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UPDATE

October 20, 2026 05:14 PM GMT

Salesforce, Inc. | North America

Braze: Leaning Back Into Acquired Growth

Braze could reinforce Marketing Cloud's recovery with best-of-breed technology. However, buying growth brings near-term profitability dilution & further clouds organic trends. Investors likely require clearer evidence of underlying reacceleration before shares earn incremental valuation credit. EW.

Salesforce to Acquire Braze for ~$5.7B. Salesforce announced an agreement to acquire Braze for $47.50/share in cash, representing ~$5.66B in enterprise value and implying ~6x EV/NTM Sales, a modest discount to historical Salesforce M&A (Exhibit 1) and largely in line with broader Software M&A since 2023 (Exhibit 2). The transaction adds real-time, mobile-first customer engagement capabilities to Salesforce's Marketing Cloud and is expected to close in FY28 (CY27), subject to customary approvals, with no change to FY27 guidance.

M&A Framework: Leaning Back into Acquiring Growth. Management outlined three dimensions: 1) customer success and strategic fit, with Braze filling real-time, mobile engagement gaps for high-volume B2C brands; 2) acceleration, pairing Braze's mobile and data engineering talent with Salesforce's global distribution to broaden reach and drive top-line growth; and 3) value, with the purchase representing ~4 months of FY27 FCF and ~2.5% of CRM's enterprise value, funded with cash and no debt financing currently expected. Relative to Salesforce's most recent large deal in Informatica, the acquisition of Braze places clear emphasis on potential growth synergies over near-term profitability. While the Informatica deal offered an explicit near-term commitment to operating margin, EPS, and FCF accretion, Braze brings expected growth accretion alongside near-term profitability dilution (relative to our model forecasting slight expansion in operating margins from 34.3% as of current FY27 guidance to 34.9% in FY28). Management anticipates efficiencies over time but provided no defined profitability accretion timeline. Bottom line, though, the deal is relatively small in the context of moving the needle on the broader CRM business. Without any synergies, and assuming 20% topline growth at Braze (street at 16/17% for FY28/29), the deal would add ~2% to CRM's reported growth rates and would be ~20bps accretive to pro forma topline growth and ~1% dilutive to EPS on a non GAAP basis in FY28/29.

How Could the Deal Impact the Investor Debate on CRM? We see a potentially stronger product story but an incrementally harder organic growth story to isolate. Braze's best-of-breed engagement technology could reinforce early Marketing Cloud Next green shoots, addressing a consistent portfolio drag as agents and personalization raise the requirements for real-time customer interactions. More broadly, pairing Braze's real-time engagement and AI decisioning with Salesforce's four-layer stack across Data 360, Customer 360, Agentforce, and Slack could strengthen its agentic marketing proposition by translating customer context into

MORGAN STANLEY & CO. LLC

Adam Wood
Equity Analyst
Adam.Wood@morganstanley.com +1 212 761-3656

Elizabeth Porter, CFA
Equity Analyst
Elizabeth.E.Porter@morganstanley.com +1 212 761-3632

Kathleen A Keyser
Research Associate
Katie.Keyser@morganstanley.com +1 212 761-0518

Salesforce, Inc. (CRM.N, CRM UN)

Software | United States of America

Stock Rating	**Equal-weight**
Industry View	**Attractive**
Price target	**$235.00**
Shr price, close (Oct 19, 2026)	$242.45
Mkt cap, curr (mm)	$211,174
52-Week Range	$269.01-147.60

Fiscal Year Ending	01/26	01/27e	01/28e	01/29e
EPS ($)**	12.52	16.67	15.71	18.24
Prior EPS ($)**	-	-	-	-
P/E	21.0	18.5	22.0	18.2
EPS ($)§	11.76	16.76	16.01	18.53
Div yld (%)	0.8	0.8	0.9	1.0

Unless otherwise noted, all metrics are based on Morgan Stanley ModelWare framework
** = Based on consensus methodology
§ = Consensus data is provided by Refinitiv Estimates
e = Morgan Stanley Research estimates

QUARTERLY EPS ($)

Quarter	2026	2027e Prior	2027e Current	2028e Prior	2028e Current
Q1	2.58	-	3.88a	-	3.82
Q2	2.91	-	5.90	-	3.81
Q3	3.25	-	3.44	-	3.86
Q4	3.81	-	3.49	-	4.22

e = Morgan Stanley Research estimates, a = Actual Company reported data

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personalized action at consumer scale. However, buying a category leader (See Exhibit 3) shortly after rebuilding Marketing Cloud could invite skepticism around Salesforce's ability to deliver a market-leading offering internally, while adding another acquired-growth contribution for investors to disentangle alongside recent tuck-ins. The unchanged $63B+ FY30 revenue target implies an ~11%+ FY26–FY30 CAGR, including Informatica – we continue to believe investors will need a clearer organic-versus-acquired growth bridge for shares to earn incremental valuation credit here. Thus, we would look for greater clarity following the FY28 deal closure, though management has committed to no formal target-update timeline. Interestingly, the cleanest near-term valuation read-through may be to MarTech peers – we think the ~5.5x EV/CY27 Sales takeout provides a constructive benchmark for direct comp KVYO and, more broadly, HUBS, both trading at <3x Sales, though we appreciate realizing a strategic premium depends on buyer-specific synergies.

Exhibit 1: At $5.66 Billion, the Braze Deal Reflects a Discount Relative to the Average of Historical Salesforce Deals

Sizable Acquisitions by Salesforce

Company	Announcement Date	Enterprise Value	NTM Sales	EV/NTM Sales	SW Avg. EV/NTM Sales	EV/NTM Sales/Growth*	SW Avg. EV/NTM Sales/Growth	Price Premium Paid**
ExactTarget	June 4, 2013	$2,466M	$396M	6x	4.3x	0.3x	0.4x	53%
Demandware	June 1, 2016	$2,827M	$342M	8x	4.3x	0.2x	0.3x	56%
MuleSoft	March 20, 2018	$6,574M	$411M	16x	6.3x	0.4x	0.5x	36%
Tableau	June 10, 2019	$15,668M	$1,372M	11x	8.1x	0.6x	0.6x	40%
Slack	December 1, 2020	$27,700M	$1,064M	26x	12.8x	0.9x	0.7x	51%
Informatica	May 27, 2025	$8,000M	$1,695M	5x	8.0x	1.4x	0.5x	11%
Average				**12x**		**0.6x**		**41%**
Braze		**$5,660M**	**$912M**	**6x**	**7.1x**	**0.3x**	**0.5x**	**58%**

*Growth for acquisitions using NTM/TTM Sales. Growth for SW group average is a 2-year CAGR.
**Price Premium based on price before announcement and acquisition price.
***Assuming Braze price on Monday close

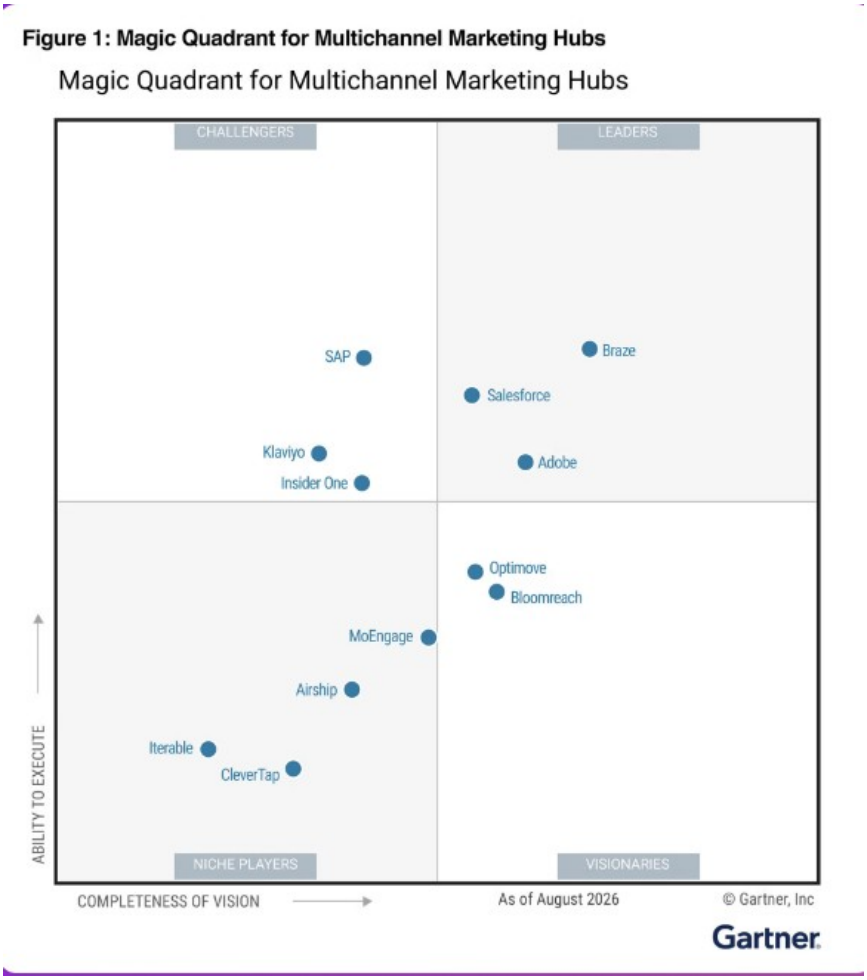
Source: Company data, Morgan Stanley Research

Exhibit 2: Average Software M&A Since 2023 Reflects ~6X EV/NTM Sales Multiple and ~38% Purchase Premium

Date	Acquirer	Target		Subsector	Price Before Announcement	Offer price/share	Premium Paid	Price $M	EV	Type of Transaction	NTM PE	NTM EV/Sales	NTM EV/EBITDA	NTM EV/FCF	NTM EV/ Rec. Rev.	NTM FCF Yield
August 4, 2026	Bending Spoons	Airtable	-	Application Software	-	-	NA	$1,285	$1,285	Cash	NA	NA	NA	NA	NA	NA
July 9, 2026	GTCR	CCC Intelligent Solutions	CCC	Vertical Applications / Other	$5.38	$7.75	44.1%	$6,100	$6,100	Cash	14.1x	5.0x	27.0x	22.1x	NA	4.5%
May 28, 2026	Autodesk	MaintainX	RAMP	Application Software	-	$240.95	NA	$3,600	$3,600	Cash	NA	NA	NA	NA	NA	NA
May 17, 2026	Publicis Groupe	LiveRamp	RAMP	Application Software	$29.66	$38.50	29.8%	$2,170	$2,170	Cash	13.8x	2.5x	27.0x	11.3x	3.5x	8.9%
January 6, 2026	HG Capital	OneStream	OS	Application Software	$18.39	$24.00	30.5%	$6,400	$6,400	Cash	NM	9.4x	27.0x	59.2x	NA	1.7%
December 17, 2025	Coursera	Udemy	UDMY	Education Technology	$6.35	$7.94	25.0%	$930	$930	Stock	15.6x	1.2x	28.0x	12.3x	NA	8.1%
December 8, 2025	IBM	Confluent	CFLT	Application Software	$23.14	$31.00	34.0%	$11,000	$11,000	Cash	63.3x	8.6x	28.0x	NM	8.9x	0.7%
November 19, 2025	Palo Alto Networks	Chronosphere	-	Security	-	-	NA	$3,350	$3,350	Cash + Stock	NA	NA	NA	NA	NA	NA
November 19, 2025	Adobe Systems	Semrush	SEMR	Application Software	$6.76	$12.00	77.5%	$1,900	$1,700	Cash	30.8x	3.5x	28.0x	23.2x	24.9x	4.3%
November 19, 2025	Workday	Pipedream	-	Application Software	-	-	NA	NA	NA	Cash	NA	NA	NA	NA	NA	NA
November 13, 2025	Zoom	BrightHire	-	Application Software	-	-	NA	NA	NA	Cash	NA	NA	NA	NA	NA	NA
November 5, 2025	Zoom	Bonsai	-	Application Software	-	-	NA	NA	NA	Cash	NA	NA	NA	NA	NA	NA
October 30, 2025	CoreWeave	Marimo	-	Application Software	-	-	NA	NA	NA	Cash	NA	NA	NA	NA	NA	NA
October 29, 2025	Francisco Partners	Jamf	JAMF	Security	$11.15	$13.05	17.0%	$2,200	$2,200	Cash	14.8x	3.0x	28.0x	15.5x	3.1x	6.4%
October 6, 2025	CoreWeave	Monolith	-	Application Software	-	-	NA	NA	NA	Cash	NA	NA	NA	NA	NA	NA
September 22, 2025	Thoma Bravo	PROS Holdings Inc	PROS	Application Software	$16.41	$23.25	41.7%	$1,400	$1,400	Cash	31.0x	3.7x	28.0x	29.5x	4.4x	3.4%
September 3, 2025	CoreWeave	OpenPipe	-	Application Software	-	-	NA	NA	NA	Cash	NA	NA	NA	NA	NA	NA
August 21, 2025	Thoma Bravo	Dayforce, Inc	DAY	Application Software	$52.88	$70.00	32.4%	$12,300	$12,300	Cash	NA	NA	NA	NA	NA	NA
July 30, 2025	Palo Alto Networks	CyberArk	CYBR	Security	$434.48	-	26.0%	$25,000	$25,000	Cash + Stock	NA	17.4x	27.0x	NM	NA	1.3%
July 3, 2025	Thoma Bravo	Olo Inc	OLO	Application Software	$6.20	$10.25	65.3%	$2,000	$2,000	Cash	31.1x	5.7x	28.0x	43.8x	NM	2.3%
June 25, 2025	Xero Limited	Melio Limited	-	Vertical Applications / Other	$194.21	$176.00	-9.4%	$2,500	$2,500	Cash	NA	NA	NA	NA	NA	NA
June 20, 2025	Havell Investments	Couchbase	BASE	Infrastructure	$18.93	$24.50	29.4%	$1,500	$1,500	Cash	NM	6.3x	27.0x	NM	6.5x	NM
May 27, 2025	Salesforce	Informatica	INFA	Application Software	$22.50	$25.00	11.1%	$8,000	$8,000	Cash	20.7x	4.7x	28.0x	18.3x	6.4x	5.5%
May 25, 2025	WiseTech Global	E2open	ETWO	Application Software	$2.60	$3.30	26.9%	$2,100	$2,100	Cash	16.5x	3.5x	28.0x	25.6x	4.0x	3.9%
May 6, 2025	Corpay/ TPG	AvidXchange	AVDX	Infrastructure	$8.20	$10.00	22.0%	$2,200	$2,200	Cash	41.7x	4.8x	29.0x	37.5x	NA	2.7%
May 5, 2025	CoreWeave	Weights & Biases	-	Application Software	-	-	NA	$1,700	$1,700	Cash	NA	NA	NA	NA	NA	NA
March 18, 2025	Google LLC	Wiz	-	Infrastructure	-	-	NA	$32,000	$32,000	Cash	NA	NA	NA	NA	NA	NA
February 7, 2025	TurnRiver Capital	SolarWinds	SWI	Infrastructure	$15.03	$18.50	35.0%	$4,400	$4,400	Cash	17.5x	5.4x	29.0x	23.9x	NA	4.2%
February 4, 2025	Bending Spoons	Brightcove Inc.	BCOV	Application Software	$3.35	$4.45	32.8%	$233	$233	Cash	NM	1.2x	30.0x	NM	NA	NM
February 3, 2025	Sophos	Secureworks	SCWX	Security	-	$8.50	-	$859	$859	Cash	NM	2.5x	29.0x	NM	NA	0.4%
January 14, 2025	Enfusion	Clearwater Analytics	ENFN	Application Software	$10.81	$11.25	4.1%	$1,500	$1,500	Cash + Stock	NM	6.3x	28.0x	48.4x	NA	2.1%
January 7, 2025	Paychex	Paycor HCM	PYCR	Application Software	$18.54	$22.50	21.4%	$4,100	$4,100	Cash	38.6x	5.5x	29.0x	32.0x	NA	3.0%
December 20, 2024	CCC Intelligent Solutions	EvolutionIQ	-	Application Software	-	-	NA	$730	$730	Cash + Stock	NM	1.1x	4.3x	5.4x	NA	18.4%
November 7, 2024	Emerson Electric	Aspen Technology	AZPN	Application Software	$177.84	$240.00	35.0%	$15,300	$15,100	Cash	29.6x	12.2x	29.0x	38.9x	NA	2.6%
October 30, 2024	Siemens	Altair	ALTR	Application Software	$95.18	$113.00	18.7%	$10,600	$10,600	Cash	NM	15.3x	62.6x	NM	NA	1.3%
October 17, 2024	Silver Lake & GIC	Zuora	ZUO	Productivity Applications	$8.47	$10.00	18.1%	$1,700	$1,700	Cash	18.9x	3.6x	14.6x	17.1x	3.9x	5.9%
July 25, 2024	KKR	Instructure Holdings	INST	Education Technology	$20.27	$23.60	16.4%	$4,800	$4,800	Cash	29.5x	6.9x	16.9x	20.1x	7.4x	6.1%
July 25, 2024	KKR	Instructure Holdings	INST	Education Technology	$20.27	$23.60	16.4%	$4,800	$4,800	Cash	29.5x	6.9x	16.9x	20.1x	7.4x	6.1%
June 7, 2024	Bain Capital	PowerSchool Holdings	PWSC	Application Software	$16.64	$22.80	37.0%	$5,600	$5,600	Cash	22.8x	7.2x	21.0x	28.2x	7.6x	1.3%
June 5, 2024	SAP	WalkMe	WKME	Productivity Applications	$9.64	$14.00	45.2%	$1,500	$1,200	Cash	70.0x	4.0x	68.2x	51.4x	1.0x	3.2%
May 13, 2024	Permira	Squarespace	SQSP	Vertical Applications / Other	$34.09	$44.00	29.1%	$6,900	$6,900	Cash	37.1x	5.6x	22.9x	23.2x	5.9x	23.9%
April 26, 2024	Thoma Bravo	Darktrace	DARK	Security	$5.17	$7.75	44.0%	$5,300	$4,900	Cash	43.1x	6.3x	26.9x	36.5x	3.0x	1.9%
April 24, 2024	IBM	HashiCorp	HCP	Infrastructure	$24.55	$35.00	42.6%	$6,400	$6,400	Cash	NM	9.9x	NM	NM	10.2x	0.4%
April 22, 2024	CoStar Group	Matterport	MTTR	Vertical Applications / Other	$1.74	$5.50	216.1%	$2,100	$1,600	Cash + Stock	NA	NA	NA	NA	NA	NA
April 8, 2024	Vista Equity Partners	Model N	MODN	Productivity Applications	$27.01	$30.00	16.0%	$1,250	$1,250	Cash	22.4x	4.8x	24.5x	25.8x	6.3x	4.9%
February 4, 2024	Thoma Bravo	Everbridge	EVBG	Application Software	$23.79	$35.00	62.0%	$1,800	$1,800	Cash	20.6x	3.9x	17.5x	22.0x	4.2x	2.8%
January 16, 2024	Synopsys	Ansys	ANSS	Application Software	$303.16	$390.19	28.7%	$35,000	$35,000	Cash + Stock	40.4x	14.1x	33.2x	43.3x	28.8x	2.3%
December 18, 2023	Clearlake Capital Group and Insig	Alteryx	AYX	Analytics	$27.85	$48.25	59.0%	$4,400	$4,400	Cash	40.5x	4.2x	27.2x	74.7x	NA	0.4%
October 23, 2023	Vista Equity Partners	EngageSmart, Inc	ESMT	Application Software	$18.71	$23.00	22.9%	$4,000	$4,000	Cash	56.1x	8.8x	47.6x	70.5x	20.9x	1.0%
September 21, 2023	Cisco	Splunk	SPLK	Security	$119.59	$157.00	31.3%	$28,000	$28,000	Cash	38.5x	7.1x	30.9x	29.3x	1.7x	4.2%
July 31, 2023	Francisco Partners	New Relic	NEWR	Analytics	$74.05	$87.00	26.0%	$6,500	$6,500	Cash	64.4x	5.8x	30.4x	48.1x	1.6x	2.3%
July 6, 2023	DigitalOcean	Paperspace	-	Application Software	-	-	NA	$111	$111	Cash	NA	NA	NA	NA	NA	NA
May 4, 2023	Silver Lake	Software AG	SOWG	Application Software	-	$35.00	NA	$2,860	$2,860	Cash	NA	2.6x	14.4x	37.5x	NA	NA
March 14, 2023	Blackstone	Cvent Holdings	CVT	Vertical Applications / Other	$6.57	$8.50	52.0%	$4,600	$4,600	Cash	40.5x	6.5x	34.1x	58.6x	NA	2.3%
March 13, 2023	Symphony Technology Group (ST	Momentive Global	MNTV	Application Software	$6.49	$9.46	45.8%	$1,500	$1,500	Cash	NA	3.0x	16.0x	17.0x	NA	NA
March 13, 2023	Silver Lake	Qualtrics	XM	Application Software	$11.21	$18.15	61.9%	$12,345	$11,625	Cash	NM	7.1x	50.2x	NM	8.3x	1.3%
February 9, 2023	Francisco Partners	Sumo Logic	SUMO	Infrastructure	$7.67	$12.05	57.1%	$1,700	$1,400	Cash	NM	4.2x	NM	NM	1.1x	NM
January 9, 2023	Vista Equity Partners	Duck Creek Technologies	DCT	Vertical Applications / Other	$12.99	$19.00	46.3%	$2,600	$2,600	Cash	NM	7.0x	NM	NM	14.0x	0.4%
Average							**38%**				**32.9x**	**6.0x**	**28.1x**	**32.5x**	**7.8x**	**4.1%**

Source: Company data, Morgan Stanley Research

Exhibit 3: Braze Positioned as Leader in Gartner's Multichannel Marketing Magic Quadrant



Source: Gartner

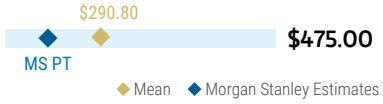
Risk Reward – Salesforce, Inc. (CRM.N)

Durable Moat & Right AI Journey, Balanced by Limited Growth Visibility

PRICE TARGET $235.00

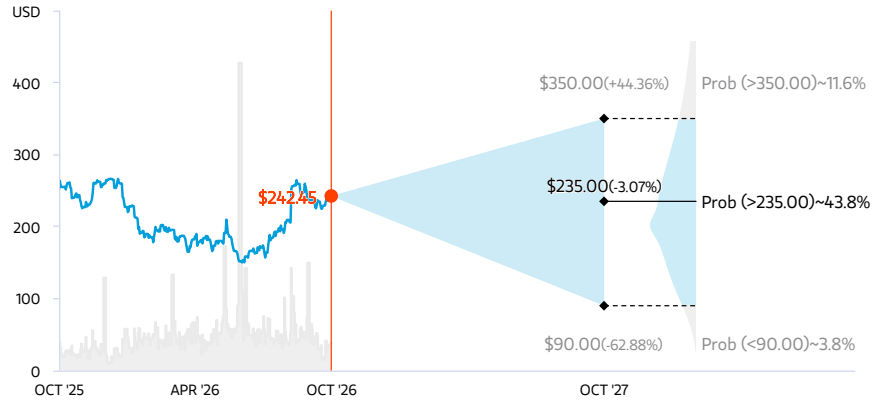
Based on a 12x multiple applied to our FY29e FCF per share of ~$22, discounted back at ~10%, adding back ($13) net cash per share.

Consensus Price Target Distribution



Source: Refinitiv, Morgan Stanley Research

RISK REWARD CHART AND OPTIONS IMPLIED PROBABILITIES (12M)



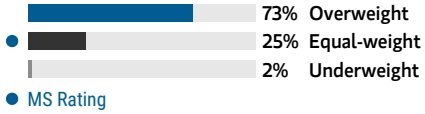
Key: Historical Stock Performance ● Current Stock Price ◆ Price Target

Source: Refinitiv, Morgan Stanley Research, Morgan Stanley Institutional Equities Division. The probabilities of our Bull, Base, and Bear case scenarios playing out were estimated with implied volatility data from the options market as of 19 Oct 2026. All figures are approximate risk-neutral probabilities of the stock reaching beyond the scenario price in either three-months' or one-years' time. View explanation of Options Probabilities methodology here

EQUAL-WEIGHT THESIS

- Salesforce retains a durable moat across enterprise distribution & SoR strength, while management's willingness to disrupt the legacy seat-based model positions the company well for an agentic world centered on actions & outcomes
- Strong Agentforce adoption & AI activity are being offset by persistent drags across legacy areas (namely Commerce & Tableau), leaving organic growth on a decelerating path and limiting near-term visibility into durable topline acceleration
- Margin expansion provides meaningful longer-term optionality w/room to drive greater leverage once current investment cycle moderates, however, at ~28x GAAP P/E, shares look fairly priced absent notable growth improvement

Consensus Rating Distribution



Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

Disruption:	*Negative*
Secular Growth:	*Positive*
Technology Diffusion:	*Positive*

View descriptions of Risk Rewards Themes here

BULL CASE $350.00

14x FY29e FCF of ~$23B

~15% FY26-29 revenue CAGR, on the back of rapid adoption of Agentforce and Data Cloud and improved renewal rates as CRM becomes more of a strategic tech provider for customers. A larger base of high margin renewal business drives op. margins to ~39% by FY29. A ~20% FCF growth CAGR supports CRM's multiple at 14x EV/FCF in FY28, yielding a forward twelve month $350 valuation, assuming a ~10% discount rate.

BASE CASE $235.00

12x FY29e FCF of ~$18B

Double-digit revenue CAGR, benefitting from recent M&A. Stability in Sales & Service Clouds with durable growth in Agentforce and AI initiatives support revenue growing at a ~10% CAGR from FY26-29. FCF benefits as op margins grow to ~36% by FY29. We value shares at 12x EV/FCF in FY28 discounted at a ~10% WACC. Our PT implies ~29x GAAP eps, largely inline with scaled Software peers of a similar growth profile.

BEAR CASE $90.00

6x FY29e FCF of ~$15B

Increased competition and legacy portfolio drag on growth. AI native competitors out-innovate driving customers to build in-house solutions, increasing attrition and pressuring topline growth towards the mid-single digits over the next 3 years. Incremental investments limit margin expansion potential despite increasing opex discipline, limiting margin expansion to ~mid 30s by FY29. CRM trades at 6x EV/FCF in FY29, yielding a forward twelve month $90 valuation, assuming a ~10% discount rate.

Risk Reward – Salesforce, Inc. (CRM.N)

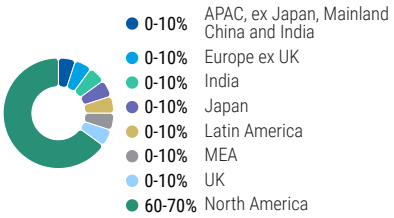
KEY EARNINGS INPUTS

Drivers	Jan 2026	Jan 2027e	Jan 2028e	Jan 2029e
Total Billings YoY Growth (%)	13.8	7.0	0.0	0.0
Current Remaining Performance Obligations YoY (%)	16.2	11.8	0.0	0.0
Current RPO-Base Bookings YoY (%)	14.6	8.5	0.0	0.0
Operating Margin % (%)	34.1	34.3	34.9	35.7

INVESTMENT DRIVERS

- Organic revenue growth sustains near high-teens CAGR
- Balanced revenue growth and margin framework following recent M&A

GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies here

MS ALPHA MODELS

1/5 BEST	24 Month Horizon	3/5 MOST	3 Month Horizon

Source: Refinitiv, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

RISKS TO PT/RATING

RISKS TO UPSIDE

- Quicker than expected, effective monetization of Gen AI products / headless initiatives
- Announcements of significant new cost cutting initiatives
- Larger buyback authorizations & faster deployment of buybacks

RISKS TO DOWNSIDE

- Agentforce / Headless initiatives fail to stabilize growth
- GenAI investments weigh on margins
- Demand for new CRM front-office solutions crowded out as enterprises utilize alternative platforms

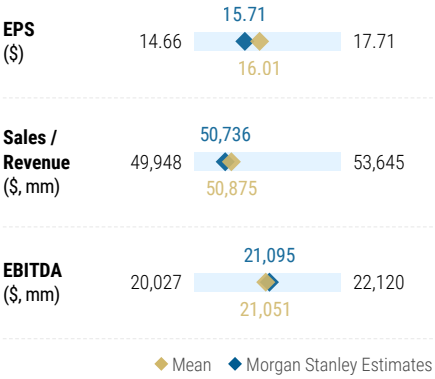
OWNERSHIP POSITIONING

Inst. Owners, % Active	51.7%
HF Sector Long/Short Ratio	2.2x
HF Sector Net Exposure	30.6%

Refinitiv; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure – Short Exposure).

MS ESTIMATES VS. CONSENSUS

FY Jan 2028e



Source: Refinitiv, Morgan Stanley Research

Risk Reward Reference links

1. View explanation of Options Probabilities methodology - Options_Probabilities_Exhibit_Link.pdf

2. View descriptions of Risk Rewards Themes - RR_Themes_Exhibit_Link.pdf

3. View explanation of regional hierarchies - GEG_Exhibit_Link.pdf

4. View explanation of Theme/Exposure methodology - ESG_Sustainable_Solutions_External_Link.pdf

5. View explanation of HERS methodology - ESG_HERS_External_Link.pdf

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(as of September 30, 2026)

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	Coverage Universe		Investment Banking Clients (IBC)			Other Material Investment Services Clients (MISC)	
Stock Rating Category	Count	% of Total	Count	% of Total IBC	% of Rating Category	Count	% of Total Other MISC
Overweight/Buy	1599	43%	455	48%	28%	783	44%
Equal-weight/Hold	1563	42%	394	42%	25%	763	43%
Not-Rated/Hold	2	0%	1	0%	50%	1	0%
Underweight/Sell	570	15%	96	10%	17%	227	13%
Total	3,734		946			1774	

Data include common stock and ADRs currently assigned ratings. Investment Banking Clients are companies from whom Morgan Stanley received investment banking compensation in the last 12 months. Due to rounding off of decimals, the percentages provided in the "% of total" column may not add up to exactly 100 percent.

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Attractive (A): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be attractive vs. the relevant broad market benchmark, as indicated below.

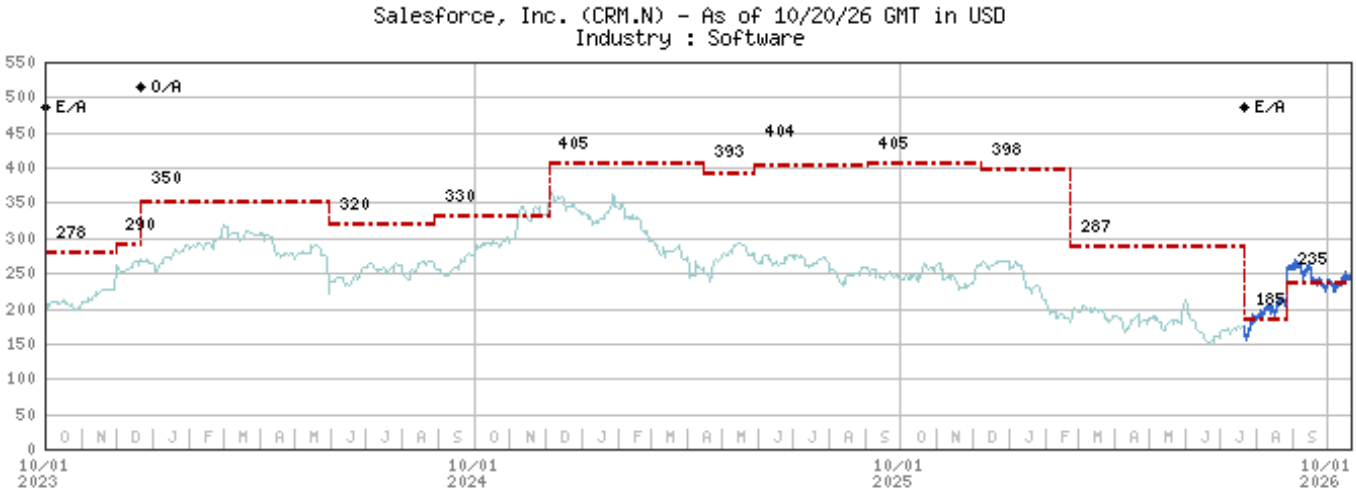
In-Line (I): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be in line with the relevant broad market benchmark, as indicated below.

Cautious (C): The analyst views the performance of his or her industry coverage universe over the next 12-18 months with caution vs. the relevant broad market benchmark, as indicated below.

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Stock Price, Price Target and Rating History (See Rating Definitions)



Stock Rating History: 10/1/21 : O/A; 7/31/23 : E/A; 12/21/23 : O/A; 7/21/26 : E/A

Price Target History: 9/23/21 : 345; 11/1/21 : 360; 5/16/22 : 291; 8/16/22 : 273; 12/1/22 : 250; 12/19/22 : 228; 1/30/23 : 236; 3/2/23 : 240; 6/1/23 : 251; 7/31/23 : 278; 11/30/23 : 290; 12/21/23 : 350; 5/30/24 : 320; 8/28/24 : 330; 12/4/24 : 405; 4/15/25 : 393; 5/29/25 : 404; 9/2/25 : 405; 12/8/25 : 398; 2/23/26 : 287; 7/21/26 : 185; 8/27/26 : 235

Source: Morgan Stanley Research Date Format : MM/DD/YY Price Target No Price Target Assigned (NA)
Stock Price (Not Covered by Current Analyst) Stock Price (Covered by Current Analyst)
Stock and Industry Ratings (abbreviations below) appear as ◆ Stock Rating/Industry View
Stock Ratings: Overweight (O) Equal-weight (E) Underweight (U) Not-Rated (NR) No Rating Available (NA)
Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)

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INDUSTRY COVERAGE: Software

COMPANY (TICKER)	RATING (AS OF)	PRICE* (10/19/2026)
Adam Wood		
Adobe Inc. (ADBE.O)	U (07/21/2026)	$247.09
Atlassian Corporation PLC (TEAM.O)	O (01/13/2020)	$214.75
Intuit (INTU.O)	E (07/21/2026)	$325.62
Microsoft (MSFT.O)	O (07/21/2026)	$533.52
Salesforce, Inc. (CRM.N)	E (07/21/2026)	$242.45
Samsara Inc (IOT.N)	E (03/23/2023)	$40.30
ServiceNow Inc (NOW.N)	O (09/24/2025)	$145.36
Shopify Inc (SHOP.O)	O (04/19/2024)	$171.06
Workday Inc (WDAY.O)	U (07/21/2026)	$195.20
Chris Quintero		
BILL Holdings Inc (BILL.N)	E (06/10/2025)	$45.69
Blackline Inc (BL.O)	E (07/21/2026)	$30.11
Box Inc (BOX.N)	E (05/21/2024)	$40.46
CCC Intelligent Solutions Holdings Inc (CCC.O)	++	$7.63
Descartes Systems Group Inc (DSGX.O)	O (01/15/2026)	$86.66
DocuSign Inc (DOCU.O)	E (01/16/2024)	$76.66
Manhattan Associates Inc. (MANH.O)	O (10/11/2026)	$225.43
Navan Inc (NAVN.O)	O (11/24/2025)	$25.67
ServiceTitan Inc (TTAN.O)	O (01/20/2026)	$78.26
SPS Commerce Inc (SPSC.O)	U (07/21/2026)	$85.42
Vertex Inc. (VERX.O)	E (07/21/2026)	$13.53
Via Transportation Inc (VIA.N)	O (01/20/2026)	$32.95

Elizabeth Porter, CFA		
Amplitude Inc. (AMPL.O)	O (01/15/2026)	$15.18
Asana Inc (ASAN.N)	U (05/20/2025)	$10.15
Autodesk (ADSK.O)	O (08/23/2024)	$240.70
Bandwidth Inc (BAND.O)	E (10/16/2026)	$43.50
Figma Inc (FIG.N)	E (08/25/2025)	$21.54
Five9 Inc (FIVN.O)	E (10/10/2022)	$33.34
Freshworks Inc (FRSH.O)	E (10/18/2021)	$14.13
GoDaddy Inc (GDDY.N)	E (07/19/2021)	$106.70
HubSpot, Inc. (HUBS.N)	O (03/21/2023)	$234.63
Klaviyo, Inc (KVYO.N)	O (04/29/2026)	$17.52
Liveramp Holdings Inc (RAMP.N)	E (01/13/2025)	$38.21
monday.com Ltd (MNDY.O)	O (08/12/2025)	$93.42
NICE Ltd. (NICE.O)	E (07/21/2026)	$113.84
Octave Intelligence Plc (OCTV.O)	E (09/17/2026)	$20.52
RingCentral Inc (RNG.N)	E (08/08/2023)	$79.19
Sprinklr Inc (CXM.N)	E (07/19/2021)	$6.12
Sprout Social Inc (SPT.O)	E (11/17/2020)	$11.66
Toast, Inc. (TOST.N)	O (12/16/2021)	$31.45
Twilio Inc (TWLO.N)	O (02/24/2025)	$257.29
Wix.Com Ltd (WIX.O)	E (07/21/2026)	$76.98
Zeta Global Holdings Corp (ZETA.N)	E (08/01/2024)	$32.50
Zoom Communications (ZM.O)	E (10/11/2022)	$97.59
ZoomInfo Technologies Inc (GTM.O)	E (02/01/2024)	$3.93
Meryl R Thomas, CFA		
Lightspeed Commerce Inc. (LSPD.N)	E (02/18/2021)	$10.77
Meta A Marshall		
Check Point Software Technologies Ltd. (CHKP.O)	E (10/16/2023)	$138.93
CrowdStrike Holdings Inc (CRWD.O)	O (03/10/2026)	$228.10
Fortinet Inc. (FTNT.O)	E (07/21/2026)	$171.50
Gen Digital Inc. (GEN.O)	E (06/07/2024)	$23.64
Netskope, Inc. (NTSK.O)	O (10/13/2025)	$19.42
Okta, Inc. (OKTA.O)	O (12/02/2024)	$189.93
Palo Alto Networks Inc (PANW.O)	O (10/10/2017)	$346.95
Qualys Inc (QLYS.O)	U (02/09/2021)	$190.08
Rapid7 Inc (RPD.O)	U (07/21/2026)	$13.22
SailPoint Inc (SAIL.O)	O (09/02/2025)	$18.90
SentinelOne, Inc. (S.N)	E (12/02/2024)	$21.71
Tenable Holdings Inc (TENB.O)	E (12/02/2024)	$38.93
Varonis Systems, Inc. (VRNS.O)	++	$48.70
Zscaler Inc (ZS.O)	E (04/22/2026)	$212.53
Ryan Lountzis		
CoreWeave (CRWV.O)	E (04/22/2025)	$61.12
Nebius Group NV (NBIS.O)	E (01/15/2026)	$170.24
Sanjit K Singh		
Akamai Technologies, Inc. (AKAM.O)	O (01/12/2026)	$87.25
Appian Corp (APPN.O)	E (04/30/2026)	$42.28
C3.ai (AI.N)	U (01/04/2021)	$11.28
Cloudflare Inc (NET.N)	O (12/02/2024)	$297.58
Datadog, Inc. (DDOG.O)	O (01/12/2026)	$260.36
DigitalOcean Holdings Inc (DOCN.N)	O (01/16/2025)	$100.37
Dynatrace Inc (DT.N)	O (08/25/2026)	$61.54
Elastic NV (ESTC.N)	E (07/21/2026)	$94.60
GitLab Inc (GTLB.O)	E (01/12/2026)	$53.29

JFrog Ltd. (FROG.O)	E (07/21/2026)	$91.00
MongoDB Inc (MDB.O)	O (04/12/2023)	$348.69
Oracle Corporation (ORCL.N)	E (01/15/2019)	$129.59
PagerDuty, Inc. (PD.N)	U (07/21/2026)	$16.69
Palantir Technologies Inc. (PLTR.O)	E (02/04/2025)	$194.15
Snowflake Inc. (SNOW.N)	O (06/24/2025)	$315.35
UiPath Inc (PATH.N)	E (09/07/2022)	$13.12

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* Historical prices are not split adjusted.

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