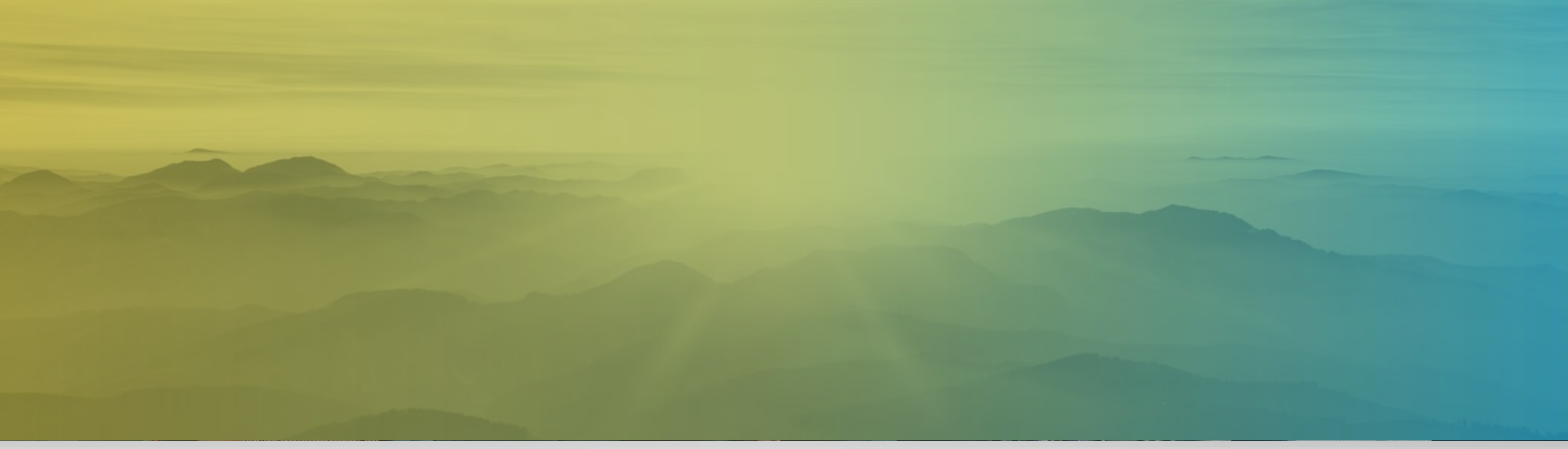


Second-Quarter and Half-Year 2021
Results Presentation

Christian Klein
CEO

Luka Mucic
CFO

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THE BEST RUN SAP

Stefan Gruber
Head of Investor Relations

Safe Harbor Statement

Any statements contained in this document that are not historical facts are forward-looking statements as defined in the U.S. Private Securities Litigation Reform Act of 1995.
Words such as “anticipate,” “believe,” “estimate,” “expect,” “forecast,” “intend,” “may,” “plan,” “project,” “predict,” “should” and “will” and similar expressions as they relate to SAP are intended to identify such forward-looking statements.
SAP undertakes no obligation to publicly update or revise any forward-looking statements.
All forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations.
The factors that could affect SAP’s future financial results are discussed more fully in SAP’s filings with the U.S. Securities and Exchange Commission (“SEC”), including SAP’s most recent Annual Report on Form 20-F filed with the Securities and Exchange Commission.
Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates.

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Christian Klein
CEO

Continued Strong Growth in the Cloud

Current Cloud Backlog growth further accelerates to 20%

All figures in € millions

Current Cloud Backlog

Non-IFRS

7,766

+20% @cc

Cloud Revenue

IFRS	Non-IFRS
2,276	**2,276**
+11%	+17% @cc

SaaS/PaaS excl. Intelligent Spend

IFRS	Non-IFRS
1,359	**1,359**
+20%	+25% @cc

SaaS/PaaS Intelligent Spend

IFRS	Non-IFRS
691	**691**
+0%	+7% @cc

IaaS

IFRS	Non-IFRS
225	**225**
+4%	+10% @cc

SaaS/PaaS Intelligent Spend includes Concur, Ariba and Fieldglass.

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Q2 customer highlights
Relentless focus on customer value

Q2 Competitive Wins / Go-lives



Customer metrics

>9,000
Net new customers

>5,200
Go-lives

>17,000 (+16%)
S/4HANA Customers

Net new customers include customers with an active contract that did not have an active contract in the preceding period.

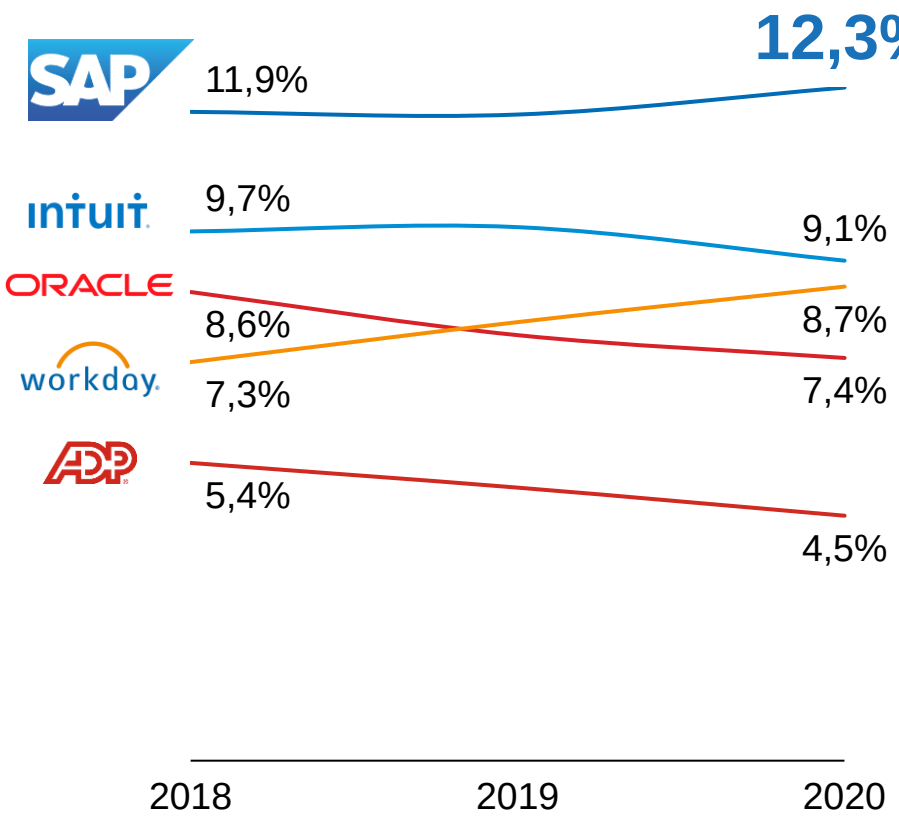
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Accelerated move of our ERP to the cloud

RISE with SAP modular offering with further expansion over time

IDC Public Cloud ERM

Market Share in %

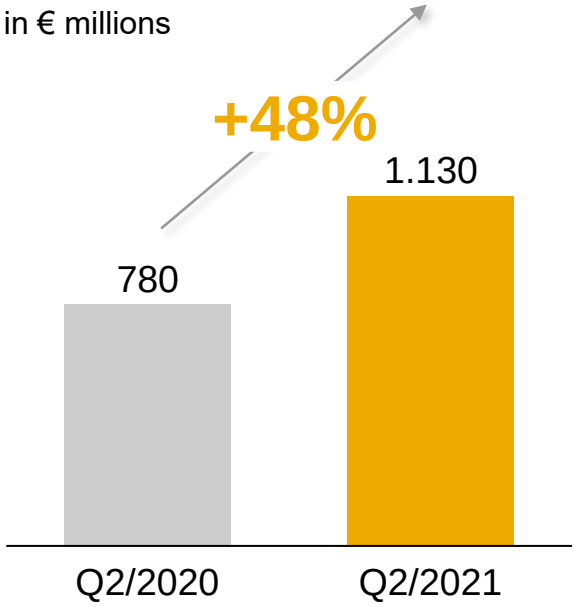


S/4HANA Cloud

Enterprise Management + Finance + Digital Supply Chain

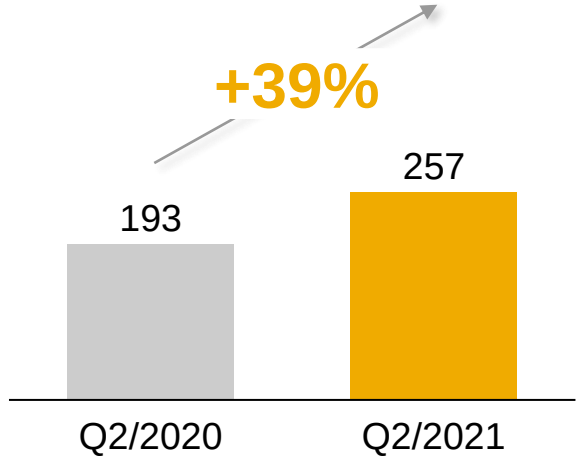
Current Cloud Backlog

in € millions



Cloud Revenue

in € millions



Source: IDC – Semiannual Software Tracker, 2020H2 Final Historical Pivot, April 2021, ERM = Enterprise Resource Management, a secondary software market in IDC's software taxonomy

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Our vision is clear

Reinvent how the world runs as a network of intelligent, sustainable enterprises



Luka Mucic
CFO

SAP accelerates cloud growth across portfolio
Financial highlights

Cloud Revenue

in € millions

IFRS	Non-IFRS
2,276	2,276
+11%	+11% (+17% cc)

Cloud and Software Revenue

in € millions

IFRS	Non-IFRS
5,750	5,750
+1%	+1% (+5% cc)

Total Revenue

in € millions

IFRS	Non-IFRS
6,669	6,669
-1%	-1% (+3% cc)

Operating Profit

in € millions

IFRS	Non-IFRS
984	1,922
-23%	-2% (+3% cc)

Q2 Other Financial Highlights*

- Current Cloud Backlog: **+20% @cc to €7.8bn**
- SAP S/4HANA Current Cloud Backlog: **+48% @cc to €1.13bn**
- SAP S/4HANA Cloud Revenue: **+39% @cc to €0.26bn**
- SaaS/PaaS Revenue excl. Intelligent Spend: **+25% @cc**
- Share of more predictable revenue now at **76%**
- Cloud Gross Margin: **+0.4pp @cc to 70.0%**
- Earnings per Share: **+50% to €1.75**
- Earnings per Share (IFRS): **+57% to €1.15**

* All numbers are Non-IFRS unless otherwise stated.

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Regional revenue

Strong performance across all regions

AMERICAS

Q2/21

Cloud Revenue

+4%

+12% cc

Cloud and Software Revenue

-3%

+5% cc

Brazil and Mexico had a robust performance in cloud revenue.

EMEA

Q2/21

Cloud Revenue

+22%

+23% cc

Cloud and Software Revenue

+4%

+5% cc

Germany and Saudi Arabia were highlights in cloud revenue.

APJ

Q2/21

Cloud Revenue

+18%

+23% cc

Cloud and Software Revenue

+2%

+6% cc

For cloud revenue, Japan, Australia and South Korea were highlights.

Revenues calculated based on customer location; All numbers are Non-IFRS unless otherwise stated; Individual country highlights are based on Non-IFRS at constant currencies

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Gross margin development

Non-IFRS at constant currencies as reported	FY/19	Q1/20	Q2/20	Q3/20	Q4/20	FY/20	Q1/21	Q2/21
Cloud	68.2	69,3	69,3	69,7	70,1	69.6	69,5	69,9
SaaS/PaaS – Intelligent Spend Group	78.1	78,7	79,7	78,3	78,9	78.9	79,1	80,1
SaaS/PaaS – Other	68.5	70,3	69,5	71,4	71,4	70.7	70,7	70,3
IaaS	28.9	30,7	35,6	33,0	35,9	33.8	32,8	35,9
Software Licenses & Support	87.4	85,9	87,4	88,2	88,9	87.7	86,5	87,6
Cloud & Software	81.6	79,7	81,0	81,6	83,0	81.4	79,7	80,5
Services	25.0	22,3	25,6	31,4	28,2	26.8	28,8	29,6
Total Gross Margin	72.3	69,9	72,5	74,0	76,0	73.3	72,4	73,5

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Tax rate, EPS, Cash Flow & CapEx

Effective Tax Rate (Q2)

- IFRS: 19.7% | -13.4pp
- Non-IFRS: 19.2% | -11.1pp

Decrease mainly resulted from tax effects related to changes in tax exempt income and a one-time change in deferred tax liabilities for taxable temporary differences associated with investments in subsidiaries

EPS (Q2)

- IFRS: €1.15 | +57%
- Non-IFRS: €1.75 | +50%

Reflecting again a lower effective tax rate in combination with an outstanding contribution from Sapphire Ventures

Cash Flow (HY1)

Operating Cash Flow	Free Cash Flow
€3.77bn | flat	€3.25bn | +4%

Positive effects from lower share-based and restructuring payments were compensated by higher income taxes paid

CapEx (HY1)

- €0.34bn | -31%

More of SAP's cloud assets run on hyperscalers' infrastructure

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Revenue and profit outlook raised

Updated outlook 2021

2020 Actuals (Non-IFRS)

Cloud Revenue
€8.09bn

Cloud and Software Revenue
€23.23bn

Total Revenue
€27.34bn

Operating Profit
€8.29bn

2021 Outlook (Non-IFRS @cc)

Cloud Revenue
in a range of **€9.3 – 9.5bn [prev. €9.2 – 9.5bn]**
Growth: **15% to 18%**

Cloud and Software Revenue
in a range of **€23.6 – 24.0bn [prev. €23.4 – 23.8bn]**
Growth: **2% to 3%**

Operating Profit
in a range of **€7.95 – 8.25bn [prev. €7.8 – 8.2bn]**
Growth: **flat to -4%**

Share of more predictable revenue
to reach approx. **75%**

Operating Cash Flow
approx. **€6.0bn**

Free Cash Flow
above **€4.5bn**

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Q&A

Appendix

Non-financial indicators

Updated outlook 2021

2020 Actuals

Employee Engagement
86%

Customer Net Promoter Score
4

Carbon Emissions
135kt

2021 Outlook

Employee Engagement
in a range of **84% to 86%**

Customer Net Promoter Score
in a range of **5 to 10**

Carbon Emissions
in a range of **90kt to 110kt [prev. 145kt]**

Q2/21 Actuals

Employee Retention
94.8%

Women in Management
27.9%

Carbon Emissions
20kt

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Income statement: Second quarter 2021

€ millions, unless otherwise stated	IFRS Q2/21	IFRS Q2/20	IFRS Δ %	Non-IFRS Q2/21	Non-IFRS Q2/20	Non-IFRS Δ %	Non-IFRS Δ % at cc
Cloud	2,276	2,044	11	2,276	2,044	11	17
Software licenses	650	773	-16	650	773	-16	-13
Software support	2,823	2,892	-2	2,823	2,892	-2	1
Software licenses and support	3,474	3,665	-5	3,474	3,665	-5	-2
Cloud and software	5,750	5,709	1	5,750	5,709	1	5
Services	920	1,034	-11	920	1,034	-11	-7
Total revenue	6,669	6,743	-1	6,669	6,744	-1	3
Total operating expenses	-5,685	-5,459	4	-4,748	-4,780	-1	3
Operating profit (loss)	984	1,284	-23	1,922	1,964	-2	3
Financial income, net	853	92	>100	853	92	>100	
Profit (loss) before tax	1,804	1,322	36	2,741	2,002	37	
Income tax expense	-355	-437	-19	-528	-607	-13	
Profit (loss) after tax	1,449	885	64	2,214	1,395	59	
Operating margin (in %)	14.8%	19.0%	-4.3pp	28.8%	29.1%	-0.3pp	-0.2pp
Earnings per share, basic (in €)	1.15	0.73	57	1.75	1.17	50	

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Income statement: First six months 2021

€ millions, unless otherwise stated	IFRS H1/21	IFRS H1/20	IFRS Δ %	Non-IFRS H1/21	Non-IFRS H1/20	Non-IFRS Δ %	Non-IFRS Δ % at cc
Cloud	4,421	4,055	9	4,421	4,057	9	15
Software licenses	1,133	1,224	-7	1,133	1,224	-7	-4
Software support	5,624	5,826	-3	5,624	5,826	-3	0
Software licenses and support	6,757	7,051	-4	6,757	7,051	-4	0
Cloud and software	11,178	11,106	1	11,178	11,107	1	5
Services	1,839	2,159	-15	1,839	2,159	-15	-11
Total revenue	13,017	13,264	-2	13,017	13,266	-2	3
Total operating expenses	-11,073	-10,770	3	-9,357	-9,820	-5	0
Operating profit (loss)	1,944	2,494	-22	3,660	3,446	6	12
Financial income, net	1,168	53	>100	1,168	53	>100	
Profit (loss) before tax	3,141	2,444	29	4,856	3,396	43	
Income tax expense	-622	-747	-17	-922	-986	-6	
Profit (loss) after tax	2,519	1,697	48	3,934	2,409	63	
Operating margin (in %)	14.9%	18.8%	-3.9pp	28.1%	26.0%	2.1pp	2.3pp
Earnings per share, basic (in €)	2.03	1.42	43	3.14	2.02	56	

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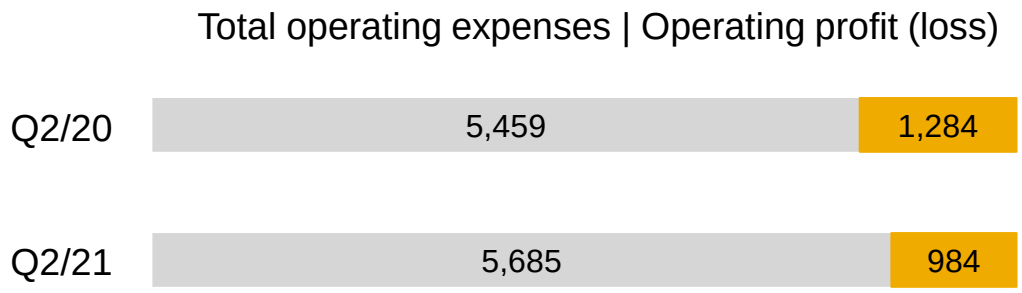
Gross margin development

Non-IFRS, in percent as reported	FY/18	Q1/19	Q2/19	Q3/19	Q4/19	FY/19	Q1/20	Q2/20	Q3/20	Q4/20	FY/20	Q1/21	Q2/21
Cloud	63.1	66,2	67,9	69,0	69,5	68.2	69,3	69,5	69,7	70,3	69.7	69,6	70,0
SaaS/PaaS – Intelligent Spend Group	77.8	78,0	78,1	78,0	78,0	78.1	78,8	79,9	78,3	79,1	78.9	78,7	80,0
SaaS/PaaS – Other	60.0	63,8	69,0	70,5	70,0	68.5	70,2	69,5	71,4	71,4	70.7	71,0	70,5
IaaS	12.2	32,0	22,4	25,3	35,7	28.9	31,0	36,0	33,4	36,8	34.3	33,1	36,8
Software Licenses & Support	87.4	85,7	87,1	87,6	88,8	87.4	85,7	87,4	87,6	88,5	87.4	86,3	87,3
Cloud & Software	81.5	79,6	81,1	81,7	83,4	81.6	79,6	81,0	81,2	82,8	81.2	79,7	80,5
Services	22.9	20,3	23,9	26,9	28,1	25.0	22,8	26,3	31,5	28,0	27.0	28,5	29,2
Total Gross Margin	71.8	69,5	71,4	72,3	75,2	72.3	69,8	72,6	73,7	75,8	73.1	72,3	73,4

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Operating profit: Second quarter 2021

IFRS



Total revenue

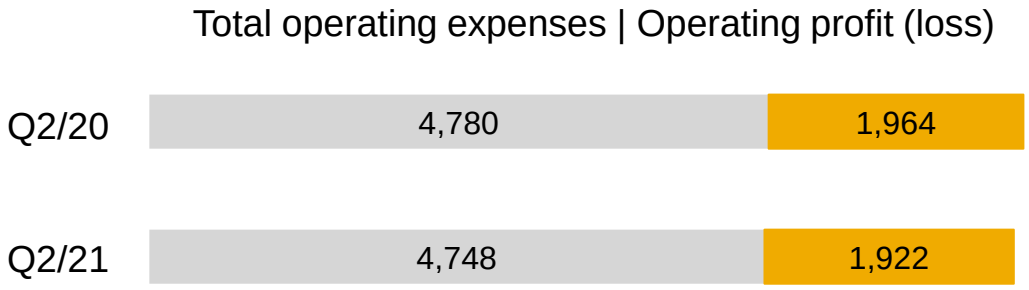
€6,743m

€6,669m

IFRS operating profit (loss)
-23% to €984m (Q2/20: €1,284m)

IFRS operating margin
-4.3pp to 14.8% (Q2/20: 19.0%)

Non-IFRS



Total revenue

€6,744m

€6,669m

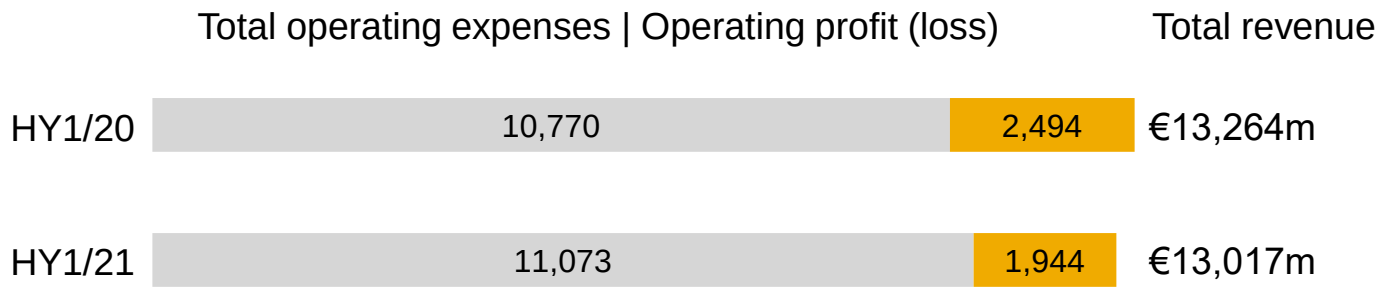
Non-IFRS operating profit (loss)
-2% to €1,922m (Q2/20: €1,964m)
+3% to €2,013m at cc

Non-IFRS operating margin
-0.3pp to 28.8% (Q2/20: 29.1%)
-0.2pp to 28.9% at cc

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Operating profit: First six months 2021

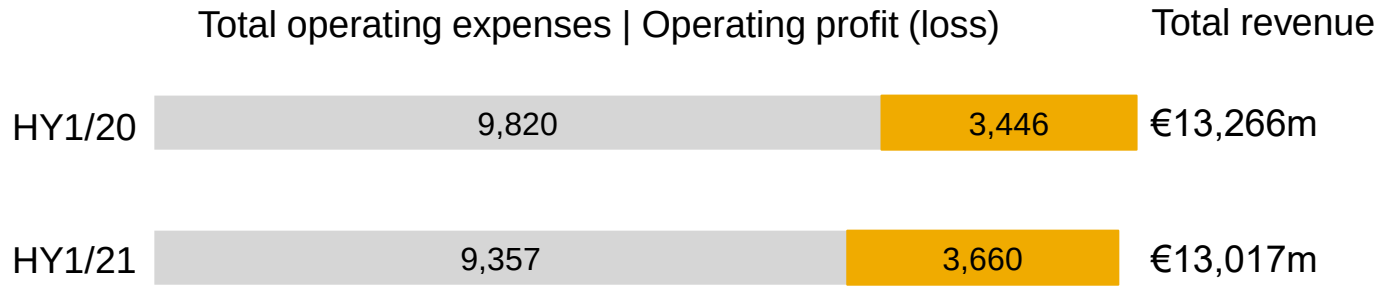
IFRS



IFRS operating profit (loss)
-22% to €1,944m (HY1/20: €2,494m)

IFRS operating margin
-3.9pp to 14.9% (HY1/20: 18.8%)

Non-IFRS



Non-IFRS operating profit (loss)
+6% to €3,660m (HY1/20: €3,446m)
+12% to €3,854m at cc

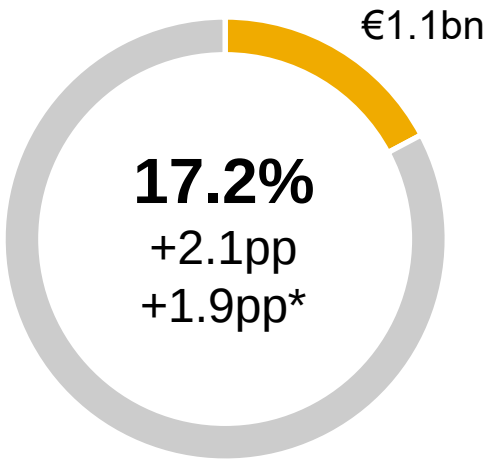
Non-IFRS operating margin
+2.1pp to 28.1% (HY1/20: 26.0%)
+2.3pp to 28.3% at cc

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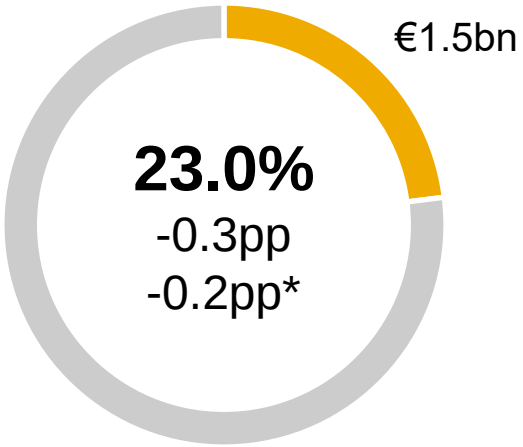
Cost ratios: Second quarter 2021

€6.7bn Total revenue, Non-IFRS

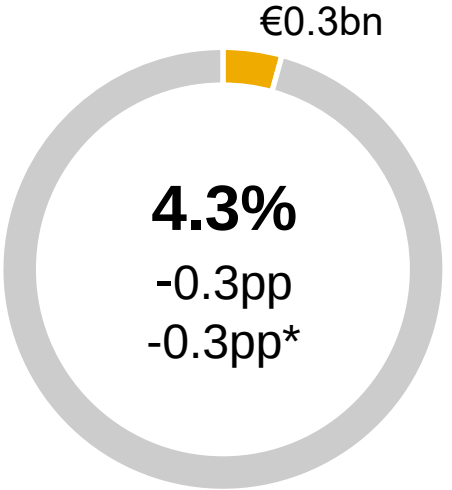
R&D
as % of total revenue



S&M
as % of total revenue



G&A
as % of total revenue



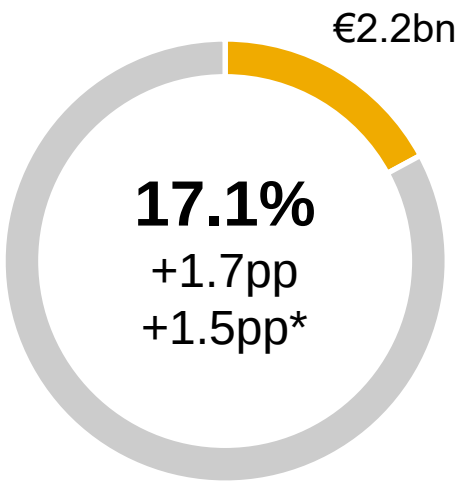
*Non-IFRS at constant currencies

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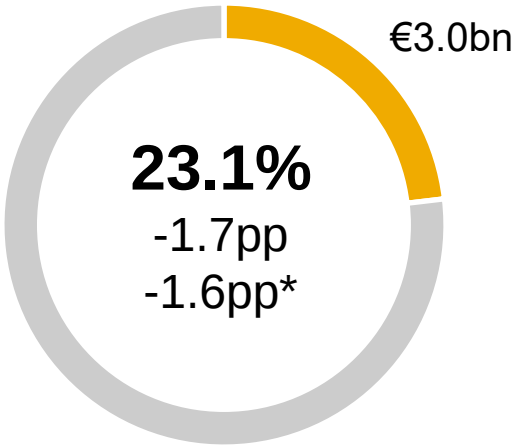
Cost ratios: First six months 2021

€13.0bn Total revenue, Non-IFRS

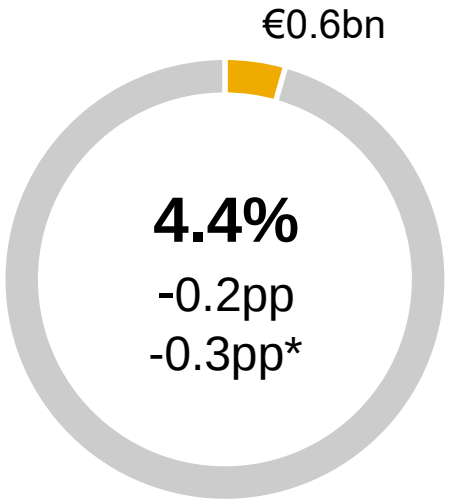
R&D
as % of total revenue



S&M
as % of total revenue



G&A
as % of total revenue



*Non-IFRS at constant currencies

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Balance sheet condensed: June 30, 2021 – IFRS

Assets

€ millions	6/30/21	12/31/20
Cash, cash equivalents and other financial assets	7,764	5,311
Trade and other receivables	5,617	6,593
Other current assets	3,120	3,166
Total current assets	16,502	15,069
Goodwill	29,049	27,560
Intangible assets	3,928	3,784
Property, plant, and equipment	4,827	5,041
Other non-current assets	8,788	7,019
Total non-current assets	46,593	43,402
Total assets	63,095	58,472

Equity and liabilities

€ millions	6/30/21	12/31/20
Trade and other payables	1,076	1,213
Provisions	86	73
Other liabilities	8,025	7,405
Contract liabilities, current	6,175	4,150
Total current liabilities	15,362	12,842
Financial liabilities	11,372	13,605
Provisions	388	368
Contract liabilities, non-current	38	36
Other non-current liabilities	1,813	1,693
Total non-current liabilities	13,611	15,702
Total liabilities	28,973	28,544
Total equity	34,122	29,928
Total equity and liabilities	63,095	58,472

Due to rounding, numbers may not add precisely

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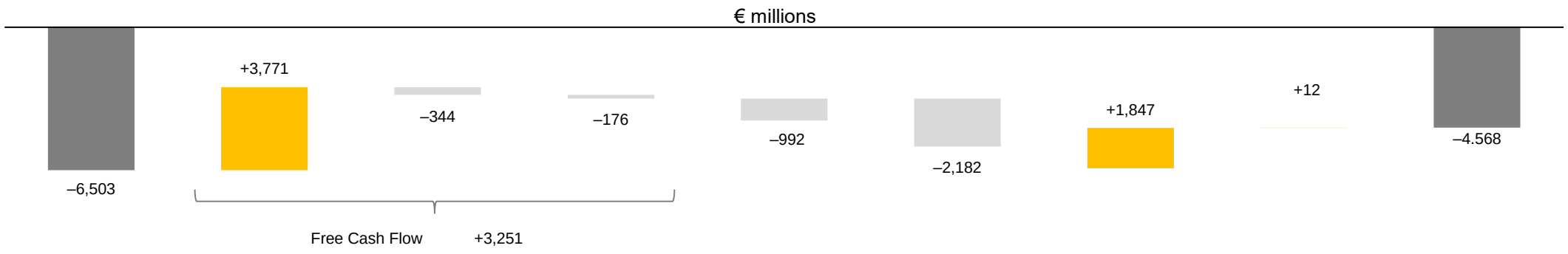
Cash flow development

€ millions, unless otherwise stated	**HY1/21**	**HY1/20**	Δ
Operating cash flow	3,771	3,772	-0%
- Capital expenditure	-344	-497	-31%
- Payments of lease liabilities	-176	-156	+13%
Free cash flow	3,251	3,119	+4%
Free cash flow in percent of total revenue	25	24	+1pp
Free cash flow conversion rate	1.29	1.84	-0.55

Due to rounding, numbers may not add up precisely

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Net debt



PY:	–8,286	+3,772	–497	–156	–47	–1,864	–0	–377	–7,454

Net Liquidity = cash and cash equivalent plus current time deposits and debt securities minus financial debt
Other = mainly purchase and sales of equity or debt instruments of other entities as well as treasury shares, proceeds from sales of non-current assets, and effects of foreign currency rates on cash and cash equivalents
– for more information see our 2020 Integrated Report

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Additional outlook information and Non-IFRS adjustments

The Company now expects a full-year 2021 effective tax rate (IFRS) of 21.5% to 23.0% (previously: 26.0% to 27.0%) and an effective tax rate (non-IFRS) of 20.0% to 21.5% (previously: 22.5% to 23.5%).

Non-IFRS adjustments	Actual Amounts HY1/20	Actual Amounts HY1/21	Est. Amounts for FY/21
Revenue adjustments	€2m	€0m	NA
Acquisition-related charges	€325m	€296m	€540m to €640m
Share-based payment expenses	€612m	€1,256m	€2,300m to €2,800m
Restructuring charges	€13m	€164m	€150m to €200m
Sum of all adjustments	**€952m**	**€1,715m**	**€2,990m to €3,640m**

Due to rounding, numbers may not add up precisely

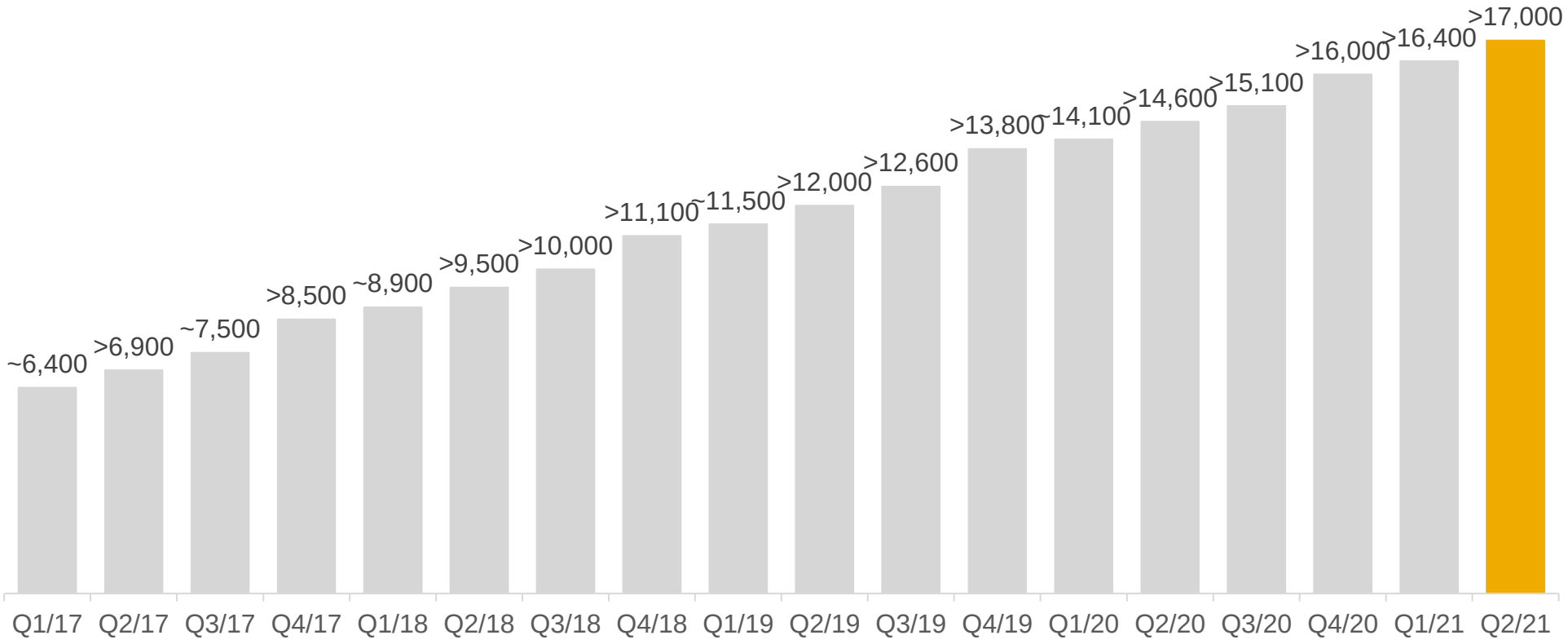
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Expected currency impact 2021

Expected Currency Impact Based on June 2021 Level for the Rest of the Year (Non-IFRS)		
in percentage points	Q3	FY
Cloud revenue growth	-3pp to -1pp	-5pp to -3pp
Cloud and software revenue growth	-2pp to 0pp	-4pp to -2pp
Operating profit growth	-3pp to -1pp	-4pp to -2pp

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SAP S/4HANA customer count



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Key cloud metrics: Second quarter 2021

All figures are Non-IFRS and growth rates at constant currencies unless otherwise stated

Cloud Revenue

+17%

€2,276m

Current Cloud Backlog[1]

+20%

€7,766m

S/4HANA Cloud Revenue[2]

+39%

€257m

S/4HANA Current Cloud Backlog[2]

+48%

€1,130m

Qualtrics – Total Segment Revenue

+37%

€211m

1) 'Current Cloud Backlog' – or CCB for short gives you the contractually committed cloud revenue we expect to recognize over the upcoming twelve months. The CCB is thus a subset of our Remaining Performance Obligations: Cloud only and 12 months only. Its expansion between two key dates reflects our success in both, contracting new cloud business as well as renewing existing business. So compared to New Cloud Bookings, it is a better, more holistic indicator of our cloud progress.
2) Starting in Q1 2021, SAP is expanding its financial disclosure to provide transparency on the transition of its core ERP business to the cloud. Specifically SAP is disclosing current cloud backlog and cloud revenue contributed by SAP S/4HANA Cloud, which represents SAP's cloud offering for core ERP processes. It mainly includes cloud solutions for financial management, supply chain management, engineering and manufacturing, order management and asset management, as well as associated data management, analytics, development and integration capabilities.

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