

Second Quarter 2025 Results

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July 22, 2025

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 2024 Annual Report on Form 20-F.



Christian Klein

CEO

Another quarter of outstanding results

Current cloud backlog

€ millions

18,052

▲ +22% (+28% @cc)

Cloud revenue

€ millions

5,130

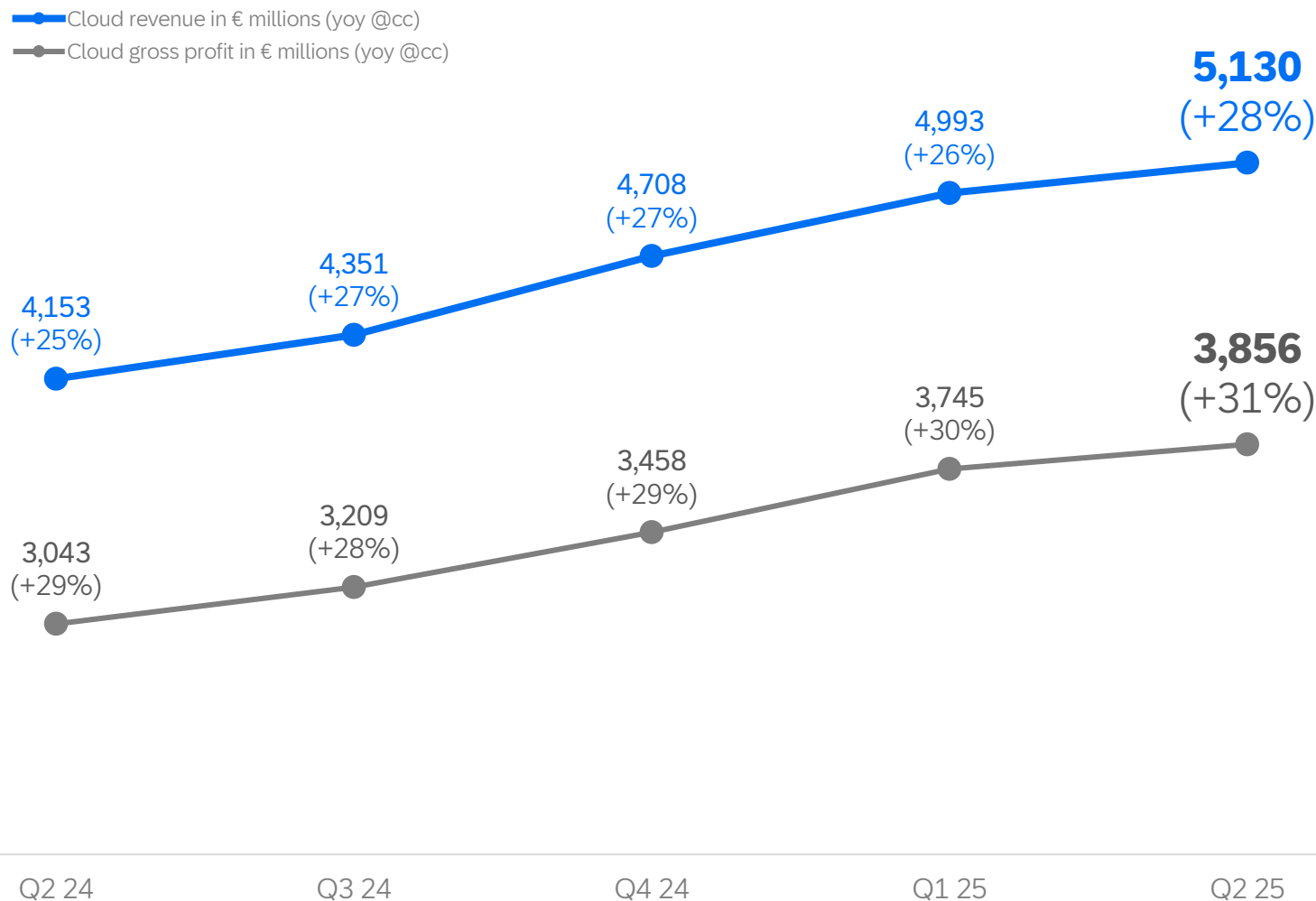
▲ +24% (+28% @cc)

Cloud ERP Suite revenue

€ millions

4,422

▲ +30% (+34% @cc)



accenture



Alibaba



BAE SYSTEMS

BALMAIN



L'ORÉAL



REPLAY



Product innovation

SAP's AI and data innovations are arriving in the market and changing the way businesses run

✦ Unrivaled AI , including **Joule Everything | Everywhere**



CFO

Accruals Agent

Reduce time spent by
80% for calculating
accruals & deferrals



CPO

Sourcing Agent

70% reduction in time
to create an RFP



COO

Shop Floor
Supervisor Agent

Increased supervisor
efficiency during
disruptions by 50%



CHRO

Performance & Goals
Assistant Agent

30% fewer resignations
attributed to poor
performance talks



CRO

Quote Creation Agent

50% productivity
gain in sales quoting



CIO

Joule
for Developers

Up to 30%
efficiency increase

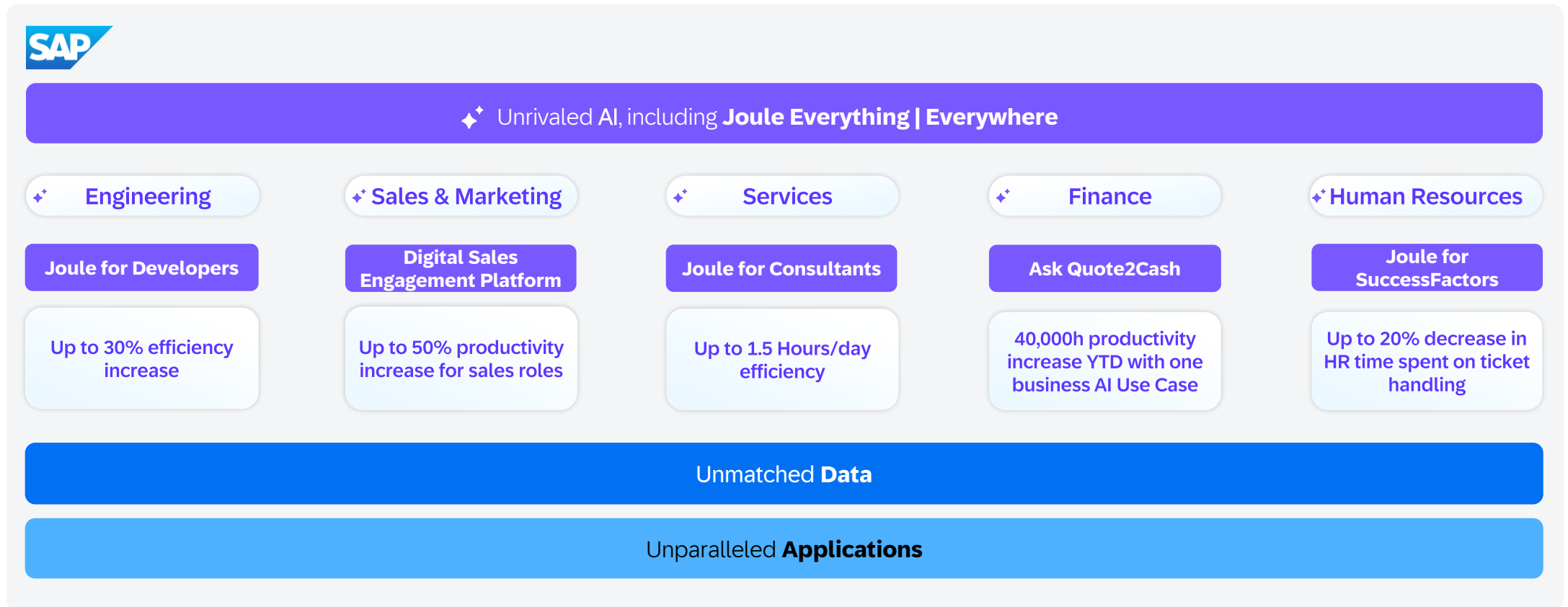
Unmatched **Data**

Unparalleled **Applications**

Note: AI use cases are examples and non-exhaustive.

Simplification

Business AI reshapes jobs and processes across SAP, with triple-digit million value of AI-enabled efficiencies



Note: AI use cases are examples and non-exhaustive.

Our growth formula

Bringing together the best of SAP to diligently continue our transformation in H2 2025 and beyond

**Product
innovation**

x

**Go-to-market
transformation**

x

Simplification

x

People

Reinventing how
businesses run
with data and AI

Accelerating our
customers' journey
to the Business Suite

Setting SAP up for
scaling efficiently
through Business AI

Hiring and upskilling
a world class and
diverse workforce

=

**Accelerating
growth**

through 2027

The background is a solid blue color. A large, lighter blue rectangle is positioned in the upper right quadrant, tilted diagonally from the top-left to the bottom-right. The text is white and positioned to the left of this rectangle.

Dominik Asam

CFO

SAP Q2 2025 Financial Results

Current cloud backlog

€ millions

18,052

▲ +22% (+28% @cc)

Total revenue

€ millions

9,027

▲ +9% (+12% @cc)

Cloud & software revenue

€ millions

7,966

▲ +11% (+14% @cc)

Cloud revenue

€ millions

5,130

▲ +24% (+28% @cc)

Cloud ERP Suite revenue

€ millions

4,422

▲ +30% (+34% @cc)

Cloud gross profit
(Cloud gross margin in%)

€ millions

IFRS

Non-IFRS

3,833

74.7%

▲ +26%

3,856

75.2%

▲ +27% (+31% @cc)

Gross profit
(Gross margin in %)

€ millions

IFRS

Non-IFRS

6,620

73.3%

▲ +10%

6,643

73.6%

▲ +10% (+13% @cc)

Operating profit

€ millions

IFRS

Non-IFRS

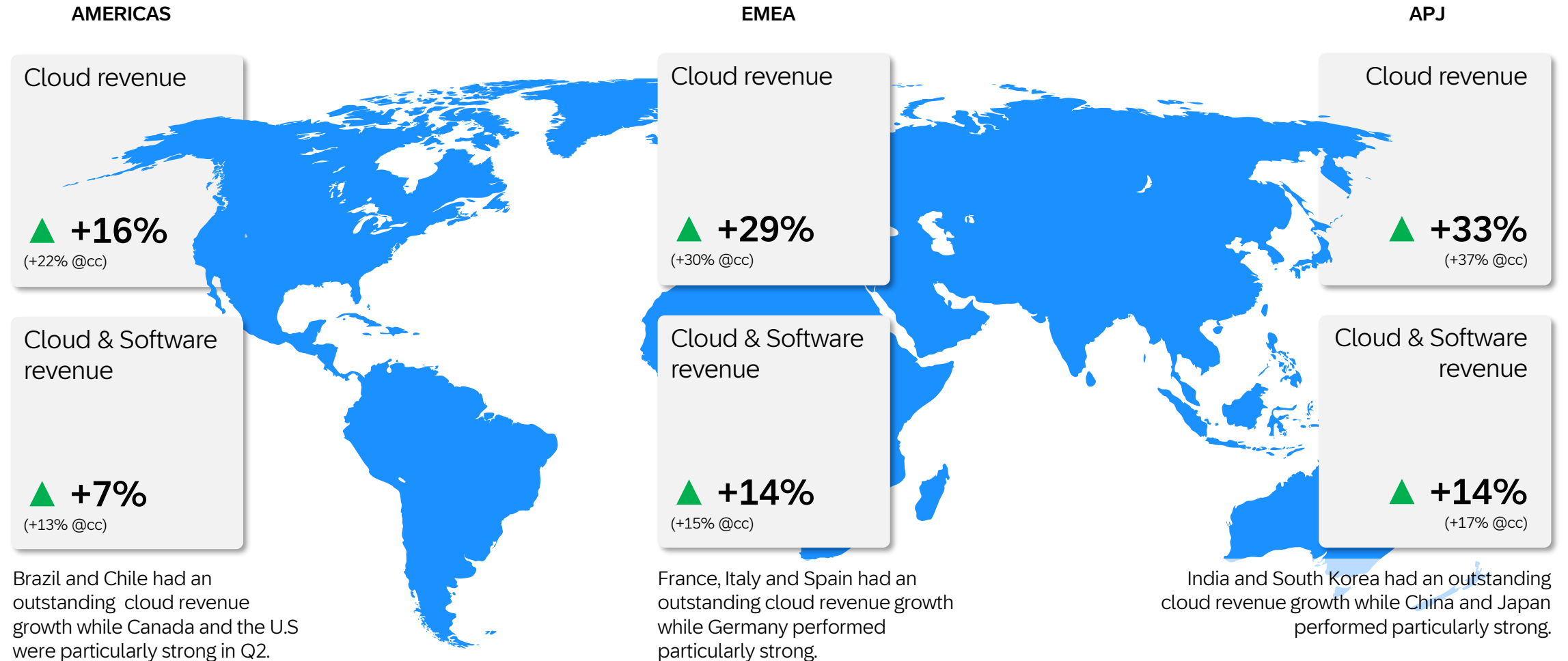
2,456

▲ >100%

2,568

▲ +32% (+35% @cc)

Regional revenue performance



Revenue and gross profit development

	Revenue			Gross profit (Gross margin %)		
Non-IFRS in € millions, unless otherwise stated	Q2 2025	Δ in %	Δ in % @cc	Q2 2025	Δ in %	Δ in % @cc
Cloud	5,130	24	28	3,856 (75.2)	27	31
SaaS/PaaS	5,045	26	30			
IaaS	85	-37	-35			
Software licenses and Support	2,835	-6	-4	2,522 (89.0)	-7	-5
Cloud and Software	7,966	11	14	6,379 (80.1)	11	14
Services	1,061	-5	-2	264 (24.9)	-4	-2
Total	9,027	9	12	6,643 (73.6)	10	13

Tax rate, Cash flow, and Earnings per share

Effective tax rate

Q2 | percent

IFRS

30.1

▼ -3.8pp

Non-IFRS

30.8

▼ -2.8pp

Operating cash flow

Q2 | € millions

2,577

▲ +71%

Free cash flow

Q2 | € millions

2,357

▲ +83%

Earnings per share

Q2 | €

IFRS
Basic

1.45

▲ +91%

Diluted

1.44

▲ +92%

Non-IFRS
Basic

1.50

▲ +37%

2025 Financial outlook¹

Cloud revenue

€ billions @cc

21.6 – 21.9

▲ +26% – 28% (2024: 17.14)

Cloud & Software revenue

€ billions @cc

33.1 – 33.6

▲ +11% – 13% (2024: 29.83)

Operating profit

€ billions @cc

Non-IFRS

10.3 – 10.6

▲ +26% – 30% (2024: 8.15)

Free cash flow

€ billions

approx. 8.0

(2024: 4.22)

Effective tax rate

percent

Non-IFRS

approx. 32

(2024: 32.3)

2025 Non-financial outlook

Employee
engagement index
percent

74 – 78

Customer Net
Promoter Score
points

12 – 16

Carbon emissions

kilotons

**Steadily
decrease**

Business Health
Culture Index

percent

80 – 82

¹⁾ 2025 financial outlook is based on constant currencies assumptions, including an exchange rate of 1.08 US Dollar per Euro

Q&A

Appendix

Appendix

Income statement: Second quarter 2025

€ millions, unless otherwise stated	IFRS			Non-IFRS		
	Q2 25	Q2 24	Δ %	Q2 25	Q2 24	Δ % @cc
Cloud	5,130	4,153	24	5,130	4,153	24
Software licenses	194	229	-15	194	229	-15
Software support	2,642	2,792	-5	2,642	2,792	-5
Software licenses and support	2,835	3,021	-6	2,835	3,021	-6
Cloud and software	7,966	7,175	11	7,966	7,175	11
Services	1,061	1,114	-5	1,061	1,114	-5
Total revenue	9,027	8,288	9	9,027	8,288	9
Total operating expenses	-6,571	-7,067	-7	-6,459	-6,348	2
Operating profit (loss)	2,456	1,222	>100	2,568	1,940	32
Other non-operating income/expense, net	-3	-5	-33	-3	-5	-33
Financial income, net	49	170	-71	-42	-9	>100
Profit (loss) before tax	2,502	1,387	80	2,524	1,926	31
Income tax expense	-753	-469	60	-776	-647	20
Profit (loss) after tax	1,749	918	91	1,747	1,278	37
Operating margin (in %)	27.2	14.7	12.5pp	28.5	23.4	5.0pp
Earnings per share, basic (in €)	1.45	0.76	91	1.50	1.10	37

Appendix

Income statement: First six months 2025

€ millions, unless otherwise stated	IFRS			Non-IFRS		
	Q1-Q2 25	Q1-Q2 24	Δ %	Q1-Q2 25	Q1-Q2 24	Δ % @cc
Cloud	10,124	8,082	25	10,124	8,082	25
Software licenses	377	432	-13	377	432	-13
Software support	5,403	5,621	-4	5,403	5,621	-4
Software licenses and support	5,780	6,053	-4	5,780	6,053	-4
Cloud and software	15,904	14,134	13	15,904	14,134	13
Services	2,136	2,195	-3	2,136	2,195	-3
Total revenue	18,040	16,329	10	18,040	16,329	10
Total operating expenses	-13,251	-15,894	-17	-13,016	-12,855	1
Operating profit (loss)	4,789	434	>100	5,024	3,473	45
Other non-operating income/expense, net	7	-153	N/A	7	-153	N/A
Financial income, net	175	125	40	-125	2	N/A
Profit (loss) before tax	4,970	407	>100	4,906	3,322	48
Income tax expense	-1,425	-313	>100	-1,478	-1,100	34
Profit (loss) after tax	3,545	94	>100	3,428	2,223	54
Operating margin (in %)	26.5	2.7	23.9pp	27.8	21.3	6.6pp
Earnings per share, basic (in €)	2.98	0.05	>100	2.94	1.91	54

Appendix

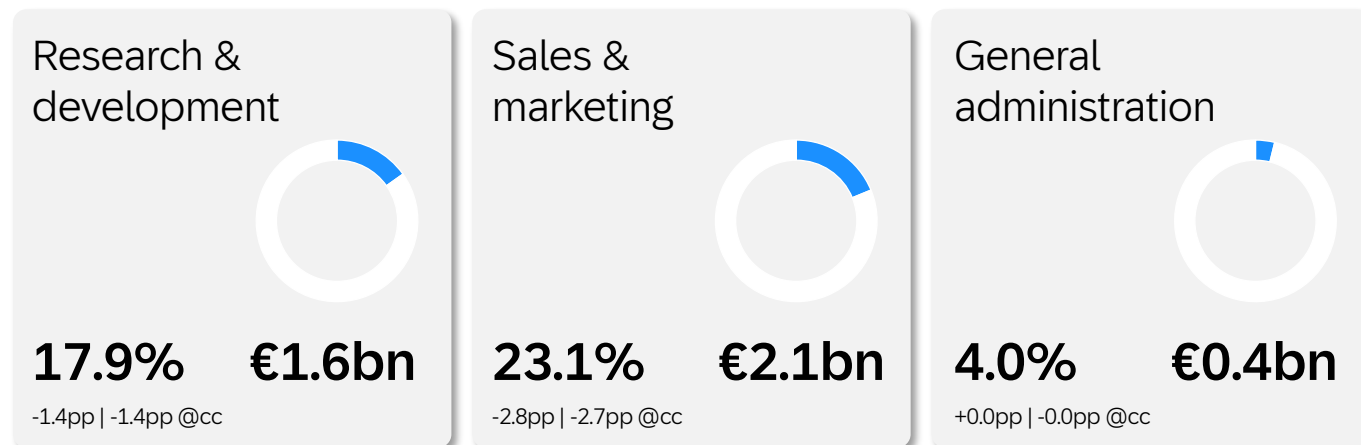
Gross margin development

Non-IFRS, in percent	Q1 24	Q2 24	Q3 24	Q4 24	FY 24	Q1 25	Q2 25
Cloud	72.5	73.3	73.7	73.5	73.3	75.0	75.2
Software licenses & support	89.2	89.7	90.1	91.0	90.1	90.1	89.0
Cloud & software	79.8	80.2	80.5	81.0	80.4	80.6	80.1
Services	20.3	24.8	24.6	24.6	23.6	21.8	24.9
Total gross margin	71.8	72.7	73.6	74.3	73.2	73.6	73.6

Appendix

Cost ratios: Second quarter 2025 | Total revenue: €9.0bn

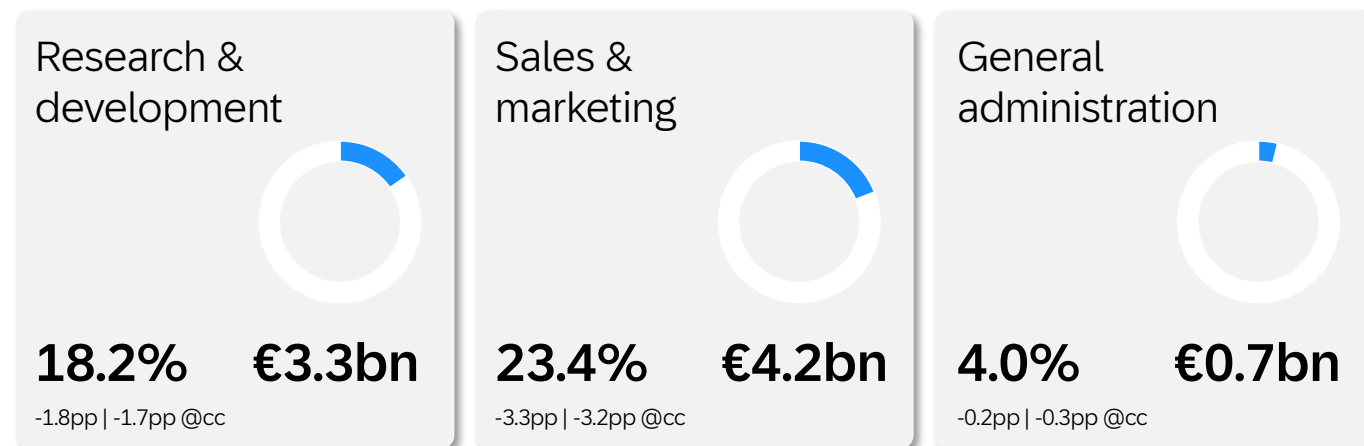
Non-IFRS as percent of total revenue



Appendix

Cost ratios: First six months 2025 | Total revenue: €18.0bn

Non-IFRS as percent of total revenue



Appendix

Balance sheet condensed: June 30, 2025 – IFRS

Due to rounding, numbers may not add up precisely

Assets

€ millions	6/30/25	12/31/24
Cash, cash equivalents and other financial assets	10,177	11,239
Trade and other receivables	6,289	6,774
Other current assets	3,172	3,389
Total current assets	19,638	21,401
Goodwill	28,537	31,243
Intangible assets	2,289	2,706
Property, plant, and equipment	4,339	4,493
Other non-current assets	13,597	14,375
Total non-current assets	48,761	52,817
Total assets	68,399	74,218

Equity and liabilities

€ millions	6/30/25	12/31/24
Trade and other payables	2,210	1,988
Provisions	220	716
Contract liabilities, current	8,395	5,978
Other liabilities	8,226	10,395
Total current liabilities	19,050	19,078
Financial liabilities	6,034	7,169
Provisions	468	494
Contract liabilities, non-current	139	88
Other non-current liabilities	1,310	1,581
Total non-current liabilities	7,950	9,332
Total liabilities	27,000	28,410
Total equity	41,400	45,808
Total equity and liabilities	68,399	74,218

Appendix

Cash flow development

Due to rounding, numbers may not add up precisely

€ millions, unless otherwise stated	Q1-Q2 2025	Q1-Q2 2024	Δ in %
Operating cash flow	6,357	4,388	45
– Purchase of PPE & intangibles	-358	-365	-2
– Proceeds from sales of PPE & intangibles	78	55	43
– Payments of lease liabilities	-138	-148	-7
Free cash flow	5,939	3,929	51
Free cash flow in percent of total revenue	33	24	+9pp
Free cash flow in percent of profit after tax (IFRS)	168	4,191	-4,024pp

Appendix

Net debt

Due to rounding, numbers may not add up precisely

€ millions, unless otherwise stated	2025	2024
Net liquidity (+)/Net Debt (-) 12/31/2024 PY: 12/31/2023	1,695	3,521
Net cash flows from operating activities	6,357	4,388
Capital expenditure	-358	-365
Proceeds from sales of PPE & intangibles	78	55
Payments of lease liabilities	-138	-148
Business combinations	-5	-19
Dividends	-2,743	-2,565
Treasury shares	-1,633	-975
Interest payments, net	-192	-91
Other	-764	-127
Net liquidity (+)/Net Debt (-) 6/30/2025 PY: 06/30/2024	2,297	3,674

Appendix

Additional outlook information and Non-IFRS adjustments

Due to rounding, numbers may not add up precisely

The Company expects a full-year 2025 effective tax rate (Non-IFRS) of approximately 32% (2024: 32.2%).

Non-IFRS adjustments	Actual Amounts Q2 2024	Actual Amounts Q2 2025	Est. Amounts FY 2025
Acquisition-related charges	€87m	€94m	€380m to €460m
Restructuring charges	€631m	€18m	approximately €100m
Regulatory compliance matter expenses	€0m	€0m	€0m
Gains and losses from equity securities, net	-€179m	-€91m	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 June 30, 2025 Level applied for 2025

While SAP's 2025 financial outlook for the income statement parameters is at constant currencies (including an average exchange rate of 1.08 USD per EUR), actual currency reported figures are expected to be impacted by currency exchange rate fluctuations as the company progresses through the year, as reflected in the table below.

in percentage points	Q3 25	FY 2025
Cloud revenue growth	-5.0pp	-3.5pp
Cloud and software revenue growth	-4.0pp	-3.0pp
Operating profit growth (non-IFRS)	-4.5pp	-3.0pp

This includes an exchange rate of 1.17 USD per EUR.