Second Quarter 2025 Results

Christian Klein, CEO
Dominik Asam, CFO

July 22, 2025

Public

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 2024 Annual Report on Form 20-F.

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Christian Klein

CEO

Another quarter of outstanding results

Current cloud backlog

€ millions

18,052

▲ +22% (+28% @cc)

Cloud revenue

€ millions

5,130

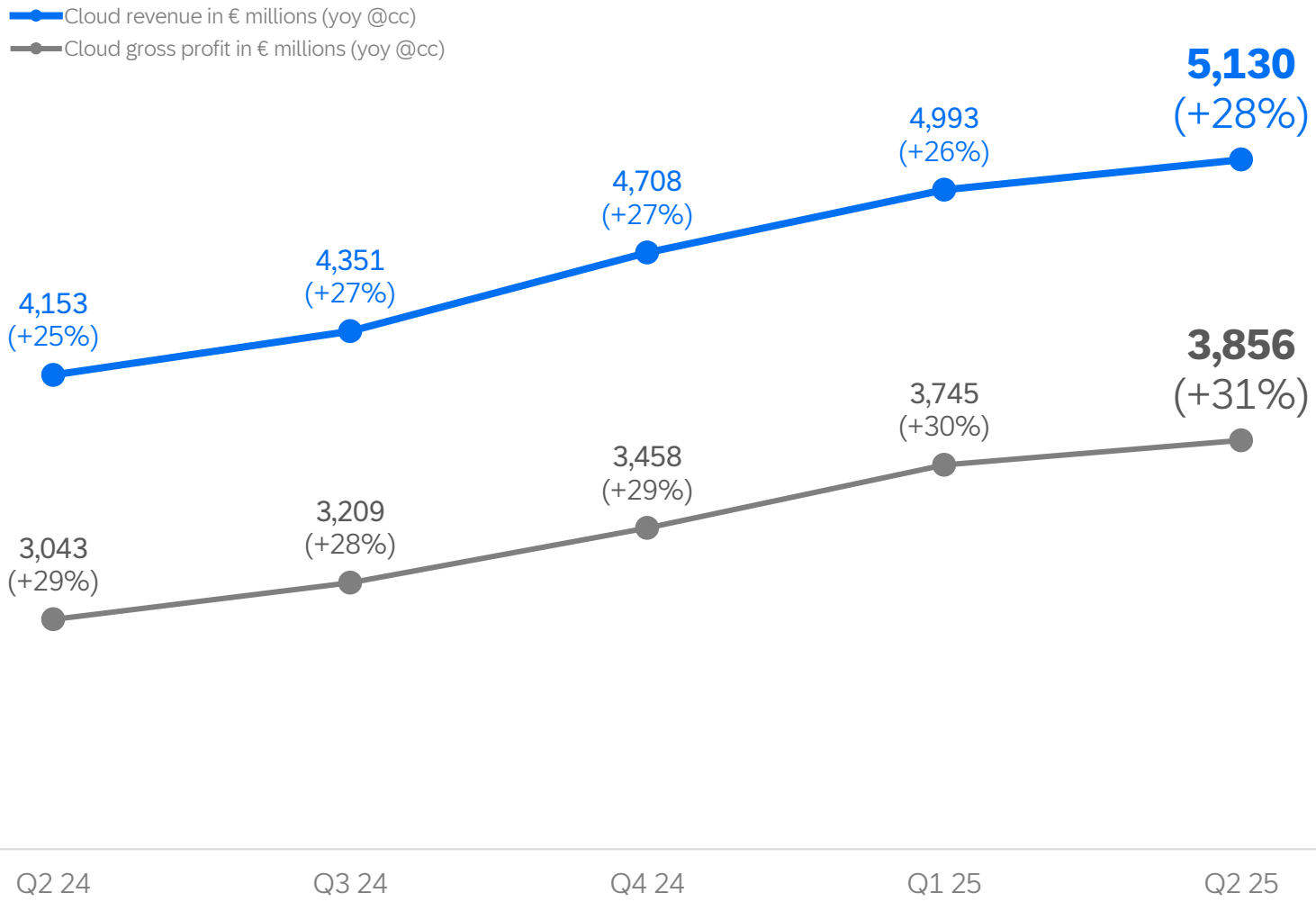
▲ +24% (+28% @cc)

Cloud ERP Suite revenue

€ millions

4,422

▲ +30% (+34% @cc)



All numbers are in € millions, non-IFRS unless otherwise stated.


accenture

acron
aviation

Alibaba

ARGOS

BAE SYSTEMS

BALMAIN

BELL
FOOD
GROUP

BMW GROUP

brf

BROWN-FORMAN

Bundeswehr

covestro

dataport

DEUTSCHE BÖRSE
GROUP

Deutsche
Rentenversicherung
Bund

DÖHLER

Eberspächer

Ernsting's family

GSK

Helaba

HENSOLDT

IBM

Infosys

LINFOX

L'ORÉAL

LTIMindtree

MANN+
HUMMEL

Mega
alimentos

Metcash

Palantir

pwc


REPLAY

rosenbauer

standard
chartered

住友ゴム工業株式会社
SUMITOMO RUBBER INDUSTRIES, LTD.

synapxe

VALE

Zespri

Zürcher
Kantonalbank

Public

Product innovation

SAP's AI and data innovations are arriving in the market and changing the way businesses run

Unrivaled AI , including **Joule Everything | Everywhere**

CFO	CPO	COO	CHRO	CRO	CIO
					
Accruals Agent	**Sourcing Agent**	**Shop Floor Supervisor Agent**	**Performance & Goals Assistant Agent**	**Quote Creation Agent**	**Joule for Developers**
Reduce time spent by 80% for calculating accruals & deferrals	70% reduction in time to create an RFP	Increased supervisor efficiency during disruptions by 50%	30% fewer resignations attributed to poor performance talks	50% productivity gain in sales quoting	Up to 30% efficiency increase

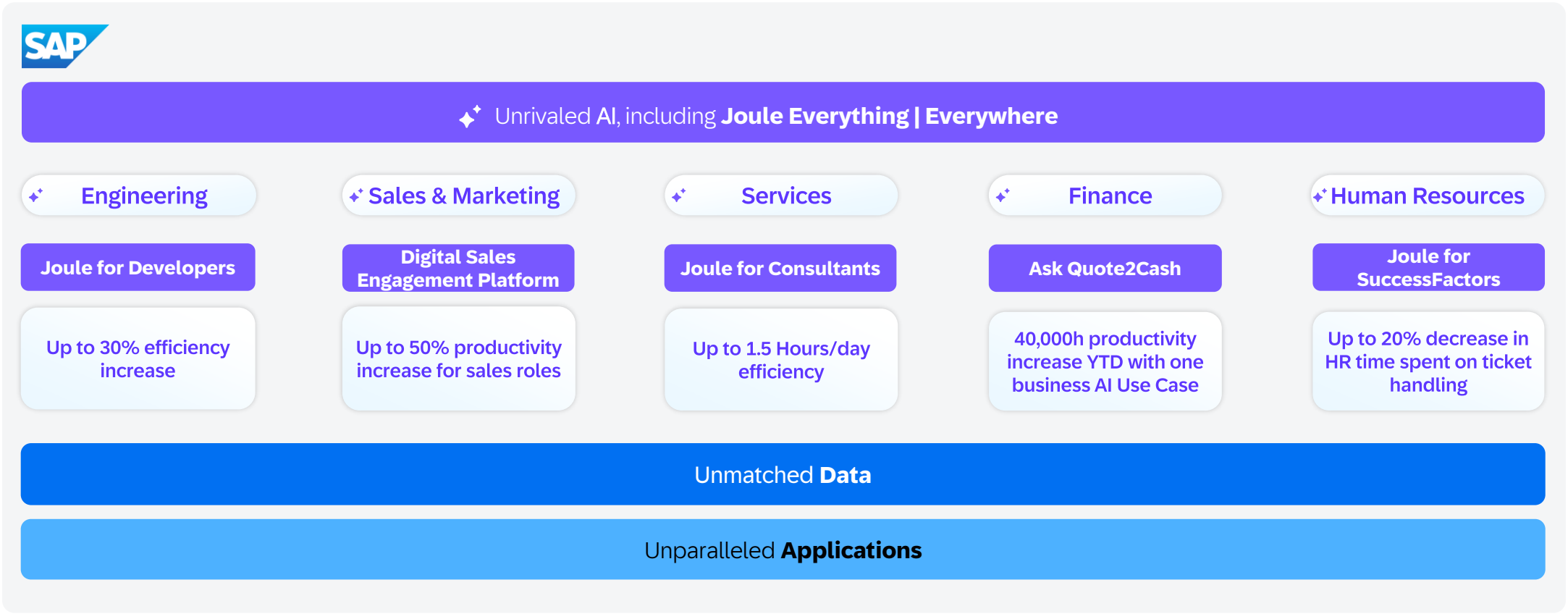
Unmatched **Data**

Unparalleled **Applications**

Note: AI use cases are examples and non-exhaustive.

Simplification

Business AI reshapes jobs and processes across SAP, with triple-digit million value of AI-enabled efficiencies



Note: AI use cases are examples and non-exhaustive.

Our growth formula

Bringing together the best of SAP to diligently continue our transformation in H2 2025 and beyond

Product innovation x **Go-to-market transformation** x **Simplification** x **People**

Reinventing how businesses run with data and AI

Accelerating our customers' journey to the Business Suite

Setting SAP up for scaling efficiently through Business AI

Hiring and upskilling a world class and diverse workforce

=

Accelerating growth

through 2027

Dominik Asam

CFO

SAP Q2 2025 Financial Results

Current cloud backlog
€ millions

18,052
▲ +22% (+28% @cc)

Total revenue
€ millions

9,027
▲ +9% (+12% @cc)

Cloud & software revenue
€ millions

7,966
▲ +11% (+14% @cc)

Cloud revenue
€ millions

5,130
▲ +24% (+28% @cc)

Cloud ERP Suite revenue
€ millions

4,422
▲ +30% (+34% @cc)

Cloud gross profit (Cloud gross margin in%)
€ millions

IFRS	Non-IFRS
3,833	**3,856**
74.7%	**75.2%**
▲ +26%	▲ +27% (+31% @cc)

Gross profit (Gross margin in %)
€ millions

IFRS	Non-IFRS
6,620	**6,643**
73.3%	**73.6%**
▲ +10%	▲ +10% (+13% @cc)

Operating profit
€ millions

IFRS	Non-IFRS
2,456	**2,568**
▲ >100%	▲ +32% (+35% @cc)

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Regional revenue performance

AMERICAS

Cloud revenue

▲ +16%
(+22% @cc)

Cloud & Software revenue

▲ +7%
(+13% @cc)

Brazil and Chile had an outstanding cloud revenue growth while Canada and the U.S were particularly strong in Q2.

EMEA

Cloud revenue

▲ +29%
(+30% @cc)

Cloud & Software revenue

▲ +14%
(+15% @cc)

France, Italy and Spain had an outstanding cloud revenue growth while Germany performed particularly strong.

APJ

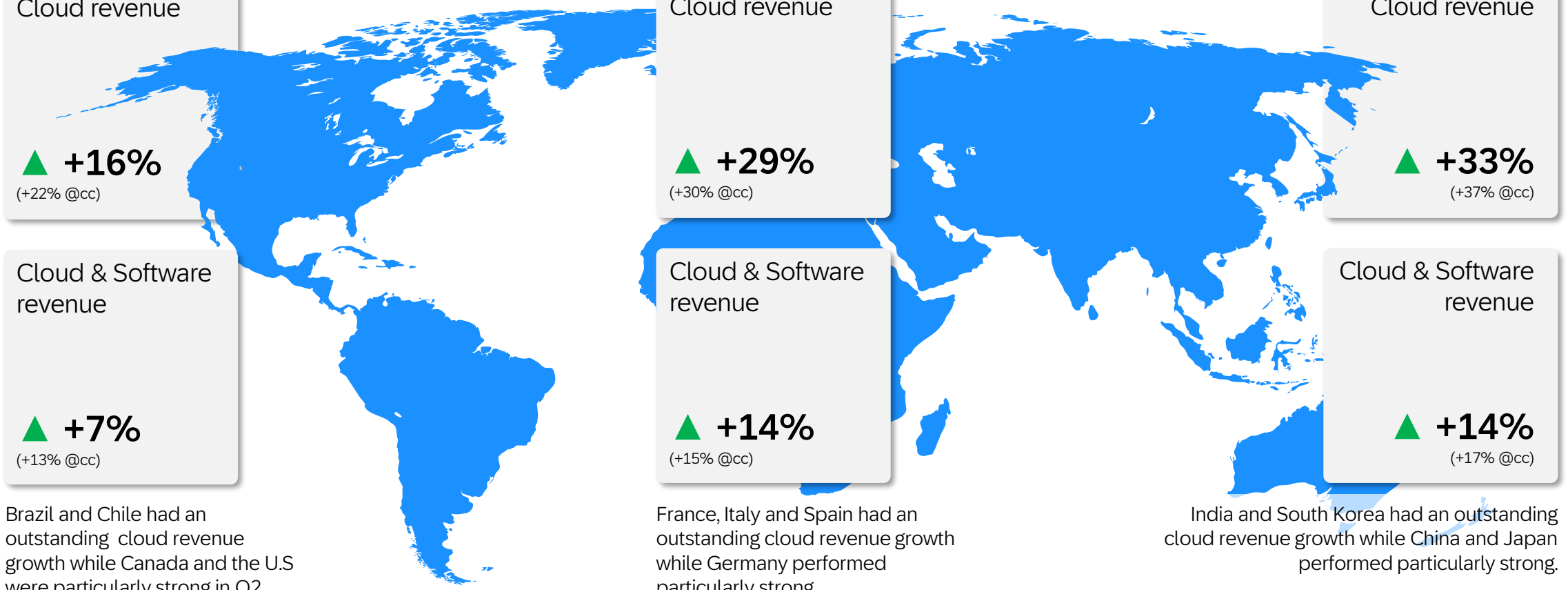
Cloud revenue

▲ +33%
(+37% @cc)

Cloud & Software revenue

▲ +14%
(+17% @cc)

India and South Korea had an outstanding cloud revenue growth while China and Japan performed particularly strong.



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Revenues calculated based on customer location; Individual country highlights are based on Non-IFRS at constant currencies

Revenue and gross profit development

	Revenue			Gross profit (Gross margin %)		
Non-IFRS in € millions, unless otherwise stated	**Q2 2025**	Δ in %	Δ in % @cc	**Q2 2025**	Δ in %	Δ in % @cc
Cloud	**5,130**	24	28	**3,856** (75.2)	27	31
SaaS/PaaS	**5,045**	26	30			
IaaS	**85**	-37	-35			
Software licenses and Support	**2,835**	-6	-4	**2,522** (89.0)	-7	-5
Cloud and Software	**7,966**	11	14	**6,379** (80.1)	11	14
Services	**1,061**	-5	-2	**264** (24.9)	-4	-2
Total	**9,027**	9	12	**6.643** (73.6)	10	13

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Tax rate, Cash flow, and Earnings per share

Effective tax rate

Q2 | percent

IFRS	Non-IFRS
30.1	**30.8**
▼ -3.8pp	▼ -2.8pp

Operating cash flow

Q2 | € millions

2,577

▲ +71%

Free cash flow

Q2 | € millions

2,357

▲ +83%

Earnings per share

Q2 | €

IFRS		Non-IFRS
Basic	Diluted	Basic
1.45	**1.44**	**1.50**
▲ +91%	▲ +92%	▲ +37%

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2025 Financial outlook[1]

Cloud revenue

€ billions @cc

21.6 – 21.9

▲ +26% – 28% (2024: 17.14)

Cloud & Software revenue

€ billions @cc

33.1 – 33.6

▲ +11% – 13% (2024: 29.83)

Operating profit

€ billions @cc

Non-IFRS

10.3 – 10.6

▲ +26% – 30% (2024: 8.15)

Free cash flow

€ billions

approx. 8.0

(2024: 4.22)

Effective tax rate

percent

Non-IFRS

approx. 32

(2024: 32.3)

2025 Non-financial outlook

Employee engagement index

percent

74 – 78

Customer Net Promoter Score

points

12 – 16

Carbon emissions

kilotons

Steadily decrease

Business Health Culture Index

percent

80 – 82

[1] 2025 financial outlook is based on constant currencies assumptions, including an exchange rate of 1.08 US Dollar per Euro

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Q&A

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Appendix

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Appendix

Income statement: Second quarter 2025

	IFRS			Non-IFRS			
€ millions, unless otherwise stated	**Q2 25**	Q2 24	Δ %	**Q2 25**	Q2 24	Δ %	Δ % @cc
Cloud	**5,130**	4,153	24	**5,130**	4,153	24	28
Software licenses	194	229	-15	194	229	-15	-13
Software support	2,642	2,792	-5	2,642	2,792	-5	-3
Software licenses and support	2,835	3,021	-6	2,835	3,021	-6	-4
Cloud and software	**7,966**	7,175	11	**7,966**	7,175	11	14
Services	1,061	1,114	-5	1,061	1,114	-5	-2
Total revenue	**9,027**	8,288	9	**9,027**	8,288	9	12
Total operating expenses	-6,571	-7,067	-7	-6,459	-6,348	2	5
Operating profit (loss)	**2,456**	1,222	>100	**2,568**	1,940	32	35
Other non-operating income/expense, net	-3	-5	-33	-3	-5	-33	
Financial income, net	49	170	-71	-42	-9	>100	
Profit (loss) before tax	**2,502**	1,387	80	**2,524**	1,926	31	
Income tax expense	-753	-469	60	-776	-647	20	
Profit (loss) after tax	**1,749**	918	91	**1,747**	1,278	37	
Operating margin (in %)	27.2	14.7	12.5pp	28.5	23.4	5.0pp	4.8pp
Earnings per share, basic (in €)	1.45	0.76	91	1.50	1.10	37	

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Appendix

Income statement: First six months 2025

	IFRS			Non-IFRS			
€ millions, unless otherwise stated	**Q1-Q2 25**	Q1-Q2 24	Δ %	**Q1-Q2 25**	Q1-Q2 24	Δ %	Δ % @cc
Cloud	**10,124**	8,082	25	**10,124**	8,082	25	27
Software licenses	377	432	-13	377	432	-13	-12
Software support	5,403	5,621	-4	5,403	5,621	-4	-3
Software licenses and support	5,780	6,053	-4	5,780	6,053	-4	-4
Cloud and software	**15,904**	14,134	13	**15,904**	14,134	13	14
Services	2,136	2,195	-3	2,136	2,195	-3	-2
Total revenue	**18,040**	16,329	10	**18,040**	16,329	10	12
Total operating expenses	-13,251	-15,894	-17	-13,016	-12,855	1	2
Operating profit (loss)	**4,789**	434	>100	**5,024**	3,473	45	45
Other non-operating income/expense, net	7	-153	N/A	7	-153	N/A	
Financial income, net	175	125	40	-125	2	N/A	
Profit (loss) before tax	**4,970**	407	>100	**4,906**	3,322	48	
Income tax expense	-1,425	-313	>100	-1,478	-1,100	34	
Profit (loss) after tax	**3,545**	94	>100	**3,428**	2,223	54	
Operating margin (in %)	26.5	2.7	23.9pp	27.8	21.3	6.6pp	6.4pp
Earnings per share, basic (in €)	2.98	0.05	>100	2.94	1.91	54	

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Appendix

Gross margin development

Non-IFRS, in percent	Q1 24	Q2 24	Q3 24	Q4 24	**FY 24**	Q1 25	**Q2 25**
Cloud	72.5	73.3	73.7	73.5	**73.3**	75.0	**75.2**
Software licenses & support	89.2	89.7	90.1	91.0	**90.1**	90.1	**89.0**
Cloud & software	79.8	80.2	80.5	81.0	**80.4**	80.6	**80.1**
Services	20.3	24.8	24.6	24.6	**23.6**	21.8	**24.9**
Total gross margin	71.8	72.7	73.6	74.3	**73.2**	73.6	**73.6**

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Appendix

Cost ratios: Second quarter 2025 | Total revenue: €9.0bn

Non-IFRS as percent of total revenue

Research & development



17.9% **€1.6bn**

-1.4pp | -1.4pp @cc

Sales & marketing



23.1% **€2.1bn**

-2.8pp | -2.7pp @cc

General administration



4.0% **€0.4bn**

+0.0pp | -0.0pp @cc

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Appendix

Cost ratios: First six months 2025 | Total revenue: €18.0bn

Non-IFRS as percent of total revenue

Research & development



18.2% **€3.3bn**

-1.8pp | -1.7pp @cc

Sales & marketing



23.4% **€4.2bn**

-3.3pp | -3.2pp @cc

General administration



4.0% **€0.7bn**

-0.2pp | -0.3pp @cc

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Appendix

Balance sheet condensed: June 30, 2025 – IFRS

Due to rounding, numbers may not add up precisely

Assets

€ millions	6/30/25	12/31/24
Cash, cash equivalents and other financial assets	10,177	11,239
Trade and other receivables	6,289	6,774
Other current assets	3,172	3,389
Total current assets	**19,638**	**21,401**
Goodwill	28,537	31,243
Intangible assets	2,289	2,706
Property, plant, and equipment	4,339	4,493
Other non-current assets	13,597	14,375
Total non-current assets	**48,761**	**52,817**
Total assets	**68,399**	**74,218**

Equity and liabilities

€ millions	6/30/25	12/31/24
Trade and other payables	2,210	1,988
Provisions	220	716
Contract liabilities, current	8,395	5,978
Other liabilities	8,226	10,395
Total current liabilities	**19,050**	**19,078**
Financial liabilities	6,034	7,169
Provisions	468	494
Contract liabilities, non-current	139	88
Other non-current liabilities	1,310	1,581
Total non-current liabilities	**7,950**	**9,332**
Total liabilities	**27,000**	**28,410**
Total equity	**41,400**	**45,808**
Total equity and liabilities	**68,399**	**74,218**

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Appendix

Cash flow development

Due to rounding, numbers may not add up precisely

€ millions, unless otherwise stated	Q1-Q2 2025	Q1-Q2 2024	Δ in %
Operating cash flow	**6,357**	**4,388**	45
– Purchase of PPE & intangibles	-358	-365	-2
– Proceeds from sales of PPE & intangibles	78	55	43
– Payments of lease liabilities	-138	-148	-7
Free cash flow	**5,939**	**3,929**	51
Free cash flow in percent of total revenue	33	24	+9pp
Free cash flow in percent of profit after tax (IFRS)	168	4,191	-4,024pp

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Appendix

Net debt

Due to rounding, numbers may not add up precisely

€ millions, unless otherwise stated	2025	2024
Net liquidity (+)/Net Debt (-) | 12/31/2024 | PY: 12/31/2023	**1,695**	3,521
Net cash flows from operating activities	6,357	4,388
Capital expenditure	-358	-365
Proceeds from sales of PPE & intangibles	78	55
Payments of lease liabilities	-138	-148
Business combinations	-5	-19
Dividends	-2,743	-2,565
Treasury shares	-1,633	-975
Interest payments, net	-192	-91
Other	-764	-127
Net liquidity (+)/Net Debt (-) | 6/30/2025 | PY: 06/30/2024	**2,297**	3,674

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Appendix

Additional outlook information and Non-IFRS adjustments

Due to rounding, numbers may not add up precisely

The Company expects a full-year 2025 effective tax rate (Non-IFRS) of approximately 32% (2024: 32.2%).

Non-IFRS adjustments	Actual Amounts Q2 2024	Actual Amounts Q2 2025	**Est. Amounts FY 2025**
Acquisition-related charges	€87m	€94m	€380m to €460m
Restructuring charges	€631m	€18m	approximately €100m
Regulatory compliance matter expenses	€0m	€0m	€0m
Gains and losses from equity securities, net	-€179m	-€91m	N/A[1]

[1)] 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

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Appendix

Expected currency impact

Expected currency impact based on June 30, 2025 Level applied for 2025

While SAP's 2025 financial outlook for the income statement parameters is at constant currencies (including an average exchange rate of 1.08 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	Q3 25	FY 2025
Cloud revenue growth	-5.0pp	-3.5pp
Cloud and software revenue growth	-4.0pp	-3.0pp
Operating profit growth (non-IFRS)	-4.5pp	-3.0pp

This includes an exchange rate of 1.17 USD per EUR.

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