



Third Quarter and First Nine Months 2021 Results Presentation

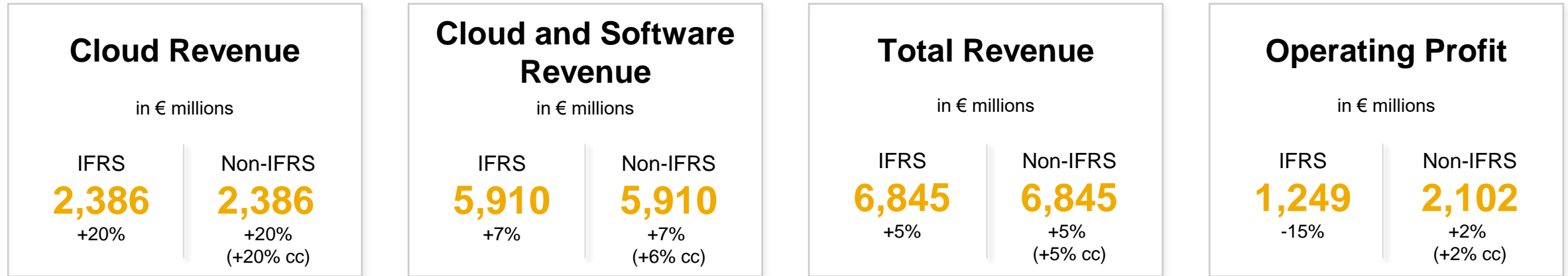
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Safe Harbor Statement

Any statements contained in this document that are not historical facts are forward-looking statements as defined in the U.S. Private Securities Litigation Reform Act of 1995. Words such as “anticipate,” “believe,” “estimate,” “expect,” “forecast,” “intend,” “may,” “plan,” “project,” “predict,” “should” and “will” and similar expressions as they relate to SAP are intended to identify such forward-looking statements. SAP undertakes no obligation to publicly update or revise any forward-looking statements. All forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. The factors that could affect SAP’s future financial results are discussed more fully in SAP’s filings with the U.S. Securities and Exchange Commission (“SEC”), including SAP’s most recent Annual Report on Form 20-F filed with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates.

SAP cloud momentum accelerates significantly

Financial highlights



Q3 Other Financial Highlights*

- Current Cloud Backlog: **+22% @cc to €8.2bn**
- SAP S/4HANA Current Cloud Backlog: **+58% @cc to €1.3bn**
- SAP S/4HANA Cloud Revenue: **+46% @cc to €0.28bn | +46% (IFRS)**
- SaaS/PaaS Revenue excl. Intelligent Spend: **+27% @cc | +27% (IFRS)**
- Share of more predictable revenue now at **77%**
- Cloud Gross Margin: **-0.4pp @cc to 69.4% | 0.6pp to 67.0% (IFRS)**

* All numbers are Non-IFRS unless otherwise stated.

Regional revenue

Strong cloud performance across all regions

AMERICAS

Q3/21

Cloud Revenue

+14%

+14% CC

Cloud and Software Revenue

+6%

+6% CC

The U.S., Canada, Brazil and Mexico had a robust performance in cloud revenue.

EMEA

Q3/21

Cloud Revenue

+29%

+28% CC

Cloud and Software Revenue

+8%

+7% CC

Germany, the UK and France were highlights in cloud revenue.

APJ

Q3/21

Cloud Revenue

+23%

+25% CC

Cloud and Software Revenue

+6%

+6% CC

For cloud revenue, Japan, Singapore and South Korea were highlights.

Revenues calculated based on customer location; All numbers are Non-IFRS unless otherwise stated; Individual country highlights are based on Non-IFRS at constant currencies

Gross margin development

Non-IFRS at constant currencies as reported	FY/19	Q1/20	Q2/20	Q3/20	Q4/20	FY/20	Q1/21	Q2/21	Q3/21
Cloud	68.2	69,3	69,3	69,7	70,1	69.6	69,5	69,9	69,3
SaaS/PaaS – Intelligent Spend Group	78.1	78,7	79,7	78,3	78,9	78.9	79,1	80,1	79,9
SaaS/PaaS – Other	68.5	70,3	69,5	71,4	71,4	70.7	70,7	70,3	69,7
IaaS	28.9	30,7	35,6	33,0	35,9	33.8	32,8	35,9	35,3
Software Licenses & Support	87.4	85,9	87,4	88,2	88,9	87.7	86,5	87,6	88,1
Cloud & Software	81.6	79,7	81,0	81,6	83,0	81.4	79,7	80,5	80,5
Services	25.0	22,3	25,6	31,4	28,2	26.8	28,8	29,6	31,2
Total Gross Margin	72.3	69,9	72,5	74,0	76,0	73.3	72,4	73,5	73,8

Tax rate, EPS, Cash Flow & CapEx

Effective Tax Rate (Q3)

- IFRS: 18.9% | -1.3pp
- Non-IFRS: 18.2% | -3.1pp



Decrease mainly resulted from tax effects related to changes in taxes for prior years, which were partly compensated by tax effects related to changes in tax exempt income

EPS (Q3)

- IFRS: €1.19 | -10%
- Non-IFRS: €1.74 | +2%



Including another strong contribution from Sapphire Ventures. In addition, IFRS EPS was impacted by a year over year increase in share-based compensation

Cash Flow (YTD)

Operating Cash Flow

€4.95bn | -3%

Free Cash Flow

€4.13bn | -1%



Positive effects from lower share-based and restructuring payments were compensated by higher income taxes paid

Revenue and profit outlook raised reflecting strong business performance

Updated outlook 2021

2020 Actuals (Non-IFRS)

Cloud Revenue
€8.09bn

Cloud and Software Revenue
€23.23bn

Total Revenue
€27.34bn

Operating Profit
€8.29bn

2021 Outlook (Non-IFRS @cc)

Cloud Revenue
in a range of **€9.4 – 9.6bn [prev. €9.3 – 9.5bn]**
Growth: **16% to 19%**

Cloud and Software Revenue
in a range of **€23.8 – 24.2bn [prev. €23.6 – 24.0bn]**
Growth: **2% to 4%**

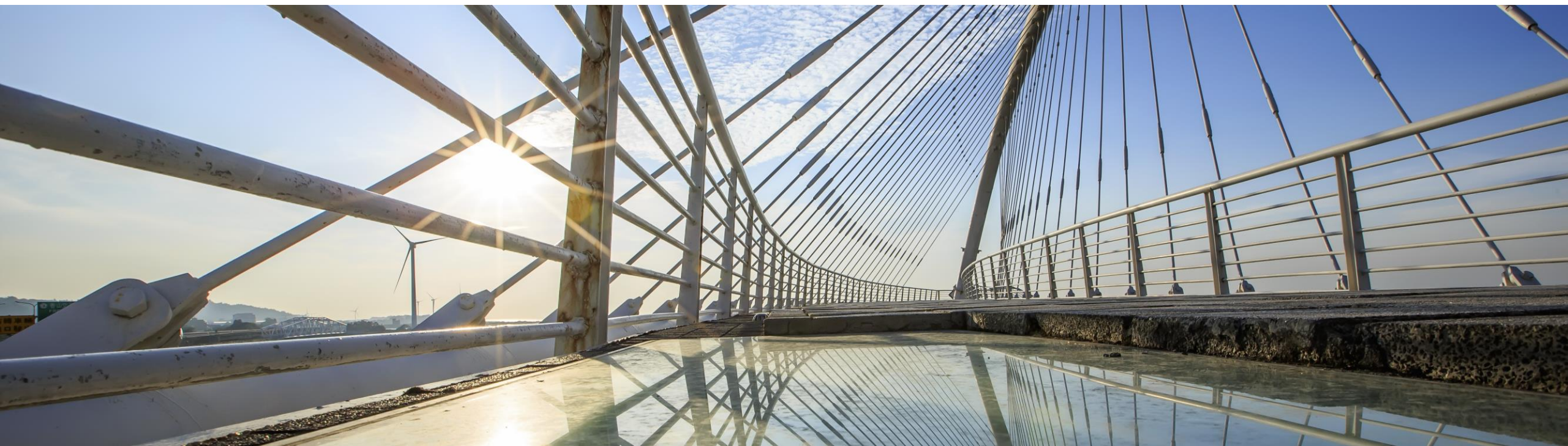
Operating Profit
in a range of **€8.1 – 8.3bn [prev. €7.95 – 8.25bn]**
Growth: **-2% to flat**

Share of more predictable revenue
to reach approx. **75%**

Operating Cash Flow
approx. **€6.0bn**

Free Cash Flow
above **€4.5bn**

Appendix



Non-financial indicators

Outlook 2021

2020 Actuals

Employee Engagement
86%

Customer Net Promoter Score
4

Carbon Emissions
135kt

2021 Outlook

Employee Engagement
in a range of **84% to 86%**

Customer Net Promoter Score
in a range of **5 to 10**

Carbon Emissions
in a range of **90kt to 110kt**

Q3/21 Actuals

Employee Retention
93.7%

Women in Management
28.2%

Carbon Emissions
25kt

Income statement: Third quarter 2021

€ millions, unless otherwise stated	IFRS			Non-IFRS			
	Q3/21	Q3/20	Δ %	Q3/21	Q3/20	Δ %	Δ % at cc
Cloud	2,386	1,984	20	2,386	1,984	20	20
Software licenses	657	714	-8	657	714	-8	-8
Software support	2,867	2,845	1	2,867	2,845	1	1
Software licenses and support	3,524	3,559	-1	3,524	3,559	-1	-1
Cloud and software	5,910	5,544	7	5,910	5,544	7	6
Services	935	992	-6	935	992	-6	-6
Total revenue	6,845	6,535	5	6,845	6,535	5	5
Total operating expenses	-5,596	-5,063	11	-4,742	-4,466	6	6
Operating profit (loss)	1,249	1,473	-15	2,102	2,069	2	2
Financial income, net	484	616	-21	484	616	-21	
Profit (loss) before tax	1,749	2,070	-16	2,602	2,666	-2	
Income tax expense	-331	-418	-21	-474	-568	-17	
Profit (loss) after tax	1,418	1,652	-14	2,129	2,098	1	
Operating margin (in %)	18.2%	22.5%	-4.3pp	30.7%	31.7%	-0.9pp	-0.7pp
Earnings per share, basic (in €)	1.19	1.32	-10	1.74	1.70	2	

Income statement: First nine months 2021

€ millions, unless otherwise stated	IFRS			Non-IFRS			
	9M/21	9M/20	Δ %	9M/21	9M/20	Δ %	Δ % at cc
Cloud	6,806	6,039	13	6,806	6,041	13	17
Software licenses	1,790	1,939	-8	1,790	1,939	-8	-6
Software support	8,491	8,671	-2	8,491	8,671	-2	1
Software licenses and support	10,281	10,610	-3	10,281	10,610	-3	-1
Cloud and software	17,088	16,649	3	17,088	16,651	3	6
Services	2,774	3,150	-12	2,774	3,150	-12	-9
Total revenue	19,861	19,800	0	19,861	19,801	0	3
Total operating expenses	-16,668	-15,833	5	-14,100	-14,286	-1	1
Operating profit (loss)	3,193	3,967	-20	5,762	5,515	4	8
Financial income, net	1,651	669	>100	1,651	669	>100	
Profit (loss) before tax	4,890	4,514	8	7,459	6,062	23	
Income tax expense	-954	-1,166	-18	-1,396	-1,555	-10	
Profit (loss) after tax	3,936	3,348	18	6,063	4,507	35	
Operating margin (in %)	16.1%	20.0%	-4.0pp	29.0%	27.9%	1.2pp	1.3pp
Earnings per share, basic (in €)	3.22	2.74	18	4.88	3.71	31	

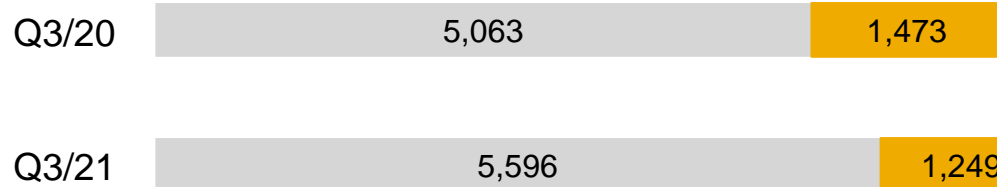
Gross margin development

Non-IFRS, in percent as reported	FY/18	Q1/19	Q2/19	Q3/19	Q4/19	FY/19	Q1/20	Q2/20	Q3/20	Q4/20	FY/20	Q1/21	Q2/21	Q3/21
Cloud	63.1	66,2	67,9	69,0	69,5	68.2	69,3	69,5	69,7	70,3	69.7	69,6	70,0	69,4
SaaS/PaaS – Intelligent Spend Group	77.8	78,0	78,1	78,0	78,0	78.1	78,8	79,9	78,3	79,1	78.9	78,7	80,0	80,0
SaaS/PaaS – Other	60.0	63,8	69,0	70,5	70,0	68.5	70,2	69,5	71,4	71,4	70.7	71,0	70,5	69,8
IaaS	12.2	32,0	22,4	25,3	35,7	28.9	31,0	36,0	33,4	36,8	34.3	35,1	36,8	35,3
Software Licenses & Support	87.4	85,7	87,1	87,6	88,8	87.4	85,7	87,4	87,6	88,5	87.4	86,3	87,3	87,8
Cloud & Software	81.5	79,6	81,1	81,7	83,4	81.6	79,6	81,0	81,2	82,8	81.2	79,7	80,5	80,4
Services	22.9	20,3	23,9	26,9	28,1	25.0	22,8	26,3	31,5	28,0	27.0	28,5	29,2	31,0
Total Gross Margin	71.8	69,5	71,4	72,3	75,2	72.3	69,8	72,6	73,7	75,8	73.1	72,3	73,4	73,6

Operating profit: Third quarter 2021

IFRS

Total operating expenses | Operating profit (loss)



Total revenue

€6,535m

€6,845m

IFRS operating profit (loss)

-15% to €1,249m (Q3/20: €1,473m)

IFRS operating margin

-4.3pp to 18.2% (Q3/20: 22.5%)

Non-IFRS

Total operating expenses | Operating profit (loss)



Total revenue

€6,535m

€6,845m

Non-IFRS operating profit (loss)

+2% to €2,102m (Q3/20: €2,069m)

+2% to €2,119m at cc

Non-IFRS operating margin

-0.9pp to 30.7% (Q3/20: 31.7%)

-0.7pp to 31.0% at cc

Operating profit: First nine months 2021

IFRS

	Total operating expenses Operating profit (loss)	Total revenue	IFRS operating profit (loss) -20% to €3,193m (9M/20: €3,967m)
9M/20	15,833 3,967	€19,800m	IFRS operating margin -4.0pp to 16.1% (9M/20: 20.0%)
9M/21	16,668 3,193	€19,861m	

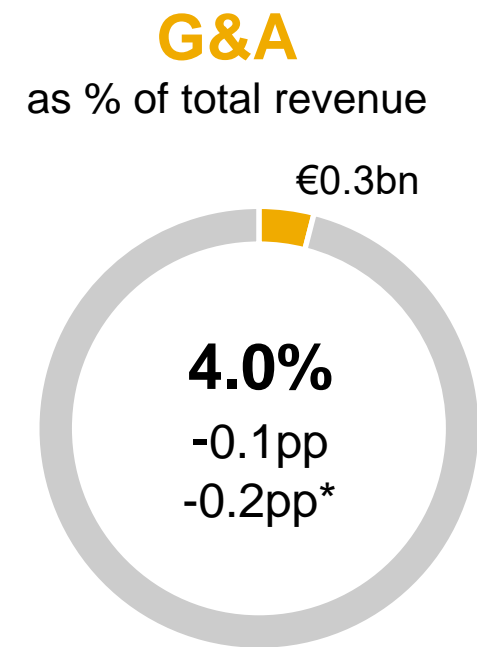
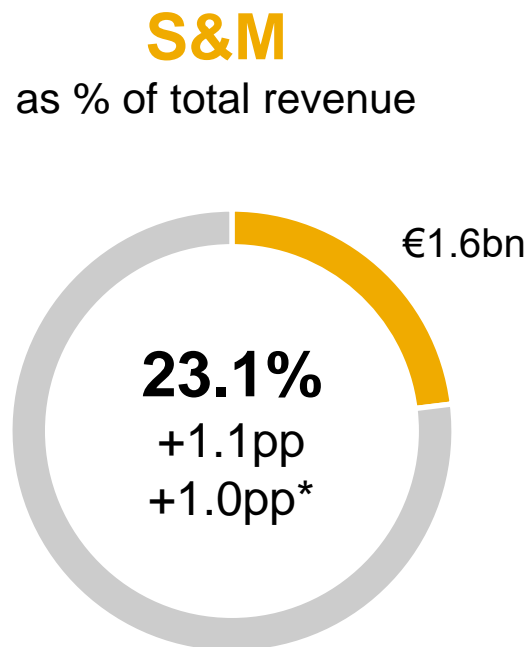
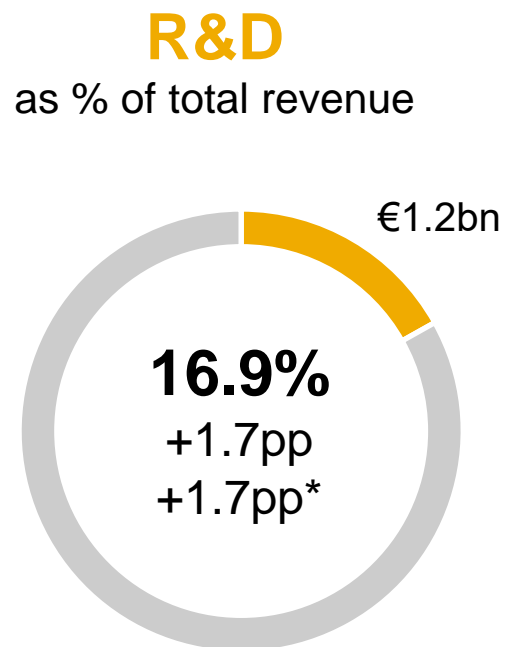
Non-IFRS

	Total operating expenses Operating profit (loss)	Total revenue	Non-IFRS operating profit (loss) +4% to €5,762m (9M/20: €5,515m) +8% to €5,972m at cc
9M/20	14,286 5,515	€19,801m	Non-IFRS operating margin +1.2pp to 29.0% (9M/20: 27.9%)
9M/21	14,100 5,762	€19,861m	+1.3pp to 29.2% at cc

Cost ratios: Third quarter 2021

All numbers are Non-IFRS unless otherwise stated.

— €6.8bn Total revenue, Non-IFRS

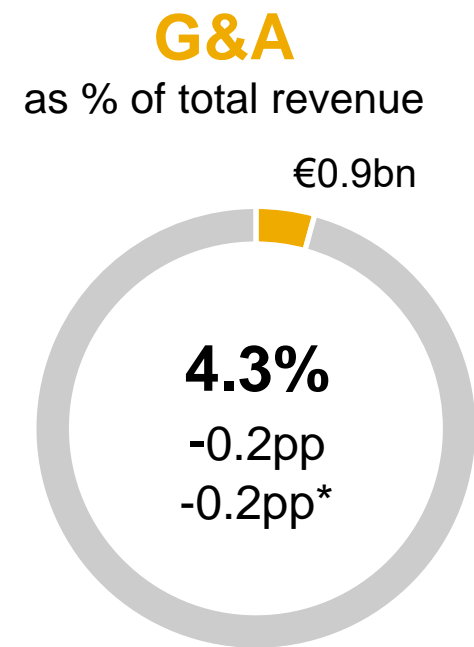
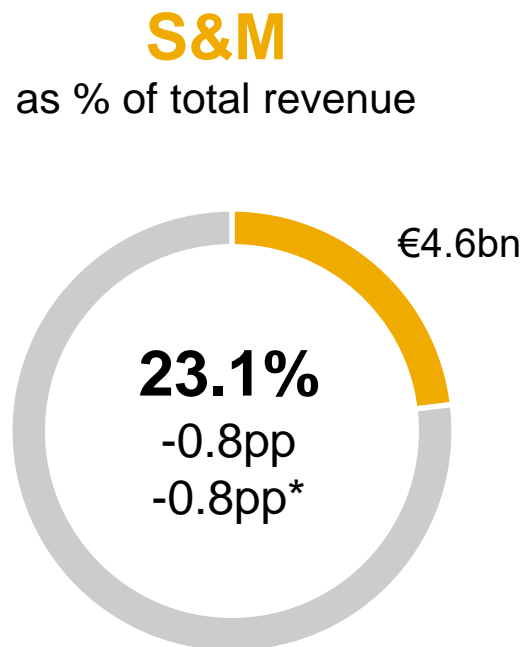
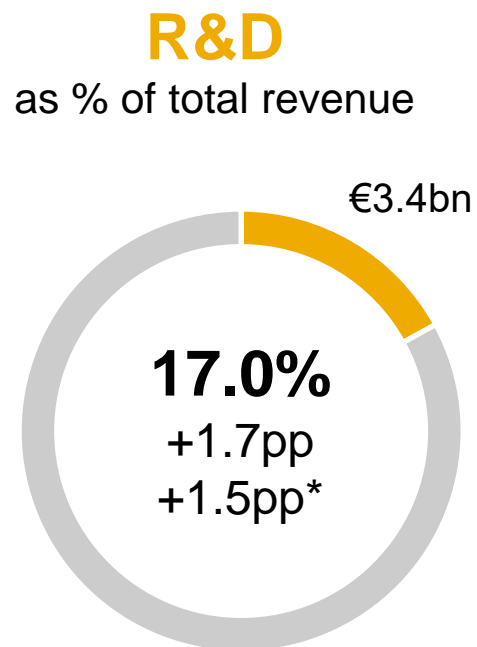


*Non-IFRS at constant currencies

Cost ratios: First nine months 2021

All numbers are Non-IFRS unless otherwise stated.

— **€19.9bn Total revenue, Non-IFRS**



*Non-IFRS at constant currencies

Balance sheet condensed: September 30, 2021 – IFRS

Assets			Equity and liabilities		
€ millions	9/30/21	12/31/20	€ millions	9/30/21	12/31/20
Cash, cash equivalents and other financial assets	7,943	5,311	Trade and other payables	1,142	1,213
Trade and other receivables	5,030	6,593	Provisions	87	73
Other current assets	3,954	3,166	Other liabilities	8,436	7,405
Total current assets	16,927	15,069	Contract liabilities, current	4,846	4,150
Goodwill	29,654	27,554	Total current liabilities	14,511	12,842
Intangible assets	3,810	3,784	Financial liabilities	11,342	13,605
Property, plant, and equipment	4,834	5,041	Provisions	386	362
Other non-current assets	9,805	7,019	Contract liabilities, non-current	51	36
Total non-current assets	48,103	43,396	Other non-current liabilities	1,915	1,693
Total assets	65,030	58,465	Total non-current liabilities	13,695	15,696
			Total liabilities	28,207	28,537
			Total equity	36,823	29,928
			Total equity and liabilities	65,030	58,465

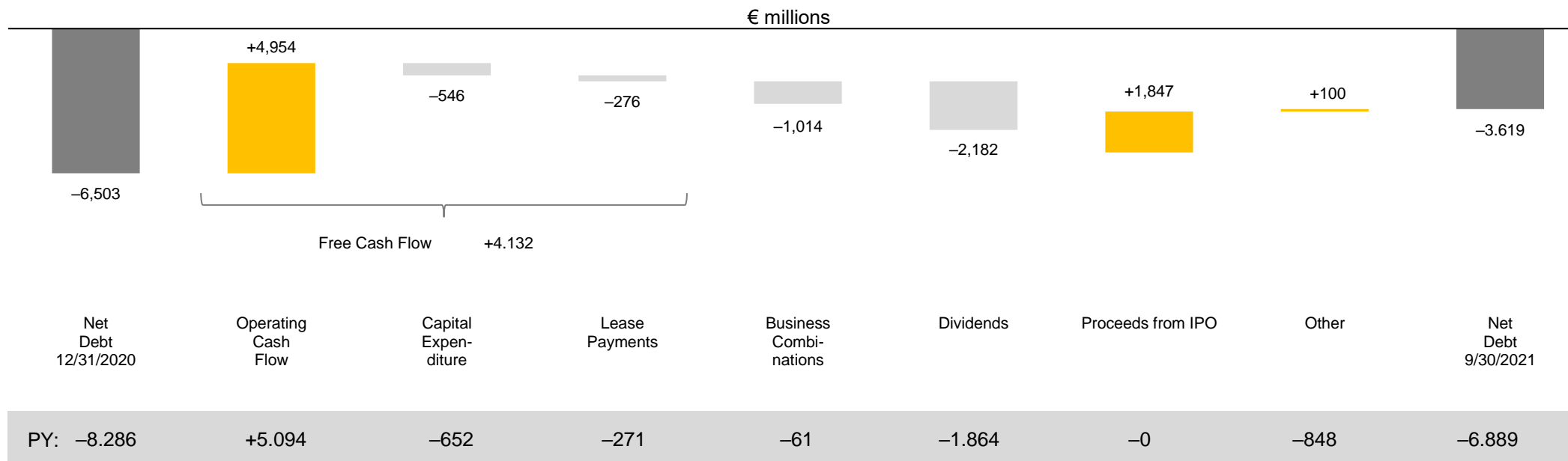
Due to rounding, numbers may not add precisely

Cash flow development

€ millions, unless otherwise stated	9M/21	9M/20	Δ
Operating cash flow	4,954	5,094	-3%
- Capital expenditure	-546	-652	-16%
- Payments of lease liabilities	-276	-271	+2%
Free cash flow	4,132	4,171	-1%
Free cash flow in percent of total revenue	21	21	-
Free cash flow conversion rate	1.05	1.25	-0.20

Due to rounding, numbers may not add up precisely

Net debt



Net Liquidity = cash and cash equivalent plus current time deposits and debt securities minus financial debt

Other = mainly purchase and sales of equity or debt instruments of other entities as well as treasury shares, proceeds from sales of non-current assets, and effects of foreign currency rates on cash and cash equivalents

For more information see our 2020 Integrated Report

Additional outlook information and Non-IFRS adjustments

The Company now expects a full-year 2021 effective tax rate (IFRS) of 21.0% to 22.0% (previously: 21.5% to 23.0%) and an effective tax rate (non-IFRS) of 20.0% to 21.0% (previously: 20.0% to 21.5%).

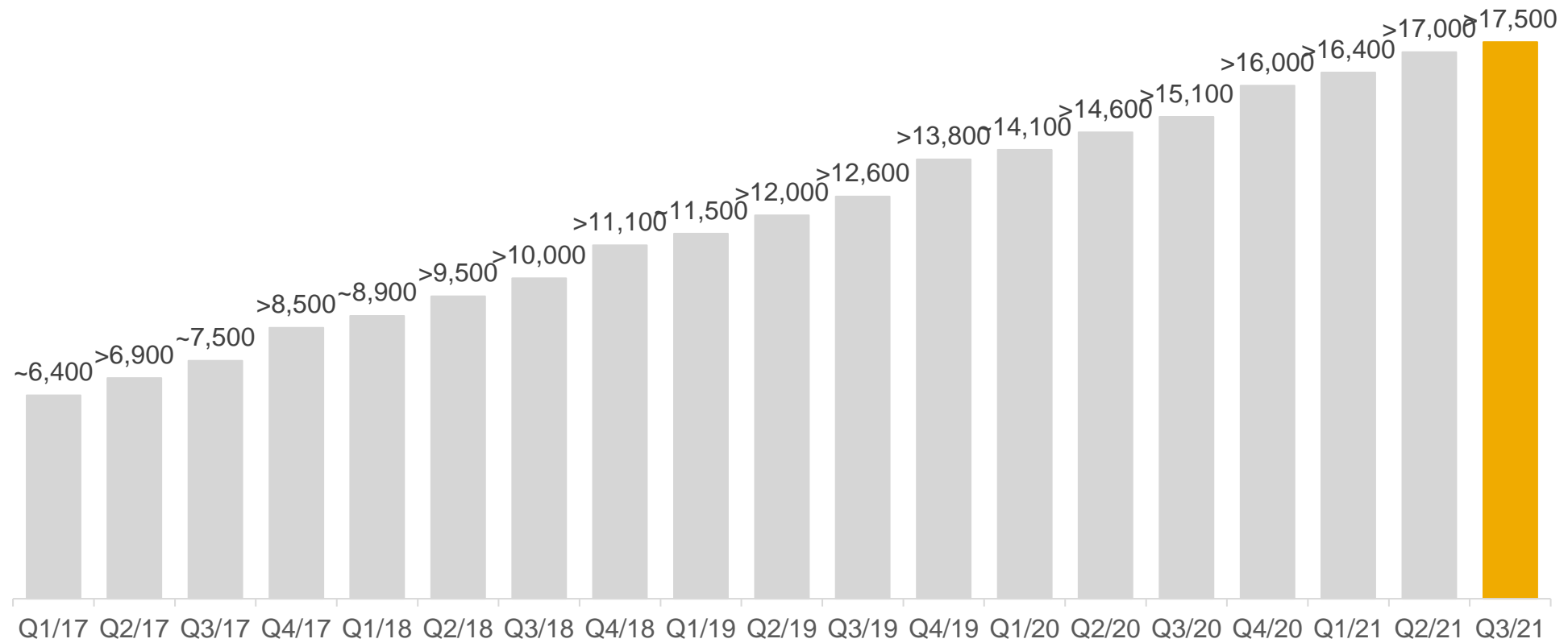
	Actual Amounts 9M/20	Actual Amounts 9M/21	Est. Amounts for FY/21
Non-IFRS adjustments			
Revenue adjustments	€2m	€0m	NA
Acquisition-related charges	€478m	€457m	€560m to €660m
Share-based payment expenses	€1,064m	€1,961m	€2,300m to €2,800m
Restructuring charges	€4m	€151m	€150m to €200m
Sum of all adjustments	€1,547m	€2,569m	€3,010m to €3,660m

Due to rounding, numbers may not add up precisely

Expected currency impact 2021

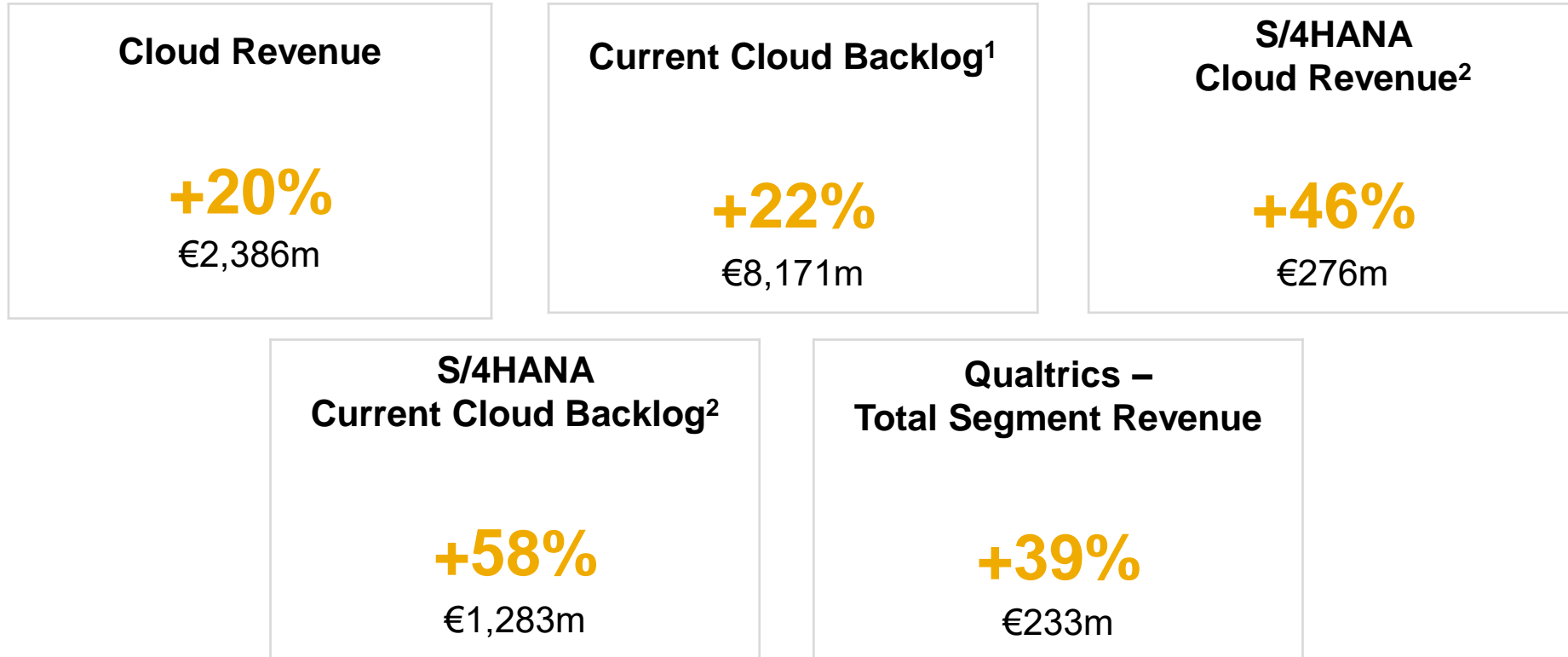
Expected Currency Impact Based on September 2021 Level for the Rest of the Year (Non-IFRS)		
in percentage points	Q4	FY
Cloud revenue growth	0pp to 2pp	-4pp to -2pp
Cloud and software revenue growth	0pp to 2pp	-3pp to -1pp
Operating profit growth	0pp to 2pp	-3pp to -1pp

SAP S/4HANA customer count



Key cloud metrics: Third quarter 2021

All figures are Non-IFRS and growth rates at constant currencies unless otherwise stated



- 1) 'Current Cloud Backlog' – or CCB for short gives you the contractually committed cloud revenue we expect to recognize over the upcoming twelve months. The CCB is thus a subset of our Remaining Performance Obligations: Cloud only and 12 months only. Its expansion between two key dates reflects our success in both, contracting new cloud business as well as renewing existing business. So compared to New Cloud Bookings, it is a better, more holistic indicator of our cloud progress.
- 2) Starting in Q1 2021, SAP is expanding its financial disclosure to provide transparency on the transition of its core ERP business to the cloud. Specifically SAP is disclosing current cloud backlog and cloud revenue contributed by SAP S/4HANA Cloud, which represents SAP's cloud offering for core ERP processes. It mainly includes cloud solutions for financial management, supply chain management, engineering and manufacturing, order management and asset management, as well as associated data management, analytics, development and integration capabilities.