

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 and sustainable 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.

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% in the third quarter 2022.

Impact of War in Ukraine

In the first nine 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 full year, we expect a total revenue impact of approximately €250 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 €300 million at constant currencies from the revenue gaps mentioned above and other expense items.

Total Revenue

€ millions
Q3 2022

7,841

+15% / +5% @cc

Cloud Revenue

€ millions
Q3 2022

3,288

+38% / +25% @cc

Current Cloud Backlog

€ millions
Q3 2022

11,267

+38% / +26% @cc

Share of more predictable revenue

Q3 2022

80%

+4pp

Operating Profit

€ millions, non-IFRS
Q3 2022

2,094

0% / -8% @cc

Earnings per share

€, IFRS basic
Q3 2022

0.57

-52%

Financial Results at a Glance

€ million, unless otherwise stated	IFRS			Non-IFRS			
	Q3 2022	Q3 2021	Δ in %	Q3 2022	Q3 2021	Δ in %	Δ in % @cc
Cloud revenue	3,288	2,386	38	3,288	2,386	38	25
Software licenses	406	657	-38	406	657	-38	-42
Software support	3,016	2,867	5	3,016	2,867	5	-2
Software licenses and support revenue	3,422	3,524	-3	3,422	3,524	-3	-9
Cloud and software revenue	6,710	5,910	14	6,710	5,910	14	5
Total revenue	7,841	6,845	15	7,841	6,845	15	5
Share of more predictable revenue (in %)	80	77	4pp	80	77	4pp	
Operating profit (loss)	1,239	1,249	-1	2,094	2,102	0	-8
Profit (loss) after tax	547	1,418	-61	1,263	2,129	-41	
Earnings per share - Basic (in €)	0.57	1.19	-52	1.12	1.74	-36	
Earnings per share - Diluted (in €)	0.57	1.19	-52				
Net cash flows from operating activities	849	1,183	-28				
Free cash flow				464	881	-47	
Number of employees (FTE, Sep 30)	112,632	105,015	7				

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		€7.6B to 7.9B (down 4% - down 8% @cc)
Share of more predictable revenue		78%
Free Cash Flow	> €4.50B	~ €4.50B
Effective Tax Rate (IFRS / non-IFRS)	34.0 to 38.0% / 23.0 to 27.0%	~ 45.0% / ~ 30.0%

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%
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 program was announced. With a volume of €500 million and more than 5 million repurchased shares, it has been executed between August 1 and September 6, 2022.

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

SAP Stock and Financial Data

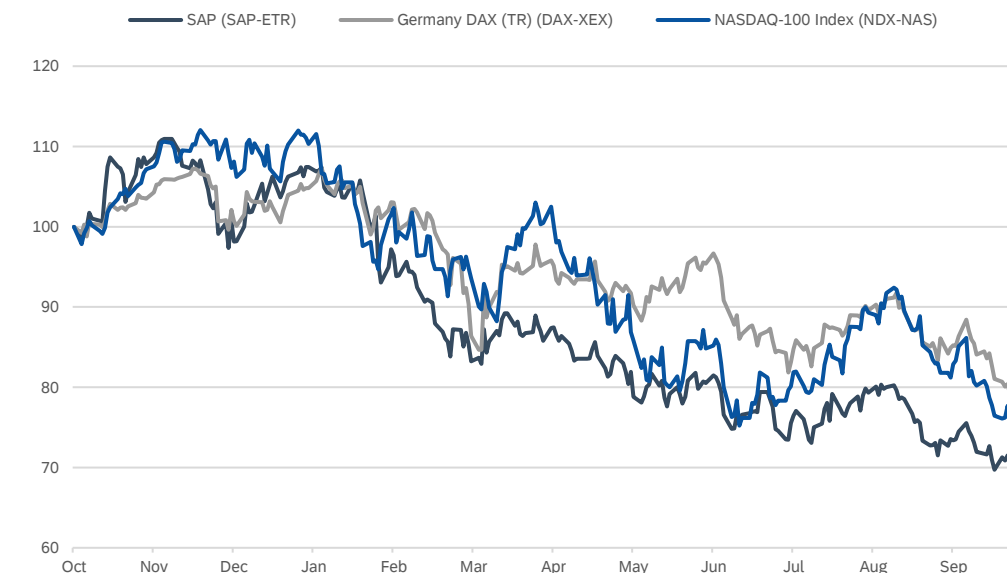
Ticker symbol	SAP
Main stock exchange listing	Frankfurt
U.S. stock exchange	New York (NYSE)
ISIN	DE0007164600
WKN	716460
ADR : Ordinary share ratio	1 : 1
Number of shares in millions	1,229
Share class	Bearer shares
Free float	83.4%
52-week high / low (September 30, 2022, XETRA)	€128.98/€81.06
Market capitalization (September 30, 2022)	€103.4B

Annualized Total Return

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

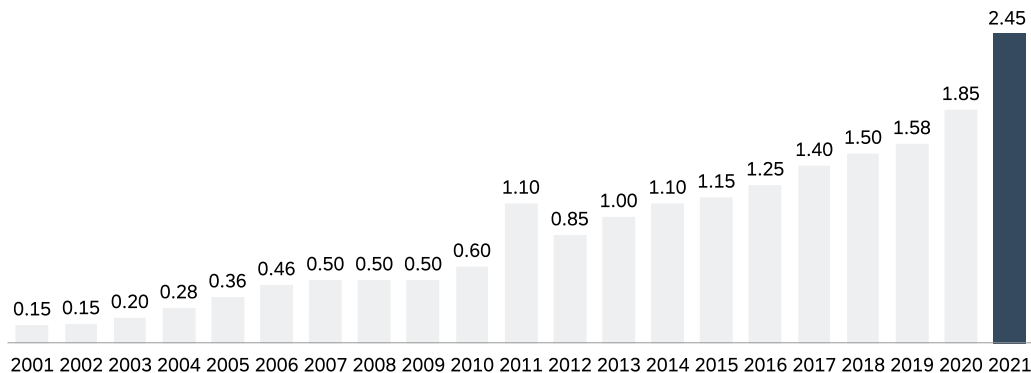
1 year	5 years	10 years
-27.64%	-1.39%	5.58%

Relative Share Price Performance (last 12 months)

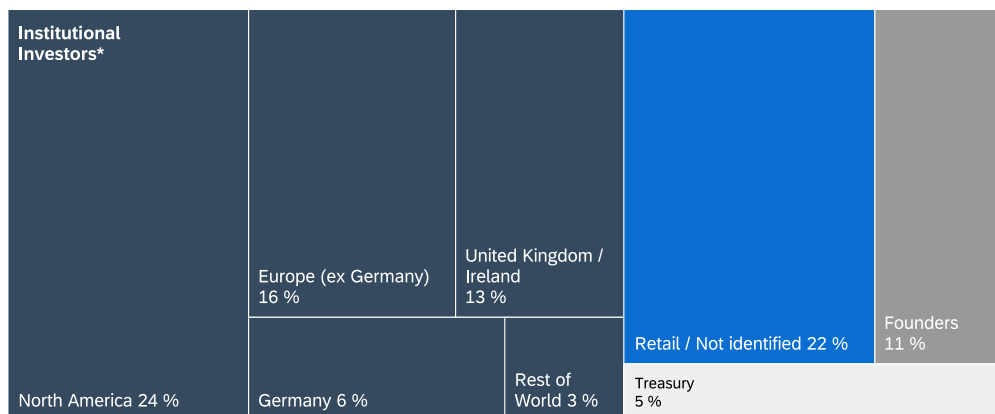


Dividends

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 (October 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 September 30, 2022, the free float stood at 83.4%.

Non-Financial Key Metrics

CO₂ Emissions Carbon neutral by 2023 9M 2022 70kt Goal 2022: 90 – 95 kt	Women in Management Q3 2022 29.1% Goal 2022: 30%	Employee Engagement HY 2022 81% Goal 2022: 80 – 84%
Employee Retention Q3 2022 91.3%	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

Preliminary Q4 and Full Year 2022 Financial Results	January 23, 2023
Q1 2023 Financial Results	April 21, 2023
Annual General Meeting of Shareholders	May 11, 2023

Please note that these dates could be subject to modifications

Looking for more Information?

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