

SAP – Leading the Digital Transformation

16th German Corporate Conference

Frankfurt – January 17, 2017

Luka Mucic, CFO



Safe Harbor Statement

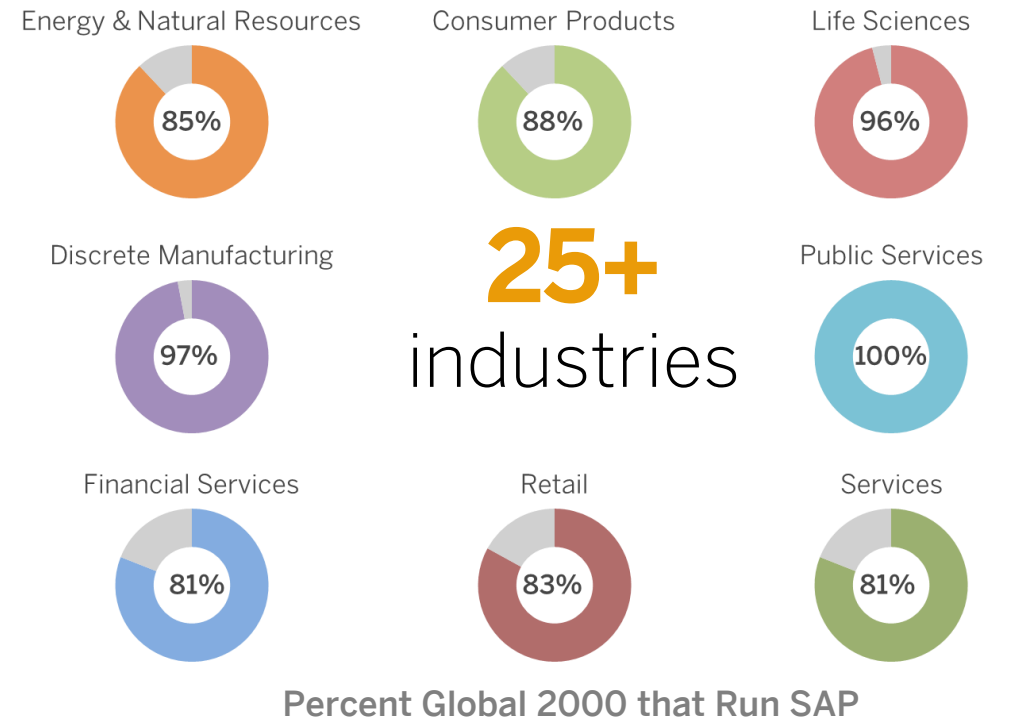
Any statements contained in this document that are not historical facts are forward-looking statements as defined in the U.S. Private Securities Litigation Reform Act of 1995. Words such as “anticipate,” “believe,” “estimate,” “expect,” “forecast,” “intend,” “may,” “plan,” “project,” “predict,” “should” 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.

SAP is the world's leading business software company

A compelling customer base



Unmatched vertical expertise



SAP is running the world's mission-critical business processes

76% of the world's transaction revenue touches an SAP system

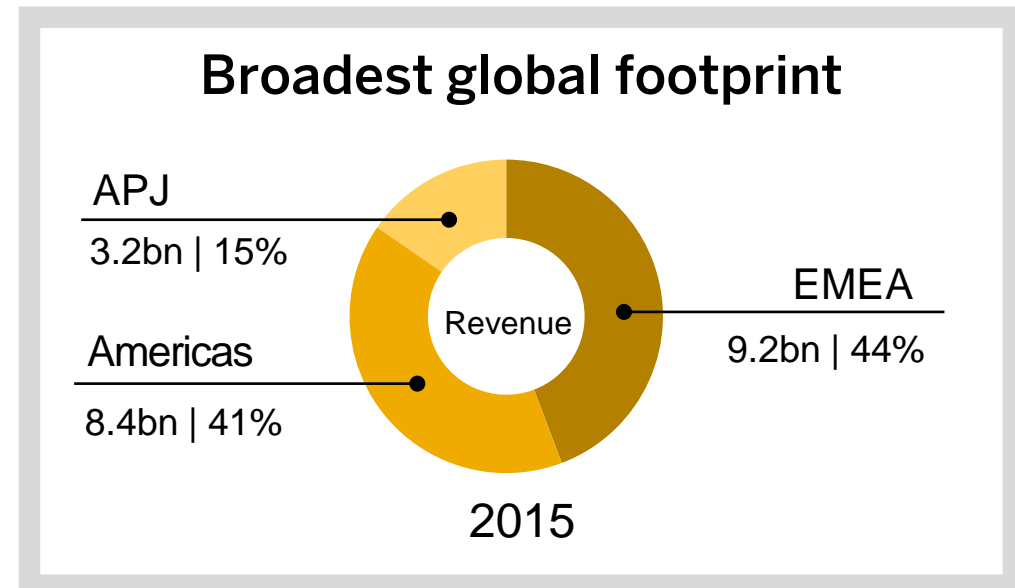
SAP touches **\$16 trillion** of consumer purchases around the world

SAP customers distribute more than **78%** of the world's food

SAP customers produce more than **82%** of the world's medical devices

SAP's brand value ranked **#22** of top 100 worldwide¹⁾

Among the **top 100** companies worldwide by market capitalization



¹⁾ Source: MillwardBrown 2016 BrandZ Top 100 Global Brands

For over 40 years, SAP has turned technological change into customer value

Business software & online processing

SAP R/1:

Enabled customers to get a complete view of their business with real-time processing of data across integrated modules for materials, procurement, and accounting.

Globalization & mainframe computing

SAP R/2:

Helped customers successfully manage large global enterprises on a mainframe architecture, while retaining the integration and real-time processing capabilities of SAP R/1.

Internet & client-server technologies

SAP R/3 and SAP ECC:

Enabled customers to take advantage of client-server and internet technologies. Created a unified graphical user interface and new functional components.

In-memory & cloud computing

SAP S/4HANA:

Helps customers thrive in the New Digital Economy. We are now focused on eradicating complexity and running live with our in-memory database technology SAP HANA and cloud computing.

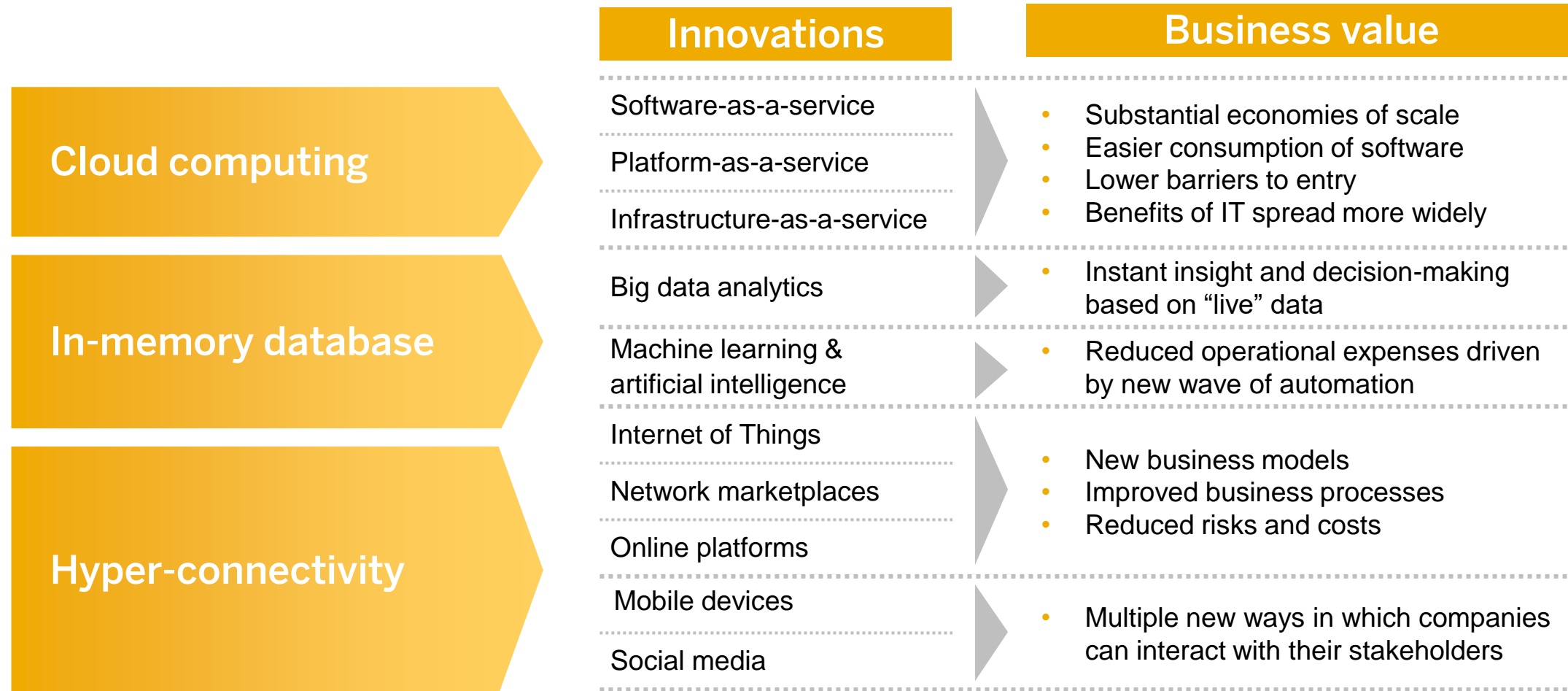
1972

1982

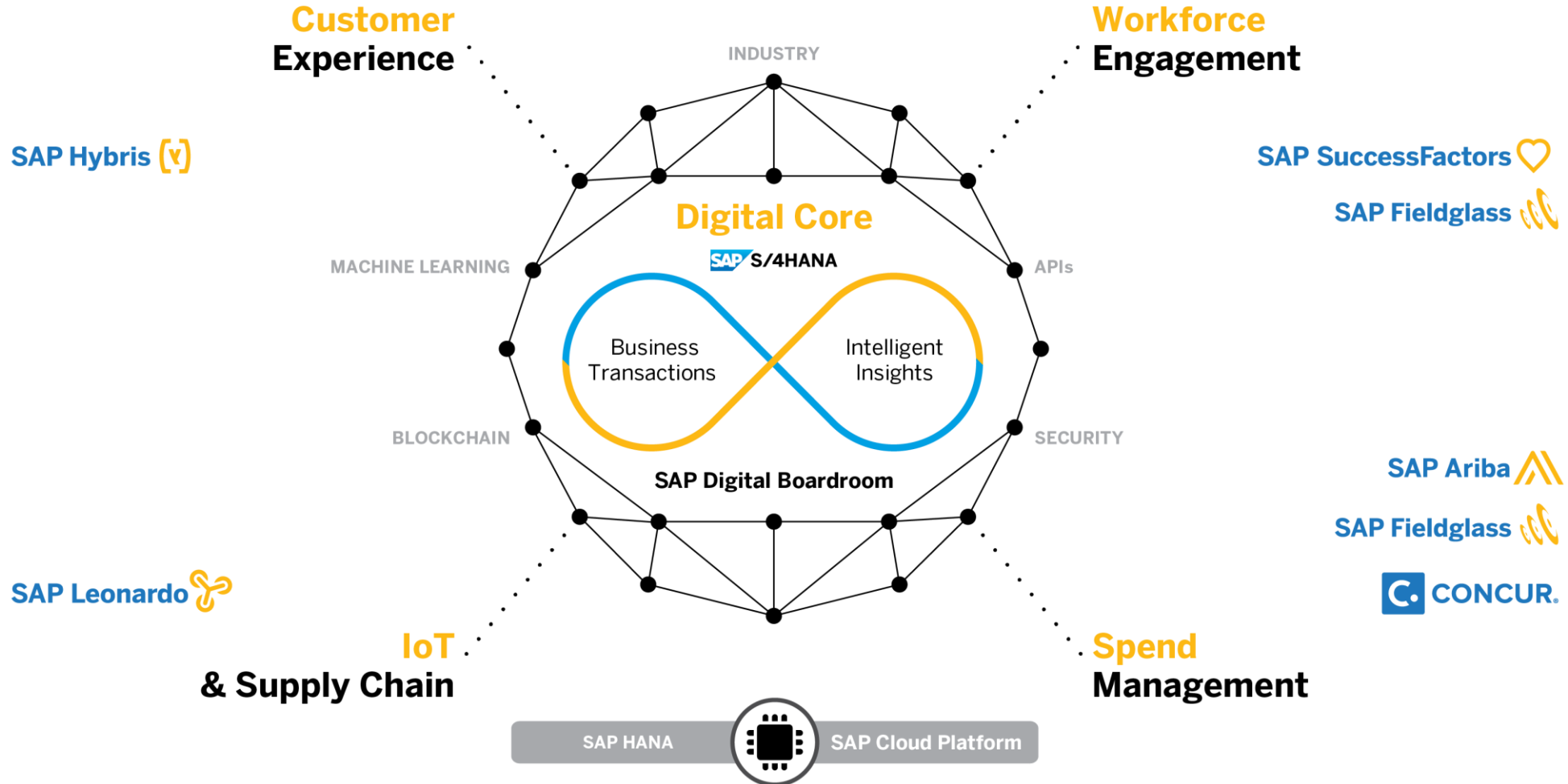
1992

2015

SAP will continue to drive business value – fueled by three powerful trends affecting all businesses in all industries



Only SAP can help businesses implement their digital strategy



In the digital core, SAP's next-generation business suite SAP S/4HANA helps companies harness "live" data for immediate action

- Groundbreaking new architecture: SAP S/4HANA has changed ERP from a system of record to a system of innovation
- It provides immediate insight, intelligence beyond automation, integration between departments, and connections to the world
- These technological advances were made possible by the most advanced in-memory platform available: SAP HANA
- SAP S/4HANA provides an enhanced user experience with SAP Fiori
- SAP offers on-premise and cloud editions to provide customers with real choice
- SAP S/4HANA is catalyzing broad customer adoption of our entire innovation portfolio

>4,100

SAP S/4HANA customers – fastest upgrade cycle in SAP's history

>7,000

trained partners

4,300

startups developing on SAP HANA platform

Numbers as of Q3 2016

SAP helps companies, ISVs, and partners create value in networked economies

SAP's unique business network assets

- SAP is leading the charge in connecting businesses and building new ecosystems across all spend categories – materials and services with SAP Ariba, contingent labor with SAP Fieldglass, and travel with Concur
- These network solutions are highly synergistic to SAP's other offerings

SAP is a forerunner in the Internet of Things (IoT) revolution

- Drawing on deep insights into companies' business processes and leveraging a broad range of products and technologies
- IoT use cases include:
 - Monitoring the status, location, and movement of physical assets
 - Providing contextualized experiences based on information from sensors
 - Delivering new services based on IoT-enabled products
- SAP HANA Cloud Platform plays a key role in consolidating all the data generated by IoT – and enable advanced analytics on top of it

~2.4 million

connected companies trade over \$840bn of commerce on the SAP Ariba Network

~44 million

end users process travel and expenses effortlessly with Concur

>2.8 million

flexible workers were managed in about 130 countries over the past 12 months on the SAP Fieldglass platform

~75 billion

connected devices in the Internet of Things by 2020

Numbers as of Q3 2016

Companies can now run real time – based on a holistic view of the organization, instant insights, and predictive analytics



Total transparency

- Get a 360° view in real time
- Visualize insights in context
- Align on one source of truth

Instant insights

- Answer ad-hoc questions on-the-fly
- Analyze root causes
- Simulate impact of decisions

Simplified boardroom processes

- Reduce preparation time and effort

For a demo, visit
<https://www.youtube.com/watch?v=ofq7ygnWpbw>



Powerful combination of a rapidly expanding cloud business and a growing core

Well-positioned for strong cloud growth

- Broadest portfolio of best-in-class cloud offerings
- Extremely synergistic to SAP S/4HANA, providing tremendous cross and upsell opportunities
- Combination of backlog and deferred revenue indicates continued strength in contractually committed future cloud subscriptions and support revenue

High growth sustained through additional drivers

- Upscaling of SaaS offerings
- Expanding Concur internationally
- Expanding HEC and fostering a strong ecosystem (IaaS)
- Enhancing S/4HANA cloud editions (public & private)
- Refining the Digital Enterprise Platform (PaaS)

Software licenses revenue

- SAP S/4HANA innovation cycle catalyzes growth across SAP's innovation portfolio and strategic industries
- Certain solution areas – e.g. HCM, Procurement, CEC, T&E – are rapidly shifting to the cloud
- SAP S/4HANA now available as cloud subscription option

Strong support revenue base – and growing

- Very high renewal rates
- The blended support fee across the entire support customer base is ~20%

Summary – Why invest in SAP

SAP's innovation leadership is helping customers win in the digital economy

- SAP runs the world's mission-critical business processes and is perfectly positioned at the top of the IT stack – close to the end user where the business value is generated
- In addition, SAP has developed the most advanced in-memory platform available today: SAP HANA
- Based on SAP's groundbreaking new architecture, SAP is in the early stages of a powerful multi-year innovation cycle with SAP S/4HANA as the digital core coupled with the most comprehensive, best-in-class cloud & network portfolio
- Only SAP offers customers choice of deployment model (cloud, on premise or hybrid) and seamless integration

SAP is outpacing the market

- SAP's broad global footprint provides resilience in an uncertain world
- Powerful combination of a rapidly expanding cloud business and a growing core
- Successful business transformation – improve efficiency and effectiveness in each and every business
- Growing overall operating profit even as we continue to hire in fast growth areas such as S/4HANA, HCM, CEC, HCP (PaaS), Networks

SAP is pushing relentlessly towards a much more predictable business in the long term

SAP – Leading the Digital Transformation

16th German Corporate Conference

Frankfurt – January 17, 2017

Luka Mucic, CFO

