SAP Q4 2017 Quarterly Statement

Stellar New Cloud Bookings, Up 31% in Q4 at Constant Currencies
EPS Up Double Digits

- SAP Hits All Outlook Metrics After Multiple Raises
- Digital Core Business Soars With Over 7,900 S/4HANA Customers – Up 46% Year Over Year
- Strong Operating Cash Flow, Up 9% to €5 Billion, Enabled €500 Million Share Buy Back in 2017
- Operating Margin Turnaround Successfully Under Way
- Targeting Up to €5 Billion in Non-IFRS Cloud Subscription & Support Revenue and Approximately €25 Billion in Non-IFRS Total Revenue at Constant Currencies in 2018
- Targeting Non-IFRS Operating Margin Expansion at Constant Currencies in 2018

Cloud & Software Revenue

<table>
<thead>
<tr>
<th></th>
<th>In € millions</th>
<th>FY16</th>
<th>FY17</th>
</tr>
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<tr>
<td>IFRS</td>
<td>18,424</td>
<td></td>
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<td>Non-IFRS</td>
<td>19,549</td>
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<tr>
<td></td>
<td>+6%</td>
<td>+6% (+8% cc)</td>
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Operating Profit

<table>
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<th>FY16</th>
<th>FY17</th>
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<tr>
<td>IFRS</td>
<td>5,135</td>
<td></td>
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<tr>
<td>Non-IFRS</td>
<td>4,877</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-5%</td>
<td>+2% (+4% cc)</td>
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</table>

Cloud Subscriptions & Support Revenue

<table>
<thead>
<tr>
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<td>IFRS</td>
<td>3,769</td>
<td></td>
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<tr>
<td>Non-IFRS</td>
<td>3,771</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>+26%</td>
<td>+26% (+28% cc)</td>
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Share of Predictable Revenue

<table>
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<tr>
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<th>In %</th>
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<tbody>
<tr>
<td></td>
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<td>+1 p.p.</td>
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Total Revenue

<table>
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“We promised fast cloud growth – we delivered! Only SAP continues this growth trifecta at scale with cloud, software and operating income. The record setting adoption of S/4HANA has ignited the entire SAP cloud. Customers are inventing industry next practices for the intelligent enterprise with SAP Leonardo. SAP’s future is rock solid!”

Bill McDermott, CEO

“We ended the year strongly with new cloud bookings surging 31% on top of a stellar prior Q4. As promised we initiated the margin turnaround with a Q4 Non-IFRS operating margin of 35.2% at constant currencies. This paves the way for the strong growth and margin expansion we expect in 2018 and beyond.”

Luka Mucic, CFO
Walldorf, Germany – January 30, 2018
SAP SE (NYSE: SAP) today announced its preliminary financial results for the fourth quarter and twelve months ended December 31, 2017.

Business Highlights

Financial Highlights

Full Year 2017

SAP has consistently met all its outlook metrics ever since it laid out its 2020 ambitions in early 2015. The year 2017 was no different: Even after multiple guidance raises during the year SAP hit all its outlook metrics.

For the full year 2017, cloud and software revenue grew by 6% (IFRS) or 8% (non-IFRS at constant currencies), achieving the full year outlook in October (7.0% to 8.5% growth non-IFRS at constant currencies). Cloud subscriptions and support revenue was €3.77 billion (IFRS) or €3.83 billion (non-IFRS at constant currencies), achieving the full year outlook (€3.8 to €4.0 billion non-IFRS at constant currencies). Software revenue was €4.87 billion (IFRS), stable year over year or up 2% (non-IFRS at constant currencies). Total revenue was €23.46 billion (IFRS) or €23.77 billion (non-IFRS at constant currencies), reaching the upper end of the full year outlook raised in October (€23.4 to €23.8 billion non-IFRS at constant currencies).

New cloud bookings in the full year was €1.45 billion or up 26% (up 30% at constant currencies). New cloud and software license order entry grew by 17% at constant currencies year over year in the full year. Cloud subscriptions and support backlog increased 38%, reaching €7.5 billion at year-end.

For the full year 2017, operating profit was €4.88 billion (IFRS) or €6.92 billion (non-IFRS at constant currencies), achieving the full year outlook raised in October (€6.85 to €7.00 billion non-IFRS at constant currencies). Earnings per share increased 10% to €3.36 (IFRS) and 14% to €4.44 (non-IFRS), driven by the strong operating performance, another great contribution from Sapphire Ventures, and one-time tax benefits from an intra group transfer of intellectual property rights to SAP SE and the U.S. tax reform.

SAP’s rapidly expanding cloud business together with solid growth in support revenue continued to drive the share of more predictable revenue. The total of cloud subscriptions & support revenue and software support revenue was 63% of total revenue for the full year 2017, up 1 percentage points.

Operating cash flow for the full year was €5.05 billion, an increase of 9% year over year. Free cash flow increased 4% year over year to €3.77 billion. At year end, net liquidity was €1.48 billion, an improvement of €1.7 billion year over year. In the full year, the company bought back €500 million in shares and paid a dividend of €1.5 billion.

Fourth Quarter 2017

SAP’s fast growth in the cloud continued in the fourth quarter. New cloud bookings grew by 22% (31% at constant currencies) in the fourth quarter and reached €591 million, delivering on the promise made in October to reaccelerate new cloud bookings. Cloud subscriptions and support revenue grew 20% year over year to €995 million (IFRS) or 28% (non-IFRS at constant currencies). Software revenue was €2.06 billion (IFRS), down 5% year over year or 1% (non-IFRS at constant currencies). Cloud and software revenue was €5.81 billion (IFRS), up 1% year over year or 6% (non-IFRS at constant currencies). Total revenue was €6.81 billion (IFRS) up 1% year over year or 6% (non-IFRS at constant currencies). New cloud and software license order entry grew by 13% at constant currencies year over year in the fourth quarter.

Fourth quarter operating profit was up 1% year over year to €1.96 billion (IFRS) or up 6% (non-IFRS at constant currencies). Throughout 2017 SAP steadily worked on improving its operating margin performance. While the non-IFRS operating margin at constant currencies declined 1.4 percentage points year over year in the first half of 2017, this improved to a drop of 0.9 percentage points year over year in the third quarter. As planned, the fourth quarter signaled the beginning of a turnaround with a decline of only 0.1 percentage points year over year. Earnings per share increased 21% to €1.55 (IFRS) and increased 16% to €1.77 (non-IFRS), reflecting the one-time tax benefits outlined above.
SAP S/4HANA

SAP’s next generation ERP S/4HANA sits at the core of the Intelligent Enterprise. With S/4HANA customers can massively simplify their IT landscape, run live and reinvent their business model for the digital economy across both cloud and on-premise deployments.

S/4HANA adoption grew to more than 7,900 customers, up around 46% year over year. In the fourth quarter, approximately 1,000 additional customers signed up of which more than 40% were net new. S/4HANA continues to be adopted by world-class global companies, including Standard Chartered, Puma, Emirates Group, Unilever and Philips66 in the quarter.

S/4HANA Cloud is positioned as a leader in three categories by industry analyst firm IDC: Midmarket ERP, Large Enterprise ERP and Finance & Accounting. Cirque du Soleil and Fraport AG were among those selecting S/4HANA Cloud in the fourth quarter.

SAP Leonardo

SAP Leonardo brings together deep process and industry expertise, advanced design thinking methodology and cutting edge software capabilities such as IoT, Big Data, Machine Learning, Analytics, and Blockchain. SAP Leonardo is about orchestrating these disruptive capabilities to create completely new ways of working and new business models. The San Francisco 49ers are among many others that adopted SAP Leonardo solutions in the fourth quarter to redefine their businesses and become intelligent enterprises.

Human Capital Management

With SuccessFactors and Fieldglass, SAP delivers total workforce management across both permanent and contingent labor. Increasingly, HR is asked to include external workers in planning and to effectively establish a total talent supply. The SuccessFactors suite is localized for 89 countries and 42 languages. SuccessFactors Employee Central, which is the core of SAP’s HCM offering, ended the year with more than 2,300 total customers and scored numerous competitive wins in the fourth quarter including Foxconn, Akzo Nobel and Beiersdorf, Inc.

Customer Engagement and Commerce

SAP’s next generation customer engagement solutions enable businesses to manage their front office across the entire spectrum from marketing to sales to services – seamlessly and in real-time. Businesses get a single view of their customer — be it social, retail or e-commerce. SAP’s Customer Engagement and Commerce (CEC) solutions serve both B2C and B2B across a wide range of industries, including retail, telco, financial services, manufacturing and the public sector. SAP’s CEC solutions once again achieved strong double-digit growth in new cloud bookings. Robert Bosch and Deutsche Telekom chose Hybris this quarter. In the fourth quarter, SAP closed the acquisition of Gigya, a market leader for customer identity and access management. This will further enhance SAP’s CEC solutions by enabling companies to better manage customers’ profile, preference and consent, with customers maintaining control of their data at all times.

Business Networks

Each of SAP’s business network solutions provides a rich, open, global platform that connects a large ecosystem of customers, suppliers, partners and developers delivering ever expanding content and innovation. On the Ariba Network, over 3.1 million companies in over 180 countries collaborate and trade over $1 trillion in goods and services annually. The Ariba Network provides transparency and insight into supply chains that enable companies to ensure they are acting in ethically responsible ways. In the fourth quarter, we had deals with Ford Motor and Coca-Cola.

SAP Concur helps close to 50 million end users to effortlessly process travel and expenses. In the fourth quarter, we had deals with Vodafone and Barclays. With SAP Fieldglass customers manage over 4.3 million contingent workers in more than 180 countries. In the fourth quarter, UBS chose SAP Fieldglass. In the fourth quarter, total revenue in the SAP Business Network segment was up 18% to €615 million at constant currencies year over year and the gross margin improved 2 percentage points to 77%.
Regional Revenue Performance in the Fourth Quarter 2017

SAP had a solid performance in the EMEA region with cloud and software revenue increasing 3% (IFRS) and 4% (non-IFRS at constant currencies). Cloud subscriptions and support revenue was exceptional and grew by 51% (IFRS) and 56% (non-IFRS at constant currencies) with Germany and Russia being the highlights. In addition, SAP had strong double-digit software revenue growth in Russia, Switzerland and the Netherlands.

The Company was significantly impacted by currency headwinds in the Americas region. Cloud and software revenue declined by 3% (IFRS), but was up 6% (non-IFRS at constant currencies). Cloud subscriptions and support revenue increased by 7% (IFRS) and 16% (non-IFRS at constant currencies). In Latin America, Brazil was a highlight with an overall strong performance. In North America, Canada had strong double digit growth in software revenue.

In the APJ region, SAP had a very strong performance in both cloud and software revenue as well as cloud subscriptions and support revenue despite strong currency headwinds. Cloud and software revenue was up 4% (IFRS) and 11% (non-IFRS at constant currencies). Cloud subscriptions and support revenue grew by 38% (IFRS) and 49% (non-IFRS at constant currencies) with China and Japan being highlights. For software revenue, both Australia and Singapore had an impressive quarter with double-digit growth.
## Financial Results at a Glance

### Fourth Quarter 2017\(^1\)

<table>
<thead>
<tr>
<th>€ million, unless otherwise stated</th>
<th>IFRS Q4 2017</th>
<th>IFRS Q4 2016</th>
<th>Δ in %</th>
<th>Non-IFRS Q4 2017</th>
<th>Non-IFRS Q4 2016</th>
<th>Δ in %</th>
<th>Δ in % const. curr.</th>
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<tr>
<td>New Cloud Bookings(^3)</td>
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<td>N/A</td>
<td>N/A</td>
<td>1,448</td>
<td>1,147</td>
<td>26</td>
<td>26</td>
</tr>
<tr>
<td>Cloud subscriptions and support</td>
<td>3,769</td>
<td>2,993</td>
<td>26</td>
<td>2,971</td>
<td>2,995</td>
<td>26</td>
<td>26</td>
</tr>
<tr>
<td>Software licenses and support</td>
<td>15,780</td>
<td>15,431</td>
<td>2</td>
<td>15,781</td>
<td>15,434</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Cloud and software</td>
<td>19,549</td>
<td>18,424</td>
<td>6</td>
<td>19,552</td>
<td>18,428</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Total revenue</td>
<td>23,461</td>
<td>22,062</td>
<td>6</td>
<td>23,464</td>
<td>22,067</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Share of predictable revenue (in %)</td>
<td>63</td>
<td>61</td>
<td>1pp</td>
<td>63</td>
<td>61</td>
<td>1pp</td>
<td></td>
</tr>
<tr>
<td>Operating profit</td>
<td>4,877</td>
<td>5,135</td>
<td>–5</td>
<td>6,769</td>
<td>6,633</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Profit after tax</td>
<td>4,056</td>
<td>3,634</td>
<td>12</td>
<td>5,356</td>
<td>4,658</td>
<td>15</td>
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<tr>
<td>Basic earnings per share (€)</td>
<td>3.36</td>
<td>3.04</td>
<td>10</td>
<td>4.44</td>
<td>3.90</td>
<td>14</td>
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<tr>
<td>Number of employees (FTE, December 31)</td>
<td>88,543</td>
<td>84,183</td>
<td>5</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
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### Full Year 2017\(^2\)

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<th>€ million, unless otherwise stated</th>
<th>IFRS Q1–Q4 2017</th>
<th>IFRS Q1–Q4 2016</th>
<th>Δ in %</th>
<th>Non-IFRS Q1–Q4 2017</th>
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</tr>
</tbody>
</table>

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\(^1\) All figures are unaudited.

\(^2\) For a detailed description of SAP’s non-IFRS measures see *Explanation of Non-IFRS Measures* online. For a breakdown of the individual adjustments see table “Non-IFRS Adjustments by Functional Areas” in this Quarterly Statement.

\(^3\) As this is an order entry metric, there is no IFRS equivalent.

Due to rounding, numbers may not add up precisely.
Business Outlook 2018

The Company is providing the following 2018 outlook:

- Based on the continued strong momentum in SAP’s cloud business the Company expects full year 2018 non-IFRS cloud subscriptions and support revenue to be in a range of €4.8 billion – €5.0 billion at constant currencies (2017: €3.77 billion). This range represents a growth rate of 27% – 33% at constant currencies.
- The Company expects full year 2018 non-IFRS cloud and software revenue to be in a range of €20.7 – €21.1 billion at constant currencies (2017: €19.55 billion). This range represents a growth rate of 6% – 8% at constant currencies.
- The Company expects full year 2018 non-IFRS total revenue to be in a range of €24.6 billion – €25.1 billion at constant currencies (2017: €23.46 billion). This range represents a growth rate of 5% – 7% at constant currencies.
- The Company expects full-year 2018 non-IFRS operating profit to be in a range of €7.3 billion – €7.5 billion at constant currencies (2017: €6.77 billion). This range represents a growth rate of 8% – 11% at constant currencies.

This outlook does not include any contributions from Callidus Software Inc. The Company will provide an update on its outlook subsequent to the closing of the contemplated acquisition.

While the Company’s full-year 2018 business outlook is at constant currencies, actual currency reported figures are expected to be impacted by currency exchange rate fluctuations as we progress through the year. If exchange rates remain at the early January level for the rest of the year, we expect non-IFRS cloud and software revenue to experience a currency headwind in a range of −7 to −9pp in Q1 18 and −3 to −5pp for the full year 2018 and non-IFRS operating profit to experience a currency headwind in a range of −6 to −8pp in Q1 18 and −4 to −6pp for the full year 2018.

IFRS 15 Impact

As of January 1, 2018, SAP changed several of its accounting policies to adopt IFRS 15 ‘Revenue from Contracts with Customers’. Under the IFRS 15 adoption method chosen by SAP prior years are not restated to conform to the new policies. Consequently, the year-over-year growth of revenue and profit in 2018 will be impacted by the new policies.

The Company expects the impact of the policy change\(^1\) on revenue, operating expenses and profit to be as follows:

- Revenues are expected to experience a benefit of substantially less than €0.1 billion with most of the difference resulting from exercises of customer software purchase options granted in prior years which result in software revenue.
- Operating expenses are expected to benefit, in cost of sales and marketing, in the amount of approximately €0.2 billion from higher capitalization of sales commissions. Other policy changes will weigh on operating expenses with an additional cost of revenue of substantially less than €0.1 billion.
- The above-mentioned effects will result in a net positive impact on operating profit of approximately €0.2 billion.

Ambition 2020

Looking beyond 2018, SAP is also reiterating its 2020 ambition for cloud, total revenue, operating profit and more predictable revenue share last provided at the beginning of 2017 to reflect the Company’s consistent fast growth in the cloud, solid software momentum and operating profit expansion. Despite the currency headwinds in 2017 SAP continues to strive to reach the following in 2020:

- €8.0 – €8.5 billion non-IFRS cloud subscriptions and support revenue
- €28 – €29 billion non-IFRS total revenue
- €8.5 – €9.0 billion non-IFRS operating profit
- SAP continues to expect the share of more predictable revenue (defined as the total of cloud subscriptions & support revenue and software support revenue) to reach 70% – 75% in 2020.

SAP will discuss the key drivers behind the long-term growth aspirations in its Integrated Report and at the Company’s Capital Markets Day in New York on March 6th, 2018.

\(^1\) “Impact of the accounting policy change” means the difference between a revenue and profit measure determined under SAP’s new IFRS 15-based policies and the respective measure as it would stand had our previous accounting policies continued to apply.
Additional Information

General Remarks about this Quarterly Statement and the SAP Integrated Report
Since Q1 2016, we issue a quarterly statement for each of the four fiscal quarters. Additionally, we issue a half year report and a full year integrated report. SAP’s 2016 Integrated Report and 2016 Annual Report on Form 20-F were published on February 28, 2017, and are available for download at www.sapintegratedreport.com. The 2017 Integrated Report and Annual Report on Form 20-F will be published on February 28, 2018, and will be available for download under the same link.

For a more detailed description of all of SAP’s non-IFRS measures and their limitations as well as our constant currency and free cash flow figures see Explanation of Non-IFRS Measures online.

Webcast
SAP senior management will host a press conference in Walldorf today at 10:00 AM (CET) / 9:00 AM (GMT) / 4:00 AM (Eastern) / 1:00 AM (Pacific), followed by a financial analyst conference call at 2:00 PM (CET) / 1:00 PM (GMT) / 8:00 AM (Eastern) / 5:00 AM (Pacific). Both conferences will be webcast live on the Company’s website at www.sap.com/investor and will be available for replay. Supplementary financial information pertaining to the full-year and quarterly results can be found at www.sap.com/investor.

About SAP
As market leader in enterprise application software, SAP (NYSE: SAP) helps companies of all sizes and industries run better. From back office to boardroom, warehouse to storefront, desktop to mobile device – SAP empowers people and organizations to work together more efficiently and use business insight more effectively to stay ahead of the competition. SAP applications and services enable more than 378,000 business and public sector customers to operate profitably, adapt continuously, and grow sustainably. For more information, visit www.sap.com.

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# Financial and Non-Financial Key Facts (IFRS and Non-IFRS)

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<th>Q3 2016</th>
<th>Q4 2016</th>
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<th>Q1 2017</th>
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<td>Cloud subscriptions and support (IFRS)</td>
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<td>906</td>
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<td>34</td>
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<td>22</td>
<td>21</td>
<td>26</td>
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<tr>
<td>% change constant currency – yoy</td>
<td>33</td>
<td>33</td>
<td>29</td>
<td>29</td>
<td>31</td>
<td>30</td>
<td>27</td>
<td>27</td>
<td>28</td>
<td>28</td>
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<tr>
<td>Software licenses (IFRS)</td>
<td>609</td>
<td>1,040</td>
<td>1,034</td>
<td>2,177</td>
<td>4,860</td>
<td>691</td>
<td>1,090</td>
<td>1,033</td>
<td>2,058</td>
<td>4,872</td>
</tr>
<tr>
<td>Software licenses (non-IFRS)</td>
<td>609</td>
<td>1,042</td>
<td>1,034</td>
<td>2,177</td>
<td>4,862</td>
<td>691</td>
<td>1,090</td>
<td>1,033</td>
<td>2,058</td>
<td>4,872</td>
</tr>
<tr>
<td>% change – yoy</td>
<td>-13</td>
<td>6</td>
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<td>1</td>
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<td>% change constant currency – yoy</td>
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<td>4</td>
<td>3</td>
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<td>2</td>
</tr>
<tr>
<td>Software support (IFRS)</td>
<td>2,564</td>
<td>2,598</td>
<td>2,653</td>
<td>2,756</td>
<td>10,571</td>
<td>2,731</td>
<td>2,736</td>
<td>2,687</td>
<td>2,754</td>
<td>10,908</td>
</tr>
<tr>
<td>Software support (non-IFRS)</td>
<td>2,564</td>
<td>2,598</td>
<td>2,653</td>
<td>2,756</td>
<td>10,572</td>
<td>2,731</td>
<td>2,736</td>
<td>2,687</td>
<td>2,754</td>
<td>10,908</td>
</tr>
<tr>
<td>% change – yoy</td>
<td>5</td>
<td>3</td>
<td>6</td>
<td>6</td>
<td>5</td>
<td>7</td>
<td>5</td>
<td>1</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>% change constant currency – yoy</td>
<td>5</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Software licenses and support (IFRS)</td>
<td>3,172</td>
<td>3,639</td>
<td>3,686</td>
<td>4,933</td>
<td>15,431</td>
<td>3,422</td>
<td>3,826</td>
<td>3,720</td>
<td>4,813</td>
<td>15,780</td>
</tr>
<tr>
<td>Software licenses and support (non-IFRS)</td>
<td>3,173</td>
<td>3,640</td>
<td>3,687</td>
<td>4,934</td>
<td>15,434</td>
<td>3,422</td>
<td>3,826</td>
<td>3,720</td>
<td>4,813</td>
<td>15,781</td>
</tr>
<tr>
<td>% change – yoy</td>
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<td>4</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>8</td>
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<td>1</td>
<td>-2</td>
<td>2</td>
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<tr>
<td>% change constant currency – yoy</td>
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<td>7</td>
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<td>3</td>
<td>4</td>
<td>5</td>
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<tr>
<td>Cloud and software (IFRS)</td>
<td>3,850</td>
<td>4,359</td>
<td>4,455</td>
<td>5,760</td>
<td>18,424</td>
<td>4,328</td>
<td>4,757</td>
<td>4,657</td>
<td>5,807</td>
<td>19,549</td>
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<tr>
<td>Cloud and software (non-IFRS)</td>
<td>3,851</td>
<td>4,361</td>
<td>4,456</td>
<td>5,761</td>
<td>18,428</td>
<td>4,328</td>
<td>4,758</td>
<td>4,658</td>
<td>5,809</td>
<td>19,552</td>
</tr>
<tr>
<td>% change – yoy</td>
<td>5</td>
<td>7</td>
<td>8</td>
<td>7</td>
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<td>12</td>
<td>9</td>
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<tr>
<td>% change constant currency – yoy</td>
<td>6</td>
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<td>9</td>
<td>6</td>
<td>8</td>
<td>9</td>
<td>8</td>
<td>8</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Total revenue (IFRS)</td>
<td>4,727</td>
<td>5,237</td>
<td>5,375</td>
<td>6,724</td>
<td>22,062</td>
<td>5,285</td>
<td>5,782</td>
<td>5,590</td>
<td>6,805</td>
<td>23,461</td>
</tr>
<tr>
<td>Total revenue (non-IFRS)</td>
<td>4,728</td>
<td>5,239</td>
<td>5,375</td>
<td>6,724</td>
<td>22,076</td>
<td>5,285</td>
<td>5,782</td>
<td>5,590</td>
<td>6,807</td>
<td>23,464</td>
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<tr>
<td>% change – yoy</td>
<td>5</td>
<td>5</td>
<td>8</td>
<td>6</td>
<td>6</td>
<td>12</td>
<td>10</td>
<td>4</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>% change constant currency – yoy</td>
<td>6</td>
<td>9</td>
<td>8</td>
<td>5</td>
<td>7</td>
<td>8</td>
<td>9</td>
<td>8</td>
<td>6</td>
<td>8</td>
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<tr>
<td>Share of predictable revenue (IFRS, in %)</td>
<td>69</td>
<td>63</td>
<td>64</td>
<td>53</td>
<td>61</td>
<td>69</td>
<td>63</td>
<td>65</td>
<td>55</td>
<td>63</td>
</tr>
<tr>
<td>Share of predictable revenue (non-IFRS, in %)</td>
<td>69</td>
<td>63</td>
<td>64</td>
<td>53</td>
<td>61</td>
<td>69</td>
<td>63</td>
<td>65</td>
<td>55</td>
<td>63</td>
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<table>
<thead>
<tr>
<th><strong>Margins</strong></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cloud subscriptions and support gross margin (IFRS, in %)</td>
<td>57.0</td>
<td>56.6</td>
<td>56.3</td>
<td>54.8</td>
<td>56.1</td>
<td>57.7</td>
<td>56.0</td>
<td>54.8</td>
<td>55.4</td>
<td>56.0</td>
</tr>
<tr>
<td>Cloud subscriptions and support gross margin (non-IFRS, in %)</td>
<td>65.9</td>
<td>64.8</td>
<td>64.5</td>
<td>62.7</td>
<td>64.4</td>
<td>64.6</td>
<td>62.4</td>
<td>60.8</td>
<td>61.0</td>
<td>62.2</td>
</tr>
<tr>
<td>Software license and support gross margin (IFRS, in %)</td>
<td>84.2</td>
<td>86.1</td>
<td>85.4</td>
<td>87.1</td>
<td>85.9</td>
<td>83.3</td>
<td>85.3</td>
<td>86.2</td>
<td>87.8</td>
<td>85.8</td>
</tr>
<tr>
<td>Software license and support gross margin (non-IFRS, in %)</td>
<td>85.9</td>
<td>87.4</td>
<td>87.4</td>
<td>88.4</td>
<td>87.4</td>
<td>85.1</td>
<td>86.6</td>
<td>87.3</td>
<td>88.6</td>
<td>87.0</td>
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<tr>
<td>Cloud and software gross margin (IFRS, in %)</td>
<td>79.4</td>
<td>81.2</td>
<td>80.4</td>
<td>82.4</td>
<td>81.0</td>
<td>77.9</td>
<td>79.6</td>
<td>79.9</td>
<td>82.2</td>
<td>80.1</td>
</tr>
<tr>
<td>Cloud and software gross margin (non-IFRS, in %)</td>
<td>82.3</td>
<td>83.6</td>
<td>83.4</td>
<td>84.7</td>
<td>83.7</td>
<td>80.8</td>
<td>81.8</td>
<td>82.0</td>
<td>83.9</td>
<td>82.2</td>
</tr>
<tr>
<td>Gross margin (IFRS, in %)</td>
<td>66.9</td>
<td>70.4</td>
<td>69.3</td>
<td>73.0</td>
<td>70.2</td>
<td>68.7</td>
<td>69.0</td>
<td>70.1</td>
<td>73.2</td>
<td>69.9</td>
</tr>
<tr>
<td>Gross margin (non-IFRS, in %)</td>
<td>69.6</td>
<td>72.6</td>
<td>72.7</td>
<td>75.5</td>
<td>72.9</td>
<td>69.9</td>
<td>71.5</td>
<td>72.5</td>
<td>75.2</td>
<td>72.5</td>
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<tr>
<td>Operating margin (IFRS, in %)</td>
<td>17.2</td>
<td>24.2</td>
<td>20.5</td>
<td>29.0</td>
<td>23.3</td>
<td>12.7</td>
<td>16.0</td>
<td>23.5</td>
<td>28.9</td>
<td>20.8</td>
</tr>
<tr>
<td>Operating margin (non-IFRS, in %)</td>
<td>23.4</td>
<td>28.9</td>
<td>30.5</td>
<td>35.3</td>
<td>30.1</td>
<td>22.7</td>
<td>27.2</td>
<td>29.3</td>
<td>34.7</td>
<td>28.9</td>
</tr>
</tbody>
</table>
Due to rounding, numbers may not add up precisely.
## Consolidated Income Statements of SAP Group (IFRS) – Quarter

€ millions, unless otherwise stated

<table>
<thead>
<tr>
<th></th>
<th>Q4 2017</th>
<th>Q4 2016</th>
<th>Δ in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cloud subscriptions and support</td>
<td>995</td>
<td>827</td>
<td>20</td>
</tr>
<tr>
<td>Software licenses</td>
<td>2,058</td>
<td>2,177</td>
<td>-5</td>
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<tr>
<td>Software support</td>
<td>2,754</td>
<td>2,756</td>
<td>0</td>
</tr>
<tr>
<td>Software licenses and support</td>
<td>4,813</td>
<td>4,933</td>
<td>-2</td>
</tr>
<tr>
<td><strong>Cloud and software</strong></td>
<td>5,807</td>
<td>5,760</td>
<td>1</td>
</tr>
<tr>
<td>Services</td>
<td>998</td>
<td>963</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>6,805</td>
<td>6,724</td>
<td>1</td>
</tr>
<tr>
<td>Cost of cloud subscriptions and support</td>
<td>-443</td>
<td>-374</td>
<td>19</td>
</tr>
<tr>
<td>Cost of software licenses and support</td>
<td>-588</td>
<td>-638</td>
<td>-8</td>
</tr>
<tr>
<td>Cost of cloud and software</td>
<td>-1,031</td>
<td>-1,012</td>
<td>2</td>
</tr>
<tr>
<td>Cost of services</td>
<td>-792</td>
<td>-807</td>
<td>-2</td>
</tr>
<tr>
<td><strong>Total cost of revenue</strong></td>
<td>-1,823</td>
<td>-1,818</td>
<td>0</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>4,981</td>
<td>4,905</td>
<td>2</td>
</tr>
<tr>
<td>Research and development</td>
<td>-878</td>
<td>-859</td>
<td>2</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>-1,869</td>
<td>-1,813</td>
<td>3</td>
</tr>
<tr>
<td>General and administration</td>
<td>-255</td>
<td>-277</td>
<td>-8</td>
</tr>
<tr>
<td>Restructuring</td>
<td>-8</td>
<td>-7</td>
<td>6</td>
</tr>
<tr>
<td>Other operating income/expense, net</td>
<td>-8</td>
<td>2</td>
<td>&lt; -100</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>-4,840</td>
<td>-4,773</td>
<td>1</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>1,964</td>
<td>1,950</td>
<td>1</td>
</tr>
<tr>
<td>Other non-operating income/expense, net</td>
<td>-30</td>
<td>-54</td>
<td>-44</td>
</tr>
<tr>
<td>Finance income</td>
<td>191</td>
<td>125</td>
<td>52</td>
</tr>
<tr>
<td>Finance costs</td>
<td>-65</td>
<td>-59</td>
<td>11</td>
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<tr>
<td><strong>Financial income, net</strong></td>
<td>126</td>
<td>67</td>
<td>89</td>
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<tr>
<td><strong>Profit before tax</strong></td>
<td>2,060</td>
<td>1,963</td>
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<tr>
<td>Income tax expense</td>
<td>-193</td>
<td>-437</td>
<td>-56</td>
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<tr>
<td><strong>Profit after tax</strong></td>
<td>1,867</td>
<td>1,526</td>
<td>22</td>
</tr>
<tr>
<td>Attributable to owners of parent</td>
<td>1,845</td>
<td>1,528</td>
<td>21</td>
</tr>
<tr>
<td>Attributable to non-controlling interests</td>
<td>21</td>
<td>-2</td>
<td>&lt; -100</td>
</tr>
<tr>
<td><strong>Earnings per share, basic (in €)</strong></td>
<td>1.55</td>
<td>1.27</td>
<td>21</td>
</tr>
<tr>
<td><strong>Earnings per share, diluted (in €)</strong></td>
<td>1.55</td>
<td>1.27</td>
<td>21</td>
</tr>
</tbody>
</table>

a) For the three months ended December 31, 2017 and 2016, the weighted average number of shares was 1,194 million (diluted: 1,194 million) and 1,199 million (diluted: 1,199 million), respectively (treasury stock excluded).

Due to rounding, numbers may not add up precisely.
Consolidated Income Statements of SAP Group (IFRS) – Year-to-Date

<table>
<thead>
<tr>
<th>€ millions, unless otherwise stated</th>
<th>Q1–Q4 2017</th>
<th>Q1–Q4 2016</th>
<th>Δ in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cloud subscriptions and support</td>
<td>3,769</td>
<td>2,993</td>
<td>26</td>
</tr>
<tr>
<td>Software licenses</td>
<td>4,872</td>
<td>4,860</td>
<td>0</td>
</tr>
<tr>
<td>Software support</td>
<td>10,908</td>
<td>10,571</td>
<td>3</td>
</tr>
<tr>
<td>Software licenses and support</td>
<td>15,780</td>
<td>15,431</td>
<td>2</td>
</tr>
<tr>
<td><strong>Cloud and software</strong></td>
<td><strong>19,549</strong></td>
<td><strong>18,424</strong></td>
<td><strong>6</strong></td>
</tr>
<tr>
<td>Services</td>
<td>3,911</td>
<td>3,638</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td><strong>23,461</strong></td>
<td><strong>22,062</strong></td>
<td><strong>6</strong></td>
</tr>
</tbody>
</table>

| Cost of cloud subscriptions and support | –1,660 | –1,313 | 26 |
| Cost of software licenses and support  | –2,234 | –2,182 | 2  |
| Cost of cloud and software             | –3,893 | –3,495 | 11 |
| Cost of services                       | –3,158 | –3,089 | 2  |
| **Total cost of revenue**              | **–7,051** | **–6,583** | **7** |
| **Gross profit**                      | 16,410   | 15,479   | 6   |
| Research and development               | –3,352   | –3,044   | 10  |
| Sales and marketing                    | –6,924   | –6,265   | 11  |
| General and administration             | –1,075   | –1,005   | 7   |
| Restructuring                         | –182     | –28      | >100|
| Other operating income/expense, net    | 1        | –3       | <100|
| **Total operating expenses**           | **–18,584** | **–16,928** | **10** |
| **Operating profit**                   | 4,877    | 5,135    | –5  |

| Other non-operating income/expense, net | –36      | –234     | –84 |
| **Finance income**                      | 463      | 230      | >100|
| **Finance costs**                       | –278     | –268     | 4   |
| **Financial income, net**               | 185      | –38      | <100|
| **Profit before tax**                   | 5,026    | 4,863    | 3   |

| Income tax expense                     | –970     | –1,229   | –21 |
| **Profit after tax**                   | **4,056** | **3,634** | **12** |
| Attributable to owners of parent       | 4,018    | 3,646    | 10  |
| Attributable to non-controlling interests | 38     | –13      | <100|
| **Earnings per share, basic (in €)**   | **3.36** | **3.04** | **10** |
| **Earnings per share, diluted (in €)** | **3.35** | **3.04** | **10** |

^ For the twelve months ended December 31, 2017 and 2016, the weighted average number of shares was 1,197 million (diluted: 1,198 million) and 1,198 million (diluted: 1,199 million), respectively (treasury stock excluded).

Due to rounding, numbers may not add up precisely.
### Consolidated Statements of Financial Position of SAP Group (IFRS)

#### as at December 31, 2017 and December 31, 2016

<table>
<thead>
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<th></th>
<th>2017</th>
<th>2016</th>
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</thead>
<tbody>
<tr>
<td><strong>Cash and cash equivalents</strong></td>
<td>4,011</td>
<td>3,702</td>
</tr>
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<td><strong>Other financial assets</strong></td>
<td>990</td>
<td>1,124</td>
</tr>
<tr>
<td><strong>Trade and other receivables</strong></td>
<td>5,899</td>
<td>5,924</td>
</tr>
<tr>
<td><strong>Other non-financial assets</strong></td>
<td>725</td>
<td>581</td>
</tr>
<tr>
<td><strong>Tax assets</strong></td>
<td>306</td>
<td>233</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>11,930</td>
<td>11,564</td>
</tr>
<tr>
<td><strong>Goodwill</strong></td>
<td>21,274</td>
<td>23,311</td>
</tr>
<tr>
<td><strong>Intangible assets</strong></td>
<td>2,967</td>
<td>3,786</td>
</tr>
<tr>
<td><strong>Property, plant, and equipment</strong></td>
<td>2,967</td>
<td>2,580</td>
</tr>
<tr>
<td><strong>Other financial assets</strong></td>
<td>1,158</td>
<td>1,358</td>
</tr>
<tr>
<td><strong>Trade and other receivables</strong></td>
<td>118</td>
<td>126</td>
</tr>
<tr>
<td><strong>Other non-financial assets</strong></td>
<td>621</td>
<td>532</td>
</tr>
<tr>
<td><strong>Tax assets</strong></td>
<td>443</td>
<td>450</td>
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<tr>
<td><strong>Deferred tax assets</strong></td>
<td>1,022</td>
<td>571</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>30,567</td>
<td>32,713</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>42,497</td>
<td>44,277</td>
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<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Trade and other payables</strong></td>
<td>1,151</td>
<td>1,281</td>
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<tr>
<td><strong>Tax liabilities</strong></td>
<td>597</td>
<td>316</td>
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<tr>
<td><strong>Financial liabilities</strong></td>
<td>1,561</td>
<td>1,813</td>
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<tr>
<td><strong>Other non-financial liabilities</strong></td>
<td>3,946</td>
<td>3,699</td>
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<tr>
<td><strong>Provisions</strong></td>
<td>184</td>
<td>183</td>
</tr>
<tr>
<td><strong>Deferred income</strong></td>
<td>2,771</td>
<td>2,383</td>
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<tr>
<td><strong>Total current liabilities</strong></td>
<td>10,210</td>
<td>9,674</td>
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<tr>
<td><strong>Trade and other payables</strong></td>
<td>119</td>
<td>127</td>
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<td><strong>Tax liabilities</strong></td>
<td>470</td>
<td>365</td>
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<tr>
<td><strong>Financial liabilities</strong></td>
<td>5,034</td>
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<td>503</td>
<td>461</td>
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<td><strong>Provisions</strong></td>
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<td><strong>Deferred tax liabilities</strong></td>
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<td><strong>Deferred income</strong></td>
<td>79</td>
<td>143</td>
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<tr>
<td><strong>Total non-current liabilities</strong></td>
<td>6,747</td>
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<td><strong>Total liabilities</strong></td>
<td>16,958</td>
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<td><strong>Issued capital</strong></td>
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<td>1,229</td>
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<tr>
<td><strong>Share premium</strong></td>
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<td>599</td>
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<tr>
<td><strong>Retained earnings</strong></td>
<td>24,794</td>
<td>22,302</td>
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<td><strong>Other components of equity</strong></td>
<td>508</td>
<td>3,346</td>
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<tr>
<td><strong>Treasury shares</strong></td>
<td>-1,591</td>
<td>-1,099</td>
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<tr>
<td><strong>Equity attributable to owners of parent</strong></td>
<td>25,509</td>
<td>26,376</td>
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<td><strong>Non-controlling interests</strong></td>
<td>31</td>
<td>21</td>
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<tr>
<td><strong>Total equity</strong></td>
<td>25,540</td>
<td>26,397</td>
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<tr>
<td><strong>Total equity and liabilities</strong></td>
<td>42,497</td>
<td>44,277</td>
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Due to rounding, numbers may not add up precisely.
## Consolidated Statements of Cash Flows of SAP Group (IFRS)

<table>
<thead>
<tr>
<th>€ millions</th>
<th>Q1-Q4 2017</th>
<th>Q1-Q4 2016</th>
</tr>
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<tbody>
<tr>
<td><strong>Profit after tax</strong></td>
<td></td>
<td></td>
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<tr>
<td>Adjustments to reconcile profit after tax to net cash flows from operating activities:</td>
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<td></td>
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<tr>
<td>Depreciation and amortization</td>
<td>1,272</td>
<td>1,268</td>
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<tr>
<td>Income tax expense</td>
<td>970</td>
<td>1,229</td>
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<tr>
<td>Financial income, net</td>
<td>-185</td>
<td>38</td>
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<tr>
<td>Decrease/increase in sales and bad debt allowances on trade receivables</td>
<td>-32</td>
<td>51</td>
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<tr>
<td>Other adjustments for non-cash items</td>
<td>-34</td>
<td>39</td>
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<tr>
<td>Decrease/increase in trade and other receivables</td>
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<td>-675</td>
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<tr>
<td>Decrease/increase in other assets</td>
<td>-355</td>
<td>-248</td>
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<tr>
<td>Decrease/increase in trade payables, provisions, and other liabilities</td>
<td>389</td>
<td>513</td>
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<tr>
<td>Decrease/increase in deferred income</td>
<td>718</td>
<td>368</td>
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<tr>
<td>Interest paid</td>
<td>-200</td>
<td>-190</td>
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<tr>
<td>Interest received</td>
<td>88</td>
<td>79</td>
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<tr>
<td>Income tax paid, net of refunds</td>
<td>-1,332</td>
<td>-1,477</td>
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<tr>
<td><strong>Net cash flows from operating activities</strong></td>
<td>5,045</td>
<td>4,628</td>
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<tr>
<td>Business combinations, net of cash and cash equivalents acquired</td>
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<td>-106</td>
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<tr>
<td>Purchase of intangible assets or property, plant, and equipment</td>
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<td>-1,001</td>
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<tr>
<td>Proceeds from sales of intangible assets or property, plant, and equipment</td>
<td>97</td>
<td>63</td>
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<tr>
<td>Purchase of equity or debt instruments of other entities</td>
<td>-2,914</td>
<td>-1,549</td>
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<tr>
<td>Proceeds from sales of equity or debt instruments of other entities</td>
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<td>793</td>
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<tr>
<td><strong>Net cash flows from investing activities</strong></td>
<td>-1,112</td>
<td>-1,799</td>
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<tr>
<td>Dividends paid</td>
<td>-1,499</td>
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<td>Dividends paid on non-controlling interests</td>
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<tr>
<td>Purchase of treasury shares</td>
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<tr>
<td>Proceeds from reissuance of treasury shares</td>
<td>0</td>
<td>27</td>
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<tr>
<td>Proceeds from borrowings</td>
<td>27</td>
<td>400</td>
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<tr>
<td>Cash receipts from swap contracts</td>
<td>0</td>
<td>43</td>
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<tr>
<td>Total cash flows from proceeds from borrowings</td>
<td>27</td>
<td>443</td>
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<tr>
<td>Repayments of borrowings</td>
<td>-1,391</td>
<td>-1,800</td>
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<tr>
<td>Transactions with non-controlling interests</td>
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<tr>
<td><strong>Net cash flows from financing activities</strong></td>
<td>-3,406</td>
<td>-2,705</td>
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<tr>
<td>Effect of foreign currency rates on cash and cash equivalents</td>
<td>-218</td>
<td>167</td>
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<tr>
<td><strong>Net decrease/increase in cash and cash equivalents</strong></td>
<td>309</td>
<td>291</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the beginning of the period</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the end of the period</strong></td>
<td>4,011</td>
<td>3,702</td>
</tr>
</tbody>
</table>

Due to rounding, numbers may not add up precisely.
## Segment Reporting – Quarter

### Applications, Technology & Services

€ millions, unless otherwise stated

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q4 2017 Actual Currency</th>
<th>Q4 2016 Actual Currency</th>
<th>Constant Currency Actual</th>
<th>Q4 2017 Δ in %</th>
<th>Q4 2016 Δ in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cloud subscriptions and support – SaaS/PaaS(^1)</td>
<td>441</td>
<td>466</td>
<td>336</td>
<td>31</td>
<td>39</td>
</tr>
<tr>
<td>Cloud subscriptions and support – IaaS(^2)</td>
<td>94</td>
<td>100</td>
<td>62</td>
<td>51</td>
<td>60</td>
</tr>
<tr>
<td>Cloud subscriptions and support</td>
<td>535</td>
<td>565</td>
<td>398</td>
<td>34</td>
<td>42</td>
</tr>
<tr>
<td>Software licenses</td>
<td>2,059</td>
<td>2,162</td>
<td>2,179</td>
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<td>–1</td>
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<tr>
<td>Software support</td>
<td>2,751</td>
<td>2,886</td>
<td>2,749</td>
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<td>5</td>
</tr>
<tr>
<td>Software licenses and support</td>
<td>4,810</td>
<td>5,048</td>
<td>4,927</td>
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<td>2</td>
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<tr>
<td>Cloud and software</td>
<td>5,344</td>
<td>5,643</td>
<td>5,325</td>
<td>0</td>
<td>5</td>
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<tr>
<td>Services</td>
<td>878</td>
<td>915</td>
<td>866</td>
<td>1</td>
<td>6</td>
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<tr>
<td><strong>Total segment revenue</strong></td>
<td><strong>6,222</strong></td>
<td><strong>6,528</strong></td>
<td><strong>6,192</strong></td>
<td><strong>0</strong></td>
<td><strong>5</strong></td>
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</table>

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q4 2017 Cost of revenue</th>
<th>Q4 2016 Cost of revenue</th>
<th>Δ in %</th>
<th>Δ in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of cloud subscriptions and support – SaaS/PaaS(^1)</td>
<td>–195</td>
<td>–207</td>
<td>40</td>
<td>48</td>
</tr>
<tr>
<td>Cost of cloud subscriptions and support – IaaS(^2)</td>
<td>–88</td>
<td>–91</td>
<td>–62</td>
<td>41</td>
</tr>
<tr>
<td>Cost of cloud subscriptions and support</td>
<td>–283</td>
<td>–298</td>
<td>–202</td>
<td>40</td>
</tr>
<tr>
<td>Cost of software licenses and support</td>
<td>–535</td>
<td>–552</td>
<td>–564</td>
<td>–5</td>
</tr>
<tr>
<td>Cost of cloud and software</td>
<td>–818</td>
<td>–850</td>
<td>–766</td>
<td>7</td>
</tr>
<tr>
<td>Cost of services</td>
<td>–673</td>
<td>–701</td>
<td>–686</td>
<td>–2</td>
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<tr>
<td><strong>Total cost of revenue</strong></td>
<td><strong>–1,491</strong></td>
<td><strong>–1,551</strong></td>
<td><strong>–1,452</strong></td>
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</table>

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q4 2017 Segment profit</th>
<th>Q4 2016 Segment profit</th>
<th>Δ in %</th>
<th>Δ in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Segment gross profit</td>
<td>4,731</td>
<td>4,977</td>
<td>4,740</td>
<td>0</td>
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<tr>
<td>Other segment expenses</td>
<td>–1,987</td>
<td>–2,082</td>
<td>–1,966</td>
<td>1</td>
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<tr>
<td><strong>Segment profit</strong></td>
<td><strong>2,744</strong></td>
<td><strong>2,895</strong></td>
<td><strong>2,774</strong></td>
<td><strong>–1</strong></td>
</tr>
</tbody>
</table>

### Margins

<table>
<thead>
<tr>
<th>Margin</th>
<th>Q4 2017 (in %)</th>
<th>Q4 2016 (in %)</th>
<th>Δ in %</th>
<th>Δ in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cloud subscriptions and support gross margin – SaaS/PaaS(^1)</td>
<td>56</td>
<td>56</td>
<td>58</td>
<td>–3pp</td>
</tr>
<tr>
<td>Cloud subscriptions and support gross margin – IaaS(^2)</td>
<td>7</td>
<td>8</td>
<td>0</td>
<td>6pp</td>
</tr>
<tr>
<td>Cloud subscriptions and support gross margin</td>
<td>47</td>
<td>47</td>
<td>49</td>
<td>–2pp</td>
</tr>
<tr>
<td>Gross margin (in %)</td>
<td>76</td>
<td>76</td>
<td>77</td>
<td>–1pp</td>
</tr>
<tr>
<td>Segment margin (in %)</td>
<td>44</td>
<td>44</td>
<td>45</td>
<td>–1pp</td>
</tr>
</tbody>
</table>

\(^1\) Software as a Service/Platform as a Service  
\(^2\) Infrastructure as a Service

Due to rounding, numbers may not add up precisely.
### SAP Business Network

<table>
<thead>
<tr>
<th>€ millions, unless otherwise stated</th>
<th>Q4 2017</th>
<th>Q4 2016</th>
<th>∆ in %</th>
<th>∆ in %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual Currency</td>
<td>Constant Currency</td>
<td>Actual Currency</td>
<td>Actual Currency</td>
</tr>
<tr>
<td>Cloud subscriptions and support – SaaS/PaaS&lt;sup&gt;1)&lt;/sup&gt;</td>
<td>462</td>
<td>497</td>
<td>429</td>
<td>8</td>
</tr>
<tr>
<td>Cloud subscriptions and support – IaaS&lt;sup&gt;2)&lt;/sup&gt;</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>NA</td>
</tr>
<tr>
<td>Cloud subscriptions and support</td>
<td>462</td>
<td>497</td>
<td>429</td>
<td>8</td>
</tr>
<tr>
<td>Software licenses</td>
<td>–1</td>
<td>–1</td>
<td>0</td>
<td>&gt;100</td>
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<td>Software support</td>
<td>3</td>
<td>3</td>
<td>8</td>
<td>–59</td>
</tr>
<tr>
<td>Software licenses and support</td>
<td>2</td>
<td>3</td>
<td>8</td>
<td>–69</td>
</tr>
<tr>
<td>Cloud and software services</td>
<td>464</td>
<td>500</td>
<td>437</td>
<td>6</td>
</tr>
<tr>
<td>Total segment revenue</td>
<td>571</td>
<td>615</td>
<td>522</td>
<td>10</td>
</tr>
<tr>
<td>Cost of cloud subscriptions and support – SaaS/PaaS&lt;sup&gt;1)&lt;/sup&gt;</td>
<td>–105</td>
<td>–113</td>
<td>–106</td>
<td>–1</td>
</tr>
<tr>
<td>Cost of cloud subscriptions and support – IaaS&lt;sup&gt;2)&lt;/sup&gt;</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>NA</td>
</tr>
<tr>
<td>Cost of cloud subscriptions and support</td>
<td>–105</td>
<td>–113</td>
<td>–106</td>
<td>–1</td>
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<tr>
<td>Cost of software licenses and support</td>
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<td>&gt;100</td>
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<tr>
<td>Cost of cloud and software services</td>
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<td>–115</td>
<td>–106</td>
<td>1</td>
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<tr>
<td>Cost of services</td>
<td>–74</td>
<td>–79</td>
<td>–69</td>
<td>7</td>
</tr>
<tr>
<td>Total cost of revenue</td>
<td>–181</td>
<td>–194</td>
<td>–176</td>
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<tr>
<td>Segment gross profit</td>
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<td>421</td>
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<tr>
<td>Segment profit</td>
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<td>111</td>
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#### Margins

<table>
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<tr>
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<th>Q4 2017</th>
<th>Q4 2016</th>
<th>∆ in %</th>
<th>∆ in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cloud subscriptions and support gross margin – SaaS/PaaS&lt;sup&gt;1)&lt;/sup&gt; (in %)</td>
<td>77</td>
<td>72</td>
<td>75</td>
<td>2pp</td>
</tr>
<tr>
<td>Cloud subscriptions and support gross margin – IaaS&lt;sup&gt;2)&lt;/sup&gt; (in %)</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Cloud subscriptions and support gross margin (in %)</td>
<td>77</td>
<td>72</td>
<td>75</td>
<td>2pp</td>
</tr>
<tr>
<td>Gross margin (in %)</td>
<td>68</td>
<td>68</td>
<td>66</td>
<td>2pp</td>
</tr>
<tr>
<td>Segment margin (in %)</td>
<td>17</td>
<td>18</td>
<td>16</td>
<td>1pp</td>
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</table>

<sup>1)</sup> Software as a Service/Platform as a Service  
<sup>2)</sup> Infrastructure as a Service  

Due to rounding, numbers may not add up precisely.
### Reconciliation of Cloud Subscription Revenues and Margins

<table>
<thead>
<tr>
<th>€ millions, unless otherwise stated</th>
<th>Q4 2017</th>
<th>Q4 2016</th>
<th>∆ in %</th>
<th>∆ in %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual Currency</td>
<td>Constant Currency</td>
<td>Actual Currency</td>
<td>Actual Currency</td>
</tr>
<tr>
<td>Cloud subscriptions and support revenue – SaaS/PaaS⁠¹</td>
<td>462</td>
<td>497</td>
<td>429</td>
<td>8</td>
</tr>
<tr>
<td>SAP Business Network segment</td>
<td>441</td>
<td>466</td>
<td>336</td>
<td>31</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>903</td>
<td>963</td>
<td>765</td>
<td>18</td>
</tr>
<tr>
<td>Cloud subscriptions and support revenue – IaaS⁠²</td>
<td>94</td>
<td>100</td>
<td>62</td>
<td>51</td>
</tr>
<tr>
<td>Cloud subscriptions and support revenue</td>
<td>997</td>
<td>1,062</td>
<td>827</td>
<td>21</td>
</tr>
<tr>
<td>Cloud subscriptions and support gross margin – SaaS/PaaS⁠¹ (in %)</td>
<td>77</td>
<td>77</td>
<td>75</td>
<td>2pp</td>
</tr>
<tr>
<td>SAP Business Network segment</td>
<td>56</td>
<td>56</td>
<td>58</td>
<td>−2pp</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>67</td>
<td>67</td>
<td>68</td>
<td>−1pp</td>
</tr>
<tr>
<td>Cloud subscriptions and support gross margin – IaaS⁠² (in %)</td>
<td>7</td>
<td>8</td>
<td>0</td>
<td>6pp</td>
</tr>
<tr>
<td>Cloud subscriptions and support gross margin (in %)</td>
<td>61</td>
<td>61</td>
<td>63</td>
<td>−2pp</td>
</tr>
</tbody>
</table>

¹ | Software as a Service/Platform as a Service
² | Infrastructure as a Service

Due to rounding, numbers may not add up precisely.
## Segment Reporting – Year-to-Date

### Applications, Technology & Services

<table>
<thead>
<tr>
<th>€ millions, unless otherwise stated</th>
<th>Q1–Q4 2017</th>
<th>Q1–Q4 2016</th>
<th>Δ in %</th>
<th>Δ in %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Constant</td>
<td>Actual</td>
<td>Actual</td>
</tr>
<tr>
<td>Cloud subscriptions and support – SaaS/PaaS</td>
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<td>1,627</td>
<td>1,191</td>
<td>35</td>
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<tr>
<td>Cloud subscriptions and support – IaaS</td>
<td>328</td>
<td>334</td>
<td>209</td>
<td>57</td>
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<tr>
<td>Cloud subscriptions and support</td>
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<td>15,970</td>
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<tr>
<td>Cloud and software</td>
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<td>17,931</td>
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<td>–694</td>
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<td>Cost of cloud subscriptions and support – IaaS</td>
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<td>–312</td>
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<td>Cost of cloud subscriptions and support</td>
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<tr>
<td>Cost of software licenses and support</td>
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<td>–2,018</td>
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<td>Cost of cloud and software</td>
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<td><strong>–5,745</strong></td>
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<td>Other segment expenses</td>
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<td><strong>Segment profit</strong></td>
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### Margins

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<th>Actual</th>
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<th>Actual</th>
<th>Actual</th>
<th>Constant</th>
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<tr>
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<td>62</td>
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<td>74</td>
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<td>Segment margin (in %)</td>
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<td>39</td>
<td>40</td>
<td>–2pp</td>
<td>–1pp</td>
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</table>

1) Software as a Service/Platform as a Service  
2) Infrastructure as a Service  

Due to rounding, numbers may not add up precisely.
### SAP Business Network

<table>
<thead>
<tr>
<th></th>
<th>Q1–Q4 2017 Actual Currency</th>
<th>Q1–Q4 2017 Constant Currency</th>
<th>Q1–Q4 2016 Actual Currency</th>
<th>Q1–Q4 2016 Actual Currency</th>
<th>∆ in %</th>
<th>∆ in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cloud subscriptions and support – SaaS/PaaS(^1)</td>
<td>1,840</td>
<td>1,870</td>
<td>1,595</td>
<td>15</td>
<td>17</td>
<td></td>
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<tr>
<td>Cloud subscriptions and support – IaaS(^2)</td>
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<td>0</td>
<td>0</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Cloud subscriptions and support</td>
<td>1,840</td>
<td>1,870</td>
<td>1,595</td>
<td>15</td>
<td>17</td>
<td></td>
</tr>
<tr>
<td>Software licenses</td>
<td>-1</td>
<td>-1</td>
<td>0</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
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<tr>
<td>Software support</td>
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<td>18</td>
<td>28</td>
<td>-35</td>
<td>-34</td>
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<tr>
<td>Software licenses and support</td>
<td>17</td>
<td>18</td>
<td>27</td>
<td>-37</td>
<td>-36</td>
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<tr>
<td>Cloud and software</td>
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<td>1,887</td>
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<td>16</td>
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<tr>
<td>Services</td>
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<td>413</td>
<td>303</td>
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<tr>
<td><strong>Total segment revenue</strong></td>
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<td><strong>2,300</strong></td>
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<tr>
<td>Cost of cloud subscriptions and support – SaaS/PaaS(^1)</td>
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<td>-435</td>
<td>-384</td>
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<td>Cost of cloud subscriptions and support – IaaS(^2)</td>
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<td>0</td>
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<td>NA</td>
<td>NA</td>
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<tr>
<td>Cost of cloud subscriptions and support</td>
<td>-428</td>
<td>-435</td>
<td>-384</td>
<td>12</td>
<td>13</td>
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<tr>
<td>Cost of software licenses and support</td>
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<td>&gt;100</td>
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<td>Cost of cloud and software</td>
<td>-433</td>
<td>-439</td>
<td>-385</td>
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<td>14</td>
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<td>Cost of services</td>
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<td>-297</td>
<td>-246</td>
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<td>21</td>
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<td><strong>Total cost of revenue</strong></td>
<td><strong>-725</strong></td>
<td><strong>-737</strong></td>
<td><strong>-631</strong></td>
<td><strong>15</strong></td>
<td><strong>17</strong></td>
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<tr>
<td><strong>Segment gross profit</strong></td>
<td><strong>1,536</strong></td>
<td><strong>1,563</strong></td>
<td><strong>1,295</strong></td>
<td><strong>19</strong></td>
<td><strong>21</strong></td>
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<td>Other segment expenses</td>
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<td>-954</td>
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<td>23</td>
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<td><strong>Segment profit</strong></td>
<td><strong>385</strong></td>
<td><strong>394</strong></td>
<td><strong>341</strong></td>
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**Margins**

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<th>Q1–Q4 2016</th>
<th>∆ in %</th>
<th>∆ in %</th>
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<tr>
<td>Cloud subscriptions and support gross margin – SaaS/PaaS(^1) (in %)</td>
<td>77</td>
<td>77</td>
<td>76</td>
<td>lpp</td>
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<tr>
<td>Cloud subscriptions and support gross margin – IaaS(^2) (in %)</td>
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<td>NA</td>
<td>NA</td>
<td>NA</td>
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<tr>
<td>Cloud subscriptions and support gross margin (in %)</td>
<td>77</td>
<td>77</td>
<td>76</td>
<td>lpp</td>
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<tr>
<td>Gross margin (in %)</td>
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<td>68</td>
<td>67</td>
<td>lpp</td>
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<td>Segment margin (in %)</td>
<td>17</td>
<td>17</td>
<td>18</td>
<td>-lpp</td>
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\(^1\) Software as a Service/Platform as a Service  
\(^2\) Infrastructure as a Service

Due to rounding, numbers may not add up precisely.
Reconciliation of Cloud Subscription Revenues and Margins

<table>
<thead>
<tr>
<th>€ millions, unless otherwise stated</th>
<th>Q1–Q4 2017</th>
<th>Q1–Q4 2016</th>
<th>Δ in %</th>
<th>Δ in %</th>
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<td>Actual</td>
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<td>Currency</td>
<td>Currency</td>
<td>Currency</td>
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<tr>
<td>Cloud subscriptions and support revenue – SaaS/PaaS(^1)</td>
<td>1,840</td>
<td>1,870</td>
<td>1,595</td>
<td>15</td>
</tr>
<tr>
<td>SAP Business Network segment</td>
<td></td>
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<tr>
<td>Other</td>
<td>1,604</td>
<td>1,627</td>
<td>1,191</td>
<td>35</td>
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<tr>
<td>Total</td>
<td>3,443(^1)</td>
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<td>Cloud subscriptions and support revenue – IaaS(^2)</td>
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<td></td>
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<tr>
<td></td>
<td>328</td>
<td>334</td>
<td>209</td>
<td>57</td>
</tr>
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<td>Cloud subscriptions and support revenue</td>
<td>3,771</td>
<td>3,831</td>
<td>2,995</td>
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<td>SAP Business Network segment</td>
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<td>Other</td>
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<td>70</td>
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<td>Cloud subscriptions and support gross margin – IaaS(^2) (in %)</td>
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<td>–6</td>
<td>12pp</td>
</tr>
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<td>Cloud subscriptions and support gross margin (in %)</td>
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<td>62</td>
<td>64</td>
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\(^1\) Software as a Service/Platform as a Service
\(^2\) Infrastructure as a Service

Due to rounding, numbers may not add up precisely.
Reconciliation from Non-IFRS Numbers to IFRS Numbers – Quarter

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<th>Q4 2016</th>
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<td>2,161</td>
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<td>2,889</td>
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<td>Software licenses and support</td>
<td>4,813 0</td>
<td>4,813 238</td>
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<tr>
<td>Cloud and software</td>
<td>5,807 2</td>
<td>5,809 304</td>
<td>6,133</td>
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<td>Services</td>
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<td>998 46</td>
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<td><strong>Total revenue</strong></td>
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<td>6,807 350</td>
<td>7,157</td>
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<td><strong>Operating Expense Numbers</strong></td>
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<tr>
<td>Cost of cloud subscriptions and support</td>
<td>-443 55</td>
<td>-388</td>
<td>-374 65</td>
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<tr>
<td>Cost of software licenses and support</td>
<td>-588 39</td>
<td>-549</td>
<td>-638 68</td>
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<tr>
<td>Cost of cloud and software</td>
<td>-1,031 94</td>
<td>-938</td>
<td>-1,012 133</td>
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<td>Cost of services</td>
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<td>-752</td>
<td>-807 39</td>
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<td><strong>Total cost of revenue</strong></td>
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<td>-859 66</td>
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<td>Sales and marketing</td>
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<td>-1,813 145</td>
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<td>-8</td>
<td>2 0</td>
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<td>-4,442</td>
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<td><strong>Profit Numbers</strong></td>
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<tr>
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<td>Other non-operating income/expense, net</td>
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<td>-30</td>
<td>-54 0</td>
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<td>2,460</td>
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<tr>
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<td>1,526 301</td>
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<td>2,114</td>
<td>1,528 301</td>
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<td>Attributable to non-controlling interests</td>
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<td><strong>Key Ratios</strong></td>
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<td>Operating margin (in %)</td>
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<td>29.0 35.3</td>
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<td>Effective tax rate (in %)3)</td>
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<td>Earnings per share, basic (in €)</td>
<td>1.55 1.77</td>
<td>1.27 1.53</td>
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</table>

3) Adjustments in the revenue line items are for software support revenue, cloud subscriptions and support revenue, and other similarly recurring revenues that entities acquired by SAP would have recognized had they remained stand-alone entities but that SAP is not permitted to recognize as revenue under IFRS as a result of business combination accounting rules. Adjustments in the operating expense line items are for acquisition-related charges, share-based payment expenses, as well as restructuring expenses.
2) Constant currency revenue and operating income figures are calculated by translating revenue and operating income of the current period using the average exchange rates from the previous year’s respective period instead of the current period. Constant currency period-over-period changes are calculated by comparing the current year’s non-IFRS constant currency numbers with the non-IFRS number of the previous year’s respective period. For a more detailed description of these adjustments and their limitations as well as our constant currency figures, see our Web site www.sap.com/corporate-en/investors/newsandreports/reporting-framework.epx under “Non-IFRS Measures, Adjustments and Full-Year Estimates”.

2) The difference between our effective tax rate (IFRS) and effective tax rate (non-IFRS) in Q4 2017 and Q4 2016 mainly results from tax effects of acquisition-related charges and share-based payment expenses.

Due to rounding, numbers may not add up precisely.
Reconciliation from Non-IFRS Numbers to IFRS Numbers – Year-to-Date

<table>
<thead>
<tr>
<th></th>
<th>Q1–Q4 2017</th>
<th>Q1–Q4 2016</th>
<th>∆ in %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue Numbers</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cloud subscriptions and support</td>
<td>3,769</td>
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<td>3,771</td>
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<tr>
<td>Software licenses</td>
<td>4,872</td>
<td>0</td>
<td>4,872</td>
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<tr>
<td>Software support</td>
<td>10,908</td>
<td>0</td>
<td>10,908</td>
</tr>
<tr>
<td>Software licenses and support</td>
<td>15,780</td>
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<td>15,781</td>
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<tr>
<td>Cloud and software</td>
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<td>19,552</td>
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<tr>
<td>Services</td>
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<tr>
<td><strong>Total revenue</strong></td>
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<td>23,464</td>
</tr>
<tr>
<td><strong>Operating Expense Numbers</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Cost of cloud subscriptions and support</td>
<td>–1,660</td>
<td>233</td>
<td>–1,427</td>
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<tr>
<td>Cost of software licenses and support</td>
<td>–2,234</td>
<td>190</td>
<td>–2,044</td>
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<tr>
<td>Cost of cloud and software</td>
<td>–3,893</td>
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<td>–3,471</td>
</tr>
<tr>
<td>Cost of services</td>
<td>–3,158</td>
<td>166</td>
<td>–2,991</td>
</tr>
<tr>
<td><strong>Total cost of revenue</strong></td>
<td>–7,051</td>
<td>589</td>
<td>–6,462</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>16,410</td>
<td>592</td>
<td>17,001</td>
</tr>
<tr>
<td>Research and development</td>
<td>–3,352</td>
<td>281</td>
<td>–3,072</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>–6,924</td>
<td>700</td>
<td>–6,225</td>
</tr>
<tr>
<td>General and administration</td>
<td>–1,075</td>
<td>138</td>
<td>–936</td>
</tr>
<tr>
<td>Restructuring</td>
<td>–182</td>
<td>182</td>
<td>0</td>
</tr>
<tr>
<td>Other operating income/expense, net</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>–18,584</td>
<td>1,899</td>
<td>–16,694</td>
</tr>
<tr>
<td><strong>Profit Numbers</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating profit</td>
<td>4,877</td>
<td>1,892</td>
<td>6,769</td>
</tr>
<tr>
<td>Other non-operating income/expense, net</td>
<td>–36</td>
<td>0</td>
<td>–36</td>
</tr>
<tr>
<td>Finance income</td>
<td>463</td>
<td>0</td>
<td>463</td>
</tr>
<tr>
<td>Finance costs</td>
<td>–278</td>
<td>0</td>
<td>–278</td>
</tr>
<tr>
<td>Financial income, net</td>
<td>185</td>
<td>0</td>
<td>185</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>5,026</td>
<td>1,892</td>
<td>6,918</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>–970</td>
<td>–992</td>
<td>–1,563</td>
</tr>
<tr>
<td><strong>Profit after tax</strong></td>
<td>4,056</td>
<td>1,300</td>
<td>5,356</td>
</tr>
<tr>
<td>Attributable to owners of parent</td>
<td>4,018</td>
<td>1,300</td>
<td>5,318</td>
</tr>
<tr>
<td>Attributable to non-controlling interests</td>
<td>38</td>
<td>0</td>
<td>38</td>
</tr>
<tr>
<td><strong>Key Ratios</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating margin (in %)</td>
<td>20.8</td>
<td>28.9</td>
<td>29.1</td>
</tr>
<tr>
<td>Effective tax rate (in %)</td>
<td>19.3</td>
<td>22.6</td>
<td>25.3</td>
</tr>
<tr>
<td>Earnings per share, basic (in €)</td>
<td>3.36</td>
<td>4.44</td>
<td>3.04</td>
</tr>
</tbody>
</table>

b Adjustments in the revenue line items are for software support revenue, cloud subscriptions and support revenue, and other similarly recurring revenues that entities acquired by SAP would have recognized had they remained stand-alone entities but that SAP is not permitted to recognize as revenue under IFRS as a result of business combination accounting rules. Adjustments in the operating expense line items are for acquisition-related charges, share-based payment expenses, as well as restructuring expenses.
2) Constant currency revenue and operating income figures are calculated by translating revenue and operating income of the current period using the average exchange rates from the previous year’s respective period instead of the current period. Constant currency period-over-period changes are calculated by comparing the current year’s non-IFRS constant currency numbers with the non-IFRS number of the previous year’s respective period. For a more detailed description of these adjustments and their limitations as well as our constant currency figures, see our Web site www.sap.com/corporate-en/investors/newsandreports/reporting-framework.epx under “Non-IFRS Measures, Adjustments and Full-Year Estimates”.

2) The difference between our effective tax rate (IFRS) and effective tax rate (non-IFRS) in 2017 and 2016 mainly results from tax effects of acquisition-related charges and share-based payment expenses.

Due to rounding, numbers may not add up precisely.
## Non-IFRS Adjustments – Actuals and Estimates

<table>
<thead>
<tr>
<th>€ millions</th>
<th>Estimated Amounts for Full Year 2018(^1)</th>
<th>Q1–Q4 2017</th>
<th>Q4 2017</th>
<th>Q1–Q4 2016</th>
<th>Q4 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit (IFRS)</td>
<td></td>
<td>4,877</td>
<td>1,964</td>
<td>5,135</td>
<td>1,950</td>
</tr>
<tr>
<td>Revenue adjustments</td>
<td>&lt;20</td>
<td>3</td>
<td>2</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Adjustment for acquisition-related charges</td>
<td>500 to 540</td>
<td>587</td>
<td>138</td>
<td>680</td>
<td>177</td>
</tr>
<tr>
<td>Adjustment for share-based payment expenses</td>
<td>800 to 1,100</td>
<td>1,120</td>
<td>252</td>
<td>785</td>
<td>241</td>
</tr>
<tr>
<td>Adjustment for restructuring</td>
<td>30 to 50</td>
<td>182</td>
<td>8</td>
<td>28</td>
<td>7</td>
</tr>
<tr>
<td>Operating expense adjustments</td>
<td></td>
<td>1,889</td>
<td>398</td>
<td>1,494</td>
<td>425</td>
</tr>
<tr>
<td>Operating profit adjustments</td>
<td></td>
<td>1,892</td>
<td>400</td>
<td>1,498</td>
<td>425</td>
</tr>
<tr>
<td>Operating profit (non-IFRS)</td>
<td></td>
<td>6,769</td>
<td>2,364</td>
<td>6,633</td>
<td>2,375</td>
</tr>
</tbody>
</table>

\(^1\) The amounts above do not include announced acquisitions that have not yet closed.
## Non-IFRS Adjustments by Functional Areas

<table>
<thead>
<tr>
<th>€ millions</th>
<th>Q4 2017</th>
<th>Q4 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>IFRS</td>
<td>Acquisition-Related</td>
</tr>
<tr>
<td>Cost of cloud and software</td>
<td>−1,031</td>
<td>71</td>
</tr>
<tr>
<td>Cost of services</td>
<td>−792</td>
<td>2</td>
</tr>
<tr>
<td>Research and development</td>
<td>−878</td>
<td>3</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>−1,869</td>
<td>62</td>
</tr>
<tr>
<td>General and administration</td>
<td>−255</td>
<td>1</td>
</tr>
<tr>
<td>Restructuring</td>
<td>−8</td>
<td>0</td>
</tr>
<tr>
<td>Other operating income/expense, net</td>
<td>−8</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>−4,840</td>
<td>138</td>
</tr>
</tbody>
</table>

1) Share-based Payments

If not presented in a separate line item in our income statement, the restructuring expenses would break down as follows:

<table>
<thead>
<tr>
<th>€ millions</th>
<th>Q4 2017</th>
<th>Q4 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>IFRS</td>
<td>Acquisition-Related</td>
</tr>
<tr>
<td>Cost of cloud and software</td>
<td>−3,893</td>
<td>307</td>
</tr>
<tr>
<td>Cost of services</td>
<td>−3,158</td>
<td>8</td>
</tr>
<tr>
<td>Research and development</td>
<td>−3,352</td>
<td>11</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>−6,924</td>
<td>258</td>
</tr>
<tr>
<td>General and administration</td>
<td>−1,075</td>
<td>3</td>
</tr>
<tr>
<td>Restructuring</td>
<td>−182</td>
<td>0</td>
</tr>
<tr>
<td>Other operating income/expense, net</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>−18,584</td>
<td>587</td>
</tr>
</tbody>
</table>

1) Share-based payments
### Revenue by Region (IFRS and Non-IFRS) – Quarter

<table>
<thead>
<tr>
<th>Region</th>
<th>Cloud subscriptions and support revenue (€ millions)</th>
<th>Cloud and software revenue (€ millions)</th>
<th>Total revenue (€ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMEA</td>
<td>IFRS 291 Adj. 0 Non-IFRS 291 Currency Impact 9 Non-IFRS Constant Currency 299</td>
<td>IFRS 192 Adj. 0 Non-IFRS 192 Currency Impact 9 Non-IFRS Constant Currency 299</td>
<td>IFRS 827 Adj. 0 Non-IFRS 827 Constant Currency 1,062</td>
</tr>
<tr>
<td>Americas</td>
<td>IFRS 586 Adj. 2 Non-IFRS 588 Currency Impact 48 Non-IFRS Constant Currency 636</td>
<td>IFRS 550 Adj. 0 Non-IFRS 550 Currency Impact 7 Non-IFRS Constant Currency 7</td>
<td>IFRS 85 Adj. 0 Non-IFRS 85 Constant Currency 127</td>
</tr>
<tr>
<td>APJ</td>
<td>IFRS 118 Adj. 0 Non-IFRS 118 Currency Impact 9 Non-IFRS Constant Currency 127</td>
<td>IFRS 85 Adj. 0 Non-IFRS 85 Currency Impact 7 Non-IFRS Constant Currency 127</td>
<td>IFRS 85 Adj. 0 Non-IFRS 85 Constant Currency 127</td>
</tr>
<tr>
<td>Cloud subscriptions and support revenue</td>
<td>995 2 997 66 1,062</td>
<td>827 0 827 20 21 28</td>
<td></td>
</tr>
<tr>
<td>Total EMEA</td>
<td>3,216 0 3,216 53 3,269</td>
<td>2,694 0 2,694 3 3 4</td>
<td></td>
</tr>
<tr>
<td>Americas</td>
<td>2,093 2 2,095 188 2,283</td>
<td>2,154 0 2,154 –3 –3 6</td>
<td></td>
</tr>
<tr>
<td>APJ</td>
<td>946 0 946 70 1,016</td>
<td>913 0 913 4 4 11</td>
<td></td>
</tr>
<tr>
<td>Cloud and software revenue</td>
<td>5,807 2 5,809 304 6,113</td>
<td>5,760 0 5,761 1 1 6</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>6,805 2 6,807 350 7,157</td>
<td>6,724 0 6,724 1 1 6</td>
<td></td>
</tr>
</tbody>
</table>

1) Adjustments in the revenue line items are for support revenue, cloud subscriptions and support revenue, and other similarly recurring revenues that entities acquired by SAP would have recognized had they remained stand-alone entities but that SAP is not permitted to recognize as revenue under IFRS as a result of business combination accounting rules.

2) Constant currency revenue figures are calculated by translating revenue of the current period using the average exchange rates from the previous year’s respective period instead of the current period. Constant currency period-over-period changes are calculated by comparing the current year’s non-IFRS constant currency numbers with the non-IFRS number of the previous year’s respective period.

For a more detailed description of these adjustments and their limitations as well as our constant currency figures, see our Web site www.sap.com/corporate-en/investors/newsandreports/reporting-framework.epx under “Non-IFRS Measures and Estimates”.

Due to rounding, numbers may not add up precisely.
## Revenue by Region (IFRS and Non-IFRS) – Year-to-Date

<table>
<thead>
<tr>
<th>€ millions</th>
<th>Q1–Q4 2017</th>
<th>Q1–Q4 2016</th>
<th>Δ in %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>IFRS</td>
<td>Adj. ¹</td>
<td>Non-IFRS ¹</td>
</tr>
<tr>
<td><strong>Cloud subscriptions and support revenue by region</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EMEA</td>
<td>1,029</td>
<td>0</td>
<td>1,029</td>
</tr>
<tr>
<td>Americas</td>
<td>2,321</td>
<td>2</td>
<td>2,323</td>
</tr>
<tr>
<td>APJ</td>
<td>419</td>
<td>0</td>
<td>419</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,769</td>
<td>2</td>
<td>3,771</td>
</tr>
<tr>
<td><strong>Cloud and software revenue by region</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EMEA</td>
<td>8,759</td>
<td>0</td>
<td>8,759</td>
</tr>
<tr>
<td>Americas</td>
<td>7,666</td>
<td>3</td>
<td>7,668</td>
</tr>
<tr>
<td>APJ</td>
<td>3,124</td>
<td>0</td>
<td>3,124</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>19,549</td>
<td>3</td>
<td>19,552</td>
</tr>
<tr>
<td><strong>Total revenue by region</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>3,352</td>
<td>0</td>
<td>3,352</td>
</tr>
<tr>
<td>Rest of EMEA</td>
<td>7,063</td>
<td>0</td>
<td>7,063</td>
</tr>
<tr>
<td><strong>Total EMEA</strong></td>
<td>10,415</td>
<td>0</td>
<td>10,415</td>
</tr>
<tr>
<td>United States</td>
<td>7,436</td>
<td>3</td>
<td>7,439</td>
</tr>
<tr>
<td>Rest of Americas</td>
<td>1,911</td>
<td>0</td>
<td>1,911</td>
</tr>
<tr>
<td><strong>Total Americas</strong></td>
<td>9,347</td>
<td>3</td>
<td>9,350</td>
</tr>
<tr>
<td>Japan</td>
<td>885</td>
<td>0</td>
<td>885</td>
</tr>
<tr>
<td>Rest of APJ</td>
<td>2,814</td>
<td>0</td>
<td>2,814</td>
</tr>
<tr>
<td><strong>Total APJ</strong></td>
<td>3,699</td>
<td>0</td>
<td>3,699</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>23,461</td>
<td>3</td>
<td>23,464</td>
</tr>
</tbody>
</table>

¹ Adjustments in the revenue line items are for support revenue, cloud subscriptions and support revenue, and other similarly recurring revenues that entities acquired by SAP would have recognized had they remained stand-alone entities but that SAP is not permitted to recognize as revenue under IFRS as a result of business combination accounting rules.

² Constant currency revenue figures are calculated by translating revenue of the current period using the average exchange rates from the previous year’s respective period instead of the current period. Constant currency period-over-period changes are calculated by comparing the current year’s non-IFRS constant currency numbers with the non-IFRS number of the previous year’s respective period.

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Due to rounding, numbers may not add up precisely.
## Employees by Region and Functional Areas

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2017</th>
<th>December 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EMEA</td>
<td>Americas</td>
</tr>
<tr>
<td>Cloud and software</td>
<td>5,869</td>
<td>3,895</td>
</tr>
<tr>
<td>Services</td>
<td>7,536</td>
<td>4,878</td>
</tr>
<tr>
<td>Research and development</td>
<td>11,349</td>
<td>5,250</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>9,196</td>
<td>9,169</td>
</tr>
<tr>
<td>General and administration</td>
<td>2,676</td>
<td>1,781</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>1,732</td>
<td>855</td>
</tr>
<tr>
<td>SAP Group (December 31)</td>
<td>38,357</td>
<td>25,827</td>
</tr>
<tr>
<td>Thereof acquisitions</td>
<td>149</td>
<td>133</td>
</tr>
<tr>
<td>SAP Group (twelve months’ end average)</td>
<td>37,512</td>
<td>25,459</td>
</tr>
</tbody>
</table>

1) Acquisitions closed between January 1 and December 31 of the respective year
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