



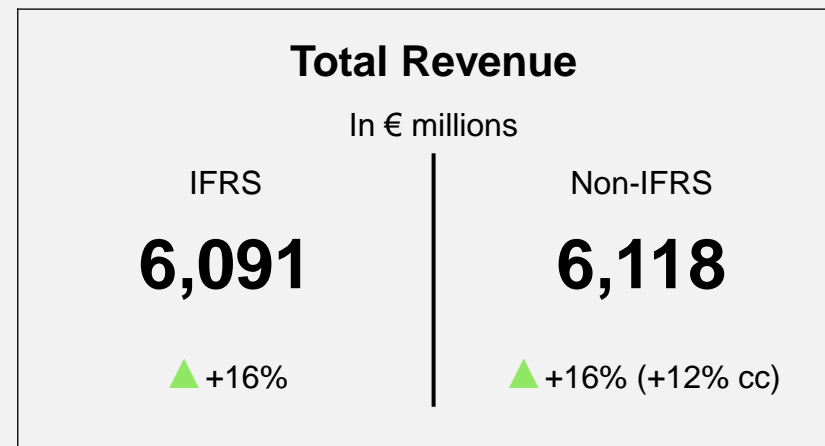
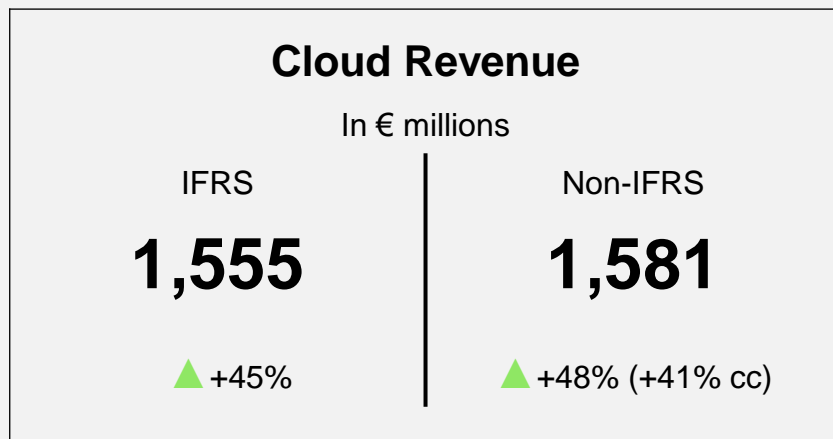
# First Quarter 2019 Financial Highlights

SAP SE  
April 24, 2019

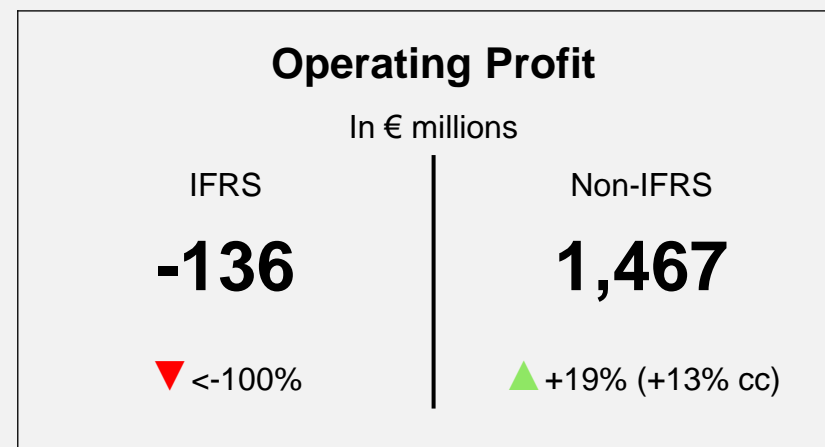
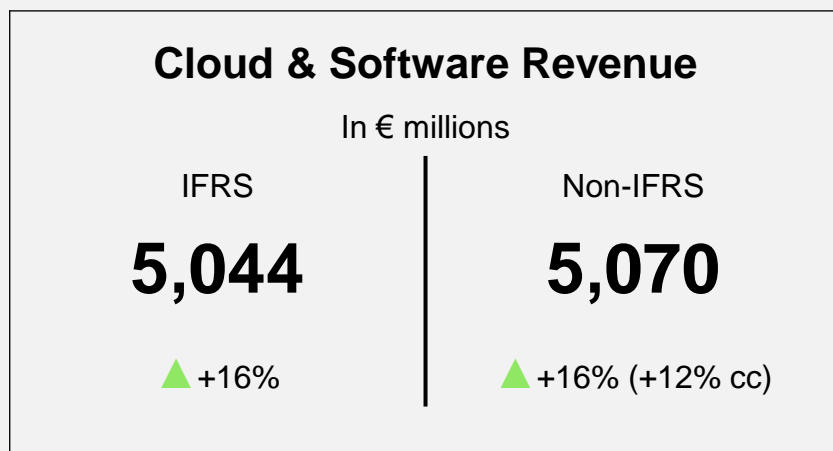
# Safe Harbor Statement

Any statements contained in this document that are not historical facts are forward-looking statements as defined in the U.S. Private Securities Litigation Reform Act of 1995. Words such as “anticipate,” “believe,” “estimate,” “expect,” “forecast,” “intend,” “may,” “plan,” “project,” “predict,” “should” and “will” and similar expressions as they relate to SAP are intended to identify such forward-looking statements. SAP undertakes no obligation to publicly update or revise any forward-looking statements. All forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. The factors that could affect SAP’s future financial results are discussed more fully in SAP’s filings with the U.S. Securities and Exchange Commission (“SEC”), including SAP’s most recent Annual Report on Form 20-F filed with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates.

# Q1 2019 – Key performance metrics



The share of more predictable revenue reached **72%** in the first quarter of 2019 (+1 percentage point)



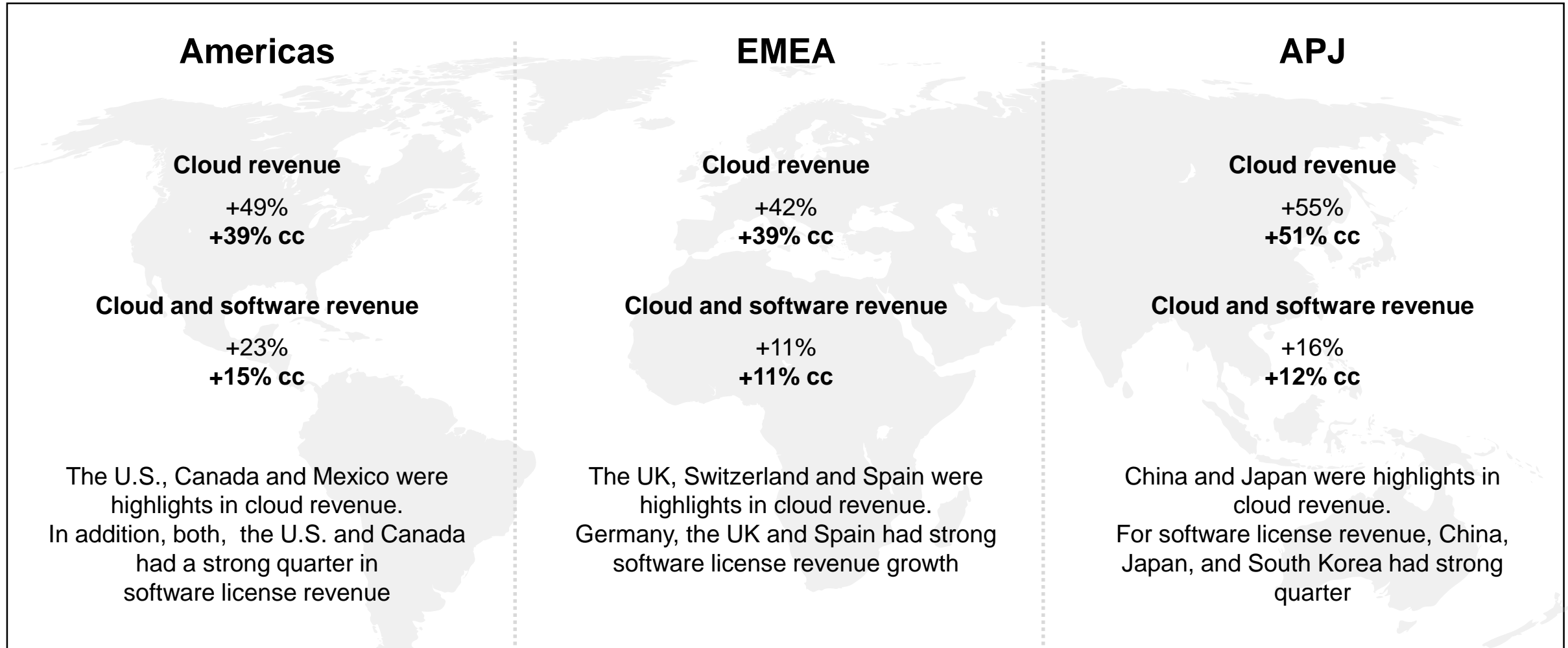
# Stellar start to the year across cloud and core business

## Financial Highlights Q1 2019

- Cloud revenue exceeds **€1.5bn** for the first time in a quarter – **+45%** (IFRS), **+48%** (Non-IFRS), **+41%** (Non-IFRS cc)
- New cloud bookings up **32%** to **€324m** (**+26%** cc)
- Software license revenue up **4%** to **€650m** (**+1%** cc)
- New cloud and software order entry up **17%** to **€1.58bn** (**+13%** cc)
- Earnings per share were **-€0.10** (IFRS) (Q1/2018: €0.59) and up **24%** at **€0.90** (non-IFRS)
- Operating cash flow up **9%** to **€2.80bn** | Free cash flow up **10%** to **€2.37bn**
- S/4HANA Customers up **30%** to **>10.900** customers

Non-IFRS unless otherwise specified

# Q1 2019 – Regional performance







Revenues calculated based on customer location; All numbers are Non-IFRS unless otherwise stated. Individual country highlights are based on Non-IFRS at constant currencies

# Q1 2019 – Cloud and software revenue and total revenue up double-digit

€ millions, unless otherwise stated	IFRS			Non-IFRS			
Revenue Numbers	Q1/19	Q1/18	Δ %	Q1/19	Q1/18	Δ %	Δ % at cc
Cloud	1,555	1,070	45	1,581	1,072	48	41
Software licenses	650	625	4	650	625	4	1
Software support	2,838	2,656	7	2,838	2,656	7	4
Software licenses and support	3,489	3,281	6	3,489	3,281	6	3
Cloud and software	5,044	4,351	16	5,070	4,353	16	12
Services	1,048	910	15	1,048	910	15	11
<b>Total revenue</b>	<b>6,091</b>	<b>5,261</b>	<b>16</b>	<b>6,118</b>	<b>5,262</b>	<b>16</b>	<b>12</b>
Total operating expenses	-6,228	-4,236	47	-4,651	-4,027	15	12
<b>Operating profit (loss)</b>	<b>-136</b>	<b>1,025</b>	<b>&lt;-100</b>	<b>1,467</b>	<b>1,235</b>	<b>19</b>	<b>13</b>
Financial income, net	0	-28	-99	0	-28	-99	
<b>Profit (loss) before tax</b>	<b>-140</b>	<b>987</b>	<b>&lt;-100</b>	<b>1,463</b>	<b>1,198</b>	<b>22</b>	
Income tax expense	33	-280	<-100	-383	-330	16	
<b>Profit (loss) after tax</b>	<b>-108</b>	<b>708</b>	<b>&lt;-100</b>	<b>1,080</b>	<b>868</b>	<b>25</b>	
Operating margin (in %)	-2.2%	19.5%	-21.7pp	24.0%	23.5%	0.5pp	0.2pp
Earnings per share, basic (in €)	-0.10	0.59	<-100	0.90	0.73	24	

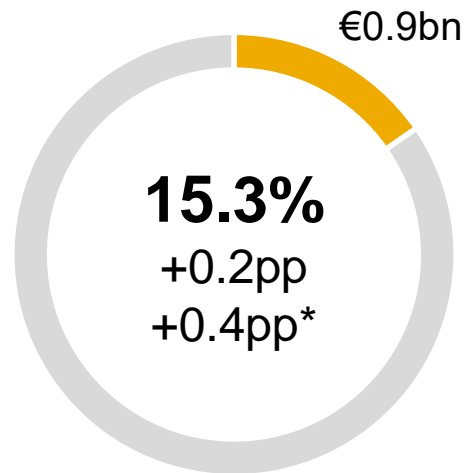
# Q1 2019 – Operating loss (IFRS) of -136m due to previously announced restructuring Operating profit (Non-IFRS) up 19%

Non-IFRS				
	Total operating expenses   Operating profit (loss)	Total revenue		
Q1/18		€5,262m	<ul style="list-style-type: none"> <li>■ <b>Non-IFRS operating profit (loss)</b> +19% to €1,467m (Q1/18: €1,235m) +13% to €1,398m at cc</li> </ul>	
Q1/19		€6,118m	<ul style="list-style-type: none"> <li>■ <b>Non-IFRS operating margin</b> +0.5pp to 24.0% (Q1/18: 23.5%) +0.2pp to 23.7% at cc</li> </ul>	
IFRS				
	Total operating expenses   Operating profit (loss)	Total revenue		
Q1/18		€5,261m	<ul style="list-style-type: none"> <li>■ <b>IFRS operating profit (loss)</b> &lt;-100% to -€136m (Q1/18: €1,025m)</li> </ul>	
Q1/19		€6,091m	<ul style="list-style-type: none"> <li>■ <b>IFRS operating margin</b> -21.7pp to -2.2% (Q1/18: 19.5%)</li> </ul>	

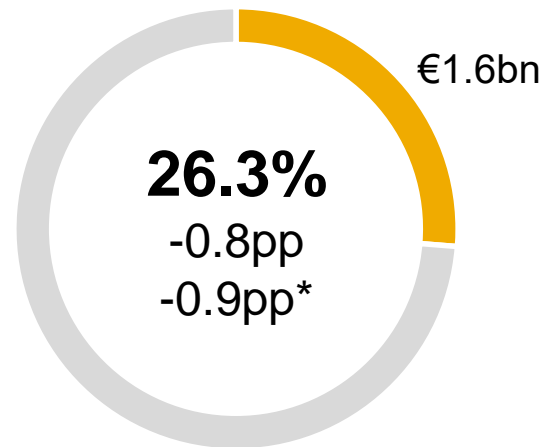
# Q1 2019 – Cost ratios

€6.1bn Total revenue, Non-IFRS

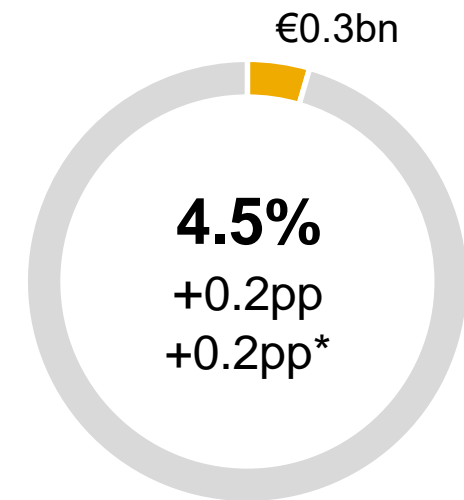
**R&D**  
as % of total revenue



**S&M**  
as % of total revenue



**G&A**  
as % of total revenue



\*Non-IFRS at constant currencies



# Balance Sheet, Condensed

## March 31, 2019, IFRS

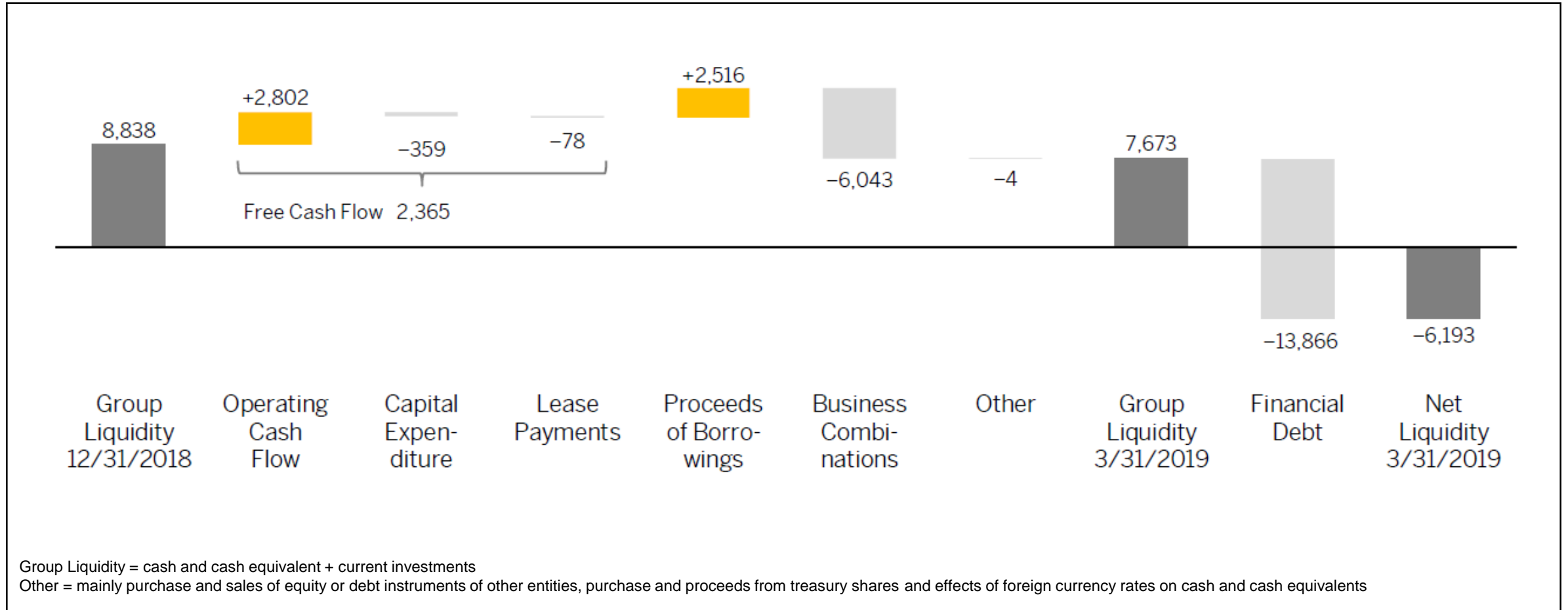
Assets		
€ millions	03/31/19	12/31/18
Cash, cash equivalents and other financial assets	7,923	9,075
Trade and other receivables	6,755	6,362
Other current assets	1,384	1,183
<b>Total current assets</b>	<b>16,062</b>	<b>16,620</b>
Goodwill	29,074	23,736
Intangible assets	4,953	3,227
Property, plant, and equipment	5,523	3,553
Other non-current assets	4,985	4,366
<b>Total non-current assets</b>	<b>44,534</b>	<b>34,881</b>
<b>Total assets</b>	<b>60,596</b>	<b>51,502</b>

Equity and liabilities		
€ millions	03/31/19	12/31/18
Trade and other payables	1,646	1,491
Provisions	980	110
Other liabilities	5,960	5,857
Contract liabilities, current	6,064	3,028
<b>Total current liabilities</b>	<b>14,650</b>	<b>10,486</b>
Financial liabilities	14,735	10,553
Provisions	408	270
Contract liabilities, non-current	107	88
Other non-current liabilities	1,468	1,227
<b>Total non-current liabilities</b>	<b>16,718</b>	<b>12,138</b>
Total liabilities	31,368	22,624
Total equity	29,228	28,877
<b>Total equity and liabilities</b>	<b>60,596</b>	<b>51,502</b>

## Q1 2019 – Operating cash flow and free cash flow

€ millions, unless otherwise stated	3M/19	3M/18	Δ
Operating cash flow	2,802	2,578	9%
- Capital expenditure	-359	-427	-16%
- Payments of lease liabilities	-78	-	-
Free cash flow	2,365	2,151	10%
Free cash flow in percent of total revenue	39	41	-2pp
Free cash flow conversion rate	-21.98	3.04	-823%
Days sales outstanding (DSO in days, March 31)	69	68	+0.9

# Group Liquidity



## FY 2019 – Additional outlook information and non-IFRS adjustments

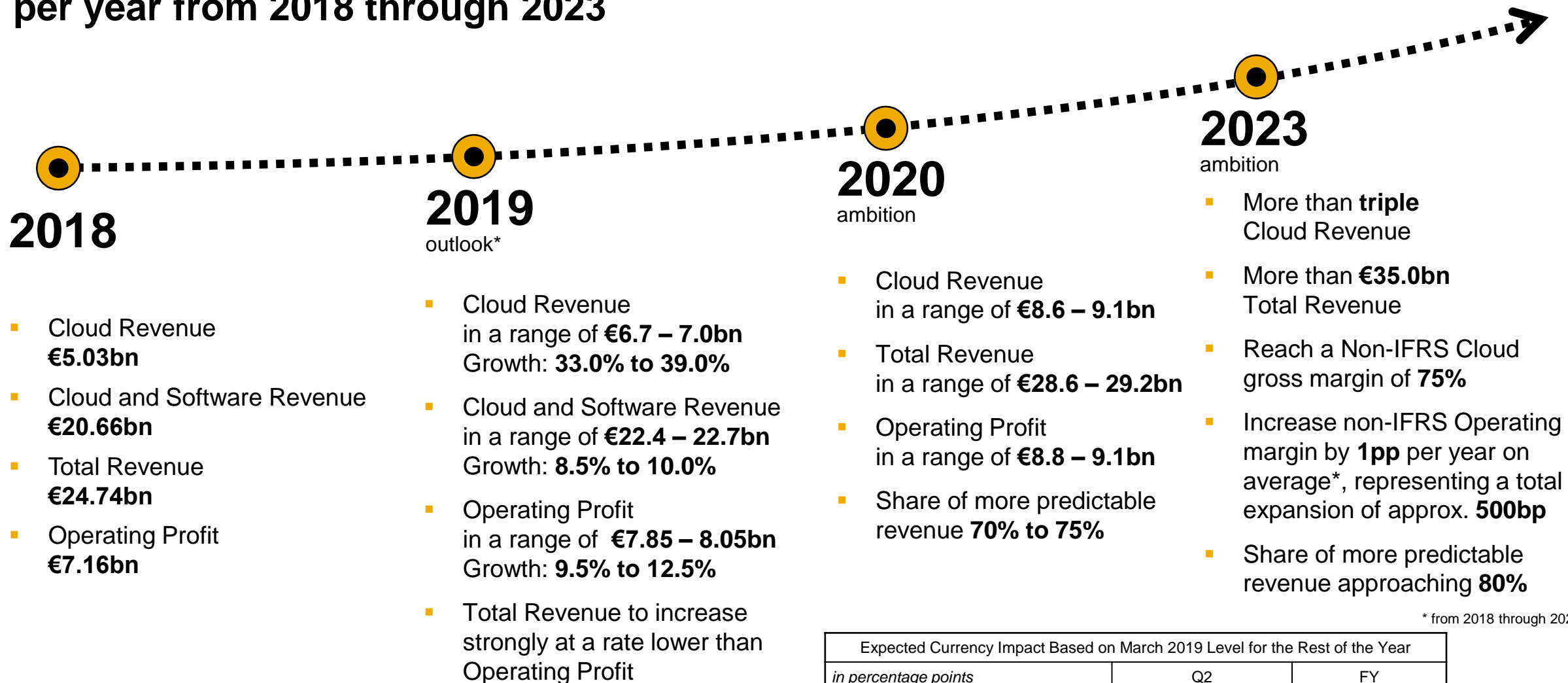
The Company expects a full-year 2019 effective tax rate (IFRS) of 26.5% to 27.5% (2018: 27.0%) and an effective tax rate (non-IFRS) of 26.0% to 27.0% (2018: 26.3%)

	Actual Amounts Q1/18	Actual Amounts Q1/19	Est. Amounts for FY/19
Non-IFRS adjustments			
Revenue adjustments	€2m	€26m	€70m to €120m
Acquisition-related charges	€129m	€174m	€650m to €750m
Share-based payment expenses	€70m	€517m	€1,350m to €1,550m
Restructuring charges	€11m	€886m	€800m to €950m
<b>Sum of all adjustments</b>	<b>€211m</b>	<b>€1,603m</b>	<b>€2,870m to €3,370m</b>

Due to rounding, numbers may not add precisely

# SAP has updated its 2019 outlook and its mid-term ambition

## Targeting on average 1 percentage point of Non-IFRS operating margin expansion per year from 2018 through 2023



Expected Currency Impact Based on March 2019 Level for the Rest of the Year		
<i>in percentage points</i>	Q2	FY
Cloud revenue	+3pp to +5pp	+3pp to +5pp
Cloud and software revenue	+1pp to +3pp	+1pp to +3pp
Operating profit	+1pp to +3pp	+1pp to +3pp

# Appendix

# Q1 2019 – Key cloud metrics

Q1/19 unless otherwise stated

All figures are Non-IFRS and growth rates at constant currencies unless otherwise stated

<p><b>Cloud Revenue</b></p> <p><b>+41%</b> €1,581m</p>	<p><b>New Cloud Bookings<sup>1</sup></b></p> <p><b>+26%</b> €324m</p>	<p><b>Total Network Commerce<sup>2</sup></b></p> <p><b>~\$3.18 trillion</b></p>	<p><b>Cloud Applications Total Subscribers</b></p> <p><b>~195m</b></p>
<p><b>Business Network – Segment Revenue</b></p> <p><b>+18%</b> €740m</p>	<p><b>Customer and Experience Management – Segment Revenue</b></p> <p><b>&gt;100%</b> €305m</p>	<p><b>Number of end users processing travel and expense with SAP Concur</b></p> <p><b>~55m</b></p>	<p><b>Flexible workers managed with SAP Fieldglass platform</b></p> <p><b>5.9m</b></p>

1) New cloud bookings – key measure for SAP’s sales success in the cloud – consist of order entry of a given period that is expected to be classified as cloud subscription and support revenue and results from purchases by new customers and from incremental purchases by existing customers. Consequently, orders to renew existing contracts are not included. The order amount must be committed. Consequently, due to their pay-per-use nature, business network transaction fees which do not include a committed minimum consumption are not reflected in the bookings metric (e.g. SAP Ariba and SAP Fieldglass transaction-based fees). Amounts included in the measures are generally annualized.

2) SAP Business Network commerce is the total commerce transacted on the SAP Ariba, SAP Concur and SAP Fieldglass Networks in the trailing 12 months. Ariba commerce includes procurement and sourcing spend

# Gross margin development 2015 – YTD

Non-IFRS	FY/15	Q1/16	Q2/16	Q3/16	Q4/16	FY/16	Q1/17	Q2/17	Q3/17	Q4/17	FY/17	Q1/18	Q2/18	Q3/18	Q4/18	FY/18	Q1/19
Cloud	66	66	65	65	63	64	65	62	61	61	62	63	64	64	62	63	66
Business Network	75	75	76	77	75	76	77	77	75	77	77	77	77	78	78	78	78
Software license & Support	87	86	87	87	88	87	85	87	87	89	87	86	87	87	89	87	86
Cloud & Software	84	82	84	83	85	84	81	82	82	84	82	81	81	81	83	82	80
Services	23	14	18	20	20	18	21	23	25	25	24	20	26	22	24	23	20
<b>Total gross margin</b>	<b>73</b>	70	73	73	76	<b>73</b>	70	71	73	75	<b>72</b>	70	71	71	74	<b>72</b>	69





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