

First Quarter 2024 Results

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Public

SAP

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 2023 Annual Report on Form 20-F.



Christian Klein

CEO

We're off to a strong start in 2024

Current cloud backlog

€ millions

14,179

▲ +27% (+28% @cc)

Cloud revenue

€ millions

3,928

▲ +24% (+25% @cc)

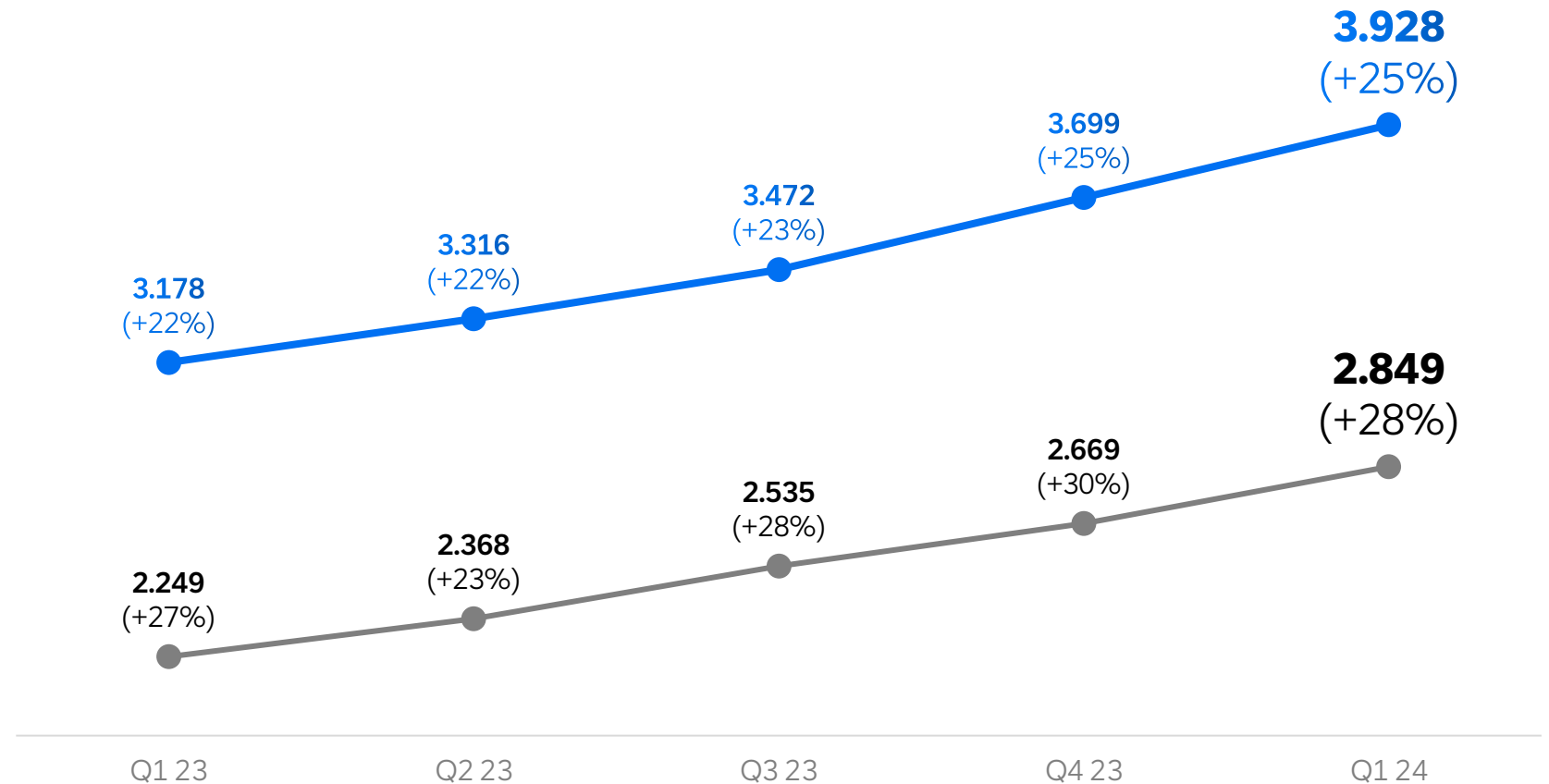
Cloud ERP Suite revenue

€ millions

3,167

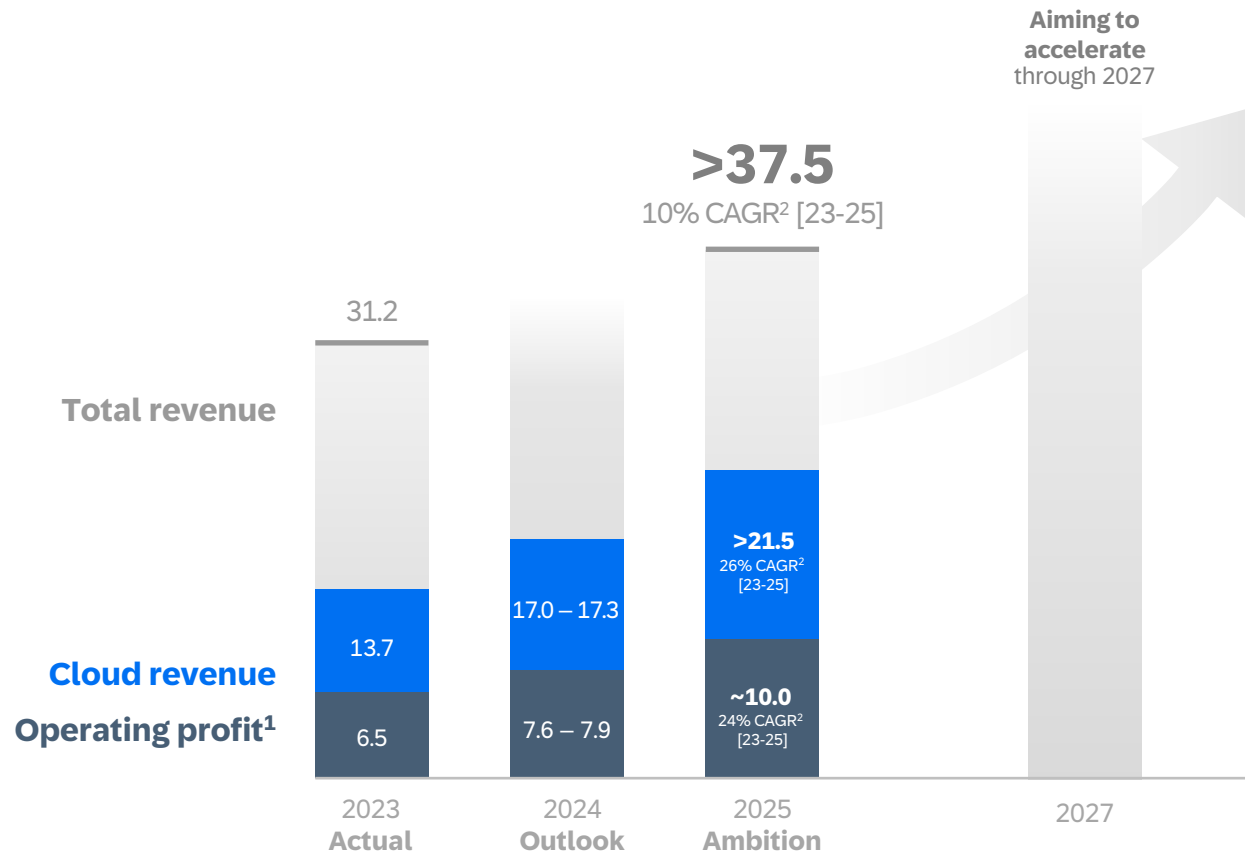
▲ +31% (+32% @cc)

● Cloud revenue in € millions (yoy @cc)
● Cloud gross profit in € millions (yoy @cc)





We aim to accelerate total revenue growth through 2027



2025+ Revenue and profit acceleration

RISE with SAP powered by a CLEAN CORE via BTP
still with significant potential in installed base and in cross-selling

GROW with SAP
with accelerated traction in the (net new) mid-market allowing for significant cross-sell potential

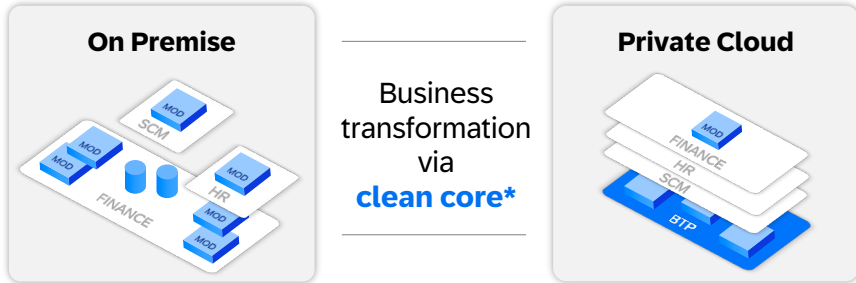
Innovation
with Business AI commercialized throughout the portfolio and Growth Areas close to our core

1: New non-IFRS definition incl. share-based compensation; estimates for historic data (2021-2022) | 2: Compound Annual Growth Rate adjusted for the Ambition 2025 USD rate assumption of 1.10 USD/ EUR

RISE & GROW have significant untapped growth potential

Land with Cloud ERP & BTP

RISE with SAP



11B€
remaining support revenue
conversion potential at 2-3x¹

+
up to 7€
extensibility potential per €
of software spend

- ✓ Innovation
- ✓ Modularity
- ✓ Scalability
- ✓ Integration

GROW with SAP



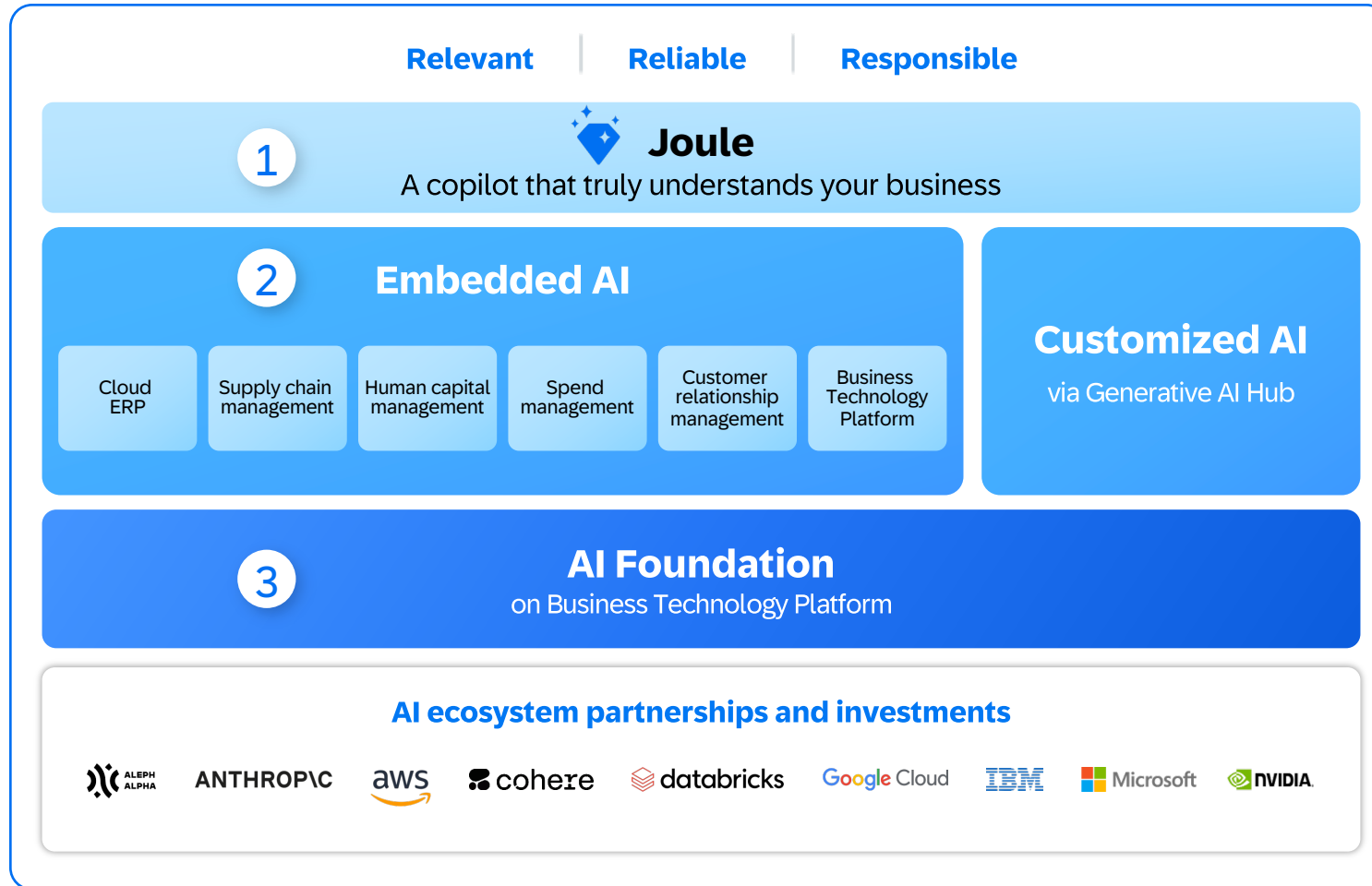
64%
net new customer share
in Q1

Expand into LoB portfolio

- Supply chain management
- Human capital management
- Spend management and business network
- Customer relationship management
- Business Technology Platform



Achieve real-world results with SAP Business AI



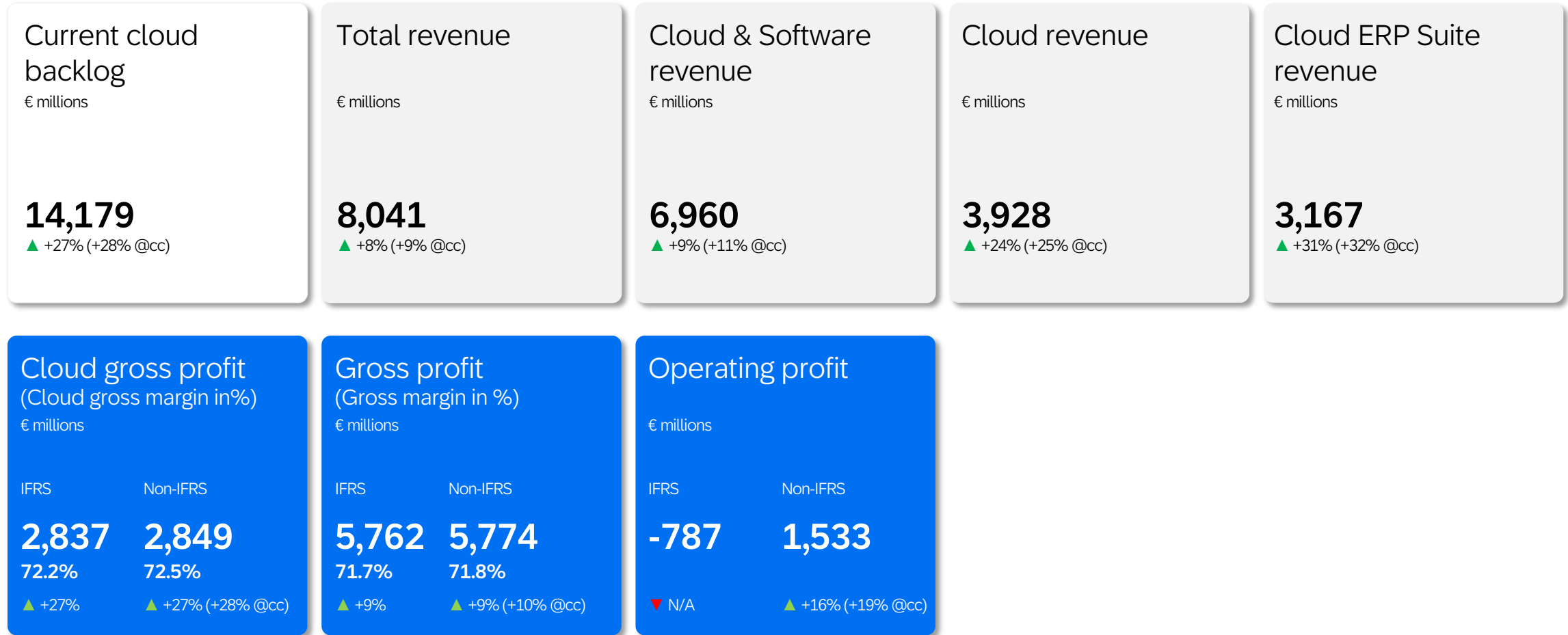
- 1 Joule**
Unified copilot experience across our portfolio
- 2 AI Capabilities**
Embedded or customized AI by partner, customer, or SAP
- 3 AI Foundation**
Integrated enterprise data, security, and compliance



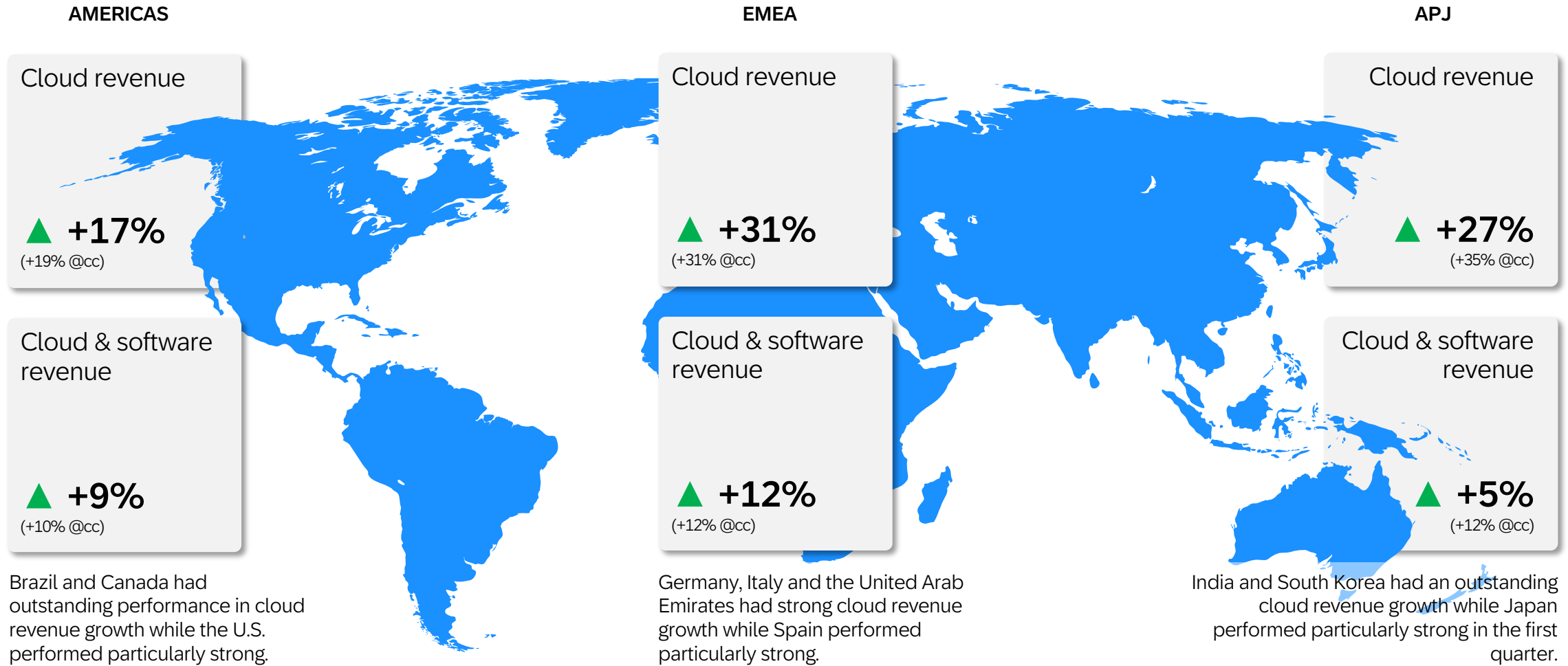
Dominik Asam

CFO

SAP Q1 2024 Financial Results



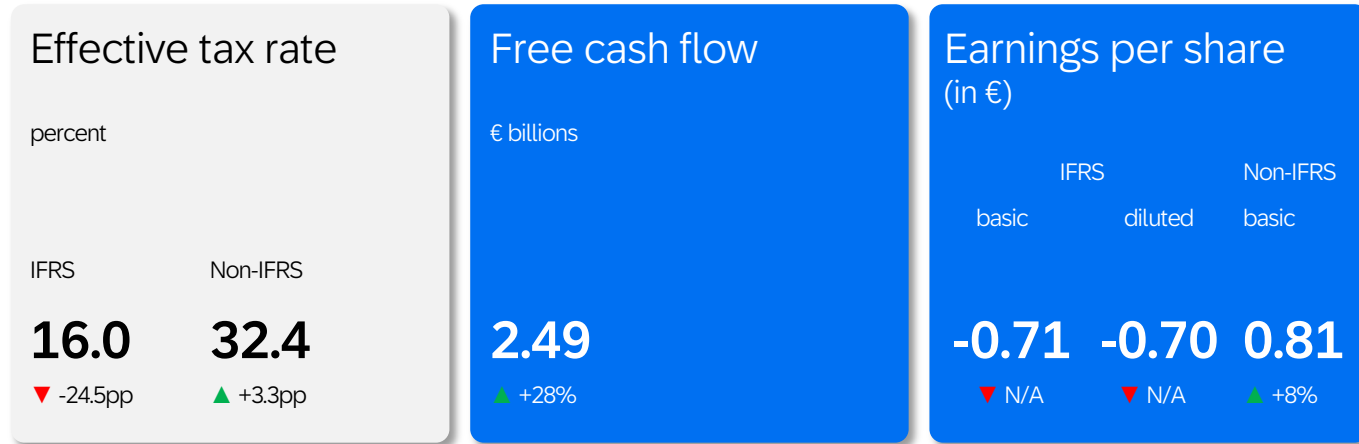
Regional cloud revenue performance



Revenue and gross profit development

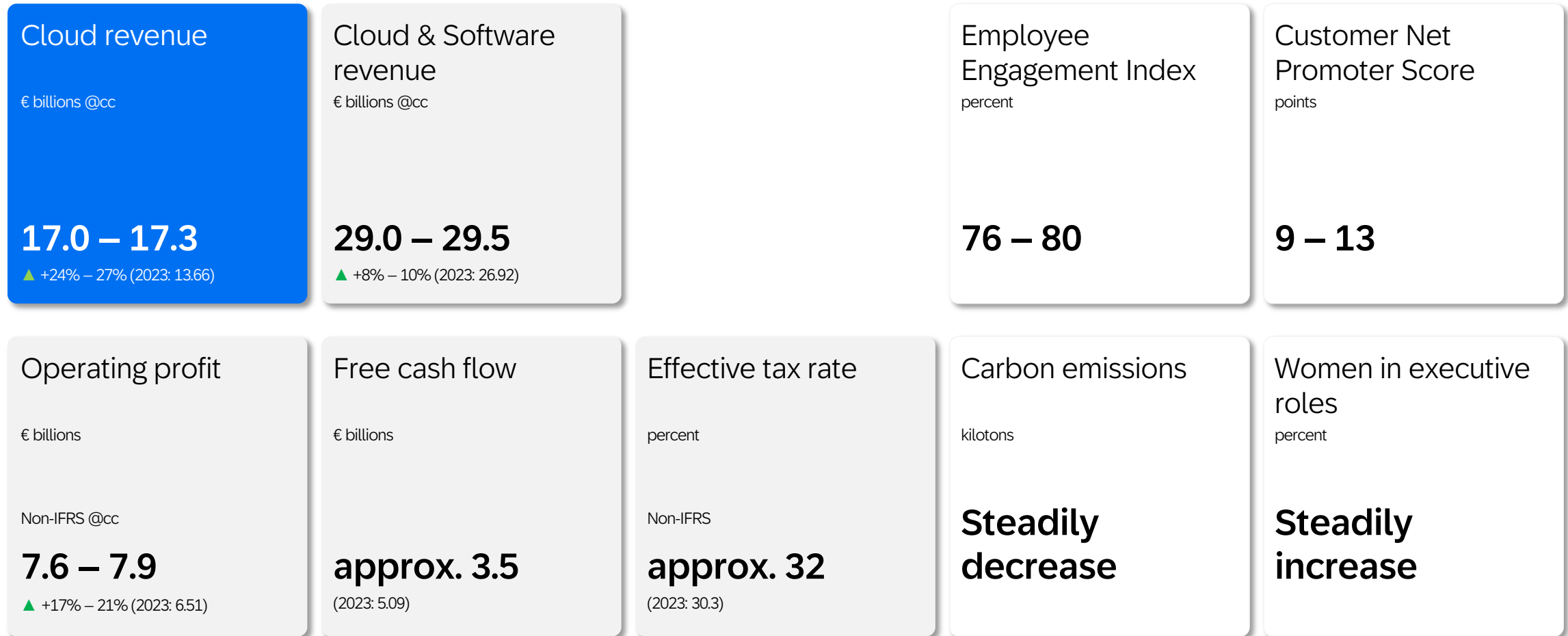
Non-IFRS in € millions, unless otherwise stated	Revenue			Gross Profit (Gross margin %)		
	Q1 2024	Δ in %	Δ in % @cc	Q1 2024	Δ in %	Δ in % @cc
Cloud	3,928	24	25	2,849 (72.5)	27	28
SaaS/PaaS	3,764	26	28			
IaaS	164	-17	-15			
Software licenses and support	3,031	-5	-4	2,705 (89.2)	-4	-3
Cloud and software	6,960	9	11	5,555 (79.8)	9	11
Services	1,081	0	1	219 (20.3)	-4	-1
Total	8,041	8	9	5,774 (71.8)	9	10

Tax rate, Cash flow, and Earnings per share



2024 Financial outlook

in € billions, unless otherwise stated; continuing operations



2024 Non-financial outlook

2024 financial outlook is based on constant currencies assumptions, including an exchange rate of 1.08 US Dollar per Euro
Based on updated non-IFRS definition in 2024

Q&A

Appendix

Appendix

Income statement: Q1 2024

* from continuing and discontinued operations

€ millions, unless otherwise stated	IFRS			Non-IFRS		
	Q1 24	Q1 23	Δ %	Q1 24	Q1 23	Δ % @cc
Cloud	3,928	3,178	24	3,928	3,178	24
Software licenses	203	276	-26	203	276	-26
Software support	2,829	2,905	-3	2,829	2,905	-3
Software licenses and support	3,031	3,180	-5	3,031	3,180	-5
Cloud and software	6,960	6,358	9	6,960	6,358	11
Services	1,081	1,083	0	1,081	1,083	1
Total revenue	8,041	7,441	8	8,041	7,441	9
Total operating expenses	-8,828	-6,637	33	-6,507	-6,119	7
Operating profit (loss)	-787	803	N/A	1,533	1,321	16
Financial income, net	-45	-112	-60	11	-83	N/A
Profit (loss) before tax from continuing operations	-980	677	N/A	1,396	1,224	14
Income tax expense	157	-274	N/A	-452	-357	27
Profit (loss) after tax from continuing operations	-824	403	N/A	944	868	9
Profit (loss) after tax from discontinued operations	0	106	N/A	0	144	N/A
Profit (loss) after tax*	-824	509	N/A	944	1,012	-7
Operating margin (in %)	-9.8	10.8	-20.6pp	19.1	17.8	1.3pp
Earnings per share, basic (in €) from continuing operations	-0.71	0.35	N/A	0.81	0.75	8
Earnings per share, basic (in €)*	-0.71	0.41	N/A	0.81	0.83	-3

Appendix

Gross margin development

Non-IFRS, in percent as reported	Q1 23	Q2 23	Q3 23	Q4 23	FY 23	Q1 24
Cloud	70.8	71.4	73.0	72.2	71.9	72.5
Software Licenses & Support	88.9	90.2	90.1	89.8	89.8	89.2
Cloud & Software	79.9	80.6	81.2	81.0	80.7	79.8
Services	21.0	17.8	21.2	21.9	20.5	20.3
Total Gross Margin	71.3	71.9	73.0	73.4	72.4	71.8

Appendix

Cost ratios: First quarter 2024 | Total revenue: €8.0bn

Non-IFRS as percent of total revenue



Appendix

Balance sheet condensed: March 31, 2024 – IFRS

Due to rounding, numbers may not add up precisely

Assets

€ millions	03/31/24	12/31/23
Cash, cash equivalents and other financial assets	13,606	11,468
Trade and other receivables	7,435	6,322
Other current assets	2,755	2,781
Total current assets	23,796	20,571
Goodwill	29,558	29,088
Intangible assets	2,449	2,505
Property, plant, and equipment	4,264	4,276
Other non-current assets	12,848	11,895
Total non-current assets	49,119	47,764
Total assets	72,915	68,335

Equity and liabilities

€ millions	03/31/24	12/31/23
Trade and other payables	1,926	1,783
Provisions	2,320	235
Other liabilities	6,839	7,649
Contract liabilities, current	7,994	4,975
Total current liabilities	19,078	14,642
Financial liabilities	7,940	7,941
Provisions	426	433
Contract liabilities, non-current	41	33
Other non-current liabilities	2,093	1,879
Total non-current liabilities	10,501	10,287
Total liabilities	29,579	24,928
Total equity	43,336	43,406
Total equity and liabilities	72,915	68,335

Appendix

Cash flow development

Due to rounding, numbers may not add up precisely

€ millions, unless otherwise stated	Q1/24	Q1/23	Δ in %
Operating cash flow	2,757	2,311	19
– Capital expenditure	-187	-257	-27
– Payments of lease liabilities	-78	-99	-22
Free cash flow	2,492	1,955	28
Free cash flow in percent of total revenue	31	26	5pp
Free cash flow in percent of profit after tax (IFRS)	N/A	485	N/A

Appendix

Net debt

Due to rounding, numbers may not add up precisely

€ millions, unless otherwise stated	2024	2023
Net liquidity (+)/Net Debt (-) 12/31/2023 PY: 12/31/2022	3,521	-2,070
Operating cash flow	2,757	2,311
Capital expenditure	-187	-257
Payments of lease liabilities	-78	-99
Business combinations	-19	0
Treasury shares	-432	0
Cash from discontinued operations	0	-742
Other	78	-194
Net liquidity (+)/Net Debt (-) 03/31/2024 PY: 03/31/2023	5,641	-1,050

Appendix

Additional outlook information and Non-IFRS adjustments

Due to rounding, numbers may not add up precisely

The Company expects a full-year 2024 effective tax rate (non-IFRS) of around 32% (2023: 30.3%) based on updated tax rate definition (non-IFRS).

Non-IFRS adjustments	Actual Amounts Q1/23	Actual Amounts Q1/24	Est. Amounts FY/24
Acquisition-related charges	€88m	€79m	€280m to €360m
Restructuring charges	€260m	€2,242m	At least €2.2bn
Adjustment for regulatory compliance matter expenses	€170m	€0m	€0m
Adjustment for gains and losses from equity securities, net	€29m	€56m	N/A ¹

¹⁾ Due to the uncertainty and potential variability of gains and losses from equity securities, we cannot provide an estimate for the full year without unreasonable efforts. This item could however have a material impact on our non-IFRS measures below operating profit

Appendix

Expected currency impact

Expected currency impact based on March 2024 Level applied for 2024

in percentage points	Q2 24	FY 24
Cloud revenue growth	-1.5pp to +0.5pp	-1.5pp to +0.5pp
Cloud and software revenue growth	-1.5pp to +0.5pp	-1.5pp to +0.5pp
Operating profit growth (non-IFRS)	-2.0pp to 0.0pp	-2.0pp to 0.0pp