

SAP: The World's Largest Provider of Enterprise Application Software

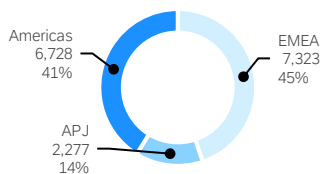
Customers

- SAP customers generate 87% of total global commerce
- 99 of the 100 largest companies in the world are SAP customers
- 97 of the 100 greenest companies in the world run SAP
- 85 of the 100 largest companies in the world are SAP S/4HANA customers
- Approximately 80% of SAP's customers are SMEs

Financials

Revenue – FY2023, continuing operations excl. Qualtrics (non-IFRS, growth rates @cc)	
Cloud revenue	€13.66b (+23%)
Cloud and software revenue	€26.93b (+9%)
Total revenue	€31.21b (+9%)
Share of more predictable revenue (total of cloud subs. and support rev. and software support rev.)	81%
Revenue – Q2/2024 cont. ops. (non-IFRS, growth rates @cc)	
Cloud revenue	€4.15b (+25%)
Cloud ERP Suite revenue	€3.41b (+33%)
Cloud and software revenue	€7.17b (+10%)
Total revenue	€8.29b (+10%)

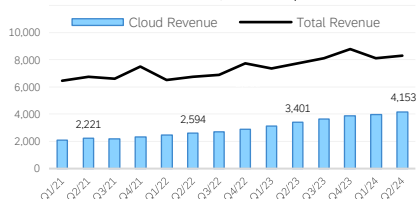
Revenue by region H1/2024
(€ m, continuing operations, non-IFRS at nominal currencies / share of total rev. in %)



Outlook 2024, cont. ops. (non-IFRS, growth rates @cc)	
Cloud revenue	€17.0b to €17.3b, up 24%–27% @cc
Cloud and software rev.	€29.0b to €29.5b, up 8%–10% @cc
Operating profit ⁽¹⁾	€7.6b to 7.9b, up 17%–21% @cc
Free cash flow	approx. €3.5b
Ambition 2025, cont. ops. (non-IFRS)	
Cloud revenue	>€21.5b
Total revenue	>€37.5b
Cloud gross profit ⁽¹⁾	~€16.2b
Operating profit ⁽¹⁾ updated July 22, 2024	~€10.2b
Share of more predictable revenue	approx. 86%
Free cash flow	~€8.0b

(1) Figures based on updated definition, including share-based compensation

SAP's Cloud Growth
in € million @cc, cont. ops.



- Cloud ERP Suite grows fast (10 quarters >30% growth): S/4HANA Cloud, BTP, Human Capital Management, Customer Experience, Business Transformation, Business Network, Sustainability

Strategy

- SAP is committed to bringing out the best in every business – helping customers reach agility at scale, achieve more across their value chains and drive sustainability at their core. Our goal is to be the #1 Enterprise application and Business AI company

Market Position

Enterprise Application Software

- SAP is a market share leader in enterprise applications software, enterprise resource management applications, supply chain management applications, procurement applications software, travel and expense management software, and ERP software according to IDC
- Broadest portfolio of modular and suite solutions available in the cloud, on premise and hybrid

Top Cloud Vendor

- Cloud user base: ~300m users
- Cloud infrastructure: Choice across hyperscale cloud vendors (Alibaba, Amazon, Google, Microsoft) and SAP
- Largest cloud portfolio: >100 solutions for all lines of business (LoB) as well as software suites
- 47 data centers in 26 locations in 15 countries
- eCommerce services for SAP and partner online offerings >340,000 orders from >180 countries

Innovation

- R&D expense ratio: 20.0% (Non-IFRS; R&D expense as % of total revenue) for H1/2024. R&D headcount (FTEs): 35,844 at 6/30/2024, equaling 34.0% of total headcount
- Worldwide >100 development locations, 21 development centers (SAP Labs), 14 SAP Co-Innovation Labs locations
- >26,300 SAP partner companies in >140 countries
- openSAP was consolidated to learning.sap.com
- Sapphire Ventures: >140 company investments in 10 countries, >30 IPOs, >40 M&A transactions
 - o Manages >\$11 billion in assets under management
 - o Operates independently from SAP
 - o Dedicates >\$1b USD to AI-powered tech start-ups

SAP Business AI

- >27,000 SAP Business AI customers
- >60 genAI scenarios across cloud portfolio since Q4/23
- >100 genAI scenarios in total to be released by end 2024
- Partnerships with leading AI solution/technology providers
- Copilot Joule is being embedded across cloud portfolio

General Facts

- Headquarters: Walldorf, Germany
- Founded: April 1, 1972. Listing: Frankfurt, New York
- 105,315 employees worldwide (June 30, 2024)
 - o 159 nationalities worldwide
 - o Employee retention: 96.4% (full year 2023)
 - o Employee Engagement Index at 80% (FY 2023)
 - o 29.9% women in management
 - o 35.3% women in the workplace
 - o >77% of SAP employees are SAP shareholders

Ratings

- Credit ratings: Standard & Poor's: A+; Moody's: A1
- ESG ratings: MSCI ESG rating: AAA; S&P ESG Score: top 5%

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Portfolio

Solutions

- Packaged solutions for 26 industries and 12 lines of business: Cloud, on premise, hybrid
- SAP S/4HANA Cloud: Cloud ERP portfolio helping customers run mission-critical operations, introduce new business models and expand globally
- RISE with SAP: Comprehensive offering helping transition ERP landscapes to the cloud. Includes SAP S/4HANA Cloud Private Edition and a range of cloud solutions, managed and secured by SAP, and services needed to migrate and get innovation ready
- GROW with SAP: Offering optimized for mid-market customers' transition to the cloud. Includes SAP S/4HANA Cloud Public Edition, solutions, best practices, learning and adoption, acceleration services and tools
- SAP Digital Supply Chain solutions help customers achieve a risk-resilient and sustainable supply chain, extending SAP S/4HANA Cloud with an end-to-end portfolio of LoB solutions
- SAP SuccessFactors solutions: Comprehensive and global HR software, helping organizations manage, optimize and skill their workforce. Used by >10,000 customers
- SAP's Intelligent CX solutions help brands improve customer lifetime value and adapt to business needs with composable, industry-tailored solutions powered by AI and enterprise data to deliver personalized engagement.
- SAP and its partners offer hundreds of industry specific, innovative solutions to extend the SAP portfolio
- SAP Signavio/SAP LeanIX Process Transformation: process modeling, analysis and mining; governance; automated execution
- Taulia: Leading cash flow acceleration solutions
- SAP Cloud for Sustainable Enterprises: ERP centric, AI-driven solutions help companies manage their carbon footprint, reduce waste, and increase social responsibility
- Services and Support: Guidance, tools, content, mission-critical support, and learning with every cloud solution. Personalized plans and services to accelerate success. Premium engagements for large-scale change
- Localization: >1,090 local versions across SAP solutions

SAP Business Technology Platform (SAP BTP)

- A cloud-native platform optimized for SAP applications, unlocks innovation and accelerates business agility:
 - o Intuitive, modern development environment for business and technical developers
 - o Automation to drive process insights and optimization
 - o AI services utilizing large language models to provide scalable and responsible intelligence
 - o Database, data management, analytics, and planning capabilities to maximize the value of data
 - o Integration to connect business processes across all landscapes
- ~24,000 cloud customers live on SAP BTP
- >2,750 partners use SAP BTP for app development + more

SAP Business Network

- Millions of participating companies in 190 countries
- >\$5.8 trillion in annual commerce
- 780m B2B transactions in Q2/2024
- Spend management solutions:
 - o SAP Ariba: connecting procurement from source to pay
 - o SAP Fieldglass: 1.3m new workers added in Q2/2024
 - o SAP Concur: >94m end users

