SAP SE

€210.75
As of Sun 8 Nov 2026, 12:00 UTC

XETRA:SAP	Technology	Country	Germany	PE (Fwd)	24.87	TSR 10Y CAGR	12.09%
Software (Application)		Beta (5Y)	0.70	PE TTM	30.32	TSR TTM	(2.24%)

Div yield	1.19%	ROE	18.12%
Mkt cap	€243.2B	ROIC	18.69%

SE Grade™	★☆☆
Value	★★★
Quality	★★★
Moat	★★☆

Consensus	Reference
€231	€263
9.60%	24.98%

Buy 19|5|5|0|0



	4Q25	1Q26	2Q26	3Q26
Earnings per share				€
	1.43	1.65	1.89	**1.94**
	4.97%	9.27%	30.63%	13.45%
Revenue				€B
	9.684	9.555	9.877	**10.27**
	3.26%	6.01%	9.42%	13.16%

Next earnings 21 Oct

TTM	FYE 31 Dec	EUR	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026E	Trend	5Y	10Y	Peers
39.39	Revenue	€B	22.06	23.46	24.71	27.55	27.34	26.95	29.52	31.21	34.18	36.80	**40.43**		6.12%	5.85%	97
7.92	*Revenue growth*	*%*	–	*6.34*	*5.31*	*11.52*	*(0.78)*	*(1.41)*	*9.52*	*5.71*	*9.51*	*7.68*	***9.86***		*7.68*	*6.34*	17
73.58	*Gross margin*	*%*	*70.16*	*69.94*	*69.80*	*69.68*	*71.16*	*73.22*	*72.77*	*72.20*	*73.19*	*73.76*	***73.68***		*73.19*	*71.68*	40
29.12	*Operating margin*	*%*	*23.39*	*21.56*	*23.16*	*20.33*	*23.51*	*23.70*	*20.50*	*19.27*	*23.86*	*28.31*	***29.27***		*23.70*	*23.28*	77
20.42	*Net margin*	*%*	*16.51*	*17.08*	*16.53*	*12.05*	*18.82*	*19.50*	*7.74*	*19.67*	*9.14*	*19.46*	***20.86***		*19.46*	*16.80*	55
30.32	P/E ratio (avg)	x	24.54	27.38	27.36	39.62	25.57	25.67	49.57	23.88	72.26	40.09	***29.45***		40.09	27.37	56
21.35	EV/EBIT	x	18.09	21.98	19.94	25.34	21.84	22.10	19.71	24.00	27.68	27.40	***20.63***		24.00	22.04	63
3.77	*FCF yield (avg)*	*%*	*4.06*	*3.44*	*2.55*	*2.04*	*4.85*	*4.09*	*4.21*	*3.73*	*1.95*	*2.93*	***4.18***		*3.73*	*3.58*	33
23.31	*FCF margin*	*%*	*16.44*	*16.07*	*11.51*	*9.72*	*23.33*	*20.49*	*16.16*	*17.50*	*12.90*	*22.87*	***25.43***		*17.50*	*16.30*	20
1.142	FCF / Net income	x	0.996	0.941	0.697	0.807	1.240	1.051	2.088	0.890	1.412	1.175	***1.219***		1.175	1.023	22
18.69	*ROIC*	*%*	*12.66*	*14.20*	*14.36*	*11.36*	*11.81*	*12.25*	*9.00*	*9.30*	*12.50*	*16.82*	***18.48***		*12.25*	*12.37*	57
18.12	*Return on equity*	*%*	*13.81*	*15.46*	*15.03*	*11.15*	*17.02*	*15.33*	*5.78*	*14.73*	*7.05*	*15.91*	***18.14***		*14.73*	*14.88*	57
10.53	*Return on assets*	*%*	*8.23*	*9.43*	*7.93*	*5.52*	*8.80*	*7.38*	*3.17*	*8.98*	*4.21*	*10.18*	***10.89***		*7.38*	*8.08*	69
6.95	EPS	€	3.04	3.35	3.42	2.78	4.35	4.45	1.94	5.20	2.65	6.09	***7.16***		6.96%	8.04%	–
15.01	*EPS growth*	*%*	–	*10.14*	*2.21*	*(18.66)*	*56.50*	*2.33*	*(56.36)*	*167.64*	*(49.11)*	*130.20*	***16.37***		*2.33*	*2.33*	38
39.71	Bookvalue per sh	€	22.00	21.27	24.15	25.75	25.14	32.93	34.20	36.57	38.51	37.95	***40.30***		8.58%	6.24%	–
7.94	FCF per share	€	3.03	3.15	2.38	2.24	5.40	4.68	4.06	4.63	3.74	7.16	***8.81***		5.83%	10.05%	–
2.50	Dividend per sh	€	1.25	1.40	1.50	1.58	1.85	1.95	2.05	2.20	2.35	2.50	***2.69***		6.21%	8.01%	–
1.19	*Div yield (avg)*	*%*	*1.68*	*1.53*	*1.60*	*1.43*	*1.66*	*1.71*	*2.13*	*1.77*	*1.23*	*1.02*	***1.28***		*1.71*	*1.63*	45
–	*Payout ratio*	*%*	*41.12*	*41.81*	*43.86*	*56.83*	*42.53*	*43.78*	*105.67*	*42.31*	*88.68*	*40.98*	***37.19***		*43.78*	*43.15*	73
1.154	Shares (diluted)	B	1.199	1.198	1.194	1.194	1.182	1.180	1.175	1.180	1.180	1.175	***1.166***		(0.12%)	(0.22%)	38
1.28	*Buyback yield*	*%*	–	*0.08*	*0.33*	–	*1.01*	*0.17*	*0.42*	*(0.43)*	–	*0.42*	***0.72***		*0.17*	*0.17*	38
0.228	D/E ratio	x	0.299	0.247	0.391	0.513	0.517	0.365	0.305	0.203	0.233	0.166	***0.223***		0.233	0.302	79
244.8	Enterprise value	€B	93.37	111.2	114.1	142.0	140.4	141.2	119.3	144.3	225.7	285.5	***244.1***		15.26%	13.22%	100
8.535	LT debt	€B	6.450	5.003	10.54	12.90	13.60	10.98	8.752	7.354	6.720	5.624	***8.535***		(16.19%)	(1.51%)	90

Peers (US$273.1B)	Cap (US$)	PE
Infineon Technologies…	66.61B	50.00x
Shopify Inc.	191.6B	91.16x
Salesforce, Inc.	175.8B	19.80x
Uber Technologies, Inc.	140.1B	40.94x

Capital	TTM	5Y	10Y
Leverage x	(0.032)	(0.049)	0.388
EBIT/Int x	8.603	21.13	21.69
Own earn %	20.83	15.31	14.91
Sh yield %	2.47	1.45	1.61

Owners		
Insiders/Inst	%	5.38	41.49
Short interest	%	–
SBC / revenue	%	2.48

Record	10Y
Profitable years	10/10
Revenue growth years	7/9
EPS growth years	6/9
Dividend streak	yrs	2
Op margin range	%	19–28
$1 test	x	10.1
Incr. ROIC	%	28

SAP's third quarter showed a cloud franchise gathering pace: revenue rose 13.2% from a year earlier. Management credited cloud revenue partly to one-off positive revenue recognition worth about one percentage point, and to a catch-up from customers returning from financial distress. Services revenue fell as SAP redirected its consultants toward driving AI adoption, so part of the quarter's strength will not repeat. Even so, the shares trade below what the cash flows suggest: SE fair value of €263 is 25.0% above the price.

Management now expects 2026 cloud revenue, and cloud and software revenue, to land towards the upper end of the previously guided range. It reaffirmed operating profit and free cash flow guidance, and expects current cloud backlog growth to slow slightly in constant currencies. It still plans for total revenue growth to accelerate in 2027, which matches the faster growth consensus expects next year. Analysts pressed on AI credits. The CFO said credits are amortized over contract life and consumption models ramp gradually. SAP is also pursuing TechWolf to add skills and workforce intelligence.

Consensus expects EPS growth of 16.4% in FY2026, quickening to 18.4% in FY2027. Analysts see FY2026 revenue rising 9.9%, while the price implies only 6.7% a year over five years. That gap carries the upside: the market discounts growth well below what analysts and management describe. SAP has a record of delivering against those estimates, having beaten them in 6 of the last 8 quarters. Meeting the slower implied path would leave the shares fully valued, so the upside depends on sustaining growth nearer consensus.

Profitability has improved sharply. Net margin rose from 7.7% in FY2022 to 19.5% in FY2025, and ROE climbed from 5.8% to 15.9% over the same span. ROIC moved from 9.0% to 16.8%, comfortably above the cost of capital. Free cash flow margin of 23.3% sits above its 5-year median of 17.5%, after a 6.7-point three-year gain. That cash margin still ranks only in the 20th percentile of size-matched software peers, the one place where SAP's quality trails comparable companies.

On earnings the shares are not cheap. The P/E of 30.3x is above the 10-year median of 27.4x. SE fair value of €263 is 25.0% above the price, with high confidence. The analyst consensus target of €231 is 9.6% above the price. For the price to hold, cloud growth has to absorb a further fall in services revenue, which management flagged for next year. Weak fourth-quarter bookings, a risk management tied to political and macroeconomic uncertainty, would be the first sign that growth is falling short.

The SE Score is 1 of 3. Quality earns three stars on a three-year median ROIC of 12% against a 7.9% cost of capital, free cash flow running ahead of net income, and a net cash balance sheet. Moat earns two stars because each €1 of retained earnings created €10.07 of market value, although ROIC topped 15% in only 1 of 10 years. Value earns three stars because the price sits below SE fair value, which left the business tier at two. The overall score was then lowered from two because SAP's 5-year return over the hurdle does not rank in the top 10% of companies.

Q3 2026

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Revenue by segment	Revenue	Trend	10Y CAGR	Rel growth	Revenue by region	Share	Trend	Reinvestment returns	10Y median	Trend
Cloud	57.13%		24.84%	4.21×	EMEA	46.26%		Reinvestment rate	6.98%	
Software Support	28.60%		0.42%	0.60×	Americas	39.40%		Return on capital	12.37%	
Services	11.58%		1.76%	0.70×	APJ	14.34%		Spread over hurdle	6.11%	

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