

First Quarter 2022 Results

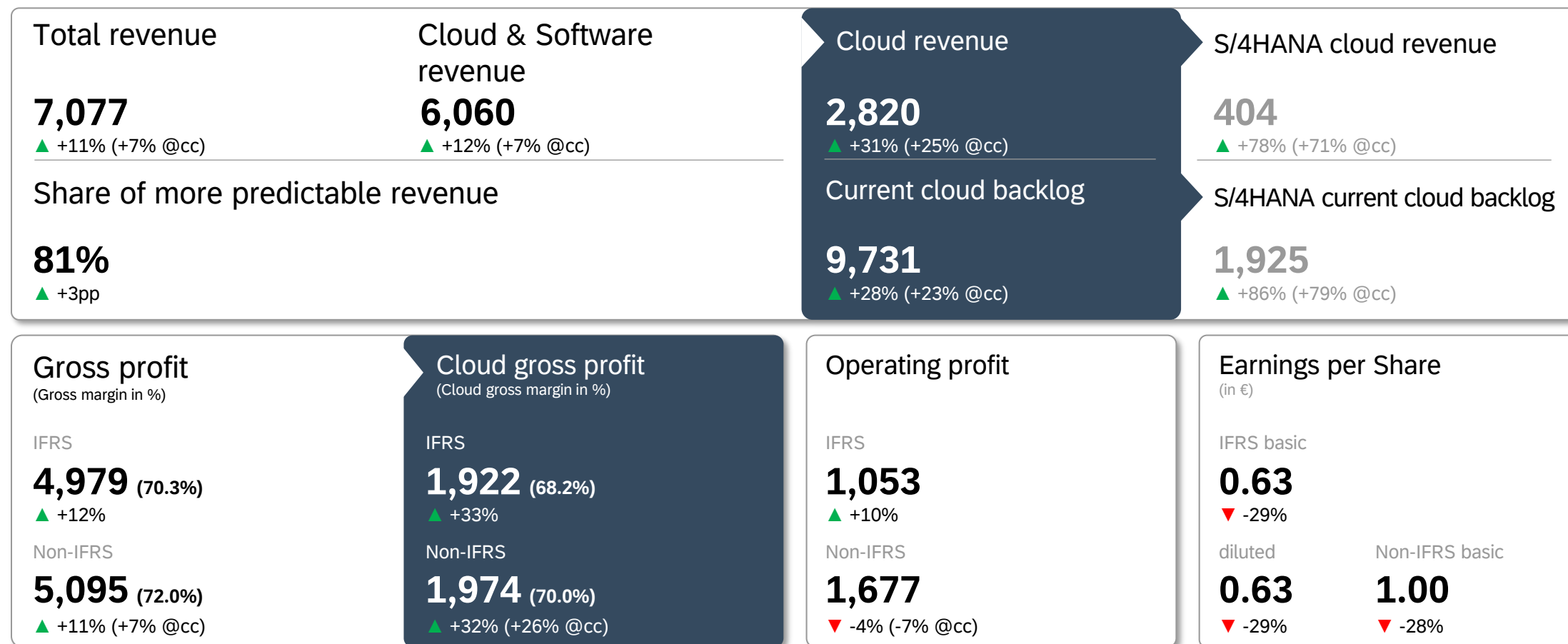
Safe Harbor Statement



During this presentation we will make forward-looking statements which are predictions, projections, or other statements about future events. These statements are based on current expectations, forecasts, and assumptions that are subject to risks and uncertainties that could cause actual results and outcomes to materially differ. Additional information regarding these risks and uncertainties may be found in our filings with the Securities and Exchange Commission, including but not limited to the risk factors section of SAP's 2021 Annual Report on Form 20-F.

SAP Q1 2022 Financial Results

in € millions, unless otherwise stated



Excellent cloud revenue performance across all regions

AMERICAS

Cloud revenue
€ millions

▲ +33%
(+24% @cc)

Cloud & software
revenue
€ millions

▲ +19%
(+10% @cc)

The United States had an outstanding performance while Canada and Brazil had a strong performance in cloud revenue.

EMEA

Cloud revenue
€ millions

▲ +32%
(+29% @cc)

Cloud & software
revenue
€ millions

▲ +8%
(+6% @cc)

Germany, Switzerland, France and the UK had a particularly strong performance in cloud revenue.

APJ

Cloud revenue
€ millions

▲ +25%
(+23% @cc)

Cloud & software
revenue
€ millions

▲ +5%
(+3% @cc)

China and Japan had a strong performance in cloud revenue.

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

in € millions, unless otherwise stated

Non-IFRS	Revenue			Gross Margin % (Gross profit)		
	Q1/22	Δ in %	Δ in % @cc	Q1/22	Δ in %	Δ in % @cc
Cloud	2,820	31	25	70.0 (1,974)	0.5pp	0.5pp
SaaS/PaaS	2,585	34	28	73.9 (1,909)	0.3pp	0.2pp
SaaS/PaaS – Intelligent Spend	808	23	16	80.7 (653)	2.4pp	2.2pp
SaaS/PaaS – Other	1,776	40	34	70.7 (1,257)	-0.3pp	-0.4pp
IaaS	235	10	5	27.6 (65)	-5.7pp	-3.8pp
Software licenses and support	3,240	-1	-4	87.5 (2,836)	1.2pp	1.2pp
Cloud and software	6,060	12	7	79.4 (4,810)	-0.3pp	-0.3pp
Services	1,017	11	7	28.0 (285)	-0.6pp	-0.8pp
Total	7,077	11	7	72.0 (5,095)	-0.3pp	-0.3pp



Tax rate, EPS & Cash flow

Effective tax rate

First quarter | percent

IFRS	Non-IFRS
33.1	25.7
▲ 13.1pp	▲ 7.0pp
Outlook: 28.0 – 32.0	23.0 – 27.0

The increase of the effective tax rate outlook mainly reflects an updated projection of the 2022 financial income contribution of Sapphire Ventures in light of current market conditions.

Earnings per share

First quarter | €

IFRS basic	
0.63	
▼ -29%	
diluted	Non-IFRS basic
0.63	1.00
▼ -29%	▼ -28%

Year over year decline of earnings per share reflects a contribution to financial income by Sapphire Ventures that was more than €300 million lower than over the same period last year.

Cash flow

First quarter | € billions

Operating CF	Free CF
2.48	2.16
▼ -20%	▼ -24%
	Outlook: above €4.5bn

Free cash flow was down 24% to €2.16 billion, mainly attributable to the development of profitability in the quarter and impacts from working capital due to SAP's continuous move to the cloud, and lower software licenses sales in the fourth quarter 2021.

Business Outlook 2022

in € billions, unless otherwise stated

FY 2022 Guidance

Cloud revenue
@cc

11.55 – 11.85

▲ +23% to 26%
2021: 9.42

Cloud & Software revenue
@cc

25.0 – 25.5

▲ +4% to 6%
2021: 24.08

Operating profit
Non-IFRS @cc

7.8 – 8.25

▶ flat to -5%
2021: 8.23

Share of more predictable revenue

~78%

▲ +3pp
2021: 75%

Free cash flow

above 4.5

2021: 5.01

Effective tax rate
in %
IFRS

28.0 – 32.0

2021: 21.5%

Non-IFRS

23.0 – 27.0

2021: 20.0%

FY 2022 Non-Financial Outlook

Employee engagement
in %

84 – 86

▲ +1pp to 3pp
2021: 83

Customer Net Promoter Score

in points

11 – 15

2021: 10

Carbon emissions

in kilotons

70

▼ -40 kt
2021: 110

Appendix

Appendix

Income statement: First quarter 2022

€ millions, unless otherwise stated	IFRS			Non-IFRS			
	Q1/22	Q1/21	Δ %	Q1/22	Q1/21	Δ %	Δ % at cc
Cloud	2,820	2,145	31	2,820	2,145	31	25
Software licenses	317	483	-34	317	483	-34	-36
Software support	2,923	2,801	4	2,923	2,801	4	1
Software licenses and support	3,240	3,283	-1	3,240	3,283	-1	-4
Cloud and software	6,060	5,428	12	6,060	5,428	12	7
Services	1,017	919	11	1,017	919	11	7
Total revenue	7,077	6,348	11	7,077	6,348	11	7
Total operating expenses	-6,024	-5,387	12	-5,400	-4,609	17	13
Operating profit (loss)	1,053	960	10	1,677	1,738	-4	-7
Financial income, net	-56	315	<-100	-56	315	<-100	
Profit (loss) before tax	945	1,337	-29	1,569	2,115	-26	
Income tax expense	-313	-267	17	-403	-395	2	
Profit (loss) after tax	632	1,070	-41	1,166	1,720	-32	
Operating margin (in %)	14.9	15.1	-0.2pp	23.7	27.4	-3.7pp	-3.6pp
Earnings per share, basic (in €)	0.63	0.88	-29	1.00	1.40	-28	

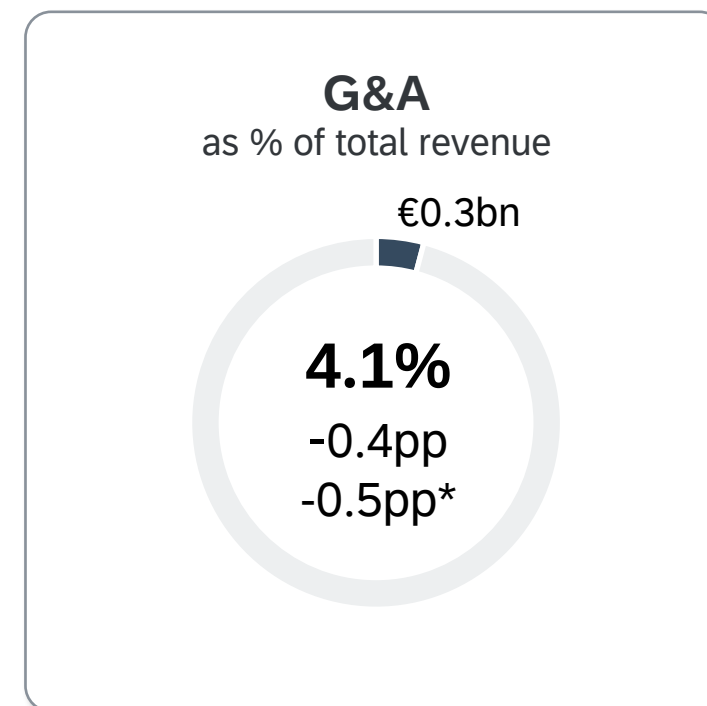
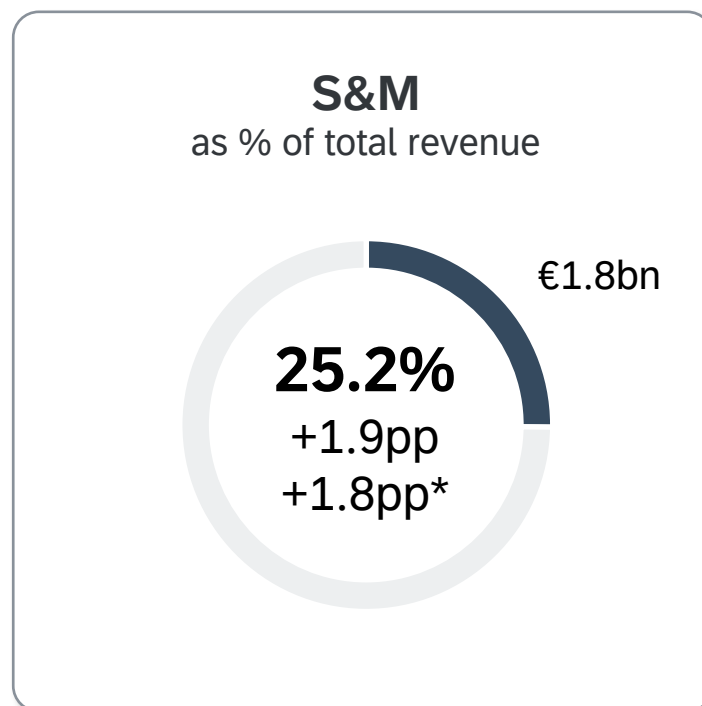
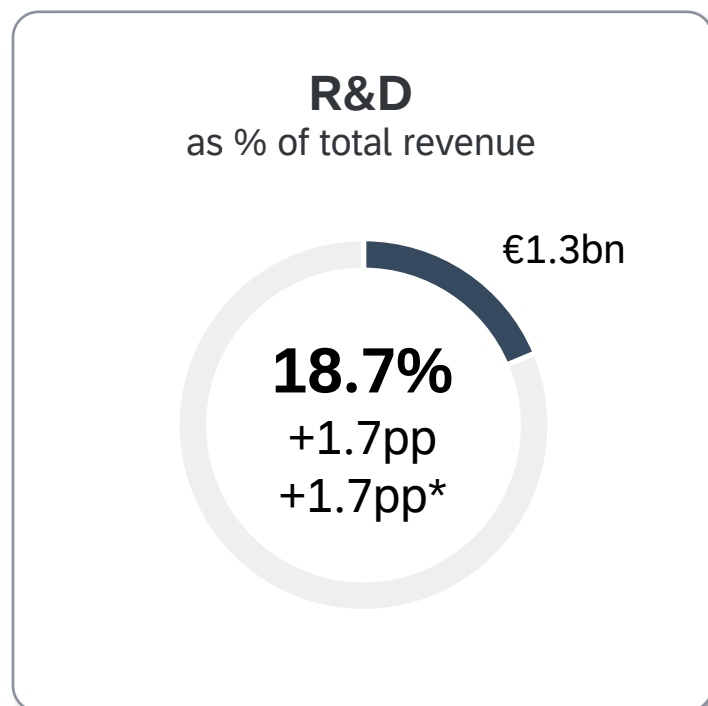
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Gross margin development

Non-IFRS, in percent as reported	FY/19	FY/20	Q1/21	Q2/21	Q3/21	Q4/21	FY/21	Q1/22
Cloud	68.2	69.7	69.5	70.0	69.4	69.0	69.5	70.0
SaaS/PaaS – Intelligent Spend Group	78.1	78.9	78.3	80.0	80.0	80.2	79.5	80.7
SaaS/PaaS – Other	68.5	70.7	71.0	70.5	69.8	69.6	70.2	70.7
IaaS	28.9	34.3	33.3	36.8	35.3	29.1	33.6	27.6
Software Licenses & Support	87.4	87.4	86.3	87.3	87.8	88.5	87.6	87.5
Cloud & Software	81.6	81.2	79.7	80.5	80.4	81.2	80.5	79.4
Services	25.0	27.0	28.5	29.2	31.0	31.6	30.1	28.0
Total Gross Margin	72.3	73.1	72.3	73.4	73.6	75.1	73.7	72.0

Cost ratios: First quarter 2022

€7.1bn Total revenue



All numbers are Non-IFRS unless otherwise stated.

*Non-IFRS at constant currencies

Appendix

Balance sheet condensed: March 31, 2022 – IFRS

Assets

€ millions	03/31/22	12/31/21
Cash, cash equivalents and other financial assets	11,487	11,656
Trade and other receivables	9,456	6,352
Other current assets	2,424	2,036
Total current assets	23,367	20,040
Goodwill	32,159	31,090
Intangible assets	4,032	3,965
Property, plant, and equipment	4,991	4,977
Other non-current assets	11,826	11,093
Total non-current assets	53,007	51,125
Total assets	76,374	71,169

Equity and liabilities

€ millions	03/31/22	12/31/21
Trade and other payables	1,693	1,580
Provisions	91	89
Other liabilities	11,613	10,035
Contract liabilities, current	7,630	4,431
Total current liabilities	21,027	16,136
Financial liabilities	10,070	11,042
Provisions	365	355
Contract liabilities, non-current	-44	13
Other non-current liabilities	2,337	2,100
Total non-current liabilities	12,729	13,510
Total liabilities	33,757	29,645
Total equity	42,618	41,523
Total equity and liabilities	76,374	71,169

Due to rounding, numbers may not add up precisely

Appendix

Cash flow development

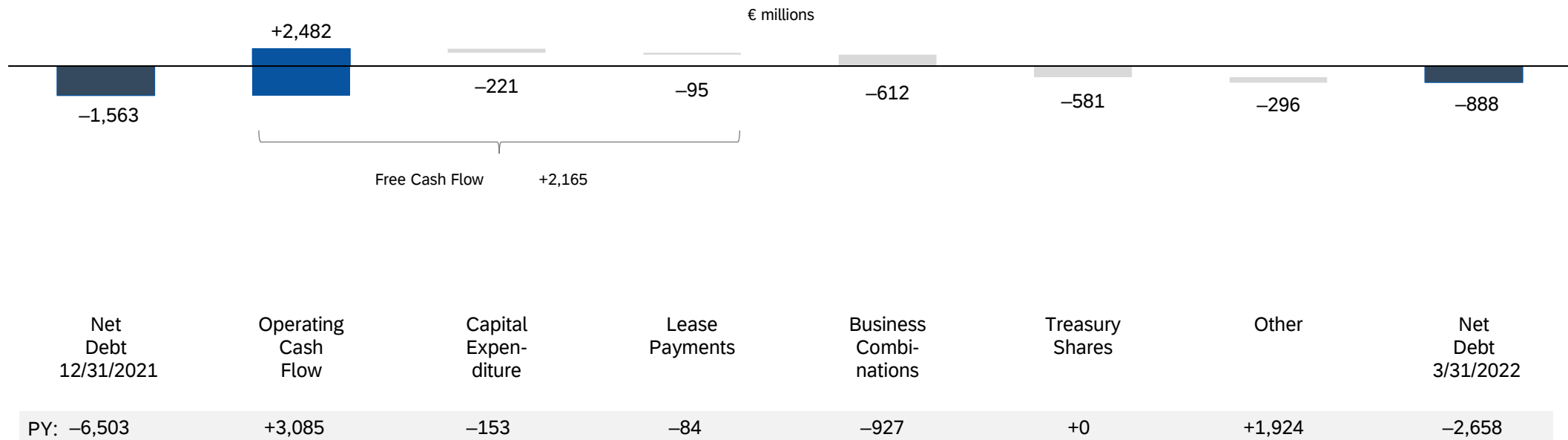
€ millions, unless otherwise stated

	Q1/22	Q1/21	Δ
Operating cash flow	2,482	3,085	-20%
– Capital expenditure	-221	-153	+44%
– Payments of lease liabilities	-95	-84	+13%
Free cash flow	2,165	2,848	-24%
Free cash flow in percent of total revenue	31	45	-14pp
Free cash flow conversion rate	0.88	1.13	-0.25

Due to rounding, numbers may not add up precisely

Appendix

Net debt



Net Debt = 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, proceeds from sales of non-current assets, and effects of foreign currency rates on cash and cash equivalents - for more information see our 2021 integrated report

Additional outlook information and Non-IFRS adjustments

The Company now expects a full-year 2022 effective tax rate (IFRS) of 28.0% to 32.0% (2021: 21.5%) and an effective tax rate (non-IFRS) of 23.0% to 27.0% (2021: 20.0%).

	Actual Amounts Q1/21	Actual Amounts Q1/22	Est. Amounts FY/22
Non-IFRS adjustments			
Acquisition-related charges	€149m	€164m	€580m to €680m
Share-based payment expenses	€472m	€471m	€2,500m to €2,800m
Restructuring charges	€157m	-€10m	€80m to €100m
Sum of all adjustments	€778m	€624m	€3,160m to €3,580m

Due to rounding, numbers may not add up precisely

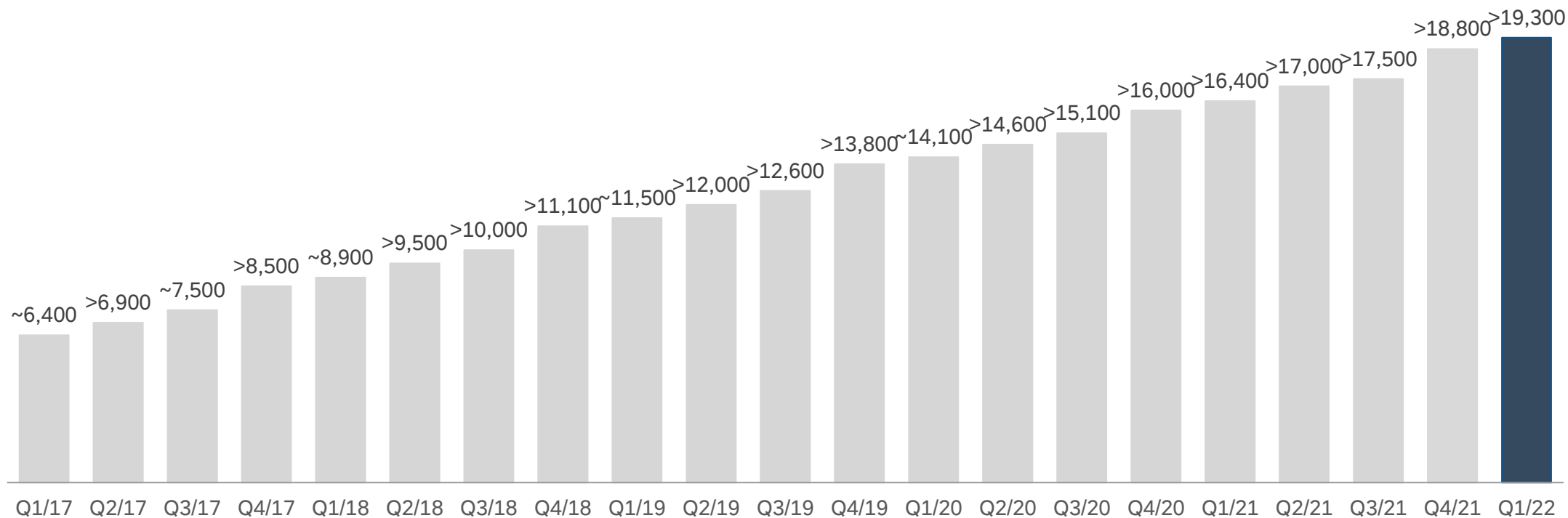
Expected currency impact 2022

Expected Currency Impact Based on March 2022 Level for the Rest of the Year

in percentage points	Q2 2022	FY 2022
Cloud revenue growth	+7pp to +9pp	+5pp to +7pp
Cloud and software revenue growth	+4pp to +6pp	+3pp to +5pp
Operating profit growth (non-IFRS)	+4pp to +6pp	+3pp to +5pp

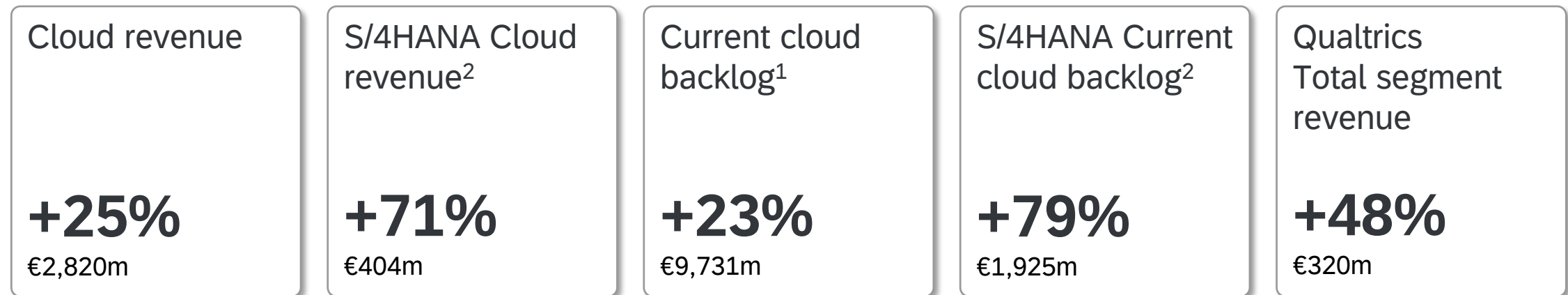
Appendix

SAP S/4HANA customer count



Key cloud metrics: First quarter 2022

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.