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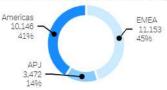
## Customers

- SAP customers generate 84% of total global commerce
- 98 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
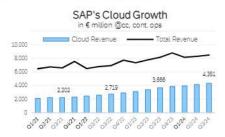
## Financials

| 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 revenue and software support rev.) | 81% |
| Revenue – Q3/2024 cont. ops. (non-IFRS, growth rates @cc) | |
| Cloud revenue | €4.35b (+27%) |
| Cloud ERP Suite revenue | €3.64b (+36%) |
| Cloud and software revenue | €7.43b (+12%) |
| Total revenue | €8.47b (+10%) |

### Revenue by region 9M/2024
(€ m, continuing operations, non-IFRS at nominal currencies / share of total rev. in %)



Americas 10,146 41%
EMEA 11,153 45%
APJ 3,472 14%

| Outlook 2024, updated Oct. 21, 2024 (non-IFRS, growth @cc) | |
|---|---|
| Cloud revenue | €17.0b to €17.3b, up 24%–27%@cc |
| Cloud and software rev. | €29.5b to €29.8b, up 10%–11%@cc |
| Operating profit | €7.8b to €8.0b, up 20%–23%@cc |
| Free cash flow | €3.5b–€4.0b |
| Ambition 2025, cont. ops. (non-IFRS) | |
| Cloud revenue | >€21.5b |
| Total revenue | >€37.5b |
| Cloud gross profit | ~€16.2b |
| Operating profit, updated July 22, 2024 | ~€10.2b |
| Share of more predictable revenue | approx. 86% |
| Free cash flow | ~€8.0b |

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



Cloud Revenue — Total Revenue

2,202  2,719  3,666  4,351

Q1/21 Q2/21 Q3/21 Q4/21 Q1/22 Q2/22 Q3/22 Q4/22 Q1/23 Q2/23 Q3/23 Q4/23 Q1/24 Q2/24 Q3/24

- Cloud ERP Suite grows fast (11 consecutive quarters >30% growth): SAP S/4HANA Cloud, SAP Business Technology Platform, core solutions for HR and payroll, spend management, commerce, customer data solutions, business process transformation, and working capital management

## 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
- 48 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: 19.5% (Non-IFRS; R&D expense as % of total revenue) for 9M/2024. R&D headcount (FTEs): 3?,.'4 at Sept. 30 2024, equaling 34.2% of total headcount
- Worldwide >100 development locations, 21 development centers (SAP Labs), 14 SAP Co-Innovation Labs locations
- >26,500 SAP partner companies in >140 countries
- openSAP was consolidated into learning.sap.com
- Sapphire Ventures: >140 company investments in 10 countries, >30 IPOs, >40 M&A transactions
  - $11 billion in assets under management
  - Operates independently from SAP
  - Dedicates >$1b USD to AI-powered tech start-ups

### SAP Business AI

- >30,000 SAP Business AI customers
- >100 generative AI use cases across SAP's cloud portfolio
- >100 partners engage with AI Foundation on SAP BTP
- 80% of the most-used tasks are being infused with Joule across SAP's cloud portfolio
- Partnerships with leading AI technology providers, consultancies, and ISVs

## General Facts

- Headquarters: Walldorf, Germany
- Founded: April 1, 1972. Listing: Frankfurt, New York
- 107,538 employees worldwide (Sept. 30, 2024)
  - 159 nationalities worldwide
  - Employee retention: 96.4% (full year 2023)
  - Employee Engagement Index at 80% (FY 2023)
  - 30% women in management
  - 35% women in the workplace
  - >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%

## Useful Links:

## 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 extend SAP S/4HANA Cloud with an end-to-end portfolio of LoB solutions that enable customers to run resilient supply chains and move towards autonomous supply chains
- 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
- >1,110 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:
  - AI-enabled development environment for business and technical developers
  - AI-powered and agentic process automation to drive process insights and optimization
  - AI-enabled Integration to connect business processes across all landscapes
  - An AI Foundation providing technical and business services and tools for accessing large language models – delivering scalable and responsible intelligence for extensions, automations and integration scenarios
  - Multi-model database, data management, analytics, and planning capabilities to maximize the value of data
- ~27,000 cloud customers live on SAP BTP in the cloud
- >2,800 partners use SAP BTP for app development + more

### SAP Business Network

- Millions of participating companies in 190 countries
- >$6.2 trillion in annual commerce
- >729m B2B transactions in Q3/2024
- Spend management solutions:
  - SAP Ariba: connecting procurement from source to pay
  - SAP Fieldglass: 1.4m new workers added in Q3/2024
  - SAP Concur: >96m end users