

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO SECTION 13a-16 OR 15d-16 UNDER
THE SECURITIES EXCHANGE ACT OF 1934

July 24, 2024

Commission file number:
001-14251

SAP EUROPEAN COMPANY
(Translation of registrant's name into English)

Dietmar-Hopp-Allee 16
69190 Walldorf
Federal Republic of Germany
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

SAP SE

FORM 6-K

On July 22, 2024, SAP SE, ("SAP"), issued a quarterly statement (the "Quarterly Statement") announcing SAP's financial results for the second quarter ended June 30, 2024. The Quarterly Statement is attached as Exhibit 99.1 hereto and incorporated by reference herein.

On July 23, 2024, SAP filed a half-year report with Deutsche Boerse AG for the first half ended June 30, 2024 (the "Half-Year Report"). The Half-Year Report is attached as Exhibit 99.2 hereto and incorporated by reference herein.

The Quarterly Statement and the Half-Year Report disclose certain non-IFRS measures. These measures are not prepared in accordance with IFRS and are therefore considered non-IFRS financial measures. The non-IFRS financial measures that we report should be considered in addition to, and not as substitutes for or superior to, revenue, operating income, cash flows, or other measures of financial performance prepared in accordance with IFRS.

Please refer to *Explanations of Non-IFRS Measures* online (www.sap.com/about/investor/index.epx) for further information regarding the non-IFRS measures.

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 (the "SEC"), including SAP's most recent Annual Report on Form 20-F filed with the SEC. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates.

This filing is also intended to fulfil the NYSE rules set forth in Sections 103.00 and 203.03.

EXHIBITS

Exhibit No.

[99.1](#)

[99.2](#)

Exhibit

[Quarterly Statement dated July 22, 2024](#)

[Half-Year Report dated July 22, 2024](#)

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SAP SE
(Registrant)

By: /s/ Christopher Sessar

Name: Dr. Christopher Sessar

Title: Chief Accounting Officer

By: /s/ Julia Zicke

Name: Dr. Julia Zicke

Title: Head of External Reporting and Accounting
Technology

Date: July 24, 2024

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EXHIBIT INDEX

Exhibit No.

[99.1](#)

[99.2](#)

Exhibit

[Quarterly Statement dated July 22, 2024](#)

[Half-Year Report dated July 22, 2024](#)

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SAP Announces Q2 2024 Results

- Current cloud backlog of €14.8 billion, up 28%, both at nominal and constant currencies
- Cloud revenue up 25%, underpinned by 33% Cloud ERP Suite revenue growth, all at nominal and constant currencies
- Total revenue up 10%, both at nominal and constant currencies
- IFRS cloud gross profit up 29%, non-IFRS cloud gross profit up 28% and up 29% at constant currencies
- IFRS operating profit down 11% due to restructuring expenses of €0.6 billion. Non-IFRS operating profit up 33% and up 35% at constant currencies
- 2024 financial outlook reiterated. 2025 operating profit ambition increased to reflect anticipated incremental efficiency gains from expanded transformation program

in € millions, unless otherwise stated; based on SAP group results from continuing operations

Current cloud backlog	Total revenue	Cloud & Software revenue	Cloud revenue	Cloud ERP Suite revenue
14,808	8,288	7,175	4,153	3,414
▲ +28% (+28% @cc)	▲ +10% (+10% @cc)	▲ +10% (+10% @cc)	▲ +25% (+25% @cc)	▲ +33% (+33% @cc)
Cloud gross profit (Cloud gross margin)	Gross profit (Gross margin)	Operating profit	Earnings per Share (in €)	
IFRS 3,030 (73.0%) ▲ +29%	IFRS 6,017 (72.6%) ▲ +11%	IFRS 1,222 ▼ -11%	IFRS basic 0.76 ▲ +22% diluted 0.75 ▲ +22%	
Non-IFRS 3,043 (73.3%) ▲ +28% (+29% @cc)	Non-IFRS 6,029 (72.7%) ▲ +11% (+11% @cc)	Non-IFRS 1,940 ▲ +33% (+35% @cc)	Non-IFRS basic 1.10 ▲ +59%	

Walldorf, Germany – July 22, 2024

SAP SE (NYSE: SAP) announced today its financial results for the second quarter ended June 30, 2024.

Christian Klein, CEO:

Our cloud growth momentum remained strong in Q2, with Business AI enabling many deals. We continue to execute on our transformation with great discipline, leading to an increase in our operating profit ambition for 2025. At the same time, we continue to invest into our transformation to be the leader in Business AI. Given our progress and strong pipeline, we are confident to achieve accelerating topline growth through 2027.

Dominik Asam, CFO:

We are staying squarely focused on delivering our outlook for this year. Our current cloud backlog growth during the second half of 2024, and especially in Q4 will be decisive to lay a solid foundation for our cloud revenue ambition for 2025. At the same time, we'll continue to execute against our transformation plan to achieve our 2025 free cash flow ambition despite a mid-triple-digit million cash out for restructuring spilling into next year.

All figures in this statement are based on SAP group results from continuing operations unless otherwise noted.

Financial Performance

Group results at a glance – Second quarter 2024

€ million, unless otherwise stated	IFRS			Non-IFRS ¹		
	Q2 2024	Q2 2023	Δ in %	Q2 2024	Q2 2023	Δ in %
SaaS/PaaS	4,018	3,130	28	4,018	3,130	28
Thereof Cloud ERP Suite ²	3,414	2,562	33	3,414	2,562	33
Thereof Extension Suite ³	604	568	6	604	568	6
IaaS ⁴	135	186	-27	135	186	-27
Cloud revenue	4,153	3,316	25	4,153	3,316	25
Cloud and software revenue	7,175	6,505	10	7,175	6,505	10
Total revenue	8,288	7,554	10	8,288	7,554	10
Share of more predictable revenue (in %)	84	82	2pp	84	82	2pp
Cloud gross profit	3,030	2,357	29	3,043	2,368	28
Gross profit	6,017	5,409	11	6,029	5,432	11
Operating profit (loss)	1,222	1,371	-11	1,940	1,457	33
Profit (loss) after tax from continuing operations	918	724	27	1,278	799	60
Profit (loss) after tax ⁵	918	2,982	-69	1,278	2,437	-48
Earnings per share - Basic (in €) from continuing operations	0.76	0.62	22	1.10	0.69	59
Earnings per share - Basic (in €) ⁵	0.76	2.70	-72	1.10	2.40	-54
Net cash flows from operating activities from continuing operations	1,540	848	82			
Free cash flow				1,291	604	>100

¹ For a breakdown of the individual adjustments see table "Non-IFRS Operating Expense Adjustments by Functional Areas" in this Quarterly Statement.

² Cloud ERP Suite references the portfolio of strategic Software-as-a-Service (SaaS) and Platform-as-a-Service (PaaS) solutions that are tightly integrated with our core ERP solutions and are included in key commercial packages, such as RISE with SAP. The following offerings contribute to Cloud ERP Suite revenue: SAP S/4HANA Cloud, SAP Business Technology Platform, and core solutions for HR and payroll, spend management, commerce, customer data solutions, business process transformation, and working capital management. For additional information and historical data on Cloud ERP Suite, see SAP's [Reporting Framework](#).

³ Extension Suite references SAP's remaining SaaS and PaaS solutions that supplement and extend the functional coverage of the Cloud ERP Suite.

⁴ Infrastructure as a service (IaaS): The major portion of IaaS comes from SAP HANA Enterprise Cloud.

⁵ From continuing and discontinued operations.

Group results at a glance – Six months ended June 2024

€ million, unless otherwise stated	IFRS			Non-IFRS ¹		
	Q1–Q2 2024	Q1–Q2 2023	Δ in %	Q1–Q2 2024	Q1–Q2 2023	Δ in % const. curr.
SaaS/PaaS	7,782	6,110	27	7,782	6,110	27
Thereof Cloud ERP Suite revenue ²	6,581	4,984	32	6,581	4,984	32
Thereof Extension Suite revenue ³	1,202	1,126	7	1,202	1,126	7
IaaS ⁴	299	383	-22	299	383	-22
Cloud revenue	8,082	6,493	24	8,082	6,493	24
Cloud and software revenue	14,134	12,863	10	14,134	12,863	10
Total revenue	16,329	14,995	9	16,329	14,995	9
Share of more predictable revenue (in %)	84	82	2pp	84	82	2pp
Cloud gross profit	5,867	4,596	28	5,892	4,617	28
Gross profit	11,778	10,693	10	11,803	10,737	10
Operating profit (loss)	434	2,174	-80	3,473	2,779	25
Profit (loss) after tax from continuing operations	94	1,128	-92	2,223	1,667	33
Profit (loss) after tax ⁵	94	3,491	-97	2,223	3,448	-36
Earnings per share - Basic (in €) from continuing operations	0.05	0.97	-95	1.91	1.44	33
Earnings per share - Basic (in €) ⁵	0.05	3.12	-98	1.91	3.23	-41
Net cash flows from operating activities from continuing operations	4,297	3,160	36			
Free cash flow				3,784	2,559	48

¹ For a breakdown of the individual adjustments see table "Non-IFRS Operating Expense Adjustments by Functional Areas" in this Quarterly Statement.

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³ Extension Suite references SAP's remaining SaaS and PaaS solutions that supplement and extend the functional coverage of the Cloud ERP Suite.

⁴ Infrastructure as a service (IaaS): The major portion of IaaS comes from SAP HANA Enterprise Cloud.

⁵ From continuing and discontinued operations.

Financial Highlights¹

Second Quarter 2024

In the second quarter, SAP's strong cloud momentum continued. Current cloud backlog grew by 28% to €14.81 billion and again was up 28% at constant currencies. Cloud revenue was up 25% to €4.15 billion and up 25% at constant currencies, mainly driven by Cloud ERP Suite revenue, which was up 33% to €3.41 billion and up 33% at constant currencies.

Software licenses revenue decreased by 28% to €0.2 billion and was down 27% at constant currencies. Cloud and software revenue was up 10% to €7.17 billion and up 10% at constant currencies. Services revenue was up 6% to €1.11 billion and up 6% at constant currencies. Total revenue was up 10% to €8.29 billion and up 10% at constant currencies.

The share of more predictable revenue increased by 2 percentage points to 84% in the second quarter.

Cloud gross profit was up 29% (IFRS) to €3.03 billion, up 28% to €3.04 billion (non-IFRS), and up 29% (non-IFRS at constant currencies).

IFRS operating profit in the second quarter was down 11% to €1.22 billion. The decrease was driven by restructuring expenses of €0.6 billion associated with the 2024 transformation program. Non-IFRS operating profit was up 33% to €1.94 billion and was up 35% at constant currencies. Non-IFRS operating profit growth was supported by strong revenue growth as well as disciplined execution of the 2024 transformation program.

¹ The Q2 2024 results were also impacted by other effects. For details, please refer to the disclosures on page 27 of this document.

IFRS earnings per share (basic) increased 22% to €0.76. Non-IFRS earnings per share (basic) increased 59% to €1.10. The effective tax rate (IFRS) was 33.8% (Q2/2023: 33.8%) and the effective tax rate (non-IFRS) was 33.6% (Q2/2023: 33.0%). For non-IFRS, the year-over-year increase mainly resulted from a temporary inability to offset withholding taxes in Germany due to tax losses in 2024 resulting from restructuring. For IFRS, the negative effects from withholding taxes were compensated mainly by changes in tax-exempt income and valuation allowances on deferred tax assets.

Free cash flow in the second quarter increased by 114% to €1.3 billion. While around €0.5 billion was paid out for restructuring, the positive development was primarily attributable to increased profitability and enhanced working capital management. For the first six months, free cash flow was up 48% to €3.8 billion.

Share Repurchase Program

In May 2023, SAP announced a share repurchase program with an aggregate volume of up to €5 billion and a term until December 31, 2025. As of June 30, 2024, SAP had repurchased 12,895,525 shares at an average price of €145.20 resulting in a purchased volume of approximately €1.87 billion under the program.

2024 Transformation Program: Focus on scalability of operations and key strategic growth areas

In 2024, SAP is further increasing its focus on key strategic growth areas, in particular business AI. It is transforming its operational setup to capture organizational synergies and AI-driven efficiencies, and to prepare the company for highly scalable future revenue growth.

To this end, as announced in January, SAP is executing a company-wide restructuring program which is anticipated to conclude in early 2025. The restructuring is intended to ensure that SAP's skillset and resources continue to meet future business needs and is currently expected to affect 9,000 to 10,000 positions, a majority of which will be covered by voluntary leave programs and internal re-skilling measures. Reflecting re-investments into strategic growth areas, SAP still expects to exit 2024 at a headcount similar to year-end 2023.

In the second quarter, additional restructuring expenses of €0.6 billion were recorded, which mainly reflect the positive reception of the voluntary leave programs.

While restructuring expenses recorded in the first half of 2024 total €2.9 billion, the overall expenses associated with the program are now estimated to be approximately €3 billion.

Restructuring payouts in the second quarter and first half of 2024 amounted to €0.5 billion. Overall payouts associated with the program are currently expected at approximately €3 billion, of which a mid-triple-digit million amount is expected to occur in 2025.

Business Highlights

In the second quarter, customers around the globe continued to choose "RISE with SAP" to drive their end-to-end business transformations. These customers included: Alpargatas, Auckland Council, Blue Diamond Growers, Border States, Copenhagen Airports, ExxonMobil, Navantia, PANDORA, Porsche Informatik, Powerlink Queensland, Prairie Farms Dairy, ProRail, Prysmian, Shiseido Company, Tokio Marine & Nichido Fire Insurance, VistaPrint, Warsaw City Hall, and Xerox.

BMI Group Holdings, Co-op, Fiagril, Pure Storage, UBE Corporation, and Wegmans went live on SAP S/4HANA Cloud in the second quarter.

Consolidated Hospitality Supplies, flatexDEGIRO, Fortera Corporation, La Trobe University, Stern-Wywiol Gruppe, and Trade Capital Corporation chose "GROW with SAP", an offering helping customers adopt cloud ERP with speed, predictability, and continuous innovation.

Key customer wins across SAP's solution portfolio included: Accenture, Ambipar, Arca Continental, BASF, Buderus Guss, Carl Zeiss, DACHSER, Endress+Hauser, iHerb, Lenovo, Minor Hotels, New Look, Parle Biscuits, Fresco, U.S. Sugar, Veolia Group, and Zoomlion.

Beiersdorf, E.ON, Gerdau, Hyundai Motor Company, Kia Corporation and SMA Solar Technology went live on SAP solutions.

In the second quarter, SAP's cloud revenue performance was particularly strong in APJ and EMEA and robust in the Americas region. Brazil, Canada, Germany, India, Japan, and South Korea had outstanding performances in cloud revenue growth while China, the U.S., and Saudi Arabia were particularly strong.

On April 22, SAP announced AI advancements in its supply chain solutions that we anticipate will unleash a transformative wave of productivity, efficiency and precision in manufacturing. AI-driven insights from real-time data will help companies use their own data to make better decisions across supply chains, streamline product development and improve manufacturing efficiency.

On May 6, SAP announced that it had extended the contract of CEO and Member of the Executive Board Christian Klein for three years, until April 2028.

On May 8, SAP and IBM announced their vision for the next era of their collaboration, which includes new generative AI capabilities and industry-specific cloud solutions that can help clients unlock business value.

On May 13, SAP announced that Charoen Pokphand Foods Public Company Limited ("CP Foods") had selected multiple SAP solutions to drive further growth and competitive advantage and to ensure the sustainability of its products for the future.

On May 15, SAP announced that the Annual General Meeting (AGM) of Shareholders of SAP SE elected Pekka Ala-Pietilä as new member of the company's Supervisory Board. Subsequently, Ala-Pietilä was also elected the new Chairman of the SAP Supervisory Board, completing the handover from former Chairman of the Board, Prof. Dr. h. c. mult. Hasso Plattner. In addition, Prof. Dr. Ralf Herbrich was elected and Aicha Evans, Gerhard Oswald and Dr. Friederike Rotsch were reelected as members of the Supervisory Board. The AGM also approved all other proposals of the Executive Board and Supervisory Board with strong support. That includes the adjustment of the compensation of the Chairman of the Supervisory Board. Furthermore, the dividend proposal of €2.20 per share for fiscal year 2023 was approved.

On May 29, SAP and Amazon Web Services (AWS), an Amazon.com company, announced an expanded, strategic collaboration to transform modern cloud enterprise resource planning (ERP) experiences and help enterprises drive new capabilities and efficiencies with generative artificial intelligence (AI).

On June 5, SAP and WalkMe Ltd. (WalkMe) announced that the companies had entered into a definitive agreement under which SAP will acquire 100% of WalkMe, a leader in digital adoption platforms. The Executive and Supervisory Boards of SAP SE and the board of directors of WalkMe have approved the transaction for US \$14.00 per share in an all-cash transaction, representing an equity value of approximately US \$1.5 billion. The offer price represents a 45% premium to WalkMe's closing share price on June 4, 2024. The acquisition is subject to customary closing conditions, including the receipt of WalkMe shareholder approval and necessary regulatory clearances, and is expected to close in the third quarter of 2024.

On June 5, SAP announced that it was adjusting its dividend policy effective immediately. The new policy is to pay a dividend amounting to at least 40% of the group's non-IFRS profit after tax from continuing operations (previously: at least 40% of the group's IFRS profit after tax).

Financial Outlook 2024

SAP's financial outlook 2024 is based on SAP's updated non-IFRS definition of profit measures which, beginning in 2024, include share-based compensation expenses and exclude gains and losses from equity securities, net. For more details, please refer to the Reporting Framework section on our Investor Relations website: <https://www.sap.com/investors/en/reports/reporting-framework.html>.

SAP continues to expect:

- €17.0 – 17.3 billion cloud revenue at constant currencies (2023: €13.66 billion), up 24% to 27% at constant currencies.
- €29.0 – 29.5 billion cloud and software revenue at constant currencies (2023: €26.92 billion), up 8% to 10% at constant currencies.
- €7.6 – 7.9 billion non-IFRS operating profit at constant currencies (2023: €6.51 billion), up 17% to 21% at constant currencies.
- Free cash flow of approximately €3.5 billion (2023: €5.09 billion).
- An effective tax rate (non-IFRS) of approximately 32% (2023: 30.3%)².

While SAP's 2024 financial 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, as reflected in the table below.

Currency Impact Assuming June 30, 2024 Rates Apply for 2024

In percentage points	Q3 2024	FY 2024
Cloud revenue growth	+0.5pp	-0.5pp
Cloud and software revenue growth	+0.5pp	-0.5pp
Operating profit growth (non-IFRS)	+0.0pp	-1.5pp

Non-Financial Outlook 2024

SAP now expects the Employee Engagement Index to be in a range of 70% to 74% in 2024 (previously: 76% to 80%).

In 2024, SAP continues to expect:

- A Customer Net Promoter Score of 9 to 13.
- To steadily decrease carbon emissions across the relevant value chain, in line with our target of achieving Net Zero carbon emissions by 2030.
- To steadily increase the number of women in executive roles in line with our end of year 2027 target to achieve 25%.

Ambition 2025

SAP is updating its financial ambition 2025, reflecting the anticipated incremental benefits from the transformation program.

By 2025, SAP now expects:

- Non-IFRS operating profit of approximately €10.2 billion (previously: approximately €10 billion).

SAP continues to expect:

- Cloud revenue of more than €21.5 billion.
- Total revenue of more than €37.5 billion.
- Non-IFRS cloud gross profit of approximately €16.2 billion.
- Free cash flow of approximately €8.0 billion (now including an anticipated mid-triple-digit million Euro restructuring payout in 2025 associated with the 2024 transformation program).

² The effective tax rate (non-IFRS) is a non-IFRS financial measure and is presented for supplemental informational purposes only. We do not provide an outlook for the effective tax rate (IFRS) due to the uncertainty and potential variability of gains and losses associated with equity securities, which are reconciling items between the two effective tax rates (non-IFRS and IFRS). These items cannot be provided without unreasonable efforts but could have a significant impact on our future effective tax rate (IFRS).

- A share of more predictable revenue of approximately 86%.

The 2025 financial ambition is based on an exchange rate of 1.10 USD per EUR.

Non-Financial Ambition 2025

For 2025, SAP now aims to increase the Employee Engagement Index (previously: Steadily increasing the Employee Engagement Index).

SAP continues to aim for

- Steadily increasing the Customer Net Promoter Score.

The 2025 non-financial ambitions are in addition to our medium-term targets of achieving Net Zero carbon emissions across the value chain by 2030 and reaching 25% women in executive roles by the end of 2027.

Additional Information

This press release and all information therein is preliminary and unaudited. Due to rounding, numbers may not add up precisely.

SAP Performance Measures

For more information about our key growth metrics and performance measures, their calculation, their usefulness, and their limitations, please refer to the following document on our Investor Relations website: <https://www.sap.com/investors/performance-measures>

Webcast

SAP senior management will host a financial analyst conference call on Monday, July 22nd at 11:00 PM (CEST) / 10:00 PM (BST) / 5:00 PM (EDT) / 2:00 PM (PDT). The conference will be webcast on the Company's website at <https://www.sap.com/investor> and will be available for replay. Supplementary financial information pertaining to the second quarter results can be found at <https://www.sap.com/investor>

About SAP

As a global leader in enterprise applications and business AI, SAP (NYSE: SAP) stands at the nexus of business and technology. For over 50 years, organizations have trusted SAP to bring out their best by uniting business-critical operations spanning finance, procurement, HR, supply chain, and customer experience. For more information, visit www.sap.com.

For more information, financial community only:

Alexandra Steiger +49 (6227) 7-767336

Follow SAP Investor Relations on LinkedIn at [SAP Investor Relations](https://www.linkedin.com/company/sap-investor-relations/).

investor@sap.com, CET

For more information, press only:

Joellen Perry +1 (650) 445-6780

Daniel Reinhardt +49 (6227) 7-40201

joellen.perry@sap.com, PT

daniel.reinhardt@sap.com, CET

For customers interested in learning more about SAP products:

Global Customer Center: +49 180 534-34-24

United States Only: +1 (800) 872-1SAP (+1-800-872-1727)

Note to editors:

To preview and download broadcast-standard stock footage and press photos digitally, please visit www.sap.com/photos. On this platform, you can find high resolution material for your media channels.

This document contains 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 2023 Annual Report on Form 20-F.

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Financial and Non-Financial Key Facts (IFRS and Non-IFRS)

€ millions, unless otherwise stated	Q1 2023	Q2 2023	Q3 2023	Q4 2023	TY 2023	Q1 2024	Q2 2024
Revenues							
Cloud	3,178	3,316	3,472	3,699	13,664	3,928	4,153
% change – yoy	24	19	16	20	20	24	25
% change constant currency – yoy	22	22	23	25	23	25	25
Cloud ERP Suite	2,422	2,562	2,711	2,931	10,626	3,167	3,414
% change – yoy	35	30	26	28	29	31	33
% change constant currency – yoy	33	33	34	33	33	32	33
Software licenses	276	316	335	838	1,764	203	229
% change – yoy	-13	-26	-17	-8	-14	-26	-28
% change constant currency – yoy	-13	-24	-14	-6	-12	-25	-27
Software support	2,905	2,873	2,872	2,846	11,496	2,829	2,792
% change – yoy	-1	-3	-5	-5	-3	-3	-3
% change constant currency – yoy	-1	-1	-1	-1	-1	-1	-3
Software licenses and support	3,180	3,189	3,208	3,683	13,261	3,031	3,021
% change – yoy	-2	-6	-6	-6	-5	-5	-5
% change constant currency – yoy	-2	-4	-2	-2	-3	-4	-5
Cloud and software	6,358	6,505	6,679	7,382	26,924	6,960	7,175
% change – yoy	10	5	4	6	6	9	10
% change constant currency – yoy	8	8	9	10	9	11	10
Total revenue	7,441	7,554	7,744	8,468	31,207	8,041	8,288
% change – yoy	10	5	4	5	6	8	10
% change constant currency – yoy	9	8	9	9	9	9	10
Share of more predictable revenue (in %)	82	82	82	77	81	84	84
Profits							
Operating profit (loss) (IFRS)	803	1,371	1,723	1,902	5,799	-787	1,222
Operating profit (loss) (non-IFRS)	1,321	1,457	1,767	1,969	6,514	1,533	1,940
% change	-15	14	7	1	1	16	33
% change constant currency	-15	19	13	5	5	19	35
Profit (loss) after tax (IFRS)	403	724	1,272	1,201	3,600	-824	918
Profit (loss) after tax (non-IFRS)	868	799	1,352	1,302	4,321	944	1,278
% change	-20	-9	13	-10	-6	9	60
Margins							
Cloud gross margin (IFRS, in %)	70.5	71.1	72.7	71.9	71.6	72.2	73.0
Cloud gross margin (non-IFRS, in %)	70.8	71.4	73.0	72.2	71.9	72.5	73.3
Software license and support gross margin (IFRS, in %)	88.6	89.8	90.0	89.8	89.6	89.2	89.7
Software license and support gross margin (non-IFRS, in %)	88.9	90.2	90.1	89.8	89.8	89.2	89.7
Cloud and software gross margin (IFRS, in %)	79.5	80.3	81.0	80.8	80.4	79.6	80.0
Cloud and software gross margin (non-IFRS, in %)	79.9	80.6	81.2	81.0	80.7	79.8	80.2
Gross margin (IFRS, in %)	71.0	71.6	72.8	73.3	72.2	71.7	72.6
Gross margin (non-IFRS, in %)	71.3	71.9	73.0	73.4	72.4	71.8	72.7
Operating margin (IFRS, in %)	10.8	18.2	22.2	22.5	18.6	-9.8	14.7

€ millions, unless otherwise stated	Q1 2023	Q2 2023	Q3 2023	Q4 2023	TY 2023	Q1 2024	Q2 2024
Operating margin (non-IFRS, in %)	17.8	19.3	22.8	23.3	20.9	19.1	23.4
Key Profit Ratios							
Effective tax rate (IFRS, in %)	40.5	33.8	27.8	33.6	32.6	16.0	33.8
Effective tax rate (non-IFRS, in %)	29.1	33.0	27.1	32.5	30.3	32.4	33.6
Earnings per share, basic (IFRS, in €) from continuing operations	0.35	0.62	1.09	1.05	3.11	-0.71	0.76
Earnings per share, basic (non-IFRS, in €) from continuing operations	0.75	0.69	1.16	1.12	3.72	0.81	1.10
Earnings per share, basic (IFRS, in €) ¹	0.41	2.70	1.09	1.05	5.26	-0.71	0.76
Earnings per share, basic (non-IFRS, in €) ¹	0.83	2.40	1.16	1.12	5.51	0.81	1.10
Order Entry and current cloud backlog							
Current cloud backlog	11,148	11,537	12,269	13,745	13,745	14,179	14,808
% change – yoy	25	21	19	25	25	27	28
% change constant currency – yoy	25	25	25	27	27	28	28
Share of cloud orders greater than €5 million based on total cloud order entry volume (in %)	45	46	49	62	55	52	52
Share of cloud orders smaller than €1 million based on total cloud order entry volume (in %)	26	25	21	14	19	21	20
Liquidity and Cash Flow							
Net cash flows from operating activities	2,311	848	1,124	1,926	6,210	2,757	1,540
Purchase of intangible assets and property, plant, and equipment	-257	-156	-182	-190	-785	-187	-178
Payments of lease liabilities	-99	-89	-78	-66	-332	-78	-70
Free cash flow	1,955	604	865	1,670	5,093	2,492	1,291
% of total revenue	26	8	11	20	16	31	16
% of profit after tax (IFRS)	485	83	68	139	141	N/A	141
Cash and cash equivalents	8,766	14,142	9,378	8,124	8,124	9,295	7,870
Group liquidity	9,700	14,326	12,122	11,275	11,275	13,411	11,449
Financial debt (-)	-10,751	-10,146	-8,445	-7,755	-7,755	-7,770	-7,776
Net liquidity (+) / Net debt(-)	-1,050	4,180	3,677	3,521	3,521	5,641	3,674
Non-Financials							
Number of employees (quarter end) ²	105,132	105,328	106,495	107,602	107,602	108,133	105,315
Employee retention (in %, rolling 12 months)	93.8	95.1	96.0	96.4	96.4	96.6	96.6
Women in management (in %, quarter end)	29.4	29.5	29.5	29.7	29.7	29.8	29.9
Women in executive roles (in %, quarter end)	21.8	21.9	22.1	22.2	22.2	21.7	21.9
Gross greenhouse gas emissions (scope 1, 2, 3 / market-based) ³ (in million tons CO ₂ equivalents)					6.9	1.8	1.8

¹ From continuing and discontinued operations.

² In full-time equivalents.

³ Our gross greenhouse gas emissions (GHG) – which cover scope 1, scope 2, and scope 3 (market based) – include the total lifecycle emissions resulting from the use of our on-premise software. A projection over the next 12 months amounts to 5.9 million tons CO₂e. The calculation of use of sold products emissions is based on the number of active maintenance contracts at quarter end. Therefore, the emissions for individual quarters will not add up to the total sum of GHG emissions at year end.

Primary Financial Statements of SAP Group (IFRS)

(A) Consolidated Income Statements

(A.1) Consolidated Income Statements – Quarter

€ millions, unless otherwise stated	Q2 2024	Q2 2023	Δ in %
Cloud	4,153	3,316	25
Software licenses	229	316	-28
Software support	2,792	2,873	-3
Software licenses and support	3,021	3,189	-5
Cloud and software	7,175	6,505	10
Services	1,114	1,050	6
Total revenue	8,288	7,554	10
Cost of cloud	-1,123	-959	17
Cost of software licenses and support	-311	-324	-4
Cost of cloud and software	-1,434	-1,282	12
Cost of services	-837	-863	-3
Total cost of revenue	-2,272	-2,145	6
Gross profit	6,017	5,409	11
Research and development	-1,605	-1,565	3
Sales and marketing	-2,217	-2,165	2
General and administration	-336	-322	4
Restructuring	-631	3	N/A
Other operating income/expense, net	-5	11	N/A
Total operating expenses	-7,067	-6,183	14
Operating profit (loss)	1,222	1,371	-11
Other non-operating income/expense, net	-5	-102	-95
Finance income	412	187	>100
Finance costs	-242	-363	-33
Financial income, net	170	-175	N/A
Profit (loss) before tax from continuing operations	1,387	1,093	27
Income tax expense	-469	-369	27
Profit (loss) after tax from continuing operations	918	724	27
Attributable to owners of parent	888	728	22
Attributable to non-controlling interests	30	-4	N/A
Profit (loss) after tax from discontinued operations	0	2,257	N/A
Profit (loss) after tax²	918	2,982	-69
Attributable to owners of parent ²	888	3,161	-72
Attributable to non-controlling interests ²	30	-179	N/A
Earnings per share, basic (in €)¹ from continuing operations	0.76	0.62	22
Earnings per share, basic (in €)^{1, 2}	0.76	2.70	-72
Earnings per share, diluted (in €)¹ from continuing operations	0.75	0.62	22
Earnings per share, diluted (in €)^{1, 2}	0.75	2.68	-72

¹ For the three months ended June 30, 2024 and 2023, the weighted average number of shares was 1,166 million (diluted 1,178 million) and 1,169 million (diluted: 1,180 million), respectively (treasury stock excluded).

² From continuing and discontinued operations

(A.2) Consolidated Income Statements – Year-to-Date

€ millions, unless otherwise stated	Q1–Q2 2024	Q1–Q2 2023	Δ in %
Cloud	8,082	6,493	24
Software licenses	432	591	-27
Software support	5,621	5,778	-3
Software licenses and support	6,053	6,369	-5
Cloud and software	14,134	12,863	10
Services	2,195	2,132	3
Total revenue	16,329	14,995	9
Cost of cloud	-2,214	-1,897	17
Cost of software licenses and support	-637	-687	-7
Cost of cloud and software	-2,851	-2,584	10
Cost of services	-1,699	-1,718	-1
Total cost of revenue	-4,550	-4,301	6
Gross profit	11,778	10,693	10
Research and development	-3,270	-3,138	4
Sales and marketing	-4,496	-4,457	1
General and administration	-696	-670	4
Restructuring	-2,873	-257	>100
Other operating income/expense, net	-9	3	N/A
Total operating expenses	-15,894	-12,820	24
Operating profit (loss)	434	2,174	-80
Other non-operating income/expense, net	-153	-116	32
Finance income	611	369	65
Finance costs	-486	-656	-26
Financial income, net	125	-287	N/A
Profit (loss) before tax from continuing operations	407	1,771	-77
Income tax expense	-313	-643	-51
Profit (loss) after tax from continuing operations	94	1,128	-92
Attributable to owners of parent	60	1,135	-95
Attributable to non-controlling interests	34	-7	N/A
Profit (loss) after tax from discontinued operations	0	2,363	N/A
Profit (loss) after tax²	94	3,491	-97
Attributable to owners of parent ²	60	3,640	-98
Attributable to non-controlling interests ²	34	-149	N/A
Earnings per share, basic (in €)¹ from continuing operations	0.05	0.97	-95
Earnings per share, basic (in €)^{1, 2}	0.05	3.12	-98
Earnings per share, diluted (in €)¹ from continuing operations	0.05	0.97	-95
Earnings per share, diluted (in €)^{1, 2}	0.05	3.09	-98

¹ For the six months ended June 30, 2024 and 2023, the weighted average number of shares was 1,167 million (diluted: 1,178 million) and 1,168 million (diluted: 1,176 million), respectively (treasury stock excluded).

² From continuing and discontinued operations

(B) Consolidated Statements of Financial Position

as at 06/30/2024 and 12/31/2023

€ millions	2024	2023
Cash and cash equivalents	7,870	8,124
Other financial assets	3,808	3,344
Trade and other receivables	6,148	6,322
Other non-financial assets	2,531	2,374
Tax assets	539	407
Total current assets	20,896	20,571
Goodwill	29,777	29,088
Intangible assets	2,365	2,505
Property, plant, and equipment	4,255	4,276
Other financial assets	6,109	5,543
Trade and other receivables	121	203
Other non-financial assets	3,515	3,573
Tax assets	346	382
Deferred tax assets	2,993	2,193
Total non-current assets	49,482	47,763
Total assets	70,378	68,335
€ millions	2024	2023
Trade and other payables	1,875	1,783
Tax liabilities	439	266
Financial liabilities	2,271	1,735
Other non-financial liabilities	4,002	5,648
Provisions	2,341	235
Contract liabilities	7,734	4,975
Total current liabilities	18,662	14,642
Trade and other payables	20	39
Tax liabilities	818	877
Financial liabilities	7,321	7,941
Other non-financial liabilities	850	698
Provisions	444	433
Deferred tax liabilities	267	265
Contract liabilities	55	33
Total non-current liabilities	9,774	10,286
Total liabilities	28,436	24,928
Issued capital	1,229	1,229
Share premium	2,263	1,845
Retained earnings	39,953	42,457
Other components of equity	3,519	2,368
Treasury shares	-5,311	-4,741
Equity attributable to owners of parent	41,652	43,157
Non-controlling interests	289	249
Total equity	41,942	43,406
Total equity and liabilities	70,378	68,335

(C) Consolidated Statements of Cash Flows

	Q1–Q2 2024	Q1–Q2 2023
Profit (loss) after tax	94	3,890
Adjustments to reconcile profit (loss) after tax to net cash flows from operating activities:		
(Profit) loss after tax from discontinued operations	0	-2,763
Depreciation and amortization	626	714
Share-based payment expense	1,280	1,167
Income tax expense	313	643
Financial income, net	-125	287
Decrease/increase in allowances on trade receivables	-23	5
Other adjustments for non-cash items	110	76
Increase/decrease in trade and other receivables	372	396
Decrease/increase in other assets	-17	-600
Increase/decrease in trade payables, provisions, and other liabilities	876	-896
Increase/decrease in contract liabilities	2,718	2,109
Share-based payments	-778	-697
Interest paid	-378	-244
Interest received	287	197
Income taxes paid, net of refunds	-1,057	-1,127
Net cash flows from operating activities – continuing operations	4,297	3,160
Net cash flows from operating activities – discontinued operations	0	80
Net cash flows from operating activities	4,297	3,240
Business combinations, net of cash and cash equivalents acquired	-19	0
Cash flows from derivative financial instruments related to the sale of subsidiaries or businesses	0	-91
Purchase of intangible assets and property, plant, and equipment	-365	-413
Proceeds from sales of intangible assets and property, plant, and equipment	55	43
Purchase of equity or debt instruments of other entities	-7,987	-220
Proceeds from sales of equity or debt instruments of other entities	7,370	722
Net cash flows from investing activities – continuing operations	-947	41
Net cash flows from investing activities – discontinued operations	0	6,323
Net cash flows from investing activities	-947	6,364
Dividends paid	-2,565	-2,395
Dividends paid on non-controlling interests	-6	-18
Purchase of treasury shares	-975	0
Proceeds from borrowings	1	0
Repayments of borrowings	-14	-1,724
Payments of lease liabilities	-148	-188
Transactions with non-controlling interests	0	43
Net cash flows from financing activities – continuing operations	-3,708	-4,283
Net cash flows from financing activities – discontinued operations	0	24
Net cash flows from financing activities	-3,708	-4,259
Effect of foreign currency rates on cash and cash equivalents	104	-212
Net decrease/increase in cash and cash equivalents	-254	5,134
Cash and cash equivalents at the beginning of the period	8,124	9,008
Cash and cash equivalents at the end of the period	7,870	14,142

Non-IFRS Numbers

(D) Basis of Non-IFRS Presentation

SAP disclose certain financial measures such as expense (non-IFRS) and profit measures (non-IFRS) that are not prepared in accordance with IFRS and are therefore considered non-IFRS financial measures.

For a more detailed description of all of SAP's non-IFRS measures and their limitations as well as SAP's constant currency and free cash flow figures, see [Explanation of Non-IFRS Measures](#).

(E) Reconciliation from Non-IFRS Numbers to IFRS Numbers

(E.1) Reconciliation of Non-IFRS Revenue – Quarter

€ millions, unless otherwise stated	IFRS	Currency Impact	Q2 2024		Q2 2023		Δ in %
			Non-IFRS Constant Currency	IFRS	IFRS	Non-IFRS Constant Currency	
Revenue Numbers							
Cloud	4,153	-1	4,153	3,316	25	25	
Software licenses	229	1	230	316	-28	-27	
Software support	2,792	7	2,799	2,873	-3	-3	
Software licenses and support	3,021	8	3,029	3,189	-5	-5	
Cloud and software	7,175	7	7,182	6,505	10	10	
Services	1,114	-2	1,111	1,050	6	6	
Total revenue	8,288	5	8,293	7,554	10	10	

(E.2) Reconciliation of Non-IFRS Operating Expenses – Quarter

€ millions, unless otherwise stated	Q2 2024				Q2 2023				Δ in %
	IFRS	Adj.	Non-IFRS	Currency Impact	IFRS	Adj.	Non-IFRS	IFRS	Non-IFRS
Operating Expense Numbers									
Cost of cloud	-1,123	13	-1,110		-959	11	-947	17	17
Cost of software licenses and support	-311	0	-311		-324	11	-313	-4	-1
Cost of cloud and software	-1,434	13	-1,422		-1,282	22	-1,260	12	13
Cost of services	-837	0	-837		-863	0	-862	-3	-3
Total cost of revenue	-2,272	13	-2,259		-2,145	22	-2,122	6	6
Gross profit	6,017	13	6,029	16	6,046	22	5,432	11	11
Research and development	-1,605	1	-1,604		-1,565	2	-1,562	3	3
Sales and marketing	-2,217	65	-2,153		-2,165	64	-2,102	2	2
General and administration	-336	8	-328		-322	0	-321	4	2
Restructuring	-631	631	0		3	-3	0	N/A	N/A
Other operating income/expense, net	-5	0	-5		11	0	11	N/A	N/A
Total operating expenses	-7,067	718	-6,348	18	-6,331	-6,183	86	-6,097	14
									4

(E.3) Reconciliation of Non-IFRS Profit Figures, Income Tax, and Key Ratios – Quarter

€ millions, unless otherwise stated	Q2 2024				Q2 2023				Δ in %	
	IFRS	Adj.	Non-IFRS	Currency Impact	IFRS	Adj.	Non-IFRS	IFRS	Non-IFRS	
Profit Numbers										
Operating profit (loss)	1,222	718	1,940	23	1,963	1,371	86	1,457	-11	33
Other non-operating income/expense, net	-5	0	-5		-102	0	-102	-95	-95	
Finance income	412	-250	162		187	-81	106	>100	52	
Finance costs	-242	70	-171		-363	93	-270	-33	-36	
Financial income, net	170	-179	-9		-175	12	-163	N/A	-94	
Profit (loss) before tax from continuing operations	1,387	539	1,926		1,093	98	1,192	27	62	
Income tax expense	-469	-178	-647		-369	-24	-393	27	65	
Profit (loss) after tax from continuing operations	918	361	1,278		724	75	799	27	60	
Attributable to owners of parent	888	395	1,283		728	80	808	22	59	
Attributable to non-controlling interests	30	-34	-4		-4	-5	-9	N/A	-55	
Profit (loss) after tax¹	918	361	1,278		2,982	-545	2,437	-69	-48	
Attributable to owners of parent ¹	888	395	1,283		3,161	-354	2,807	-72	-54	
Attributable to non-controlling interests ¹	30	-34	-4		-179	-191	-370	N/A	-99	
Key Ratios										
Operating margin (in %)	14.7		23.4		23.7	18.2		19.3	-3.4pp	4.1pp
Effective tax rate (in %)²	33.8		33.6		33.8		33.0	0.1pp	0.7pp	
Earnings per share, basic (in €) from continuing operations	0.76		1.10		0.62		0.69	22	59	
Earnings per share, basic (in €)¹	0.76		1.10		2.70		2.40	-72	-54	

¹ From continuing and discontinued operations

² The difference between our effective tax rate (IFRS) and effective tax rate (non-IFRS) in Q2 2024 mainly resulted from tax effects of restructuring expenses. The difference between our effective tax rate (IFRS) and effective tax rate (non-IFRS) in Q2 2023 mainly resulted from tax effects of acquisition-related charges.

(E.4) Reconciliation of Non-IFRS Revenue – Year-to-Date

€ millions, unless otherwise stated	Q1–Q2 2024			Q1–Q2 2023			Δ in %
	IFRS	Currency Impact	Non-IFRS Constant Currency	IFRS	IFRS	Non-IFRS Constant Currency	
Revenue Numbers							
Cloud	8,082	49	8,131	6,493	24	25	
Software licenses	432	5	436	591	-27	-26	
Software support	5,621	40	5,661	5,778	-3	-2	
Software licenses and support	6,053	44	6,097	6,369	-5	-4	
Cloud and software	14,134	93	14,228	12,863	10	11	
Services	2,195	8	2,202	2,132	3	3	
Total revenue	16,329	101	16,430	14,995	9	10	

(E.5) Reconciliation of Non-IFRS Operating Expenses – Year-to-Date

€ millions, unless otherwise stated	Q1–Q2 2024				Q1–Q2 2023				Δ in %		
	IFRS	Adj.	Non-IFRS	Currency Impact	Non-IFRS Constant Currency	IFRS	Adj.	Non-IFRS	Non-IFRS Constant Currency		
Operating Expense Numbers											
Cost of cloud	-2,214	25	-2,190		-1,897	21	-1,876	17	17		
Cost of software licenses and support	-637	0	-637		-687	22	-665	-7	-4		
Cost of cloud and software	-2,851	25	-2,827		-2,584	43	-2,541	10	11		
Cost of services	-1,699	0	-1,699		-1,718	0	-1,717	-1	-1		
Total cost of revenue	-4,550	25	-4,526		-4,301	44	-4,258	6	6		
Gross profit	11,778	25	11,803	97	11,900	10,693	44	10,737	10	10	11
Research and development	-3,270	3	-3,267		-3,138	4	-3,134	4	4		
Sales and marketing	-4,496	129	-4,366		-4,457	299	-4,158	1	5		
General and administration	-696	9	-687		-670	1	-669	4	3		
Restructuring	-2,873	2,873	0		-257	257	0	>100	N/A		
Other operating income/expense, net	-9	0	-9		3	0	3	N/A	N/A		
Total operating expenses	-15,894	3,039	-12,855	-34	-12,890	-12,820	604	-12,216	24	5	6

(E.6) Reconciliation of Non-IFRS Profit Figures, Income Tax, and Key Ratios – Year-to-Date

€ millions, unless otherwise stated	Q1–Q2 2024					Q1–Q2 2023					Δ in %
	IFRS	Adj.	Non-IFRS	Currency Impact	Non-IFRS Constant Currency	IFRS	Adj.	Non-IFRS	IFRS	Non-IFRS	
Profit Numbers											
Operating profit (loss)	434	3,039	3,473	67	3,540	2,174	604	2,779	-80	25	27
Other non-operating income/expense, net	-153	0	-153			-116	0	-116	32	32	
Finance income	611	-282	328			369	-185	184	65	79	
Finance costs	-486	159	-327			-656	226	-430	-26	-24	
Financial income, net	125	-123	2			-287	41	-247	N/A	N/A	
Profit (loss) before tax from continuing operations	407	2,916	3,322			1,771	645	2,416	-77	37	
Income tax expense	-313	-787	-1,100			-643	-106	-749	-51	47	
Profit (loss) after tax from continuing operations	94	2,129	2,223			1,128	539	1,667	-92	33	
Attributable to owners of parent	60	2,163	2,222			1,135	543	1,678	-95	32	
Attributable to non-controlling interests	34	-34	0			-7	-4	-11	N/A	N/A	
Profit (loss) after tax¹	94	2,129	2,223			3,491	-43	3,448	-97	-36	
Attributable to owners of parent ¹	60	2,163	2,222			3,640	136	3,776	-98	-41	
Attributable to non-controlling interests ¹	34	-34	0			-149	-179	-327	N/A	N/A	
Key Ratios											
Operating margin (in %)	2.7		21.3		21.5	14.5		18.5	-11.8pp	2.7pp	3.0pp
Effective tax rate (in %)²	76.9		33.1			36.3		31.0	40.6pp	2.1pp	
Earnings per share, basic (in €) from continuing operations	0.05		1.91			0.97		1.44	-95	33	
Earnings per share, basic (in €)¹	0.05		1.91			3.12		3.23	-98	-41	

¹ From continuing and discontinued operations

² The difference between our effective tax rate (IFRS) and effective tax rate (non-IFRS) in the first half of 2024 and 2023 mainly resulted from restructuring expenses.

(E.7) Reconciliation of Free Cash Flow

€ millions, unless otherwise stated	Q1-Q2 2024	Q1-Q2 2023
Net cash flows from operating activities – continuing operations	4,297	3,160
Purchase of intangible assets and property, plant, and equipment	–365	–413
Payments of lease liabilities	–148	–188
Free cash flow	3,784	2,559
 Net cash flows from investing activities – continuing operations	 –947	 41
Net cash flows from financing activities – continuing operations	–3,708	–4,283
		20/27

(F) Non-IFRS Adjustments – Actuals and Estimates

€ millions, unless otherwise stated	Estimated Amounts for Full Year 2024	Q2 2024	Q1–Q2 2024	Q2 2023	Q1–Q2 2023
Profit (loss) before tax from continuing operations (IFRS)		1,387	407	1,093	1,771
Adjustment for acquisition-related charges	280–360	87	166	89	177
Adjustment for restructuring	approximately €3 B	631	2,873	–3	257
Adjustment for regulatory compliance matter expenses	0	0	0	0	170
Adjustment for gains and losses from equity securities, net	N/A ¹	–179	–123	12	41
Profit (loss) before tax from continuing operations (non-IFRS)		1,926	3,322	1,192	2,416

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.

(G) Non-IFRS Operating Expense Adjustments by Functional Areas

€ millions	Q2 2024					Q2 2023				
	IFRS	Acquisition- Related	Restruc- turing	RCM ¹	Non-IFRS	IFRS	Acquisition- Related	Restruc- turing	RCM ¹	Non-IFRS
Cost of cloud	–1,123	13	0	0	–1,110	–959	11	0	0	–947
Cost of software licenses and support	–311	0	0	0	–311	–324	11	0	0	–313
Cost of services	–837	0	0	0	–837	–863	0	0	0	–862
Research and development	–1,605	1	0	0	–1,604	–1,565	2	0	0	–1,562
Sales and marketing	–2,217	65	0	0	–2,153	–2,165	64	0	0	–2,102
General and administration	–336	8	0	0	–328	–322	0	0	0	–321
Restructuring	–631	0	631	0	0	3	0	–3	0	0
Other operating income/expense, net	–5	0	0	0	–5	11	0	0	0	11
Total operating expenses	–7,067	87	631	0	–6,348	–6,183	89	–3	0	–6,097

¹ Regulatory Compliance Matters

€ millions	Q1–Q2 2024					Q1–Q2 2023				
	IFRS	Acquisition- Related	Restruc- turing	RCM ¹	Non-IFRS	IFRS	Acquisition- Related	Restruc- turing	RCM ¹	Non-IFRS
Cost of cloud	–2,214	25	0	0	–2,190	–1,897	21	0	0	–1,876
Cost of software licenses and support	–637	0	0	0	–637	–687	22	0	0	–665
Cost of services	–1,699	0	0	0	–1,699	–1,718	0	0	0	–1,717
Research and development	–3,270	3	0	0	–3,267	–3,138	4	0	0	–3,134
Sales and marketing	–4,496	129	0	0	–4,366	–4,457	129	0	170	–4,158
General and administration	–696	9	0	0	–687	–670	1	0	0	–669
Restructuring	–2,873	0	2,873	0	0	–257	0	257	0	0
Other operating income/expense, net	–9	0	0	0	–9	3	0	0	0	3
Total operating expenses	–15,894	166	2,873	0	–12,855	–12,820	177	257	170	–12,216

¹ Regulatory Compliance Matters

If not presented in a separate line item in our income statement, the restructuring expenses would break down as follows:

€ millions	Q2 2024	Q1–Q2 2024	Q2 2023	Q1–Q2 2023
Cost of cloud	–28	–95	–1	–6
Cost of software licenses and support	–24	–80	0	–11
Cost of services	–107	–533	1	–34
Research and development	–144	–1,100	–3	–40
Sales and marketing	–284	–906	9	–150
General and administration	–43	–160	–3	–16
Restructuring expenses	–631	–2,873	3	–257

Disaggregations

(H) Segment Reporting

(H.1) Segment Policies and Segment Changes

In the first quarter of 2024, the non-reportable Business Network segment was dissolved and integrated into the Applications, Technology & Services segment.

Driven by SAP's continuous transformation into a holistically steered cloud company by a cohesive product portfolio and commercialization of product bundles (such as RISE with SAP and GROW with SAP) as well as resulting changes in Executive Board responsibility in the second quarter of 2024 it was concluded that SAP's Chief Operating Decision Maker (CODM) steers SAP on a consolidated basis. Consequently, with effect from the second quarter of 2024, SAP has a single operating segment.

For more information about SAP's operating performance, see the [Reconciliation from Non-IFRS Numbers to IFRS Numbers](#) section.

For a more detailed description of SAP's segment reporting, see [Note \(C.1\) "Results of Segments"](#) of our Consolidated Half-Year Financial Statements 2024.

(I) Revenue by Region (IFRS and Non-IFRS)

(I.1) Revenue by Region (IFRS and Non-IFRS) – Quarter

€ millions	Actual currency	Currency Impact	Q2 2024		Q2 2023		Δ in %
			Constant Currency	Actual currency	Actual currency	Constant Currency	
Cloud Revenue by Region							
EMEA	1,673	-9	1,664	1,267	32	31	
Americas	1,914	-14	1,901	1,622	18	17	
APJ	566	22	588	427	33	38	
Cloud revenue	4,153	-1	4,153	3,316	25	25	
Cloud and Software Revenue by Region							
EMEA	3,215	-13	3,202	2,878	12	11	
Americas	2,912	-21	2,891	2,646	10	9	
APJ	1,047	42	1,090	980	7	11	
Cloud and software revenue	7,175	7	7,182	6,505	10	10	
Total Revenue by Region							
Germany	1,283	0	1,282	1,146	12	12	
Rest of EMEA	2,444	-16	2,428	2,200	11	10	
Total EMEA	3,727	-16	3,711	3,346	11	11	
United States	2,701	-30	2,672	2,477	9	8	
Rest of Americas	690	3	693	628	10	10	
Total Americas	3,392	-27	3,365	3,105	9	8	
Japan	337	37	374	313	7	19	
Rest of APJ	833	11	844	790	5	7	
Total APJ	1,170	48	1,217	1,103	6	10	
Total revenue	8,288	5	8,293	7,554	10	10	

(I.2) Revenue by Region (IFRS and Non-IFRS) – Year-to-Date

€ millions	Actual Currency	Currency Impact	Q1–Q2 2024		Q1–Q2 2023		Δ in %
			Constant Currency	Actual Currency	Constant Currency	Actual Currency	
Cloud Revenue by Region							
EMEA	3,230	-12	3,219	2,458	31	31	
Americas	3,761	5	3,766	3,194	18	18	
APJ	1,090	56	1,146	841	30	36	
Cloud revenue	8,082	49	8,131	6,493	24	25	
Cloud and Software Revenue by Region							
EMEA	6,325	-18	6,306	5,660	12	11	
Americas	5,776	5	5,781	5,283	9	9	
APJ	2,034	107	2,140	1,919	6	12	
Cloud and software revenue	14,134	93	14,228	12,863	10	11	
Total Revenue by Region							
Germany	2,520	0	2,520	2,283	10	10	
Rest of EMEA	4,804	-23	4,781	4,338	11	10	
Total EMEA	7,323	-23	7,301	6,621	11	10	
United States	5,369	1	5,370	4,974	8	8	
Rest of Americas	1,359	3	1,362	1,233	10	10	
Total Americas	6,728	4	6,732	6,207	8	8	
Japan	662	78	740	616	7	20	
Rest of APJ	1,615	42	1,658	1,550	4	7	
Total APJ	2,277	120	2,397	2,166	5	11	
Total revenue	16,329	101	16,430	14,995	9	10	

(J) Employees by Region and Functional Areas

Full-time equivalents	06/30/2024				06/30/2023			
	EMEA	Americas	APJ	Total	EMEA	Americas	APJ	Total
Cloud and software	4,434	4,148	4,448	13,029	4,010	4,083	4,000	12,093
Services	8,292	4,618	5,410	18,320	7,993	5,000	5,476	18,469
Research and development	18,073	5,441	12,331	35,844	17,910	5,872	12,318	36,100
Sales and marketing	12,053	9,438	5,112	26,603	11,778	10,121	5,303	27,202
General and administration	3,640	1,723	1,291	6,653	3,475	1,765	1,281	6,521
Infrastructure	2,845	1,129	890	4,865	2,800	1,284	859	4,943
SAP Group (06/30)	49,337	26,496	29,482	105,315	47,966	28,125	29,237	105,328
Thereof acquisitions ¹	0	0	0	0	0	0	0	0
SAP Group (six months' end average)	49,414	27,689	29,745	106,848	47,917	28,127	29,337	105,380

¹ Acquisitions closed between January 1 and June 30 of the respective year.

Other Disclosures

(K) Share-Based Payment

SAP's share-based payment expenses included in our non-IFRS operating expenses break down as follows:

€ millions	Q2 2024	Q1–Q2 2024	Q2 2023	Q1–Q2 2023
Cost of cloud	–34	–73	–27	–47
Cost of software licenses and support	–11	–22	–11	–20
Cost of services	–89	–192	–107	–198
Research and development	–191	–403	–202	–371
Sales and marketing	–218	–476	–232	–435
General and administration	–48	–114	–36	–96
Share-based payment expenses	–592	–1,280	–614	–1,167

Additionally in the second quarter of 2024, SAP recognized €107 million (Q2/2023: €0 million), and in the first half of 2024 €189 million (HY1/2023: €0 million), of accelerated share-based payment expenses triggered by the transformation program. These share-based payment expenses are classified as restructuring expenses in SAP's consolidated income statements.

Associated share-based payments are classified as a decrease in provisions and other liabilities in SAP's consolidated statements of cash flows. The payment amount in the first half of 2024 was immaterial.



SAP Half-Year Report 2024

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Introductory Notes

This Half-Year Group Report meets the requirements of German Accounting Standard No. 16 "Half-yearly Financial Reporting" (GAS 16). We prepared the financial data in the Half-Year Report section for SAP SE and its subsidiaries in accordance with International Financial Reporting Standards (IFRS). In doing so, we observed the IFRS both as issued by the International Accounting Standards Board (IASB) and as endorsed by the European Union (EU). This does not apply to numbers expressly identified as non-IFRS. For additional IFRS and non-IFRS information, see the [Supplementary Financial Information](#) section.

This Half-Year Group Report complies with the legal requirements in accordance with the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG) for a half-year financial report, and comprises the consolidated Half-Year Management Report, condensed consolidated Half-Year Financial Statements, and the responsibility statement in accordance with the German Securities Trading Act, section 115 (2).

This Half-Year Group Report updates our consolidated Financial Statements 2023, presents significant events and transactions of the first half of 2024, and updates the forward-looking information as well as significant non-financial key figures contained in our Management Report 2023. This Half-Year Financial Report only includes half-year numbers. Our quarterly numbers are available in the Quarterly Statements for the first and second quarter 2024. Both the 2023 Consolidated Financial Statements and the 2023 Management Report are part of our Integrated Report 2023, which is available at www.sapintegratedreport.com.

All of the information in this Half-Year Group Report is unaudited. This means that the information has been subject neither to any audit nor to any review by an independent auditor.

Unless otherwise stated, all figures in this Half-Year Report are based on SAP Group results from continuing operations.

Consolidated Half-Year Management Report

Strategy and Business Model

SAP continues to execute on the strategy and business model as described in the [SAP Integrated Report 2023](#) to become the #1 enterprise application and business AI company.

Our Product Strategy

SAP's product portfolio allows enterprises to manage their resources, spend, employees, and customer relationships. For more information about SAP's product strategy and product portfolio, see the [Our Product Strategy](#) section in our Management Report 2023.

Substantial updates to SAP's product strategy and portfolio for the first half of 2024 are as follows:

SAP Business AI

SAP's goal is to deliver artificial intelligence (AI) solutions that are relevant, reliable, and responsible. More than 27,000 customers already use SAP Business AI. **SAP Business AI** solutions are embedded in systems that power critical business processes, with the context of industry-specific data and deep process knowledge, and they are built on ethical AI practices. With **Joule**, SAP's generative AI (GenAI) copilot, users can work with the system in natural language, transforming the user experience. Besides embedding AI scenarios in its solutions, SAP also provides access to frontier AI models through the generative AI hub capability in SAP AI Core on SAP Business Technology Platform (SAP BTP), allowing customers and partners to build their own AI use cases and extend embedded GenAI use cases while relying on deep business process integration and secure data access.

In March 2024, we announced a partnership with NVIDIA focused on accelerating GenAI adoption across enterprise applications powering global industries. Meanwhile, as announced at our SAP Sapphire event in 2024, the partnership has already created new capabilities for Joule. This includes AI-assisted coding of application extensions for SAP systems and expert consulting guidance for SAP system deployment. In May 2024, SAP and IBM announced an extension of their partnership focused on helping to deliver greater client productivity and innovation with new GenAI capabilities and industry-specific cloud solutions. In the same month, SAP and Amazon Web Services (AWS) announced an expanded partnership focused on unlocking innovation with GenAI and on helping SAP customers modernize key business processes built on SAP solutions by integrating models from Amazon Bedrock into the generative AI hub in SAP AI Core.

At our SAP Sapphire event in 2024, we also announced additional SAP Business AI innovations and collaborations with partners including Accenture, Boston Consulting Group, Google Cloud, Meta, McKinsey & Company, Microsoft, and Mistral AI. Examples of SAP's AI innovations include embedding Joule throughout our enterprise portfolio, integrating Joule with Microsoft Copilot, combining Joule with Google's Gemini AI assistant in integrated business planning, and new generative AI use cases across our solutions in ERP and finance, human resources, sourcing and procurement, supply chain management, customer experience, and IT and platform.

Cloud ERP

In January 2024, SAP announced the **RISE with SAP Migration and Modernization program**, a set of resources, services, and financial incentives to help customers move to the cloud and maintain the pace and level of innovation that cloud enables.

Joule, our natural-language, GenAI copilot built directly into **SAP S/4HANA Cloud Public Edition** in an SAP Early Adopter Care program, was released in February 2024. It aims to transform the way customers interact with the system and to improve business process efficiency and user experience.

At SAP Sapphire in 2024, we announced the next evolution in our **Rise with SAP** and **Grow with SAP** solutions and related add-on packages: **Rise with SAP** includes add-on packages targeted to finance and supply-chain buying centers; **Grow with SAP** premium subscription now includes SAP Sales Cloud capabilities and Concur Expense solutions at no additional charge. Additionally, tailored add-on packages for advanced finance and HR management are available for customers to easily expand their solutions as needed.

Human Capital Management

In May 2024, we released new AI capabilities throughout SAP SuccessFactors solutions, such as additional capabilities for learning, goals, compensation, and more.

Customer Experience

In the first half of 2024, our SAP Customer Experience organizational unit released the **SAP CX AI Toolkit**, a new set of business AI capabilities that can be used to generate relevant, personalized content that meets specific customer experience business needs.

SAP Business Technology Platform

At SAP Sapphire in 2024, SAP announced new tools for **SAP Build** solutions in the low-code and pro-code area and new features for the **ABAP Cloud** development model, enabling software developers to write ABAP code with GenAI, further driving its clean-core strategy. In addition, Joule powers the SAP Build Code development tools, enabling customers to create SAP Fiori front ends for their SAP S/4HANA Cloud systems faster using GenAI, thus simplifying SAP S/4HANA Cloud extensions.

Business Process Transformation

In May 2024, we launched the **SAP Signavio Process Transformation Manager** solution as an integrated toolkit to manage process transformation holistically, and the **value accelerator library for SAP Signavio solutions**, a one-stop library of self-installable value accelerators combining ready-to-use expertise gathered from successfully delivered projects.

At SAP Sapphire in 2024, we announced the beta availability of GenAI capabilities embedded into SAP Signavio solutions **Process & KPI Recommender** for pre-configured process models based on SAP best practices, and **Text-to-Process**, an AI-assisted process model creation.

Working Capital Management

In March 2024, Taulia announced a **partnership with Visa** to make embedded finance solutions accessible to businesses worldwide through **Taulia Virtual Cards**. This partnership is in addition to the already existing Mastercard partnership. Taulia Virtual Cards integrates with SAP ERP and other business applications for a seamless and streamlined payment experience for buyers and suppliers.

Sustainability Management

At SAP Sapphire in 2024, we introduced SAP's carbon calculator engine, available **within our SAP Sustainability Control Tower** and **SAP Sustainability Footprint Management** solutions, that helps customers get granular, accurate, and auditable emissions data covering all scopes of required reporting on emissions.

Services and Support

At SAP Sapphire in 2024, we announced a new **certification program for IT professionals** responsible for **SAP S/4HANA Cloud** implementations, which is now available on **SAP Learning Hub**.

Also at our SAP Sapphire event in 2024, we announced new editions of our **SAP Preferred Success** plan. These editions are designed to deliver expanded capabilities for specific groups of solutions and to provide a personalized partnership for the lifetime of a customer's cloud solution.

Our Investments in Innovation

Investment in R&D

SAP's strong commitment to research and development (R&D) is reflected in our expenditures. In the first half of 2024, our R&D (IFRS) expenses increased 4% to €3,270 million (first half of 2023: €3,138 million). Our IFRS R&D ratio, reflecting R&D expenses as a portion of total revenue, decreased one percentage point (pp) to 20% (first half of 2023: 21%) year over year. Similarly, our non-IFRS R&D ratio decreased 1pp to 20% (first half of 2023: 21%). At the end of the first half of 2024, our total full-time equivalent (FTE) headcount in development was 35,844 (first half of 2023: 36,100). Measured in FTEs, our R&D headcount remained unchanged at 34% of total headcount.

Total R&D expense includes not only our own personnel costs but also the external costs of work and services from the providers and cooperation partners we work with to deliver and enhance our products. We also incur external costs for the following:

- Translation, localization, and testing of products
- Certification of products in different markets
- Patent attorney services and fees
- Consulting related to our product strategy
- Professional development of our R&D workforce

Competitive Intangibles

The majority of (intangible) resources underlying our current and future success does not appear in the book value of equity in our Consolidated Financial Statements. This is apparent from a comparison of the market capitalization of SAP SE (based on all issued shares), which was €232.8 billion at the end of the first half of 2024 (2023: €171.4 billion), with the book value of our equity in the Consolidated Financial Statements, which was €41.9 billion (2023: €43.4 billion). Hence, the market capitalization of our equity is more than five times higher than the book value.

Acquisitions and Divestitures

On June 5, 2024, SAP announced its intent to acquire 100% of WalkMe Ltd. ("WalkMe"), a leader in digital adoption platforms (DAPs). The acquisition is subject to customary closing conditions, including the receipt of WalkMe shareholder approval and necessary regulatory clearances, and is expected to close in the third quarter of 2024. The envisioned combination complements SAP's Business Transformation Management portfolio of SAP Signavio and SAP LeanIX solutions to help customers on their transformation journeys. The Executive Board and Supervisory Board of SAP SE and the board of directors of WalkMe approved the transaction for US\$14.00 per share in an all-cash transaction, representing an equity value of approximately US\$1.5 billion. The offer price represents a 45% premium over WalkMe's closing share price on June 4, 2024.

Performance Management System

SAP uses various performance measures to manage our performance with regard to our primary financial objectives, which are growth and profitability, and our primary non-financial objectives, which are customer loyalty, employee engagement, Net Zero climate performance, and women in executive roles.

For a more detailed description of SAP's performance measures, the usefulness and limitations of our non-IFRS measures, and information about constant currency calculation, see [SAP Performance Measures](#) which is available on our Web site.

Change in Non-IFRS Expense Measures

In recent years, SAP has replaced many of its cash-settled share-based compensation plans with equity-settled plans. Having most of these plans as equity-settled reduces the impact of share price fluctuations and of other factors outside of our control. For these reasons, SAP has decided that, starting 2024, it will no longer exclude share-based payment expenses from its operating profit (non-IFRS).

Effective 2024, numbers that are identified as financial income, net (non IFRS) are adjusted by excluding gains and losses from equity securities, net. This includes realized and unrealized effects from the disposal of equity securities, ongoing mark-to-market adjustments on marketable equity investments, changes in fair value of non-marketable equity securities, and others.

Excluding gains and losses from equity securities, net, improves the period-over-period comparability, because there is less volatility caused by share price fluctuation, market developments, and other factors beyond our control.

Change in Non-Financial Measures

In 2023, SAP achieved carbon neutrality in its own operations. As part of our Net Zero by 2030 commitment, we discontinued the non-financial measure Net Carbon Emissions in 2024 and replaced it with Gross Greenhouse Gas Emissions. This new non-financial measure is used to measure greenhouse gas emissions along the value chain (scope 1, scope 2, and scope 3 emissions relevant for SAP's business model). We apply a market-based approach. Renewable energies, for example in the form of self-generated renewable electricity, investments in certified renewable energy certificates, long-term green electricity contracts (power purchase agreements), or renewable electricity purchased by our suppliers and customers can be counted toward the reduction of greenhouse gas emissions. We define, measure, and report our greenhouse gas emissions according to the Greenhouse Gas Protocol (in million tons of CO₂ equivalents).

Effective 2024, we introduced the Women in Executive Roles (WiER) KPI to measure the ratio of women to all genders in the three executive levels below the SAP Executive Board, namely the Global Executive Team, the Senior Executive Team, and the Executive Team, to promote gender equality in the workplace and gender balance across the organization. Our priority, with the help of this KPI, is to monitor how the Company is progressing on this commitment.

Financial Performance Review and Analysis

Economy and the Market

Global Economic Trends

In the first half of 2024, global economic activity improved gradually amid remaining headwinds, summarizes the European Central Bank (ECB) in its most recent Economic Bulletin.¹ The ECB places particular emphasis on the recovery of imports in emerging markets and major advanced economies.

Furthermore, the ECB highlights a positive surprise in the euro area at the start of the year: The euro area economy picked up in the first half of 2024, largely due to a broad-based improvement in the services sector and a positive contribution from net trade and domestic demand. Manufacturing showed slight signs of stabilization as well, though still affected by weak demand particularly in energy-intensive sectors. However, exports to some key trading partners such as central and eastern European countries weakened.

The United States showed robust economic activity at the beginning of 2024, although inflation persisted, growth in real disposable income slowed, and the savings rate fell further. However, domestic demand remained solid due to a strong labor market and imports picked up, thus contributing to a trade recovery.

As for China, the ECB finds that economic growth in the first quarters of 2024 turned out stronger than expected. Domestic demand remained weak, but high growth resumed in industrial production and investment improved steadily. This reflected rising public investment from fiscal stimulus carried over from a budget revision in late 2023.

The IT Market

"Organizations are now realizing the benefits of the cloud, particularly when it comes to new innovation and its ability to bring the innovation faster, without necessarily disrupting the technology core with customized software,"² says International Data Corporation (IDC), a U.S.-based market research firm. Furthermore, "innovation such as traditional AI, machine learning, and generative AI (GenAI) can quickly be embedded into the workflows, creating faster and more intelligent insights and decision points. When decisions are made faster, the organization can pivot quickly to answer the call of disruptions that might occur in the business."² These conclusions are part of the Worldwide Enterprise Applications Software Forecast 2024–2028 that the research company issued in May 2024.

IDC's 2024 SaaS Path Survey, analyzing data from 2,875 enterprise software respondents, finds that [...] "approximately 38.5% of organizations on average are using SaaS products and 42% on average are planning on investing in SaaS enterprise applications in the next three years. In addition, across the same grouping, 59.5% of organizations on average plan to renew with the same vendor, while 21% on average are planning to switch to a new vendor."³

According to IDC, there are clear signals of a change in user behavior when it comes to utilizing enterprise software. "Employees are engaging and interacting with software as a coworker, relying upon its information to navigate the business to the desired outcomes quickly. This change in technology and experience greatly improves the selection of intelligent technology providers that will enhance the market for years to come,"² said Mickey North Rizza, group vice president, Enterprise Software, IDC.

¹ European Central Bank, Economic Bulletin, Issue 4/2024, Publication Date: June 20, 2024

² Worldwide Enterprise Applications Software Forecast, 2024–2028: AI Everywhere World Brings Intelligence and Experience-Orchestrated Applications. May 2024, IDC #US51079424

³ IDC SaaS Path: Executive Summary, 2024 – Examining the SaaS Buyer's Journey, 22-May-2024, IDC #US51872624

Impact on SAP

SAP had a strong start into the first half of the year, demonstrating resilient momentum despite ongoing macroeconomic uncertainties. This is highlighted by continued growth in demand for SAP's solutions and progress with our strategic initiatives. Order entry, Current Cloud Backlog, and Cloud revenues showed persistent high growth rates.

During our SAP Sapphire event in May, SAP announced several partnerships and particularly an expansion of our engagement with NVIDIA, establishing a strong focus on accelerating generative AI across SAP's portfolio of cloud solutions and applications. With this, SAP's Business AI strategy is further evolving and is expected to play a key role in customer interactions. Furthermore, our strategic acquisition of WalkMe, a leader in digital adoption platforms, will complement the SAP Signavio and SAP LeanIX portfolios, aiming to improve adoption rates and reduce time to value for our customers.

Performance Against Our Outlook for 2024

In this section, all discussion of the contributions to target achievement is based either on IFRS or non-IFRS measures. Whether IFRS or non-IFRS measures are discussed is either explicitly stated in the header of the respective subsection, or the numbers are individually identified as either IFRS or non-IFRS measures.

We present, discuss, and explain the reconciliation of IFRS measures to non-IFRS measures in the [Supplementary Financial Information](#) section.

Outlook for 2024 (Non-IFRS)

For our outlook based on non-IFRS numbers, see the [Financial Targets and Prospects](#) section in this consolidated Half-Year Management Report.

Key Figures – SAP Group in the First Half of 2024 (IFRS and Non-IFRS)

€ millions, unless otherwise stated	IFRS			Non-IFRS		
	Q1–Q2 2024	Q1–Q2 2023	Δ in %	Q1–Q2 2024	Q1–Q2 2023	Δ in % (constant currency)
Current Cloud Backlog	NA	NA	NA	14,808	11,537	28
SaaS/PaaS	7,782	6,110	27	7,782	6,110	27
Thereof Cloud ERP Suite ¹	6,581	4,984	32	6,581	4,984	32
Thereof Extension Suite ²	1,202	1,126	7	1,202	1,126	7
IaaS ³	299	383	-22	299	383	-22
Cloud	8,082	6,493	24	8,082	6,493	24
Software licenses	432	591	-27	432	591	-27
Software support	5,621	5,778	-3	5,621	5,778	-3
Cloud and software	14,134	12,863	10	14,134	12,863	10
Total revenue	16,329	14,995	9	16,329	14,995	9
Operating expenses	-15,894	-12,820	24	-12,855	-12,216	5
Operating profit	434	2,174	-80	3,473	2,779	25
Operating margin (in %)	2.7	14.5	-11.8pp	21.3	18.5	2.7pp
Profit (loss) after tax from continuing operations	94	1,128	-92	2,223	1,667	33
Profit after tax ⁴	94	3,491	-97	2,223	3,448	-36
Effective tax rate (in %)	76.9	36.3	40.6pp	33.1	31.0	2.1pp
Earnings per share, basic (in €) from continuing operations	0.05	0.97	-95	1.91	1.44	33
Earnings per share, basic (in €) ⁴	0.05	3.12	-98	1.91	3.23	-41

¹ Cloud ERP Suite references the portfolio of strategic Software-as-a-Service (SaaS) and Platform-as-a-Service (PaaS) solutions that are tightly integrated with our core ERP solutions and are included in key commercial packages, such as RISE with SAP. The following offerings contribute to Cloud ERP Suite revenue: SAP S/4HANA Cloud, SAP Business Technology Platform, and core solutions for HR and payroll, spend management, commerce, customer data solutions, business process transformation, and working capital management.

² Extension Suite references SAP's remaining SaaS and PaaS solutions that supplement and extend the functional coverage of Cloud ERP Suite.

³ Infrastructure as a service (IaaS): The major portion of IaaS comes from SAP HANA Enterprise Cloud.

⁴ From continuing and discontinued operations

Operating Performance (IFRS and Non-IFRS)

Cloud and software revenue (IFRS and non-IFRS) was €14,134 million (first half of 2023: €12,863 million), an increase of 10%. On a constant currency basis (non-IFRS), the increase was 11%. This increase was mainly driven by cloud revenue growth of 24%, which was particularly fueled by strong growth in our Cloud ERP Suite. Software licenses revenue (IFRS and non-IFRS) decreased 27% (26% at constant currencies, non-IFRS) as more customers selected SAP's cloud offerings such as RISE with SAP. Software support revenue (IFRS and non-IFRS) was €5,621 million (first half of 2023: €5,778 million), a decrease of 3% (2% at constant currencies, non-IFRS).

Our operating expenses (IFRS) increased 24% to €15,894 million (first half of 2023: €12,820 million), primarily due to restructuring expenses. Operating expenses (non-IFRS) increased 5% to €12,855 million (first half of 2023: €12,216 million) at a slower pace compared to revenue growth.

Share-based payment expenses increased to €1,280 million (first half of 2023: €1,167 million), mainly due to an increase in the SAP share price of around €50 in the first half of 2024 (first half of 2023: increase in the SAP share price of around €30). For more information about share-based payment expenses, see the Notes to the Consolidated Half-Year Financial Statements, [Note \(B.3\)](#).

The restructuring expenses, which increased to €2,873 million (first half of 2023: €257 million), mainly relate to the transformation program that SAP announced in the first quarter of 2024 to further increase its focus on key strategic growth areas, notably AI. The vast majority of projected expenses has already been recognized in the first half of 2024. For more information about restructuring, see the Notes to the Consolidated Half-Year Financial Statements, [Note \(B.4\)](#).

Compared with the same period in the previous year, our operating profit (IFRS) decreased 80%, or €1,740 million, to €434 million (first half of 2023: €2,174 million), mainly due to the restructuring expenses.

The described effects also apply to our non-IFRS operating profit and non-IFRS operating margin, which are excluded from the restructuring expenses.

Profit After Tax and Earnings per Share (IFRS)

Profit after tax (IFRS) was €94 million (first half of 2023: €1,128 million), a decrease of more than 92% compared to the same period in 2023. Basic earnings per share (IFRS) was €0.05 (first half of 2023: €0.97), a decrease of 95%. The change in profit after tax (IFRS) and in basic earnings per share (IFRS) is mainly due to the above-mentioned increase in shared based compensation expenses and restructuring expenses. These effects are slightly compensated by the result of gains and losses from equity securities, net which increased €164 million to €123 million (first half of 2023: –€41 million). Profit after tax from continuing operations and discontinued operations decreased 97% from €3,491 million to €94 million due to the above-mentioned effects and the divesture of Qualtrics and the corresponding disposal gain in the first half of 2023.

The effective tax rate (IFRS) was 76.9% (first half of 2023: 36.3%). The year-over-year increase mainly resulted from a temporary inability to offset withholding taxes in Germany due to tax losses in 2024 resulting from restructuring, which were partly compensated by changes in tax-exempt income and non-deductible expenses.

Profit After Tax and Earnings per Share (Non-IFRS)

Profit after tax (non-IFRS) was €2,223 million (first half of 2023: €1,667 million), an increase of 33%. Basic earnings per share (non-IFRS) was €1.91 (first half of 2023: €1.44), an increase of 33%. The change in profit after tax (non-IFRS) and in basic earnings per share (non-IFRS) is mainly due to the above-mentioned increase of cloud revenue and improvements in margin. Profit after tax from continuing operations and discontinued operations (non-IFRS) was €2,223 million (first half of 2023: €3,448 million), due to the divesture of Qualtrics and the corresponding disposal gain in the first half of 2023.

The effective tax rate (non-IFRS) was 33.1% (first half of 2023: 31.0%). The year-over-year increase mainly resulted from a temporary inability to offset withholding taxes in Germany due to tax losses in 2024 resulting from restructuring.

Segment Information

At the end of the first half of 2024, SAP had one operating segment.

For more information about our segment reporting, see the Notes to the Consolidated Half-Year Financial Statements [Note \(C.1\)](#) and [Note \(C.2\)](#). For more information about our operating performance, see the [Operating Performance \(IFRS and Non-IFRS\)](#) section in this consolidated Half-Year Management Report.

Finances and Assets (IFRS)

Cash Flow

€ millions	Q1–Q2 2024	Q1–Q2 2023	Δ
Net cash flows from operating activities	4,297	3,160	36%
Capital expenditure	–365	–413	–12%
Payments of lease liabilities	–148	–188	–21%
Free cash flow	3,784	2,559	48%
Free cash flow margin	23	17	6pp
Free cash flow (as a percentage of profit after tax)	4,036	227	3,809pp

The higher operating cash flow is mainly attributable to increased profitability and an enhanced working capital management, as well as lower payments for income taxes (€70 million decrease year over year). Payouts related to restructuring amounted to €563 million in the first half of 2024. For more information about our transformation program, see the Notes to the Consolidated Half-Year Financial Statements, [Note \(B.4\)](#).

The free cash flow margin, defined as free cash flow as a percentage of total revenue, increased 6pp year over year.

Group Liquidity

€ millions	2024	2023
Net liquidity (+)/net debt (–) 12/31/2023 (PY: 12/31/2022)	3,521	–2,070
Net cash flows from operating activities	4,297	3,160
Capital expenditure	–365	–413
Lease payments	–148	–188
Business combinations	–19	0
Dividends	–2,565	–2,395
Treasury shares	–975	0
Net proceeds from Qualtrics sale	0	6,323
Other	–73	–237
Net liquidity (+)/net debt (–) 6/30/2024 (PY: 6/30/2023)	3,674	4,180

Liquidity and Financial Position

€ millions	6/30/2024	12/31/2023	Δ
Financial debt	–7,776	–7,755	–21
Cash and cash equivalents	7,870	8,124	–254
Current time deposits and debt securities	3,579	3,151	+428
Group liquidity	11,449	11,275	+174
Net liquidity (+)/net debt (–)	3,674	3,521	+153
Goodwill	29,777	29,088	+689
Total assets	70,378	68,335	+2,043
Total equity	41,942	43,406	–1,465
Equity ratio (total equity as a percentage of total assets)	60	64	–4pp

Dividend Policy

On June 5, 2024, SAP announced that it was adjusting its dividend policy effective immediately.

The new policy is to pay a dividend amounting to at least 40% of the Group's non-IFRS profit after tax from continuing operations (previously: at least 40% of the Group's IFRS profit after tax).

This change is intended to reduce volatility in the dividend payout ratio and ensure close alignment between dividend payout and financial performance.

Employees

For over five decades now, our people have been the driving force behind the continuous success of SAP, through dedication, customer focus, and innovation power. Aiming for a highly engaged, diverse, future-fit workforce equipped with the right skills while also adapting to new market trends helps SAP attract and retain the best talent.

As part of SAP's business transformation, we also want to leverage the power of AI to best support our managers and employees, elevating their employee experience and guiding our people decisions, while increasing the digitalization and overall efficiency and effectiveness of our People & Culture function.

In the first six months of 2024, we accelerated the adoption of new transformational technologies to support our managers and employees across the employee lifecycle with cutting-edge human capital management (HCM) solutions, for example:

- Our over 105,000 employees have direct access to business AI solutions such as the **Internal Job Matching Assistant app** developed on SAP BTP.
- More than 4,000 SAP employees can already leverage **Joule integrated into SAP SuccessFactors**, supported by our clear ambition for an SAP-wide roll-out by the end of 2024.

Aiming to become one of the world's leading AI-powered People & Culture functions, we apply insights from our own implementation journey to help drive the development of leading-edge HCM solutions from an HR practitioner perspective, while actively sharing our showcase with SAP customers and partners.

With SAP entering a new era, we believe that getting together again in person more regularly (as envisaged by our Return to Office guidance) will be key to success – fostering collaboration, innovation, and productivity as the basis for strengthening our culture and shared values. In January 2024, we announced our evolved Pledge to Flex hybrid work guidance, requiring all SAP employees to work three-days-a-week in-office or at a customer/partner site, considering local regulations. A transition period until the end of April (for Germany until the end of May), with targeted enablement for employees and leaders, ensured a country-specific adaptation and Company-wide ramp-up. An exception handling framework empowers SAP leaders to grant temporary exceptions within certain guardrails. This supports employees throughout the transition.

With employees from more than 150 nationalities and five generations, diversity and inclusion (D&I) is an integral part of SAP's DNA. Over the last 18 months, we have received 170 Employer of Choice awards, including 55 recognitions for equality and diversity.

Our D&I strategy focuses on multiple dimensions of human identity. From a gender diversity perspective, our aspiration to reach gender parity continues, and we aim to increase the share of women in the workforce¹ to 40% by the end of 2030. At the end of the first half of 2024, women comprised 35.3% of our workforce and held 29.9% of all management positions² at the Company. Also, SAP has set a new target of increasing the representation of women in executive roles³ to 25% by the end of 2027. This target is linked to the compensation of the SAP Executive Board members. We are currently at 21.9%.

We are building a leadership pipeline through initiatives such as our Women to Watch program; piloted in the first half of 2023 with 251 participants. The first cohort ran from May 2023 until April 2024 with a 27.9% progression and promotions rate during this time. In addition, a stronger focus on inclusive hiring practices, which led to a 41.6% female hiring share in 2023, has supported progress on our KPIs.

Crucial to our success are our 13 employee network groups, led by over 900 employee volunteers, which connect one-third of our global workforce across 50 countries. The Business Women's Network, dedicated to helping women advance their careers at SAP, is the largest of these groups, with more than 19,000 members. Through the active participation of employees, topics such as LGBT inclusion, neurodiversity/autism inclusion, accessibility, and faith in the workplace also remain a priority for SAP.

Our market-leading Fair Pay practices are agnostic of personal characteristics such as gender and age. They continue to ensure that all employees are compensated both within the pay range for their individual roles and within the acceptable spread of pay differences with peers. We accomplish this through annual global reviews and centrally funded pay adjustments, which most recently took place in the first half of 2024. **Our post-review analysis found that fewer women than men needed pay equity adjustments** What's more, 99.8% of employees have transparency into their own pay ranges and visibility into their annual compensation statements. These statements were enhanced in 2024 to include the previous years' equity grants (as applicable) and the value of top benefits (available to 80% of employees compared to 66% in 2023). Among the top benefits, we displayed SAP's contributions to pensions, healthcare plans, and, where available, flexible benefits schemes in certain countries.

Looking at our people-related KPIs, the Employee Engagement Index was at 72%, a decrease of 8pp compared to both the score of 80% in October 2023 and the full-year score published in our Integrated Report 2023. We expect the full-year score for Employee Engagement to range between 70% and 74%. Our Leadership Trust Net Promoter Score remains robust at 67 points. Similarly, the Business Health Culture Index stands strong at 78%, meeting the target corridor of 78% to 80%. At the end of the first half of 2024, SAP's Employee Retention Rate⁴ was still high at 96.6% (compared to 95.1% at the end of the first half of 2023 and 96.4% at the end of 2023). On June 30, 2024, we had 105,315 FTEs worldwide (June 30, 2023: 105,328 FTEs; December 31, 2023: 107,602 FTEs). For a breakdown of headcount by function and geography, see the Notes to the Consolidated Half Year Financial Statements, [Note \(B.1\)](#).

SAP is constantly adapting to new market conditions and changing customer requirements. As part of this ongoing transformation, we launched a Company-wide restructuring program in 2024. Our aim is to further simplify our structures and processes while investing in key strategic growth areas such as AI. For more information on the impact of the program, see [Note \(B.4\)](#).

¹ We define "women in the workforce" as the share of women in the total workforce.

² We define "women in management" as the share of women in management positions as compared to the total number of managers, expressed by the number of individuals and not FTEs. It includes three categories: 1) Managers managing teams: Refers to managing teams of at least one employee or vacant positions; 2) Managers managing managers: Refers to managing managers who manage teams; 3) Executive Board members.

³ We define "women in executive roles" as the ratio of women on the three management levels below the Executive Board out of the combined total of all genders at these three levels.

"Women in executive roles" is measured as a percentage of women heads out of the total number of heads at those three executive levels.

⁴ Ratio of the average number of employees minus the employees who left voluntarily, to the average number of employees, over the past 12 months (in full-time equivalents, or FTEs). This ratio puts emphasis on employee-initiated turnover. In other words, we seek to measure how many employees choose to stay with SAP. As opposed to keeping a low turnover rate, we aim to keep our retention rate high. For more transparency and precise headcount management purposes, the number of employees who left voluntarily excludes those who left voluntarily as part of restructuring-related departures.

Energy and Emissions

In the first half of 2024, we maintained our commitment to help rebuild a more resilient, restorative, and inclusive economy while respecting planetary boundaries and human rights – both as an enabler and exemplar. SAP aims to put sustainability at the core of every business. To help our customers on their sustainability journey, we offer an expanded portfolio of solutions for sustainability management. For more information, see the [Our Product Strategy](#) section in this consolidated Half-Year Management Report.

In 2023, SAP achieved carbon neutrality in its own operations following our strategic approach to first avoid, secondly reduce, and thirdly compensate our yet unavoidable emissions. This means that the net carbon emissions of our own operations (covering scope 1, 2 and selected scope 3 emissions) reached 0 kilotons (kt) of CO₂ equivalents (CO₂e) after we continued and expanded efficiency and innovation programs. Having reached our carbon neutrality milestone in 2023, we are now focused on our next goal: achieving net zero emissions along our entire value chain (covering scope 1, 2 and 3) by 2030 in line with a 1.5°C future. In this regard, we aim to apply the demanding Corporate Net-Zero Standard set by the Science-Based Targets initiative (SBTi).

SAP's ESG efforts – along with its measures, initiatives, and targets – have been recognized by renowned sustainability ratings and ranking organizations:

- In IDC's "Sustainability Index for Software Providers" report, SAP placed in the top 3 of 23 assessed software vendors.
- We ranked 48th in Corporate Knights' 2024 Global 100 Most Sustainable Corporations in the World index.

Organization and Changes in Management

On April 2, 2024, SAP announced that the Supervisory Board had extended the contract of Executive Board member Dr. Juergen Mueller, Chief Technology Officer, for three years until the end of 2027.

On May 6, 2024, SAP announced that the Supervisory Board had extended the contract of CEO and Executive Board member Christian Klein for three years until the end of April 2028 and had made him the chairperson of the Executive Board.

Risk Management and Risks

We have comprehensive risk-management structures in place that are intended to enable us to recognize and analyze risks early on, take the appropriate action, and mitigate any risks that materialize as presented in the [Risk Management and Risks](#) section in our Integrated Report 2023 and our Annual Report on Form 20-F for 2023.

For changes in our Litigation, Claims, and Legal Contingencies since our last Integrated Report, see the Notes to the Consolidated Half-Year Financial Statements, [Note \(G.1\)](#).

Based on our aggregation approach and taking into consideration the mitigations implemented for all our risk factors and risks, as at June 30, 2024, we see no material change relative to our 2023 risk assessment or 2023 risk-bearing capacity. We do not believe that any of the risks we identified in our Integrated Report 2023 and Annual Report on Form 20-F for 2023, and as outlined herein, jeopardize our ability to continue as a going concern.

Expected Developments and Opportunities

Future Trends in the Global Economy

In its most recent Economic Bulletin,¹ the European Central Bank (ECB) presents a largely unchanged outlook for global economic growth, compared to statements earlier this year: Global GDP growth in 2024 and beyond might remain slightly below the average rate for the past decade. Presumably, the risks to economic growth will be balanced in the near term. However, trade tensions between major economies, geopolitical risks, and restrictive monetary policies could diminish economic growth projections.

According to the ECB, the euro area economy is likely to continue its services-led expansion in the near future, even at a higher pace than previously suggested. Robust wage growth might lead to increasing disposable income, more confidence, and improving terms of trade, giving rise to a consumption-driven recovery over the course of 2024. Economic growth in the euro area could also benefit from a resilient labor market, lower inflation, and a pick-up in productivity over the projection horizon. Expanding foreign demand should support euro area export growth.

In the United States, the ECB expects imports to recover further in the second half of the year. Real GDP growth might increase slightly but will likely remain below the pace of growth recorded in the second half of 2023.

As for China, the ECB suggests that investment in industrial production will probably improve steadily, driven by stimulus in infrastructure projects. However, it also projects continued weakness in producer price developments and sluggish domestic demand.

Economic Trends – GDP Growth Year Over Year

%	2023	2024p	2025p
World	3.2	3.2	3.2
Advanced Economies	1.6	1.7	1.8
Emerging Markets and Developing Economies	4.3	4.2	4.2
Regions (according to IMF taxonomy)			
Euro Area	0.4	0.8	1.5
Germany	-0.3	0.2	1.3
Emerging and Developing Europe	3.2	3.1	2.8
Middle East and Central Asia	2.0	2.8	4.2
Sub-Saharan Africa	3.4	3.8	4.0
United States	2.5	2.7	1.9
Canada	1.1	1.2	2.3
Latin America and the Caribbean	2.3	2.0	2.5
Japan	1.9	0.9	1.0
Emerging and Developing Asia	5.6	5.2	4.9
China	5.2	4.6	4.1

p = projection

Source: International Monetary Fund (IMF), World Economic Outlook April 2024, Steady but Slow: Resilience amid Divergence (<https://www.imf.org/-/media/Files/Publications/WEO/2024/April/English/text.ashx>), p. 10.

The IT Market – Outlook for 2024 and Beyond

"The demand for cloud-based enterprise applications software, which continues to be the foundational deployment model in the digital era and AI everywhere world, outpaces that of on-premises and other software solutions."² This is what the U.S.-based market research firm IDC said in May 2024 in its Worldwide Enterprise Applications Software Forecast 2024–2028. On-premise deployment in the worldwide enterprise software market is expected to grow 2.3% CAGR whereas the public cloud growth rate is expected to reach 16.5% CAGR by 2028.² "With organizations making this shift to the cloud, and many others planning on replacing their current cloud system, the enterprise applications software market overall, along with the individual application markets, will continue to be very competitive for years to come,"² says IDC.

Adding generative artificial intelligence (GenAI) to the equation, IDC states: "Competitive advantage is a clear differentiator in the digital world, and applying GenAI is a clear-cut win for organizations as it improves not only productivity but also decision velocity."² Enterprise software vendors' commercial models to monetize AI are in early stages, though. Interestingly, "30.9% of the respondents from IDC's 2024 SaaS Path Survey are willing to pay more for machine learning and artificial intelligence capabilities"^{2,3} in their enterprise software landscape, which might lead to better predictability of future revenue streams for vendors. As a clear mandate for enterprise software vendors, IDC advises to "embrace generative AI. Vendors that are not embracing generative AI may find themselves in trouble quickly."^{2,3} The aforementioned 2024 Survey finds that "across the enterprise application markets, 25.4% of corporations plan to replace their current application if GenAI is not included in the next release and 21.4% will renew because GenAI is included in the next release."^{2,3} Overall, "the transformative potential of GenAI in the business is an incredible opportunity to reshape business experience completely,"² says IDC.

As an important aspect for vendors to focus on, IDC suggests to "harness the internal uses of GenAI, as Generative AI solutions are revolutionizing the software development process by enabling the automatic generation of computer code from text prompts".² According to IDC, GenAI will have a multifold impact on software developer efficiency and productivity, by "handling routine tasks and identifying errors but also modernizing legacy systems and facilitating language translation. This integration of AI into development tools promises high-quality code recommendations, streamlining the creation process and bolstering security."²

¹ European Central Bank, Economic Bulletin, Issue 4/2024, Publication Date: June 20, 2024

² Worldwide Enterprise Applications Software Forecast, 2024–2028: AI Everywhere World Brings Intelligence and Experience-Orchestrated Applications. May 2024, IDC #US51079424

³ IDC SaaS Path: Executive Summary, 2024 – Examining the SaaS Buyer's Journey, 22-May-2024, IDC #US51872624

Impact on SAP

The number of macro challenges has not gotten smaller in 2024, and business model agility and resiliency is key for SAP and its customers. Ongoing wars in Ukraine and Gaza pose real threats to supply chains, and trade tensions between major economies put additional pressure on companies.

Nevertheless, SAP reported very strong business results in the first six months of the year and confidently confirms the 2024 outlook.

Our clear strategy towards cloud and business AI across the complete portfolio resonates with the robust demand from our customers. As we focus on tangible and applicable use cases for our customers, enabling them to differentiate and gain competitive advantage over their peers, the strategy positions SAP as trusted advisor and vendor of choice. Our healthy pipeline fueled by net new customers, the cloud conversions by existing customers and substantial upselling and cross-selling makes us confident for the future. Growth rates for Current Cloud Backlog, Cloud revenues and particularly for Cloud ERP Suite show sustained high values, and the percentage of more predictable revenues reached 84% in the second quarter.

The Company-wide transformation program that we initiated in January 2024 continues to progress well, further enhancing our operational efficiencies and laying the groundwork for future growth and agility.

Financial Targets and Prospects (Non-IFRS)

Revenue and Operating Profit Targets and Prospects

In April 2024, SAP revisited its 2024 outlook and confirmed its performance expectations underlying its January 2024 outlook. In July 2024, SAP reconfirmed its 2024 outlook and continues to expect:

- €17.0 billion to €17.3 billion in cloud revenue at constant currencies (2023: €13.66 billion), up 24% to 27% at constant currencies
- €29.0 billion to €29.5 billion in cloud and software revenue at constant currencies (2023: €26.92 billion), up 8% to 10% at constant currencies
- €7.6 billion to €7.9 billion non-IFRS operating profit at constant currencies (2023: €6.51 billion), up 17% to 21% at constant currencies.
- Free cash flow of approximately €3.5 billion (2023: €5.09 billion)
- An effective tax rate (non-IFRS) of around 32.0% (2023: 30.3%)

Additionally, SAP continues to expect:

- Current Cloud Backlog: we expect a year-end growth rate similar to that of 2023, while at a larger scale

- Cloud ERP Suite revenue: we expect to sustain the high growth rate in 2024

While SAP's full-year 2024 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. For the third-quarter and full-year 2024 expected currency impacts, see the table below:

Currency Impact Assuming June 30, 2024 Rates Apply for 2024

In percentage points	Q3	FY
Cloud	+0.5 pp	-0.5 pp
Cloud and software	+0.5 pp	-0.5 pp
Operating profit	+0.0 pp	-1.5 pp

The following table shows the estimates of the items that represent the differences between our IFRS financial measures and our non-IFRS financial measures.

Non-IFRS Measures

€ millions	Estimated Amounts for Full Year 2024	Q1–Q2	
		2024	2023
Acquisition-related charges	280–360	166	177
Restructuring ¹	approximately €3 B	2,873	257
Regulatory compliance matters	0	0	170
Adjustment for gains and losses from equity securities, net	NA ²	-123	41

¹ For more information about restructuring, see the Notes to the Consolidated Half-Year Financial Statements. [Note \(B.4\)](#).

² We do not provide an outlook for the effective tax rate (IFRS) due to the uncertainty and potential variability of gains and losses associated with equity securities, which are reconciling items between the two effective tax rates (non-IFRS and IFRS). These items cannot be provided without unreasonable efforts but could have a significant impact on our future effective tax rate (IFRS).

Furthermore, the differences between free cash flow as our non-IFRS financial measure and operating cash flow as our IFRS financial measure include estimated cash flows in 2024 for leasing and capital expenditures of €1.1 billion (2023: €1.1 billion).

Medium-Term Prospects

SAP is updating its financial ambition 2025, reflecting the anticipated incremental benefits from the expanded transformation program. Overall savings from the transformation program are expected to include a triple-digit million Euro amount from the internal deployment of Business AI scenarios.

By 2025, SAP now expects:

- Non-IFRS operating profit of approximately €10.2 billion (previously: approximately €10 billion) reflecting expected savings of approximately €200 million from the increased volume of the restructuring program.

SAP continues to expect:

- Cloud revenue of more than €21.5 billion
- Total revenue of more than €37.5 billion
- Non-IFRS cloud gross profit of approximately €16.2 billion
- Free cash flow of approximately €8.0 billion including an anticipated mid-triple-digit million Euro restructuring payout in 2025 associated with the 2024 transformation program
- A share of more predictable revenue of approximately 86%

The 2025 financial ambition is based on an exchange rate of 1.10 USD per EUR.

Furthermore, SAP expects:

- Operating margin to expand beyond 2025
- Total revenue growth to accelerate through 2027

- The sum of total revenue growth and free cash flow margin (as a percentage of total revenue) to increase through 2025 (2023: 22% based on actual currency)

Goals for Liquidity, Finance, and Investments

SAP believes that its liquid assets combined with its undrawn credit facilities are sufficient to meet its operating financing needs in the second half of 2024 as well, and, together with expected cash flows from operations, will support debt repayments and its currently planned capital expenditure requirements over the near and medium term.

In 2024 and compared to 2023, SAP expects a decrease in free cash flow to approximately €3.5 billion mainly due to restructuring and compliance payments, which are expected to be partially offset by increased profitability. Consistently to what SAP disclosed in its Integrated Report 2023, SAP reiterates its expectations for free cash flow of approximately €3.5 billion in 2024 and approximately €8.0 billion in 2025 despite anticipated mid-triple-digit million Euro payouts due to restructuring. Overall payouts associated with the program are currently expected at approximately €3 billion.

In the second half of 2024, SAP intends to repay U.S. private placements with a volume of \$0.3 billion as well as a Eurobond with a volume of €0.9 billion.

SAP's planned investment expenditures for 2024 and 2025, other than from business combinations, consist primarily of the purchase of IT infrastructure (such as data centers) and the construction of new buildings. Primarily driven by lower investment expenditures for Facility and IT, SAP now expects planned investment expenditures below €900 million for 2024, compared to the approximately €950 million disclosed in the Integrated Report 2023. In 2025, capital expenditures are still expected to decrease to approximately €700 million.

Non-Financial Goals 2024 and Ambitions for 2025

In addition to our financial goals, we focus on four non-financial targets: customer loyalty, employee engagement, Net Zero climate performance, and women in executive roles.

In 2024, SAP now expects the Employee Engagement Index to be in a range of 70% to 74% (previously: 76% to 80%).

SAP continues to expect:

- A Customer Net Promoter score of 9 to 13
- To steadily decrease carbon emissions across the relevant value chain, in line with our target of achieving Net Zero carbon emissions by 2030
- To steadily increase the number of women in executive roles in line with our end of year 2027 target to achieve 25%

For 2025, SAP now aims to increase the Employee Engagement Index (previously: Steadily increasing the Employee Engagement Index).

SAP continues to aim for:

- A steadily increasing Customer Net Promoter Score

The 2025 non-financial ambitions are in addition to our medium-term targets of achieving net-zero carbon emissions across the value chain by 2030 and of reaching 25% women in executive roles by the end of 2027.

Premises on Which Our Outlook and Prospects Are Based

In preparing our outlook and prospects, we have taken into account all events known to us at the time we prepared this report that could influence SAP's business going forward.

Opportunities

We have comprehensive opportunity-management structures in place that are intended to enable us to recognize and analyze opportunities early and to take the appropriate action. The opportunities remain largely unchanged compared to what we disclosed in our [Integrated Report 2023](#).

Consolidated Half-Year Financial Statements – IFRS

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Consolidated Income Statement of SAP Group – Half Year

€ millions, unless otherwise stated	Q1–Q2 2024	Q1–Q2 2023	Δ in %
Cloud	8,082	6,493	24
Software licenses	432	591	-27
Software support	5,621	5,778	-3
Software licenses and support	6,053	6,369	-5
Cloud and software	14,134	12,863	10
Services	2,195	2,132	3
Total revenue	(A.1), (C.2)	16,329	14,995
			9
Cost of cloud	-2,214	-1,897	17
Cost of software licenses and support	-637	-687	-7
Cost of cloud and software	-2,851	-2,584	10
Cost of services	-1,699	-1,718	-1
Total cost of revenue	-4,550	-4,301	6
Gross profit	11,778	10,693	10
Research and development	-3,270	-3,138	4
Sales and marketing	-4,496	-4,457	1
General and administration	-696	-670	4
Restructuring	(B.4)	-2,873	-257
Other operating income/expense, net	-9	3	NA
Total operating expenses	-15,894	-12,820	24
Operating profit (loss)	434	2,174	-80
Other non-operating income/expense, net	-153	-116	32
Finance income	611	369	65
Finance costs	-486	-656	-26
Financial income, net	(C.3)	125	-287
Profit (loss) before tax from continuing operations	(C.2)	407	1,771
			-77
Income tax expense	-313	-643	-51
Profit (loss) after tax from continuing operations	94	1,128	-92
Attributable to owners of parent	60	1,135	-95
Attributable to non-controlling interests	34	-7	NA
Profit (loss) after tax from discontinued operations	0	2,363	NA
Profit (loss) after tax²	94	3,491	-97
Attributable to owners of parent ²	60	3,640	-98
Attributable to non-controlling interests ²	34	-149	NA
Earnings per share, basic (in €)¹ from continuing operations	0.05	0.97	-95
Earnings per share, basic (in €)^{1,2}	0.05	3.12	-98
Earnings per share, diluted (in €)¹ from continuing operations	0.05	0.97	-95
Earnings per share, diluted (in €)^{1,2}	0.05	3.09	-98

¹ For the six months ended June 30, 2024 and 2023, the weighted average number of shares was 1,167 million (diluted: 1,178 million) and 1,168 million (diluted: 1,176 million), respectively (treasury stock excluded).

² From continuing and discontinued operations

Consolidated Statements of Comprehensive Income of SAP Group – Half Year

	Q1–Q2 2024	Q1–Q2 2023
Profit after tax	94	3,890
Items that will not be reclassified to profit or loss		
Remeasurements on defined benefit pension plans, before tax	–5	0
Income taxes relating to remeasurements on defined benefit pension plans	0	0
Remeasurements on defined benefit pension plans, net of tax	–4	0
Other comprehensive income for items that will not be reclassified to profit or loss, net of tax	–4	0
Items that will be reclassified subsequently to profit or loss		
Gains (losses) on exchange differences on translation, before tax	1,127	–755
Reclassification adjustments on exchange differences on translation, before tax	25	–129
Exchange differences, before tax	1,153	–884
Income taxes relating to exchange differences on translation	10	8
Exchange differences, net of tax	1,163	–876
Gains (losses) on cash flow hedges/cost of hedging, before tax	4	45
Reclassification adjustments on cash flow hedges/cost of hedging, before tax	–10	–32
Cash flow hedges/cost of hedging, before tax	–6	13
Income taxes relating to cash flow hedges/cost of hedging	7	–4
Cash flow hedges/cost of hedging, net of tax	1	10
Other comprehensive income for items that will be reclassified to profit or loss, net of tax	1,164	–866
Other comprehensive income, net of tax	1,160	–866
Total comprehensive income¹	1,253	3,024
Attributable to owners of parent ¹	1,207	3,233
Attributable to non-controlling interests ¹	47	–208

¹ From continuing and discontinued operations



Consolidated Statement of Financial Position of SAP Group

as at 6/30/2024 and 12/31/2023

€ millions	2024	2023
Cash and cash equivalents	7,870	8,124
Other financial assets	3,808	3,344
Trade and other receivables	6,148	6,322
Other non-financial assets	(A.2)	2,531
Tax assets		539
Total current assets	20,896	20,571
Goodwill	(D.1)	29,777
Intangible assets		2,365
Property, plant, and equipment	(D.2)	4,255
Other financial assets		6,109
Trade and other receivables		121
Other non-financial assets	(A.2)	3,515
Tax assets		346
Deferred tax assets		2,993
Total non-current assets	49,482	47,763
Total assets	70,378	68,335
€ millions	2024	2023
Trade and other payables	1,875	1,783
Tax liabilities	439	266
Financial liabilities	(E.2)	2,271
Other non-financial liabilities		5,648
Provisions	(B.4)	2,341
Contract liabilities		7,734
Total current liabilities	18,662	14,642
Trade and other payables	20	39
Tax liabilities	818	877
Financial liabilities	(E.2)	7,321
Other non-financial liabilities		698
Provisions	444	433
Deferred tax liabilities	267	265
Contract liabilities	55	33
Total non-current liabilities	9,774	10,286
Total liabilities	28,436	24,928
Issued capital	1,229	1,229
Share premium	2,263	1,845
Retained earnings	39,953	42,457
Other components of equity	3,519	2,368
Treasury shares	-5,311	-4,741
Equity attributable to owners of parent	41,652	43,157
Non-controlling interests	289	249
Total equity	(E.1)	41,942
Total equity and liabilities	70,378	68,335

Consolidated Statements of Changes in Equity of SAP Group

€ millions	Equity Attributable to Owners of Parent						Non-Controlling Interests	Total Equity
	Issued Capital	Share Premium	Retained Earnings	Other Components of Equity	Treasury Shares	Total		
12/31/2022	1,229	3,081	36,418	3,801	−4,341	40,186	2,662	42,848
Profit after tax			3,933			3,933	−43	3,890
Other comprehensive income			0	−701		−701	−165	−866
Comprehensive income			3,933	−701		3,233	−208	3,024
Share-based payments		777				777	111	888
Dividends			−2,395			−2,395	−21	−2,416
Reissuance of treasury shares under share-based payments					182	182		182
Transactions with non-controlling interests	−2,306		2,306			0	−2,261	−2,261
Other changes	0		−37			−37	0	−37
6/30/2023	1,229	1,552	40,225	3,100	−4,159	41,946	283	42,229
12/31/2023	1,229	1,845	42,457	2,368	−4,741	43,157	249	43,406
Profit after tax			60			60	34	94
Other comprehensive income			−4	1,152		1,147	13	1,160
Comprehensive income			55	1,152		1,207	47	1,253
Share-based payments		418				418	0	418
Dividends			−2,565			−2,565	−7	−2,571
Purchase of treasury shares					−947	−947		−947
Reissuance of treasury shares under share-based payments					377	377		377
Other changes			5			5	0	6
6/30/2024	1,229	2,263	39,953	3,519	−5,311	41,652	289	41,942

Consolidated Statement of Cash Flows of SAP Group

€ millions	Q1–Q2 2024	Q1–Q2 2023
Profit (loss) after tax	94	3,890
Adjustments to reconcile profit (loss) after tax to net cash flows from operating activities:		
(Profit) loss after tax from discontinued operations	0	–2,763
Depreciation and amortization	626	714
Share-based payment expense	1,280	1,167
Income tax expense	313	643
Financial income, net	–125	287
Decrease/increase in allowances on trade receivables	–23	5
Other adjustments for non-cash items	110	76
Increase/decrease in trade and other receivables	372	396
Decrease/increase in other assets	–17	–600
Increase/decrease in trade payables, provisions, and other liabilities	876	–896
Increase/decrease in contract liabilities	2,718	2,109
Share-based payments	–778	–697
Interest paid	–378	–244
Interest received	287	197
Income taxes paid, net of refunds	–1,057	–1,127
Net cash flows from operating activities – continuing operations	4,297	3,160
Net cash flows from operating activities – discontinued operations	0	80
Net cash flows from operating activities	4,297	3,240
Business combinations, net of cash and cash equivalents acquired	–19	0
Cash flows from derivative financial instruments related to the sale of subsidiaries or businesses	0	–91
Purchase of intangible assets and property, plant, and equipment	–365	–413
Proceeds from sales of intangible assets and property, plant, and equipment	55	43
Purchase of equity or debt instruments of other entities	–7,987	–220
Proceeds from sales of equity or debt instruments of other entities	7,370	722
Net cash flows from investing activities – continuing operations	–947	41
Net cash flows from investing activities – discontinued operations	0	6,323
Net cash flows from investing activities	–947	6,364
Dividends paid	–2,565	–2,395
Dividends paid on non-controlling interests	–6	–18
Purchase of treasury shares	–975	0
Proceeds from borrowings	1	0
Repayments of borrowings	–14	–1,724
Payments of lease liabilities	–148	–188
Transactions with non-controlling interests	0	43
Net cash flows from financing activities – continuing operations	–3,708	–4,283
Net cash flows from financing activities – discontinued operations	0	24
Net cash flows from financing activities	–3,708	–4,259
Effect of foreign currency rates on cash and cash equivalents	104	–212
Net decrease/increase in cash and cash equivalents	–254	5,134
Cash and cash equivalents at the beginning of the period	8,124	9,008
Cash and cash equivalents at the end of the period	7,870	14,142

Notes to the Consolidated Half-Year Financial Statements

(IN.1) Basis for Preparation

General Information About Consolidated Half-Year Financial Statements

The registered seat of SAP SE is in Walldorf, Germany (Commercial Register of the Lower Court of Mannheim HRB 719915). The condensed Consolidated Half-Year Financial Statements of SAP SE and its subsidiaries (collectively, "we," "us," "our," "SAP," "Group," and "Company") have been prepared in accordance with the International Financial Reporting Standards (IFRS) and in particular in compliance with International Accounting Standard (IAS) 34. In this context, IFRS includes all standards issued by the International Accounting Standards Board (IASB) and related interpretations issued by the IFRS Interpretations Committee (IFRS IC). The variances between the applicable IFRS standards as issued by the IASB and the standards as used by the European Union are not relevant to these financial statements.

Certain information and disclosures normally included in the notes to annual financial statements prepared in accordance with IFRS have been condensed or omitted. We believe that the disclosures made are adequate and that the information gives a true and fair view.

With the ongoing transformation from on-premise to cloud services, our business activities are no longer significantly influenced by seasonal effects. Consequently, interim results are now more indicative of our results for the full year, enabling more consistent financial planning and forecasting.

Our operating cash flow, however, is generally highest in the first quarter.

Amounts reported in previous years have been reclassified if appropriate to conform to the presentation in this half-year report.

These unaudited condensed Consolidated Half-Year Financial Statements should be read in conjunction with SAP's audited Consolidated IFRS Financial Statements for the Year Ended December 31, 2023, included in our Integrated Report 2023 and our Annual Report on Form 20-F for 2023.

Due to rounding, numbers presented throughout these Consolidated Half-Year Financial Statements may not add up precisely to the totals we provide and percentages may not precisely reflect the absolute figures.

Amounts disclosed in our Consolidated Half-Year Financial Statements that are taken directly from our  Consolidated Income Statements or our  Consolidated Statements of Financial Position are marked by the symbols  and , respectively.

Accounting Policies, Management Judgments, and Sources of Estimation Uncertainty

How We Present Our Accounting Policies, Judgments, and Estimates

To ease the understanding of our financial statements, we present the accounting policies, judgments, and estimates on a given subject together with other disclosures related to the same subject in the Note that deals with this subject, and highlighted this disclosure with a light gray box and the symbol . We describe, however, only material changes of our accounting policies, judgments, and estimates in relation to our Consolidated Financial Statements for 2023.

⌚ New Accounting Standards Not Yet Adopted

The IASB has issued IFRS 9 and IFRS 7 (Amendments to the Classification and Measurement of Financial Instruments) and published the new standard IFRS 18 (Presentation and Disclosure in Financial Statements) which are relevant for SAP but not yet effective. We are currently assessing the potential impacts on SAP.

Section A – Customers

This section discusses disclosures related to contracts with our customers. These consist of revenue breakdowns and information about our trade receivables. For more information, see our Consolidated Financial Statements for 2023, [Section A – Customers](#).

(A.1) Revenue

Accounting for Revenue from Contracts with Customers

Allocation of Transaction Price

We have established a hierarchy to identify the standalone selling prices (SSPs) that we use to allocate the transaction price of a customer contract to the performance obligations in the contract.

- Where SSPs for an offering are observable and reasonably consistent across customers (that is, not highly variable), our SSP estimates are derived from our respective pricing history. Typically, our standardized support offerings and our professional service offerings follow this approach.
- Where sales prices for an offering are not directly observable or highly variable across customers, we use estimation techniques.

As of 2024, we apply a new estimation technique to estimate the SSP using input parameters that more appropriately reflect SAP's evolving business models. This SSP considers overall pricing objectives, taking market conditions and other factors into account. We estimate the SSP using a specific pricing range that encompasses the majority of our transactions. Typically, our cloud offerings follow this approach.

The change in estimation techniques for our cloud offerings did not lead to any material change in the allocation of transaction prices of a customer contract to the performance obligations of the contract. This estimate is based on contracts signed in the first half of the year and is subject to change based on the volume and nature of business conducted in the second half of the year.

As the Company's go-to-market strategies evolve, the Company may modify its pricing practices in the future, which could result in changes to our SSPs.

- For offerings for which we cannot justify a range and we observe highly variable pricing, and for which we lack substantial direct costs to estimate based on a cost-plus-margin approach, we allocate the transaction price by applying a residual approach. We use this technique in particular for our standard on-premise software offerings.

Judgment is required when estimating SSPs. To judge whether the historical pricing of our goods and services is highly variable, we have established thresholds of pricing variability.

When we estimate an SSP range based on pricing objectives, we use judgment in determining the upper and lower end of the range. Such judgment considers price points achieved in the market as well as strategic pricing decisions.

Geographic Information

The amounts for revenue by region in the following tables are based on the location of customers.

Cloud Revenue by Region

€ millions	Q1–Q2 2024	Q1–Q2 2023
EMEA	3,230	2,458
Americas	3,761	3,194
APJ	1,090	841
SAP Group	8,082	6,493

Cloud and Software Revenue by Region

€ millions	Q1–Q2 2024	Q1–Q2 2023
EMEA	6,325	5,660
Americas	5,776	5,283
APJ	2,034	1,919
 SAP Group	14,134	12,863

Total Revenue by Region

€ millions	Q1–Q2 2024	Q1–Q2 2023
Germany	2,520	2,283
Rest of EMEA	4,804	4,338
 EMEA	7,323	6,621
United States	5,369	4,974
Rest of Americas	1,359	1,233
 Americas	6,728	6,207
Japan	662	616
Rest of APJ	1,615	1,550
 APJ	2,277	2,166
 SAP Group	16,329	14,995

For more information about our revenue accounting policies, see the Notes to the Consolidated Financial Statements for 2023, [Note \(A.1\)](#).

(A.2) Trade and Other Receivables

€ millions	6/30/2024		
	Current	Non-Current	Total
Trade receivables, net	5,721	4	5,725
Other receivables	427	116	543
 Total	6,148	121	6,269

€ millions	12/31/2023		
	Current	Non-Current	Total
Trade receivables, net	5,892	5	5,897
Other receivables	429	198	627
 Total	6,321	203	6,524

Section B – Employees

This section provides financial insights into our employee benefit arrangements. It should be read in conjunction with the compensation disclosures for key management personnel in [Note \(G.5\)](#) in our Consolidated Financial Statements for 2023, as well as SAP's [Compensation Report](#). For more information, see our Consolidated Financial Statements for 2023, [Section B – Employees](#).

(B.1) Employee Headcount

On June 30, 2024, the breakdown of our full-time equivalent employee numbers by function and by region was as shown in the table below.

Number of Employees (in Full-Time Equivalents)

Full-time equivalents	6/30/2024				6/30/2023			
	EMEA	Americas	APJ	Total	EMEA	Americas	APJ	Total
Cloud and software	4,434	4,148	4,448	13,029	4,010	4,083	4,000	12,093
Services	8,292	4,618	5,410	18,320	7,993	5,000	5,476	18,469
Research and development	18,073	5,441	12,331	35,844	17,910	5,872	12,318	36,100
Sales and marketing	12,053	9,438	5,112	26,603	11,778	10,121	5,303	27,202
General and administration	3,640	1,723	1,291	6,653	3,475	1,765	1,281	6,521
Infrastructure	2,845	1,129	890	4,865	2,800	1,284	859	4,943
SAP Group (6/30)	49,337	26,496	29,482	105,315	47,966	28,125	29,237	105,328
Thereof acquisitions ¹	0	0	0	0	0	0	0	0
SAP Group (six months' end average)	49,414	27,689	29,745	106,848	47,917	28,127	29,337	105,380

¹ Acquisitions closed between January 1 and June 30 of the respective year

(B.2) Employee Benefits Expenses

€ millions	Q1–Q2 2024	Q1–Q2 2023
Salaries	6,173	5,915
Social security expenses	1,056	975
Share-based payment expenses	1,280	1,167
Pension expenses	254	235
Employee-related restructuring expenses	2,873	250
Termination benefits	13	22
Employee benefits expenses	11,649	8,565

(B.3) Share-Based Payments

The allocations of expenses for share-based payments to the various expense items are as follows:

Share-Based Payments

€ millions	Q1–Q2 2024	Q1–Q2 2023
Cost of cloud	73	47
Cost of software licenses and support	22	20
Cost of services	192	198
Research and development	403	371
Sales and marketing	476	435
General and administration	114	96
Share-based payment expenses	1,280	1,167
Thereof cash-settled share-based payments	515	473
Thereof equity-settled share-based payments	765	694

In the first half of 2024, SAP also recognized €189 million (first half of 2023: €0 million) in accelerated share-based payment expenses triggered by the transformation program. These share-based payment expenses are classified as restructuring expenses in our consolidated income statements. For more information about SAP's restructuring program, see [Note \(B.4\)](#).

Move SAP Plan and Grow SAP Plan

In the first half of 2024, we granted 7.4 million (first half of 2023: 13.9 million) share units. This includes 7.0 million (first half of 2023: 12.4 million) share units which we intend to settle in shares. The dilutive effect of outstanding equity-settled share units is reflected in the calculation of earnings per share, diluted. Of the share units we intend to settle in cash, 0.8 million share units were granted in June 2023 under the Grow SAP plan for the last time.

Own SAP Plan

Under the Own SAP plan, employees can purchase, on a monthly basis, SAP shares without any required holding period. The number of shares purchased by our employees under this plan was 2.4 million in the first half of 2024 (first half of 2023: 3.5 million).

For more information about our share-based payments and a detailed description of our share-based payment plans, see the Notes to the Consolidated Financial Statements for 2023, [Note \(B.3\)](#).

(B.4) Restructuring

€ millions	Q1–Q2 2024	Q1–Q2 2023
Employee-related restructuring expenses	2,873	250
Onerous contract-related restructuring expenses and restructuring related impairment losses	–1	8
■ Restructuring expenses	2,873	257

The vast majority of the restructuring expenses and related payments recognized in the first half of 2024 relate to the Company-wide transformation program that SAP announced in the first quarter to further increase its focus on key strategic growth areas, in particular business AI. SAP is transforming its operational setup to capture organizational synergies and AI-driven efficiencies, and to prepare the company for highly scalable future revenue growth. The restructuring is intended to ensure that SAP's skillset and resources continue to meet future business needs and is expected to affect 9,000 to 10,000 positions, a majority of which will be covered by voluntary leave programs and internal re-skilling measures. The program is expected to be concluded early 2025.

Restructuring expenses primarily include employee-related benefits such as severance payments and accelerated share-based payment expenses triggered by the transformation program (for more information on recognition and measurement of share-based payment programs, see [Note B.3](#)). The restructuring costs presented in 2023 mainly include expenses related to the targeted restructuring program in selected areas of the Company that was executed in 2023.

For the movement of the restructuring provision, please refer to the below table:

€ millions	Restructuring Provision
Opening balance as at 1/1/2024	37
Additions	2,873
Utilizations	-550
Transfer to share-based payment liability	-92
Ending balance as at 6/30/2024	2,268

The table below reconciles the utilization of the restructuring provision with the overall cash outflow related to restructuring:

€ millions	Q1–Q2 2024
Utilizations	550
Restructuring related share-based payments	2
Payments related to time account	11
Net cash outflow	563

If not presented separately, the restructuring expenses would break down in our income statements as follows:

Restructuring Expenses by Functional Area

€ millions	Q1–Q2 2024	Q1–Q2 2023
Cost of cloud	95	6
Cost of software licenses and support	80	11
Cost of services	533	34
Research and development	1,100	40
Sales and marketing	906	150
General and administration	160	16
■ Restructuring expenses	2,873	257

Section C – Financial Results

This section provides insight into the financial results of SAP's reportable segments and of SAP overall, as far as not already covered by previous sections. This includes segment results and income taxes. For more information, see our Consolidated Financial Statements for 2023, [Section C – Financial Results](#).

(C.1) Results of Segments

General Information

At year end 2023, SAP had five operating segments. The Applications, Technology & Services (ATS) segment was SAP's only reportable segment. Due to their size, the Emarsys, Taulia, Sustainability, and Business Network segments were non-reportable.

In the first quarter of 2024, the non-reportable Business Network segment was dissolved and integrated into the ATS segment.

SAP is evolving into a holistically steered cloud company with the help of a cohesive product portfolio and commercialization of product bundles (such as RISE with SAP and GROW with SAP). In the course of this continuous transformation and the resulting changes in Executive Board responsibility in the second quarter of 2024, it was concluded that SAP's Chief Operating Decision Maker (CODM) steers SAP on a consolidated basis. Consequently, with effect from the second quarter of 2024, SAP has a single operating segment.

Segment Reporting Policies

Our management reporting system produces reports that present information about our business activities in a variety of ways, for example, by line of business, geography, and areas of responsibility of individual Board members. Based on these reports, the Executive Board, which is responsible for assessing the performance of our Company and for making resource allocation decisions as our Chief Operating Decision Maker (CODM), evaluates business activities in based on several different results. However, operating results of SAP are reviewed on a Group level by the CODM as a whole.

There are no parts of our Company that qualify as separate operating segments under IFRS 8, and our Executive Board assesses the financial performance of our Company on a consolidated basis.

Our management reporting system produces a variety of reports that differ due to the currency exchange rates used in the accounting for foreign-currency transactions and operations, where both actual and constant currency numbers are reported to and used by our CODM. Reports based on actual currencies use the same currency rates that are used in our financial statements, whereas reports based on constant-currency report revenues and expenses use the average exchange rates from the previous year's corresponding period.

We use an operating profit indicator to measure the performance of our operating segments. The accounting policies applied in the measurement of operating segment expenses and profit differ as follows from the IFRS accounting principles used to determine the operating profit measure in our income statement:

The expense measures exclude:

- Acquisition-related charges such as amortization expense and impairment charges for intangibles acquired in business combinations, including goodwill impairment charges, and certain standalone acquisitions of intellectual property (including purchased in-process research and development) as well as settlements of pre-existing business relationships in connection with a business combination, and acquisition-related third-party expenses

- Restructuring expenses
- Regulatory compliance matter expenses

Information about assets and liabilities is not regularly provided to our CODM.

Results of Segments

€ millions, unless otherwise stated	Q1–Q2 2024		Q1–Q2 2023
	Actual Currency	Constant Currency	Actual Currency
Cloud	8,082	8,131	6,493
Software licenses	432	436	591
Software support	5,621	5,661	5,778
Software licenses and support	6,053	6,097	6,369
Cloud and software	14,134	14,228	12,863
Services	2,195	2,202	2,132
Total segment revenue	16,329	16,430	14,995
Cost of cloud	–2,190	–2,197	–1,876
Cost of software licenses and support	–637	–633	–665
Cost of cloud and software	–2,827	–2,830	–2,541
Cost of services	–1,699	–1,700	–1,717
Total cost of revenue	–4,526	–4,530	–4,258
Cloud gross profit	5,892	5,934	4,617
Segment gross profit	11,803	11,900	10,737
Other segment expenses	–8,330	–8,360	–7,958
Segment profit (loss)	3,473	3,540	2,779

In the first half of 2024, the depreciation and amortization expense decreased 13% (13% at constant currencies), from €537 million to €468 million.

For more information about the disaggregation of revenue, see the Notes to the Consolidated Half-Year Financial Statements [Note \(A.1\)](#).

(C.2) Reconciliation of Segment Measures to Income Statement

€ millions	Q1–Q2 2024		Q1–Q2 2023
	Actual Currency	Constant Currency	Actual Currency
Total segment revenue	16,329	16,430	14,995
Adjustment for currency impact	0	–101	0
Total revenue	16,329	16,329	14,995
Total segment profit	3,473	3,540	2,779
Adjustment for currency impact	0	–67	0
Adjustment for			
Acquisition-related charges	–166	–166	–177
Restructuring	–2,873	–2,873	–257
Regulatory compliance matter expenses	0	0	–170
Operating profit	434	434	2,174
Other non-operating income/expense, net	–153	–153	–116
Financial income, net	2	2	–247
Adjustment for gains and losses from equity securities, net	123	123	–41
Profit before tax	407	407	1,771

(C.3) Financial Income, Net

In the first half of 2024, finance income mainly consisted of income from gains from disposals and fair value adjustments of equity securities totaling €284 million (first half of 2023: €186 million), and interest income from loans and receivables, other financial assets (cash, cash equivalents, and current investments) as well as from derivatives amounting to €327 million (first half of 2023: €190 million).

In the first half of 2024, finance costs were primarily impacted by losses from disposals and fair value adjustments of equity securities amounting to €159 million (first half of 2023: €226 million), and interest expense on financial liabilities including lease liabilities as well as negative effects from derivatives amounting to €260 million (first half of 2023: €370 million).

For more information about our financial income, net, see the Notes to the Consolidated Financial Statements for 2023 [Note \(C.4\)](#).

(C.4) Income Taxes

We are subject to ongoing tax audits by domestic and foreign tax authorities. Currently, we are in dispute mainly with the German and only a few foreign tax authorities. The German dispute is in respect of certain secured capital investments, while the few foreign disputes are mainly in respect of the deductibility of intercompany royalty payments and intercompany services. In all cases, we expect that a favorable outcome can only be achieved through litigation. For all of these matters, we have not recorded a provision as we believe that the tax authorities' claims have no merit and that no adjustment is warranted. If, contrary to our view, the tax authorities were to prevail in their arguments before the court, we would expect to have an additional expense of approximately €1,991 million (2023: €1,815 million) in total (including related interest expenses and penalties of €1,095 million (2023: €1,003 million)).

Section D – Invested Capital

This section highlights the non-current assets including investments that form the basis of our operating activities. Additions in invested capital include separate asset acquisitions or business combinations. For more information, see our Consolidated Financial Statements for 2023, [Section D – Invested Capital](#).

(D.1) Goodwill

In the first half of 2024, the Company underwent several changes in its segment structure. Starting in the second quarter of 2024, the Company now has a single operating segment and monitors its goodwill at this level. For more information, see [Note \(C.1\)](#). The €689 million increase in goodwill since December 31, 2023, was due to the revaluation of amounts denominated in foreign currencies. The Company evaluates on an ongoing basis whether there are triggering events that would require an impairment test for goodwill through both qualitative and quantitative analyses. Our assessment of internal and external factors in the first half of 2024, including the change in segment structure and reorganizations which have no adverse effect, led us to conclude that no triggering events occurred since our annual goodwill impairment test in 2023. No impairment tests were performed in the first half of 2024.

(D.2) Property, Plant, and Equipment

Property, Plant, and Equipment (Summary)

€ millions	6/30/2024	12/31/2023
Property, plant, and equipment excluding leases	2,925	2,901
Right-of-use assets	1,330	1,375
▲ Total	4,255	4,276
Additions	Q1–Q2 2024	Q1–Q4 2023
Property, plant, and equipment excluding leases	308	626
Right-of-use assets	123	184
▲ Total	431	810

Section E – Capital Structure, Financing, and Liquidity

This section provides information related to how SAP manages its capital structure. Our capital management is based on a high equity ratio, modest financial leverage, a well-balanced maturity profile, and deep debt capacity. For more information, see our Consolidated Financial Statements for 2023, [Section E – Capital Structure, Financing, and Liquidity](#).

(E.1) Total Equity

Number of Shares

millions	Issued Capital	Treasury Shares
12/31/2022	1,228.5	-61.4
Reissuance under share-based payments	0	2.6
6/30/2023	1,228.5	-58.8
12/31/2023	1,228.5	-61.3
Reissuance under share-based payments	0	4.6
Purchase	0	-5.3
6/30/2024	1,228.5	-62.0

In the first half of 2023, we reissued 2.6 million treasury shares to service share-based payment awards under our Move SAP plan. In the first half of 2024, we bought back 5.3 million shares and reissued 4.6 million treasury shares to service share-based payment awards under our Move SAP plan.

Other Components of Equity

€ millions	Exchange Differences	Cash Flow Hedges	Total
12/31/2022	4,015	16	4,031
Other comprehensive income	-876	10	-866
6/30/2023	3,140	26	3,165
12/31/2023	2,418	9	2,426
Other comprehensive income	1,163	1	1,164
6/30/2024	3,581	10	3,591

(E.2) Liquidity

€ millions	6/30/2024				
	Nominal Volume		Carrying Amount		
	Current	Non- Current	Current	Non- Current	Total
Bonds	1,450	5,930	1,449	5,296	6,745
Private placement transactions	302	93	303	97	400
Commercial Paper	0	0	0	0	0
Bank loans	0	0	0	0	0
Financial debt	1,752	6,024	1,752	5,393	7,145
Lease liabilities	NA	NA	287	1,300	1,587
Other financial liabilities	NA	NA	233	627	860
Financial liabilities			2,271	7,321	9,592
Financial debt as % of Financial liabilities			77	74	74

€ millions	12/31/2023				
	Nominal Volume		Carrying Amount		
	Current	Non- Current	Current	Non- Current	Total
Bonds	850	6,521	849	5,932	6,780
Private placement transactions	292	90	294	95	388
Commercial Paper	0	0	0	0	0
Bank loans	0	0	0	0	0
Financial debt	1,143	6,612	1,143	6,026	7,169
Lease liabilities	NA	NA	294	1,327	1,621
Other financial liabilities	NA	NA	298	588	886
Financial liabilities			1,735	7,941	9,676
Financial debt as % of Financial liabilities			66	76	74

Section F – Management of Financial Risk Factors

This section discusses financial risk factors and risk management. In our half-year report, this includes the transfers between levels of the fair value hierarchy. For more information, particularly about our risk management related to foreign currency exchange rate risk, interest rate risk, equity price risk, credit risk, liquidity risk, and other financial risk factors, see our Consolidated Financial Statements for 2023, [Section F – Risk Management and Fair Value Disclosures](#).

(F.1) Financial Risk Factors, Financial Risk Management, and Fair Value Disclosures on Financial Instruments

A detailed overview of our other financial instruments, financial risk factors, the management of financial risks, and the determination of fair value as well as the classification of our other financial instruments into the fair value hierarchy of IFRS 13 are presented in [Note \(F.1\)](#) and [\(F.2\)](#) in the Consolidated Financial Statements for 2023.

We do not disclose the fair value of our financial instruments as at June 30, 2024, for the following reasons:

- For a large number of our financial instruments, their carrying amounts are a reasonable approximation of their fair values, and
- For those financial instruments where the carrying amount differs from fair value, there was no material change in the relation between carrying amount and fair value since December 31, 2023.

On June 5, 2024, SAP and WalkMe Ltd. ("WalkMe" / NASDAQ: WKME) announced that the companies had entered into a definitive agreement under which SAP will acquire 100% of WalkMe. The acquisition is subject to customary closing conditions, including the receipt of WalkMe shareholder approval and necessary regulatory clearances. To hedge against EUR-USD fluctuations and thus to secure the euro countervalue of the purchase price of approximately US\$1.5 billion, we have entered into a deal contingent forward applying cash flow hedge accounting.

Section G – Other Disclosures

This section provides additional disclosures on miscellaneous topics, including information pertaining to other litigation, claims, and legal contingencies, and related party transactions. For more information, see our Consolidated Financial Statements for 2023, [Section G – Other Disclosures](#).

(G.1) Other Litigation, Claims, and Legal Contingencies

We are subject to a variety of claims and lawsuits that arise from time to time in the ordinary course of our business, including proceedings and claims that relate to companies we have acquired. We will continue to vigorously defend against all claims and lawsuits against us. We currently believe that resolving the claims and lawsuits pending as at June 30, 2024, will neither individually nor in the aggregate have a material adverse effect on our business.

Among the claims and lawsuits are the following classes (for more information about these classes, see the Notes to the Consolidated Financial Statements for 2023, [Note \(G.3\)](#)).

Intellectual-Property-Related Litigation and Claims

For individual cases of intellectual-property-related litigation and claims disclosed in our Integrated Report 2023, there were no significant developments in the first half of 2024.

The provisions recorded for intellectual-property-related litigation and claims continue to be not material. There have also been no significant changes during the first half of 2024 relating to our assessment for contingent liabilities from intellectual-property-related litigation and claims for which no provision has been recognized.

Tax-Related Litigation

There have been no significant changes in contingent liabilities from non-income tax-related litigation for which no provision has been recognized compared to our Consolidated Financial Statements for 2023, [Note \(G.3\)](#).

For more information about our income tax-related litigation, see [Note \(C.4\)](#).

Anti-Bribery Matters

In January 2024, following comprehensive and exhaustive investigations, dialogue, and corresponding remediation activities, SAP entered into a final settlement agreement with the U.S. Securities and Exchange Commission (U.S. SEC) and the U.S. Department of Justice (U.S. DOJ), as well as with local authorities and parties in South Africa, to resolve the criminal and civil claims against SAP fully and finally. Under this agreement, SAP has been required to make payments amounting to €207 million and will continue to enhance its compliance program, including related internal controls, policies, and procedures, and report to and cooperate with relevant regulators.

As a consequence of the agreement, as at December 31, 2023, provisions for fines in regulatory compliance matters totaling €155 million were recognized in our Consolidated Financial Statements for the year 2023 as well as repayments to customers, for which revenue recognized from contracts with customers have been reversed. A considerable portion of these repayments to customers was eligible to be credited against the fines incurred in the regulatory compliance matters. Significant payments were made in the first half of 2024. The remaining provision as at June 30, 2024, amounts to €25 million and is expected to be settled in the second half of 2024.

For more information, see the Notes to the Consolidated Financial Statements for 2023, [Note \(G.3\)](#).

(G.2) Related Party Transactions

Certain Executive Board and Supervisory Board members of SAP SE currently hold or have held positions of significant responsibility with other entities (for more information, see the Notes to the Consolidated Financial Statements for 2023, [Note \(G.4\)](#)). We have relationships with certain of these entities in the ordinary course of business.

On May 15, 2024, the Annual General Meeting of Shareholders elected Pekka Ala-Pietilä as chairperson of the Supervisory Board as successor to Hasso Plattner, whose term of office expired with effect from that date. As of his election date, Pekka Ala-Pietilä became a related party. Subsequently, all parties that were considered related to SAP due to their connection to and/or their relationship with Hasso Plattner will not be considered as related parties after May 15, 2024. This includes transactions after that date as well as outstanding balances and commitments.

€ millions	Executive Board Members		Supervisory Board Members		Companies Controlled by Supervisory Board Members		Associated Entities	
	Q1–Q2 2024	Q1–Q2 2023	Q1–Q2 2024	Q1–Q2 2023	Q1–Q2 2024	Q1–Q2 2023	Q1–Q2 2024	Q1–Q2 2023
Products and services provided	NA	NA	NA	0	0	0	22	9
Products and services received	0	NA	0 ¹	1 ¹	1	2	50	60
Sponsoring and other financial support provided	NA	NA	NA	NA	5	2	NA	NA
Outstanding balances on 6/30 (Vendors)	NA	NA	NA	0	NA	0	3	2
Outstanding balances on 6/30 (Customers)	NA	NA	NA	0	NA	0	1	1
Commitments on 6/30	NA	NA	NA	0	NA	48	NA	NA

¹ Including services from employee representatives on the Supervisory Board in their capacity as employees of SAP

For more information about related party transactions, see the Notes to the Consolidated Financial Statements for 2023 [Note \(G.6\)](#).

(G.3) Events after the Reporting Period

No events have occurred since June 30, 2024, that have a material impact on the Company's Consolidated Half-Year Financial Statements.

(G.4) Scope of Consolidation

Entities Consolidated in the Financial Statements

	Total
12/31/2023	235
Additions	2
Disposals	-11
6/30/2024	226

The additions in the first half of 2024 relate to legal entities added in connection with acquisitions and foundations. The disposals are mainly due to liquidations and mergers of legal entities.

For more information about our business combinations and the effect on our Consolidated Financial Statements, see the SAP Integrated Report 2023.

Release of the Consolidated Half-Year Financial Statements

The Executive Board of SAP SE approved these Consolidated Half-Year Financial Statements on July 21, 2024, for submission to the Audit and Compliance Committee of the Supervisory Board and for subsequent issuance.

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for half-year financial reporting, the Consolidated Half-Year Financial Statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the SAP Group, and the Consolidated Half-Year Management Report of the SAP Group includes a fair review of the development and performance of the business and the position of the SAP Group, together with a description of the material opportunities and risks associated with the expected development of the SAP Group for the remaining months of the financial year.

Walldorf, July 21, 2024
SAP SE
Walldorf, Baden
The Executive Board

Christian Klein

Muhammad Alam

Dominik Asam

Dr. Juergen Mueller

Scott Russell

Thomas Saueressig

Gina Vargiu-Breuer

Julia White

Supplementary Financial Information

Financial and Non-Financial Key Facts (IFRS and Non-IFRS)

€ millions, unless otherwise stated	Q1 2023	Q2 2023	Q3 2023	Q4 2023	TY 2023	Q1 2024	Q2 2024
Revenues							
Cloud	3,178	3,316	3,472	3,699	13,664	3,928	4,153
% change – yoy	24	19	16	20	20	24	25
% change constant currency – yoy	22	22	23	25	23	25	25
Cloud ERP Suite	2,422	2,562	2,711	2,931	10,626	3,167	3,414
% change – yoy	35	30	26	28	29	31	33
% change constant currency – yoy	33	33	34	33	33	32	33
Software licenses	276	316	335	838	1,764	203	229
% change – yoy	-13	-26	-17	-8	-14	-26	-28
% change constant currency – yoy	-13	-24	-14	-6	-12	-25	-27
Software support	2,905	2,873	2,872	2,846	11,496	2,829	2,792
% change – yoy	-1	-3	-5	-5	-3	-3	-3
% change constant currency – yoy	-1	-1	-1	-1	-1	-1	-3
Software licenses and support	3,180	3,189	3,208	3,683	13,261	3,031	3,021
% change – yoy	-2	-6	-6	-6	-5	-5	-5
% change constant currency – yoy	-2	-4	-2	-2	-3	-4	-5
Cloud and software	6,358	6,505	6,679	7,382	26,924	6,960	7,175
% change – yoy	10	5	4	6	6	9	10
% change constant currency – yoy	8	8	9	10	9	11	10
Total revenue	7,441	7,554	7,744	8,468	31,207	8,041	8,288
% change – yoy	10	5	4	5	6	8	10
% change constant currency – yoy	9	8	9	9	9	9	10
Share of more predictable revenue (in %)	82	82	82	77	81	84	84
Profits							
Operating profit (loss) (IFRS)	803	1,371	1,723	1,902	5,799	-787	1,222
Operating profit (loss) (non-IFRS)	1,321	1,457	1,767	1,969	6,514	1,533	1,940
% change - yoy	-15	14	7	1	1	16	33
% change constant currency - yoy	-15	19	13	5	5	19	35
Profit (loss) after tax (IFRS)	403	724	1,272	1,201	3,600	-824	918
Profit (loss) after tax (non-IFRS)	868	799	1,352	1,302	4,321	944	1,278
% change	-20	-9	13	-10	-6	9	60
Margins							
Cloud gross margin (IFRS, in %)	70.5	71.1	72.7	71.9	71.6	72.2	73.0
Cloud gross margin (non-IFRS, in %)	70.8	71.4	73.0	72.2	71.9	72.5	73.3
Software license and support gross margin (IFRS, in %)	88.6	89.8	90.0	89.8	89.6	89.2	89.7
Software license and support gross margin (non-IFRS, in %)	88.9	90.2	90.1	89.8	89.8	89.2	89.7
Cloud and software gross margin (IFRS, in %)	79.5	80.3	81.0	80.8	80.4	79.6	80.0
Cloud and software gross margin (non-IFRS, in %)	79.9	80.6	81.2	81.0	80.7	79.8	80.2
Gross margin (IFRS, in %)	71.0	71.6	72.8	73.3	72.2	71.7	72.6
Gross margin (non-IFRS, in %)	71.3	71.9	73.0	73.4	72.4	71.8	72.7
Operating margin (IFRS, in %)	10.8	18.2	22.2	22.5	18.6	-9.8	14.7

€ millions, unless otherwise stated	Q1 2023	Q2 2023	Q3 2023	Q4 2023	TY 2023	Q1 2024	Q2 2024
Operating margin (non-IFRS, in %)	17.8	19.3	22.8	23.3	20.9	19.1	23.4
Key Profit Ratios							
Effective tax rate (IFRS, in %)	40.5	33.8	27.8	33.6	32.6	16.0	33.8
Effective tax rate (non-IFRS, in %)	29.1	33.0	27.1	32.5	30.3	32.4	33.6
Earnings per share, basic (IFRS, in €) from continuing operations	0.35	0.62	1.09	1.05	3.11	-0.71	0.76
Earnings per share, basic (non-IFRS, in €) from continuing operations	0.75	0.69	1.16	1.12	3.72	0.81	1.10
Earnings per share, basic (IFRS, in €) ¹	0.41	2.70	1.09	1.05	5.26	-0.71	0.76
Earnings per share, basic (non-IFRS, in €) ¹	0.83	2.40	1.16	1.12	5.51	0.81	1.10
Order Entry and current cloud backlog							
Current cloud backlog	11,148	11,537	12,269	13,745	13,745	14,179	14,803
% change – yoy	25	21	19	25	25	27	28
% change constant currency – yoy	25	25	25	27	27	28	28
Share of cloud orders greater than €5 million based on total cloud order entry volume (in %)	45	46	49	62	55	52	52
Share of cloud orders smaller than €1 million based on total cloud order entry volume (in %)	26	25	21	14	19	21	20
Liquidity and Cash Flow							
Net cash flows from operating activities	2,311	848	1,124	1,926	6,210	2,757	1,540
Purchase of intangible assets and property, plant, and equipment	-257	-156	-182	-190	-785	-187	-178
Payments of lease liabilities	-99	-89	-78	-66	-332	-78	-70
Free cash flow	1,955	604	865	1,670	5,093	2,492	1,291
% of total revenue	26	8	11	20	16	31	16
% of profit after tax (IFRS)	485	83	68	139	141	NA	141
Cash and cash equivalents	8,766	14,142	9,378	8,124	8,124	9,295	7,870
Group liquidity	9,700	14,326	12,122	11,275	11,275	13,411	11,449
Financial debt (-)	-10,751	-10,146	-8,445	-7,755	-7,755	-7,770	-7,776
Net liquidity (+) / Net debt (-)	-1,050	4,180	3,677	3,521	3,521	5,641	3,674
Non-Financials							
Number of employees (quarter end) ²	105,132	105,328	106,495	107,602	107,602	108,133	105,315
Employee retention (in %, rolling 12 months)	93.8	95.1	96.0	96.4	96.4	96.6	96.6
Women in management (in %, quarter end)	29.4	29.5	29.5	29.7	29.7	29.8	29.9
Women in executive roles (in %, quarter end)	21.8	21.9	22.1	22.2	22.2	21.7	21.9
Gross greenhouse gas emissions (scope 1, 2, 3 / market-based) ³ (in million tons CO ₂ equivalents)					6.9	1.8	1.8

¹ From continuing and discontinued operations

² In full-time equivalents

³ Our gross greenhouse gas emissions (GHG) – which cover scope 1, scope 2, and scope 3 (market-based) – include the total lifecycle emissions resulting from the use of our on-premise software. A projection over the next 12 months amounts to 5.9 million tons CO₂ equivalents. The calculation of use of sold products emissions is based on the number of active maintenance contracts at quarter end. Therefore, the emissions for individual quarters will not add up to the total sum of GHG emissions at year end.

Reconciliation of Non-IFRS Numbers to IFRS Numbers – Half Year

Reconciliation of Non-IFRS Revenue – Year-to-Date

€ millions, unless otherwise stated	IFRS	Currency Impact	Q1–Q2 2024		Q1–Q2 2023		Δ in %
			Non-IFRS Constant Currency	IFRS	IFRS	Non-IFRS Constant Currency	
Revenue Numbers							
Cloud	8,082	49	8,131	6,493	24	25	
Software licenses	432	5	436	591	-27	-26	
Software support	5,621	40	5,661	5,778	-3	-2	
Software licenses and support	6,053	44	6,097	6,369	-5	-4	
Cloud and software	14,134	93	14,228	12,863	10	11	
Services	2,195	8	2,202	2,132	3	3	
Total revenue	16,329	101	16,430	14,995	9	10	

Reconciliation of Non-IFRS Operating Expenses – Year-to-Date

€ millions, unless otherwise stated	IFRS	Adj.	Non-IFRS	Currency Impact	Q1–Q2 2024		Q1–Q2 2023		Δ in %
					Non-IFRS Constant Currency	IFRS	Adj.	Non-IFRS	
Operating Expense Numbers									
Cost of cloud	-2,214	25	-2,190		-1,897	21	-1,876	17	17
Cost of software licenses and support	-637	0	-637		-687	22	-665	-7	-4
Cost of cloud and software	-2,851	25	-2,827		-2,584	43	-2,541	10	11
Cost of services	-1,699	0	-1,699		-1,718	0	-1,717	-1	-1
Total cost of revenue	-4,550	25	-4,526		-4,301	44	-4,258	6	6
Gross profit	11,778	25	11,803	97	11,900	10,693	44	10,737	10
Research and development	-3,270	3	-3,267		-3,138	4	-3,134	4	4
Sales and marketing	-4,496	129	-4,366		-4,457	299	-4,158	1	5
General and administration	-696	9	-687		-670	1	-669	4	3
Restructuring	-2,873	2,873	0		-257	257	0	>100	NA
Other operating income/expense, net	-9	0	-9		3	0	3	NA	NA
Total operating expenses	-15,894	3,039	-12,855	-34	-12,890	-12,820	604	-12,216	24

Reconciliation of Non-IFRS Profit Figures, Income Tax, and Key Ratios – Year-to-Date

€ millions, unless otherwise stated	Q1–Q2 2024					Q1–Q2 2023					Δ in %
	IFRS	Adj.	Non-IFRS	Currency Impact	Non-IFRS Constant Currency	IFRS	Adj.	Non-IFRS	IFRS	Non-IFRS Constant Currency	
Profit Numbers											
Operating profit (loss)	434	3,039	3,473	67	3,540	2,174	604	2,779	–80	25	27
Other non-operating income/expense, net	–153	0	–153			–116	0	–116	32	32	
Finance income	611	–282	328			369	–185	184	65	79	
Finance costs	–486	159	–327			–656	226	–430	–26	–24	
Financial income, net	125	–123	2			–287	41	–247	NA	NA	
Profit (loss) before tax from continuing operations	407	2,916	3,322			1,771	645	2,416	–77	37	
Income tax expense	–313	–787	–1,100			–643	–106	–749	–51	47	
Profit (loss) after tax from continuing operations	94	2,129	2,223			1,128	539	1,667	–92	33	
Attributable to owners of parent	60	2,163	2,222			1,135	543	1,678	–95	32	
Attributable to non-controlling interests	34	–34	0			–7	–4	–11	NA	NA	
Profit (loss) after tax¹	94	2,129	2,223			3,491	–43	3,448	–97	–36	
Attributable to owners of parent ¹	60	2,163	2,222			3,640	136	3,776	–98	–41	
Attributable to non-controlling interests ¹	34	–34	0			–149	–179	–327	NA	NA	
Key Ratios											
Operating margin (in %)	2.7		21.3		21.5	14.5		18.5	–11.8pp	2.7pp	3.0pp
Effective tax rate (in %)²	76.9		33.1			36.3		31.0	40.6pp	2.1pp	
Earnings per share, basic (in €) from continuing operations	0.05		1.91			0.97		1.44	–95	33	
Earnings per share, basic (in €)¹	0.05		1.91			3.12		3.23	–98	–41	

¹ From continuing and discontinued operations

² The difference between our effective tax rate (IFRS) and our effective tax rate (non-IFRS) in the first half of 2024 and 2023 mainly resulted from restructuring expenses.

Reconciliation of Free Cash Flow

€ millions, unless otherwise stated	Q1–Q2 2024		Q1–Q2 2023	
	Net cash flows from operating activities – continuing operations		4,297	3,160
Purchase of intangible assets and property, plant, and equipment			–365	–413
Payments of lease liabilities			–148	–188
Free cash flow			3,784	2,559
Net cash flows from investing activities – continuing operations			–947	41
Net cash flows from financing activities – continuing operations			–3,708	–4,283
47/53				

Non-IFRS Adjustments Actuals and Estimates – Half Year

€ millions, unless otherwise stated	Estimated Amounts for Full Year 2024	Q1–Q2 2024	Q1–Q2 2023
Profit (loss) before tax from continuing operations (IFRS)		407	1,771
Adjustment for acquisition-related charges	280–360	166	177
Adjustment for restructuring	approximately €3 B	2,873	257
Adjustment for regulatory compliance matter expenses	0	0	170
Adjustment for gains and losses from equity securities, net	NA ¹	–123	41
Profit (loss) before tax from continuing operations (non-IFRS)		3,322	2,416

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.

Non-IFRS-Adjustments by Functional Areas – Half Year

€ millions	IFRS	Q1–Q2 2024				Q1–Q2 2023				
		Acquisition- Related	Restruc- turing	RCM ¹	Non-IFRS	IFRS	Acquisition- Related	Restruc- turing	RCM ¹	Non-IFRS
Cost of cloud	–2,214	25	0	0	–2,190	–1,897	21	0	0	–1,876
Cost of software licenses and support	–637	0	0	0	–637	–687	22	0	0	–665
Cost of services	–1,699	0	0	0	–1,699	–1,718	0	0	0	–1,717
Research and development	–3,270	3	0	0	–3,267	–3,138	4	0	0	–3,134
Sales and marketing	–4,496	129	0	0	–4,366	–4,457	129	0	170	–4,158
General and administration	–696	9	0	0	–687	–670	1	0	0	–669
Restructuring	–2,873	0	2,873	0	0	–257	0	257	0	0
Other operating income/expense, net	–9	0	0	0	–9	3	0	0	0	3
Total operating expenses	–15,894	166	2,873	0	–12,855	–12,820	177	257	170	–12,216

¹ Regulatory compliance matters

Revenue by Region (IFRS and Non-IFRS) – Half Year

€ millions	Q1–Q2 2024			Q1–Q2 2023		Δ in %
	Actual Currency	Currency Impact	Constant Currency	Actual Currency	Actual Currency	
Cloud Revenue by Region						
EMEA	3,230	–12	3,219	2,458	31	31
Americas	3,761	5	3,766	3,194	18	18
APJ	1,090	56	1,146	841	30	36
Cloud revenue	8,082	49	8,131	6,493	24	25
Cloud and Software Revenue by Region						
EMEA	6,325	–18	6,306	5,660	12	11
Americas	5,776	5	5,781	5,283	9	9
APJ	2,034	107	2,140	1,919	6	12
Cloud and software revenue	14,134	93	14,228	12,863	10	11
Total Revenue by Region						
Germany	2,520	0	2,520	2,283	10	10
Rest of EMEA	4,804	–23	4,781	4,338	11	10
Total EMEA	7,323	–23	7,301	6,621	11	10
United States	5,369	1	5,370	4,974	8	8
Rest of Americas	1,359	3	1,362	1,233	10	10
Total Americas	6,728	4	6,732	6,207	8	8
Japan	662	78	740	616	7	20
Rest of APJ	1,615	42	1,658	1,550	4	7
Total APJ	2,277	120	2,397	2,166	5	11
Total revenue	16,329	101	16,430	14,995	9	10

General Information

Forward-Looking Statements

This half-year report contains forward-looking statements and information based on the beliefs of, and assumptions made by, our management using information currently available to them. Any statements contained in this report that are not historical facts are forward-looking statements as defined in the U.S. Private Securities Litigation Reform Act of 1995. We have based these forward-looking statements on our current expectations, assumptions, and projections about future conditions and events. As a result, our forward-looking statements and information are subject to uncertainties and risks, many of which are beyond our control. If one or more of these uncertainties or risks materializes, or if management's underlying assumptions prove incorrect, our actual results could differ materially from those described in or inferred from our forward-looking statements and information. We describe these risks and uncertainties in the [Risk Management and Risks](#) section, respectively in the there-mentioned sources.

The words "aim," "anticipate," "assume," "believe," "continue," "could," "counting on," "is confident," "development," "estimate," "expect," "forecast," "future trends," "guidance," "intend," "may," "might," "outlook," "plan," "project," "predict," "seek," "should," "strategy," "want," "will," "would," and similar expressions as they relate to us are intended to identify such forward-looking statements. Such statements include, for example, those made in the [Performance Against Our Outlook for 2024](#) section, the [Risk Management and Risks](#) section, the [Expected Developments and Opportunities](#) section, and other forward-looking information appearing in other parts of this half-year financial report. To fully consider the factors that could affect our future financial results, both our Integrated Report 2023 and our Annual Report on Form 20-F for 2023, should be considered, as well as all of our other filings with the U.S. Securities and Exchange Commission (U.S. SEC). Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as at the date specified or the date of this report. We undertake no obligation to publicly update or revise any forward-looking statements as a result of new information that we receive about conditions that existed upon issuance of this report, future events, or otherwise unless we are required to do so by law.

This report includes statistical data about the IT industry and global economic trends that comes from information published by sources including IDC, the ECB, and the IMF. This type of data represents only the estimates of IDC, ECB, IMF, and other sources of industry data. SAP does not adopt or endorse any of the statistical information provided by sources such as IDC, ECB, IMF, or other similar sources that is contained in this report. The data from these sources is subject to risks and uncertainties, and subject to change based on various factors, including those described above, in the [Risk Management and Risks](#) section, and elsewhere in this report. These and other factors could cause our results to differ materially from those expressed in the estimates made by third parties and SAP. We caution readers not to place undue reliance on this data.

All of the information in this report relates to the situation as at June 30, 2024, or the half year ended on that date unless otherwise stated.

Non-IFRS Financial Information

This half-year report contains non-IFRS measures as well as financial data prepared in accordance with IFRS. We present and discuss the reconciliation of these non-IFRS measures to the respective IFRS measures in the [Supplementary Financial Information](#) section. For more information about non-IFRS measures, see our Web site www.sap.com/investors/sap-non-ifrs-measures.

Additional Information

Financial Calendar

October 21, 2024

Third-quarter 2024 earnings release, conference call for financial analysts and investors

May 13, 2025

Annual General Meeting of Shareholders

Investor Services

Additional information about this half-year report is available online at www.sap.com/investors/en/calendar, including the official quarterly statement, a presentation about the quarterly results, and a recording of the conference call for financial analysts.

Visit www.sap.com/investors/en/reports to access the following publications:

- SAP Integrated Report (IFRS, PDF, www.sapintegratedreport.com)
- SAP Annual Report on Form 20-F (IFRS, PDF)
- SAP SE Statutory Financial Statements and Review of Operations (HGB, German only, PDF)
- Half-Year Report (IFRS, PDF)
- Quarterly Statements (IFRS, PDF)

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You can reach us by phone at +49 6227 7-67336, send a fax to +49 6227 7-40805, or e-mail us at investor@sap.com.

Addresses

SAP SE

Dietmar-Hopp-Allee 16

69190 Walldorf

Germany

Tel. +49 6227 7-47474

Fax +49 6227 7-57575

Internet www.sap.com

E-mail info@sap.com

The addresses of all our international subsidiaries and sales partners are available on our public Web site at
www.sap.com/about/company/office-locations

Information About Content

Investor Relations

Tel. +49 6227 7-67336

Fax +49 6227 7-40805

E-mail investor@sap.com

LinkedIn: www.linkedin.com/showcase/sap-investor-relations

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Group Headquarters
SAP SE
Dietmar-Hopp-Allee 16
69190 Walldorf
Germany