customers amalgamate all the data that they need to really get their AI act and orders that gets their data and metadata integrated and then federate to other data sources. And then this critical third tier, which this is the first call that we've ever talked about it, which is these agents.

And this idea that you're not just going to have sales agents and service agents who probably read, heard maybe you saw in CBC, we're building the agents for Workday, and we're going to be building custom agents for so many of you as well with Agentforce because it is a development platform as well as this incredible capability to radically extend your sales and service organizations.

So when you arrive at the Dreamforce campus, you're going to see a big sign outside that says, "Humans with agents drive customer success together." And that's because we now so strongly believe the future isn't about having a sales force or a service force or a marketing force or a commerce force or an analytics force, the future is about also having an agent force. And while many customers today don't yet have agent forces, but they do have sales forces or service forces, I assure you that within a year, we're all going to have agent forces, and we're going to have them at scale. And it's going to radically extend our companies and it's going to augment our employees, make us more productive.

It's going to turn this into these incredible margin and revenue machines. It's going to be pretty awesome. And -- this is really the future, a new future that we can really envision and with this Agentforce platform, we're making it easy to build these powerful autonomous agents for sales, for service, for marketing, for commerce, automating the entire workflow on their own, embedding agents in the flow of work and getting our customers to the agent future first.

And this is our primary goal of our company right now. This is my singular focus. So at Dreamforce and on this call, you're going to hear a lot of stories already of customers, and we're going to talk about the customers who have it, customers like OpenTable and Wiley and ADP and RBC and so many others who are deploying these agents and running them on top of our Data Cloud and our apps.

And in fact, you're going to hear about -- I mean at Dreamforce, you're going to hear one of the very largest health care companies in the world. It's got 20 million consumers here in the United States who is resolving more than 90% of all patient inquiries with Agentforce and they're benchmarking us significantly higher than any other competing AI platform, and that's based on some incredible AI breakthroughs that we have had at Salesforce.

And I just have to call out the quality of our research team, our engineering team and our product team because the accuracy of our results, the reduction of hallucinations and the level of capability of AI is unlike anything I think that any of us have ever seen, and we've got some incredible new techniques, especially incredible new augmented RAG techniques that are delivering us the capability to deliver this accuracy with our -- for our customers.

In fact, one of these very large media companies that we work with, a lot of probably know who have everything, every possible media asset while they're just resolving 90% of all of their employee and consumer issues with Agentforce, pretty awesome. So there's nothing more transformational than agents

on the technology horizon that I can see and Salesforce is going to be the first company at scale to deploy enterprise agents and not just any enterprise agents, the highest quality, most accurate agents in the world.

Now all of this with our continued focus on trust with customer success, with innovation is driving the results that you see today. And in Q2, we've delivered $9.33 billion in revenue, up 8% year-over-year in nominal and 9% in constant currency. Subscription and support revenue grew at 9% year-over-year and 10% in constant currency. And for the 11th year in a row, Salesforce ranked #1 CRM provider by the IDC Software Tracker. And of course, Salesforce is the #1 AI CRM, and we'd like to say we're the third largest enterprise software company, but I was doing some calculations today, and I'd like you guys to do the calculations. I think we just became the second largest enterprise software company.

Because we're not delivering infrastructure or hardware and we already passed Oracle in Japan as the second largest enterprise software company, and I think we just did that. If you look at our enterprise software overall, we're the largest enterprise software (sic) [application] company in the world. So we continue to see growth in multi-cloud deals. In fact, multi-cloud deals accounted for close to 80% of our new business in the quarter, and we're just operating at this incredible scale, delivering 25 trillion Einstein transactions across all of the clouds during the quarter, that's 25 trillion and more than 1 trillion workflows are now managing 250 petabytes of data for our customers.

We also continue to deliver on this incredible margin growth and so many of you have guided us through that incredible transformation. So I just want to thank all of you for that. For the second quarter, our non-GAAP operating margin was 33.7%, that's up 210 basis points year-over-year. And you can see the incredible transformation that we've gone through over the last 24 months in margin and cash flow, which also was $892 million in the quarter, up 10% year-over-year.

So now let's turn to this financial guidance. For the fiscal year '25, we continue to expect revenue at $37.7 billion to $38 billion, a growth of 8% to 9% year-over-year, and subscription and support revenue growth of approximately 10% year-over-year in constant currency. And as you can see from our results, we've remained committed to this very profitable growth at this incredible level of scale, and we're raising our fiscal '25 non-GAAP operating margin to 32.8%, a 230 basis point improvement year-over-year.

And as I told you last quarter, we're delivering incredible record cash flow this year, and I'm pleased that we're also raising our operating cash flow guidance to 23% to 25% year-over-year. I'm also extremely proud of our team's focus and determination deliveries, great results, and we're going to hear more in a second.

Now as you know, and as you probably can tell from my narrative already, AI is not only my top of mind, but I can tell you, because I've met with hundreds of customers this quarter that it is the top of mind for every customer, for every CEO, for every CIO, but I want to tell you before I get into this, is that I think that there's a lot of misconceptions about AI with my customers. I have been out there very disappointed with the huge amount of money that so many of these customers have wasted on AI. They are trying to DIY their AI.

It's not so unlike when we first saw cloud emerge or even some other technologies where they feel like they have to roll their own, build it themselves, get in the weeds, try to figure out and they're not going to do it better than we're going to do it. We're a professional enterprise software company, this is what we do, and we do it with the trust and scale that they need.

And this idea that our customers are going to have to build their own models, train their own models, retrain their own models, retrain them again and I'm meeting with these customers, and they're so excited when they meet with me and they say, "Oh, I built this model, and we're resolving 10%, 20%, 30%, 40% of this, of that and whatever." And I'm like, really, well, take a look at our models and our capability where you don't have to train or retrain anything and you're going to get more than 90%. And then they say, "Wait a minute, how do you do that?"

And this is a moment where every customer needs to realize, you don't need to DIY your AI. You can use a platform like Salesforce to get the highest efficacy of artificial intelligence, the best capability to fully

automate your company, achieve all of your goals, and you can do it with professional enterprise software. And I've now met with all so many of these customers to really explain and to help them understand the transformative power of AI.

And they've really -- I think we've all said, "Okay, we've never seen a technology evolve at such a rapid pace." So look at the last 18 months, we're moving from having these basic preprogram chatbots. Now we can really see we're delivering these intelligent conversational capabilities, these agents, it's awesome. And we've created out-of-the-box platform to deliver all of this for them.

So this could be service reply recommendations, account summaries, report generation, you've seen in Slack, this kind of auto summarization, recaps, all of these amazing things. The level of automation, the amount of code that our team has written, the transformation of our platform in the last 18 months, it's remarkable. And customers love it because they can take the platform. And then all of this generative AI use case customize it for their own needs or configure it using our capability because they're doing that without writing a line of code. It's clicks, not code, deploy them in days, not weeks.

They're doing this in months, not years, and you're getting immediate ROI. And it's the stories are awesome. And while customers have loved seeing the power of generative AI, even like I was using generative AI last night to write some new ads for what we're going to do to kind of bring Agentforce across. And it's so cool and so awesome, but to have it right inside the platform makes it very real for our customers who have to manage and share all of their information to keep it trusted, to keep it secure, to be able to provide capabilities in a regulatory environment. Look, this is -- they all want this huge breakthrough that's going to give them much more productivity, augmentation of their employees and scale like I've been talking about. But we're seeing that breakthrough occur because with our new Agentforce platform, we're going to make a quantum leap forward in AI, and that's why I wants you all at Dreamforce, because I want you to have your hands on this technology to really understand this.

This is not Copilots. So many customers are so disappointed in what they bought from Microsoft Copilots because they're not getting the accuracy and the response that they want. Microsoft has disappointed so many customers with AI. Listen, these agents are autonomous. They're able to act with accuracy. They're able to come right out of the box. They're able to go right out of the platform. And when you come to Dreamforce, you're going to -- I'm sure that you're going to get to San Francisco, you're going to jump in a Waymo. I think they've got like 500 Waymos now in San Francisco. It's pretty awesome. I use it myself. And you know what, that's like Agentforce. We're like a Waymo for your customer information and for automating your company, that is, it's autonomous. It's going to get you to where you need to get to. And yes, we're still going to have humans in our companies, but we're also going to have these agents.

So these agents don't require a conversational prompt to take action. You can do advanced planning, reasoning with minimal human input. And the example of this incredible health care company, you're going to be able to say to the agent, "Hey, I want to look at my labs, I want to understand this. It looks like I need repeat labs. Can you reschedule those for me? It looks like I need to see my doctor, can you schedule that for me? I also want to get an MRI, I want to get this." And the level of automation that we're going to be able to provide and unleash the productivity back into these organizations is awesome.

And why that's important for this health care organization or for all of them that we're working with, since the pandemic, these doctors and nurses are just so burn out and there's so much activity for them that we're just going to unleash that productivity back to them. So let the agent handle this simple task and let the doctors and the nurses do what they're going to do best. And that is going to be a powerful moment.

So this is going to be like having these trusted colleagues can handle these time-consuming tasks, engaging with these -- whether it's inbound lead or resolving this customer or patient inquiry or whatever it is, this is humans with agents driving customer success together and Agentforce agents can be set up in minutes, easily scalable, work around the clock, any language.

And by the beginning of next fiscal year, we will have thousands of customers using this platform. And we will have handheld them to make it successful for them, deploy it. The early trials have been remarkable. To see these customers have the success, it has been just awesome. And let me give you a great example of Wiley.

Now it's back-to-school season, Wiley is a long-standing Salesforce customer. It's one of our first deployments in the first Agentforce trial. It's pretty awesome. And you all know they make textbooks and it's back-to-school. But maybe we don't know that Wiley has to like surge their sales and service organization at back-to-school time when everyone's buying these textbooks. Well, now they can use agents to do that surge. They don't have to go buy a bunch of gig workers and bring them in, and that agent capacity is so exciting for them. What we saw with Wiley was, this is a quote from them, "We're seeing double-digit percentage increase in customer satisfaction and deflection rate compared to older technologies and in these early weeks of our busiest season."

So that was very reassuring to us that we have the right thing that's happening. And Wiley has already seen a 50% increase in case resolution. That's with our first generation of Agentforce, as I mentioned, the second generation of Agentforce, which we have with customers already, including some of these amazing organizations like Royal Bank of Canada, ADP and others is 90% case resolution. It is an awesome moment in this tech business.

OpenTable is another super great story. You all know they are managing 60,000 restaurants, 160 million diners to support. They're on Agentforce now. They require that incredible scale to deliver top-notch customer service. That's why they're using the product. It's been awesome to get their results. And it can be all kinds of questions resolving basic issues, account reactivations, reservation management, loyalty point expiration. Agentforce for service can easily answer all of these questions like when do my points expire? For a diner asset, a follow-up question like what about in Mexico? What about -- can I make this change? That's where we're delivering those incredible moments for OpenTable, giving them this kind of productivity enhancement.

So in addition to this amazing capability Agentforce for service, now Agentforce for sales, you can imagine extending your sales force with SDRs, BDRs, who are agents that are going out and building pipeline for you and generating all kind of demand and even really closing deals. So this is going to drive Sales Cloud growth, it already is. Service Cloud growth, it already is. Because customers are going to extend their sales and service organizations and become a lot more productive with these agents.

In the coming months, we're going to release Agentforce agents for other roles, including industry-specific agents, health agents, as I mentioned, medical, answering all kinds of medical questions, as I mentioned, and we already have that in trial with this amazing health care company, sorry, one of the largest Epic databases in the world. And I just can't believe we're already resolving, as I said, 90% of these patients inquiries.

So this marks a very significant advance in providing these reliable trusted AI. We're really seeing a transformation of Salesforce. Look, we're still going to automate all these human touch points. We're still going to have our commerce sites, we're still going to have our analytics and visualization capability of managing or we're still going to have humans who are sales organization, service organizations, but we are going to extend it all with this incredible agent capability.

Now all of this type of performance from our Agentforce platform wouldn't be possible without Data Cloud. One of the reasons that our agents are so accurate is because of the huge amount of data and metadata that we had. And data is the foundation for every AI transformation. And with Data Cloud, we're providing a high-performance data lake that brings together all our customer and business data, federating data from external repositories through this credible zero-copy alliance.

So customers can use our data cloud and then federate and connect to all their other data clouds and then we can bring it all together to deliver the super accurate AI. That's why Data Cloud is absolutely our fastest-growing organic product in history. It will be the fastest product to $1 billion. It's going to probably be the fastest product of $5 billion, $10 billion. In Q2, the number of paid Data Cloud customers grew 130% year-over-year and the number of customers spending more than $1 million annually have already doubled.

In the second quarter alone, and this is amazing, Data Cloud processed 2.3 quadrillion records with 110% platform consumption growth year-over-year. That is awesome. Just amazing the scale and capability. And

for -- again, for customers who don't have that turned on yet and working at Dreamforce, we're going to focus on getting every customer on the Data Cloud.

For the last 25 years, Salesforce has been deeply committed to building the most capable CRM apps that help our customers connect with their customers in this whole new way. We've automated every customer touch point, and now we're bringing these apps, data and agents together. It's these 3 levels, and this isn't 3 separate pieces of code or 3 different platforms or 3 different systems. This is 1 platform. We've rewritten all of our acquisitions, all of our core modules, our data cloud and our agents as 1 unified platform, which is how we are delivering not only this incredible functionality but this high level of accuracy and capability.

And from this first-hand experience in meeting with these customers around the globe, I can unequivocally tell you that building these agents without a complete integrated platform is like trying to assemble a plane mid-flight, it's risky, chaotic and it's not likely to succeed. I mean I just got back from a Dreamforce focus group, where I met with one of the largest CIOs in the world, he was telling me how excited he was for the B2C part of his business, he built this model and accuracy rates, then I was like, really, let me show you what we're doing here. And then he said to me, "Why am I doing this? Why am I not just using your platform?" And I said, "Good question."

So these customers are spending millions of dollars, but are they really getting the results that they want? It feels like this early days of cloud. It's just early days of social mobile. Customers feel like they have to DIY it, they don't need to, they can make it all happen themselves. And you can just see that to deliver this very high-quality capability, they can use a deeply integrated platform like Salesforce.

So with that, let me just move on to Dreamforce and just say, look, I hope you're going to able to come to Dreamforce. I'm going to try to encourage everyone to do it. I've told Mike, I really want all the analysts there. I want everybody there and all the investors there. We're going to make -- try to give you the highest quality experience to encourage you to do that.

You'll be hearing the details for Mike on that shortly. And you're not going to want to miss it, but you're mostly not going to want to miss it because you're going to want to get your hands on this technology. This is the first time that you're going to see how AI really is going to revolutionize these enterprises.

Now before I hand it off to Brian, I just want to take a moment to thank Amy Weaver. It has been an incredible 11 years for all of us who work with Amy. She's been an amazing leader across many different parts of our organization as a deeply valued member of our Ohana. She's been a fantastic partner to me personally. And over the last few years, in particular, Amy has spearheaded our financial transformation, resulting in an unprecedented margin expansion, increased operational excellence, financial discipline, continued strategic investments and Salesforce today is better positioned than ever with a phenomenal platform for growth.

And luckily for us, Amy has basically going through this amazing transformation with us and now getting ready to go to the next level in her own career, and she will step down at the end of the fiscal year at the end of February, or March, and then she will stay with us, I think, until May of '27 (sic) [Ms. Weaver has agreed to continue to serve the company as Special Advisor to the Chief Executive Officer through April 2026.] to help onboard the new CFO. And let me just rip on this for just a second. I've had the opportunity to work with so many great executives at Salesforce. And Amy is our fifth CFO. I think all of you know that we've had some great leaders, and we've been fortunate to build our company with some great folks. I remember Andy, Steve Cakebread, Graham, Mark, and then Amy has been just incredible how she's taken the financials to another level. It's been awesome to work with her.

When she originally came to the company 11 years ago, she came in as our General Counsel. I think there's been a handful of general counsels who've been able to make the transformation. I always felt that Amy could do it. I have to say it was my idea that Amy should move from General Counsel to being CFO. She has exceeded my expectations and we've hired Heidrick & Struggles and our good friend, Jeff Sanders to run a search. We're reviewing internal candidates and external candidates. We're going to do a comprehensive search. Amy is going to leave that with me. We're going to find another world-class person

to be our sixth CFO, which will be awesome. And if you have people that you know that you're interested in this position. It's a great job, right, Amy?

Amy E. Weaver
President & CFO

It's fantastic.

Marc R. Benioff
Co-Founder, Chairman & CEO

It pays well, too. Doesn't it?

Amy E. Weaver
President & CFO

It's just fine.

Marc R. Benioff
Co-Founder, Chairman & CEO

And good job satisfaction overall, get all these great events to go to. So anyway, let sure folks know they can contact Jeff. And we're looking for that world-class executive to become CFO #6, and we couldn't be more grateful to you, Amy, for everything that you do for us every single day, for all that you do in the middle of the pandemic when we couldn't even meet in person, you took over as CFO, you led us through the pandemic. You exited the pandemic. Now you're helping us to execute this AI transformation, which is so exciting, and we couldn't be more thrilled. So congratulations, Amy, and thank you so much for everything again, for everything that you have done for the company and for me personally and with a huge sense of gratitude, I'm going to turn it over to you, Brian.

Brian Millham
President & COO

Well, thank you, Marc, and certainly hard to follow that. I want to...

Marc R. Benioff
Co-Founder, Chairman & CEO

It really is.

Brian Millham
President & COO

All of that, particularly the Amy part. I want to echo your comments on Amy, an unbelievable leader who's been an amazing partner to me, an example and role model to so many at our company. I'm just so glad that we have more time with Amy as we work on this transition.

I want to start by thanking the team for the strong execution as we continue to operate at tremendous scale and sophistication, as a result show in the quarter, we continue to execute on our core growth pillars with strong momentum in multi-cloud deals, international expansion, industry solutions, Salesforce ecosystem and data and AI innovations across all of our clouds.

As you heard from Marc, we're innovating faster than ever. Our new Agentforce platform, which will be generally available in October is a game changer for our customers and a huge opportunity for us going forward. The feedback I've heard from the pilot customers like Wiley and OpenTable and Fossil has been overwhelmingly positive.

Agentforce is deeply integrated platform combining our core metadata framework in Data Cloud and Einstein and extending the power of our Customer 360 apps in ways that we didn't think possible a year ago, reducing cost, scaling workforces and dramatically improving customer and employee experiences, all without the headaches of complex, costly model training or DIY AI projects.

We're already accelerating this move from AI hype to AI reality for thousands of customers with amazing capabilities across our entire AI product portfolio. New bookings for these products more than doubled quarter-over-quarter. We signed 1,500 AI deals in Q2 alone. Some of the world's largest brands are using AI solutions, including Alliant, Bombardier and CMA CGM.

Bombardier, the maker of some of the world's top-performing aircraft, is enabling sales reps to sell smarter by consolidating need-to-know information on prospects in advance of meetings and providing recommendations on how to best engage with them through the Einstein Copilot and Prompt Builder. The next steps for these companies, of course, will be deploying agents to drive even more automation and productivity.

With AI technologies advancing so rapidly, it's been really challenging for our customers to keep pace. Each of our customers that is certainly at a different stage of their AI journey, they're relying on Salesforce as their trusted adviser, their partner with them to -- in this new world where humans and AI are working together.

To help our customers navigate this new world, we just launched a new team called Salesforce CTOs. These are deeply technical individuals who work alongside our customers to help them create and execute a plan for every stage of their AI journey to become agent-first companies. We're continuing our own AI journey internally as a Customer Zero of all of our products with great results. We now have 35,000 employees using Einstein as a trusted AI assistant, helping them work smarter and close deals faster. And since we launched Slack AI in February, our employees have created more than 500,000 channels -- channel summaries, saving nearly 3 million hours of work. We'll, of course, deploy Agentforce agents soon in a variety of different roles and tasks to augment, automate and deliver productivity and unmatched experiences for all employees and customers at scale.

Echoing what Marc said about Data Cloud, it continues to be highly strategic for our customers as they build foundations for infusing AI across their enterprises. American Family Insurance with millions of policyholders nationwide is using Data Cloud to consolidate data from multiple sources through our zero-copy partner network, creating a 360-view of the customers, enabling quick segmentation and activating lead data, including their real-time web interactions.

The Adecco Group expanded their data cloud in the quarter, a great example of a company leveraging its gold mine of data to gain a unified view of its customers. Connecting all this data means that 27,000 Adecco employees using Salesforce will have seamless access to key information, including financial metrics and job fulfillment status, to help Adecco improve their job fill rate ratio and reduce their cost to serve.

In all my conversations with CEOs this quarter, it's clear that we've never been more relevant, especially as companies transition to become AI enterprises. That's why customers continue to trust Salesforce across their most critical touch points with their customers, leading to strong multi-cloud deals in the quarter.

As Marc said, nearly 80% of our new business in the quarter was driven by multi-cloud deals. Companies like Wyndham Hotel and Resorts are all-in on Salesforce. They're using us for Sales Cloud and Service Cloud, Marketing Cloud, Data Cloud, Einstein and MuleSoft to transform its guest experience into a seamless end-to-end journey built in a single interface.

Wyndham utilizes Data Cloud to unify profile for 165 million guest records, many of which were duplicates across many sources like Amazon Redshift and the Sabre Reservation System as well as Sales Cloud, Marketing Cloud and Service Cloud.

MuleSoft allows one to unlock business-critical data from various platforms and onboard future franchisees faster. And with Einstein generated recommended service replies, average call times have been reduced and service agents can focus on higher priority work. Slack continues to perform well with wins at Citadel, Converge ICT and GEICO. For the quarter, 82 of the Fortune 100 now use Slack Connect every week to better connect with their customers and their partners.

In Q2, Slack AI summarized 420 million Slack messages, and customers have built 13,000 AI apps across their organizations in the last 12 months with Slack. Slack is the conversational interface where humans and agents can come together. Tableau and MuleSoft had solid quarters with Tableau wins at the Department of Interior and RBC Wealth Management and Chewy and MuleSoft wins at Veeam, US Foods and East Carolina University.

Moving on to our international business. 5 of our top 10 deals came from our international teams with wins at Ferrari, Sekisui House, and Commonwealth of Australia, we saw a particular strength in Japan, India and Canada.

We had strong momentum in our industries business as well, and we continue to help our customers save time and money with industry-specific solutions. More than half of our top 100 deals included one of our industry cloud in the quarter, and we continue to innovate on our industry AI capabilities.

At Dreamforce, we're excited to share our new AI toolkit -- industry toolkit, which features more than 100 ready-to-use customizable AI-powered actions. All of these actions can be applied to build industry-specific agents with Agentforce.

Salesforce partners continue to drive our growth by helping us drive success at scale, improving time to value and amplifying our growth in new ways. Our continued focus on go-to-market channel diversification is working well. And in fact, in the quarter, 3 of our top 10 deals closed through the AWS marketplace. As Marc mentioned, we're just at the beginning of building an Agentforce ecosystem with companies able to build agents on our platform for their workforce and use cases, and we're excited to have Workday as our first Agentforce partner.

In closing, I want to thank the team again. I'm really pleased with the execution in Q2. Dreamforce is just around the corner, and I can't wait to welcome all of you, either in person or virtually to see for yourself how humans and agents are working together to create new levels of customer success and the next generation of CRM.

Now over to you, Amy.

Amy E. Weaver
President & CFO

Great. Marc, Brian, thank you so much for all of the kind words. It has been such a privilege to work with both of you, the entire team of hard-working, dedicated and compassionate employees at Salesforce. Marc, special thanks to you for your confidence in me and everything you saw. I will never forget you calling me more than 4 years ago for the CFO role. I've rarely been so surprised in my life. But it has been extraordinary.

And I also want to thank all of you, our investment community and, in particular, our shareholders, for your continued support of Salesforce. It's been a pleasure working with you on our transformation journey over the last few years. Since my first day as CFO, my focus has been on transforming our business to deliver profitable growth and disciplined capital allocation. In that time, I am so proud of what we have accomplished, and I look forward to sharing Salesforce on for years to come.

So moving to the quarter, I want to echo Brian and thank the team for their dedication and very strong execution in Q2. Our focus on profitable growth and our disciplined investment strategy led to strong results. Q2 revenue was $9.33 billion, up 8% year-over-year in nominal and 9% in constant currency, ahead of expectations driven primarily by resilience in our core products, license revenue outperformance and a better-than-expected professional services.

Subscription and support revenue grew 9% year-over-year in nominal and 10% in constant currency. As a reminder, Q1 had benefited from the timing of license revenue in the leap year, resulting in a quarter-over-quarter headwind to Q2 revenue growth.

From a geographic perspective, the Americas revenue grew 7% or 8% in constant currency. EMEA grew 11% in both nominal and constant currency, and APAC grew 9% or 16% in constant currency. We saw

strong new business growth in Japan, India and Canada, while the U.S. and parts of EMEA remains constrained.

From an industry perspective, in Q2, public sector HLS and comms and media performed well. While travel, transportation and hospitality and manufacturing automotive and energy were more constrained. Our subscription support revenue was driven by another quarter of double-digit constant currency growth in both Sales Cloud and Service Cloud, primarily driven by growth in ARPU due to premium mix shift and pricing discipline. And as you've heard from Brian, multi-cloud continues to be a powerful growth lever for us.

In Q2, around 16,000 customers added a new cloud and more than 4,500 of those customers added 2 or more clouds. And we continue to see strong momentum in Data Cloud, which remains one of our fastest-growing organic innovation. In Q2, our number of paid customers grew 130% year-over-year, and the number of customers spending more than $1 million annually, nearly doubled.

Q2 revenue attrition ended the quarter at around 8%, in line with recent quarters. We are continuing to drive leverage across our business with Q2 non-GAAP operating margin of 33.7%, a record, up more than 200 basis points year-over-year, driven by top line outperformance and expense discipline.

And we are driving strong cash flow due to our profitable growth trajectory. Q2 operating cash flow was $892 million, up 10% year-over-year. Q2 free cash flow was $755 million, up 20% year-over-year.

Turning to remaining performance obligation, RPO, which represents all future revenue under contract. RPO ended Q2 at $53.5 billion, up 15% year-over-year. Current RPO or cRPO, ended at $26.5 billion, up 10% year-over-year in nominal currency. This includes a $300 million FX headwind, which results in slightly above 11% year-over-year growth in constant currency. cRPO outperformance was driven largely by bookings execution as well as early renewal favorability.

On capital return, I'm happy to say that in Q2, we executed $4.3 billion in share repurchases and issued nearly $400 million in dividends. This brings our total return to shareholders in the quarter to $4.7 billion, a record high quarterly return. As a result, we now expect to more than fully offset dilution from FY '25 stock-based compensation.

Now let's turn to guidance, starting with the full fiscal year '25. On revenue, we are holding our guidance of $37.7 billion to $38 billion, growth of approximately 8% to 9% year-over-year. A few items to note on our revenue guide. First, on the buying environment, we are assuming that the conditions we've been experiencing over the past few years persist.

On FX, our revenue guidance continues to incorporate a $100 million FX headwind year-over-year or 30 basis points impact. We continue to expect our professional services business to be a headwind to revenue, and we expect deceleration in our license revenue growth in the back half of the year. This is due to the tough compare from a very strong performance last year and the volatility of license revenue recognition.

For subscription and support revenue, we still expect approximately 10% growth year-over-year in constant currency. And we expect attrition to remain generally consistent at slightly above 8% for the full year.

Now turning to profitability and cash flow. On margins, as a result of our strong Q2 performance, we are raising our fiscal '25 non-GAAP operating margin to 32.8%, representing a 230 basis point improvement year-over-year. This incorporates intentional investments in growth opportunities, notably AI and Agentforce, Data and our core businesses.

Stock-based compensation is now expected to be 8.4% as a percent of revenue. The modest increase from our prior guidance is primarily a result of the mechanical ESPP reset.

As a result, for fiscal year '25, GAAP operating margin guidance is now expected to be slightly below 20%, representing 530 basis points of improvement year-over-year, which includes a slight increase in restructuring charges from our ongoing cost transformation.

We expect fiscal year '25 GAAP diluted EPS of $6.05 to $6.13. Non-GAAP diluted EPS is expected to be $10.03 to $10.11. As you have heard us emphasize over the last few quarters, we are focused on driving continued free -- cash flow expansion.

As a result of our disciplined capital deployment, we are raising fiscal year '25 operating cash flow growth to be approximately 23% to 25%, inclusive of cash tax headwind. We now expect CapEx for the fiscal year to be slightly below 2% of revenue. This now results in free cash flow growth of approximately 25% to 27% for the fiscal year.

Now the guidance for Q3. On revenue, we expect $9.31 billion to $9.36 billion, up 7% year-over-year in nominal and constant currency. cRPO growth for Q3 is expected to be 9% year-over-year in nominal, including $100 million FX tailwind. This will result in approximately 8.5% constant currency growth. This is inclusive of the 1 point quarter-over-quarter headwind from the very significant deal we closed in Q3 last year.

As a reminder, while we have seen more normalized bookings growth recently, cRPO will continue to be materially impacted by the cumulative effect of the previous 2 years of measured sales performance. For Q3, we expect GAAP EPS of $1.41 to $1.43, a non-GAAP EPS of $2.42 to $2.44.

In closing, I am very pleased with our strong execution this quarter as we continue to focus on profitable growth and optimizing free cash flow. And I want to thank our employees and our shareholders for their continued support. I hope you were able to participate in Dreamforce and see our new Agentforce platform and all of the incredible innovation happening at Salesforce, whether in person or virtually.

So before we open up the call for questions, though, I am going to send it back to Marc.

Marc R. Benioff
Co-Founder, Chairman & CEO

Okay. Well, thanks so much, Amy. And congratulations again on this amazing transition and the success. And you're an awesome General Counsel, you're an even better CFO. Now we have Sabastian who's delivering the General Counsel capability sitting here at the table with us. And I can't wait to see who you're going to bring in as the next CFO.

So this next thing I wish I didn't have to say to all of you, but I'm going to because it's been -- I have a heavy heart, I think all of you know that we lost 2 amazing Board members this quarter with Sandy and Susan. And we are all still processing our grief, we are all extremely sad and it's beyond anything that we have experienced, as a company or as individuals, to have to say goodbye to these 2 amazing people and our hearts and our spirits and our souls are with them and also our condolences are with their families, amazing families, amazing people.

They did so much for our company, and they were not just great Board members, not just great leaders of our industry, but they were also great friends of the company, but also personally, they did so much for me. So I'm so grateful for them, and I miss them every single day. And I'm sorry that I have to say this on the call because this is the least favorite part of what I do, but I just want to tell everyone how much I love Sandy and Susan and how much I missed them, and I'll turn it over to you, Mike.

Michael Spencer
Executive Vice President of Investor Relations
Great. Thank you. Operator, we'll take the first question, please.

Question and Answer

Operator

First question comes from Keith Weiss, Morgan Stanley.

Keith Weiss
Morgan Stanley, Research Division

Congratulations on a really solid quarter. And Amy, really heartbroken see you going. It's been great working with you over the past 4 years as CFO. You've done an amazing job in the role.

Two-part question. One on sort of the growth equation for Salesforce. A lot of excitement around the generative AI and the new AI capabilities and expanding portfolio there. We're all really excited about. There's a lot of other parts of the equation that are adding to growth, whether it's industry cloud or international expansion or multi-cloud solution.

And maybe a question for Brian. Can you help us understand how to build up the growth equation? Like where are you guys getting those points of growth? And when does GenAI become a more material contributor there?

And then the second question is around pricing. With agents coming into the picture with productivity gains of 90% deflection rates, investors are going to worry about the number of seats being used coming down with those productivity gains, how does the pricing change to account for that? So Salesforce still get the value from these solutions on a go-forward basis?

Marc R. Benioff
Co-Founder, Chairman & CEO

Let me open it up and then turn it over to Brian, and because you are right, like this is just a moment. And it's an exciting moment. It is all about growth, and it's all about innovation, and those are 2 of our specialties here at Salesforce. So I think when we think about growth, for the last 25 years, I'd say we're mostly focused on selling our apps and doing the services around those. And we're going to continue to sell our apps, and we are, and you can see in the quarter, we sold a lot of apps.

And not just selling our apps, but also we're selling our Data Cloud as well. And now we're selling our agents. And not just as core platforms, but also through our verticals, which have been some of our highest performing capabilities in the company. And you're also right that there are international regions that are growing at incredible rates. And we see that in Asia. And we also see that in other parts of the world as well, where we continue to see like this double-digit growth. And that has been very inspiring to us.

So it's really a combination of these 3 things. The total transformation of the technology stack, the verticalization of that stack and that international growth is 3 really core levers of growth, in my mind, I'm going to turn it over to Brian to give you the detail.

And then number two, on pricing. When you think about -- when you think about apps and you think about humans, because humans use apps, not in all cases. So for example, the Data Cloud is a consumption product. The Commerce Cloud is a consumption product. Of course, the e-mail product, Marketing Cloud is a consumption product. Heroku is a consumption product. So of course, we've had non-human consumption-based products for quite a long time at Salesforce.

But in this idea of agents, when -- I'll just give you my own personal goals. So I'm not giving any guidance here. My goal is that by the end of fiscal year '26 that we will have 1 billion agents. Already in just looking at the number of consumers identified just in the trials that we have going on, we have like 100 million identified or more. Okay. call it, 200 million. But the funny thing is, of course, it's only 1 agent. But let's just think it's like a manifestation of all these agents talking to all these consumers.

And then when we look at pricing, it will be on a consumption basis. And when we think about that, we think about saying to our customers, and we have, it's about $2 per conversation. So that is kind of how we think about it, that we're going to have a lot of agents out there, even though it's only 1 agent.

It's a very high margin opportunity, as you can imagine, and we're going to be reaching -- look, you have to think about these agents are like, this is the new website. This is your new phone number. This is how your customers are going to be connecting with you in this new way, and we're going to be helping our customers to manage these conversations. And it's probably a per conversational charge as a good way to look at it or we're selling additional consumption credits like we do with our data cloud. So it's a very exciting moment, and I'll turn it over to Brian as well.

Brian Millham
President & COO

Yes. Thanks for the question, Keith. And I appreciate your knowledge of all of our growth strategies here around multi-cloud deals and international acceleration, product and pricing. I think it's important not to lose track of the fact that these new innovations around Agentforce and Data Cloud and AI and make all of our core apps that much better. And even in the context of Service Cloud that you're referencing here, our customers are looking at their all-in cost of running a call center.

And when you bring a technology that allows you to scale and drive efficiencies in operating that call center, and it's on our technology we're excited about those conversations because we think we get to monetize all of that incredible innovation through the all-in cost there. There are a couple of other things I think you should know about, certainly, our channel diversification as we think about scale and international business either through resellers, a big upside for us, I believe, is our AWS Marketplace is a driver going forward. I mentioned in the comments earlier that 3 of our top 10 deals went through the marketplace. So a big opportunity there.

And then maybe another one that we haven't talked as much about, but is a big focus for us as we get into the second half of this year and beyond is how do we look at managing our attrition more aggressively going forward as a way to drive growth? How do we make sure that we are driving more adoption, more feature usage, more value derived from our technology to deliver more value to customers so that they get growth off of and efficiencies using our technology? And so many inputs, you know many of them. But as Marc said, this is a new era, and we're excited about the future and the value we can deliver to our customers.

Operator

Next up is Kash Rangan, Goldman Sachs.

Kasthuri Gopalan Rangan
Goldman Sachs Group, Inc., Research Division

Marc, you've made my heart feel heavy as well with Sandy. You might know I used to work for Sandy a long time ago. So prayers with you.

Back to the business, congrats on the quarter, Amy, unbelievable, I do not know anybody who was a Chief Legal Officer and became a successful CFO and led the company through a transformation. So you'll go down in history as a very unique person in that regard.

One macro thing, Marc, you've been through so many cycles before. Do you think rate reductions and post elections, it might be more conducive selling environment at a high level?

And also the micro question with AI. Clearly, the debate is it going to create so much productivity that we need fewer people. Clearly, your idea is that we're going to float agents out there. But how confident are you that based on everything that you've seen so far that the world might not need more seats and that you don't have to be entirely dependent only on consumption that this might actually further penetration of seats and it might be about who is not using AI and they are going to be losers versus people that

aren't using AI? So how does this play out in your view, and you've been through the cloud battle and all that? So I love your perspective.

Marc R. Benioff
Co-Founder, Chairman & CEO

Well, thanks, Kash. And yes, our hearts are with Sandy's family and with his wife, Nancy, and his daughters. Thank you for saying that so much.

I think -- let me just tell you two quick stories. I kind of told you one already in the script, which is we're working with this very large health care organization. And it's been our lifelong dream to be able to do more with this company, and they are a large Epic user. They have a huge EMR system. We do a lot of patient relationship management, which is just keeping in touch with their customers.

But this is different because what happens now is -- and we all have this experience, we go get our labs done. They draw your blood, you get your numbers and then you get a number and you're in Epic, and it says, "Oh, this is out of range or this isn't right or this seems higher or lower than it was before. And I need to talk to my doctor right now." And after the pandemic, everyone's health anxiety is just a lot higher and doctors are just get a lot more calls and nurses are just far more active than ever before.

And what happens is, is these doctors and nurses are facing a lot of burnout. You can talk to any major health care organization, and we work with them all. So in this case, this is Agentforce is now resolving in this trial, 90% -- more than 90% of these patients improves. So you can imagine for these doctors and nurses not getting these calls, how that is, but Agentforce is more than that. It's not just saying hey, my cholesterol is higher, this is happening, whatever. It also, you're saying, what's my next step?

And I would like to reschedule a doctor's appointment for you, "Oh, I want to get lab street drawn for you in 30 days," which is a common technique that a doctor will say is, "Yes, that lab that may not be accurate, let's just retest or you know what, this requires you to get an MRI or a CT scan and I've scheduled that for you." And all of that is happening through the agent.

So you can imagine every health care company, every hospital, every organization of the world needing that and that is not what we do today exactly. That's not exactly where our business is. So this is a huge new opportunity for us to now come in and say, "Yes, we're going to do patient relationship management with our Health Cloud. And we're still going to help coordinate and communicate and connect with all your patients. But now we're also helping to just dramatically improve the productivity of your organization."

Another example is very large computer hardware companies doing a major acquisition and huge customer of ours, and they're reconceptualizing their whole business, and they just want to be a very -- they want to just look at where do they want to be in terms of how they're selling and servicing their customers in 5 years. And I said to the CEO, I have spent a long time with, I've known for a long time, "Hey, we're going to build you an agent-first organization. And you're going to be agent first in sales and agent first in service, and we're going to turn you into a margin machine, and that's the goals of this implementation. And that is not a conversation that I've had with a customer for exactly like that.

So yes, we're going to continue to automate their whole organization but we have to not just build them a great sales force or a service force or marketing force or commerce force, analytics force or whatever, we have to build them an Agentforce. And that is we're going from today 0% market share in agents. And obviously, our goal is to be the agent supplier to our customers, which it has to be deeply integrated into our data and our apps.

Because these agents at some point are going to say, actually, I want to pass you off to a human now to talk and complete this, and there's a seamless automatic handshake between our agents and our apps because it's just 1 platform, by the way. So it's 1 database, 1 platform, seamless handshake. It's 1 integrated system. That's a pretty big thought. And I think we can really take our customers' capabilities to a whole new level. This is just a part of technology that has never existed before.

So I'm excited about this, Kash. I have always been excited about our apps and I have obviously been very excited about our Data Cloud. Now I'm very excited about the agents and how it all wraps together

and how it leverages our decade of AI experience. And how our team has executed on this opportunity has just been remarkable.

Operator

Next is Kirk Materne, Evercore ISI.

Kirk Materne
Evercore ISI Institutional Equities, Research Division

I'll echo the congrats on a nice quarter. And Amy, thanks so much for all your efforts over the last 4 years. It's been pleasure working with you.

Marc, one of the questions I have for you is, obviously, one of the challenges with AI from an enterprise perspective has been the complexity, the security risks. You brought this up before. So how quickly can existing customers get up and running with Agentforce? And is Data Cloud a prerequisite for driving value? Or is that just something that sort of takes it to another level?

Marc R. Benioff
Co-Founder, Chairman & CEO

Well, it's a great question. And the CSAT scores on Agentforce right in this kind of trials have been extremely high, I think 4 out of 5. And customers can get going almost immediately, and we're going to prove that for them at Dreamforce. And then we're going to go out there and we're going to -- we're going to -- through our world tours and all of our programs, which are going to be Agentforce tours, we're going to go hand-in-hand and work to implement tens of thousands of customers over the next 6 months.

And step one was building the platform that is deeply integrated while Data Cloud makes it all a lot better, you do not need Data Cloud to make it work, but we encourage it because you're just going to get so much better accuracy. And you need this anyway. And the new version of Tableau, which we've already been showing, which is awesome, is built on Data Cloud, you hit a button and it fully visualizes everything. So you have all your agents are working, your salespeople are working, your service people are working. You're setting up these e-mails. You're talking commerce on your website and then you hit a button and boom, Tableau visualizes all of it for you and it's all 1 integrated platform.

So that's really our vision of where it's going. And I think that, that is very compelling for our customers. When we bought these companies starting with ExactTarget and Demandware and Tableau, we didn't really -- really sure like -- even Slack, are we going to really integrate, rewrites? Do we nearly need to -- loosely coupled was working really well.

But now with the shift to AI, it just became clear 18 months ago, we need to hit the accelerator pedal and rewrite all these things onto the core platform because customers are going to get this incredible value by having 1 integrated system, and it scales from small companies to extremely large companies.

And that is what I am super excited about, and we just brought all of our 500 top executives together, and we showed all of our -- how we've changed all of our products, and I think everyone was just stunned, and I'm looking forward to showing that at Dreamforce because I think customers will just be so motivated not only at the quality of the new apps, which are all AI-driven, but also that they're able to extend it with these incredible new capabilities, which are indeed huge growth drivers for us going forward. And by the way, also a huge points of differentiation.

The last point is this, these customers, they're still going to build models, but it's in our platform. They're still going to fine-tune those models in our platform. They're going to still use our AI studios and build their own prompts in our platform. There -- all of it runs in our platform, and that's how they deliver this incredible capability. And if you've seen some of the architecture and graphics and how I've changed the architecture of the -- and how we talk about the company, it's really about in this 1, 2, 3 approach, the apps, the data and the agents, but it's all AI centric.

It's all -- and it's not -- you're not going to have to DIY it. And it just -- it is driving me a little crazy, as you probably heard, like when I meet with these customers and they think I need to build my own model,

I have to train my own model, I have to retrain and they are spending a lot of money on this craziness and it's not working.

So it is a disappointment that Microsoft has convinced so many customers and others to move some of these model companies who are just regulated at this point to be in commodities that they have to be customized the stuff. It's not true. It can be done in a platform approach and it's better, easier, lower cost, and we're -- this technology will -- we are proving it and we'll show it.

And if you talk to these customers have already deployed at the open tables, the Wileys, the Wyndhams, the RBCs, there's a lot of customers who don't want me to use their name, so I'm cautious. But they -- it's just very clear this is going to really dramatically make everything better.

Michael Spencer
Executive Vice President of Investor Relations

Operator, we'll take our last question now, please.

Operator

Our last question will come from Brent Thill, Jefferies.

Brent John Thill
Jefferies LLC, Research Division

I think everyone probably wants to understand kind of why now, what was the decision and maybe it's just simply 11 great years and ready for the next chapter, but I think everyone love to hear your perspective on your decision.

And for Brian, when you look at the Americas business, you were running double-digit growth. It went to one of the lowest levels we've seen in our model around 8%. What does it take to get back to double-digit growth? Is there a saturation issue? Is this competitive? Give us a sense of kind of what you think is happening in the Americas region?

Amy E. Weaver
President & CFO

Brent, I was not expecting that question, but I'm happy to address it. And again, thank you for the very nice comments, Keith, Kash, Kirk, and please know how much I've enjoyed working with all of you, and I will certainly be on the next earnings call, and possibly the one after that as we do...

Marc R. Benioff
Co-Founder, Chairman & CEO

No, no, you definitely will.

Amy E. Weaver
President & CFO

Definitely, all right. We're not moving that fast on to the third. So we'll have plenty of time, I forgot goodbyes at that point.

In terms of my decision, it has been an absolutely extraordinary 11 years, I think a journey is -- just a journey that anyone would be extraordinarily lucky to have. The last 4 years have been amazing as CFO. I really came in and I remember giving a listening tour with our shareholders, my first full month, and they told me the top 2 things on their minds were op margin and dilution.

And I set out to see what we could do on both of those. And nearly 4 years later, we've raised -- we've almost doubled the operating margin. (sic) [Statement refers to non-GAAP operating margin.] It was 17% in my first year. We're going to be close to 33% this year. We initiated a buyback program with close to $20 billion, put back. And this year, we layered in a dividend program.

We have dealt with all sorts of other incredible opportunities along the way. I think I've managed to pack in about 4 decades of CFO experiences in 4 years. This feels like the right time for me, I'm really focused on a very smooth transition of finding the next CFO, making sure to relax and recharge and looking at new adventures. So thank you for the question.

And Brian, over to you.

Brian Millham
President & COO

Really a tough transition from that. Brent, thanks for the question. First of all, as you know, Americas is the biggest business we have at Salesforce and where we've had a ton of success for many, many years. I would not characterize that market is saturated. And I would not say the competition is what holding us back. I think the measured buying environment is really what's impacted the largest business we have, in particular, the transactional business and SMB business is very large in that market. And so it's going to feel the measured buying environment weighted heavily in that market.

And so I would not position it that way that we're saturated at all. In fact, I think when you look at our new technology, the new innovation that's coming, the multi-cloud deals that we're bringing and a very happy customer base, I think we have a huge opportunity to go turn that business around and get it back to double-digit growth.

And so big opportunity and love all the innovation that's coming out of our product and development teams because our customers need it and they're looking for us to guide them into this future. So thanks for the question, and very much looking forward to seeing that growth back at double digits in the Americas.

Marc R. Benioff
Co-Founder, Chairman & CEO

Yes. Sabastian, now you've heard all these great things about our General Counsel becoming CFO, don't you think -- do you want to put your hat in the ring here?

Sabastian V. Niles
President & Chief Legal Officer

I think we're going to have some incredible internal talent, external candidates and really to get the right person to really take Salesforce and our entire system, especially all of our customers across every industry forward.

Marc R. Benioff
Co-Founder, Chairman & CEO

Very good. Thank you so much.

Michael Spencer
Executive Vice President of Investor Relations

Great. Thanks, everyone, for joining, and we look forward to seeing you and speaking with you over the coming weeks.

Marc R. Benioff
Co-Founder, Chairman & CEO

Thanks all.

Operator
Once again, everyone, that does conclude today's conference. Thank you all for your participation. You may now disconnect.