

Clouds lift for SAP as it raises full-year forecasts

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Debugged: SAP sales and profits rise in the second quarter.

German software firm SAP raised its revenue forecasts for the full year Thursday, after sales of its cloud computing products and its bottom line swelled in the second quarter.

The Walldorf-based firm reported net profits of 720 million euros (\$838 million) between April and June, up 8.0 percent year-on-year.

Operating, or underlying profits grew 13 percent, to 1.04 billion euros, on the back of revenues up 4.0 percent at 6.0 billion.

Of those revenues, sales of SAP's [cloud computing](#) services—where customers pay a regular subscription fee to store and process their data on its computers, unlike its traditional one-off software sales business—remained the star of the group's show, adding 30 percent to reach 1.2 billion euros.

Oracle competitor SAP also completed in April its acquisition of Californian firm Callidus Software, which makes customer relationship management (CRM) tools—the first outside firm it had snapped up in three-and-a-half years.

The group's profits had paled in recent quarters as it invested in pumping up its cloud business.

But now, "we are increasing guidance as a signal that a new wave of growth has been unleashed," chief executive Bill McDermott said in a statement.

Using non-IFRS accounting standards—which exclude certain costs—the group expects to increase overall currency-adjusted [revenue](#) by between 6.0 and 7.5 percent, to between 24.98 and 25.3 billion euros.

Still in currency-adjusted terms, net profits should increase between 9.0 and 11 percent, to between 7.4 and 7.5 billion euros, the firm said.

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