

# First Quarter 2026 Results

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Public

**SAP**

## Safe Harbor Statement

During this presentation we will make forward-looking statements which are predictions, projections, or other statements about future events. These statements are based on current expectations, forecasts, and assumptions that are subject to risks and uncertainties that could cause actual results and outcomes to materially differ. Additional information regarding these risks and uncertainties may be found in our filings with the Securities and Exchange Commission, including but not limited to the risk factors section of SAP's 2025 Annual Report on Form 20-F.

**Christian Klein**

CEO

# Q1 was a strong start into 2026

## Current cloud backlog

€ millions

**21,932**

▲ +20% (+25% @cc)

## Cloud revenue

€ millions

**5,962**

▲ +19% (+27% @cc)

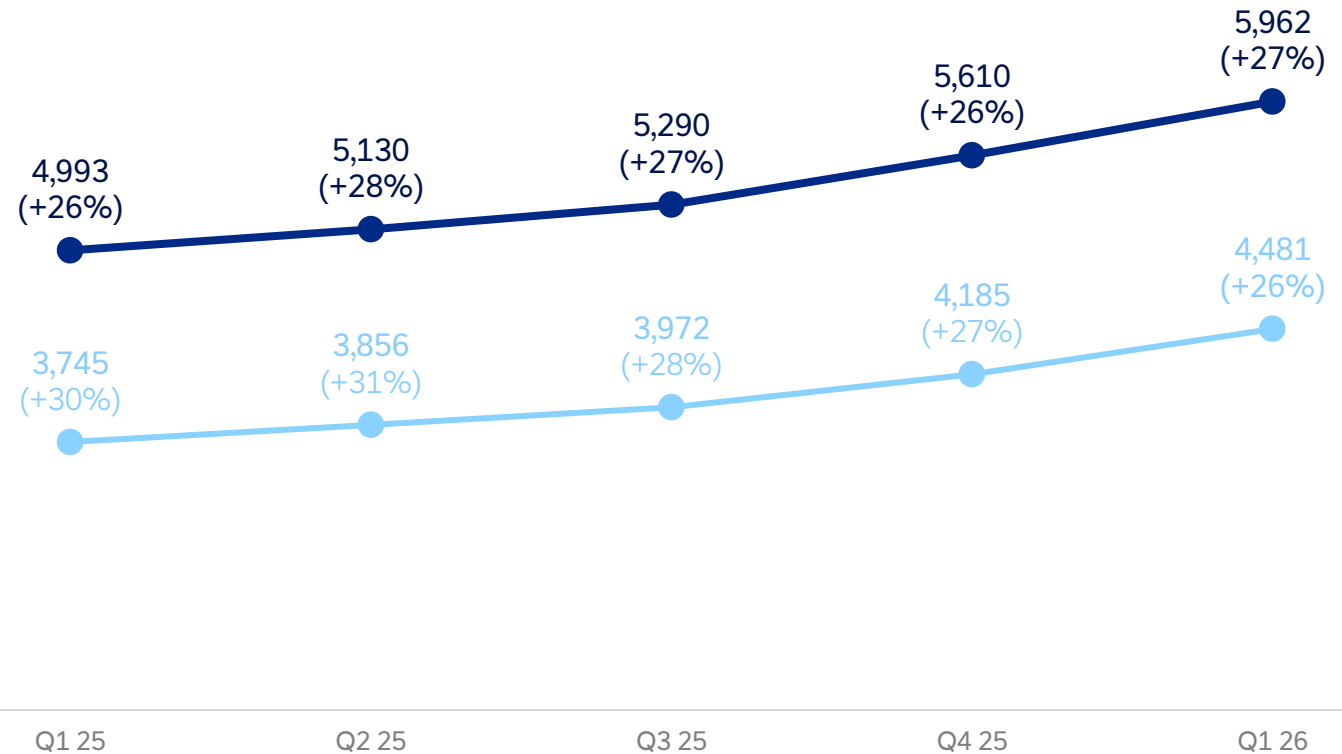
## Cloud ERP Suite revenue

€ millions

**5,214**

▲ +23% (+30% @cc)

—●— Cloud revenue in € millions (yoy @cc)  
—●— Cloud gross profit in € millions (yoy @cc)



adesso

Air Liquide

Alibaba Cloud

apollo  
TYRES

• A P T I V •



Bristol Myers Squibb™



ConocoPhillips

DIEHL

ExxonMobil



helvetia



HYUNDAI



MIGROS



PayPal



SAMSUNG SAMSUNG ELECTRO-MECHANICS

SKF

THALES

TRAVELLERS  
INTERNATIONAL



volaris



# Customers and partners achieve impressive outcomes with SAP Business AI

## Customers

**4 x**

higher bid win rates

With

SAP Business AI

DAIMLER TRUCK  
North America

**10 m \$**

annual savings due to  
predictive maintenance  
for roads

With

AI agent

 Queensland Government  
Department of Transport and Main Roads

**9 x**

faster invoicing  
process

With

AI agent

MARTURFOMPAK  
INTERNATIONAL

**20%**

increased developer  
productivity

With

Joule for Developers

SAP AI Core

 BOSCH

## Partners

**20-30%**

faster ERP  
migrations

With

Joule for Consultants

 EY

 KPMG

# What makes us unique

## **Deep Process & Industry Knowledge**

50 years of process & industry intelligence encoded in our applications, knowledge graph and LLMs

## **Semantically Rich Business Data**

Data enriched with operational business context in a suite-wide semantic model

## **Enterprise-Grade Governance**

AI for enterprise deployment, managing the full Agentic AI lifecycle securely and reliably out-of-the-box

# Internal AI Adoption

We are customer zero

## Engineering & Technology

**~30%**

developer productivity uplift

## Services & Support

**100%**

of support tickets touched by AI

**~1 day/week**

saved per consultant

## Go-to-Market

**~50 m €**

additional influenced pipeline

**Up to 6x**

more effective customer targeting

**Internal  
AI Adoption**

**~230**

internal AI use  
cases live

**140+**

AI extensions built on  
SAP BTP & GenAI Hub

**€2bn**

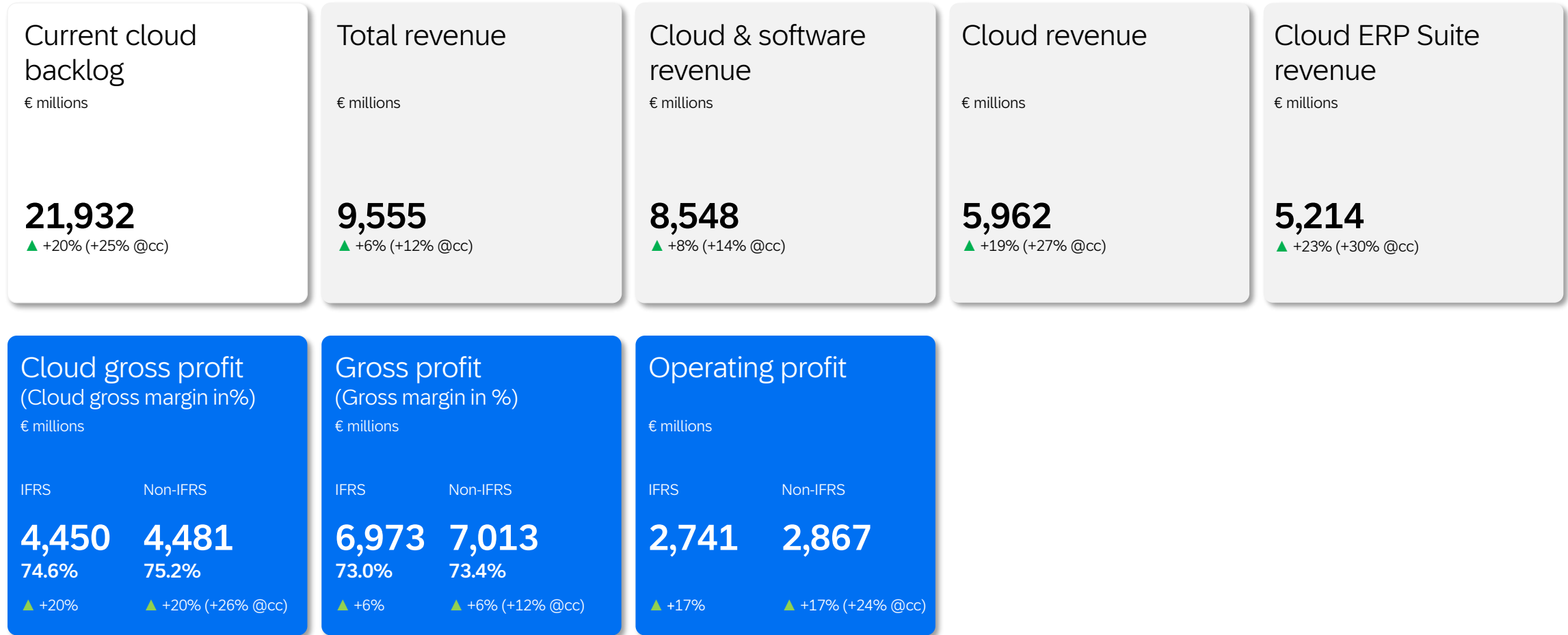
Run rate in efficiencies by  
end of 2028



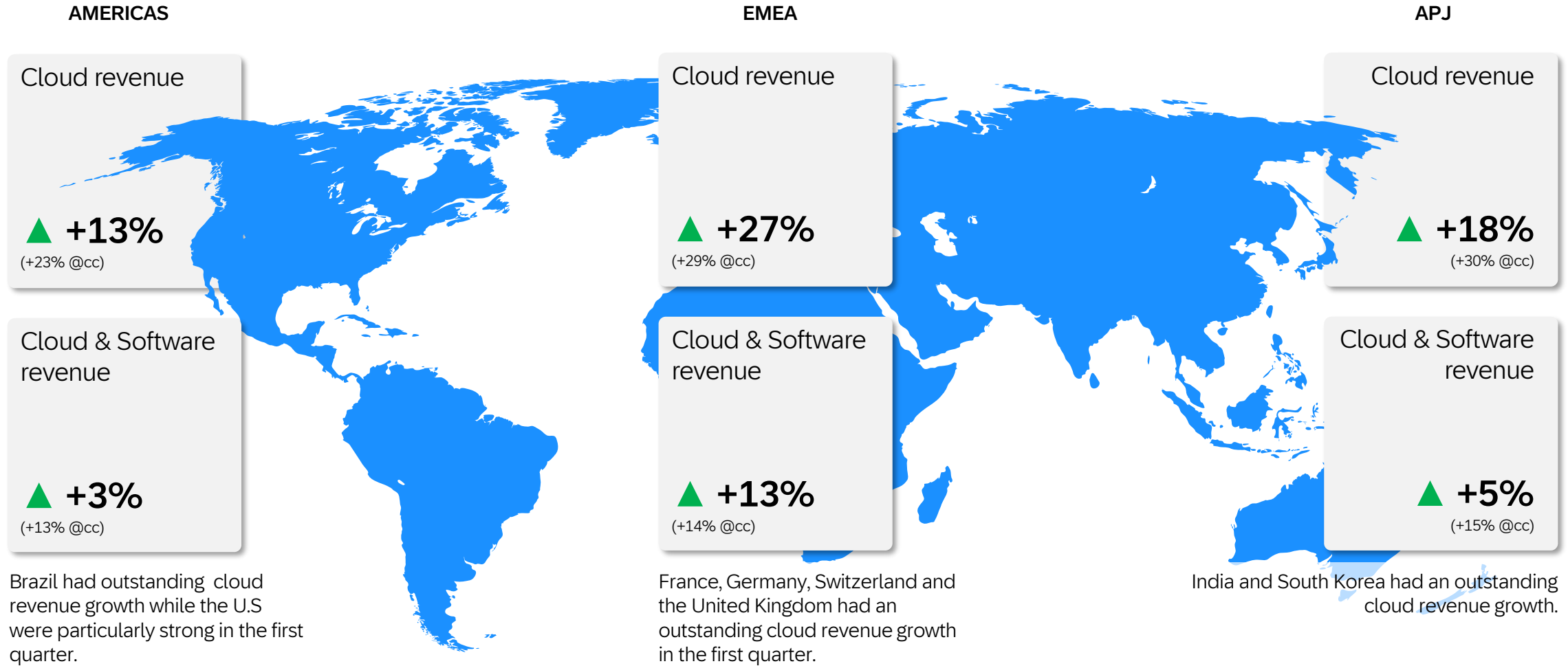
# Dominik Asam

CFO

# SAP Q1 2026 Financial Results



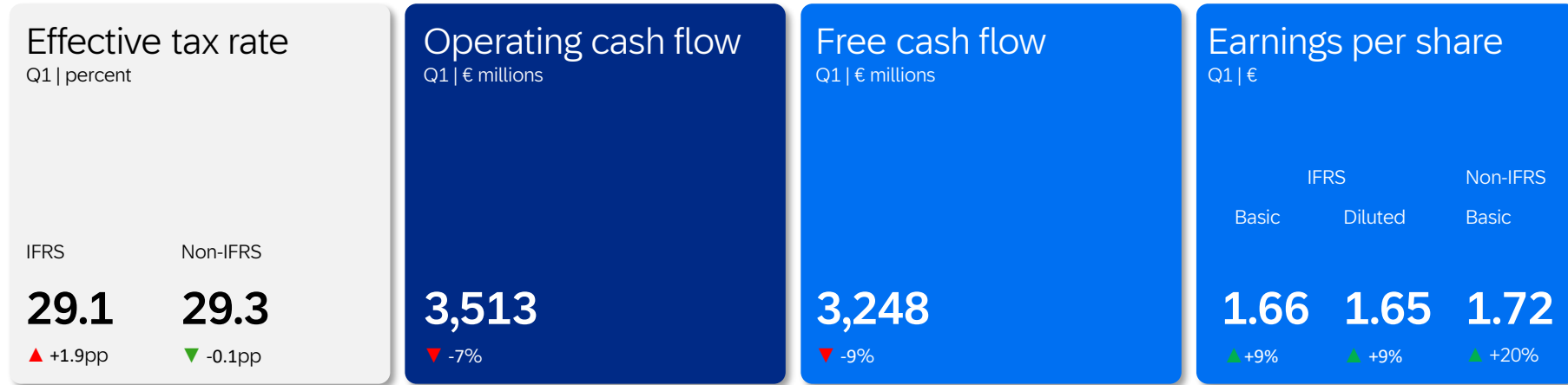
# Regional revenue performance



# Revenue and gross profit development

Non-IFRS in € millions, unless otherwise stated	Revenue			Gross profit (Gross margin %)		
	Q1 2026	Δ in %	Δ in % @cc	Q1 2026	Δ in %	Δ in % @cc
<b>Cloud</b>	<b>5,962</b>	19	27	<b>4,481</b> (75.2)	20	26
SaaS/PaaS	<b>5,896</b>	21	28			
IaaS	<b>66</b>	-36	-32			
<b>Software licenses and Support</b>	<b>2,586</b>	-12	-8	<b>2,299</b> (88.9)	-13	-9
<b>Cloud and Software</b>	<b>8,548</b>	8	14	<b>6,781</b> (79.3)	6	12
<b>Services</b>	<b>1,007</b>	-6	-1	<b>232</b> (23.1)	-1%	8
<b>Total</b>	<b>9,555</b>	6	12	<b>7,013</b> (73.4)	6	12

# Tax rate, Cash flow, and Earnings per share



## 2026 Financial outlook<sup>1</sup>

## 2026 Non-financial outlook

<p><b>Cloud revenue</b></p> <p>€ billions @cc</p> <p><b>25.8 – 26.2</b></p> <p>▲ +23% – 25% (2025: 21.02)</p>	<p><b>Cloud &amp; Software revenue</b></p> <p>€ billions @cc</p> <p><b>36.3 – 36.8</b></p> <p>▲ +12% – 13% (2025: 32.54)</p>	<p><b>Current cloud backlog</b></p> <p>percent @cc</p> <p><b>Slightly decelerate</b></p> <p>(2025: 25%)</p>	<p><b>Employee engagement index</b></p> <p>percent</p> <p><b>74 – 78</b></p> <p>(2025: 76%)</p>	<p><b>Cloud Customer Satisfaction</b></p> <p>percent</p> <p><b>75 – 76</b></p> <p>(2025: 75%)</p>
<p><b>Operating profit</b></p> <p>€ billions @cc</p> <p>Non-IFRS</p> <p><b>11.9 – 12.3</b></p> <p>▲ +14% – 18% (2025: 10.42)</p>	<p><b>Free cash flow</b></p> <p>€ billions</p> <p><b>approx. 10</b></p> <p>(2025: 8.24)</p>	<p><b>Effective tax rate</b></p> <p>percent</p> <p>Non-IFRS</p> <p><b>approx. 29</b></p> <p>(2025: 30.5)</p>	<p><b>Carbon emissions</b></p> <p>megatons</p> <p><b>Steadily decrease</b></p> <p>(2025: 3.6)</p>	<p><b>Business Health Culture Index</b></p> <p>percent</p> <p><b>80 – 82</b></p> <p>(2025: 81%)</p>

SAP further expects:

- Constant currencies total revenue growth in 2026 to remain at similar levels as in 2025 and to accelerate in 2027. The previous outlook assumed constant currencies total revenue growth to accelerate through 2027.
- Total operating expenses to grow at 80% to 90% of total revenue growth in 2027.
- Constant currencies software support revenue decline rate to accelerate in the coming years as a consequence of an acceleration of customers transforming to the cloud.

1) SAP's financial outlook for the full-year 2026 is based on the assumption of a near-term de-escalation of the conflict in the Middle East and the imminent consolidation of Reltio. | 2026 financial outlook is based on constant currencies assumptions, including an exchange rate of 1.13 US Dollar per Euro.

# Q&A

# Appendix

## Appendix

## Income statement: First quarter 2026

€ millions, unless otherwise stated	IFRS			Non-IFRS			
	Q1 26	Q1 25	Δ %	Q1 26	Q1 25	Δ % @cc	
<b>Cloud</b>	<b>5,962</b>	4,993	19	<b>5,962</b>	4,993	19	27
Software licenses	<b>116</b>	183	-37	<b>116</b>	183	-37	-33
Software support	<b>2,469</b>	2,761	-11	<b>2,469</b>	2,761	-11	-6
Software licenses and support	<b>2,586</b>	2,945	-12	<b>2,586</b>	2,945	-12	-8
<b>Cloud and software</b>	<b>8,548</b>	7,938	8	<b>8,548</b>	7,938	8	14
Services	<b>1,007</b>	1,075	-6	<b>1,007</b>	1,075	-6	-1
<b>Total revenue</b>	<b>9,555</b>	9,013	6	<b>9,555</b>	9,013	6	12
Total operating expenses	-6,814	-6,680	2	-6,688	-6,558	2	8
<b>Operating profit (loss)</b>	<b>2,741</b>	2,333	17	<b>2,867</b>	2,455	17	24
Other non-operating income/expense, net	24	10	>100	24	10	>100	
Financial income, net	-18	125	N/A	-59	-83	-30	
<b>Profit (loss) before tax</b>	<b>2,746</b>	2,468	11	<b>2,832</b>	2,382	19	
Income tax expense	-800	-672	19	-830	-701	18	
<b>Profit (loss) after tax</b>	<b>1,946</b>	1,796	8	<b>2,002</b>	1,681	19	
Operating margin (in %)	28.7	25.9	2.8pp	30.0	27.2	2.8pp	2.9pp
Earnings per share, basic (in €)	1.66	1.52	9	1.72	1.44	20	

## Appendix

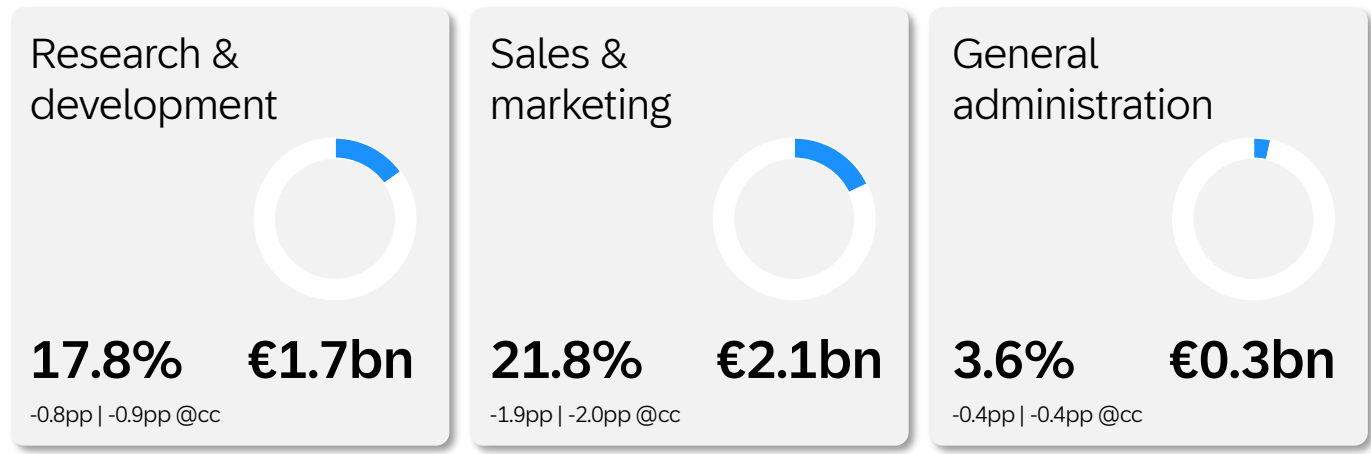
## Gross margin development

Non-IFRS, in percent	Q4 24	<b>FY 24</b>	Q1 25	Q2 25	Q3 25	Q4 25	<b>FY 25</b>	<b>Q1 26</b>
Cloud	73.5	<b>73.3</b>	75.0	75.2	75.1	74.6	<b>75.0</b>	75.2
Software licenses & support	91.0	<b>90.1</b>	90.1	89.0	88.9	90.4	<b>89.6</b>	88.9
Cloud & software	81.0	<b>80.4</b>	80.6	80.1	79.8	80.1	<b>80.1</b>	79.3
Services	24.6	<b>23.6</b>	21.8	24.9	28.4	25.3	<b>25.1</b>	23.1
Total gross margin	74.3	<b>73.2</b>	73.6	73.6	73.8	74.1	<b>73.8</b>	73.4

Appendix

# Cost ratios: First quarter 2026 | Total revenue: €9.6bn

Non-IFRS as percent of total revenue



## Appendix

# Balance sheet condensed: March 31, 2026 – IFRS

Due to rounding, numbers may not add up precisely

## Assets

€ millions	03/31/26	12/31/25
Cash, cash equivalents and other financial assets	10,045	9,771
Trade and other receivables	8,575	6,675
Other current assets	3,635	3,809
<b>Total current assets</b>	<b>22,255</b>	<b>20,256</b>
Goodwill	29,488	29,014
Intangible assets	2,269	2,282
Property, plant, and equipment	4,477	4,497
Other non-current assets	14,973	14,313
<b>Total non-current assets</b>	<b>51,207</b>	<b>50,106</b>
<b>Total assets</b>	<b>73,462</b>	<b>70,362</b>

## Equity and liabilities

€ millions	03/31/26	12/31/25
Trade and other payables	2,548	2,431
Provisions	155	537
Contract liabilities, current	10,113	6,581
Other liabilities	8,003	7,867
<b>Total current liabilities</b>	<b>20,820</b>	<b>17,416</b>
Financial liabilities	5,038	6,021
Provisions	587	550
Contract liabilities, non-current	149	144
Other non-current liabilities	1,504	1,158
<b>Total non-current liabilities</b>	<b>7,278</b>	<b>7,873</b>
<b>Total liabilities</b>	<b>28,098</b>	<b>25,288</b>
<b>Total equity</b>	<b>45,365</b>	<b>45,073</b>
<b>Total equity and liabilities</b>	<b>73,462</b>	<b>70,362</b>

## Appendix

# Cash flow development

Due to rounding, numbers may not add up precisely

€ millions, unless otherwise stated	Q1 2026	Q1 2025	Δ in %
<b>Operating cash flow</b>	<b>3,513</b>	<b>3,780</b>	-7
– Purchase of PPE & intangibles	-238	-168	42
– Proceeds from sales of PPE & intangibles	32	38	-16
– Payments of lease liabilities	-59	-68	-14
<b>Free cash flow</b>	<b>3,248</b>	<b>3,583</b>	-9
Free cash flow in percent of profit after tax (IFRS)	167	199	-33pp
Free cash flow in percent of total revenue	34	40	-6pp

## Appendix

# Net debt

Due to rounding, numbers may not add up precisely

€ millions, unless otherwise stated	2026	2025
<b>Net liquidity (+)/Net Debt (-)   12/31/2025   PY: 12/31/2024</b>	<b>3,381</b>	1,695
Net cash flows from operating activities	3,513	3,780
Capital expenditure	-238	-168
Proceeds from sales of PPE & intangibles	32	38
Payments of lease liabilities	-59	-68
Business combinations	-2	-3
Dividends	0	0
Treasury shares	-2,279	-125
Interest payments, net	-102	-161
Other	-74	-349
<b>Net liquidity (+)/Net Debt (-)   03/31/2026   PY: 03/31/2025</b>	<b>4,172</b>	4,639

## Appendix

# Additional outlook information and Non-IFRS adjustments

Due to rounding, numbers may not add up precisely

The Company expects a full-year 2026 effective tax rate (Non-IFRS) of approximately 29% (2025: 30.5%).

Non-IFRS adjustments	Actual Amounts Q1 2025	Actual Amounts Q1 2026	Est. Amounts FY 2026
Acquisition-related charges	€123m	€85m	€340m to €420m
Restructuring charges	€0m	€12m	€0m to €20m
Teradata litigation expenses	€0m	€29m	€29m
Gains and losses from equity securities, net	-€208m	-€40m	N/A <sup>1</sup>

<sup>1)</sup> Due to the uncertainty and potential variability of gains and losses from equity securities, we cannot provide an estimate for the full year without unreasonable efforts. This item could however have a material impact on our non-IFRS measures below operating profit

## Appendix

# Expected currency impact

## Expected currency impact based on March 31, 2026 Level applied for 2026

While SAP's 2026 financial outlook for the income statement parameters is at constant currencies (including an average exchange rate of 1.13 USD per EUR), actual currency reported figures are expected to be impacted by currency exchange rate fluctuations as the company progresses through the year, as reflected in the table below.

in percentage points	Q2 26	FY 2026
Cloud revenue growth	-1.5pp	-1.5pp
Cloud and software revenue growth	-1.0pp	-1.5pp
Operating profit growth (non-IFRS)	-2.0pp	-2.0pp

This includes an exchange rate of 1.15 USD per EUR.