

Fourth Quarter and Full-Year 2021 Results

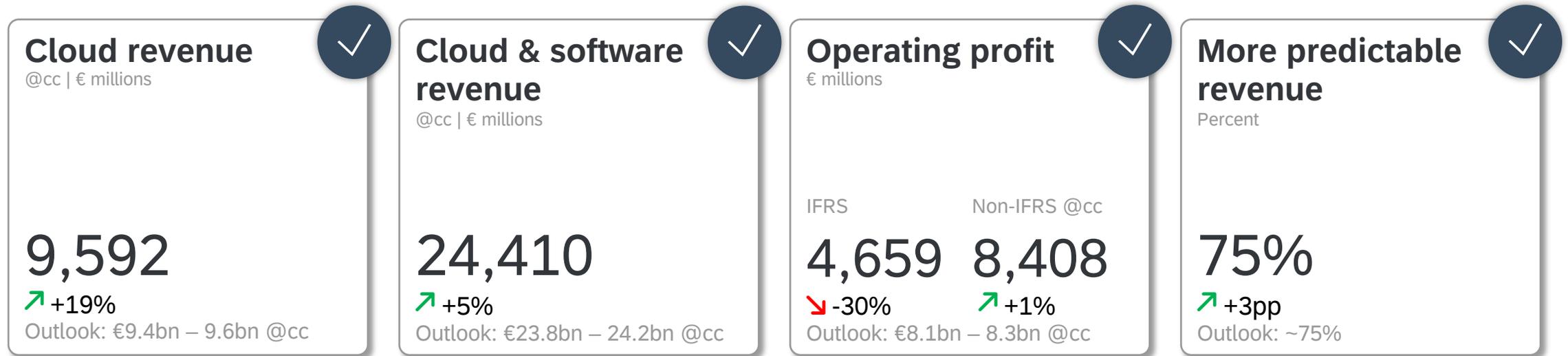
Safe Harbor Statement



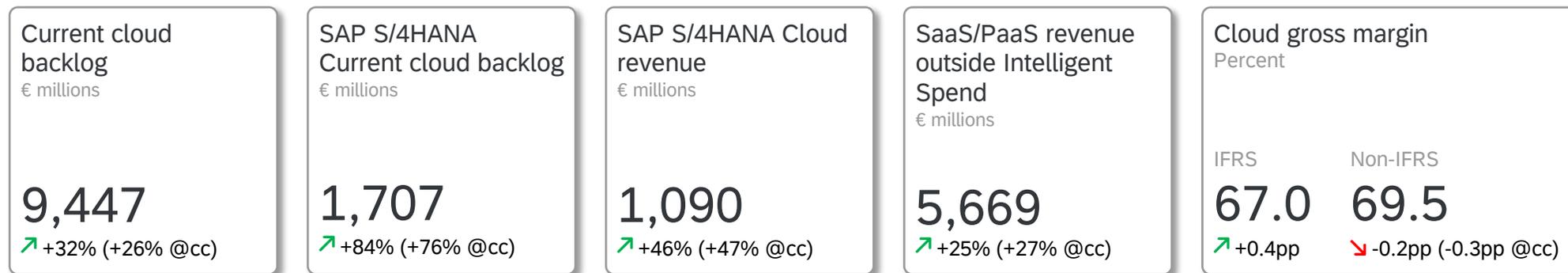
During this presentation we will make forward-looking statements which are predictions, projections, or other statements about future events. These statements are based on current expectations, forecasts, and assumptions that are subject to risks and uncertainties that could cause actual results and 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 2020 Annual Report on Form 20-F.

Record cloud performance in 2021

Tremendous growth of SAP S/4HANA Cloud driven by ‘RISE with SAP’



FY Other Financial Highlights



Excellent cloud performance across all regions

AMERICAS

Cloud revenue
€ millions

↑ +10%
(+13% @cc)

Cloud & software revenue
€ millions

↑ +1%
(+4% @cc)

Brazil, Canada and Mexico were highlights, while the United States had a robust performance in cloud revenue.

EMEA

Cloud revenue
€ millions

↑ +27%
(+27% @cc)

Cloud & software revenue
€ millions

↑ +5%
(+5% @cc)

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

APJ

Cloud revenue
€ millions

↑ +18%
(+20% @cc)

Cloud & software revenue
€ millions

↑ +5%
(+6% @cc)

Australia & New Zealand, China & Japan were particularly strong 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

Non-IFRS at constant currencies as reported	FY/20	Q1/21	Q2/21	Q3/21	Q4/21	FY/21
Cloud	69.6	69.5	69.9	69.3	69.0	69.4
SaaS/PaaS – Intelligent Spend Group	78.9	79.1	80.1	79.9	80.1	79.5
SaaS/PaaS – Other	70.7	70.7	70.3	69.7	69.6	70.2
IaaS	33.8	32.8	35.9	35.3	30.2	33.5
Software licenses and support	87.7	86.5	87.6	88.1	88.7	87.8
Cloud and software	81.4	79.7	80.5	80.5	81.4	80.6
Services	26.8	28.8	29.6	31.2	31.6	30.3
Total gross margin	73.3	72.4	73.5	73.8	75.2	73.8



Tax rate, EPS & Cash flow

Effective tax rate

Full year | percent

IFRS	Non-IFRS
21.4	19.9
↘ -5.4pp	↘ -6.5pp
Outlook: 21.0 – 22.0	20.0 – 21.0

Decrease mainly resulted from changes in tax exempt income and a one-time change of taxable temporary differences associated with investments in subsidiaries.

Earnings per share

Full year | €

IFRS	Non-IFRS
4.46	6.74
↗ +3%	↗ +25%

Supported by a strong contribution from Sapphire Ventures throughout the entire year and a reduced tax rate.

Cash flow

Full year | € billions

Operating CF	Free CF
6.21	5.01
↘ -14%	↘ -17%
Outlook: approx. €6.0bn	above €4.5bn

Another year of strong cash flow. Operating cash flow was €6.2 billion, slightly above outlook. Free cash flow came in at €5.0 billion, exceeding the outlook of above €4.5 billion.



Business outlook 2022

Expecting cloud growth continue to accelerate

2022 Outlook

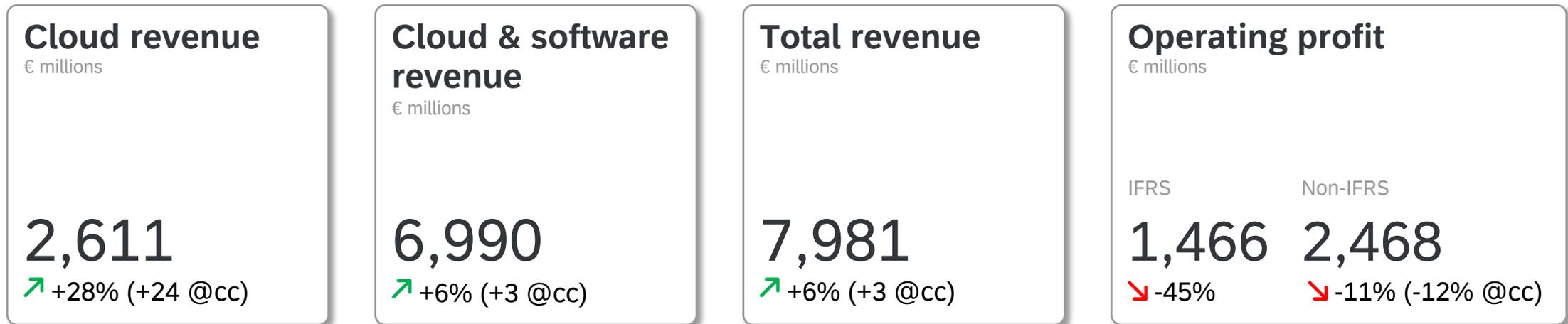
<p>Cloud revenue @cc € billions</p> <p>11.55 – 11.85 ↗ +23% to 26% 2021: €9.42bn</p>	<p>Cloud & software revenue @cc € billions</p> <p>25.0 – 25.5 ↗ +4 to 6% 2021: €24.08bn</p>	<p>Operating profit Non-IFRS @cc € billions</p> <p>7.8 – 8.25 → flat to -5% 2021: €8.23bn</p>	<p>More predictable revenue Percent</p> <p>~78 ↗ +3pp 2021: 75</p>	<p>Free cash flow € billions</p> <p>above 4.5 2021: €5.01bn</p>	<p>Effective tax rate Percent</p> <p>IFRS 25.0 – 28.0 2021: 21.4%</p> <p>Non-IFRS 22.0 – 25.0 2021: 19.9%</p>
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2022 Non-Financial Outlook

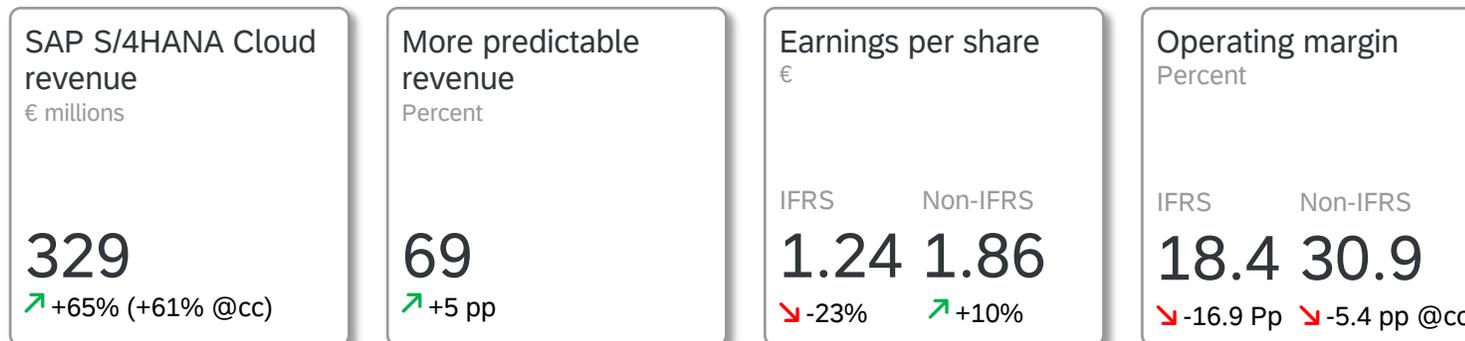
<p>Employee engagement Percent</p> <p>84 – 86 ↗ +1pp to 3pp 2021: 83</p>	<p>Customer Net Promoter Score Points</p> <p>11 – 15 2021: 10</p>	<p>Carbon emissions Kilotons</p> <p>70 ↘ -40 kt 2021: 110</p>
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Appendix

Financial highlights Q4/2021



Other Financial Highlights



Appendix

Income statement: Fourth quarter 2021

€ millions, unless otherwise stated	IFRS			Non-IFRS			
	Q4/21	Q4/20	Δ %	Q4/21	Q4/20	Δ %	Δ % at cc
Cloud	2,611	2,041	28	2,611	2,044	28	24
Software licenses	1,458	1,703	-14	1,458	1,703	-14	-17
Software support	2,920	2,835	3	2,920	2,835	3	1
Software licenses and support	4,379	4,538	-4	4,379	4,538	-4	-6
Cloud and software	6,990	6,579	6	6,990	6,582	6	3
Services	991	960	3	991	960	3	0
Total revenue	7,981	7,538	6	7,981	7,541	6	3
Total operating expenses	-6,515	-4,882	33	-5,513	-4,769	16	12
Operating profit (loss)	1,466	2,657	-45	2,468	2,772	-11	-12
Financial income, net	523	107	>100	523	107	>100	
Profit (loss) before tax	1,960	2,706	-28	2,962	2,822	5	
Income tax expense	-513	-772	-34	-682	-795	-14	
Profit (loss) after tax	1,447	1,934	-25	2,280	2,026	13	
Operating margin (in %)	18.4	35.2	-16.9pp	30.9	36.8	-5.8pp	-5.4pp
Earnings per share, basic (in €)	1.24	1.62	-23	1.86	1.70	10	



Appendix

Income statement: Full year 2021

€ millions, unless otherwise stated	IFRS			Non-IFRS			
	FY/21	FY/20	Δ %	FY/21	FY/20	Δ %	Δ % at cc
Cloud	9,418	8,080	17	9,418	8,085	16	19
Software licenses	3,248	3,642	-11	3,248	3,642	-11	-11
Software support	11,412	11,506	-1	11,412	11,506	-1	1
Software licenses and support	14,660	15,148	-3	14,660	15,148	-3	-2
Cloud and software	24,078	23,228	4	24,078	23,233	4	5
Services	3,764	4,110	-8	3,764	4,110	-8	-7
Total revenue	27,842	27,338	2	27,842	27,343	2	3
Total operating expenses	-23,183	-20,715	12	-19,612	-19,056	3	4
Operating profit (loss)	4,659	6,623	-30	8,230	8,287	-1	1
Financial income, net	2,174	776	>100	2,174	776	>100	
Profit (loss) before tax	6,850	7,220	-5	10,421	8,884	17	
Income tax expense	-1,467	-1,938	-24	-2,078	-2,350	-12	
Profit (loss) after tax	5,383	5,283	2	8,343	6,534	28	
Operating margin (in %)	16.7	24.2	-7.5pp	29.6	30.3	-0.7pp	-0.5pp
Earnings per share, basic (in €)	4.46	4.35	3	6.74	5.41	25	



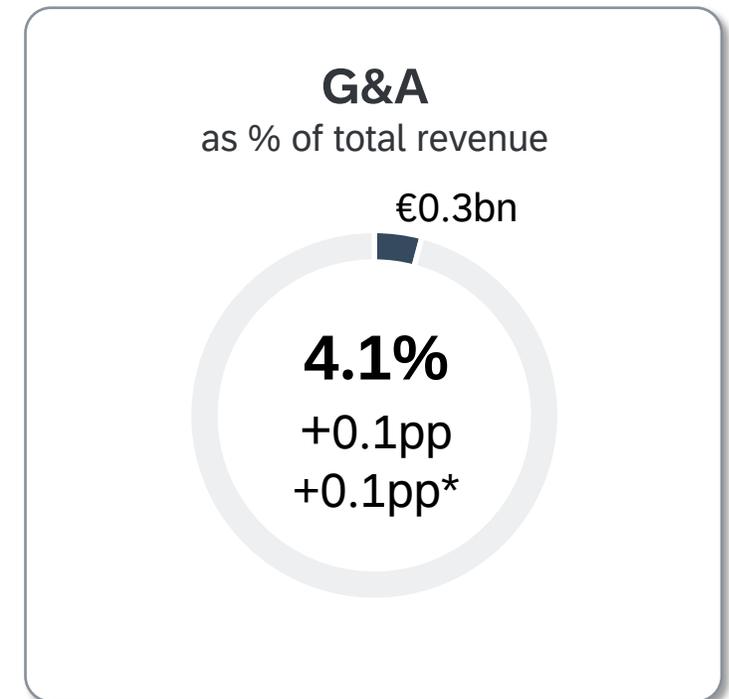
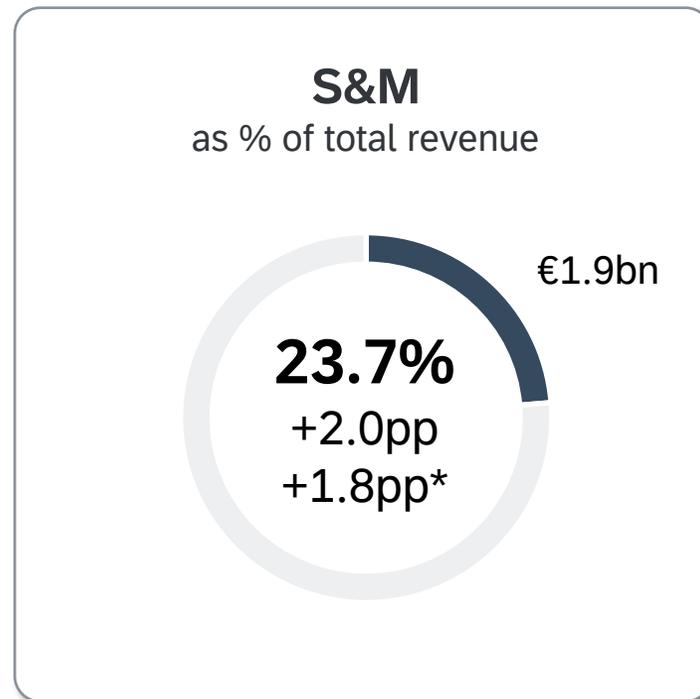
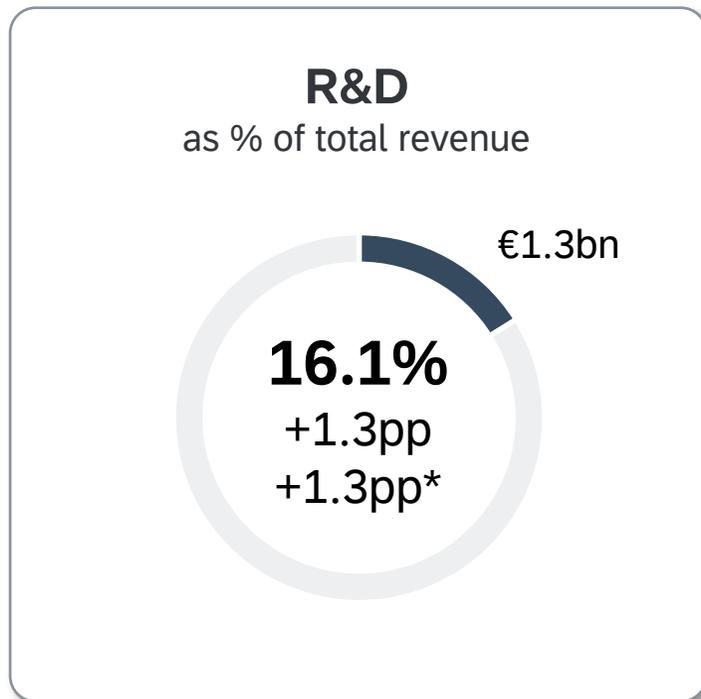
Appendix

Gross margin development

Non-IFRS, in percent as reported	FY/19	Q1/20	Q2/20	Q3/20	Q4/20	FY/20	Q1/21	Q2/21	Q3/21	Q4/21	FY/21
Cloud	68.2	69.3	69.5	69.7	70.3	69.7	69.5	70.0	69.4	69.0	69.5
SaaS/PaaS – Intelligent Spend Group	78.1	78.8	79.9	78.3	79.1	78.9	78.7	80.0	80.0	80.2	79.5
SaaS/PaaS – Other	68.5	70.2	69.5	71.4	71.4	70.7	71.0	70.5	69.8	69.6	70.2
IaaS	28.9	31.0	36.0	33.4	36.8	34.3	33.1	36.8	35.3	29.1	33.6
Software Licenses & Support	87.4	85.7	87.4	87.6	88.5	87.4	86.3	87.3	87.8	88.5	87.6
Cloud & Software	81.6	79.6	81.0	81.2	82.8	81.2	79.7	80.5	80.4	81.2	80.5
Services	25.0	22.8	26.3	31.5	28.0	27.0	28.5	29.2	31.0	31.6	30.1
Total Gross Margin	72.3	69.8	72.6	73.7	75.8	73.1	72.3	73.4	73.6	75.1	73.7

Cost ratios: Fourth quarter 2021

€8.0bn Total revenue, Non-IFRS

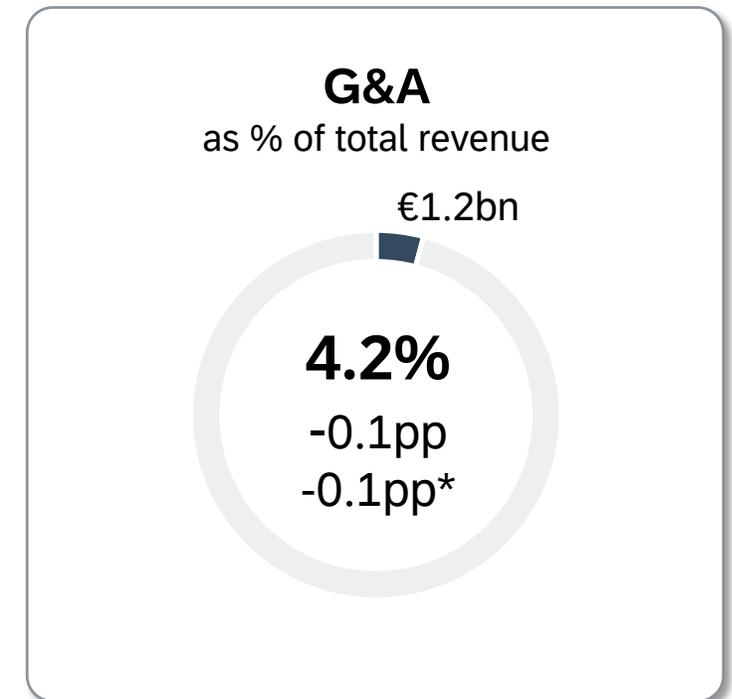
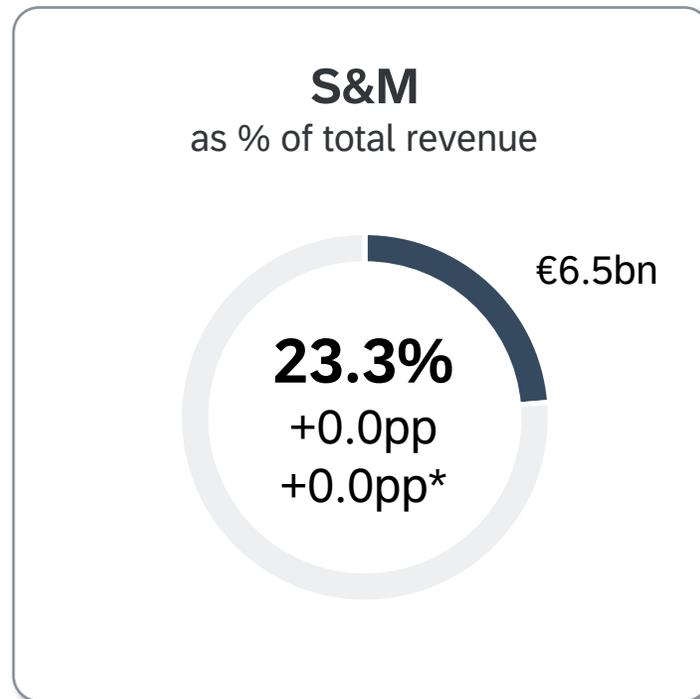
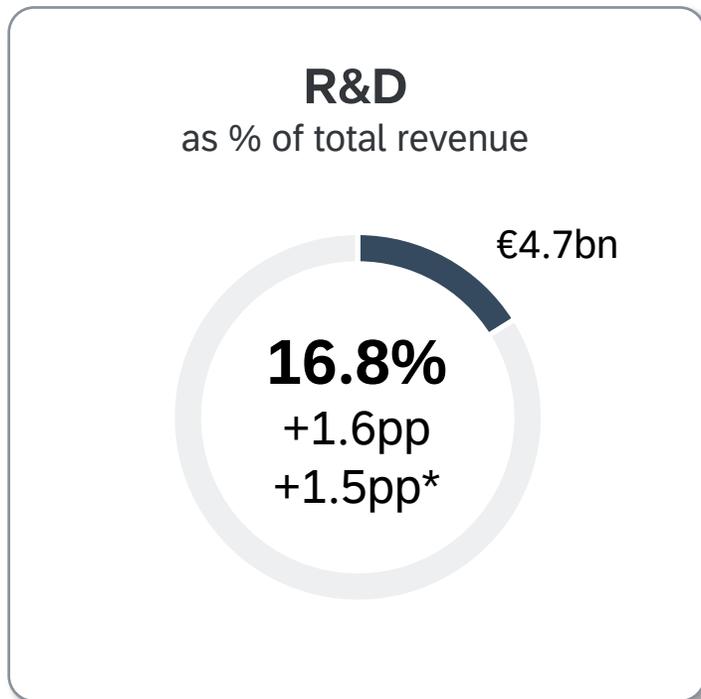


All numbers are Non-IFRS unless otherwise stated.

*Non-IFRS at constant currencies

Cost ratios: Full year 2021

€27.8bn Total revenue, Non-IFRS



All numbers are Non-IFRS unless otherwise stated.

*Non-IFRS at constant currencies

Appendix

Balance sheet condensed: December 30, 2021 – IFRS

Assets

€ millions	12/31/21	12/31/20
Cash, cash equivalents and other financial assets	11,656	6,946
Trade and other receivables	6,357	6,593
Other current assets	2,028	1,530
Total current assets	20,040	15,069
Goodwill	31,103	27,538
Intangible assets	3,966	3,784
Property, plant, and equipment	4,975	5,041
Other non-current assets	11,088	7,032
Total non-current assets	51,132	43,395
Total assets	71,173	58,464

Equity and liabilities

€ millions	12/31/21	12/31/20
Trade and other payables	1,545	1,367
Provisions	89	73
Other liabilities	10,026	7,404
Contract liabilities, current	4,390	3,996
Total current liabilities	16,050	12,842
Financial liabilities	11,042	13,605
Provisions	355	362
Contract liabilities, non-current	13	36
Other non-current liabilities	2,089	1,693
Total non-current liabilities	13,499	15,696
Total liabilities	29,549	28,537
Total equity	41,623	29,927
Total equity and liabilities	71,173	58,464

Due to rounding, numbers may not add up precisely

Appendix

Cash flow development

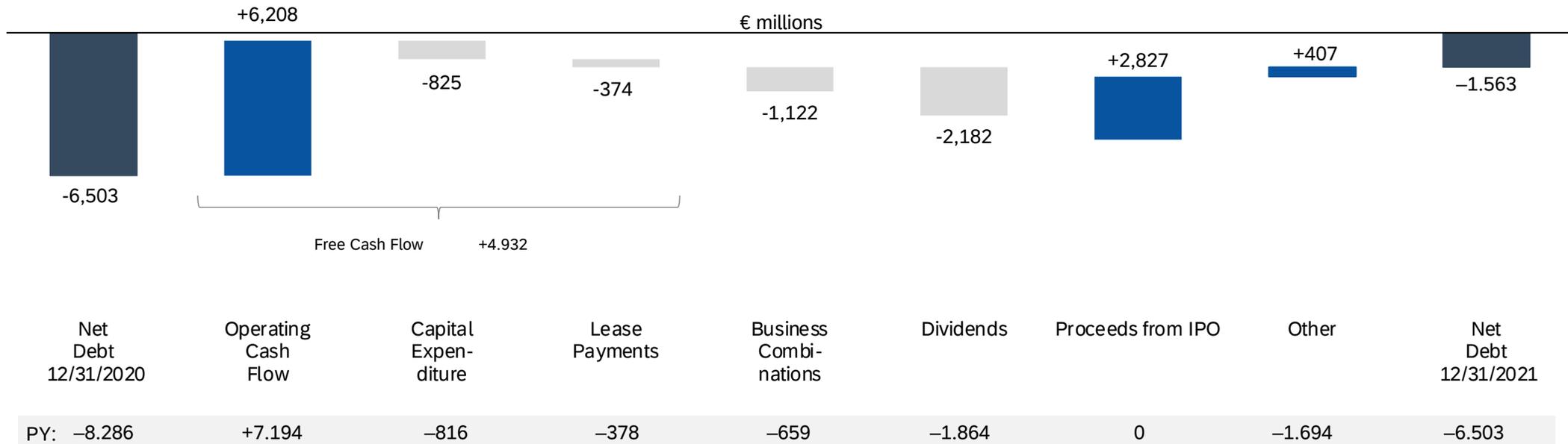
€ millions, unless otherwise stated

	FY/21	FY/20	Δ
Operating cash flow	6,208	7,194	-14%
– Capital expenditure	-825	-816	-1%
-- Payments of lease liabilities	-374	-378	+1%
Free cash flow	5,009	6,000	-18%
Free cash flow in percent of total revenue	18	22	-4pp
Free cash flow conversion rate	0.93	1.14	-0.21

Due to rounding, numbers may not add up precisely

Appendix

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

Appendix

Additional outlook information and Non-IFRS adjustments

The Company now expects a full-year 2022 effective tax rate (IFRS) of 25.0% to 28.0% (2021: 21.4%) to 28.5%) and an effective tax rate (non-IFRS) of 22.0% to 25.0% (2021: 19.9%).

	Actual Amounts FY/20	Actual Amounts FY/21	Est. Amounts FY/22
Non-IFRS adjustments			
Revenue adjustments	€5m	€0m	NA
Acquisition-related charges	€577m	€623m	€570m to €670m
Share-based payment expenses	€1,084m	€2,791m	€3,000m to €3,300m
Restructuring charges	€-3m	€157m	€20m to €40m
Sum of all adjustments	€1,664m	€3,571m	€3,590m to €4,010m

Due to rounding, numbers may not add up precisely

Expected currency impact 2021

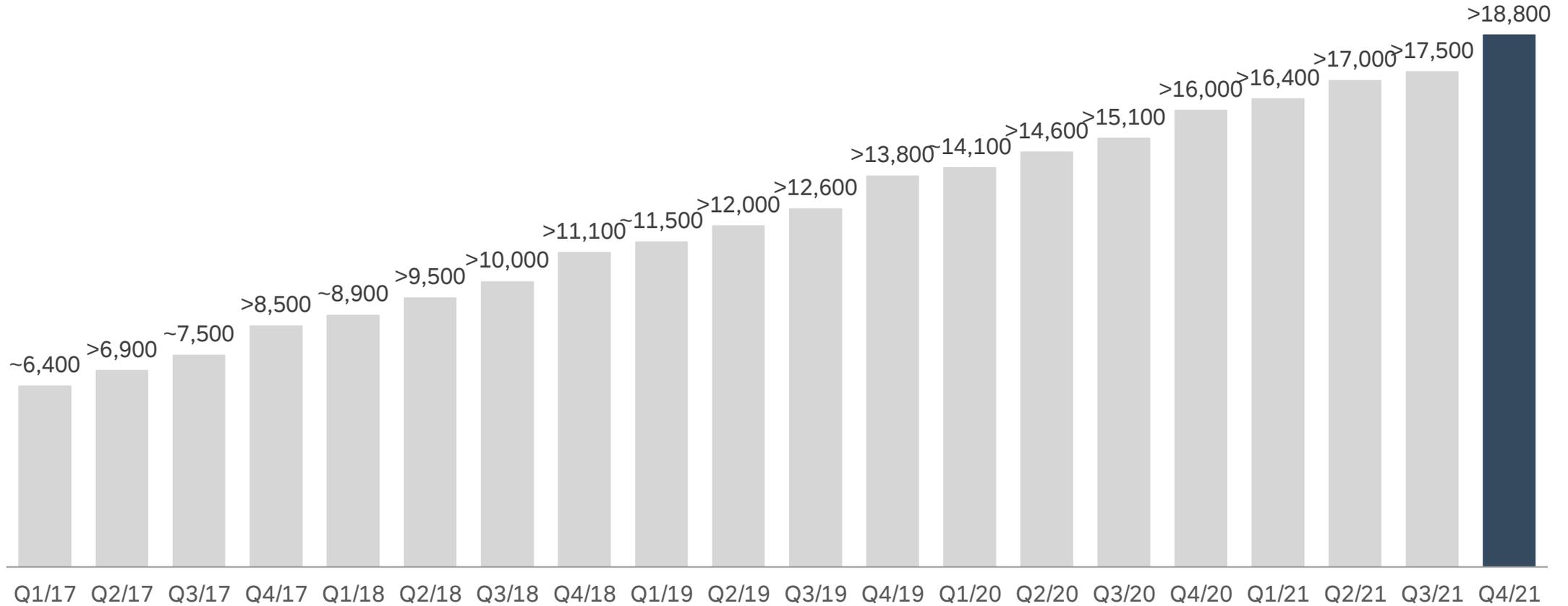
Expected Currency Impact Based on December 2021 Level for the Rest of the Year

in percentage points	Q1 2022	FY 2022
Cloud revenue growth	+3pp to +5pp	+2pp to +4pp
Cloud and software revenue growth	+2pp to +4pp	+1pp to +3pp
Operating profit growth (non-IFRS)	+1pp to +3pp	+1pp to +3pp



Appendix

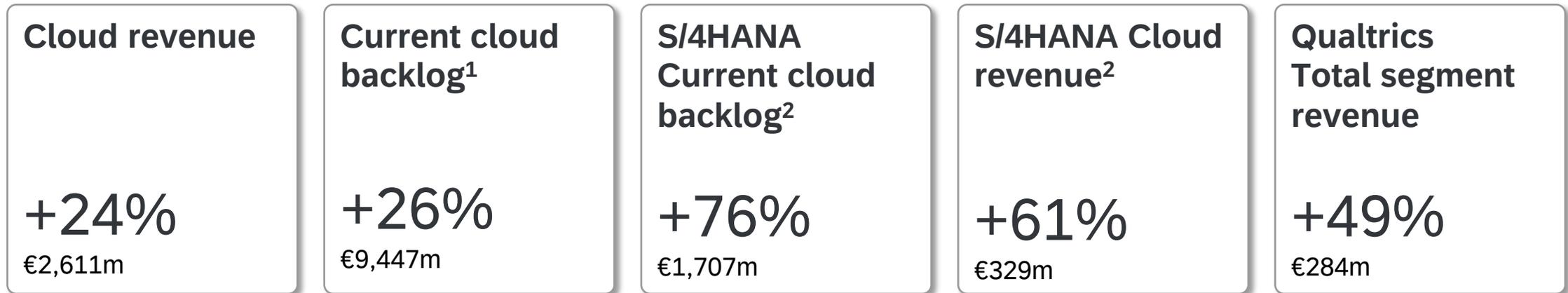
SAP S/4HANA customer count





Key cloud metrics: Fourth 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.