

Fourth Quarter and Full-Year 2024 Results

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Dominik Asam, CFO

January 28, 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 2023 Annual Report on Form 20-F.

Christian Klein

CEO

Q4 provided a strong finish to 2024

Current cloud backlog

€ millions

18,078

▲ +32% (+29% @cc)

Cloud revenue

€ millions

4,708

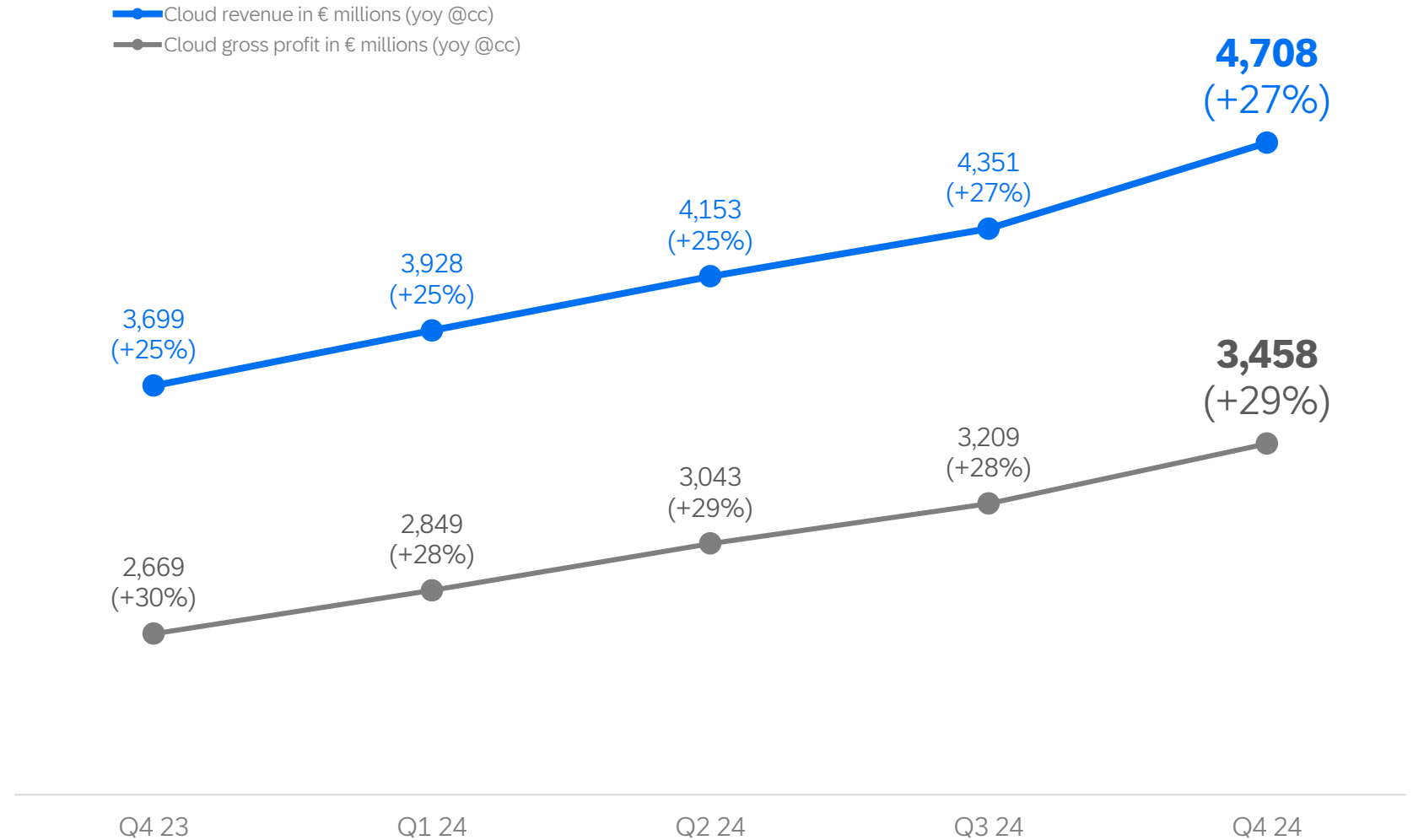
▲ +27% (+27% @cc)

Cloud ERP Suite revenue

€ millions

3,949

▲ +35% (+35% @cc)



We achieved all our cloud goals for 2024

Total Cloud Backlog

63,292

▲ +43% (+40% @cc)

Cloud Revenue

17,141

▲ +25% (+26% @cc)

Thereof Cloud ERP Suite

14,166

▲ +33% (+34% @cc)

Total Revenue

34,176

▲ +10% (+10% @cc)

Operating Profit

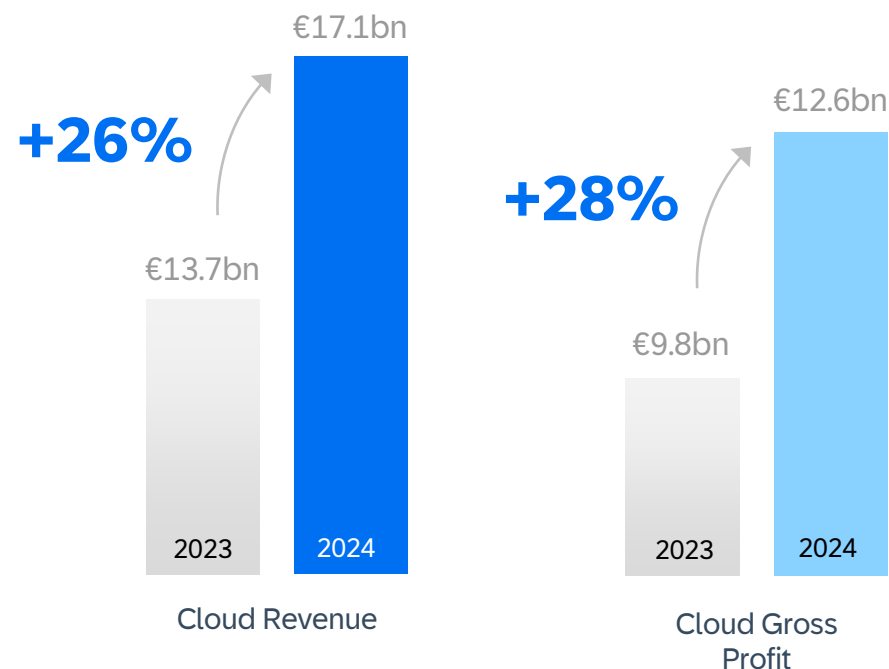
8,153

▲ +25% (+26% @cc)

Free Cash Flow

4,113

▼ -19%

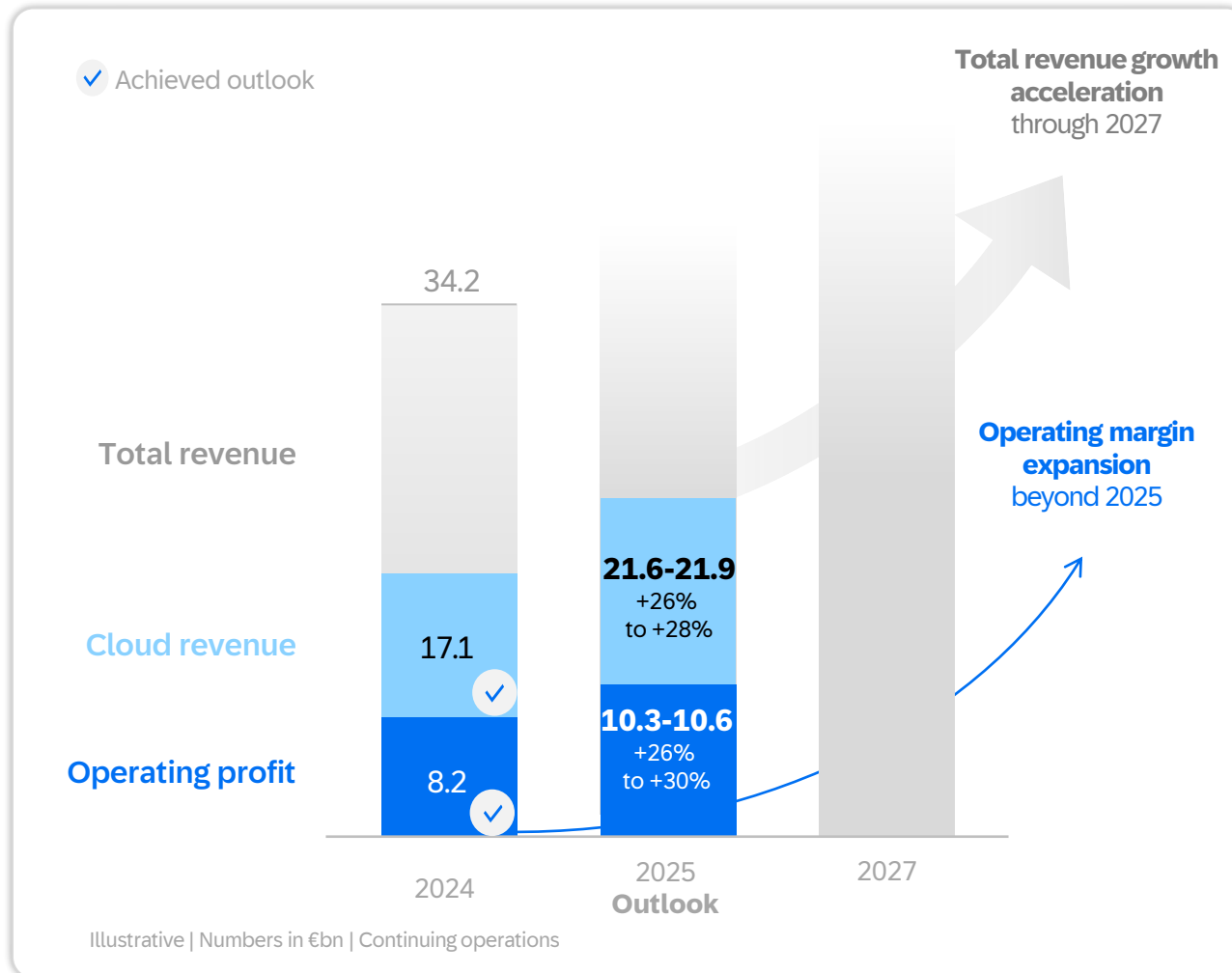


Illustrative | All numbers are in € millions, non-IFRS unless otherwise stated



Outlook 2025

The right pieces in place for accelerated Total Revenue growth and an expansion of Operating Profit through 2027



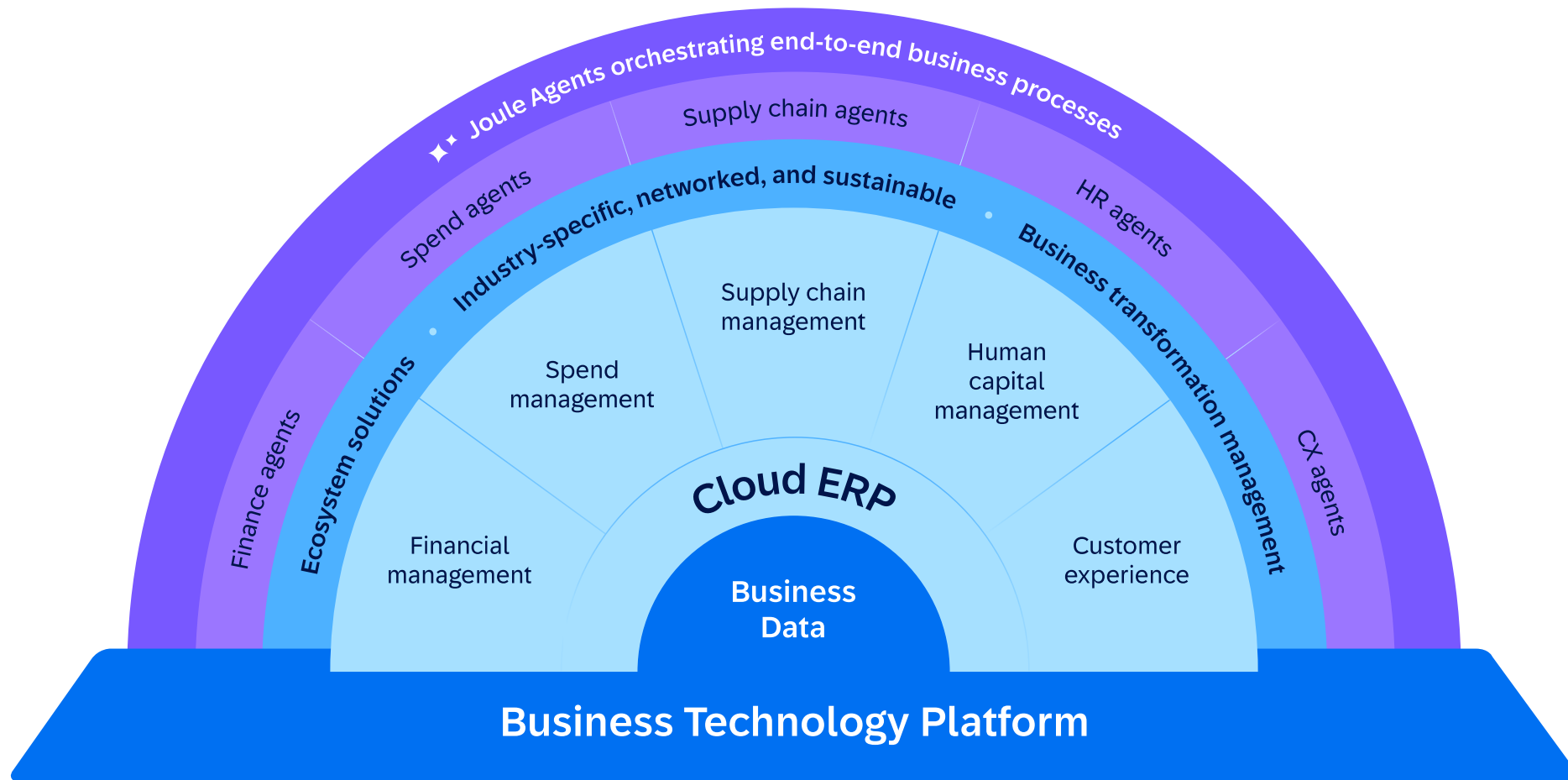
1 | Product innovation

2 | Commercial innovation

3 | Simplification

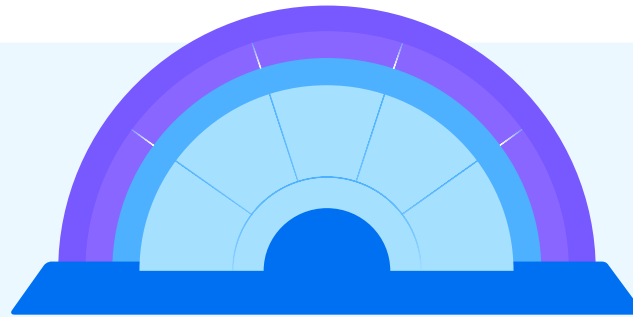
1 | Product innovation

Accelerating future growth by bringing together apps, data, and AI



2 | Commercial innovation

Significantly simplifying how our customers unlock value through the SAP portfolio



Commercial Flexibility

Flexibility to **land with & adopt** SAP's latest innovation as part of **RISE and GROW** journeys

+

Expansion Benefits

Strategic incentives for customers to **expand** across **SAP Business Suite**

+

Tools & Methodology

Proven methodology guided by an **Enterprise Architect** using **Business Transformation Suite**

3 | Simplification

Unlocking AI-driven efficiency across SAP

Development

20%

efficiency potential through automated code generation with **Joule for Developers**

Go-to-Market

75%

reduction of average contract booking time with AI-assisted contract validation leveraging the **SAP GenAI Hub**

Corporate Functions

>20x

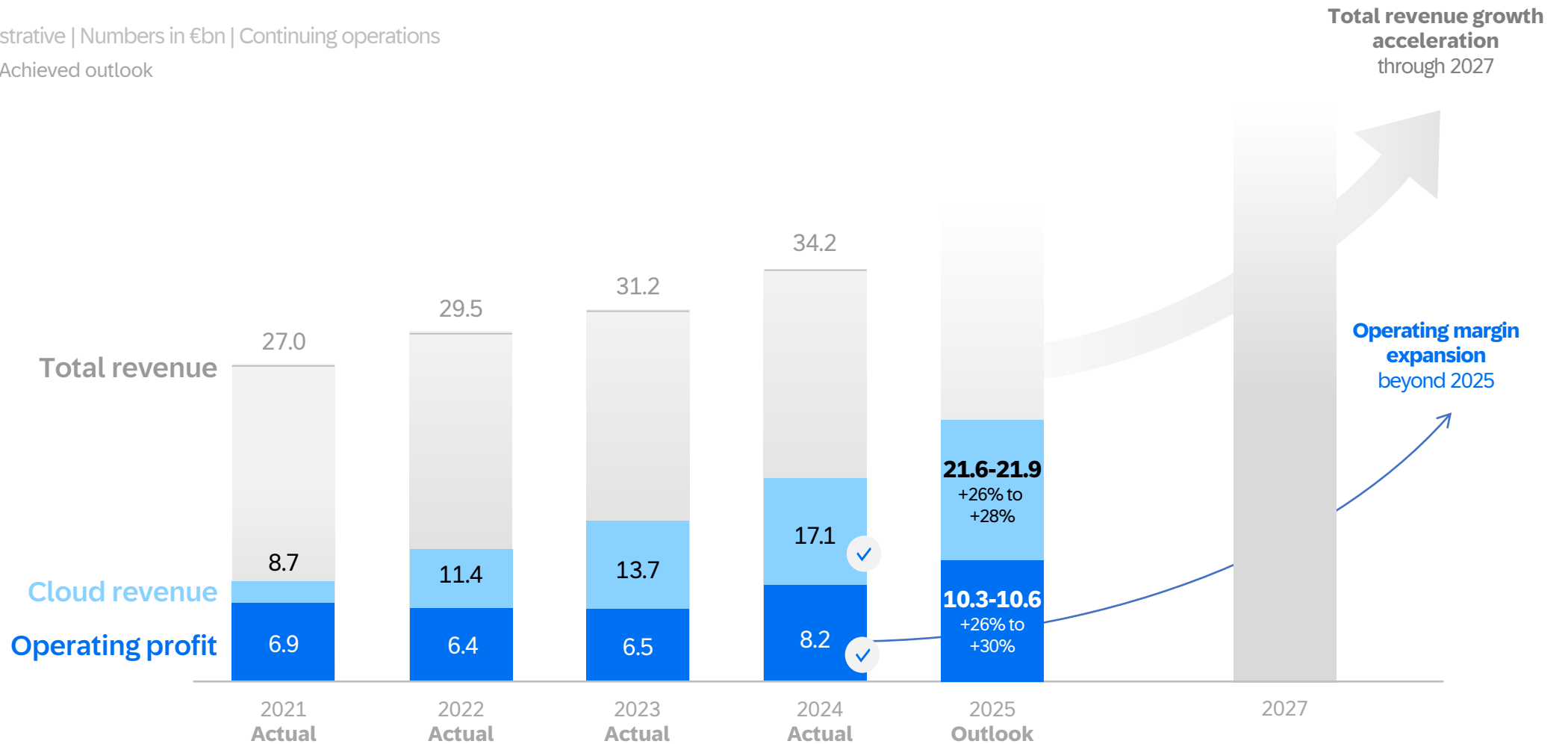
productivity gain through AI-assisted quote-to-cash process automation leveraging the **SAP GenAI Hub**

Outlook 2025

The right pieces in place for accelerated Total Revenue growth and an expansion of Operating Profit through 2027

Illustrative | Numbers in €bn | Continuing operations

✓ Achieved outlook

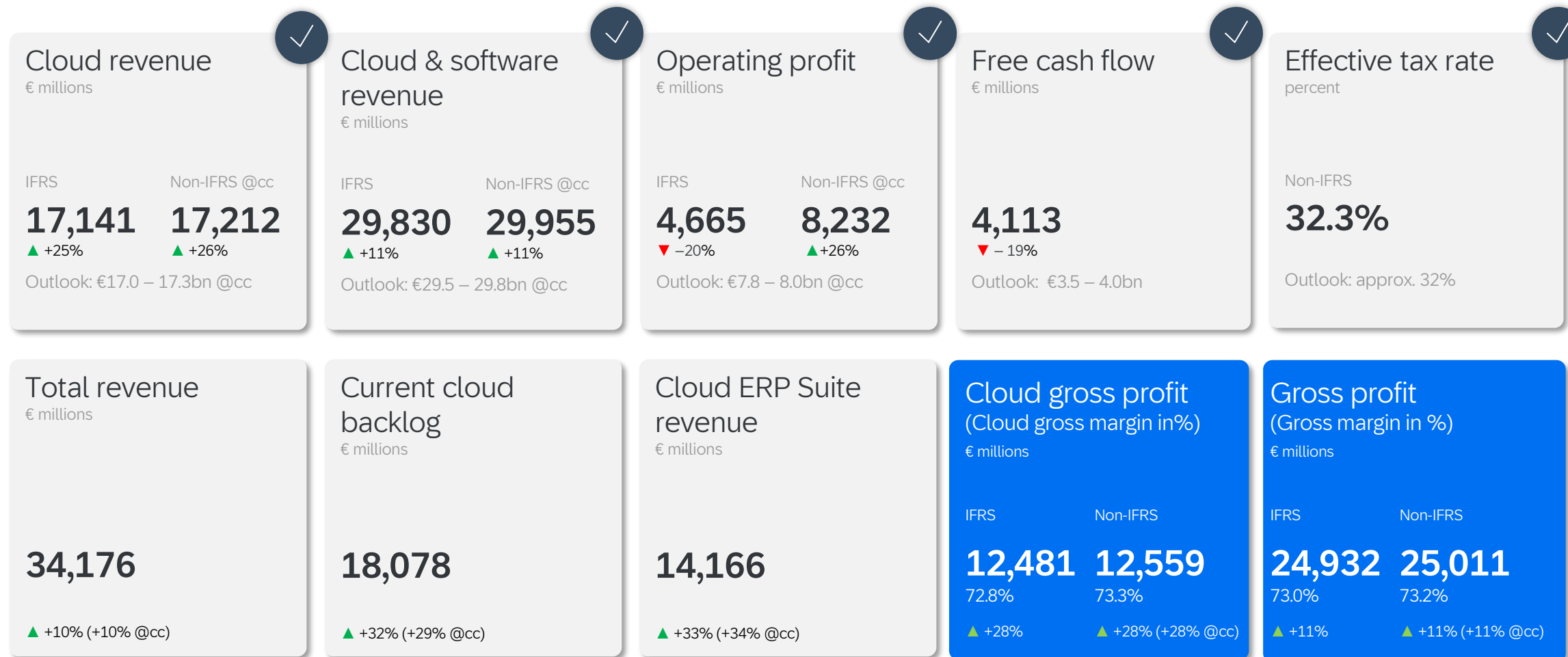




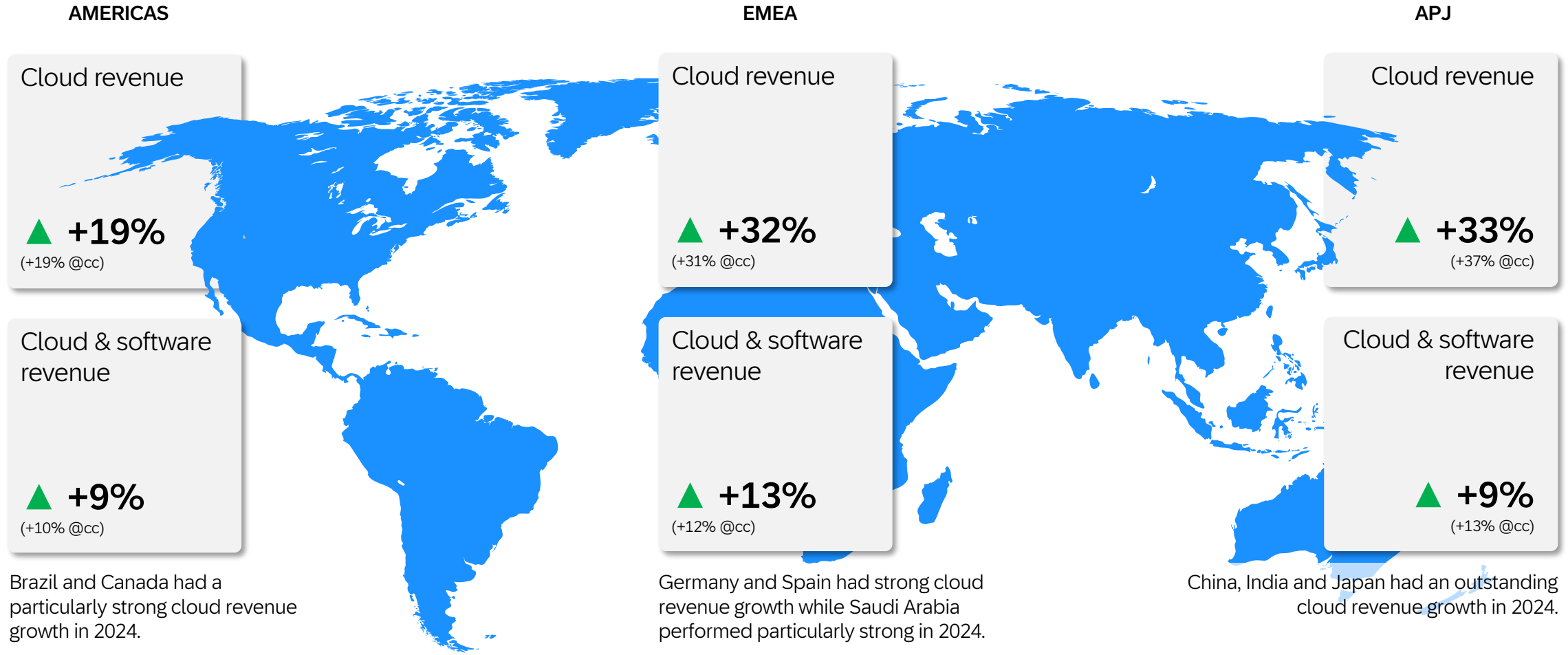
Dominik Asam

CFO

All outlook key metrics met or exceeded for FY 2024



Regional revenue performance 2024



Revenue and gross profit development

Non-IFRS in € millions, unless otherwise stated	Revenue			Gross profit (Gross margin %)		
	FY 2024	Δ in %	Δ in % @cc	FY 2024	Δ in %	Δ in % @cc
Cloud	17,141	25	26	12,559 (73.3)	28	28
SaaS/PaaS	16,601	29	29			
IaaS	540	-28	-27			
Software licenses and support	12,689	-4	-4	11,427 (90.1)	-4	-4
Cloud and software	29,830	11	11	23,986 (80.4)	10	11
Services	4,346	1	2	1,025 (23.6)	17	17
Total	34,176	10	10	25,011 (73.2)	11	11

Tax rate, Cash flow, and Earnings per share

Effective tax rate

Full year | percent

IFRS	Non-IFRS
33.9	32.3
▲ +1.3pp	▲ +1.9pp

Free cash flow

Full year | € billions

4.11

▼ -19%

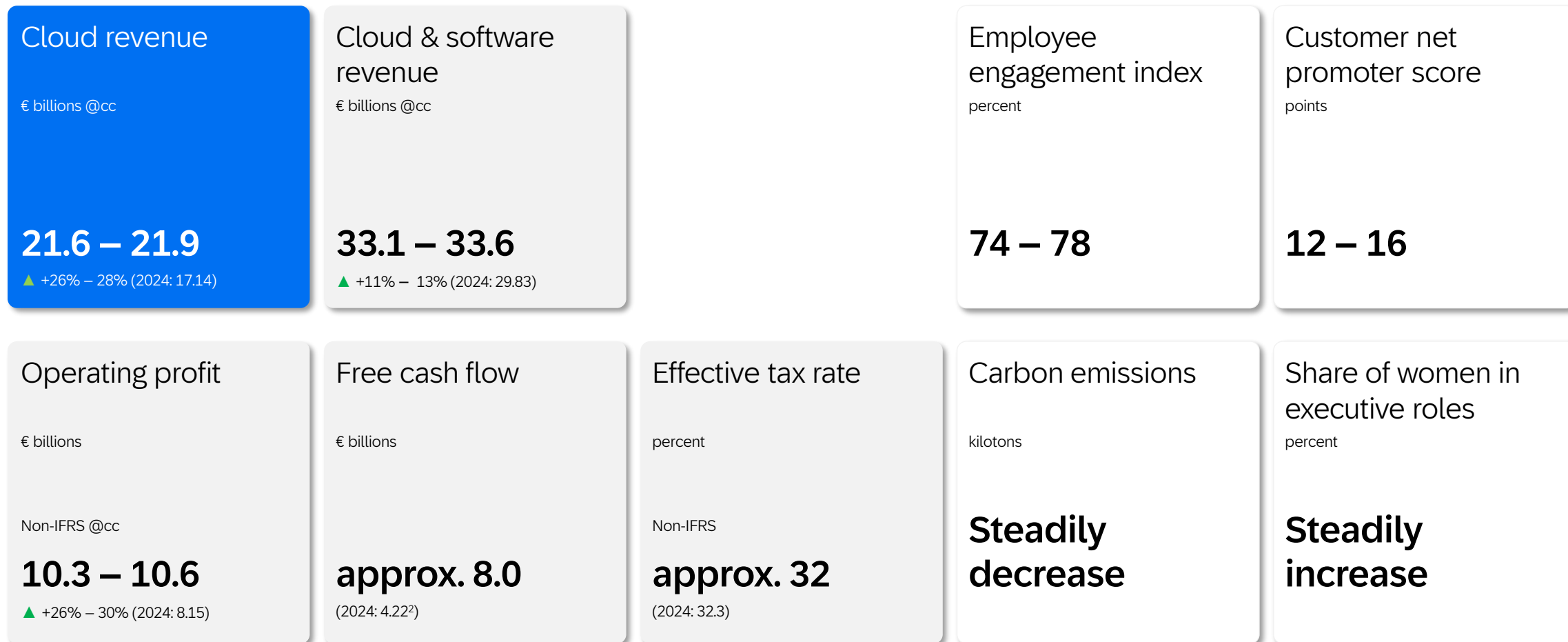
Earnings per share

Full year | €

IFRS		Non-IFRS
basic	Diluted	basic
2.68	2.65	4.53
▼ -14%	▼ -14%	▲ +22%

2025 Financial outlook¹

2025 Non-financial outlook



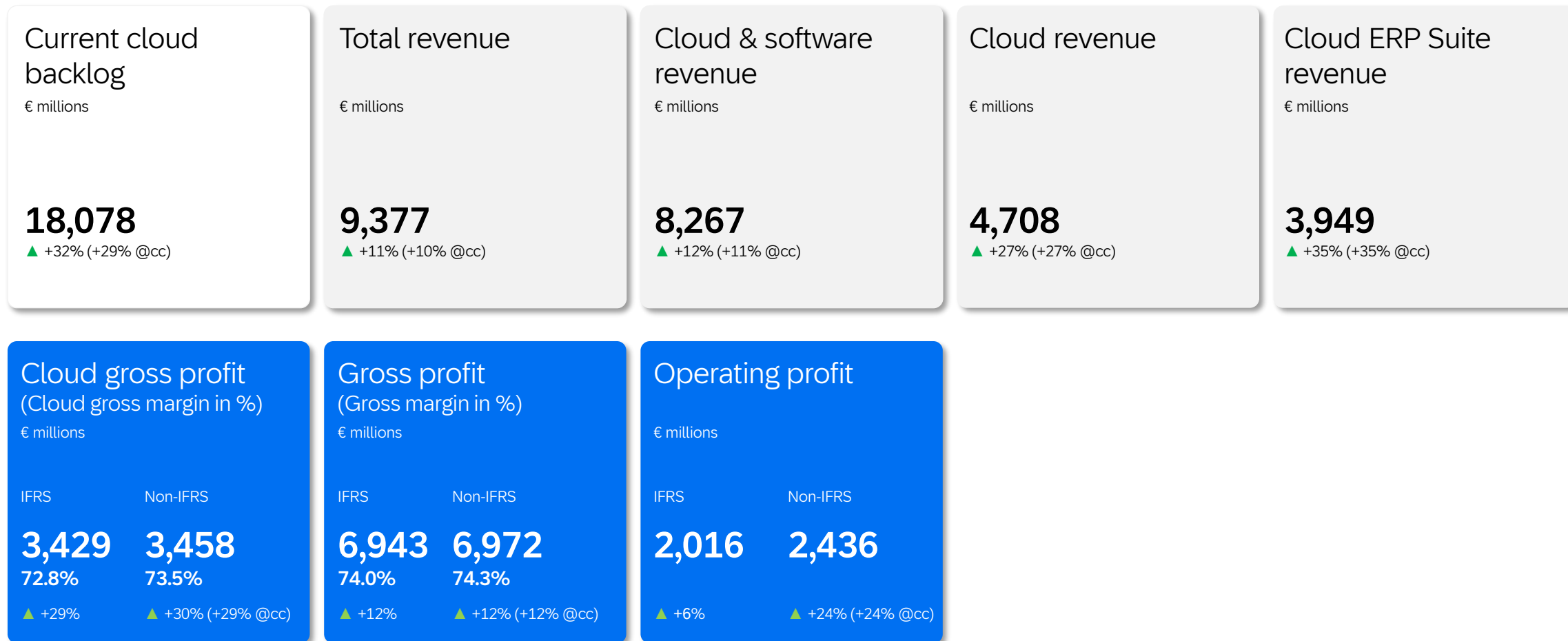
¹) 2025 financial outlook is based on constant currencies assumptions, including an exchange rate of 1.08 US Dollar per Euro

²) Based on updated free cash flow definition

Q&A

Appendix

SAP Q4 2024 Financial Results



Non-financial performance 2024

Employee
engagement index
percent

74

▼ -6pp

Outlook: 70 – 74

Customer net
promoter score
points

12

▲ +3

Outlook: 9 – 13

Carbon emissions

megatons

6.9

● flat

Outlook: steadily decrease

Share of women in
executive roles

percent

22.5

▲ +0.3pp

Outlook: steadily increase

Appendix

Income statement: Fourth quarter 2024

* from continuing and discontinued operations

€ millions, unless otherwise stated	IFRS			Non-IFRS		
	Q4 24	Q4 23	Δ %	Q4 24	Q4 23	Δ % @cc
Cloud	4,708	3,699	27	4,708	3,699	27
Software licenses	683	838	-18	683	838	-18
Software support	2,876	2,846	1	2,876	2,846	1
Software licenses and support	3,559	3,683	-3	3,559	3,683	-3
Cloud and software	8,267	7,382	12	8,267	7,382	12
Services	1,110	1,086	2	1,110	1,086	2
Total revenue	9,377	8,468	11	9,377	8,468	11
Total operating expenses	-7,361	-6,566	12	-6,941	-6,499	7
Operating profit (loss)	2,016	1,902	6	2,436	1,969	24
Financial income, net	273	-93	N/A	-40	-39	4
Profit (loss) before tax from continuing operations	2,207	1,810	22	2,313	1,930	20
Income tax expense	-591	-608	-3	-694	-628	10
Profit (loss) after tax from continuing operations	1,616	1,201	35	1,619	1,302	24
Profit (loss) after tax from discontinued operations	0	0	N/A	0	0	N/A
Profit (loss) after tax*	1,616	1,201	35	1,619	1,302	24
Operating margin (in %)	21.5	22.5	-1.0pp	26.0	23.3	2.7pp
Earnings per share, basic (in €) from continuing operations	1.37	1.05	31	1.40	1.12	24
Earnings per share, basic (in €)*	1.37	1.05	31	1.40	1.12	24

Appendix

Income statement: Full year 2024

* from continuing and discontinued operations

€ millions, unless otherwise stated	IFRS			Non-IFRS			
	Q1-Q4 24	Q1-Q4 23	Δ %	Q1-Q4 24	Q1-Q4 23	Δ %	Δ % @cc
Cloud	17,141	13,664	25	17,141	13,664	25	26
Software licenses	1,399	1,764	-21	1,399	1,764	-21	-21
Software support	11,290	11,496	-2	11,290	11,496	-2	-1
Software licenses and support	12,689	13,261	-4	12,689	13,261	-4	-4
Cloud and software	29,830	26,924	11	29,830	26,924	11	11
Services	4,346	4,283	1	4,346	4,283	1	2
Total revenue	34,176	31,207	10	34,176	31,207	10	10
Total operating expenses	-29,511	-25,408	16	-26,022	-24,693	5	6
Operating profit (loss)	4,665	5,799	-20	8,153	6,514	25	26
Financial income, net	398	-456	N/A	-63	-311	-80	
Profit (loss) before tax from continuing operations	4,764	5,341	-11	7,792	6,201	26	
Income tax expense	-1,614	-1,741	-7	-2,513	-1,880	34	
Profit (loss) after tax from continuing operations	3,150	3,600	-13	5,279	4,321	22	
Profit (loss) after tax from discontinued operations	0	2,363	N/A	0	1,782	N/A	
Profit (loss) after tax*	3,150	5,964	-47	5,279	6,103	-13	
Operating margin (in %)	13,6	18,6	-4.9pp	23,9	20,9	3.0pp	3.1pp
Earnings per share, basic (in €) from continuing operations	2.68	3.11	-14	4.53	3.72	22	
Earnings per share, basic (in €)*	2.68	5.26	-49	4.53	5.51	-18	

Appendix

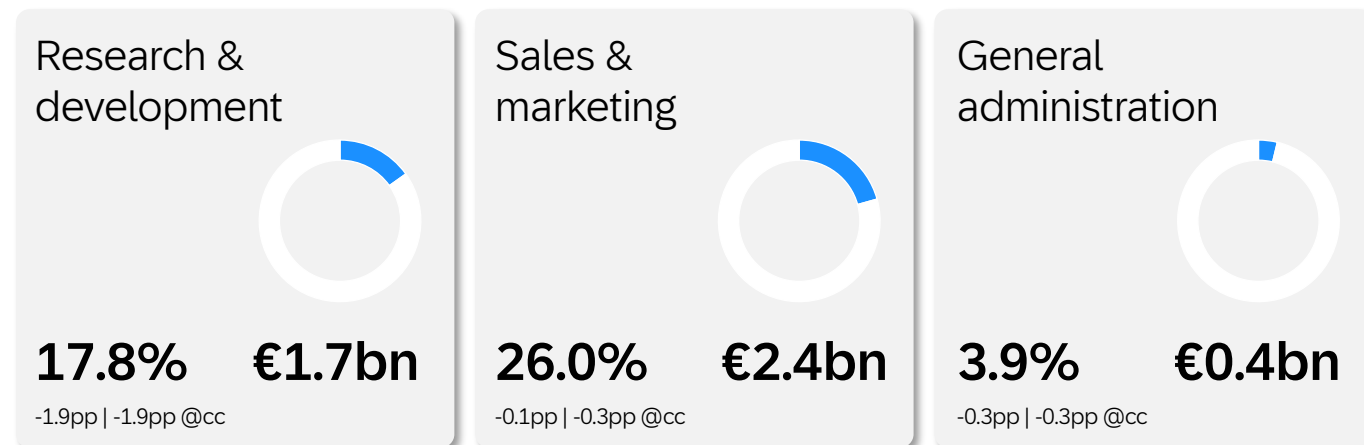
Gross margin development

Non-IFRS, in percent	Q1 23	Q2 23	Q3 23	Q4 23	FY 23	Q1 24	Q2 24	Q3 24	Q4 24	FY 24
Cloud	70.8	71.4	73.0	72.2	71.9	72.5	73.3	73.7	73.5	73.3
Software licenses & support	88.9	90.2	90.1	89.8	89.8	89.2	89.7	90.1	91.0	90.1
Cloud & software	79.9	80.6	81.2	81.0	80.7	79.8	80.2	80.5	81.0	80.4
Services	21.0	17.8	21.2	21.9	20.5	20.3	24.8	24.6	24.6	23.6
Total gross margin	71.3	71.9	73.0	73.4	72.4	71.8	72.7	73.6	74.3	73.2

Appendix

Cost ratios: Fourth quarter 2024 | Total revenue: €9.4bn

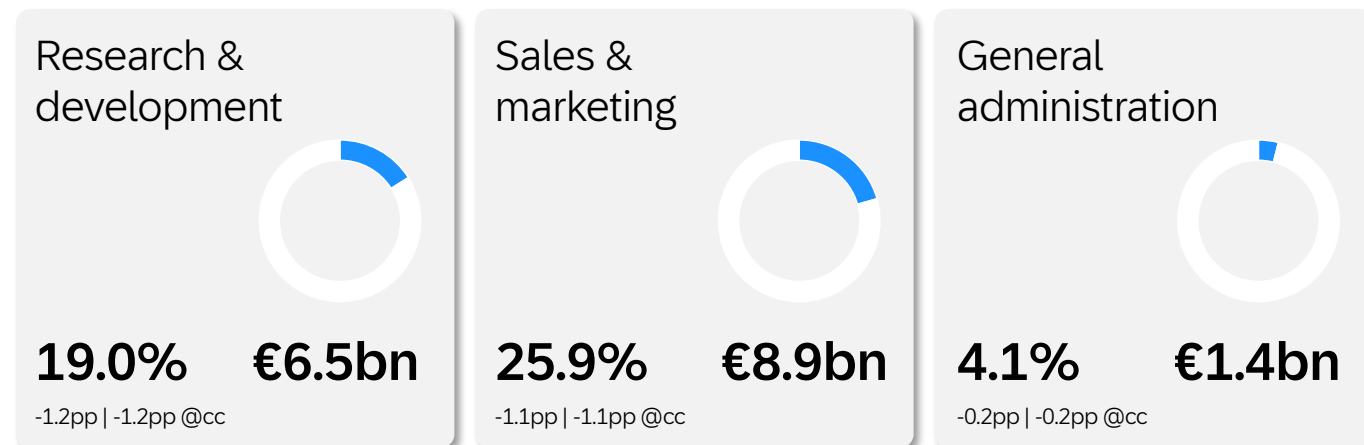
Non-IFRS as percent of total revenue



Appendix

Cost ratios: Full year 2024 | Total revenue: €34.2bn

Non-IFRS as percent of total revenue



Appendix

Balance sheet condensed: December 31, 2024 – IFRS

Due to rounding, numbers may not add up precisely

Assets

€ millions	12/31/24	12/31/23
Cash, cash equivalents and other financial assets	11,239	11,468
Trade and other receivables	6,774	6,322
Other current assets	3,389	2,781
Total current assets	21,401	20,571
Goodwill	31,147	29,081
Intangible assets	2,706	2,505
Property, plant, and equipment	4,493	4,276
Other non-current assets	14,375	11,899
Total non-current assets	52,721	47,760
Total assets	74,122	68,331

Equity and liabilities

€ millions	12/31/24	12/31/23
Trade and other payables	1,990	1,783
Provisions	716	235
Other liabilities	10,395	7,648
Contract liabilities, current	5,978	4,975
Total current liabilities	19,079	14,641
Financial liabilities	7,169	7,941
Provisions	494	432
Contract liabilities, non-current	88	33
Other non-current liabilities	1,483	1,878
Total non-current liabilities	9,235	10,284
Total liabilities	28,314	24,925
Total equity	45,808	43,406
Total equity and liabilities	74,122	68,331

Appendix

Cash flow development

Due to rounding, numbers may not add up precisely

€ millions, unless otherwise stated	12M 2024	12M 2023	Δ in %
Operating cash flow	5,220	6,210	-16
– Capital expenditure	-797	-785	2
– Payments of lease liabilities	-310	-332	-7
Free cash flow	4,113	5,093	-19
Free cash flow in percent of total revenue	12%	16%	-4pp
Free cash flow in percent of profit after tax (IFRS)	131%	141%	-11pp

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	5,220	6,210
Capital expenditure	-797	-785
Payments of lease liabilities	-310	-332
Business combinations	-1,114	-1,168
Dividends	-2,565	-2,395
Treasury shares	-2,106	-949
Net proceeds from Qualtrics sale	0	5,510
Other	-155	-500
Net liquidity (+)/Net Debt (-) 12/31/2024 PY: 12/31/2023	1,695	3,521

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 around 32% (2024: 32.2%).

Non-IFRS adjustments	Actual Amounts FY 2023	Actual Amounts FY 2024	Est. Amounts FY 2025
Acquisition-related charges	€345m	€356m	€380m to €460m
Restructuring charges	€215m	€3,144m	Approximately €100m
Regulatory compliance matter expenses	€155m	-€11m	€0m
Gains and losses from equity securities, net	€145m	-€461m	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 December 31, 2024 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	Q1 25	FY 2025
Cloud revenue growth	+2.5pp	+2.5pp
Cloud and software revenue growth	+2.0pp	+2.0pp
Operating profit growth (non-IFRS)	+5.0pp	+4.0pp

This includes an exchange rate of 1.04 USD per EUR.