SAP: The World's Largest Provider of Enterprise Application Software

Customers

- SAP serves >388,000 customers in >180 countries
- Approx. 80% of SAP customers are SMEs
- SAP customers include:
  - 92% of the Forbes Global 2000 companies
  - 98% of the 100 most valued brands
  - 100% of the Dow Jones top scoring sustainability companies
- Our customers produce:
  - 78% of the world's food
  - 82% of the world's medical devices
- 77% of the world's transaction revenue touches an SAP system[1]

Financials

Revenue - FY2017 (non-IFRS, growth rates @cc)	
Cloud subs. and support	€3.83b (+ 28%)
Cloud and Software	€19.81b (+ 8%)
Total revenue	€23.77b (+ 8%)
Revenue – Q1/2018 (non-IFRS, growth rates @cc)	
Cloud subs. and support	€1.07b (+ 31%)
Cloud and Software	€4.35b (+ 9%)
Total revenue	€5.26b (+ 9%)

Revenue by region FY2017
(€ m, non-IFRS / share of total rev. in %)

Americas 9,540 40%
EMEA 10,443 44%
APJ 3,781 16%
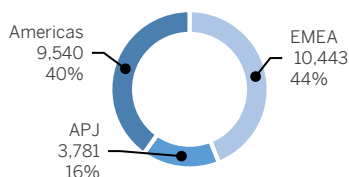
Outlook 2018 (non-IFRS@cc)	
Cloud subscription and support	€4.95b to €5.15b
Cloud and Software	€20.85b to €21.25b
Total revenue	€24.8b to €25.3b
Operating profit	€7.35b to €7.5b (2017: € 6.92b)
Ambition 2020 (non-IFRS)	
Cloud subscription and support	€8.0b to €8.5b
Total revenue	€28b to €29b
Operating profit	€8.5b to €9.0b

Share of predictable revenue (defined as the total of cloud subscriptions & support revenue and software support revenue) was 71% in Q1/ 2018. SAP continues to expect the share of more predictable revenue to reach 70% – 75% in 2020.

Significant, sustainable Growth

Cloud Revenue   Total Revenue   Operating Profit

€3.8b €23.8b €6.9b
€0.1b €10.7b €2.9 b
2009 2017   2009 2017   2009 2017

[1] Source: Oxford Economics/SAP analysis, Feb. 2108
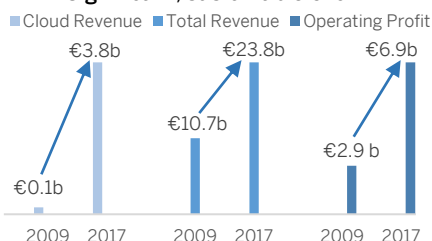
Strategy

- SAP is committed to supporting every customer to become a best-run business. Together, we help the world run better and improve people's lives.
- Being a best-run business means being an "intelligent enterprise". Our strategy is therefore to deliver the "intelligent enterprise" for our customers, so they can achieve their desired outcomes.

Market Position

Enterprise Application Software

- SAP is leading in:
  - Enterprise application software
  - Predictive analytics
  - Artificial Intelligence for cloud based marketing
  - Fastest growing amongst top 4 database vendors
- Broadest portfolio of modular and suite solutions available on premise, in the cloud and hybrid: customers have full choice of consumption model

Top Cloud Vendor

- Cloud user base: ~156m subscribers
- Largest cloud portfolio: >100 solutions for all lines-of-business (LoB) as well as business suites
- HCM market leader: >52m subscribers on SuccessFactors.
- 40 datacenters in 21 locations in 12 countries
- SAP Digital: End users can discover, try, buy, use and renew both SAP and partner offerings online. >110,000 orders from >120 countries

Innovation

- >€3.3bn R&D expense in 2017. R&D expense ratio: 14.3% (IFRS; R&D expense as % of total revenue)
- R&D headcount (FTE): 25,590 at 3/31/2018, equaling 28% of total headcount
- >100 Development locations worldwide
- 20 Development centers (SAP Labs) worldwide
- 17 Co-Innovation Labs worldwide
- 12 SAP Innovation Center Network locations
- Partner network with ~17,000 SAP partner companies
- Sapphire Ventures: Invested in >90 IT startups. 51 IPOs and M&A exits since 2011
  - $2.5bn capital under management
  - Operates independently from SAP
  - Provides SAP early access to trends & innovation
- 845 patents granted and validated in 2017
- open SAP: >2.5m enrollments on online learning platform

Basic Facts

- Headquarters: Walldorf, Germany
- Founded: April 1, 1972
- Listing: Frankfurt, New York
- 91,120 employees worldwide (4/31/2018)
  - >140 nationalities worldwide
  - High employee satisfaction: Employee Engagement Index at 85% in 2017
  - 69% of SAP employees are SAP shareholders

Useful Links

SAP Profile – Executives – Supervisory Board
Products – Industries and Solutions
Events – Financials – Photos and Films

SAP's End-to-End Solutions

User interface designed with a cloud experience mindset

1 – Applications

- Packaged solutions for 25 industries and 12 lines-of-business: on premise, cloud, hybrid
- Technology leader for real-time analysis: Business Intelligence, Predictive Analytics, including BW/4HANA
- S/4HANA: next generation business suite
  - The digital core that drives digital transformation: reimagined business models and processes, unlocking the business value of internet of things and big data to any organization
  - S/4HANA Cloud: intelligent cloud ERP, delivering instant business value, access to digital capabilities and rapid innovation, including machine learning and predictive analytics

SAP S/4HANA market performance

Licensed customers
370 3,200 5,800 8,300
Q1/15 Q1/16 Q1/17 Q1/18
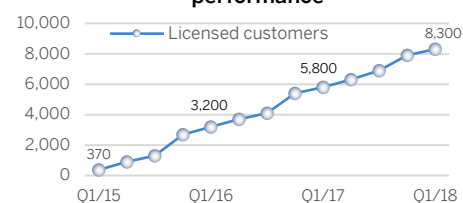
- SAP Hybris solutions deliver average increases of 40% in online sales and 21% in online shopping cart size
- SAP Leonardo: comprehensive portfolio of solutions and services packaged by industry, bringing together Machine Learning, IoT, Blockchain, Analytics and Big Data on SAP Cloud Platform using Design Thinking Services
- Total workforce management solutions across permanent and contingent labor with SuccessFactors and Fieldglass. SuccessFactors supports 42 languages. Employee Central localized for 91 countries, used by >2,400 customers

2 – Business Networks

- With a total commerce volume of >US$ 1.9tn p.a., SAP's Business Network companies provide the leading solutions in the areas of
  - Goods and services: SAP Ariba connects >3.3m businesses.
  - Travel and expense: Concur is being used by >50m travelers.
  - External workforce and services procurement: SAP Fieldglass customers manage >4.7m contingent workers in >180 countries

3 – Platforms

- SAP HANA, with >23,000 customers: market-leading platform for real-time computing:
  - Open platform, transactional and analytical
  - Rapid development environment with flexible deployment: on premise or in the cloud
- SAP Cloud Platform: open platform-as-a-service helping customers build and extend innovative solutions with unique in-memory data management, platform and business services using ML, Big Data, IoT
- SAP HANA Enterprise Cloud: access to the full potential of SAP HANA via private managed cloud
- Customers and Partners:
  - >6,300 startup customers
  - >1,400 SAP HANA One customers
  - >1,300 partners authorized to sell SAP S/4HANA