

SAP - Q4 2022 Financial Report

Metric	Value
Revenue	\$25,482,258.00
Growth Rate	0.1%
Profit Margin	19.6%

SAP SE: Fourth Quarter 2022 Financial Report **Executive Summary:** SAP SE reports a solid performance for the fourth quarter of 2022, demonstrating resilience amidst a complex macroeconomic environment. While facing headwinds from currency fluctuations and geopolitical uncertainties, the company achieved continued growth in key strategic areas. Q4 performance underscores the strength of SAP's cloud-first strategy and the increasing customer demand for its RISE with SAP and S/4HANA Cloud offerings. Overall, SAP met revised expectations, demonstrating disciplined execution.

Revenue Performance: Total revenue for Q4 2022 reached approximately €8.03 billion, reflecting a reported increase of 5% year-over-year. Cloud revenue continued to be the primary growth driver, surging by 30% to €3.26 billion. This growth was partially offset by a decline in software licenses revenue, which decreased by 15% as customers increasingly migrate towards cloud solutions. Services revenue remained relatively stable at €1.05 billion. Regionally, EMEA demonstrated modest growth, while the Americas saw a stronger performance driven by large enterprise deals. Asia Pacific showed continued expansion, particularly in strategic growth markets like India and Japan.

Key Business Highlights: During Q4, SAP continued to gain significant traction with its RISE with SAP offering, securing key wins across diverse industries. Customer adoption of S/4HANA Cloud also accelerated, further solidifying SAP's position as the leader in intelligent enterprise solutions. Notable achievements included the successful integration of acquired technologies into the Business Technology Platform and strategic partnerships designed to enhance SAP's ecosystem. Furthermore, SAP made notable advancements in sustainability solutions, reflecting growing market demand for ESG-focused offerings.

Market Conditions and Competitive Landscape: The Enterprise Resource Planning (ERP) market remained highly competitive in Q4 2022. Economic uncertainty and inflationary pressures led to increased scrutiny on IT spending. While SAP maintained its leading market position, competitors like Oracle, Microsoft, and Workday continued to aggressively pursue cloud ERP market share. SAP differentiates itself through its comprehensive product portfolio, industry-specific solutions, and established customer base.

Forward-Looking Statements and Guidance: Looking ahead, SAP anticipates continued growth in cloud revenue, driven by ongoing adoption of S/4HANA Cloud and RISE with SAP. For fiscal year 2023, SAP projects cloud revenue to be in the range of €14.5 billion to €15.0 billion. While macroeconomic uncertainties are expected to persist, SAP remains confident in its ability to execute its strategy, deliver innovative solutions, and generate sustainable, profitable growth. The company will continue to prioritize cloud transformation, customer success, and strategic partnerships to solidify its leadership position in the intelligent enterprise market.