SAP more ambitious after soaring Q1 profits

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SAP hailed a lift-off in profits from January to March this year

German business software maker SAP lifted its full-year forecasts Tuesday, as it hailed a lift-off in profits in the first quarter and saw new opportunities after buying a US software firm.

Net profit at SAP surged 33 percent year-on-year between January and March, from 530 to 708 million euros ($647 to 864 million).

Operating, or underlying, profit booked even stronger growth, adding 52 percent to top 1.0 billion euros, based on revenues roughly unchanged at 5.3 billion.

Sales of SAP's cloud-computing products, which allow customers to manage their data stored on the firm's servers, increased 18 percent to almost 1.1 billion euros, while sales of licenses and support for traditional software products fell 4.0 percent, to 3.3 billion.

"With an increasing share of predictable revenues, our beyond-expectations profitability is cause for even greater shareholder confidence," chief executive Bill McDermott said in a statement.

"Look for SAP to be bolder than ever in markets like customer relationship management."

SAP said in January it hoped to close in the second quarter its acquisition of California-based Callidus Software and its technology for managing firms' interactions with their clients, its first buyout in more than three years.

Looking ahead to the full year, the group aims for a 5.5-percent increase in revenue to between 24.8 and 25.3 billion euros—measured using non-IFRS accounting standards, which exclude certain costs.

It had previously targeted a range of 24.6 to 25.1 billion euros for 2018.

Still in non-IFRS figures, it hopes to boost operating profits around 8.5 percent, to between 7.35 and 7.5 billion euros, lifting the bottom end of the range by 50 million euros.