Strategy
SAP’s strategy is to be “The Experience Company powered by the Intelligent Enterprise.” This updated strategy includes a new category, called Experience Management. It focuses on obtaining and tapping into the value of inside-in customer, employee, product, and brand feedback in real time to continuously improve the experiences businesses deliver.

Our Purpose and Promise
At SAP, our purpose is to help the world run better and improve people’s lives. Our promise is to innovate to help our customers run at their best. SAP is committed to helping every customer become a best-run business. We engineer solutions to fuel innovation, foster equality, and spread opportunity across borders and cultures. SAP is improving lives on a global scale through our support of the 17 United Nations Sustainable Development Goals.

Vision
In the digital era, data is the “new currency” in an enterprise. Businesses that can harness their data faster and more effectively will be the ones that succeed through disruption. As the world’s largest enterprise software company, SAP offers perspective on the massive scale and power of data. Our enterprise resource planning applications touch 77% of global transaction revenue, and our Intelligent Spend Group is the world’s largest commerce platform with over US$3.7 trillion annual commerce transacted.

Product Offering and Market
Our integrated end-to-end portfolio enables an intelligent enterprise by offering business value, data-driven innovation, rich customer experience insights, and embedded intelligence. Our software, technologies, and services address the three core elements of the intelligent enterprise – digital platform, intelligent suite, and intelligent technologies – for the 25 industries we serve. SAP S/4HANA is at the core of the Intelligent Enterprise and empowers companies across all industries to reinvent their business models for the digital economy. S/4HANA adoption grew to more than 14,100 customers, up 23% year over year, of which 6,700 are live. In Q1 2020, approx. 45% of the additional S/4HANA customers were net new.

Successful Transition of Business Model
The SAP Group has a global presence and our end-to-end suite of applications and services enable more than 440,000 business and public customers to operate profitably, adapt continuously, and make a difference. We have a powerful combination of a fast-growing cloud business and a solid core. SAP anticipates that the fast-growing cloud business along with growth in support revenue will drive a higher share of more predictable revenue. SAP expects the total of cloud revenue and software support revenue to be approximately 70% of total revenue in 2020 and approaching 80% in 2023.

Key Figures

<table>
<thead>
<tr>
<th>Key Figures</th>
<th>€ millions</th>
<th>3M 2020</th>
<th>FY 2019*</th>
<th>FY 2018</th>
<th>∆19/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenue</td>
<td>6,522</td>
<td>27,634</td>
<td>24,741</td>
<td>+8%</td>
<td></td>
</tr>
<tr>
<td>Current Cloud Backlog</td>
<td>6,647</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cloud revenue</td>
<td>2,012</td>
<td>7,014</td>
<td>5,027</td>
<td>+35%</td>
<td></td>
</tr>
<tr>
<td>Cloud and software</td>
<td>5,398</td>
<td>23,094</td>
<td>20,655</td>
<td>+8%</td>
<td></td>
</tr>
<tr>
<td>Operating profit</td>
<td>1,482</td>
<td>8,211</td>
<td>7,165</td>
<td>+12%</td>
<td></td>
</tr>
<tr>
<td>Profit after tax (IFRS)</td>
<td>1,015</td>
<td>6,154</td>
<td>4,089</td>
<td>+22%</td>
<td></td>
</tr>
<tr>
<td>Free cash flow</td>
<td>2,580</td>
<td>2,276</td>
<td>2,843</td>
<td>-25%</td>
<td></td>
</tr>
<tr>
<td>EPS (IFRS, basic, €)</td>
<td>0.68</td>
<td>2.80</td>
<td>3.42</td>
<td>-22%</td>
<td></td>
</tr>
<tr>
<td>Dividend per share (€)</td>
<td>~</td>
<td>1.50</td>
<td>1.50</td>
<td>+5%</td>
<td></td>
</tr>
<tr>
<td>Headcount (FTE, quarter end)</td>
<td>101,150</td>
<td>100,330</td>
<td>96,498</td>
<td>+4%</td>
<td></td>
</tr>
<tr>
<td>Employee engagement (%)</td>
<td>~</td>
<td>83</td>
<td>84</td>
<td>-1</td>
<td></td>
</tr>
<tr>
<td>Customer Net Promoter Score</td>
<td>~</td>
<td>-6.0</td>
<td>-5.0</td>
<td>-1.0</td>
<td></td>
</tr>
</tbody>
</table>


Outlook 2020 and Mid-Term Ambition*

**Outlook 2020 (updated)**

- Cloud revenue: €8.3B to €8.7B (18% to 24%)
- Cloud and software: €23.4B to €24B (1% to 4%)
- Total Revenue: €27.8B to €28.5B (1% to 3%)
- Operating profit: €8.1B to €8.7B (~1% to +6%)
- Share of more predictable revenue: 72%

**Mid-Term Ambition Non-IFRS 2023**

- Total revenue: > €35.0B
- Cloud revenue: > 3x 2018 result
- Share of more predictable revenue: ~80%
- Cloud gross margin: 75%
- Operating profit / margin: ~500bp margin increase

* While SAP’s full-year 2020 business outlook is at constant currencies, actual currency reported figures are expected to be impacted by currency exchange rate fluctuations as the company progresses through the year. Find details on expected 2020 currency impacts in the most recent quarterly statement at [www.sap.com/investor](http://www.sap.com/investor).

Revenue Development & Ambition

(€ billions, Non-IFRS)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Revenue</th>
<th>Cloud Revenue</th>
<th>More Predictable %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>22.06</td>
<td>61</td>
<td>8.3</td>
</tr>
<tr>
<td>2017</td>
<td>23.46</td>
<td>63</td>
<td>7.01</td>
</tr>
<tr>
<td>2018</td>
<td>24.74</td>
<td>65</td>
<td>2.99</td>
</tr>
<tr>
<td>2019</td>
<td>27.63</td>
<td>67</td>
<td>7.01</td>
</tr>
<tr>
<td>2020</td>
<td>27.8–28.5</td>
<td>72</td>
<td>8.3–8.7</td>
</tr>
<tr>
<td>2021</td>
<td></td>
<td></td>
<td>&gt;35</td>
</tr>
<tr>
<td>2022</td>
<td></td>
<td></td>
<td>~80</td>
</tr>
<tr>
<td>2023</td>
<td></td>
<td></td>
<td>3x 2018</td>
</tr>
</tbody>
</table>

Profit & Margin Development & Ambition

(€ billions, Non-IFRS)

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Profit</th>
<th>Operating Margin %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>6.63</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>6.77</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>7.16</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>8.21</td>
<td>8.1–8.7</td>
</tr>
<tr>
<td>2020</td>
<td>8.21</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>8.21</td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>8.21</td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td>8.21</td>
<td></td>
</tr>
</tbody>
</table>

average +1pp margin improvement p.a.
SAP Stock and Financial Data

Ticker symbol: SAP
Main stock exchange listing: Frankfurt
U.S. stock exchange: New York (NYSE)
ISIN: DE0007164600
WKN: 716460
ADR: Ordinary share ratio: 1 : 1
Number of shares in millions: 1,229
Free float: 86%
52-week high / low (XETRA): €128.82/€87.21
Market capitalization (March 31, 2020): €125.78

Relative Share Price Performance (last 12 months)

Total Shareholder Return
1 year: ~4.3%
5 years: 52.33%
10 years: 53.11%
Effective date: March 31, 2020, SAP ordinary shares, dividends reinvested

Share Buy Back
The share buy back program of €1.5bn for 2020 has been completed by mid-March, 2020. No further buy backs are planned in 2020.

Financial Calendar
Virtual Annual General Meeting 2020 / Record Date: May 20, 2020
Ex-Dividend: May 21, 2020
Dividend Payment: May 26, 2020
Q2 2020 Results: July 27, 2020
Q3 2020 Results: October 26, 2020
Q4 and FY 2020 Preliminary Results: January 29, 2021

Please note that these dates could be subject to modifications

Dividends

Since going public in 1988, SAP has continually paid dividends annually. Our dividend policy is to pay 40% or more of IFRS profit after tax. The dividend for the fiscal year 2019 will be €1.58 per share (+5%), pending approval of the shareholders at the Annual General Meeting.

Balanced Shareholder Structure (February 2020)

North America: 21%
Germany: 7%
UK/Ireland: 15%
Europe (without Germany): 16%
Rest of World: 4%
Private Investors / Unidentified: 24%
Founders: 11%
Treasury Shares: 3%

1,229 Million Outstanding Shares
Free float 86%

Effective: March 31, 2020, SAP ordinary shares, dividends reinvested

Q4 2019
Women in Management
+0.7pp YoY
(Theme: 30% in 2022)

FY 2019
CO₂-Emissions
-10kt YoY
(Theme: carbon neutral in 2025)

FY 2019
Employee Retention
-0.6pp YoY

Looking for more Information?
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Internet: www.sap.com/investor
Twitter: @SAPinvestor

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