



First Quarter 2018

Financial Highlights

Walldorf, Germany
Tuesday, April 24, 2018

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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Outlook and Additional Information

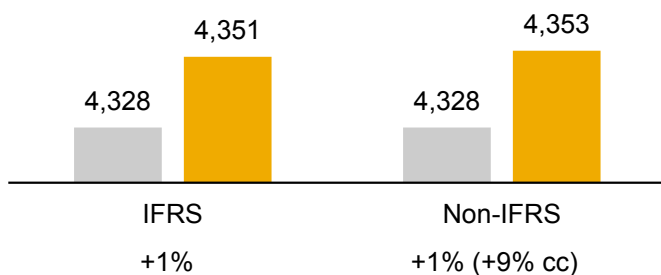
Appendix

Key performance metrics Q1 2018

Cloud & Software Revenue

in € millions

■ Q1/17 ■ Q1/18



Share of Predictable Revenue

in percent

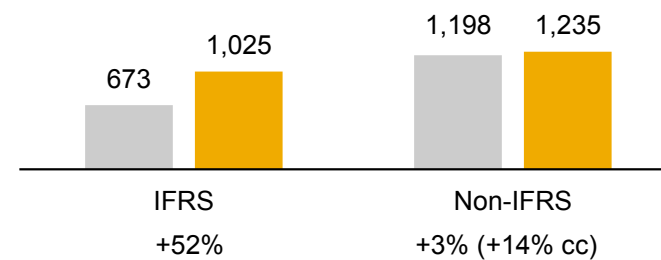
71%

+2 p.p.

Operating Profit

in € millions

■ Q1/17 ■ Q1/18



Cloud Subscriptions & Support Revenue

in € millions

IFRS

Non-IFRS

1,070

+18%

1,072

+18% (+31% cc)

Other financial highlights:

- IFRS EPS up 37% | Non-IFRS down -1% to €0.73 per share
- Operating cash flow down -10% to €2.58 billion
- New Cloud Bookings up 25% cc to €245 million
- Cloud TCV surpasses software licenses for the first time ever
- New Cloud and Software license order entry up 10% to €1.35bn

Total Revenue

in € millions

IFRS

Non-IFRS

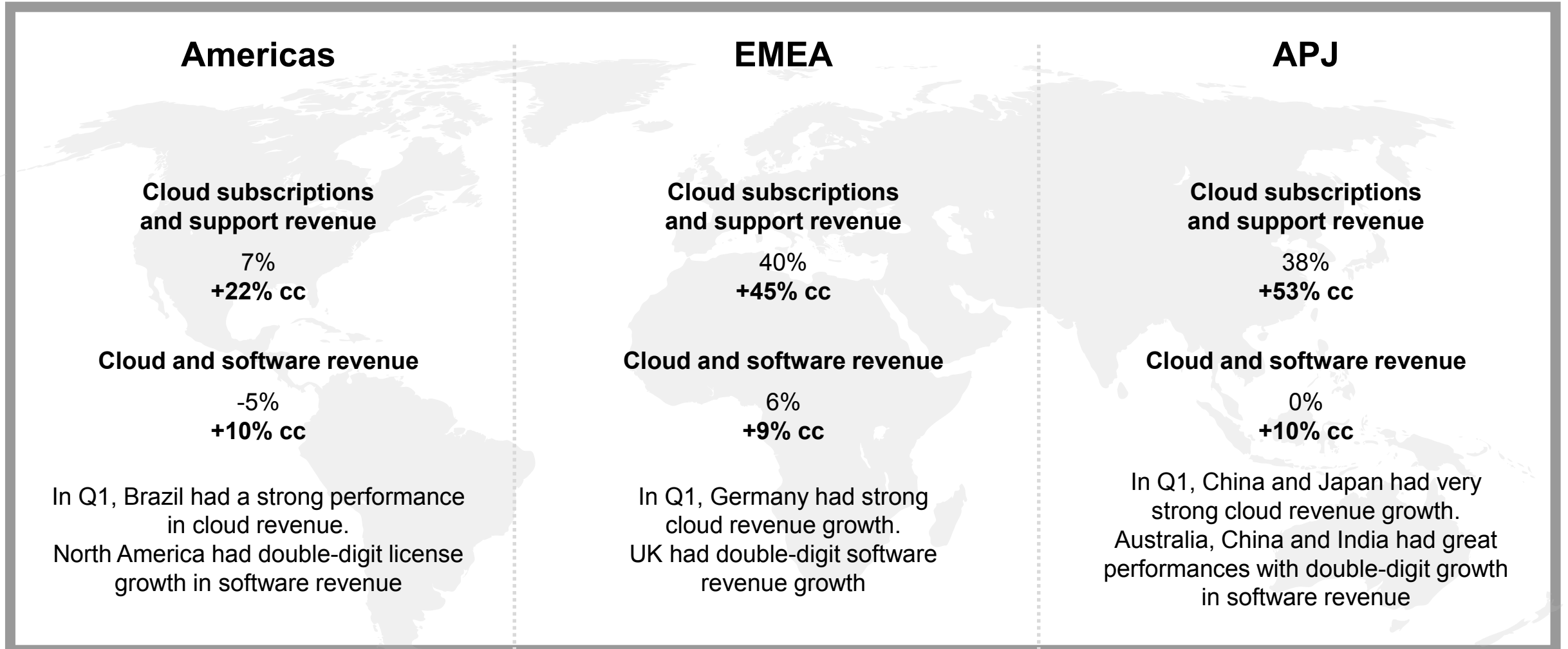
5,261

0%

5,262

0% (+9% cc)

Regional performance Q1 2018



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

Key cloud metrics Q1 2018

Q1/18 unless otherwise stated

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

* Cloud subscriptions and support revenue

Cloud Subscriptions and Support Revenue +31% €1,072m	New Cloud Bookings¹ +25% €245m	Cloud Subscriptions and Support Backlog² €7.2bn +27%	Cloud Applications Total Subscribers ~156m
SAP Business Network – Segment Revenue* €663m +17%	Total Network Commerce³ >\$1.9 trillion	Number of end users processing travel and expense with Concur >50m	Flexible workers managed with Fieldglass platform >4.7m annually

1) New cloud bookings – key measure for SAP's sales success in the cloud – consist of order entry of a given period that is expected to be classified as cloud subscription and support revenue and results from purchases by new customers and from incremental purchases by existing customers. Consequently, orders to renew existing contracts are not included. The order amount must be committed. Consequently, due to their pay-per-use nature, business network transaction fees which do not include a committed minimum consumption are not reflected in the bookings metric (e.g. SAP Ariba and SAP Fieldglass transaction-based fees). Amounts included in the measures are generally annualized.

2) Cloud subscriptions and support backlog represents expected future cloud subscriptions and support revenue that is committed but not yet invoiced and thus not recorded in deferred revenue (as of March 31, 2018). Growth rate at nominal currencies.

3) SAP Business Network commerce is the total commerce transacted on the Ariba, Concur and Fieldglass Networks in the trailing 12 months. Ariba commerce includes procurement and sourcing spend

Great start to the year with strong cloud and software growth and double-digit operating profit increase

€ millions, unless otherwise stated

	IFRS			Non-IFRS			
	Q1/18	Q1/17	Δ %	Q1/18	Q1/17	Δ %	Δ % at cc
Revenue Numbers							
Cloud subscriptions and support	1,070	905	18	1,072	906	18	31
Software licenses	625	691	-10	625	691	-10	-2
Software support	2,656	2,731	-3	2,656	2,731	-3	5
Software licenses and support	3,281	3,422	-4	3,281	3,422	-4	4
Cloud and software	4,351	4,328	1	4,353	4,328	1	9
Services	909	957	-5	909	957	-5	5
Total revenue	5,261	5,285	0	5,262	5,285	0	9
Total operating expenses	-4,236	-4,612	-8	-4,027	-4,087	-1	7
Operating profit	1,025	673	52	1,235	1,198	3	14
Financial income, net	-25	13	<-100	-25	13	<-100	
Profit before tax	990	668	48	1,201	1,193	1	
Income tax expense	-282	-138	>100	-333	-306	9	
Profit after tax	708	530	33	868	887	-2	
Operating margin (in %)	19.5	12.7	6.7pp	23.5	22.7	0.8pp	1.1pp
Earnings per share, basic (in €)	0.59	0.43	37	0.73	0.73	-1	

Double-digit operating profit growth drives operating margin increase

Non-IFRS

	Total operating expenses Operating profit		Total revenue
Q1/17	4.087	1.198	€5.285bn
Q1/18	4.027	1.235	€5.262bn

- **Non-IFRS operating profit**
+3% to €1.235m (Q1/17: €1.198m)
+14% to €1.363m at cc
- **Non-IFRS operating margin**
+0.8pp to 23.5% (Q1/17: 22.7%)
+1.1pp to 23.7% at cc

Application of IFRS15 accounting standard leads to an operating profit effect of appr. €44m

IFRS

	Total operating expenses Operating profit		Total revenue
Q1/17	4.612	0.673	€5.285bn
Q1/18	4.236	1.025	€5.261bn

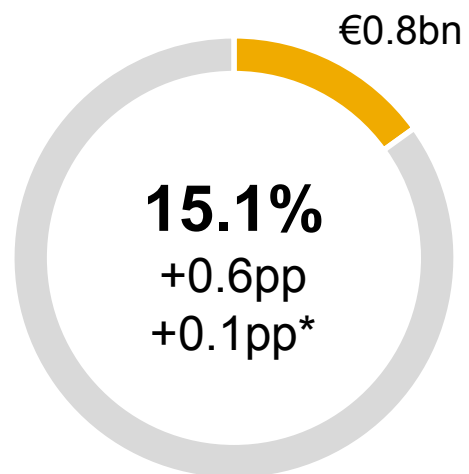
- **IFRS operating profit**
+52% to €1.025m (Q1/17: €673m)
- **IFRS operating margin**
+6.7pp to 19.5% (Q1/17: 12.7%)

Application of IFRS15 accounting standard leads to an operating profit effect of appr. €44m

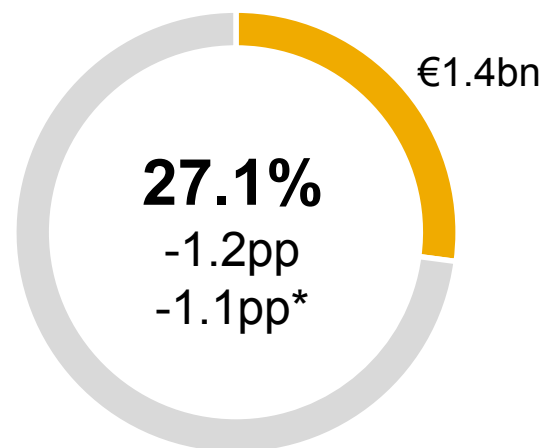
Cost ratios Q1 2018

€5.3bn Total revenue, Non-IFRS

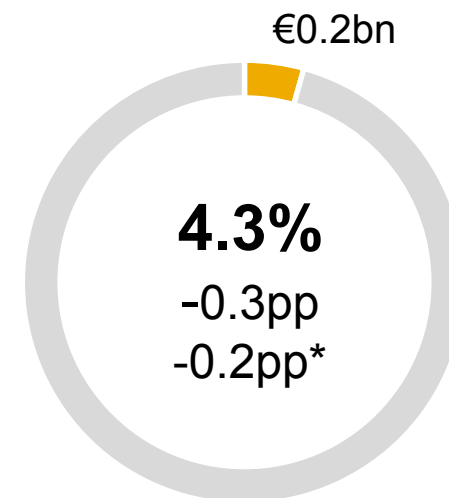
R&D
as a % of total revenue



S&M
as a % of total revenue



G&A
as a % of total revenue



*Non-IFRS at constant currencies

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Balance Sheet, Condensed

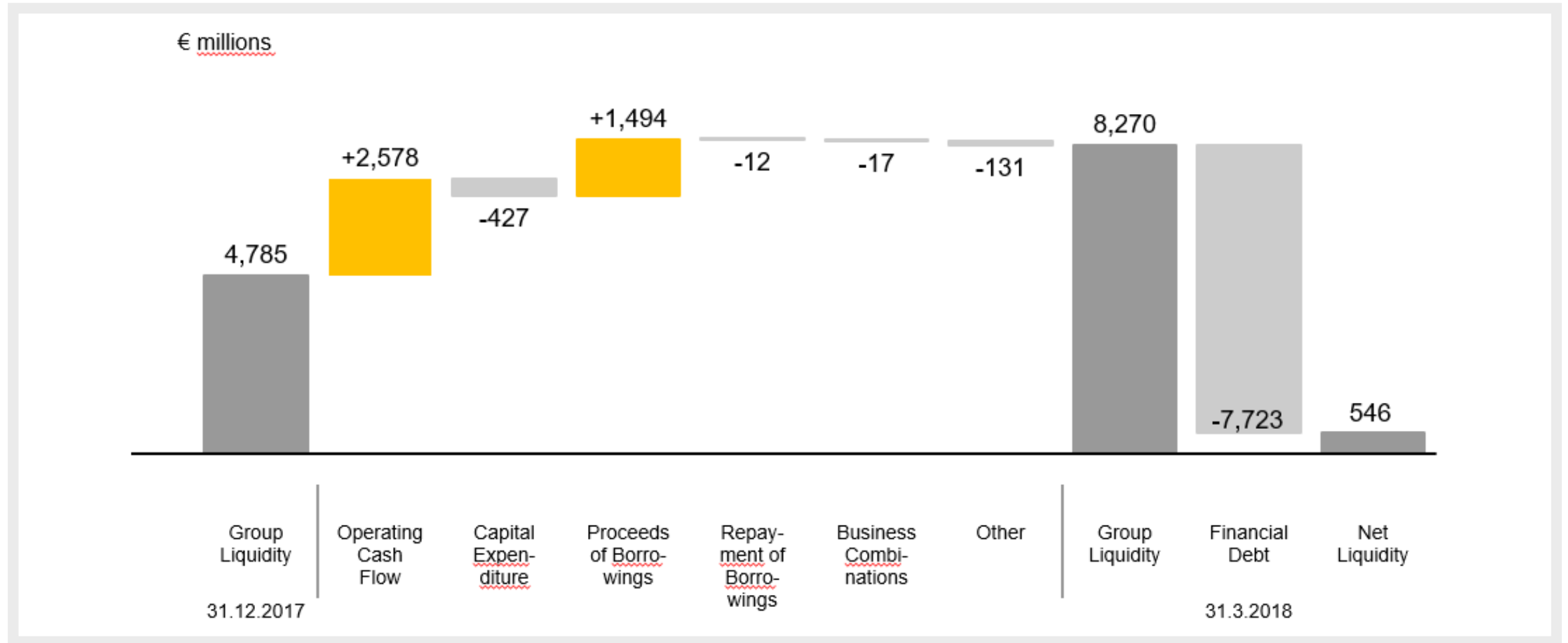
March 31, 2018, IFRS

Assets			Equity and liabilities		
€ millions	03/31/18	12/31/17	€ millions	03/31/18	12/31/17
Cash, cash equivalents and other financial assets	7,598	4,011	Trade and other payables	1,066	1,151
Trade and other receivables	5,433	5,899	Provisions	123	184
Other current assets	2,049	2,021	Other liabilities	5,199	6,104
Total current assets	15,079	11,930	Contract liabilities / deferred income, current	5,041	2,771
Goodwill	20,854	21,267	Total current liabilities	11,430	10,210
Intangible assets	2,838	2,967	Financial liabilities	6,479	5,034
Property, plant, and equipment	3,044	2,967	Provisions	425	303
Other non-current assets	3,657	3,374	Contract liabilities / deferred income, non-current	62	79
Total non-current assets	30,393	30,575	Other non-current liabilities	1,390	1,340
Total assets	45,473	42,506	Total non-current liabilities	8,355	6,756
			Total liabilities	19,785	16,966
			Total equity	25,688	25,540
			Total equity and liabilities	45,473	42,506

Operating cash flow and free cash flow Q1 2018

€ millions, unless otherwise stated	Q1/18	Q1/17	Δ
Operating cash flow	2,578	2,872	-10%
- Capital expenditure	-427	-291	+47%
Free cash flow	2,151	2,581	-17%
Free cash flow as a percentage of total revenue	41	49	-8pp
Cash conversion rate	3.64	5.42	-33%
Days sales outstanding (DSO in days, March 31)	68	72	-4

Group Liquidity



Group Liquidity = cash and cash equivalent + current investments

Other = mainly purchase and sales of equity or debt instruments of other entities, and effects of FX rates on cash and cash equivalents

Net Liquidity = group liquidity minus financial debt - for more information see our 2017 integrated report

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Increased outlook 2018 reflects the closing of the Callidus acquisition and the strong operating profit in the first quarter

	Cloud Subscriptions & Support Revenue (Non-IFRS)	Cloud & Software Revenue (Non-IFRS)	Total Revenue (Non-IFRS)	Operating Profit (Non-IFRS)
Initial outlook (cc) FY 2018	€4.8bn to €5.0bn 27% to 33% [2017: €3.77bn]	€20.7bn to €21.1bn 6% to 8% [2017: €19.55bn]	€24.6bn to €25.1bn 5% to 7% [2017: €23.46bn]	€ 7.3bn to €7.5bn 8% to 11% [2017: €6.77bn]
Increased outlook (cc) FY 2018	€4.95bn to €5.15bn 31% to 36.5% [2017: €3.77bn]	€20.85bn to €21.25bn 6.5% to 8.5% [2017: €19.55bn]	€24.80bn to €25.30bn 5.5% to 7.5% [2017: €23.46bn]	€ 7.35bn to €7.50bn 8.5% to 11% [2017: €6.77bn]

While SAP's full-year 2018 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. Based on early April exchange rates we expect for Q2 for Cloud subscriptions and support -10 to -12pp [FY: -7 to -9pp]; for Cloud and software -6 to -8pp [FY: -4 to -6pp] and for Operating Profit -6 to -8pp [FY -4 to -6pp]

FY 2018 – Additional outlook information and non-IFRS adjustments

The Company expects a full-year 2018 effective tax rate (IFRS and non-IFRS) of 27.0% to 28.0% (2017: 19.3% (IFRS) and 22.6% (non-IFRS))

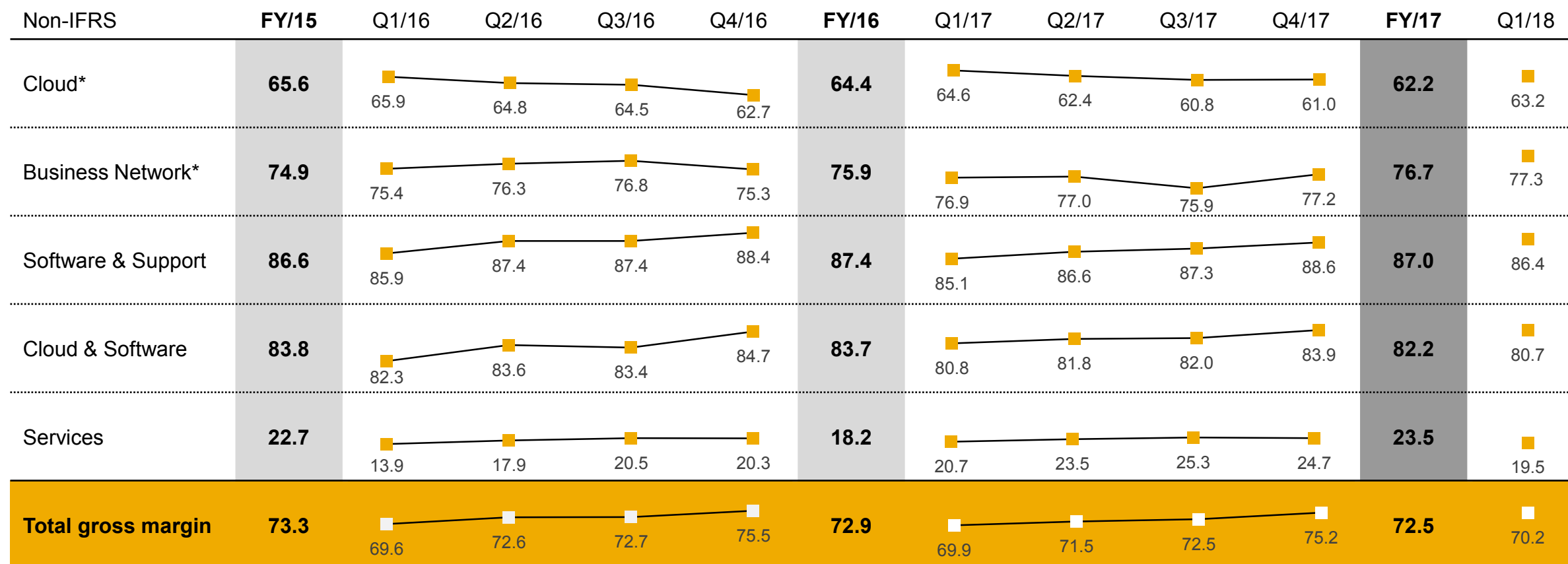
	Actual Amounts Q1/17	Actual Amounts Q1/18	Est. Amounts for FY/18*
Non-IFRS adjustments			
Revenue adjustments	€0m	€2m	€40m to €70m
Share-based payment expenses	€363m	€70m	€800m to €1,100m
Acquisition-related charges	€157m	€129m	€550m to €610m
Restructuring charges	€4m	€11m	€25m to €35m
Sum of all adjustments	€525m	€211m	€1,415m to €1,815m

*The estimates provided above include the effects of the Callidus acquisition. Due to rounding, numbers may not add precisely

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Gross margin development

2015 – Q1 2018



* Subscriptions and support



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