

Strategy

Our strategy is to help every business run as an intelligent enterprise. SAP helps give people and organizations deep business insight and fosters collaboration that helps them stay ahead of their competition. We simplify technology for companies so they can consume our software the way they want – without disruption.

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 market leader in enterprise application software, we help companies of all sizes and in all industries run at their best: **77% of the world's transaction revenue touches an SAP® system**, and our Intelligent Spend Platform is the world's largest commerce platform with over **US\$4.1 trillion annual commerce** transacted.

Product Offering and Market

Our end-to-end suite of applications and services enables business and public customers across **25 industries** globally to operate profitably, adapt continuously, and make a difference. **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 **15,100 customers, up 20% year over year, of which 8,100 are live**. In Q3 2020, approx. 45% of the additional S/4HANA customers were net new.

Successful Transition of Business Model

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 grow to approximately 85% by 2025. The share of more predictable revenue grew by five percentage points year-over-year to 74% in the third quarter.

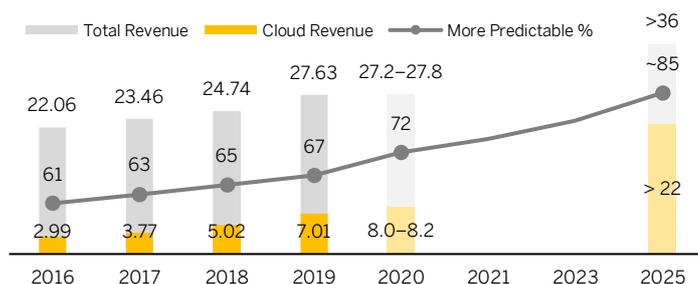
COVID-19 Response

The COVID-19 crisis is an accelerator for transformation. Customers are looking to move to the cloud for greater resiliency, and agility. SAP is responding to these market demands by providing the technology and expertise to help its customers migrate their existing IT environments to the cloud in a first step and truly transform their business processes in a second step.

Revenue Development & Ambition

(€ billions, Non-IFRS)

The COVID-19 pandemic is expected to impact the demand environment, particularly in hard hit industries, through at least the first half of 2021 pushing out the achievement of key metrics such as non-IFRS cloud revenue, total revenue, and operating profit, by 1 to 2 years.



Key Figures

€ millions	non-IFRS, if not otherwise stated			Δ19/18
	9M 2020	FY 2019	FY 2018	
Total revenue	19,801	27,634	24,741	+8%
Current Cloud Backlog	6,599			
Cloud revenue	6,041	7,014	5,027	+35%
Cloud and software	16,651	23,094	20,655	+8%
Operating profit	5,515	8,211	7,165	+12%
Profit after tax (IFRS)	4,507	3,370	4,089	-18%
Free cash flow	4,170	2,276	2,843	-25%
EPS (IFRS, basic, €)	2.74	2.80	3.42	-22%
Dividend per share (€)	-	1.58	1.50	+5%
Headcount (FTE, quarter end)	101,450	100,330	96,498	+4%
Employee engagement (%)	-	83	84	-1
Customer Net Promoter Score (pts)	-	-6.0	-5.0	-1.0

Further information about actual financial and non-financial performance can be found in the Q3 2020 Quarterly Statement at www.sap.com/investor.

Outlook 2020 and Mid-Term Ambition*

Outlook 2020 – updated Non-IFRS at constant currencies

	Update	Previously
Cloud revenue	€8.0B to 8.2B	€8.3B to €8.7B
Cloud and software	€23.1B to 23.6B	€23.4B to €24B
Total Revenue	€27.2B to 27.8B	€27.8B to €28.5B
Operating profit	€8.1B to 8.5B	€8.1B to €8.7B
Share of more predictable revenue	72%	72%

Mid-Term Ambition – updated Non-IFRS 2025

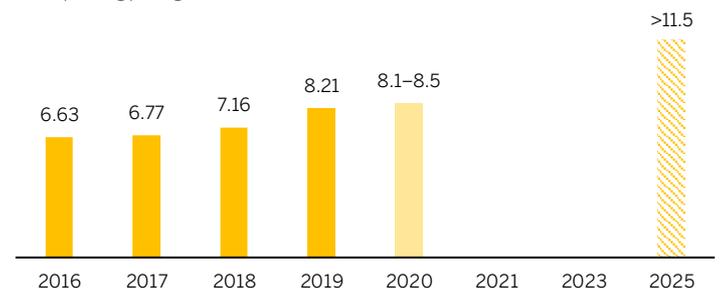
Cloud revenue	> €22.0B
Total revenue	> €36.0B
Operating profit	> €11.5B
Cloud gross margin	~80%
Share of more predictable revenue	~85%

*) 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.

Operating Profit Development & Ambition

(€ billions, Non-IFRS)

The impact of COVID-19, currency exchange rates, and further harmonization of cloud delivery along with the mechanics of the accelerated cloud transition are expected to lead to flat or slightly lower non-IFRS operating profit over the next two years, followed by double-digit non-IFRS operating profit growth from 2023 to 2025.



Definition of key growth metrics

Current cloud backlog (CCB) is the contractually committed cloud revenue we expect to recognize over the upcoming 12 months as of a specific key date. Thus, it is a subcomponent of our overall remaining performance obligations following IFRS 15.120. For CCB, we take into consideration committed deals only. CCB can be regarded as a lower boundary for cloud revenue to be recognized over the next 12 months, as it excludes utilization-based models without pre-commitments and committed deals, both new and renewal, closed after the key date. For our committed cloud business, we believe the expansion of CCB over a period is a valuable indicator of go-to market success, as it reflects both new contracts closed as well as existing contracts renewed.

Share of more predictable revenue is the total of non-IFRS cloud revenue and non-IFRS software support revenue as a percent-age of total revenue.

Global commerce is the total commerce volume transacted on the SAP Ariba, SAP Concur and SAP Fieldglass Networks in the trailing 12 months. SAP Ariba commerce includes procurement and sourcing spend.

For explanations on other key growth metrics please refer the performance management section of SAP's Integrated Report 2019, which can be found at www.sapintegratedreport.com.

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	85.2%
52-week high / low (September 30, 2020 XETRA)	€142.26 / €87.63
Market capitalization (September 30, 2020)	€153.5B

Relative Share Price Performance (last 12 months)



Total Shareholder Return

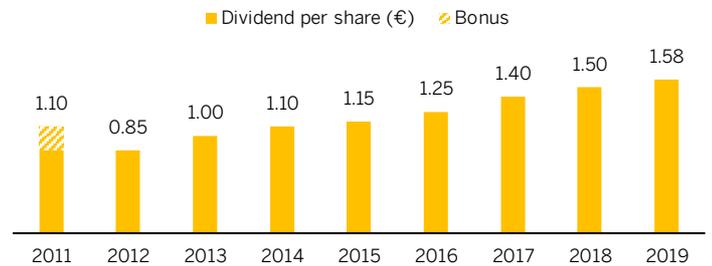
1 year	26.0%
5 years	149.70%
10 years	324.50%

Effective date: September 30, 2020, SAP ordinary shares, dividends reinvested

Share Buy Back

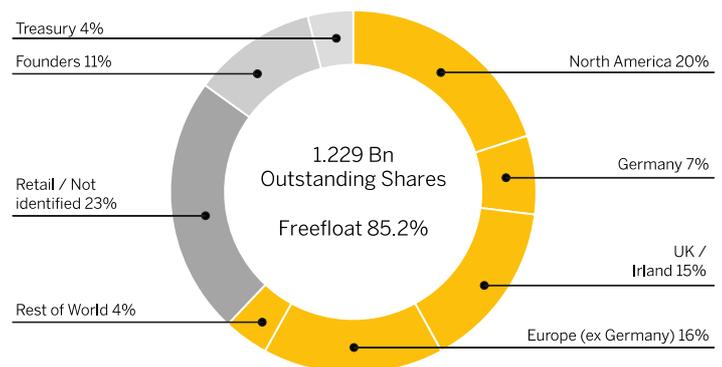
The share buy back program of €1.5bn for 2020 has been completed by mid-March 2020. No further buy backs are planned in 2020.

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 was €1.58 per share (+5%).

Balanced Shareholder Structure (September 2020)



Women in Management: 26.4% (2019)

Goal: 30% by 2022

CO₂ Emissions: 300kt (2019)

Goal: 150kt in 2020, Carbon neutral by 2025

Employee Retention: 93.3% (2019)

Financial Calendar

Q4 and FY 2020 Preliminary Results	January 29, 2021
Annual General Meeting	May 12, 2021

Please note that these dates could be subject to modifications

Looking for more Information?

Investor Hotline:	+49 6227 7-67336
Fax:	+49 6227 7-40805
E-Mail:	investor@sap.com
Internet:	www.sap.com/investor
Twitter:	@SAPinvestor