

Introduction to Current Cloud Backlog

Part 1

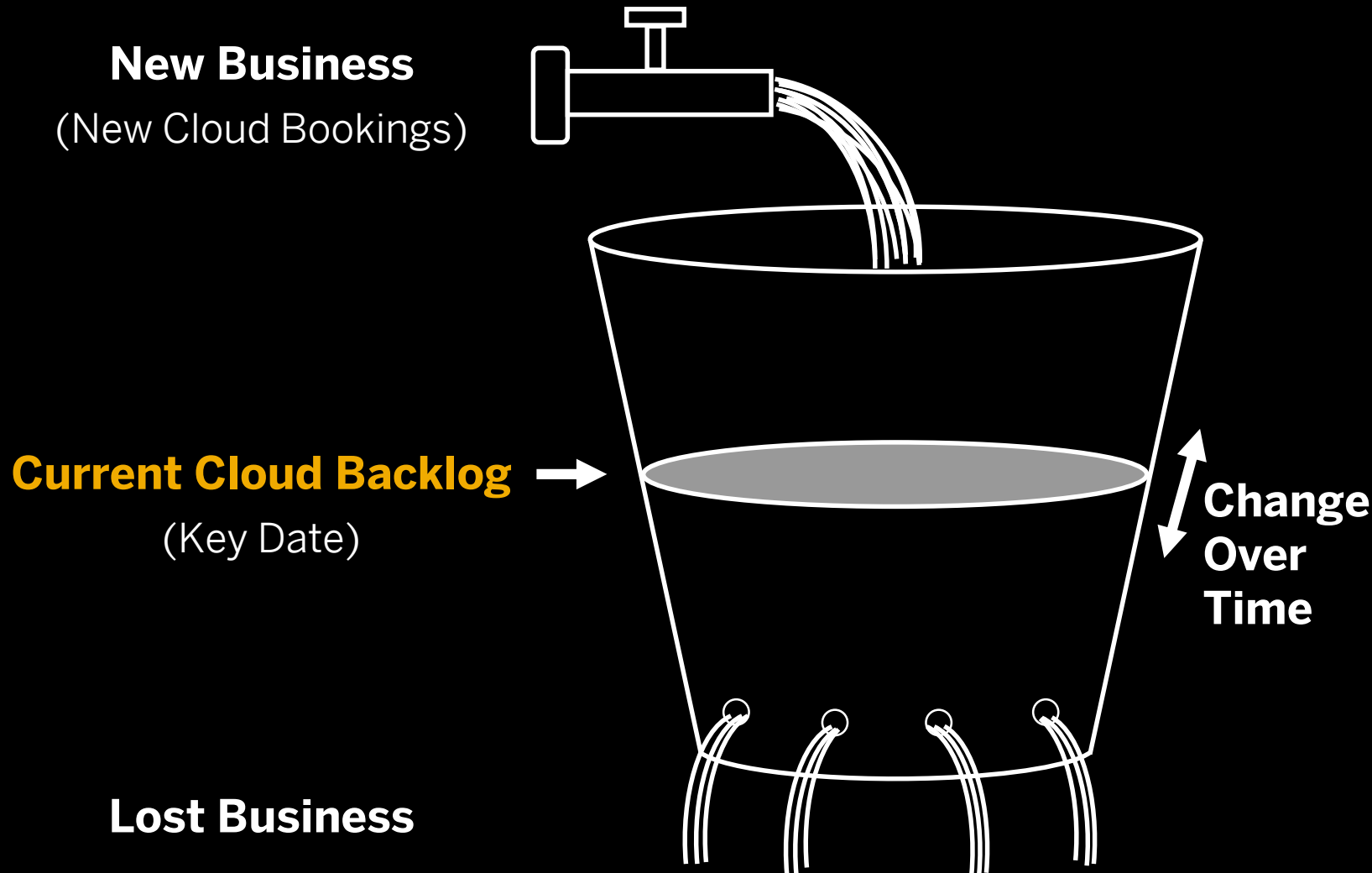
Rationale and Concept

April 2020

EXECUTIVE SUMMARY

- New metric **Current Cloud Backlog (CCB)**
- Replaces **New Cloud Bookings**
- Committed **next 12 months cloud revenue**
- Subcomponent of '**Remaining Performance Obligation**' (RPO)
- Reflects **new and lost/renewed cloud business**

CONCEPT



Current Cloud Backlog:

- Contractually committed models only
- Leading indicator
- Growth rate is reasonable predictor for revenue growth
- Generally lower volume than actual cloud revenue
- Reflects new and lost/renewed business

FREQUENTLY ASKED QUESTIONS

———— **What exactly will be disclosed starting in 2020?**

———— Should we also analyze quarterly CCB expansion?

———— Are other cloud vendors disclosing similar metrics?

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Part 2

Sample Contract and Modeling

April 2020

THE BEST RUN 

SAMPLE CONTRACT

NEW CLOUD CONTRACT

Signing: SEP 15, 2020
 Start: JAN 01, 2021
 End: DEC 31, 2022
 Total Value: €8.0m
 Annual Value: €4.0m

UPSELL CONTRACT

Signing: SEP 22, 2022
 Start: JAN 01, 2023
 End: DEC 31, 2023
 Total Value: €6.0m
 Annual Value: €6.0m

SIGN
▼

START
▼

UPSELL
▼

INITIAL END
▼

NEW END
▼

Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
2020				2021				2022				2023			

Current Cloud Backlog	3.0	4.0	4.0	4.0	4.0	4.0	4.0	3.0	2.0	5.5	6.0	4.5	3.0	1.5
Total Cloud Backlog	8.0	8.0	7.0	6.0	5.0	4.0	3.0	2.0	7.0	6.0	4.5	3.0	1.5	
Cloud Revenue (LTM)	0.0	0.0	1.0	2.0	3.0	4.0	4.0	4.0	4.0	4.0	4.5	5.0	5.5	
Cloud Revenue (Quarter)	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.5	1.5	1.5	1.5

MODELING

BACKLOG TO **BACKLOG**

CURRENT CLOUD BACKLOG DEC31, YEAR 0

- + Impact of new contracts and net upsells
- Impact of lost contracts
- + Ramp effects, start-date approach effects
- +/- Renewal cycle effects
- +/- Other effects (e.g. currency, M&A)

= CURRENT CLOUD BACKLOG DEC31, YEAR 1

BACKLOG TO **REVENUE**

CURRENT CLOUD BACKLOG DEC31, YEAR 0

- + Year 1 cloud revenue from year 1 new contracts/upsells
- + Year 1 cloud revenue from year 1 contract renewals
- + Year 1 cloud revenue from uncommitted cloud models
- +/- Other year 1 cloud revenue impacts
(e.g. currency, M&A, contract modifications)

= CLOUD REVENUE CALENDAR YEAR 1

THANK YOU

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