

Financial Analyst and Investor Program

March 16, 2015 – CeBIT Trade Show, Hannover, Germany



Welcome

Astrid Strömer, Director Investor Relations



Agenda

11:00 am	Welcome Astrid Strömer, Director Investor Relations	Convention Center Room 108-110
11:10 – 11:50 pm	Innovation Strategy Bernd Leukert, Product & Innovation, Member of the Executive Board	Convention Center Room 108-110
12:00 – 01:00 pm	Internet of Things and Industry 4.0 Christoph Behrendt, Senior Vice President Industry & Application Innovation	Convention Center Room 108-110
01:00 – 01:30 pm	Lunch Break	
01:30 – 02:30 pm	Business Network Steve Singh, Member of the SAP Global Managing Board	Convention Center Room 108-110
02:30 – 03:30 pm	Driving Effectiveness & Efficiency of Our Business Models – Q & A Luka Mucic, CFO, Member of the Executive Board	Convention Center Room 108-110
04:15 pm	Guided Tour We will offer a guided tour to experience our exhibition and see a product demonstration by the experts. The tour will take a good hour.	SAP Stand, Hall 4
06:30 – 10:00 pm	SAP Influencer & Executive Reception A dinner reception for media and analysts will take place at the Funky Kitchen at the fair. Bus Transportation: Outward: 6:15 p.m. Meeting point: Right in front of hall 4 Please look out for our hostesses holding an SAP sign.	Funky Kitchen, Peppermint Pavillon, Boulevard der EU 8, 30539 Hannover

Safe Harbor Statement

Any statements contained in this document that are not historical facts are forward-looking statements as defined in the U.S. Private Securities Litigation Reform Act of 1995. Words such as “anticipate,” “believe,” “estimate,” “expect,” “forecast,” “intend,” “may,” “plan,” “project,” “predict,” “should” and “will” and similar expressions as they relate to SAP are intended to identify such forward-looking statements. SAP undertakes no obligation to publicly update or revise any forward-looking statements. All forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. The factors that could affect SAP’s future financial results are discussed more fully in SAP’s filings with the U.S. Securities and Exchange Commission (“SEC”), including SAP’s most recent Annual Report on Form 20-F filed with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates.

Innovation Strategy

Bernd Leukert, Products & Innovation, Member of the Executive Board

OPEN
PLATFORM

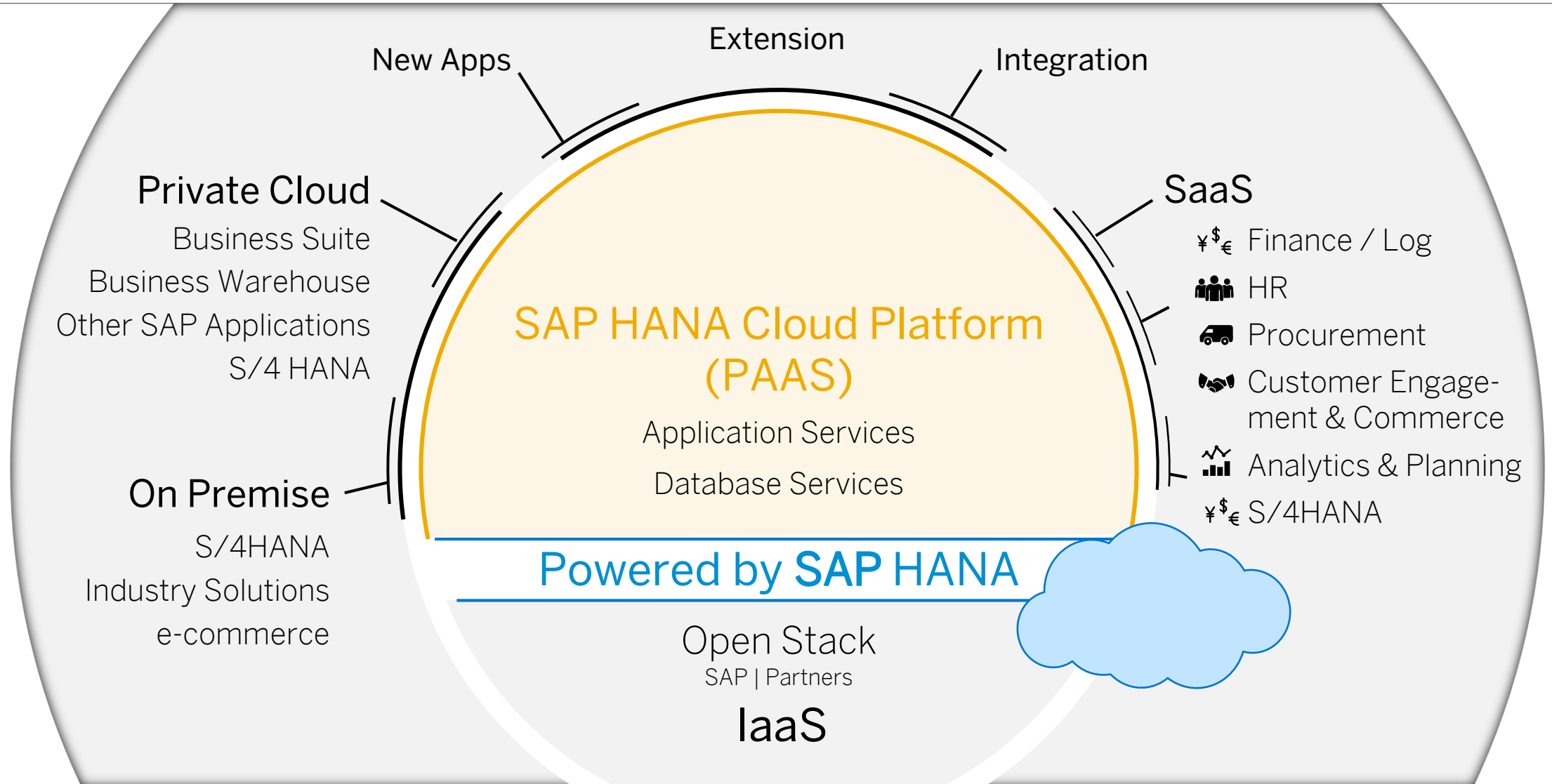
INNOVATIVE
APPLICATIONS

CONNECTED
NETWORK

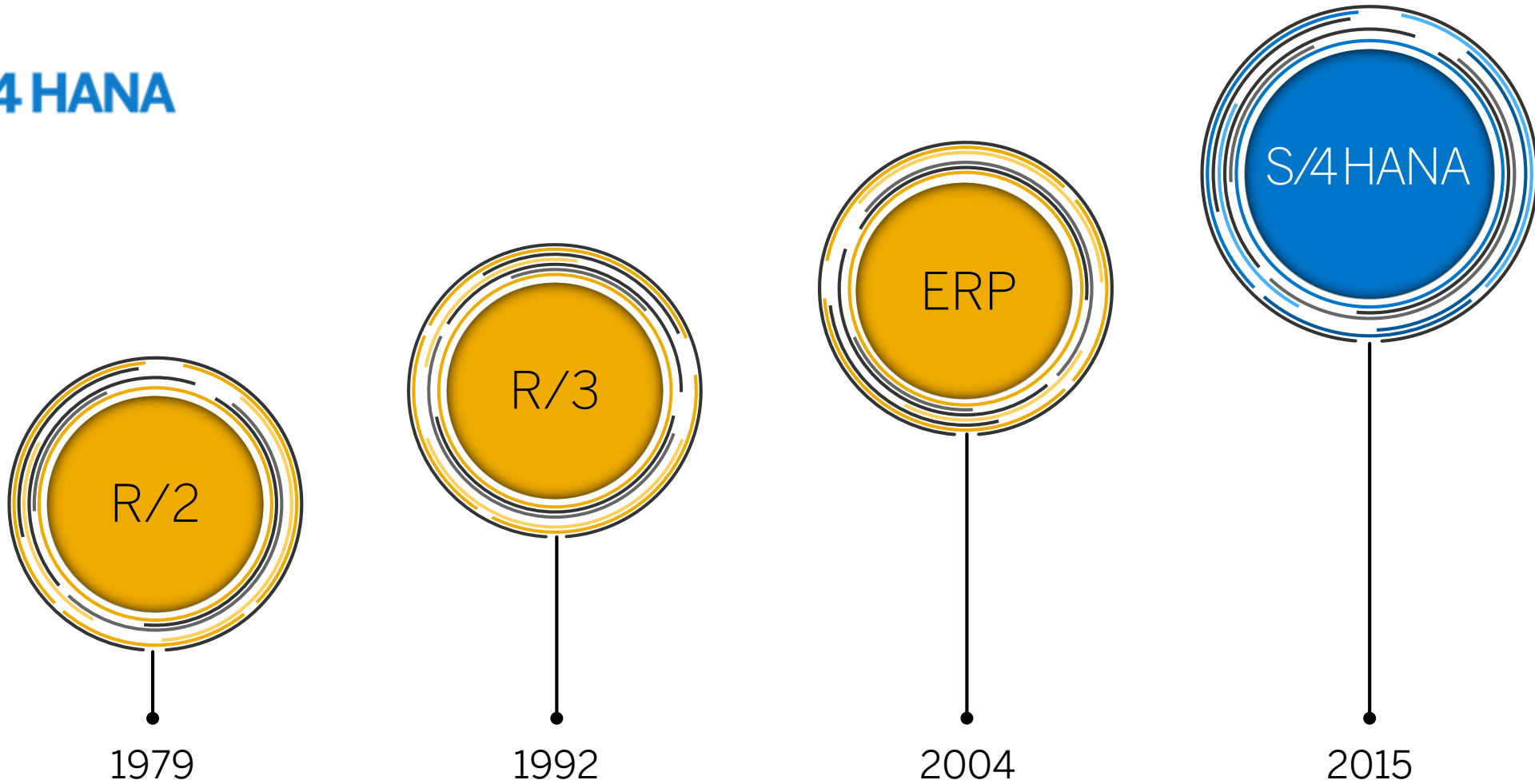
BREAKTHROUGH
HANA

PLATFORM

SAP HANA Cloud Platform



SAP's Next Big Thing



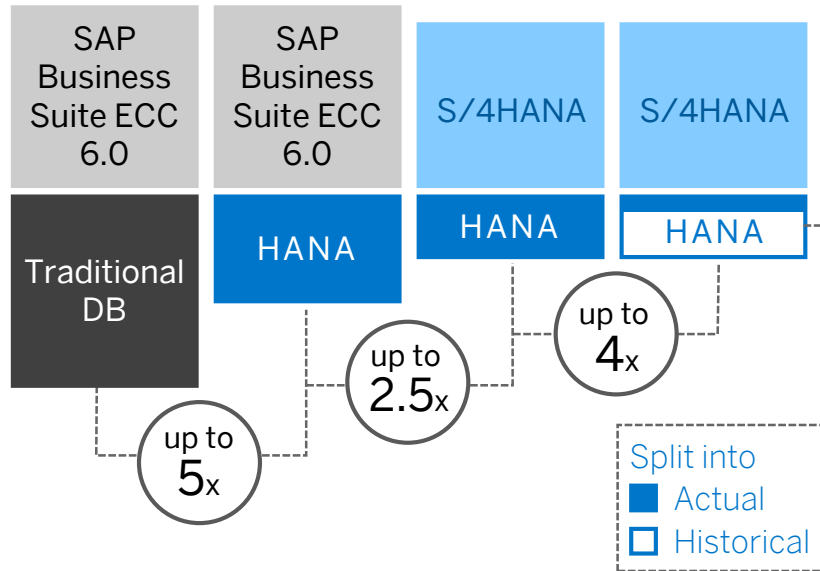
APPLICATIONS

SAP S/4HANA

Simplified Data Model

Completely Fiori

Guided Configuration



Cloud and On-Premise

BENEFITS

~1/10 of data footprint

3-7x higher throughput

Up to 1,800x faster analytics

Predict, recommend, simulate

Replication for throughput and high-availability

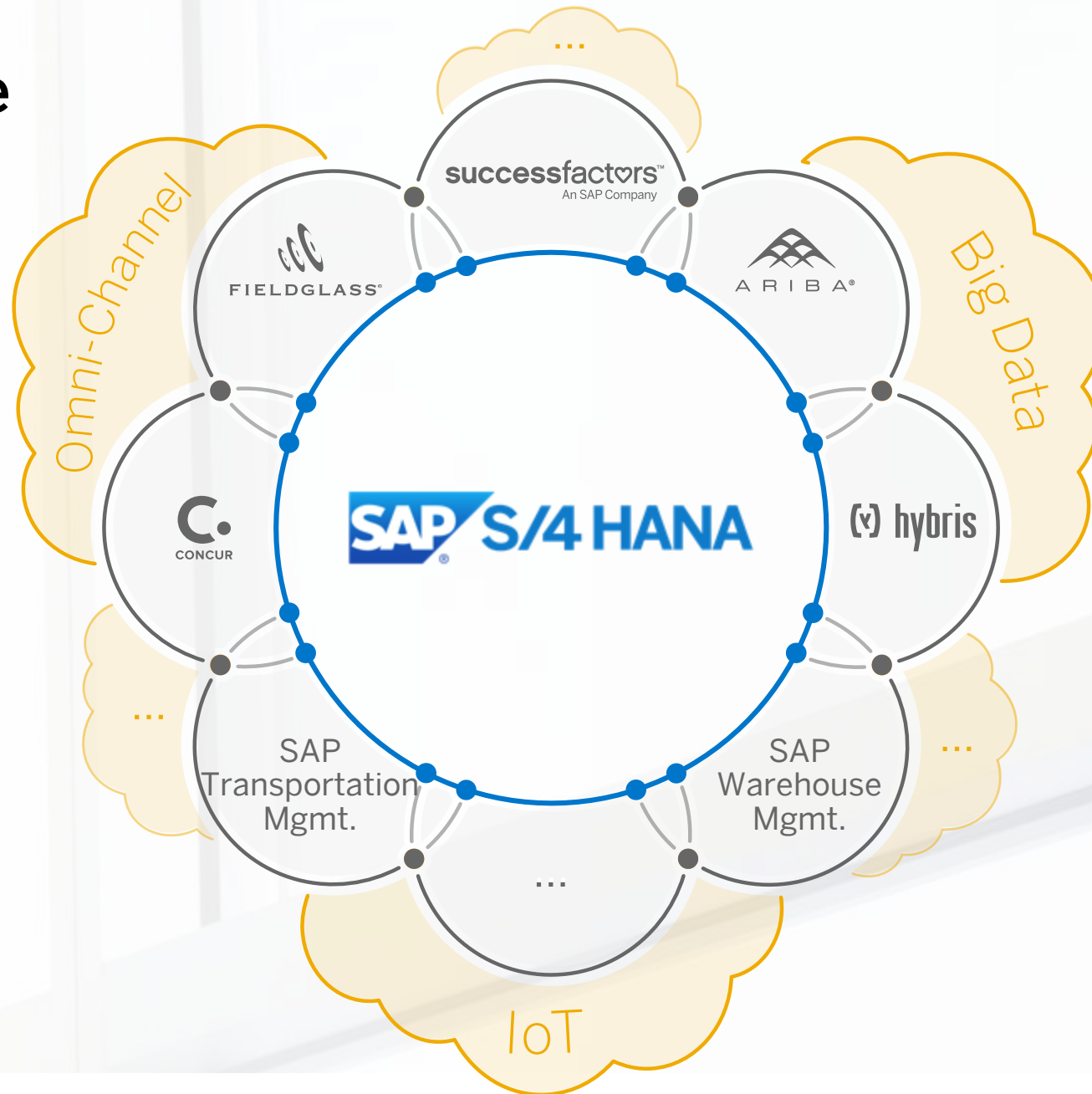
All data: social, text, geo, graph, processing

Any device

Easy upgrade

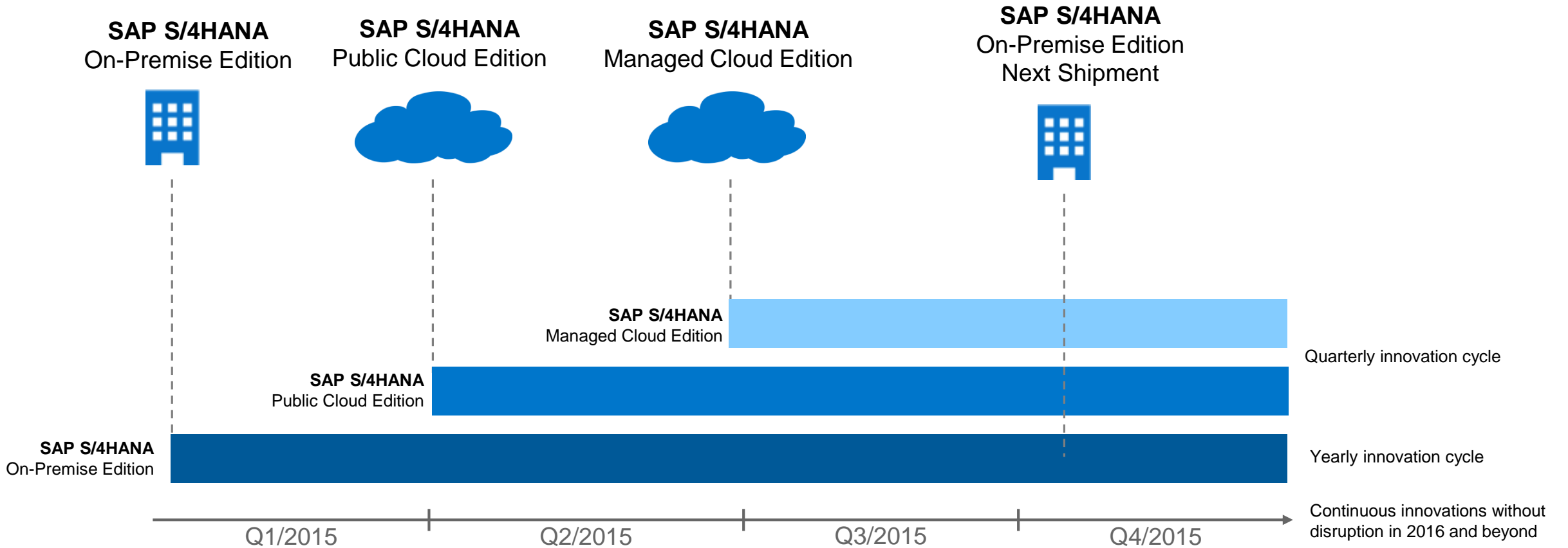
Extensions through HCP

The perfect integrated enterprise



S/4HANA Roadmap 2015

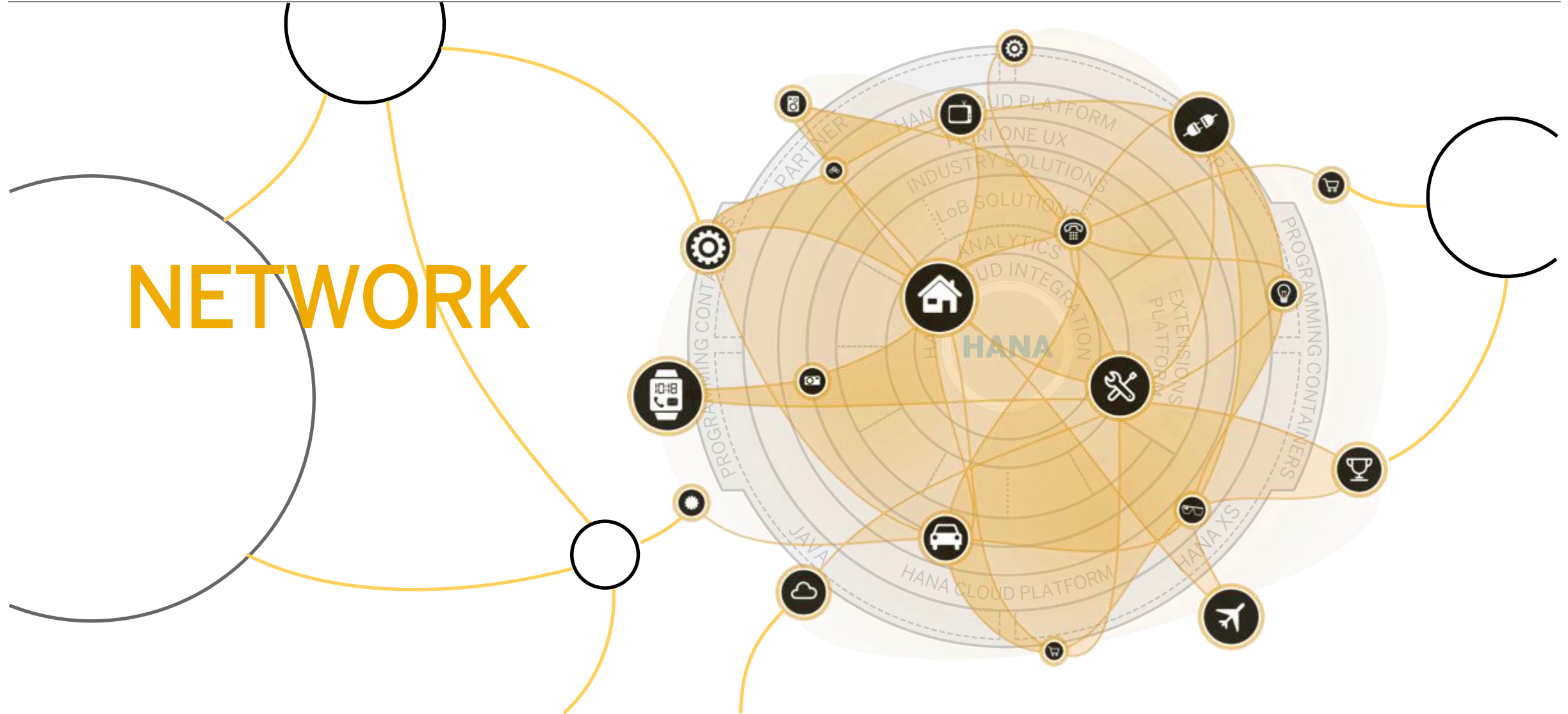
SAP LABS PREVIEW



DISCLAIMER: This map represents SAP's current plan, but subject to change without any prior notification. Certain planning constraints such as regulatory and licensing issues are outside of our control and may impact the timelines

NETWORK

Reaching Beyond the Company Frontier



OPEN
PLATFORM

INNOVATIVE
APPLICATIONS

CONNECTED
NETWORK

BREAKTHROUGH
HANA

Internet of Things and Industry 4.0

Christoph Behrendt, Senior Vice President Industry & Application Innovation

Harnessing the Internet of Things

Connect | Transform | Re-Imagine

An era of unprecedented change fueled by hyper-connectivity



2.5 billion
Connected **people** on social networks by 2020



75 billion
Connected **devices** by 2020



\$65 trillion
Global **business** trade by 2020

“The Internet of Things”

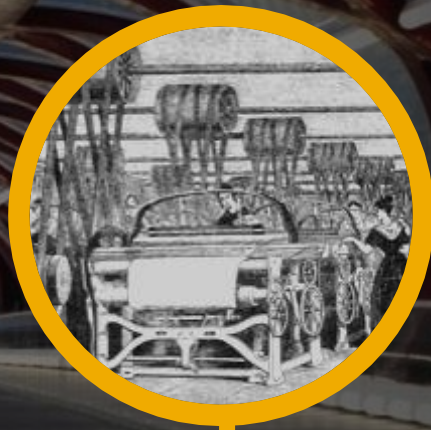
Enabling the 4th Industrial Revolution



1

End of
18th century

Use of water and steam power to run mechanical production facilities



2

Beginning of
20th century

Use of electrical power to enable work-sharing mass production



3

Early 1970s

Use of electronics and IT to automate production



4

Today

Use of cyber-physical systems to connect, transform and reimagine business

Connect with billions of internet-enabled things to gain new insights

..by combining business data with intelligent analysis of new signals from devices, networks & more

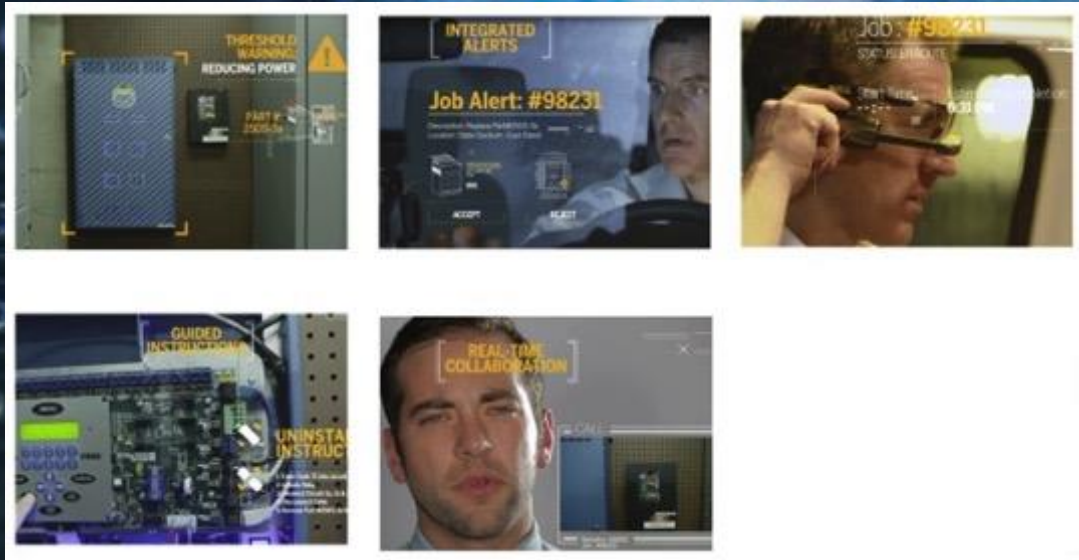
Transform the way you make decisions and take action

..by executing operational processes through predictive and automated response all the way to the edge of the network

Re-Imagine your customer's experience

..by empowering innovative new business models, value-added services and customer responsive products

Internet of Things for Business – from Vision to live Solutions



Complete Service Process – New offerings to our customers and Eco System – Collaboration across boundaries – Differentiating offering

Predictive Maintenance and Augmented Reality – Live at CeBIT



Geographic screen to monitor Robots performance; Alert triggered for the Robot in Hannover.



The Millennials developed an algorithm that translate the vibration alert to a maintenance forecast.



Through Business Network, we can source an available, qualified technical to fix the Robot error.



Assign technician to fix the issue of the Robot.



Technician received an Message from the Pad



Repair the Robot through Work instruction guided by Smart Glass and Pad

IoT will touch almost every aspect of life & business



Responsive supply chains



Predictive maintenance



Connected home



Connected cities



Connected asset management



Connected logistics



Connected car



Connected healthcare



Connected retail



Connected buildings

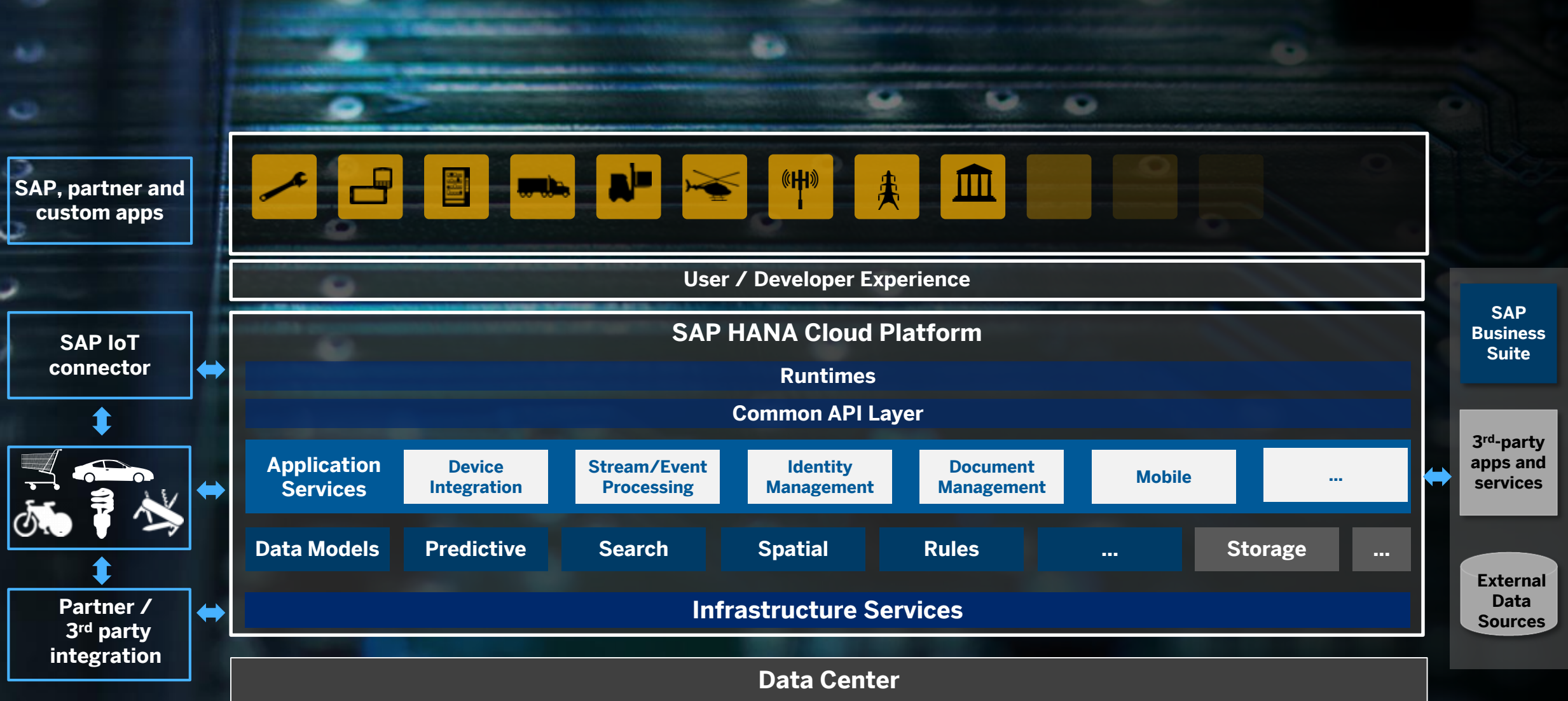


Connected family



Connected policing

SAP HANA Cloud Platform – the Internet of Things enabled in-memory platform-as-a-service



Connecting the Internet of Things with SAP solutions



SAP Predictive
Maintenance and
Service



SAP
Connected
Manufacturing



SAP
Connected
Retail



SAP
Connected
Driving



SAP
Connected
Logistics

Harley Davidson – enabling responsive manufacturing with SAP Connected Plant

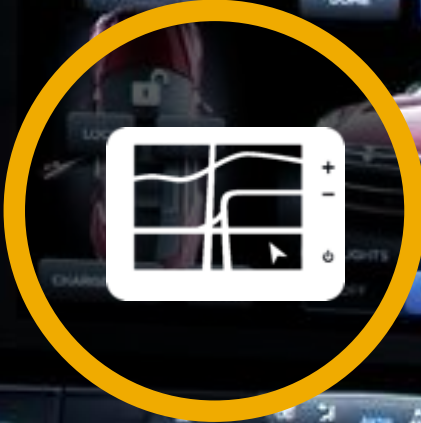
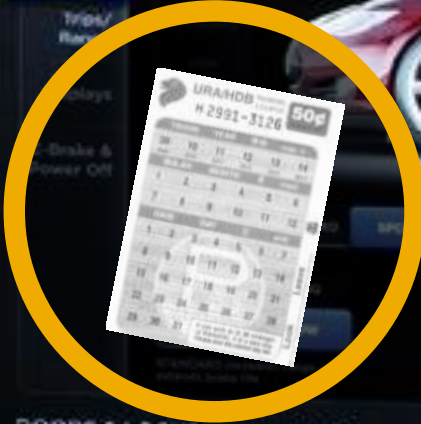


Reduced lead time to produce customized motorbikes from 21-day cycle to 6 hours!

Building synchronized retail



Enabling a connected driving experience



Hamburg Port Authority – steering course for the connected port of the future



“Our aim is to gradually interconnect all modes of transport – from waterways and roads all the way to the railway”

CONNECTED Logistics in Supply Chain Execution

Comprehensive Automation / Device Communication – a foundation for the connected world



Warehouse Management

Transportation Management

Track & Trace

Transportation Resource Mgmt.

Hub Logistics



Connected Devices & Automation

Real-Time Freight Visibility & Adaptive Planning

Shipment & Condition Tracking

Container / Moving Stock Visibility

Hub / Site Movement Control

Connect | Transform | Re-Imagine



SAP Internet of Things *for Business!*

Business Network

Steve Singh, Member of the SAP Global Managing Board

Vision for the perfect enterprise

Run **real time**



Run **networked**



Run **simple**



We think about the way the world should work



Networks for consumers

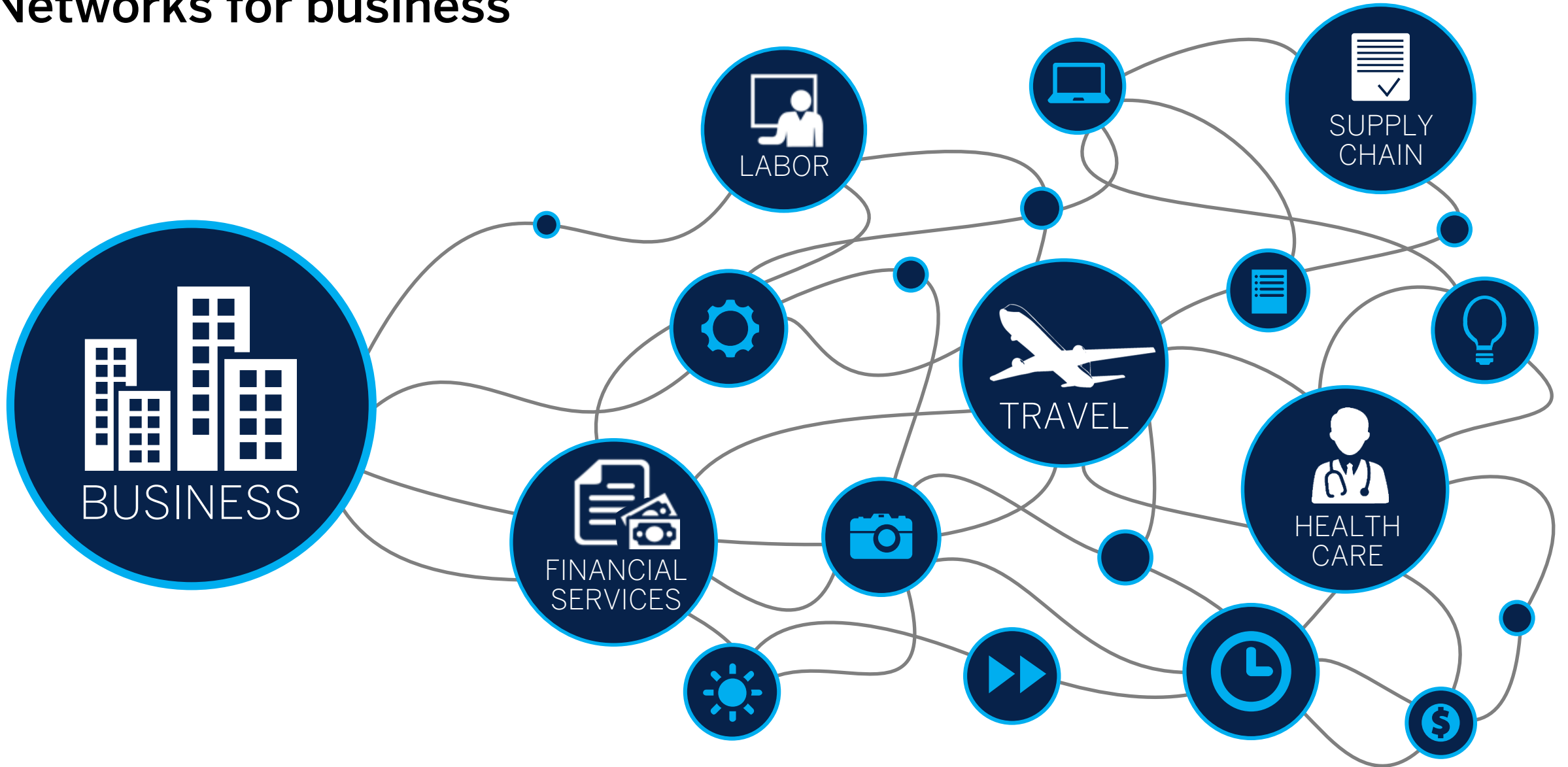


DIGITAL MEDIA
NETWORKS



NETWORKS FOR
BUYERS & SELLERS

Networks for business

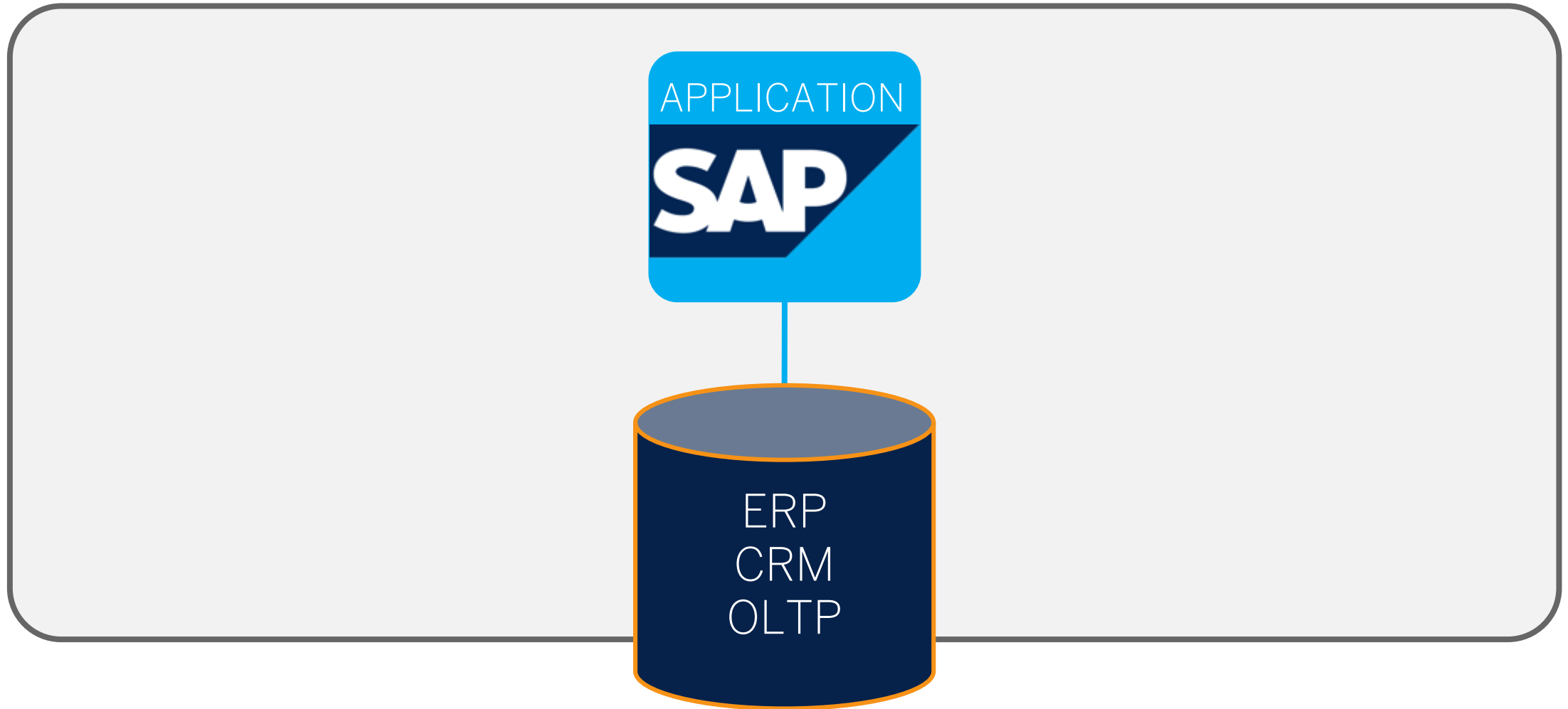




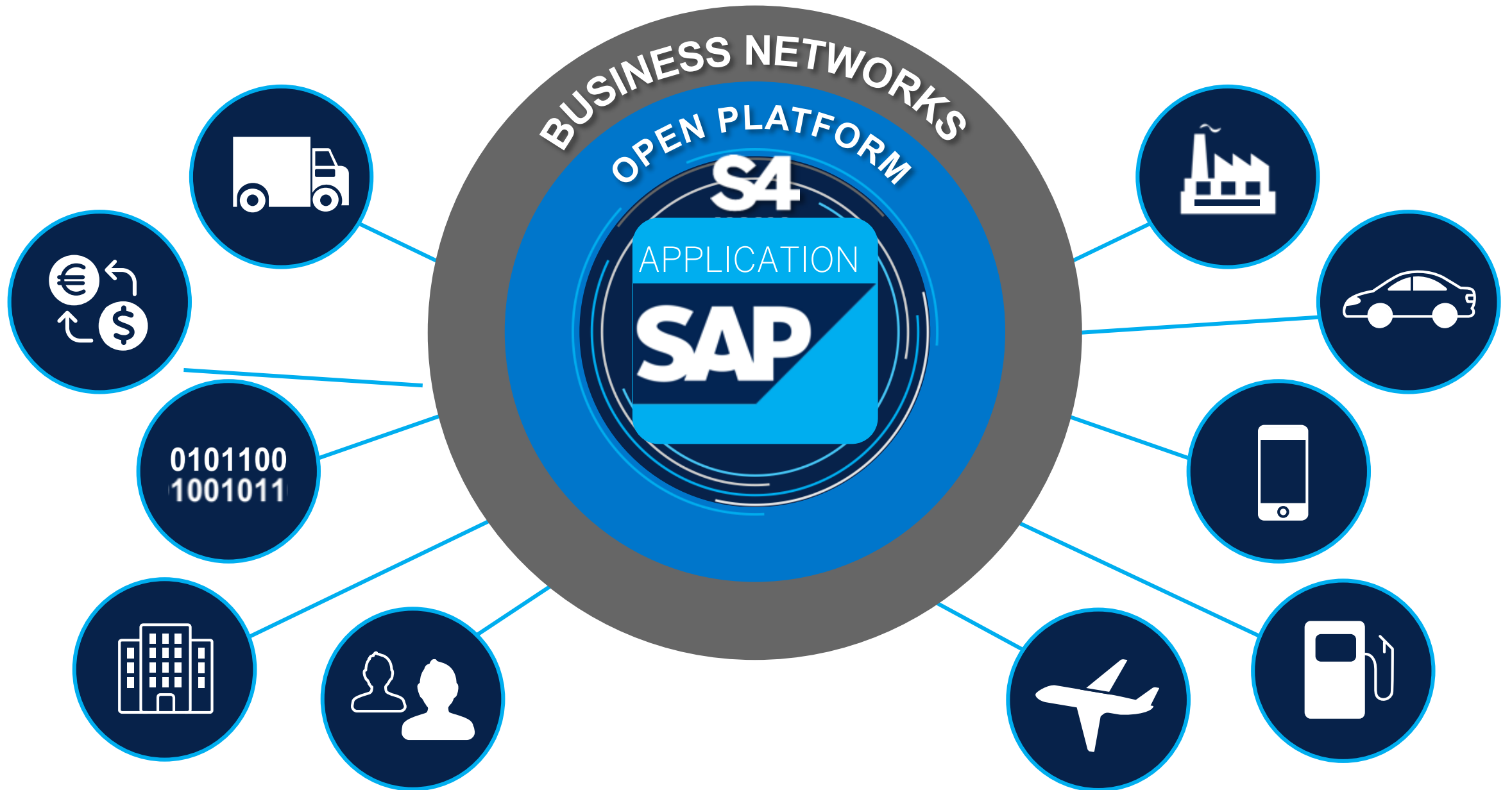
PERSONALIZED ACTIONABLE TRANSPARENT
CONTEXT INSIGHT VISIBILITY

SAP BUSINESS NETWORK GROUP

Evolution from applications...



...to Application – Platforms – Networks





SAP BUSINESS NETWORK GROUP

The SAP Business Network Group



Immediate customer value



More than €\$1 billion in revenue with best-in-class operating margins



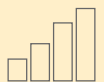
8,500+ employees



Clear #1 solution in each of our markets



Pure cloud delivery



Business positioned to grow rapidly for years to come with increasing leverage from SAP



BUSINESS NETWORK GROUP

Integrated Travel & Expense Management



The Ariba Network connects people, systems and processes between companies to simplify business commerce



Discover

Connect

Collaborate

Gain Insights

Fieldglass Vendor Management System

Customer Value

Easily acquire & manage services globally



Visibility: Gain 360 insight into all service providers and external workers.

Savings: Drive cost control across the enterprise by automatically enforcing contracts.

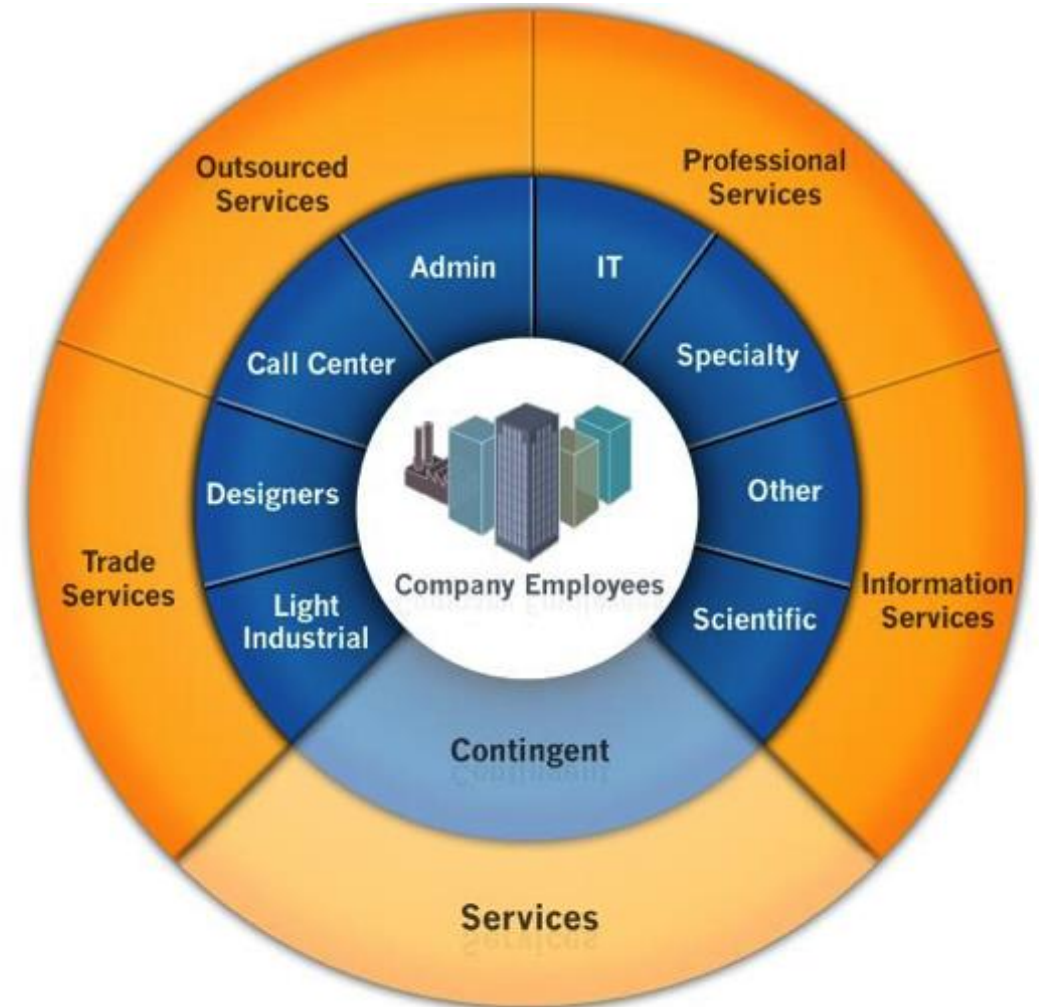


Compliance: Enforce laws & regulations related to contingent workers and 3rd party providers.

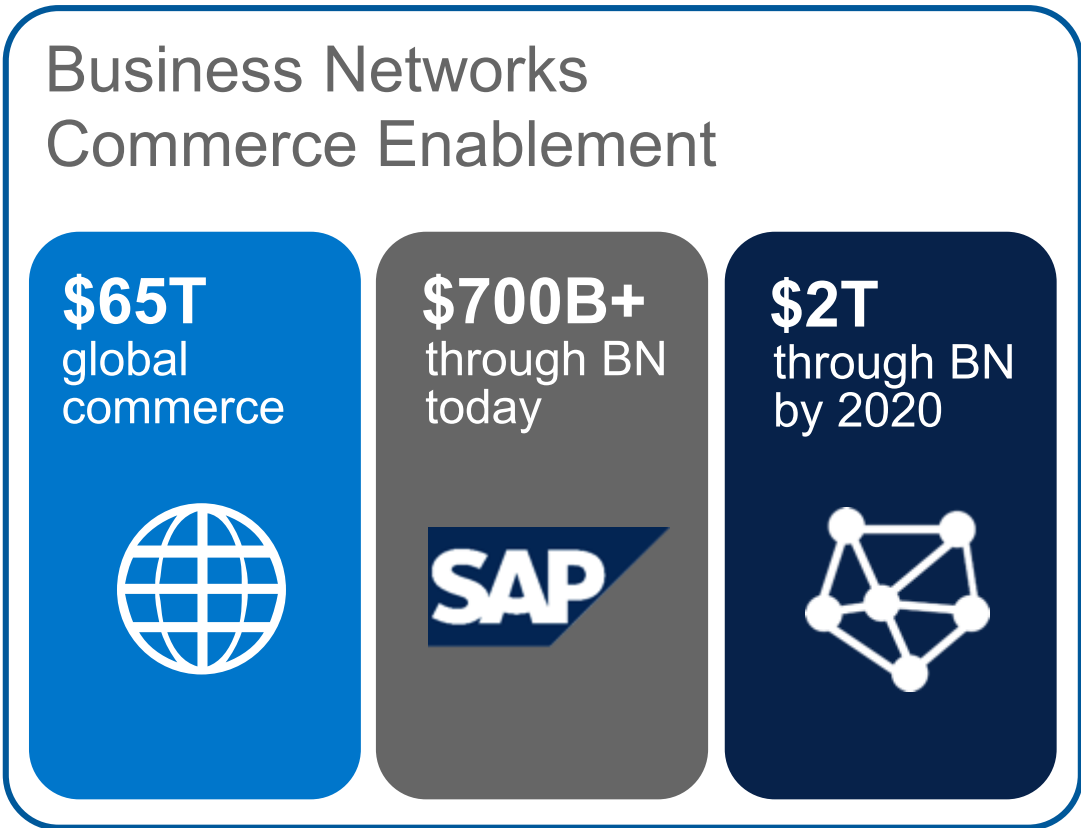
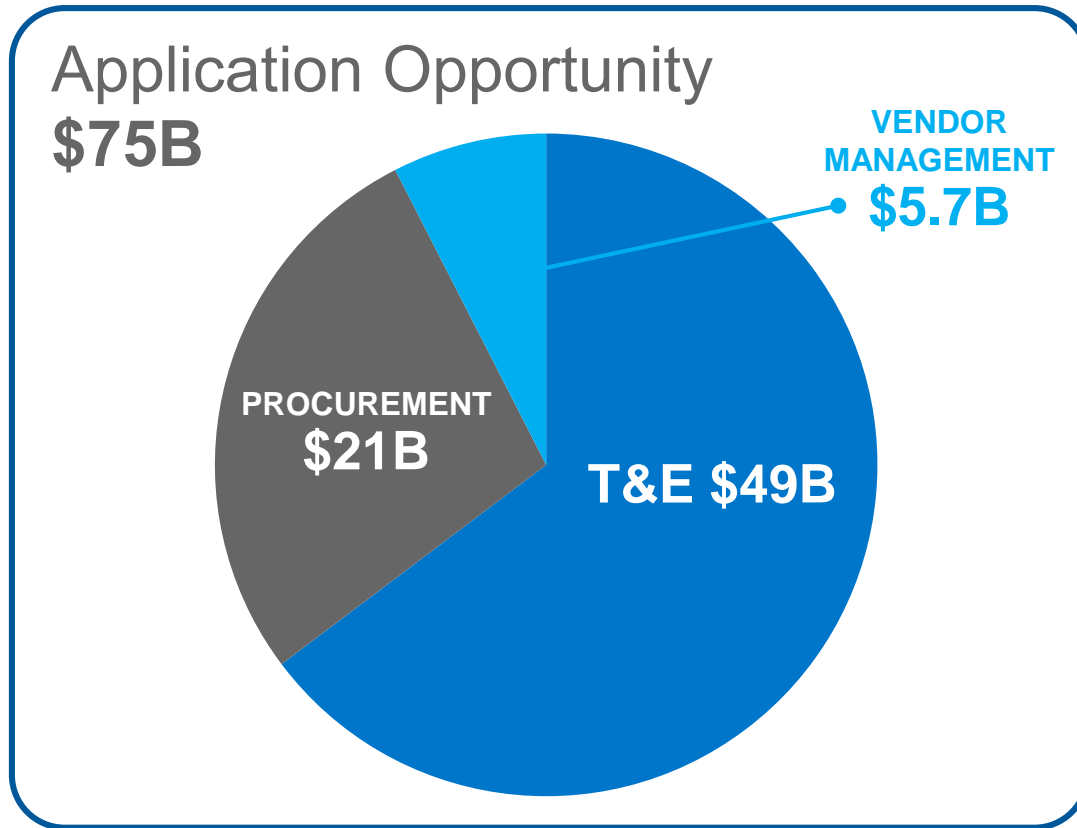
Efficiency: Enable business users to quickly find the right resource from a global pool.



Quality: Identify top vendors & workers by tracking performance



A large and expanding opportunity



Beyond Transactional Opportunities: value add to every transaction, every participant



OPEN
PLATFORM

INNOVATIVE
APPLICATIONS

CONNECTED
NETWORKS

BREAKTHROUGH
HANA

Financial Analyst and Investor Program

March 16, 2015 – CeBIT Trade Show, Hannover, Germany

Safe Harbor Statement

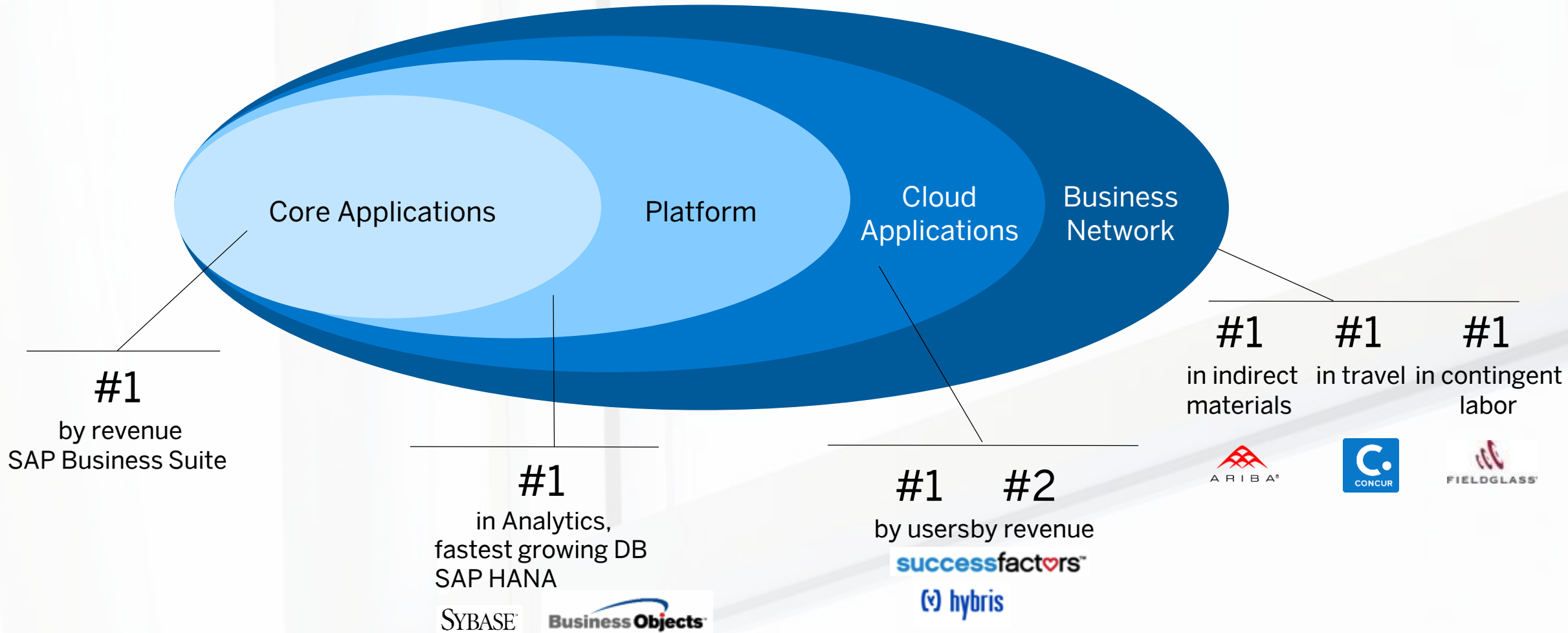
Any statements contained in this document that are not historical facts are forward-looking statements as defined in the U.S. Private Securities Litigation Reform Act of 1995. Words such as “anticipate,” “believe,” “estimate,” “expect,” “forecast,” “intend,” “may,” “plan,” “project,” “predict,” “should” and “will” and similar expressions as they relate to SAP are intended to identify such forward-looking statements. SAP undertakes no obligation to publicly update or revise any forward-looking statements. All forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. The factors that could affect SAP’s future financial results are discussed more fully in SAP’s filings with the U.S. Securities and Exchange Commission (“SEC”), including SAP’s most recent Annual Report on Form 20-F filed with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates.

Driving Effectiveness & Efficiency of Our Business Models

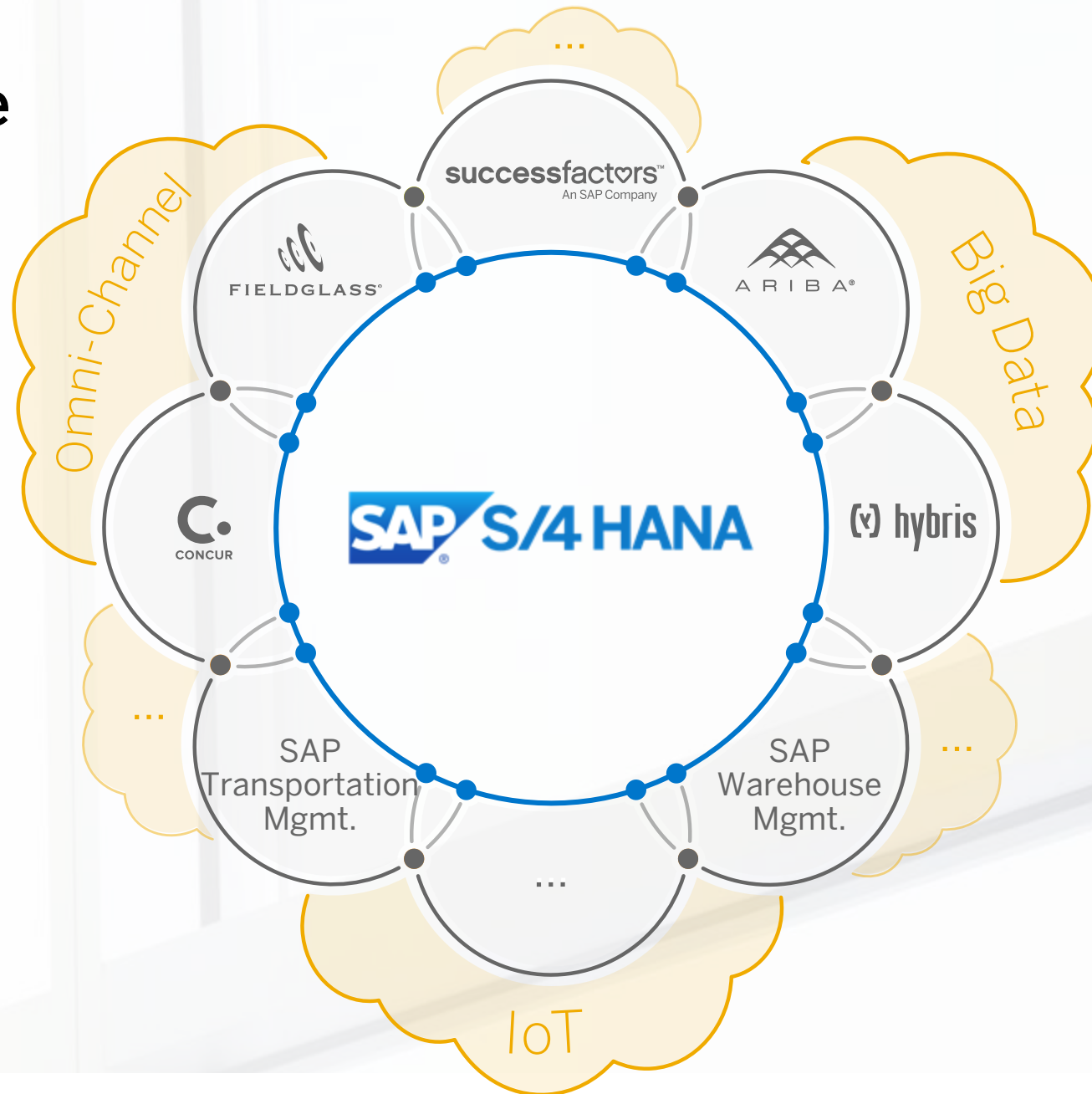
Luka Mucic, CFO, Member of the Executive Board

Strategy is ever consistent since 2010

Tripled addressable market from \$110B to over \$350bn



The perfect integrated enterprise



Vision for the perfect enterprise

Run
real-time

Run
networked

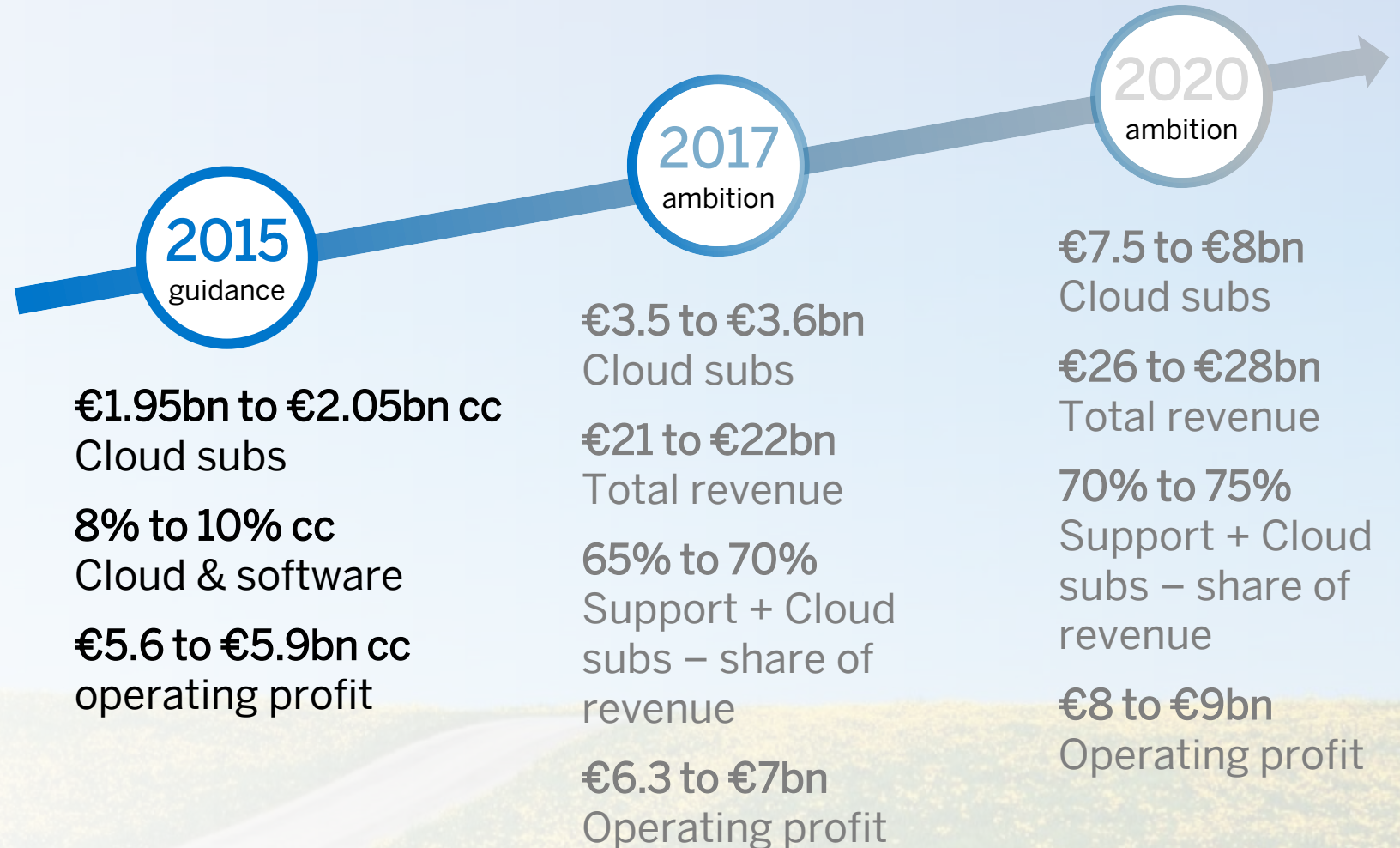
Run
simple



2015 outlook and path to 2020

Fast cloud growth, growing highly predictable revenue and operating profit

- Growing cloud business 7X (2014–2020), reflecting organic growth rates unmatched for a company of our scale
- Adding close to €10bn total revenue by 2020
- In 2018 cloud subscriptions & support overtakes software license – SAP will reach a scale in its cloud business which clears the way for operating profit expansion
- Continued positive contribution to operating profit from software license and cloud business models



ONE Service and income statement amendment

Impact on FY 2014 numbers, Non-IFRS

SAP will amend the structure of its income statement, starting with Q1 2015

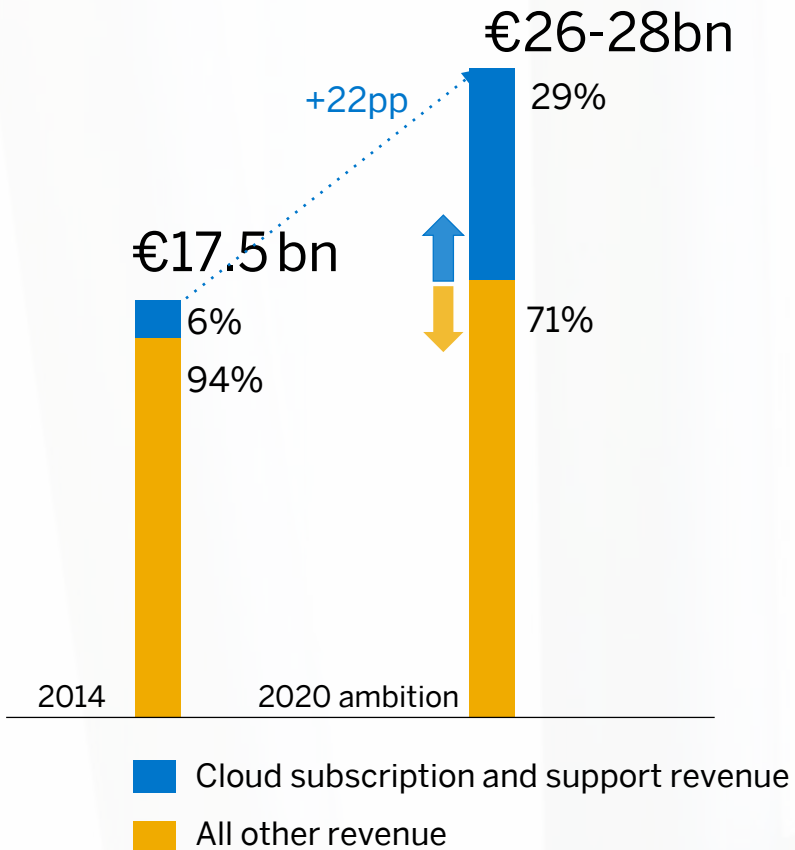
	FY 2014	Q1 2014		FY 2014	Q1 2014	
Cloud subscriptions and support	€ 1,101	€ 221	→	Cloud subscriptions and support	€ 1,101	€ 221
Software	€ 4,399	€ 623	→	Software licenses	€ 4,399	€ 623
Support	€ 9,373	€ 2,214	→	Support support	€ 8,834	€ 2,098
Software and support	€ 13,773	€ 2,838	→	Software licenses and support	€ 13,233	€ 2,722
Software and software-related service revenue	€ 14,874	€ 3,058	→	Cloud & Software	€ 14,334	€ 2,942
Professional services and other service revenue	€ 2,706	€ 643	→	Services	€ 3,245	€ 759
Total revenue	€ 17,580	€ 3,701		Total revenue	€ 17,580	€ 3,701

Diagrammatic adjustments between the two tables:
 - From 'Support' to 'Support support': €-116
 - From 'Software and support' to 'Software licenses and support': €-539
 - From 'Software and software-related service revenue' to 'Cloud & Software': €+539
 - From 'Professional services and other service revenue' to 'Services': €+116

All amounts in € million. Due to rounding, numbers may not add up precisely.

Fast growing Cloud business changes revenue mix

Total revenue mix



Fast growing **Cloud** business

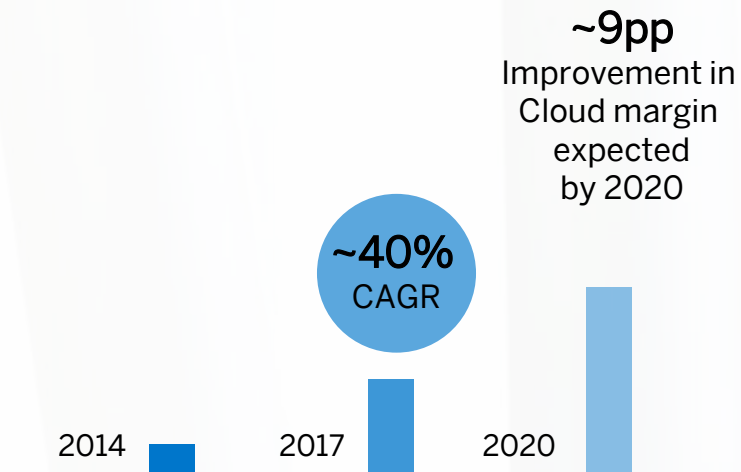
Solid **core business** with resilient support revenue stream

Cloud subscriptions & support expected to overtake software licenses in 2018

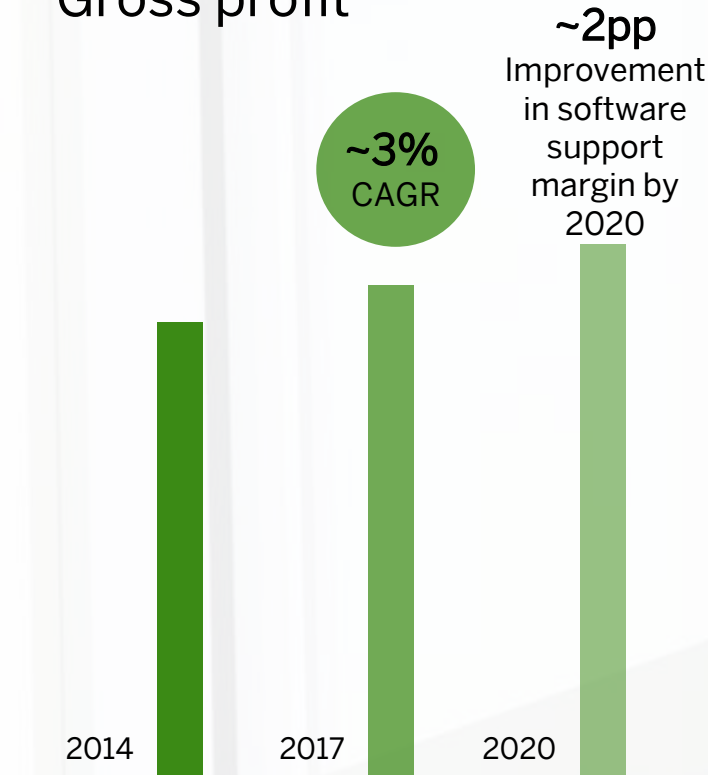
SAP will have a much larger cloud business in 2020 relative to the core business – **change in revenue mix weighs on blended operating margin for the group in short/medium term**

Cloud and core business will contribute to operating profit expansion

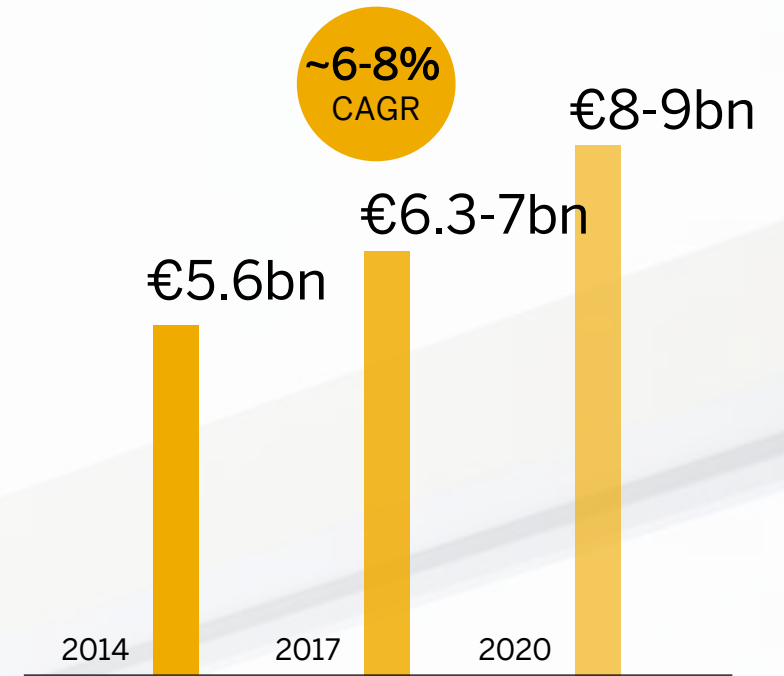
Cloud subscriptions and support Gross profit



Software and support Gross profit



Total operating profit



Non-IFRS

SAP has a more diversified Cloud portfolio with different economics

Public Cloud

- Classical subscription SaaS model for cloud applications
- Most comparable cloud offering to pure cloud vendors
- Mostly 3 years contract
- Massively scaling while continuing to improve efficiency

Primarily annual pre-billing which results in deferred revenue

~80%

long term gross margin

Private Cloud

- Start-up business supporting large customers' transition to HANA and cloud (significant cross selling potential)
- Mission critical processes
- High set-up costs and significant ramp up weighs on margins short term – while scaling & leveraging partnerships in future

Pre-billing with short (monthly) billing terms, consequently lower deferred revenues

~40%

long term gross margin

Business Networks

- Market leading with Ariba, Fieldglass and Concur
- Steady predictable revenue stream with a very high stickiness
- Primarily 'Pay-as-you-go' model with contractual commitments
- Stable revenue growth rates

Frequent, transaction-based billing leads to lower deferred revenue

~80%

long term gross margin

* Long term cloud subscription and support gross margin potential in mature state (excluding cloud-related professional services)

Levers for increased effectiveness & efficiency across the different business models

1 **Top line**
S/4 HANA
CEC
Strategic Industries

2 **Run Simple**

3 **End-to-end TCO focus for all of our cloud solutions**
(from solutions design through R&D to delivery)

4 **ONE Service**
one service portfolio, out of one global organization and under one contract

Q & A



Financial Analyst and Investor Program

March 16, 2015 – CeBIT Trade Show, Hannover, Germany