

Strategy

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. 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.

RISE with SAP

SAP launched "RISE with SAP" as a simplified pathway for customers to transform their business in the cloud. Together with our unique ecosystem, we are bundling what companies need to holistically transform their business. It simplifies our customers' journey in three simple steps. 1: Redesigning Business Processes, 2: Technical Migration to the Cloud, 3: Building an Intelligent Enterprise. Learn more at www.sap.com/riase.

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.

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. In the second quarter 2022 S/4HANA adoption grew more than 20,000 customers, of which more than 14,500 are live. Approx. 60% of the additional S/4HANA customers were net new.

Successful Transition of Business Model

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 up 4 percentage points to 80% for the second quarter 2022.

Impact of War in Ukraine

In the first six months, SAP's business was impacted by the war in Ukraine and SAP's decision to wind down its business operations in Russia and Belarus. For the fiscal year, we expect a total revenue impact of approximately €300 million at constant currencies from lack of new business and discontinuation of existing business. For non-IFRS operating profit we expect an impact of approximately €350 million at constant currencies from the revenue gaps mentioned above and other expense items.

Total Revenue

€ millions
Q2 2022

7,517

+13% / +5% @cc

Cloud Revenue

€ millions
Q2 2022

3,056

+34% / +24% @cc

Current Cloud Backlog

€ millions
Q2 2022

10,403

+34% / +25% @cc

S/4HANA Customers

as of Q2 2022

>20,000

+650 in Q2 2022

Operating Profit

€ millions, non-IFRS
Q2 2022

1,680

-13% / -16% @cc

Earnings per share

€, IFRS basic
Q2 2022

0.29

-75%

Financial Results at a Glance non-IFRS, if not otherwise stated

€ million, unless otherwise stated	IFRS			Non-IFRS ¹			
	Q2 2022	Q2 2021	Δ in %	Q2 2022	Q2 2021	Δ in %	Δ in % @cc
Cloud revenue	3,056	2,276	34	3,056	2,276	34	24
Software licenses	426	650	-34	426	650	-34	-38
Software support	2,977	2,823	5	2,977	2,823	5	0
Software licenses and support revenue	3,403	3,474	-2	3,403	3,474	-2	-7
Cloud and software revenue	6,459	5,750	12	6,459	5,750	12	5
Total revenue	7,517	6,669	13	7,517	6,669	13	5
Share of more predictable revenue (in %)	80	76	4pp	80	76	4pp	
Operating profit (loss)	673	984	-32	1,680	1,922	-13	-16
Profit (loss) after tax	203	1,449	-86	1,093	2,214	-51	
Earnings per share - Basic (in €)	0.29	1.15	-75	0.96	1.75	-45	
Earnings per share - Diluted (in €)	0.28	1.15	-75				
Net cash flows from operating activities	268	686	-61				
Free cash flow				-86	403	<-100	
Number of employees (FTE, June 30)	110,409	103,876	6				

Further information about actual financial and non-financial performance can be found in the most recent Quarterly Statement.

Outlook 2022 and Mid-Term Ambition*

For 2022, SAP expects its cloud growth to continue to accelerate. The pace and scale of SAP's cloud momentum places the Company well on track towards its mid-term ambition.

Outlook (updated)

Non-IFRS @cc	Previous values	2022
Cloud revenue		€11.55B to 11.85B (up 23% to 26% @cc)
Cloud and software		€25.0B to 25.5B (up 4% to 6% @cc)
Operating profit	€7.8B to 8.25B (flat to down 5% @cc)	€7.6B to 7.9B (down 4% - down 8% @cc)
Share of more predictable revenue		78%
Free Cash Flow		> €4.50B
Effective Tax Rate (IFRS / non-IFRS)		28.0 to 32.0% / 23.0 to 27.0%

Mid-Term Ambition Non-IFRS

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%
Free Cash Flow	Approx. €8.0B
Employee Engagement Index	84% to 86%
Customer Net Promotor Score	steadily increasing (2021: 10)

Achieving net carbon emissions of 0 kt by 2023 and maintaining net carbon emissions in our own operations of 0 kt from that point onward. Further, SAP has also committed to achieve net-zero along our value chain in line with a 1.5°C future in 2030 – 20 years earlier than originally targeted.

*) While SAP's full-year 2022 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 2022 currency impacts in the most recent quarterly statement at www.sap.com/investor.

Share Buy-Back programs 2022

The first program was executed in the period between February 01 and April 29, 2022. It was implemented based on the authorization granted by the Annual General Meeting of SAP SE on May 17, 2018, and in compliance with the restrictions set forth therein. By April 29, 2022, more than 10 million shares with a volume of € 996,8 million have been repurchased.

On July 21, a second share buy-back program was announced. With a volume of up to €500 million it is planned to be executed in the period between August 1 and December 31, 2022.

Repurchased shares will primarily be used to service awards granted under share-based compensation plans for employees.

SAP Stock and Financial Data

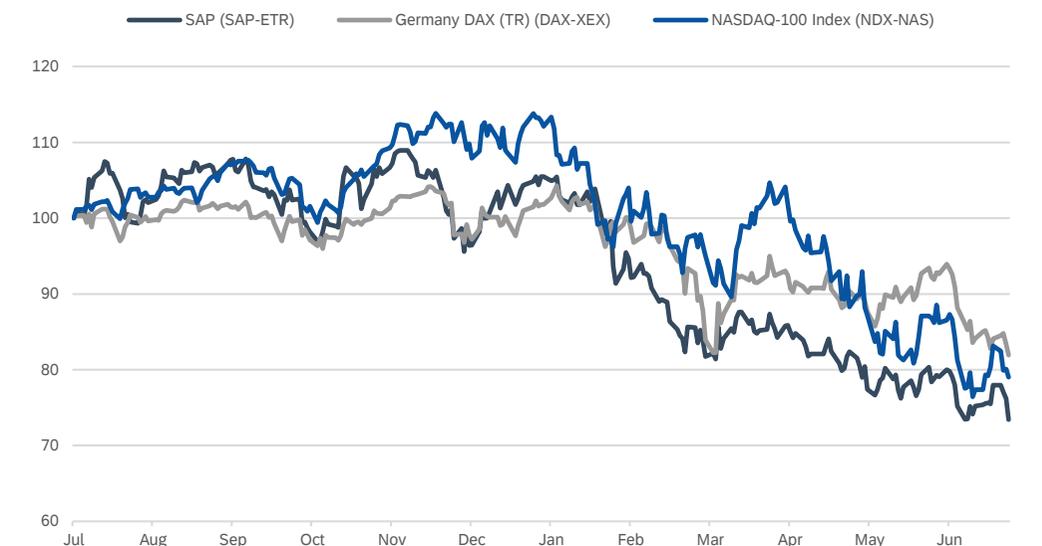
Ticker symbol	SAP
Main stock exchange listing	Frankfurt
U.S. stock exchange	New York (NYSE)
ISIN	DE0007164600
WKN	716460
ADR : Ordinary share ratio	1 : 1
Number of shares in millions	1,229
Share class	Bearer shares
Free float	84.1%
52-week high / low (June 30, 2022, XETRA)	€128.98/€86.93
Market capitalization (June 30, 2022)	€106.8B

Annualized Total Return

Effective date: June 30, 2022, SAP ordinary shares, dividends reinvested

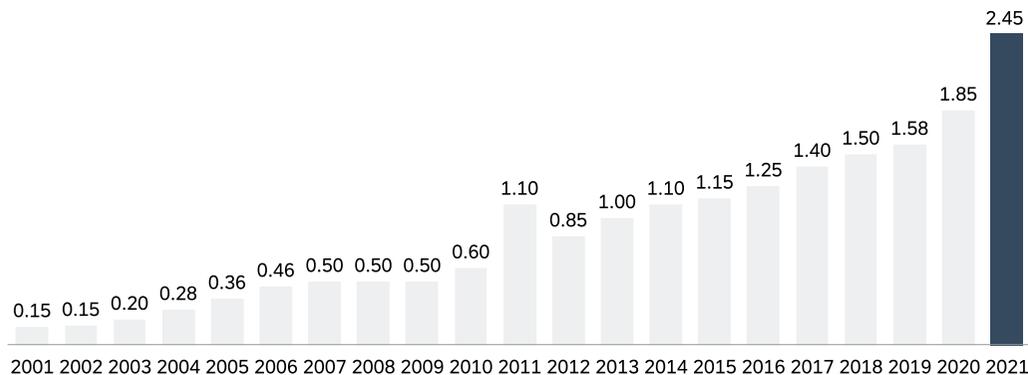
1 year	5 years	10 years
-26.58%	-0.12%	7.50%

Relative Share Price Performance (last 12 months)

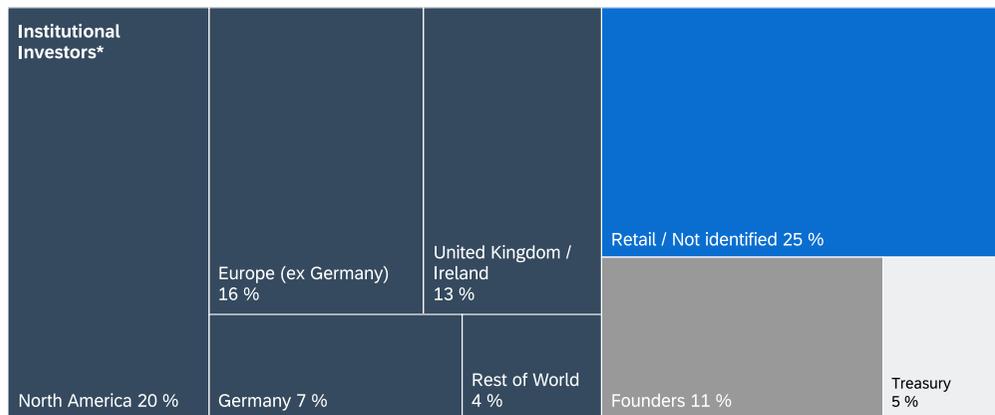


Dividends

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 fiscal year 2021 was €2.45 per share (+32%). This included a special dividend of €0,50 due to SAP's Anniversary.



Balanced Shareholder Structure (July 2022)



SAP's capital stock as of December 31, 2021, was €1,228,504,232 (2020: €1,228,504,232). It is issued as 1,228,504,232 no-par shares, each with an attribute value of €1 in relation to capital stock.

Applying the definition accepted on the Frankfurt Stock Exchange, which excludes treasury stock from the free float, as of June 30, 2022, the free float stood at 84.1%.

Non-Financial Key Metrics

CO₂ Emissions Carbon neutral by 2023 Q2 2022 25kt Goal 2022: 70kt	Women in Management Q2 2022 28.8% Goal 2022: 30%	Employee Engagement HY 2022 81% Goal 2022: 80 – 84%
Employee Retention Q2 2022 91.6%	Dow-Jones-Sustainability Index Sector: Software #1	MSCI ESG Rating FY 2021 AAA

Over the past five years, we have seen a significant increase in investors who apply ESG criteria investing in SAP. 40% of our institutional investors can be classified in this category. This signals clear support for our activities across all three dimensions of ESG - environment, social and governance. Find out more about our activities in environmental, social, and governance matters at <https://www.sap.com/investors/en/investment-story/esg.html>

Financial Calendar

Q3 2022 Financial Results	October 25, 2022
Preliminary Q4 and Full Year 2022 Financial Results	January 23, 2023

Please note that these dates could be subject to modifications

Looking for more information?

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