

Third Quarter 2013 Results Release

Walldorf, Germany

Monday, October 21, 2013

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.

Agenda

Income Statement

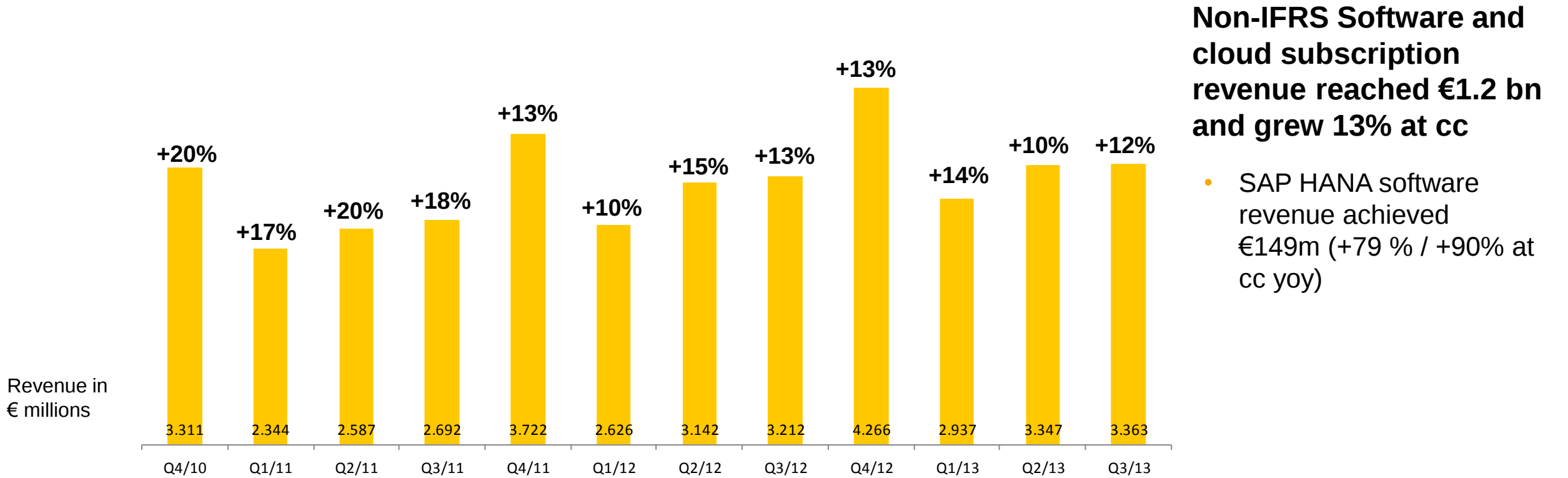
Balance Sheet and Cash Flow Analysis

Outlook and Additional Information

Track record of 13 quarters of double-digit non-IFRS SSRS revenue growth at constant currency

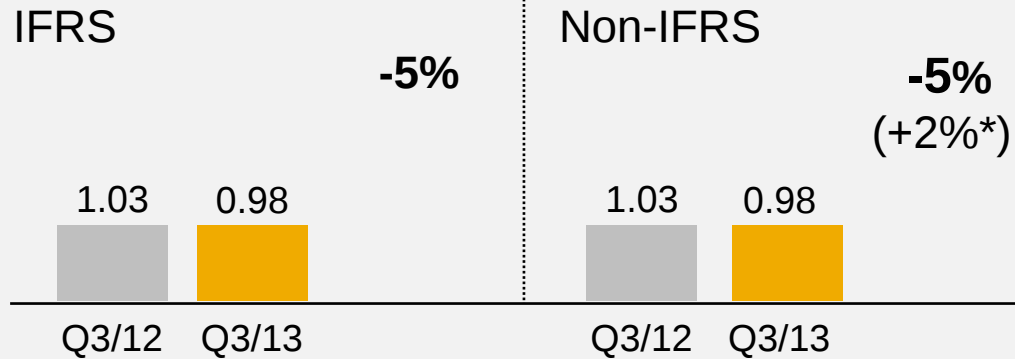
Non-IFRS SSRS revenue : +12% at cc

Year on year growth rates in % @cc

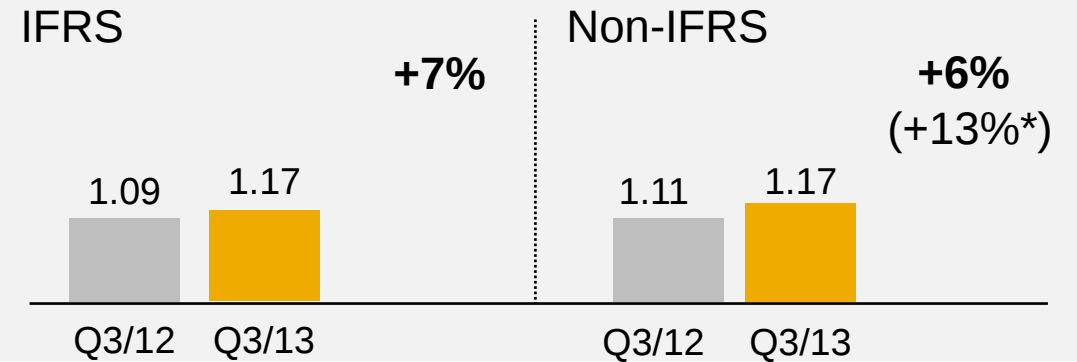


Key performance metrics Q3 2013

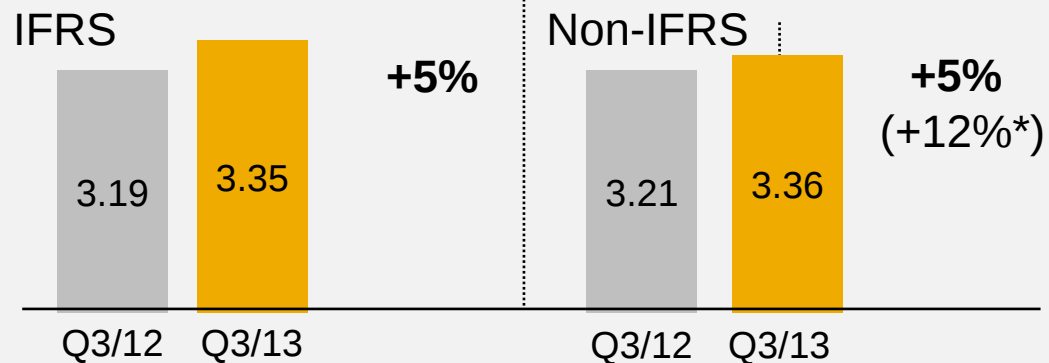
Software Revenue (€ bn)



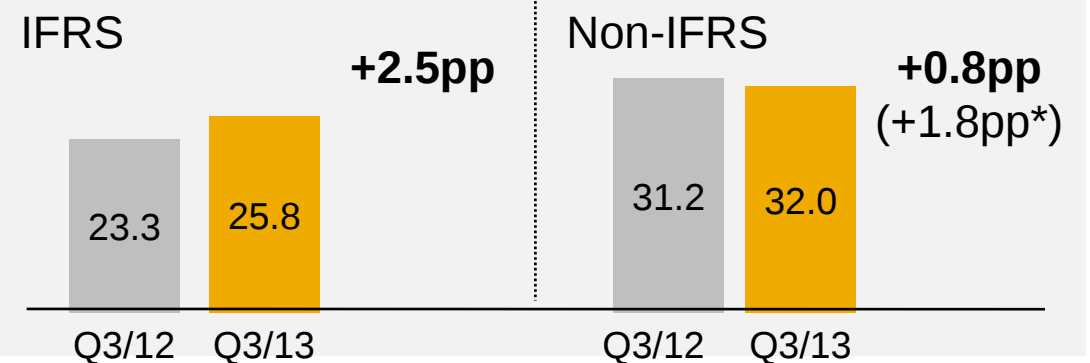
Software & Cloud Subscription Revenue (€ bn)



SSRS Revenue (€ bn)



Operating Margin (%)



* At constant currencies

Key performance metrics nine months 2013

Software Revenue (€ bn)

IFRS

-4%

Non-IFRS

-4%
(+/-0%*)

2.72

2.61

9M/12

9M/13

2.72

2.62

9M/12

9M/13

Software & Cloud Subscription Revenue (€ bn)

IFRS

+8%

Non-IFRS

+9%
(+14%*)

2.87

3.10

9M/12

9M/13

2.91

3.16

9M/12

9M/13

SSRS Revenue (€ bn)

IFRS

+7%

Non-IFRS

+7%
(+12%*)

8.94

9.57

9M/12

9M/13

8.98

9.65

9M/12

9M/13

Operating Margin (%)

IFRS

0.8pp

Non-IFRS

+0.1pp
(+0.9pp*)

22.1

22.9

9M/12

9M/13

28.9

29.0

9M/12

9M/13

* At constant currencies

Non-IFRS Software & cloud subscription revenue increased 13% at constant currencies yoy in Q3 2013 (+6% at actual curr. to €1.17 bn)

Regional performance¹⁾

- Americas: strong Q3 with +17% in software and cloud subscription revenue
 - Latin America: excellent software revenue performance despite challenging economic conditions particularly in Brazil
 - North America: continue to benefit from shift to cloud. Cloud contributed close to 30% of our total software and cloud subscription revenues this quarter. Our cloud business continues to show accelerated synergies between SAP, Ariba & SuccessFactors.
- EMEA: Saw strong growth with +14% yoy software & cloud subscription revenue despite a mixed market environment
 - UK, Netherlands, Switzerland: strong double-digit growth in software revenue
 - Southern Europe, which was hard hit by the financial crisis, returned to growth
 - Our home market Germany: solid performance in utilities and retail industries
- APJ: Returned to growth with solid single-digit growth in software and cloud subscription revenue
 - China recovered strongly, where we saw the benefit of our innovation strategy particularly HANA, more large transactions and an increase in strong strategic partnerships.

1) Non-IFRS software and cloud subscription revenue on this page is calculated as the combination of software revenue based on location of negotiation and cloud subscription and support revenue based on customer location; growth rates at constant currencies.

SAP driving the transition to the cloud and gaining market share – Annual cloud revenue run rate³⁾ exceeded €1 billion

- **Total cloud revenue (Cloud division), Q3 2013:** €252 million
- **Non-IFRS cloud subscription and support revenue, Q3 2013:** €197 million, +146% yoy (+162% @cc)
- **Deferred cloud subscription and support revenue¹⁾ (non-IFRS as of September 30):** €382 million +79% yoy
- **Cloud subscription and support backlog²⁾:** €800 million as of December 31, 2012
- **Run rate:** Annual Cloud revenue run rate³⁾ exceeded €1 billion
- **Number total cloud users:** ~33 million
- **Ariba segment:**
 - trailing 12 month network spend volume⁴⁾: ~\$500 billion
 - 1.2 million companies connected through the Ariba network, the world's largest web-based trading community

1) Beginning in Q1 2013, SAP discloses non-IFRS deferred cloud subscription and support revenue, which is a subset of the total non-IFRS deferred revenue number reported on the balance sheet.

2) Cloud subscription and support backlog represents expected future cloud subscription and support revenue that is contracted but not yet invoiced and thus not recorded in deferred revenue

3) The annual revenue run rate is the third quarter 2013 cloud division revenue of €252 million multiplied by 4.

4) Network spend volume is the total value of purchase orders transacted on the Ariba Network in the trailing 12 months

Segment reporting

Q3 2013

€ millions	On Premise Division				Cloud Division				Total 2013	Total 2012
	On Premise Product	On Premise Services	On Premise Division Total 2013	On Premise Division Total 2012	Cloud Applications	Ariba	Cloud Division Total 2013	Cloud Division Total 2012		
Q3 2013										
Software	976	0	976	1.026	1	0	1	0	977	1.026
Cloud subscriptions & support	0	0	0	0	109	88	197	80	197	80
Software & cloud subscription	976	0	976	1.026	109	88	198	80	1.174	1.106
Support	2.178	0	2.178	2.103	3	8	11	3	2.189	2.106
SSRS	3.154	0	3.154	3.129	112	96	208	83	3.363	3.212
PSOS	0	651	651	736	23	21	44	22	695	758
Total revenue	3.154	651	3.805	3.865	135	117	252	105	4.057	3.970
Cost of revenue	-486	-536	-1.022	-1.052	-46	-47	-93	-56	-1.115	-1.108
Gross profit	2.668	115	2.783	2.813	89	70	159	49	2.942	2.862
Cost of sales & marketing	-813	0	-813	-846	-88	-39	-127	-71	-940	-917
Reportable Segment Profit/Loss	1.855	115	1.971	1.967	1	31	32	-22	2.003	1.945

Segment reporting

9M 2013

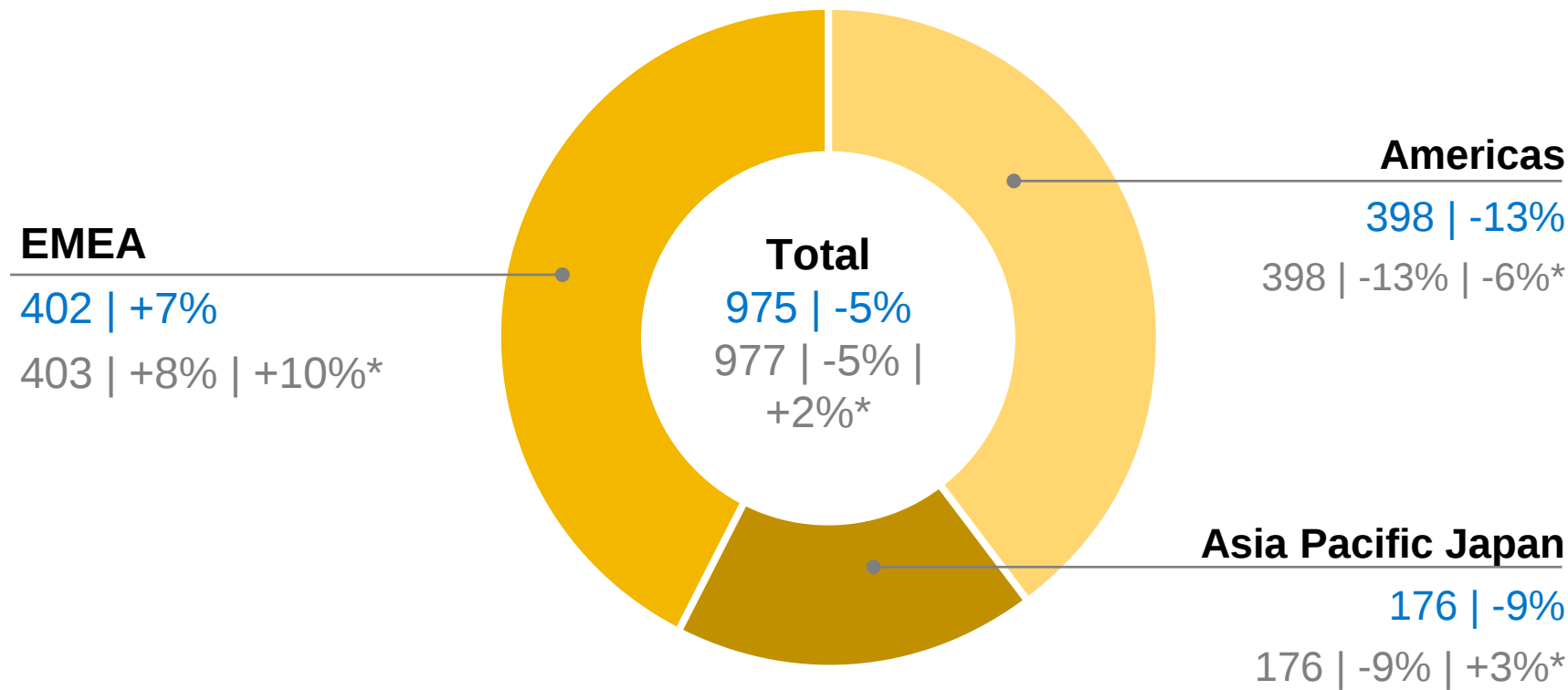
€ millions	On Premise Division				Cloud Division					
	On Premise Product	On Premise Services	On Premise Division Total 2013	On Premise Division Total 2012	Cloud Applications	Ariba	Cloud Division Total 2013	Cloud Division Total 2012	Total 2013	Total 2012
9M 2013										
Software	2.615	0	2.615	2.720	1	0	1	1	2.616	2.722
Cloud subscriptions & support	0	0	0	0	292	255	547	183	547	183
Software & cloud subscription	2.615	0	2.615	2.720	293	255	548	184	3.163	2.905
Support	6.449	0	6.449	6.068	12	23	35	7	6.484	6.075
SSRS	9.064	0	9.064	8.788	305	278	583	191	9.647	8.980
PSOS	0	2.011	2.011	2.210	63	63	126	53	2.137	2.263
Total revenue	9.064	2.011	11.075	10.999	368	341	709	244	11.784	11.243
Cost of revenue	-1.414	-1.623	-3.038	-3.129	-134	-135	-269	-142	-3.307	-3.270
Gross profit	7.649	388	8.037	7.870	233	206	440	102	8.477	7.973
Cost of sales & marketing	-2.522	0	-2.522	-2.440	-242	-115	-357	-170	-2.879	-2.609
Reportable Segment Profit/Loss	5.128	388	5.516	5.430	-9	92	83	-68	5.599	5.364

Software revenue by region**

Q3 2013

€ millions | yoy percent change

IFRS
Non-IFRS



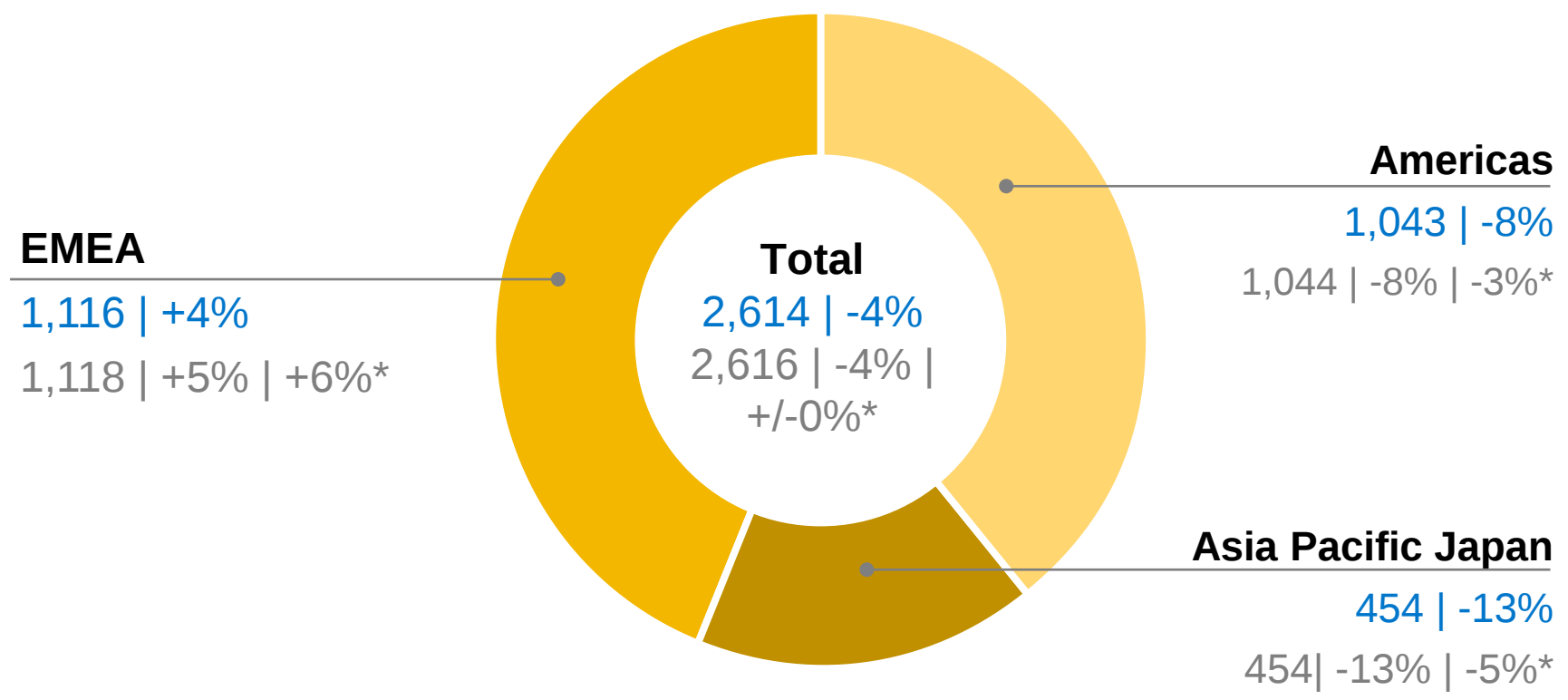
* At constant currencies
** IFRS and non-IFRS revenue is presented by places where contracts were negotiated

Software revenue by region**

9M 2013

€ millions | yoy percent change

IFRS
Non-IFRS



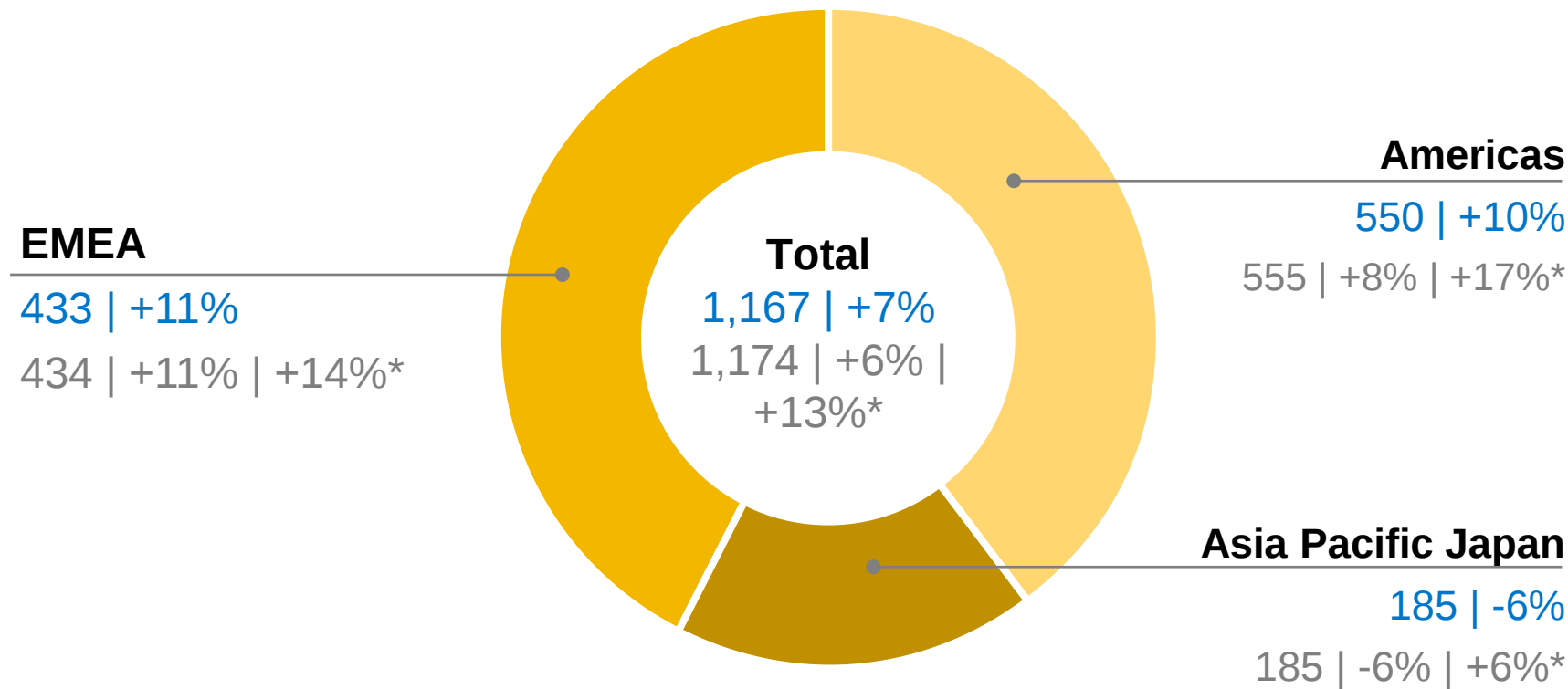
* At constant currencies
** IFRS and non-IFRS revenue is presented by places where contracts were negotiated

Software and cloud subscription revenue**

Q3 2013

€ millions | yoy percent change

IFRS
Non-IFRS



* At constant currencies

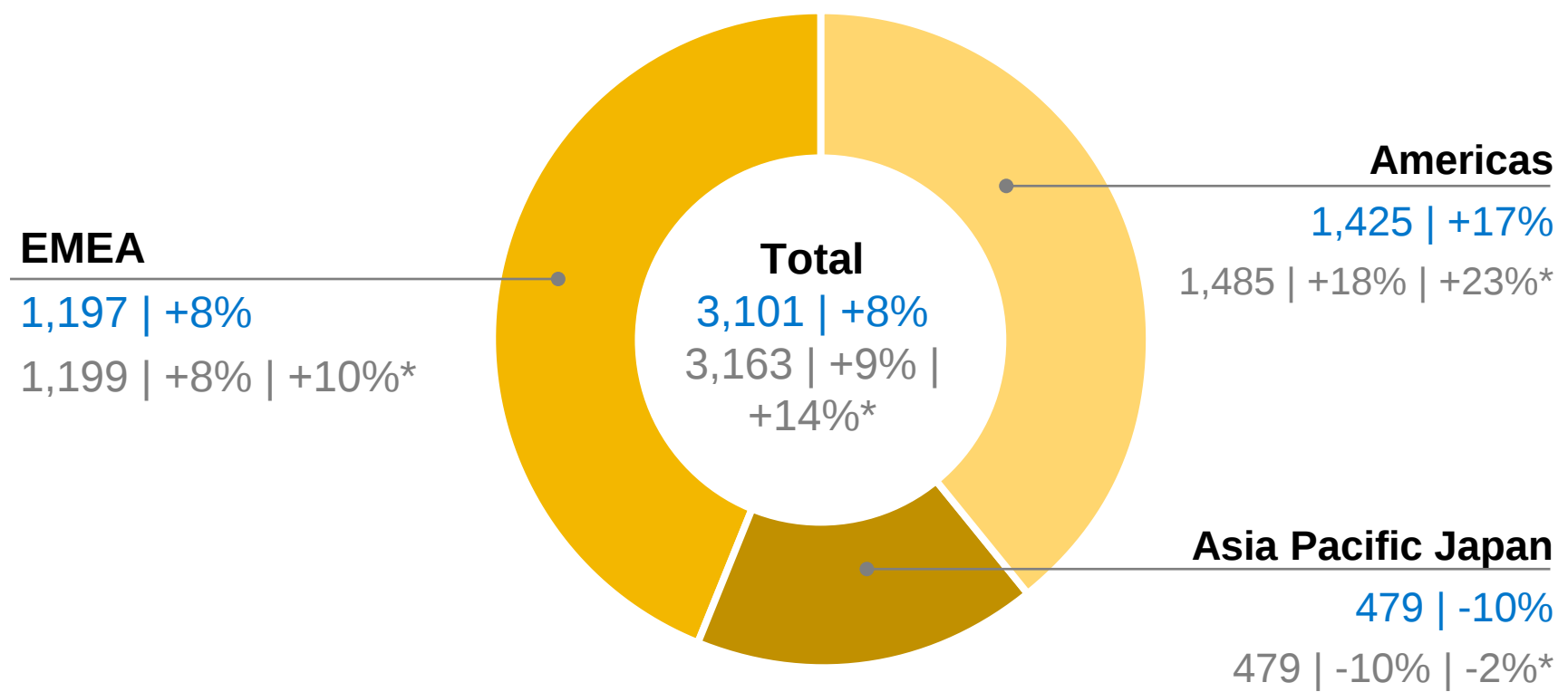
** IFRS and non-IFRS software and cloud subscription revenue is calculated as the combination of software revenue based on location of negotiation and cloud subscription & support revenue based on customer location

Software and cloud subscription revenue**

9M 2013

€ millions | yoy percent change

IFRS
Non-IFRS



* At constant currencies

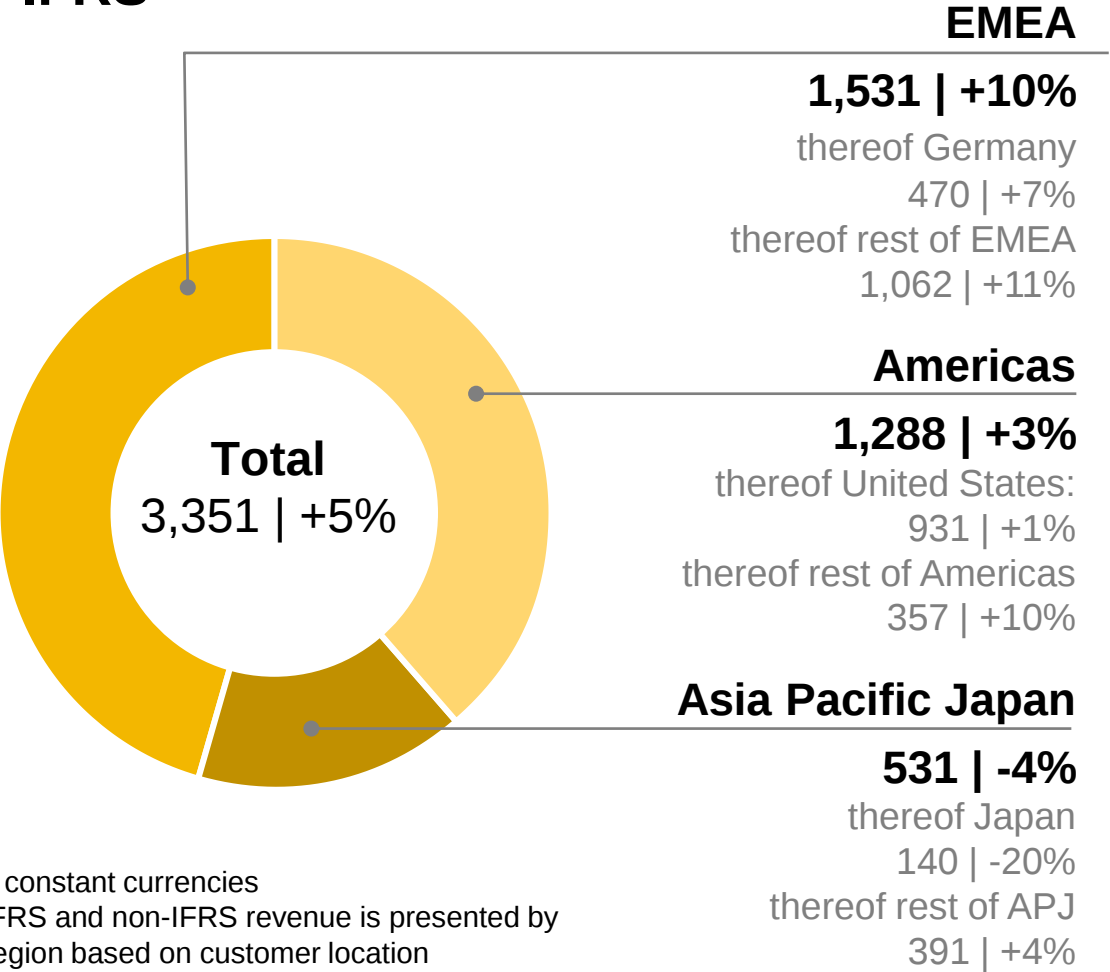
** Non-IFRS software and cloud subscription revenue on this page is calculated as the combination of software revenue based on location of negotiation and cloud subscription and support revenue based on customer location

SSRS revenue by region**

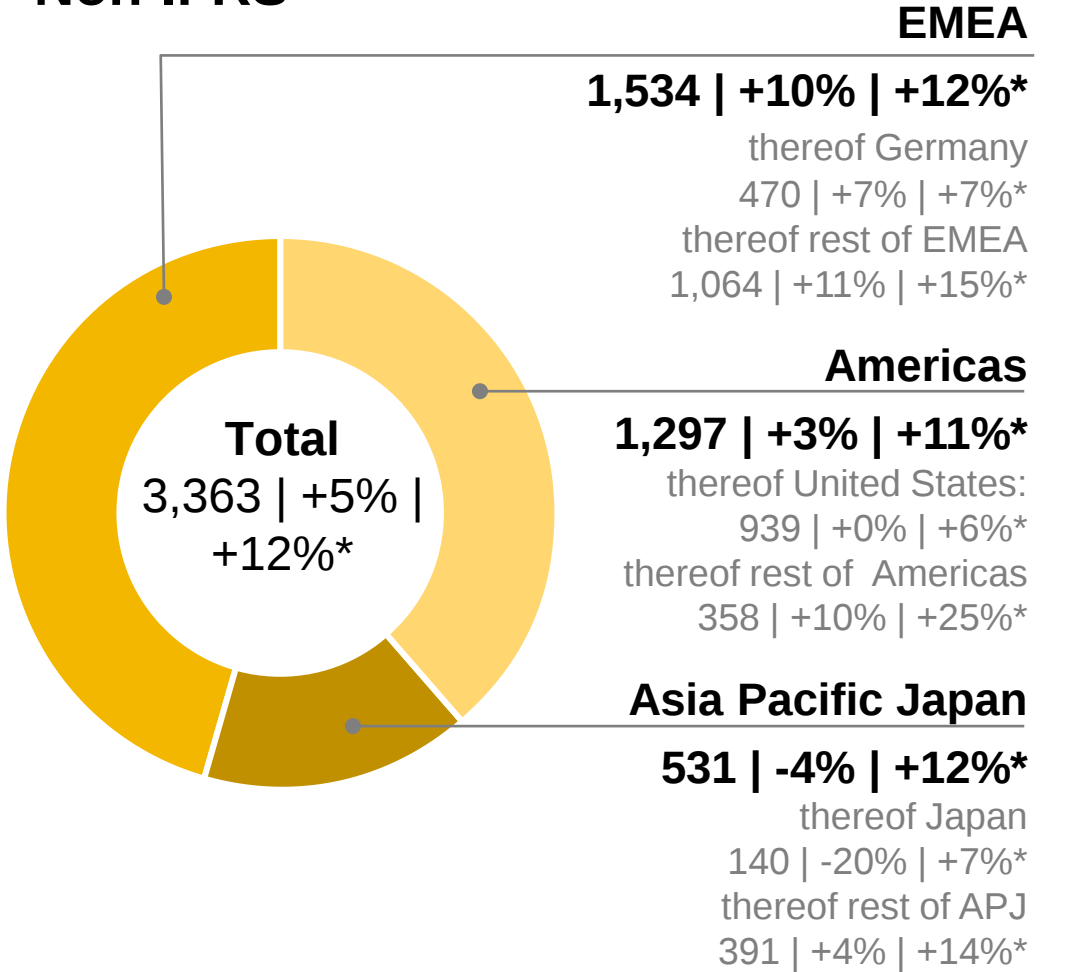
Q3 2013

€ millions | yoy percent change

IFRS



Non-IFRS



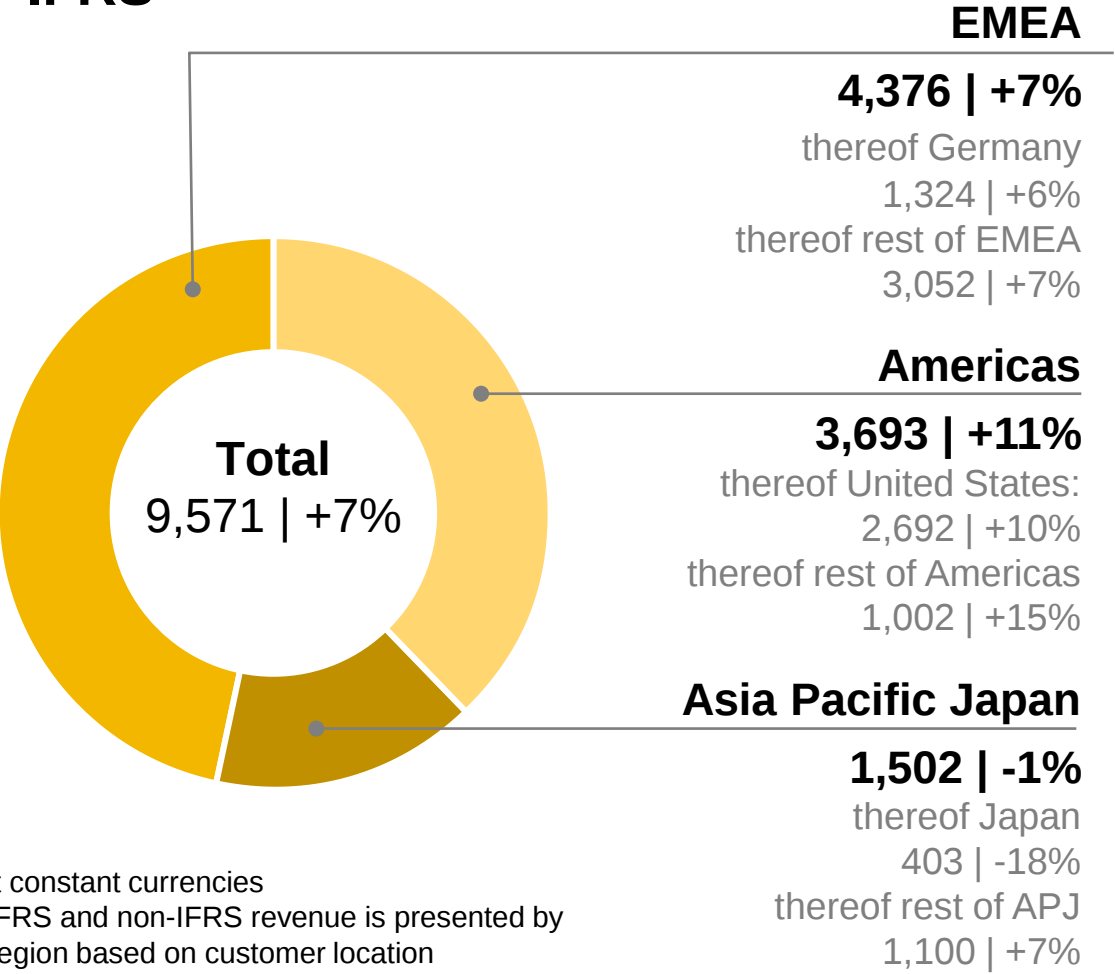
* At constant currencies
** IFRS and non-IFRS revenue is presented by region based on customer location

SSRS revenue by region**

9M 2013

€ millions | yoy percent change

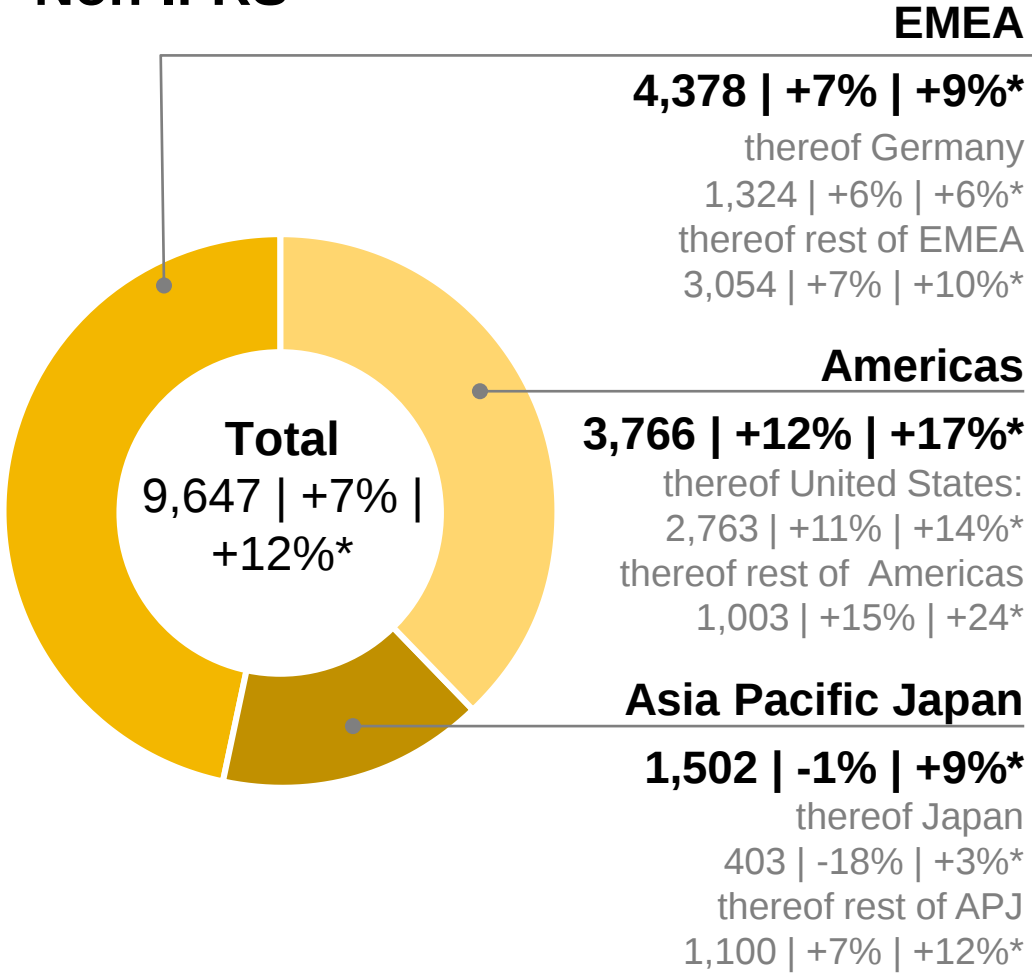
IFRS



* At constant currencies

** IFRS and non-IFRS revenue is presented by region based on customer location

Non-IFRS



Q3 2013: SAP streamlined its operating expenses and increased its operating profit despite strong currency headwinds

€ millions, unless otherwise stated

	IFRS			Non-IFRS			
	Q3/13	Q3/12	Δ%	Q3/13	Q3/12	Δ%	Δ% at cc
Revenue Numbers							
Software	975	1.026	-5	977	1.026	-5	2
Cloud subscriptions and support	191	63	203	197	80	146	162
Software & Cloud subscriptions	1.167	1.089	7	1.174	1.106	6	13
Support	2.184	2.105	4	2.189	2.106	4	11
SSRS revenue	3.351	3.194	5	3.363	3.212	5	12
PSOS revenue	695	758	-8	695	758	-8	-3
Total revenue	4.045	3.952	2	4.057	3.970	2	9
Operating Expense Numbers							
Total operating expenses	-3.003	-3.031	-1	-2.761	-2.731	1	6
Profit Numbers							
Operating profit	1.043	921	13	1.296	1.239	5	15
Finance income, net	-7	-7	1	-7	-7	1	
Profit before tax	1035	822	26	1.289	1.140	13	
Income tax expense	-274	-204	34	-355	-304	17	
Profit after tax	762	618	23	933	836	12	
Operating margin in %	25,8	23,3	+2,5pp	32,0	31,2	+0,8pp	+1,8pp
Basic earnings per share, in €	0,64	0,52	23	0,78	0,7	11	

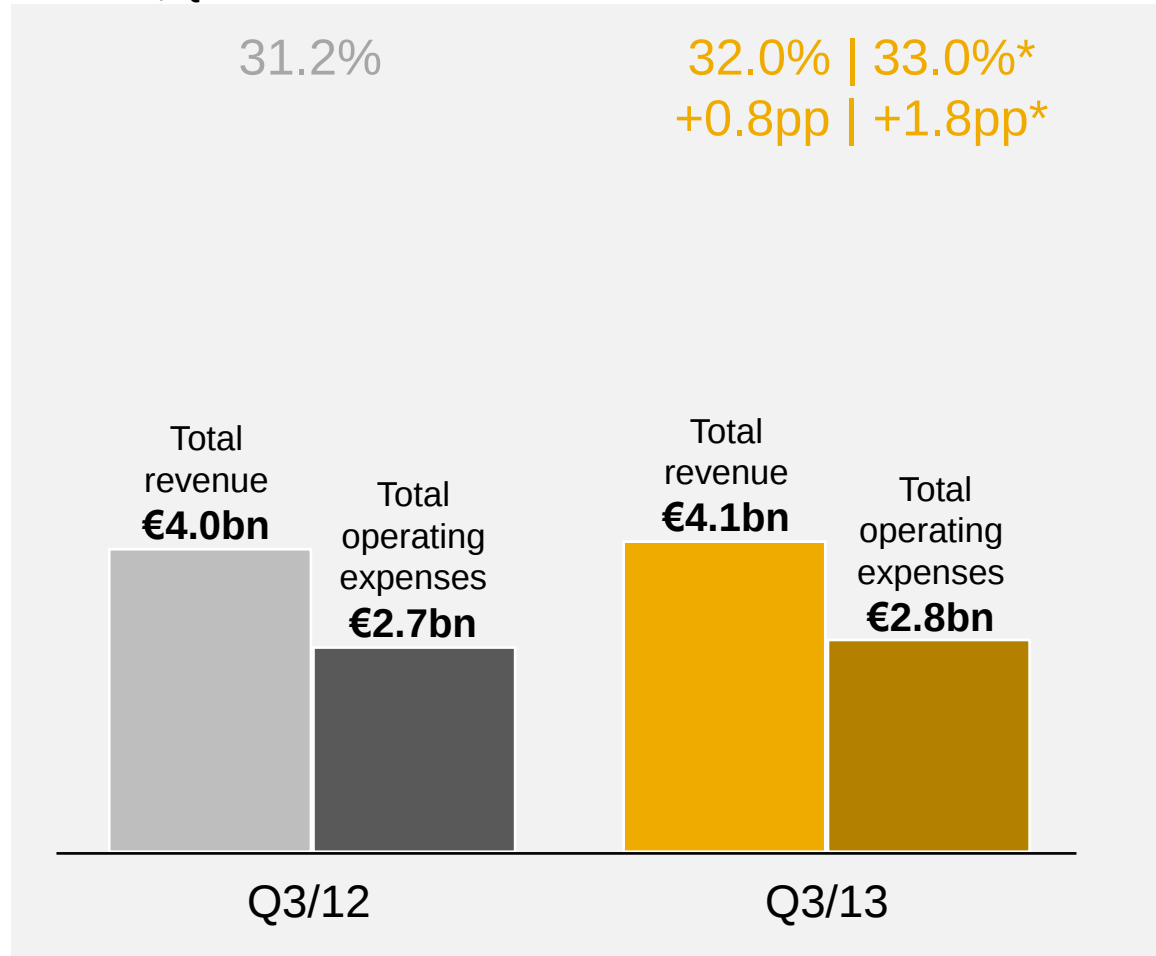
9M 2013: Solid top and bottom line growth

€ millions, unless otherwise stated

	IFRS			Non-IFRS			
Revenue Numbers	9M/13	9M/12	Δ%	9M/13	9M/12	Δ%	Δ% at cc
Software	2.614	2.722	-4	2.616	2.722	-4	0
Cloud subscriptions and support	488	144	238	547	183	198	208
Software & Cloud subscriptions	3.101	2.866	8	3.163	2.905	9	14
Support	6.470	6.071	7	6.484	6.075	7	11
SSRS revenue	9.571	8.937	7	9.647	8.980	7	12
PSOS revenue	2.137	2.263	-6	2.137	2.263	-6	-2
Total revenue	11.708	11.200	5	11.784	11.243	5	9
Operating Expense Numbers							
Total operating expenses	-9.031	-8.727	3	-8.368	-7.998	5	7
Profit Numbers							
Operating profit	2.677	2.473	8	3.416	3.245	5	12
Finance income, net	-44	-33	33	-44	-32	38	
Profit before tax	2.620	2.295	14	3.359	3.068	9	
Income tax expense	-614	-572	7	-861	-819	5	
Profit after tax	2.006	1.723	16	2.498	2.249	11	
Operating margin in %	22,9	22,1	+0,8pp	29,0	28,9	+0,1pp	+0,9pp
Basic earnings per share, in €	1,68	1,45	16	2,09	1,89	11	

Non-IFRS operating margin increased by 1.8pp at constant currency in the third quarter 2013

Non-IFRS, Q3/13



* At constant currencies

Non-IFRS operating profit:

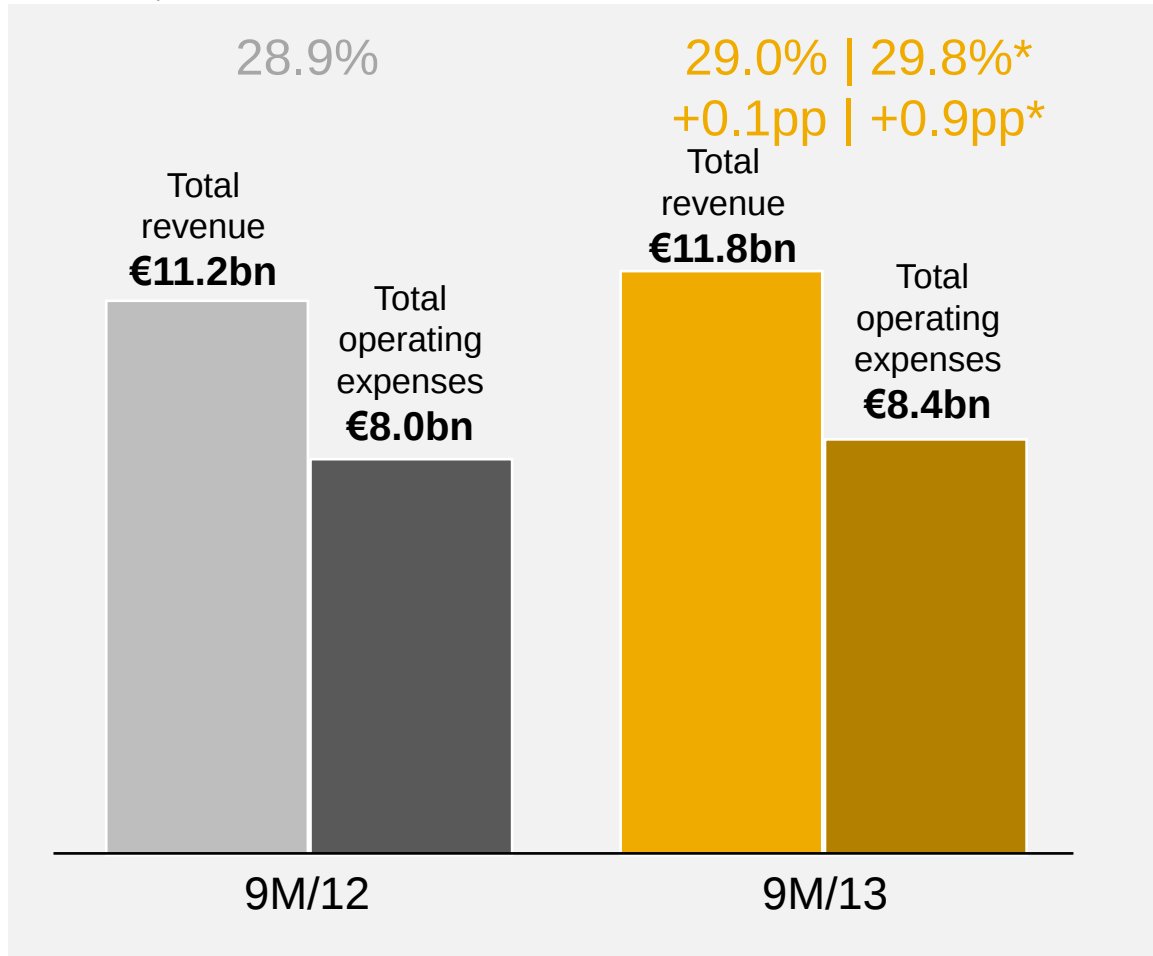
- +5% to €1.30bn
- +15% to €1.43bn at cc

Non-IFRS operating margin:

- +0.8pp (+1.8pp at cc) to 32.0% (Q3/12: 31.2%)
- Solid increase of 180 basis points to 33.0% in non-IFRS operating margin at cc despite the impact from Ariba and hybris of approx. 50 basis points
- Currency impact: growth in non-IFRS operating profit was negatively impacted by 10 percentage points, which resulted in a negative impact of 100 basis points on our non-IFRS operating margin.

Non-IFRS operating margin increased by 0.9pp at constant currency in the first nine months 2013

Non-IFRS, 9M/13



* At constant currencies

Non-IFRS operating profit:

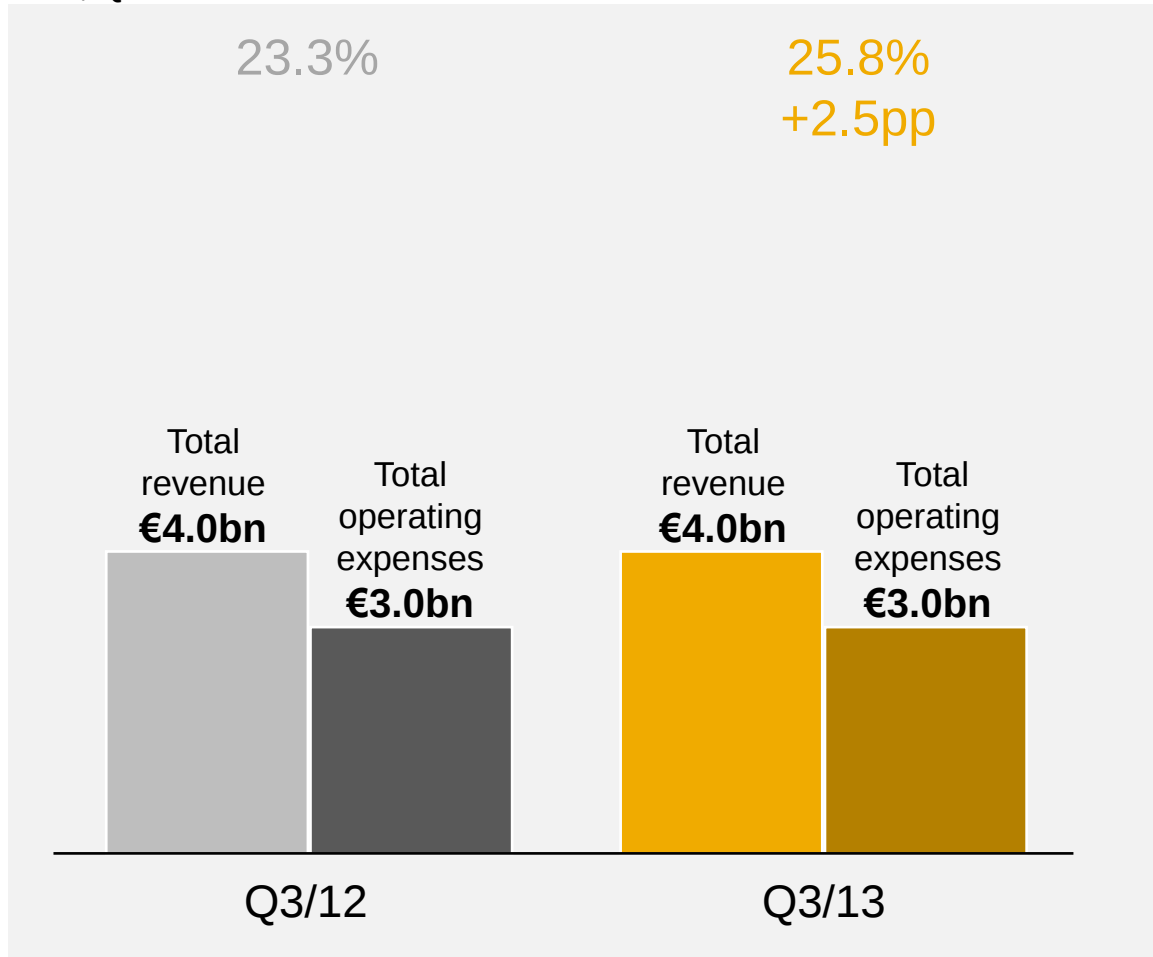
- +5% to €3.42bn
- +12% to €3.65bn at cc

Non-IFRS operating margin:

- +0.1pp (+0.9pp at cc) to 29.0% (9M/12: 28.9%)
- Non-IFRS operating profit and operating margin were negatively impacted by the acquisitions of Success-Factors, Ariba and hybris. The operating margin was impacted in total by ~60 bps.
- Currency impact: Operating profit (Non-IFRS) was impacted by €229 million or 7% lower than the respective constant currency number; operating margin (Non-IFRS) was negatively impacted by ~80 bps

IFRS operating profit increased by 13% in Q3 2013

IFRS, Q3/13



IFRS operating profit:

- +13% to €1.04bn (Q3/12: €921m)

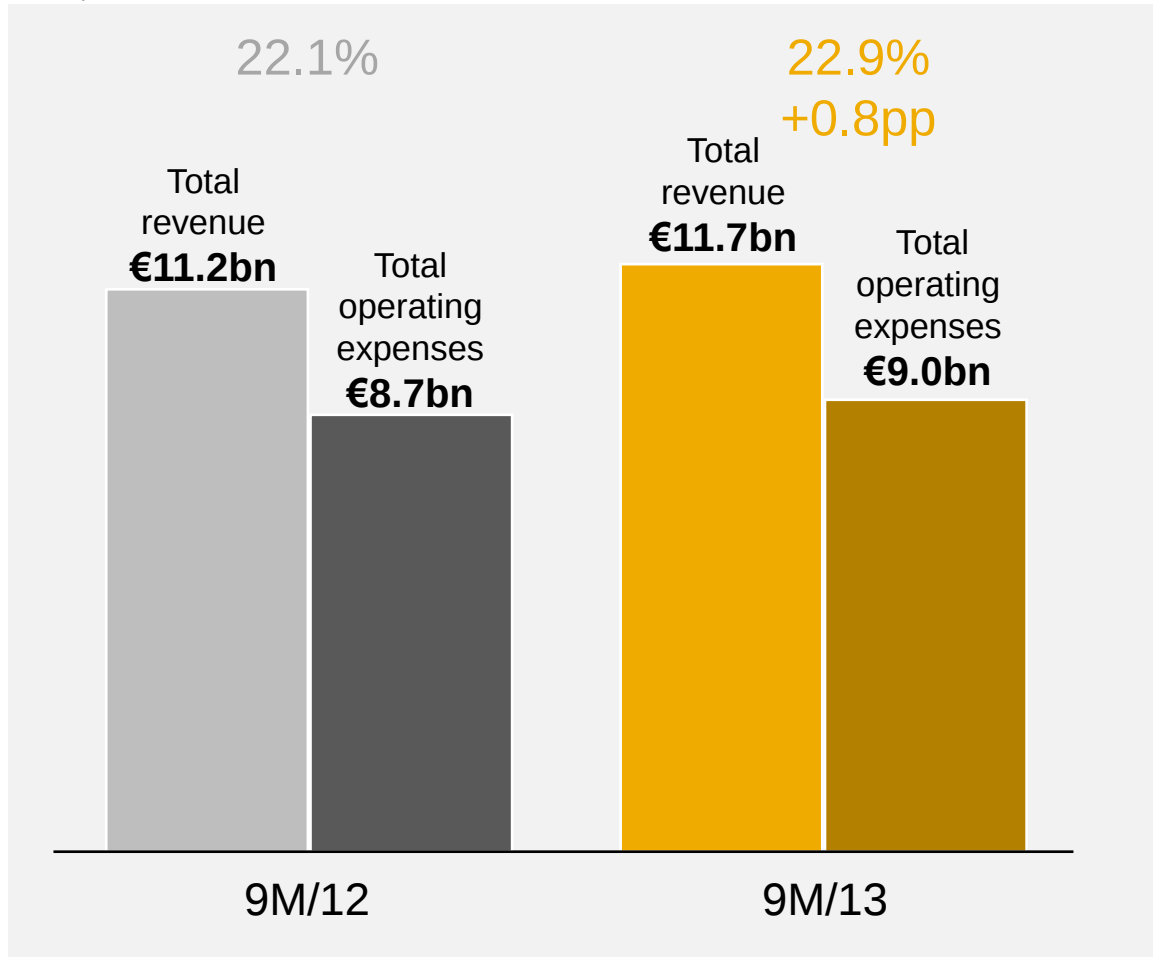
IFRS operating margin:

- Operating margin increased by 2.5 percentage points to 25.8% (Q3/12: 23.3%)

* At constant currencies

IFRS operating profit increased by 8% in 9M 2013

IFRS, 9M/13



IFRS operating profit:

- +8% to €2.68bn (9M/12: €2.47bn)

IFRS operating margin:

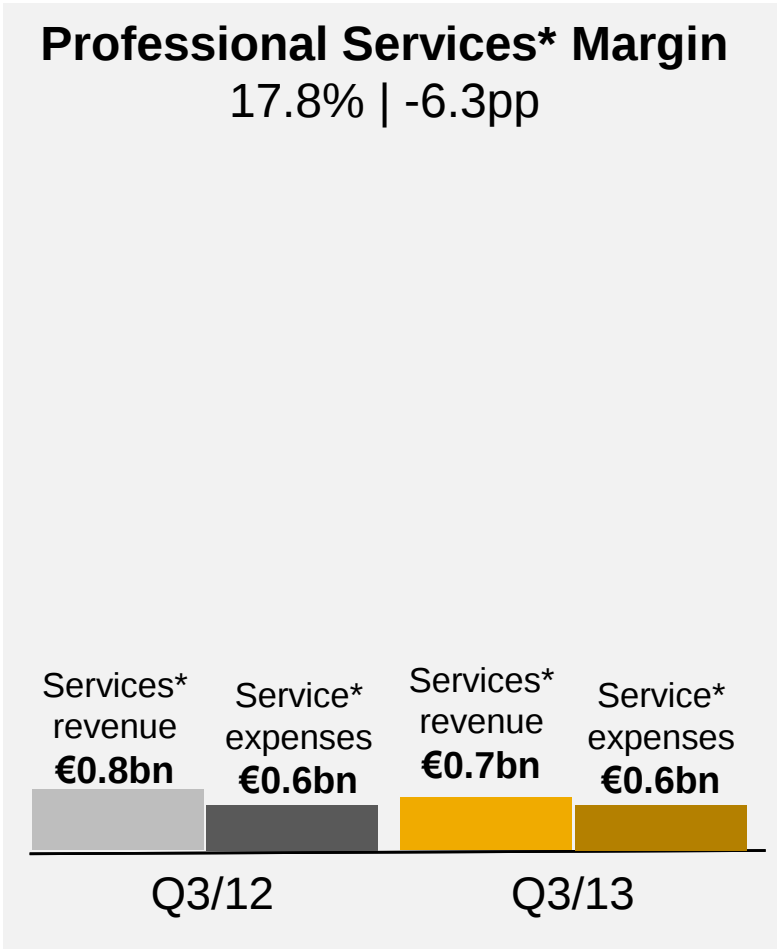
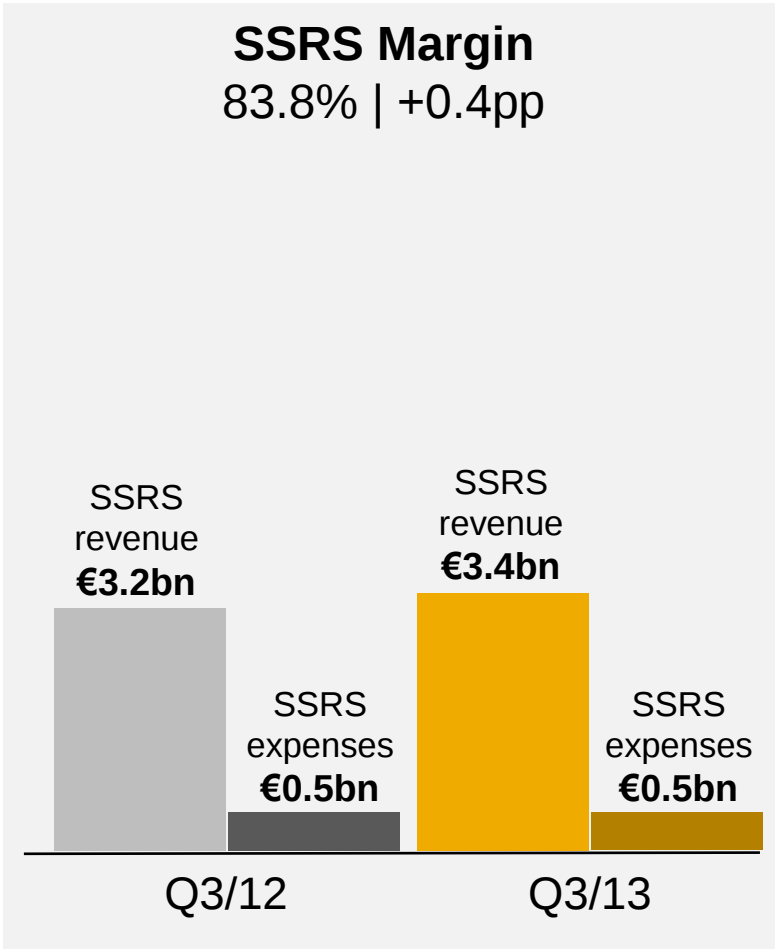
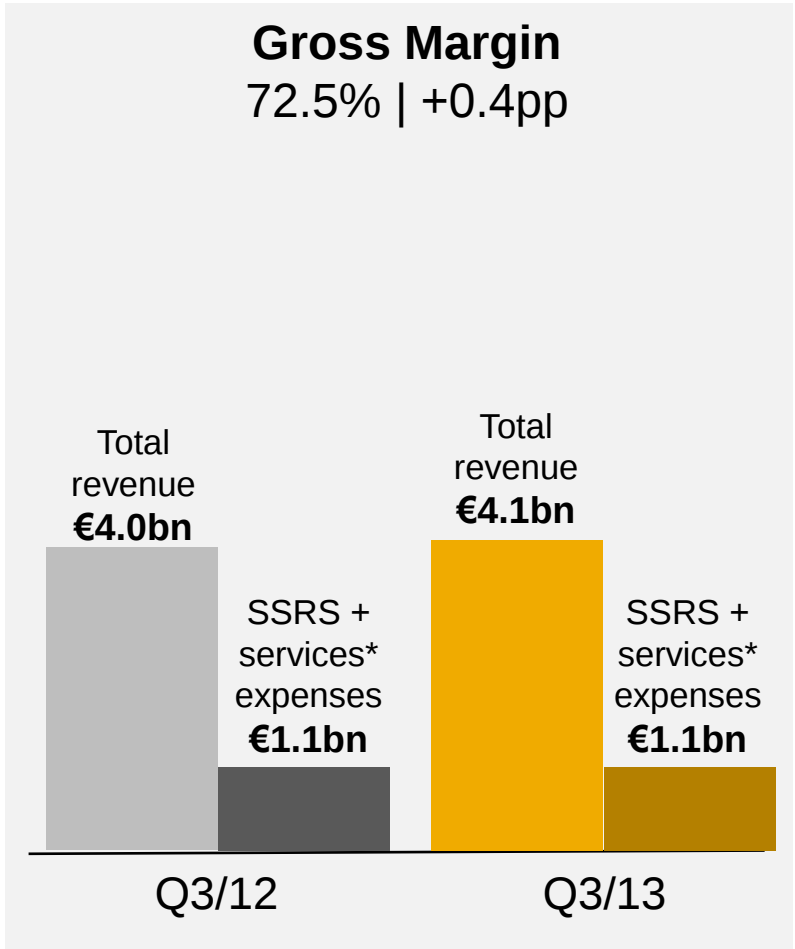
- Operating margin increased by 0.8 percentage points to 22.9% (9M/12: 22.1%)

* At constant currencies

Gross margin improved by 40 bps

Q3 2013

Non-IFRS, Q3/13

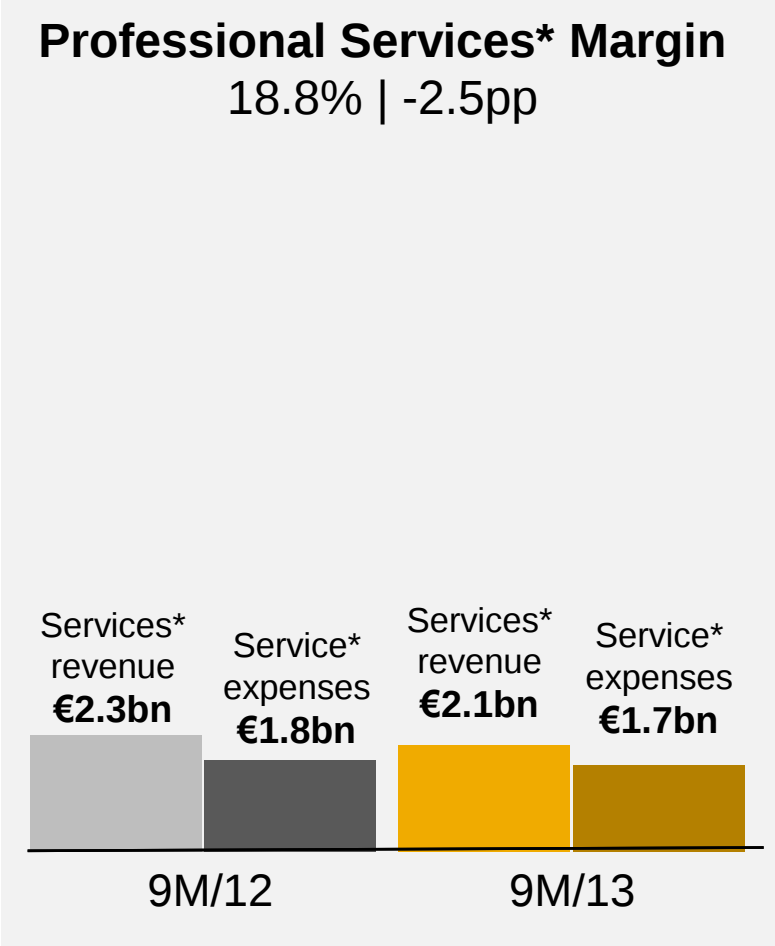
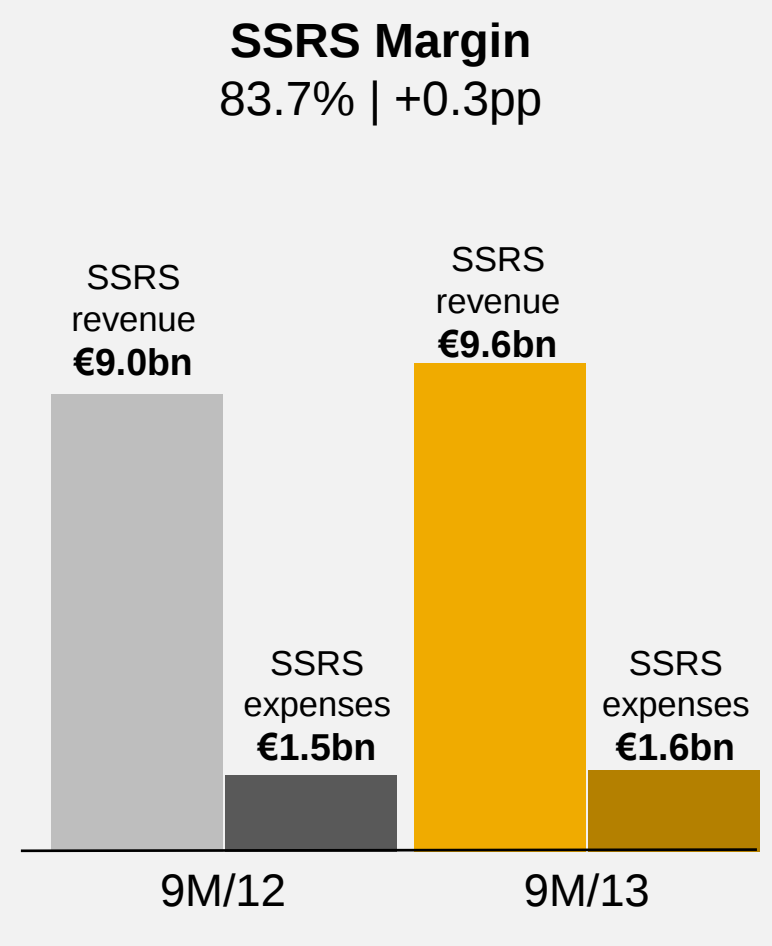
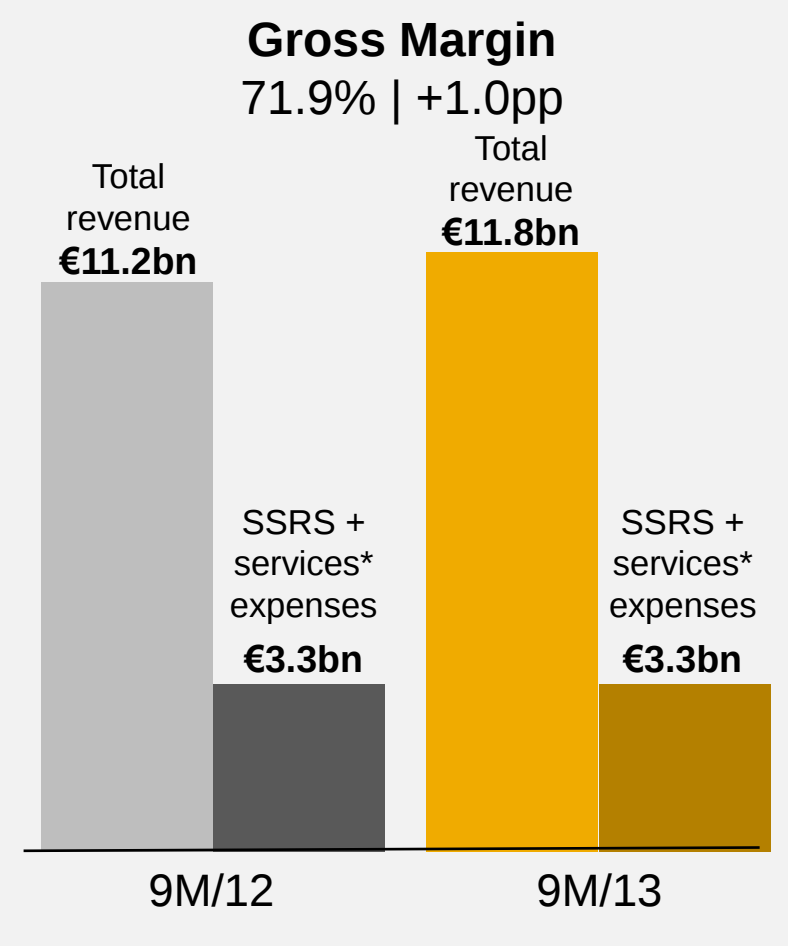


* Professional services and other services

Gross margin improved by 100 bps

9M 2013

Non-IFRS, 9M/13

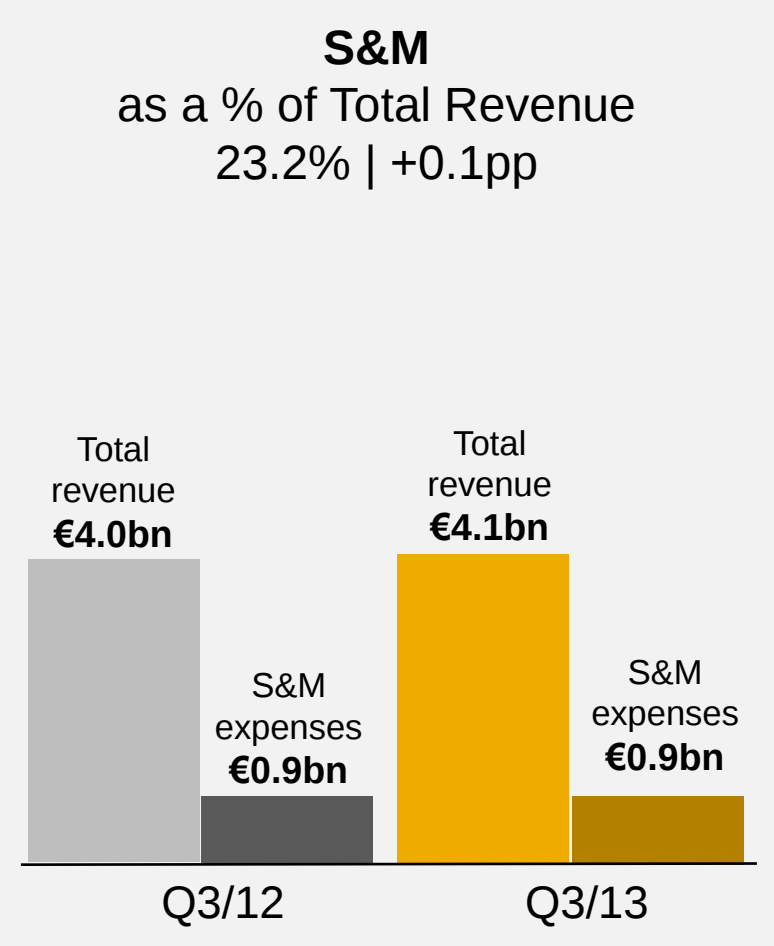
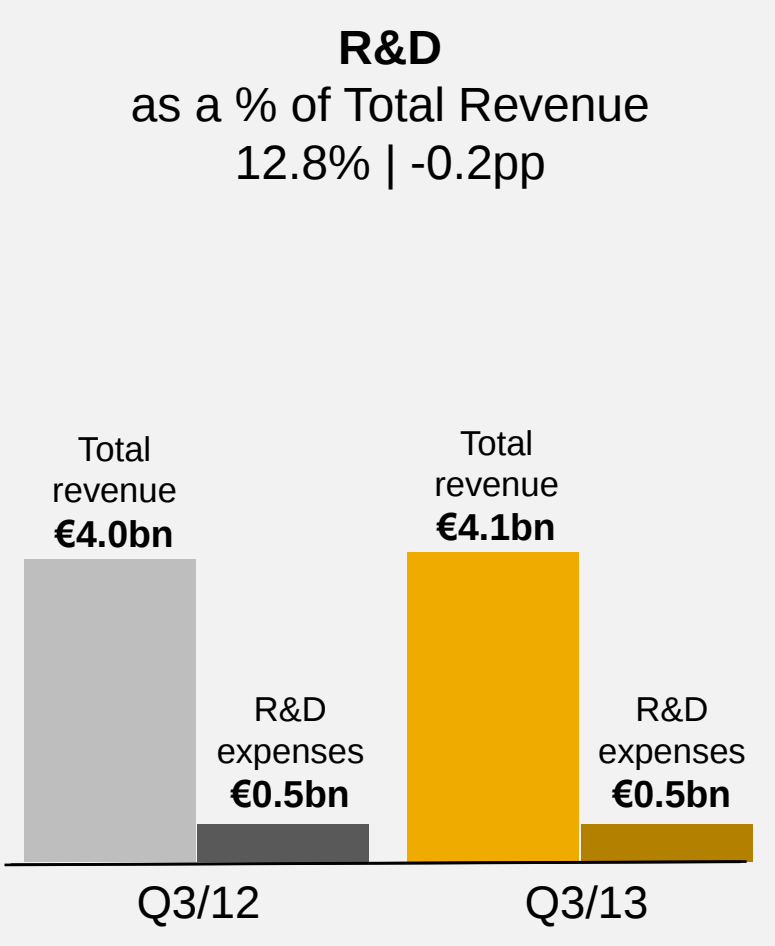


* Professional services and other services

Cost ratios

Q3 2013, Non-IFRS

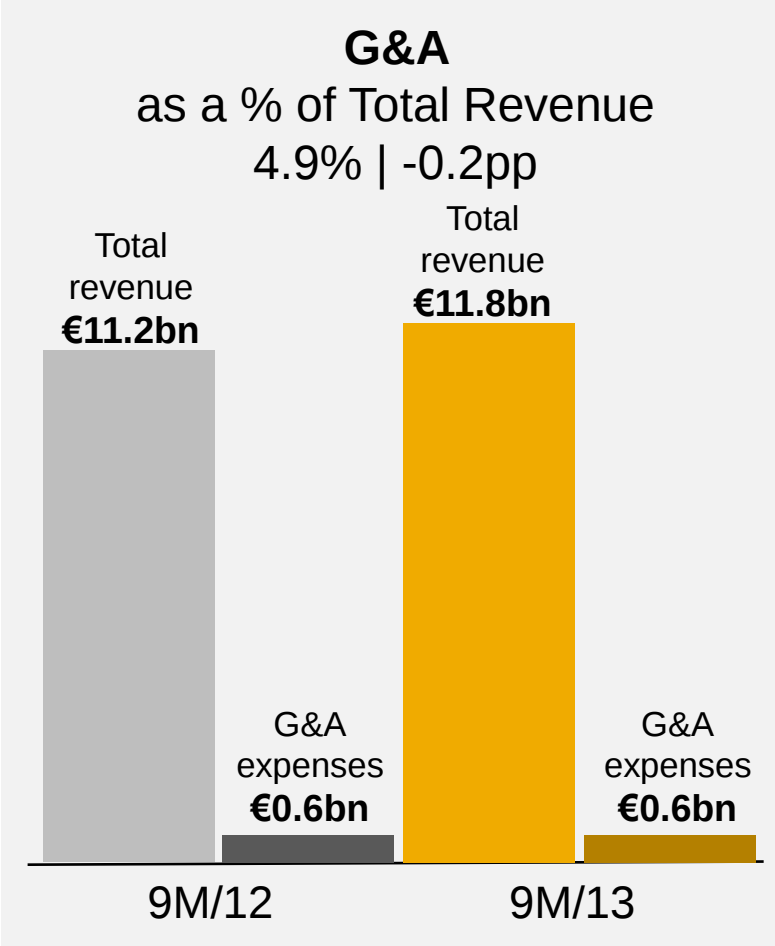
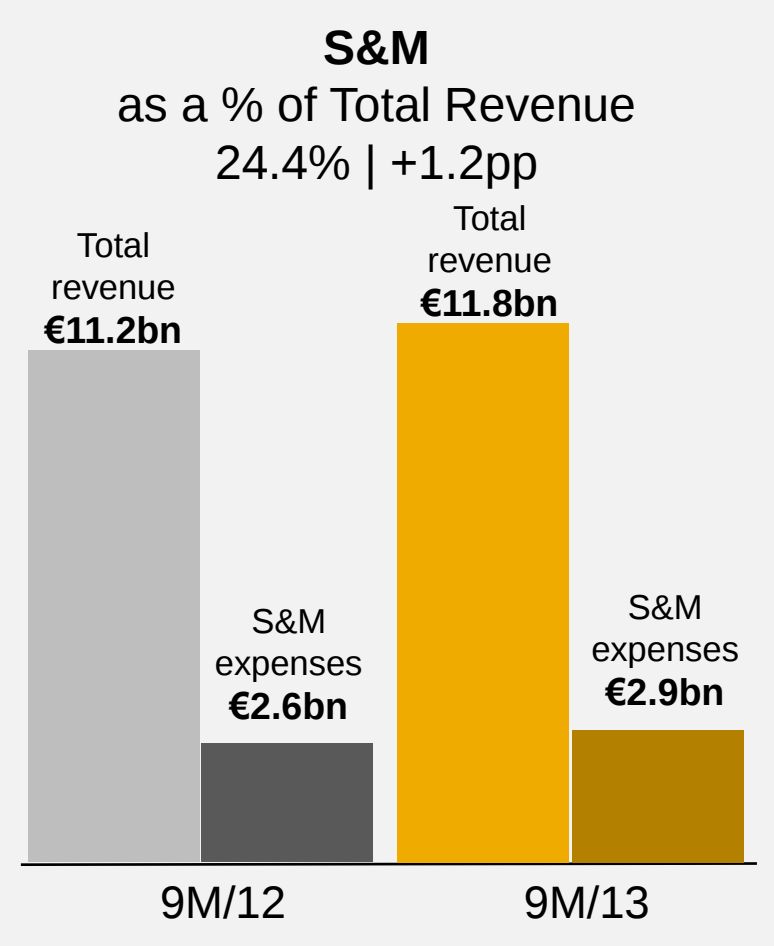
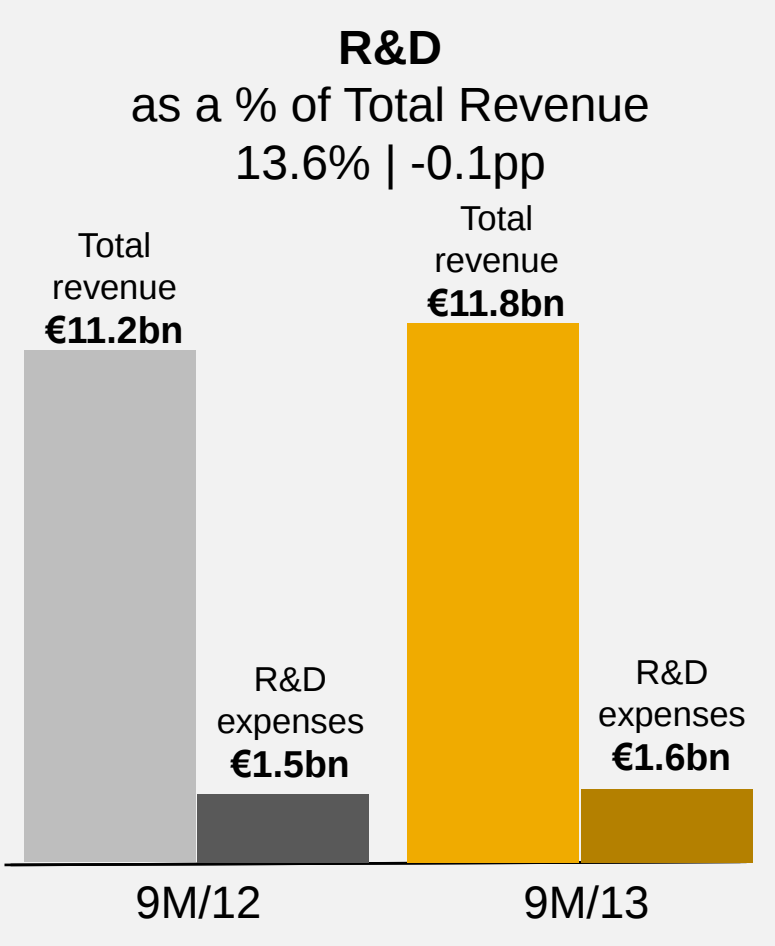
Non-IFRS, Q3/13



Cost ratios

9M 2013, Non-IFRS

Non-IFRS, 9M/13



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Balance Sheet and Cash Flow Analysis

Outlook and Additional Information

Balance sheet, condensed

September 30, 2013, IFRS

Assets € millions	09/30/13	12/31/12
Cash, cash equivalents and other financial assets	3,476	2,631
Trade and other receivables	3,052	3,917
Other non-financial assets and tax assets	669	450
Total current assets	7,197	6,998
Goodwill	13,876	13,227
Intangible assets	3,108	3,234
Property, plant, and equipment	1,771	1,708
Other non-current assets	1,581	1,543
Total non-current assets	20,336	19,711
Total assets	27,534	26,710

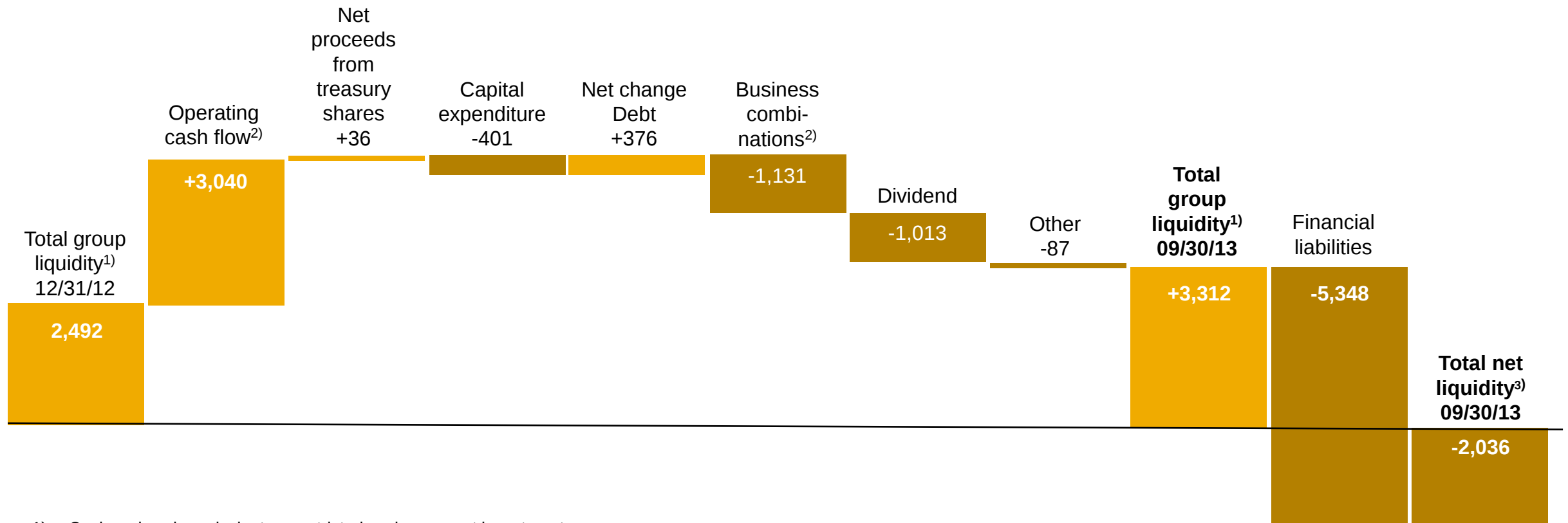
Equity and liabilities € millions	09/30/13	12/31/12
Trade and other payables	793	870
Deferred income	2,235	1,386
Provisions	584	843
Other liabilities	3,819	3,449
Current liabilities	7,431	6,547
Financial liabilities	3,799	4,446
Provisions	277	361
Deferred income	64	62
Other non-current liabilities	1,046	1,123
Non current liabilities	5,186	5,991
Total liabilities	12,618	12,538
Total equity	14,916	14,171
Equity and liabilities	27,534	26,710

Operating cash flow in 9M 2013 exceeded €3.0 billion

€ millions, unless otherwise stated	01/01/13 - 09/30/13	01/01/12 - 09/30/12	Δ
Operating cash flow	3,040	3,057	-1%
- Capital expenditure	-401	-370	+8%
Free cash flow	2,639	2,687	-2%
Free cash flow as a percentage of total revenue	23%	24%	-1pp
Cash conversion rate	1.52	1.77	-14%
Days sales outstanding (DSO)	62	60	+2 day

Total group liquidity increased to €3.3 billion due to high operating cash flow, despite acquisitions and dividend payment

€ millions



1) Cash and cash equivalents + restricted cash + current investments

2) Business combinations, net of cash and cash equivalents acquired amounted to -€1,131m

3) Total Group Liquidity less financial liabilities (=bank loans, private placement transactions and bonds); corresponds with net liquidity 2 – for more details see third quarter and nine months Interim Report

Agenda

Income Statement

Balance Sheet and Cash Flow Analysis

Outlook and Additional Information

SAP reiterated its outlook for the full year 2013*

SAP reiterates the outlook for the full year 2013, which remains unchanged from the outlook provided on July 18, 2013:

- The Company expects full year 2013 non-IFRS software and software-related service revenue to increase by at least 10% at constant currencies (2012: €13.25 billion).
- The Company expects full year 2013 non-IFRS cloud subscription and support revenue of around €750 million at constant currencies (2012: €343 million)
- The Company expects full year 2013 SAP HANA software revenue in a range of €650 – €700 million (2012: €392 million).
- The Company expects full-year 2013 non-IFRS operating profit to be in a range of €5.85 billion – €5.95 billion at constant currencies (2012: €5.21 billion).
- The Company projects a full-year 2013 IFRS effective tax rate of 24.0% – 25.0% (2012: 26.2%) and a non-IFRS effective tax rate of 25.5% – 26.5% (2012: 27.5%).

If exchange rates remain at the September 2013 level for the rest of the year, the Company expects both the fourth-quarter and full-year 2013 non-IFRS software and software-related service revenue growth rate to be negatively impacted by approximately 5 percentage points from currency and the fourth-quarter and full-year 2013 non-IFRS operating profit growth rate to be negatively impacted by approximately 7 percentage points from currency.

Business Outlook was provided on January 23th, 2013, at the time of SAP's fourth quarter 2012 results announcement. Announcing SAP's second 2013 results, SAP has refined the outlook for non-IFRS software and software-related service revenue at constant currencies. Today, announcing the third quarter 2013 results, SAP reiterated this outlook.

Non-IFRS adjustments

IFRS Profit Measure	Actual Amounts 9M/2013	Actual Amounts 9M/2012	Estimated Amounts for FY/2013
Deferred revenue write-down	€76m	€43m	€85m to €95m
Discontinued activities	€0m	€1m	< €10m
Share-based compensation expenses	€192m	€333m	€300m to €340m
Acquisition-related charges	€424m	€387m	€560m to €600m
Restructuring charges	€47m	€8m	€50m to €70m

Explanation of non-IFRS measures

SAP has provided its non-IFRS estimates for the full-year 2013. For a more detailed description of all of SAP's non-IFRS measures and their limitations as well as our constant currency and free cash flow figures see [Non-IFRS Measures and Estimates](#) online.

Constant currency revenue figures are calculated by translating revenue of the current period using the average exchange rates from the previous year's respective period instead of the current period. Constant currency period-over-period changes are calculated by comparing the current year's non-IFRS constant currency numbers with the non-IFRS number of the previous year's respective period.

For a more detailed description of all of SAP's non-IFRS adjustments and their limitations as well as our constant currency and free cash flow figures see [Non-IFRS Measures and Estimates](#) online.