

SAP sees 'double-digit' growth in 2013 after record 2012 (Update)

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A worker is seen adjusting screens at the stand of German software company SAP prior to the opening of the CeBIT IT fair in Hanover, central Germany, on March 5, 2012.

German software giant SAP said on Wednesday it was projecting rising sales and earnings this year thanks to new business areas such as cloud

computing.

SAP said in a statement it expected a further strong improvement in sales this year from last year's record levels, and profits were also set to rise after falling in 2012.

"We are confident we will continue our double-digit growth momentum in 2013 and further improve our profitability," chief financial officer Werner Brandt said.

As reported earlier, SAP achieved record sales in 2012, beating its full-year forecasts, even though acquisition costs hit earnings.

The group publishes two sets of accounts, the first using IFRS (International Financial Reporting Standards), and the second using domestic German or non-IFRS rules.

On an IFRS basis, full-year revenues rose by 14 percent to 16.22 billion euros (\$21.6 billion) and software and software-related sales were up 16 percent to 13.16 billion euros, exceeding expectations for an increase of 10.5-12.5 percent.

At the same time, IFRS operating profit fell by 17 percent to 4.06 billion euros, impacted by acquisition-related charges, the group explained.

Bottom-line net profit was down 18 percent at 2.826 billion euros.

Using non-IFRS figures, however, 2012 net profit actually climbed by 7.0 percent to 3.608 billion euros.

That was because the non-IFRS figures do not include special factors such as acquisition costs and employee stock programmes.

Looking ahead to the whole of 2013, SAP only provided full-year forecasts on a non-IFRS basis.

Here, software and software-related service revenues were projected to rise by 11-13 percent from 13.25 billion euros last year and operating profit to come out at 5.85-5.95 billion euros, compared with 5.21 billion euros in 2012.

Growth would be fuelled by the group's recently acquired cloud-computing activities.

SAP completed its acquisition of California-based cloud computing company Ariba for \$4.3 billion at the beginning of October.

Investors appeared to be pleased with SAP's confident outlook and the group's shares were the biggest gainers on Frankfurt's blue-chip DAX 30 index, adding 2.63 percent in a generally firmer market.

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