

# First Quarter 2025 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 2024 Annual Report on Form 20-F.



# Christian Klein

CEO

# Q1 was a fast-paced start into the year

## Current cloud backlog

€ millions

**18,202**

▲ +28% (+29% @cc)

## Cloud revenue

€ millions

**4,993**

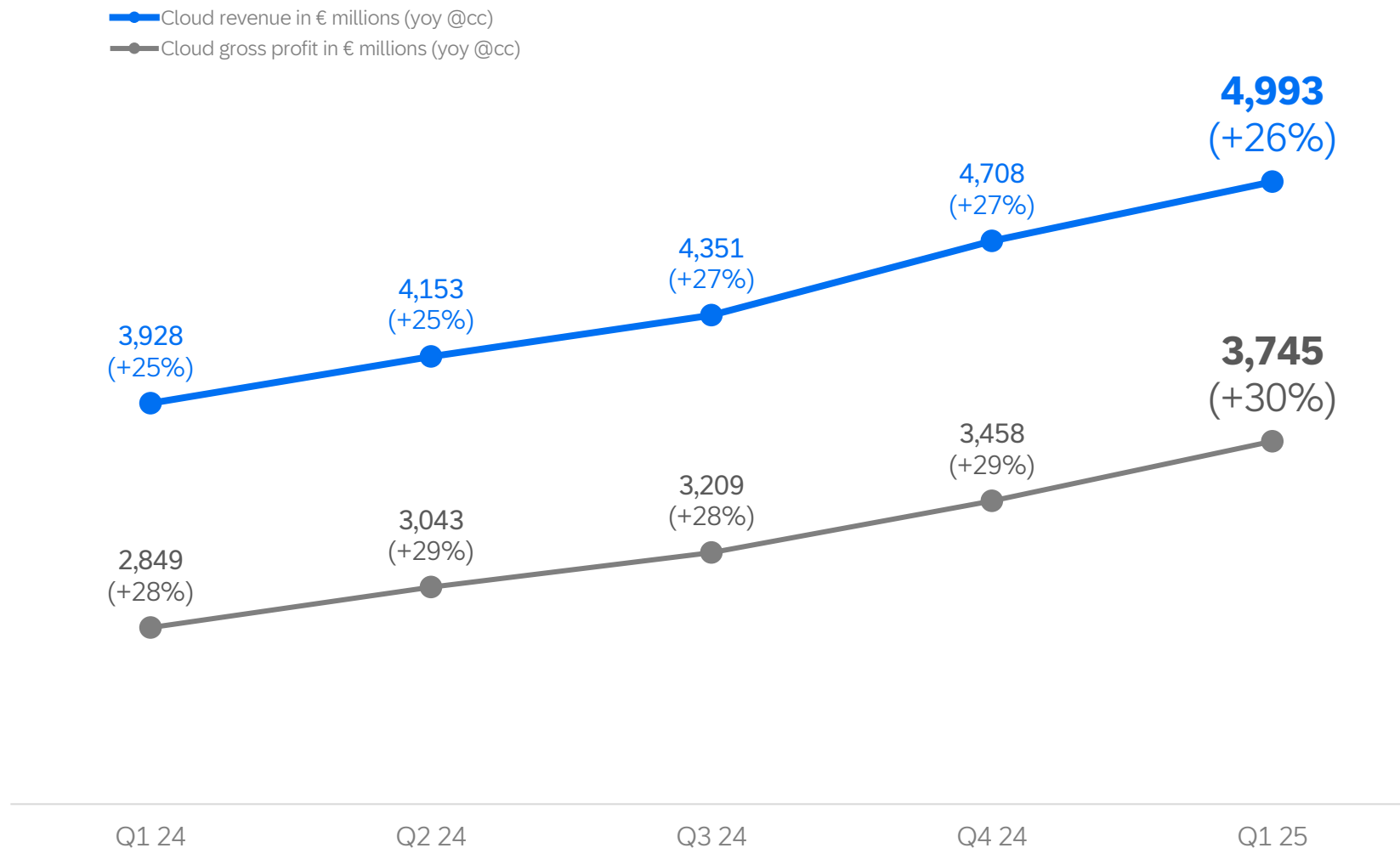
▲ +27% (+26% @cc)

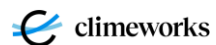
## Cloud ERP Suite revenue

€ millions

**4,251**

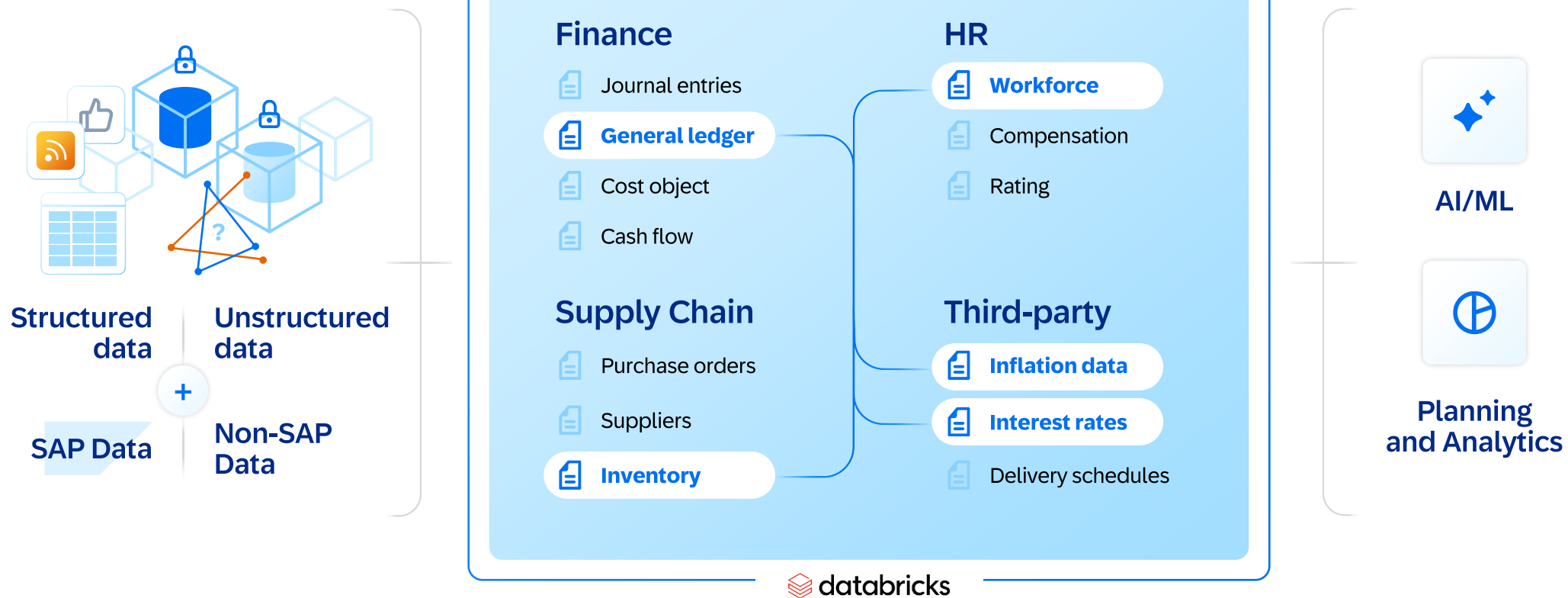
▲ +34% (+33% @cc)





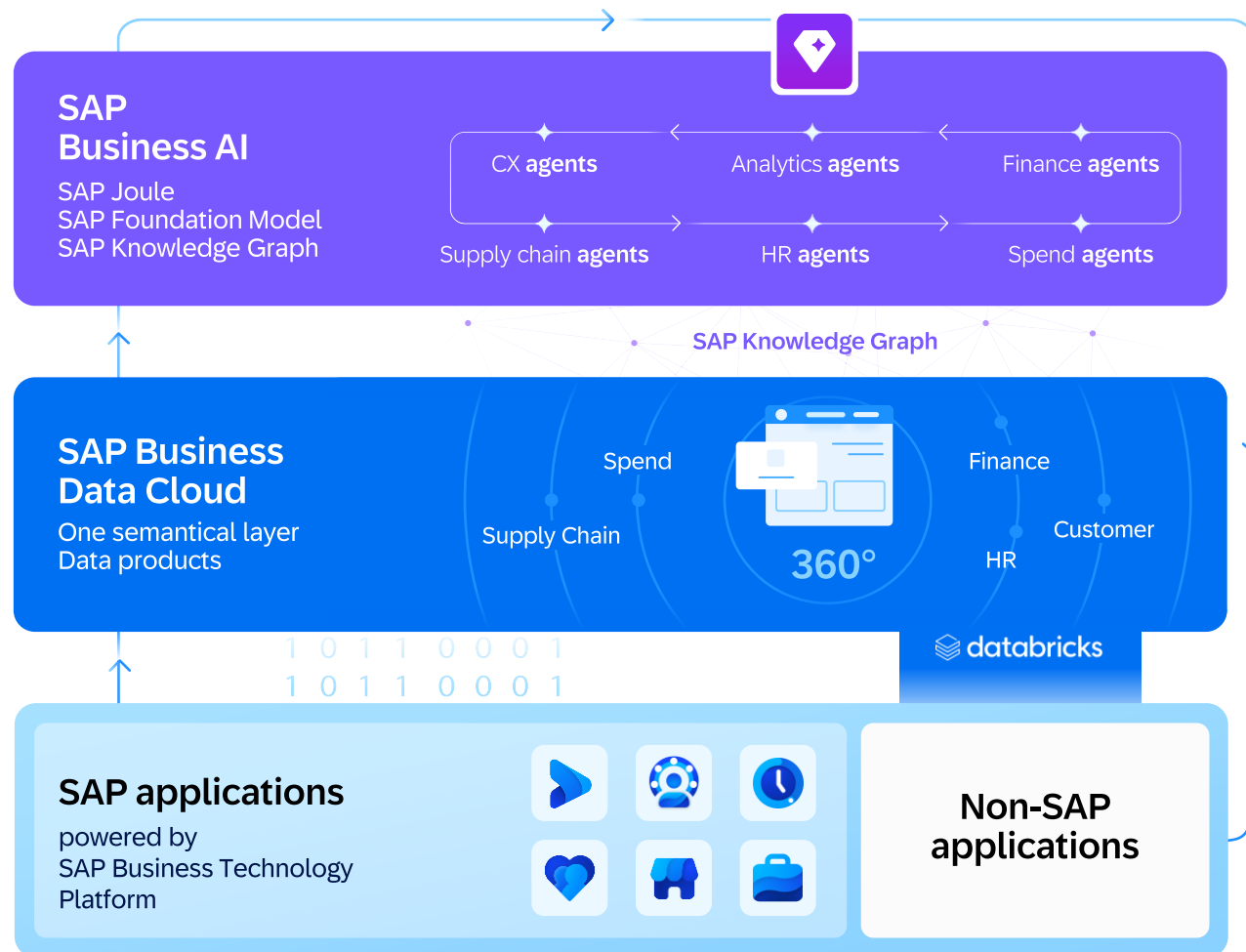
# Product innovation

BDC is the new center of gravity for business data



# Product innovation

SAP has the ingredients in place to win in agentic AI



# Simplification

Unlocking efficiencies through “SAP runs SAP”

Product

**80%**

support self-service rate for  
customers via AI-driven issue  
resolution build on

**SAP GenAI Hub**

Go-to-Market

Up to **90** mins/day

time savings per  
consultant with

**Joule for Consultants**

Corporate Functions

**90%**

of core financial planning  
processes to run on

**SAP Analytics Cloud &  
Business Data Cloud**

*by Q3 2025*

\*by Q3 2025



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 Q1 2025 Financial Results

Current cloud backlog

€ millions

**18,202**

▲ +28% (+29% @cc)

Total revenue

€ millions

**9,013**

▲ +12% (+11% @cc)

Cloud & Software revenue

€ millions

**7,938**

▲ +14% (+13% @cc)

Cloud revenue

€ millions

**4,993**

▲ +27% (+26% @cc)

Cloud ERP Suite revenue

€ millions

**4,251**

▲ +34% (+33% @cc)

Cloud gross profit  
(Cloud gross margin in %)

€ millions

IFRS

Non-IFRS

**3,720**

74.5%

▲ +31%

**3,745**

75.0%

▲ +31% (+30% @cc)

Gross profit  
(Gross margin in %)

€ millions

IFRS

Non-IFRS

**6,607**

73.3%

▲ +15%

**6,632**

73.6%

▲ +15% (+14% @cc)

Operating profit

€ millions

IFRS

Non-IFRS

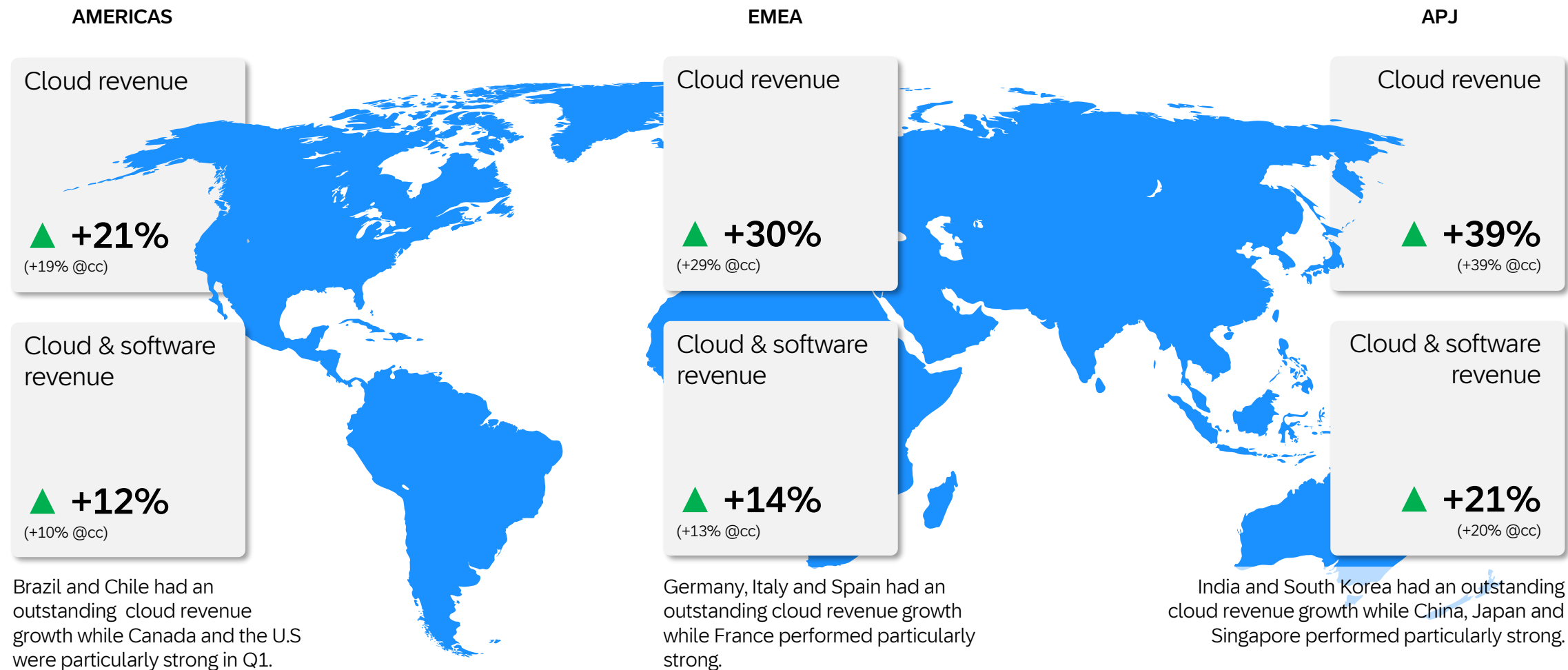
**2,333**

▲ N/A

**2,455**

▲ +60% (+58% @cc)

# Regional revenue performance



# Revenue and gross profit development

	Revenue			Gross profit (Gross margin %)		
Non-IFRS in € millions, unless otherwise stated	Q1 2025	Δ in %	Δ in % @cc	Q1 2025	Δ in %	Δ in % @cc
<b>Cloud</b>	<b>4,993</b>	27	26	<b>3,745</b> (75.0)	31	30
SaaS/PaaS	4,890	30	28			
IaaS	104	-37	-38			
<b>Software licenses and support</b>	<b>2,945</b>	-3	-4	<b>2,652</b> (90.1)	-2	-3
<b>Cloud and software</b>	<b>7,938</b>	14	13	<b>6,397</b> (80.6)	15	14
<b>Services</b>	<b>1,075</b>	-1	-2	<b>235</b> (21.8)	7	3
<b>Total</b>	<b>9,013</b>	12	11	<b>6,632</b> (73.6)	15	14

## Tax rate, Cash flow, and Earnings per share

### Effective tax rate

Q1 | percent

IFRS

**27.2**

▲ +11.3pp

Non-IFRS

**29.4**

▼ -2.9pp

### Operating cash flow

Q1 | € billions

**3.780**

▲ +31%

### Free cash flow

Q1 | € billions

**3.583**

▲ +36%

### Earnings per share

Q1 | €

IFRS

Basic

Diluted

Non-IFRS

Basic

**1.52**

▲ N/A

**1.51**

▲ N/A

**1.44**

▲ +79%

# 2025 Financial outlook<sup>1</sup>

## 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)

<sup>1)</sup> 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: First quarter 2025

€ millions, unless otherwise stated	IFRS			Non-IFRS		
	Q1 25	Q1 24	Δ %	Q1 25	Q1 24	Δ % @cc
<b>Cloud</b>	<b>4,993</b>	3,928	27	<b>4,993</b>	3,928	27
Software licenses	183	203	-10	183	203	-10
Software support	2,761	2,829	-2	2,761	2,829	-2
Software licenses and support	2,945	3,031	-3	2,945	3,031	-4
<b>Cloud and software</b>	<b>7,938</b>	6,960	14	<b>7,938</b>	6,960	13
Services	1,075	1,081	-1	1,075	1,081	-2
<b>Total revenue</b>	<b>9,013</b>	8,041	12	<b>9,013</b>	8,041	11
Total operating expenses	-6,680	-8,828	-24	-6,558	-6,507	1
<b>Operating profit (loss)</b>	<b>2,333</b>	-787	N/A	<b>2,455</b>	1,533	60
<b>Other non-operating income/expense, net</b>	<b>10</b>	-148	N/A	<b>10</b>	-148	N/A
Financial income, net	125	-45	N/A	-83	11	N/A
<b>Profit (loss) before tax</b>	<b>2,468</b>	-980	N/A	<b>2,382</b>	1,396	71
Income tax expense	-672	157	N/A	-701	-452	55
<b>Profit (loss) after tax</b>	<b>1,796</b>	-824	N/A	<b>1,681</b>	944	78
Operating margin (in %)	25.9	-9.8	35.7pp	27.2	19.1	8.2pp
Earnings per share, basic (in €)*	1.52	-0.71	N/A	1.44	0.81	79

## Appendix

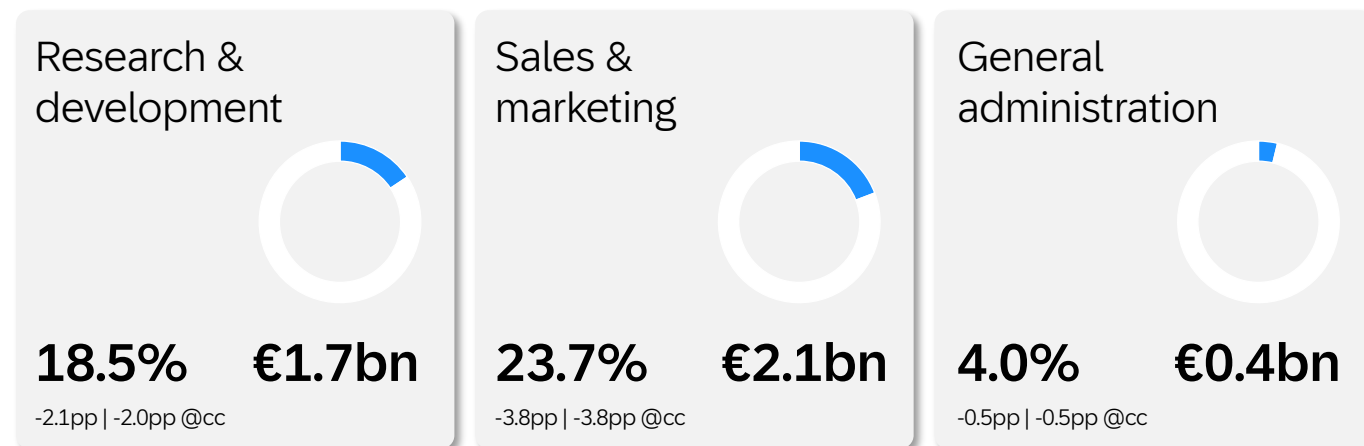
# Gross margin development

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

## Appendix

# Cost ratios: First quarter 2025 | Total revenue: €9.0bn

Non-IFRS as percent of total revenue



## Appendix

# Balance sheet condensed: March 31, 2025 – IFRS

Due to rounding, numbers may not add up precisely

## Assets

€ millions	03/31/25	12/31/24
Cash, cash equivalents and other financial assets	12,983	11,239
Trade and other receivables	7,981	6,774
Other current assets	3,005	3,389
<b>Total current assets</b>	<b>23,968</b>	<b>21,401</b>
Goodwill	30,304	31,243
Intangible assets	2,507	2,706
Property, plant, and equipment	4,461	4,493
Other non-current assets	14,388	14,375
<b>Total non-current assets</b>	<b>51,661</b>	<b>52,817</b>
<b>Total assets</b>	<b>75,629</b>	<b>74,218</b>

## Equity and liabilities

€ millions	03/31/25	12/31/24
Trade and other payables	2,210	1,988
Provisions	502	716
Other liabilities	8,626	10,395
Contract liabilities, current	9,211	5,978
<b>Total current liabilities</b>	<b>20,550</b>	<b>19,078</b>
Financial liabilities	6,701	7,169
Provisions	476	494
Contract liabilities, non-current	99	88
Other non-current liabilities	1,718	1,581
<b>Total non-current liabilities</b>	<b>8,994</b>	<b>9,332</b>
<b>Total liabilities</b>	<b>29,543</b>	<b>28,410</b>
<b>Total equity</b>	<b>46,086</b>	<b>45,808</b>
<b>Total equity and liabilities</b>	<b>75,629</b>	<b>74,218</b>

## Appendix

# Cash flow development

Due to rounding, numbers may not add up precisely

€ millions, unless otherwise stated	Q1 2025	Q1 2024	Δ in %
<b>Operating cash flow</b>	<b>3,780</b>	<b>2,878</b>	31
– Capital expenditure	-168	-187	-10
– Proceeds from sales of PPE & intangibles	38	27	38
– Payments of lease liabilities	-68	-78	-13
<b>Free cash flow</b>	<b>3,583</b>	<b>2,642</b>	36
Free cash flow in percent of total revenue	40%	33%	+7pp
Free cash flow in percent of profit after tax (IFRS)	199%	N/A	N/A

## Appendix

# Net debt

Due to rounding, numbers may not add up precisely

€ millions, unless otherwise stated	2025	2024
<b>Net liquidity (+)/Net Debt (-)   12/31/2024   PY: 12/31/2023</b>	<b>1,695</b>	3,521
Operating cash flow	3,780	2,878
Capital expenditure	-168	-187
Proceeds from sales	38	27
Payments of lease liabilities	-68	-78
Business combinations	-3	-19
Treasury shares	-125	-432
Interest payments, net	-161	-122
Other	-350	50
<b>Net liquidity (+)/Net Debt (-)   03/31/2025   PY: 03/31/2024</b>	<b>4,639</b>	5,641

## 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 Q1 2024	Actual Amounts Q1 2025	Est. Amounts FY 2025
Acquisition-related charges	€79m	€123m	€380m to €460m
Restructuring charges	€2,242m	€0m	approximately €100m
Regulatory compliance matter expenses	€0m	€0m	€0m
Gains and losses from equity securities, net	€56m	-€208m	N/A <sup>1</sup>

<sup>1)</sup> 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 31, 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	Q2 25	FY 2025
Cloud revenue growth	-1.0pp	-0.0pp
Cloud and software revenue growth	-0.5pp	-0.0pp
Operating profit growth (non-IFRS)	0.0pp	-0.0pp

This includes an exchange rate of 1.08 USD per EUR.