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, SAP is responding to these market demands by providing the technology businesses are looking to move to the cloud for greater resiliency, and agility. SAP is improving lives on a global scale through our support of the 17 United Nations Sustainable Development Goals.

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 approx. 16,000 customers, up 16% year over year, of which approx. 8,700 are live. In Q4 2020, approx. 40% 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 72% for the full-year 2020.

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
<table>
<thead>
<tr>
<th>Non-IFRS</th>
<th>FY 2020</th>
<th>FY 2019</th>
<th>Δ20/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenue</td>
<td>27,343</td>
<td>27,634</td>
<td>-1%</td>
</tr>
<tr>
<td>Current cloud backlog</td>
<td>7,155</td>
<td>6,881</td>
<td>+7%</td>
</tr>
<tr>
<td>Cloud revenue</td>
<td>8,085</td>
<td>7,013</td>
<td>+15%</td>
</tr>
<tr>
<td>Cloud and software</td>
<td>23,233</td>
<td>23,093</td>
<td>+1%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>8,283</td>
<td>8,208</td>
<td>+1%</td>
</tr>
<tr>
<td>Profit after tax (IFRS)</td>
<td>5,280</td>
<td>3,370</td>
<td>+57%</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>6,000</td>
<td>2,276</td>
<td>+164%</td>
</tr>
<tr>
<td>EPS (IFRS, basic, €)</td>
<td>4.35</td>
<td>2.78</td>
<td>+56%</td>
</tr>
<tr>
<td>Dividend per share (€)</td>
<td>1.58</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Headcount (FTE, quarter end) | 102,430 | 100,330 | +2% |
Employee engagement | 86% | 83% | +3pp |
Customer Net Promoter Score (pts) | +4.0 | -6.0 | +10.0 |

Further information about actual financial and non-financial performance can be found in the Q4 2020 Quarterly Statement at www.sap.com/investor.

Outlook 2021 and Mid-Term Ambition*

Outlook Non-IFRS @cc

2021
- Cloud revenue: €9.3B to 9.5B
- Cloud and software: €23.3B to 23.8B
- Operating profit: €7.8B to 8.2B
- Share of more predictable revenue: 75%
- Operating Cash Flow / Free Cash Flow: Approx. €6.0B / > €4.5B
- Customer Loyalty (NPS): 5 – 10
- Employee Engagement Index: 84% – 86%
- GHG emissions: 145kt

*Further information about actual financial and non-financial performance can be found in the Q4 2020 Quarterly Statement at www.sap.com/investor.

Mid-Term Ambition 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%

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 percentage 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 (December 31, 2020 XETRA): €142.26/€87.63
Market capitalization (December 31, 2020): €131.7B

Relative Share Price Performance (last 12 months)

50% 60% 70% 80% 90% 100% 110% 120% 130%
Dec Jan Mar Apr May Jun Jul Aug Sep Oct Nov Dec
SAP DAX-30 NASDAQ-100

Total Shareholder Return p.a.

1 year: -10.9%
5 years: 7.9%
10 years: 11.0%
Effective date: December 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 were executed 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 (+9%).

Balanced Shareholder Structure (September 2020)

Women in Management: 27.5% (2020)
Goal: 30% by 2022

CO₂ Emissions: 135kt (2020)
Goal: Carbon neutral by 2025

Employee Engagement: 86% (2020)

Financial Calendar

Publication SAP Integrated Report 2020: March 4, 2021
Annual General Meeting: May 12, 2021
Dividend Payment: May 18, 2021

Looking for more Information?

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