

SAP Debt Investor Presentation

Fourth Quarter 2014 Update Call

Walldorf, Germany

Friday, February 06, 2015

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

SAP Strategy

2014 – FY Performance Update & 2015 Outlook

Balance Sheet & Cash Flow Analysis

Other Topics

- I. Concur acquisition – Financing Overview
- II. Debt Maturity profile

2015 Outlook and path to 2020



OPEN
PLATFORM

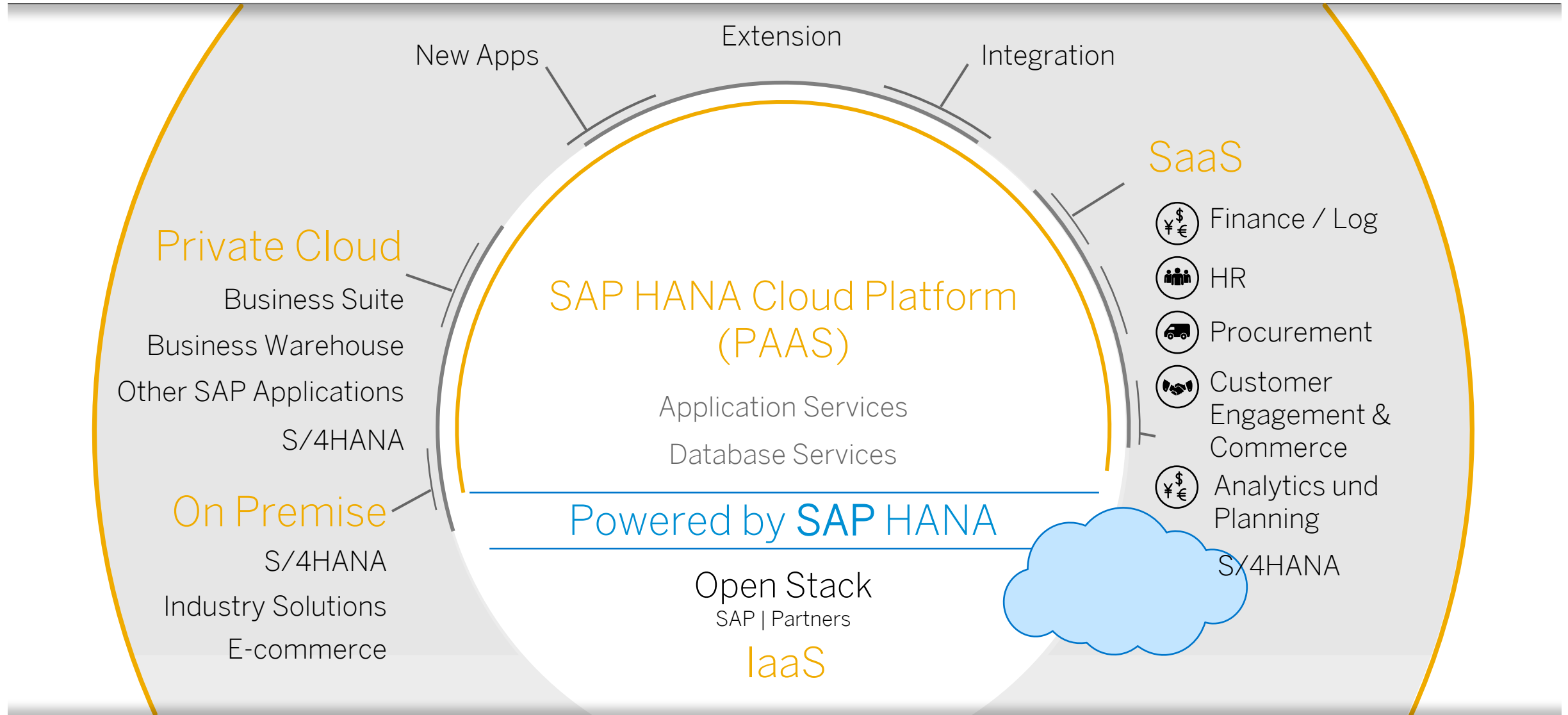
INNOVATIVE
APPLICATIONS

CONNECTED
NETWORK

BREAKTHROUGH
HANA

PLATFORM

SAP HANA Cloud Platform



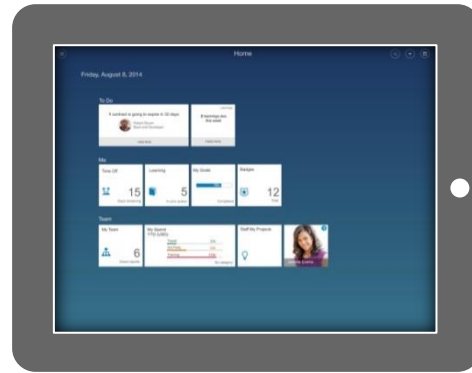
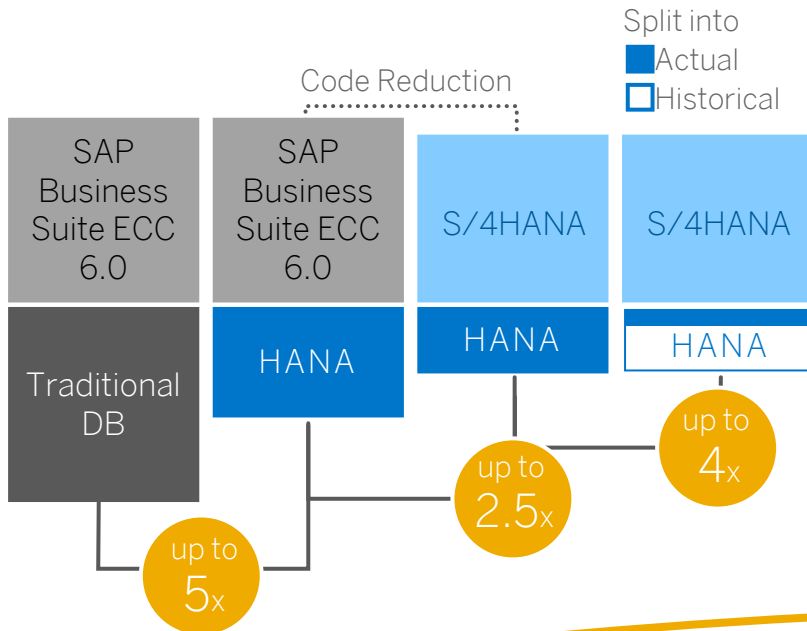
APPLICATIONS

SAP S/4HANA

Simplified Data Model

Completely Fiori

Guided Configuration



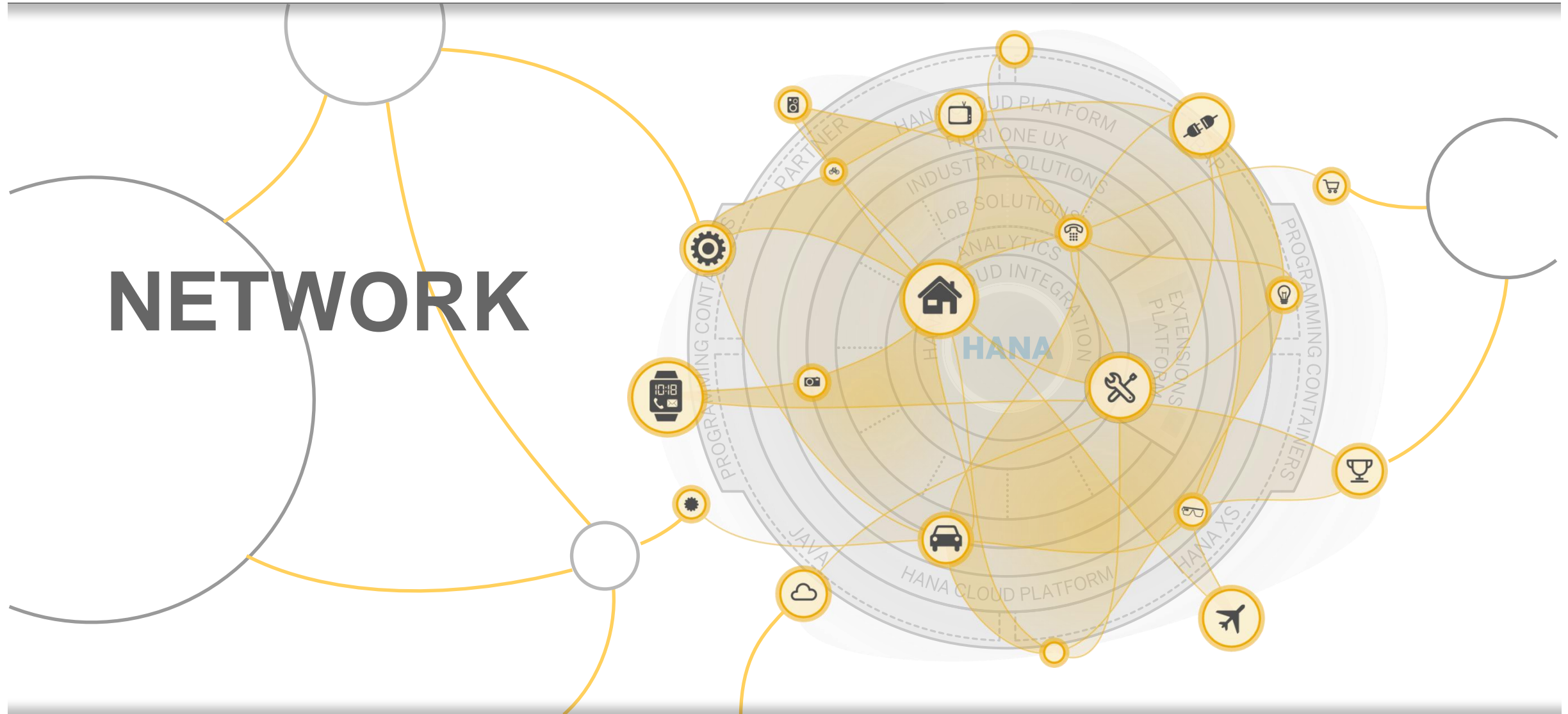
Cloud and On Premise

BENEFITS

~1/10 of data footprint | 3-7X higher throughput | Up to 1.800X faster analytics
 Replication for throughput and high-availability | Predict, recommend, simulate
 All data: social, text, geo, graph, processing | any device | Easy upgrade | Extensions through HCP

NETWORK

Reaching beyond the company frontier



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FY 2014 – Exceptional growth in Cloud

	SAP's Outlook at the beginning of FY 2014	SAP's Outlook after Q3 for FY 2014	Actual Performance 2014
Cloud subscription and support revenue (Non-IFRS @cc)	€950m to €1bn Upper end was +32%	€1,040m to €1,070m Upper end of this range represents a growth rate of +41%	€1,098m* 
Software and Software-related Service Revenue (Non-IFRS @cc)	+6% to +8%	+6% to +8%	+7% 
Operating Profit (Non-IFRS @cc)	€5.8bn to €6.0bn	€5.6bn to €5.8bn	€5.63bn 
Effective Tax Rate (IFRS)	26.0% to 27.0%	26.0% to 27.0%	24.8% 
Effective Tax Rate (Non-IFRS)	27.5% to 28.5%	27.5% to 28.5%	26.2% 

* Includes Concur contribution of €45m (@cc)

Unique combination of fast growing Cloud & solid core business

Cloud

- Cloud revenue: +45% yoy (+45% @cc)
- Annual run rate: >€1.7bn / \$2.0bn
- Deferred revenue: €699m, +56% yoy (+40% @cc)
- Calculated billings: +104% yoy (+78% @cc)
- Backlog: +94% yoy >€2.3bn for FY
- Order entry for new business in cloud was ~1/3 of software revenue for FY

Software & Support

- Stable core business with software & support revenue: +4% (+5% @cc)
- SW revenue: -3% (-3% @cc)
- Resilient support revenue: +7% (+8% @cc)



SSRS

- SSRS +7% @cc achieving FY guidance

Strong growth across all regions

FY 2014 - Cloud Subscription Revenue & SSRS

Americas

Cloud
+39%

SSRS
+7% @cc

EMEA

Cloud
+58%

SSRS
+7% @cc

APJ

Cloud
+59%

SSRS
+7% @cc

Broad Cloud offering with three different business models

1 Public Cloud

- Cloud applications with mainly SuccessFactors, CEC*, Suite solutions
- Classical subscription SaaS model is the most comparable cloud offering to pure cloud vendors

2 Business network

- Market leading with Ariba, Fieldglass and Concur
- Steady predictable revenue stream with a very high stickiness
- Stable revenue growth rates

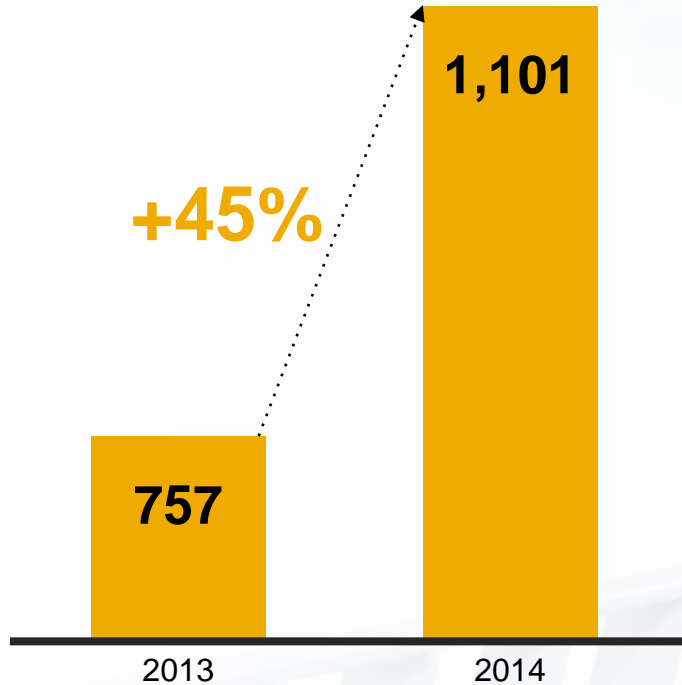
3 Private Cloud

- Supporting mission critical processes
- High set-up costs
- Longer time to revenue
- Order entry will flow into future revenue

Powerful mix shift to high growth Cloud business leading to higher share of predictable revenue

Cloud subscriptions and support revenue

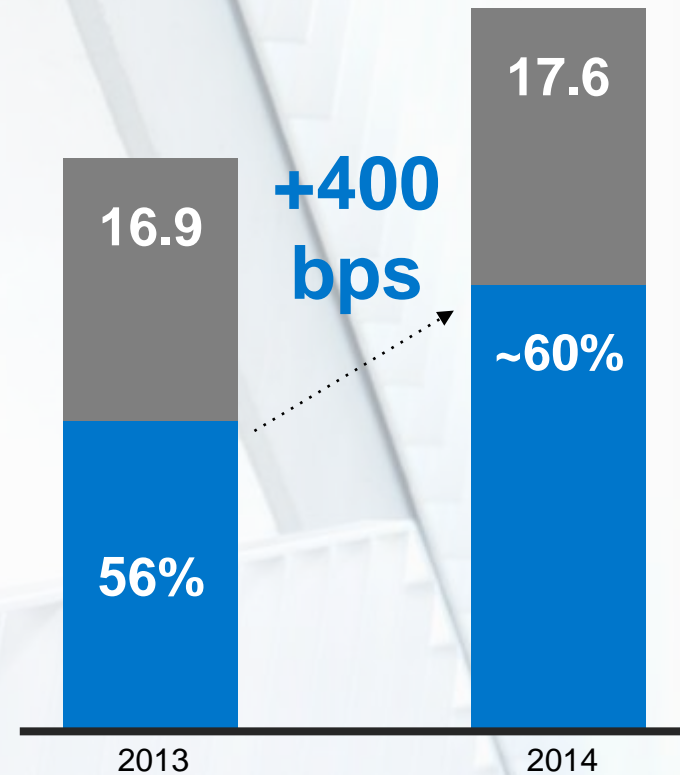
Non-IFRS, in € million



Combined total revenue

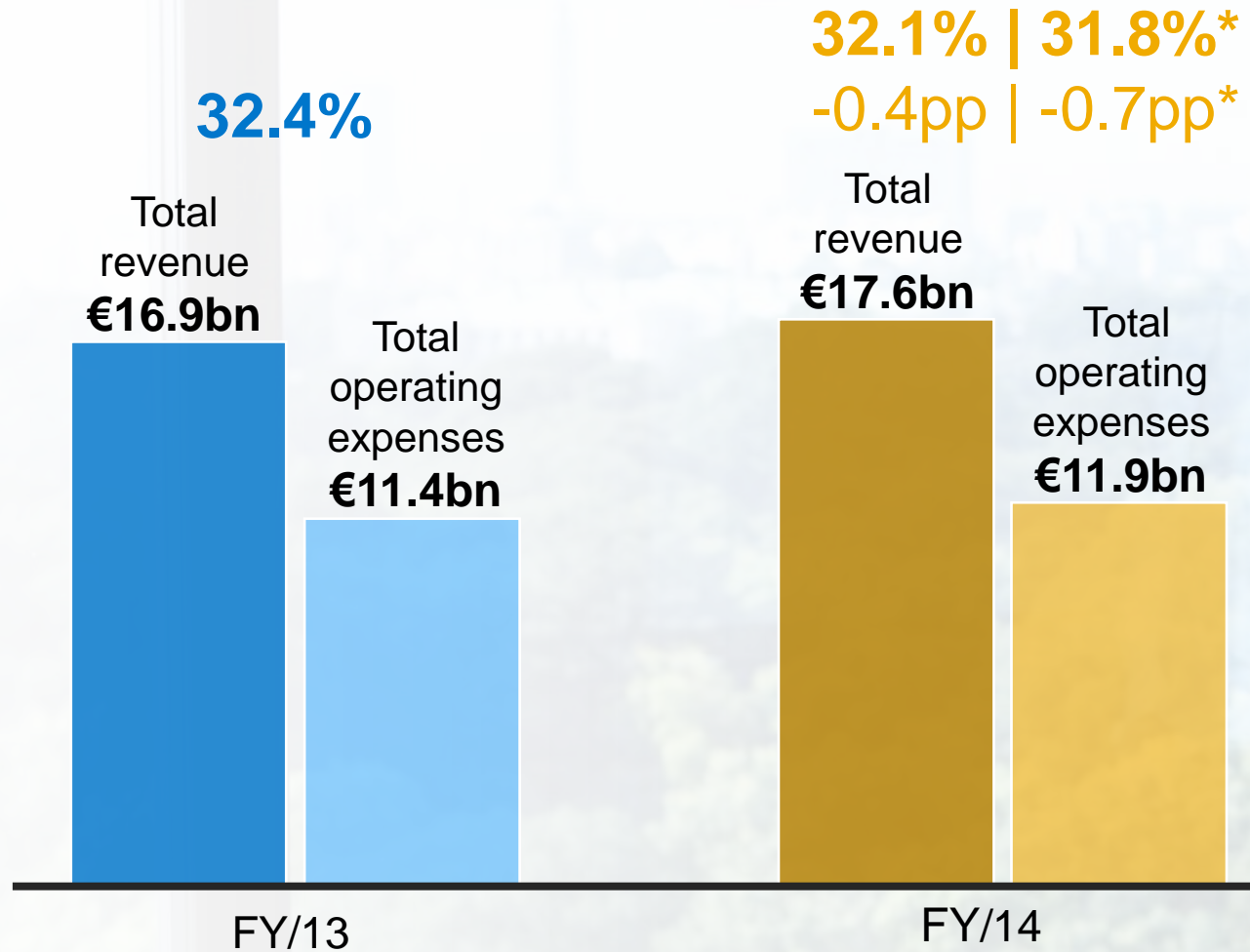
Non-IFRS, in € billion

■ Share of Cloud subscriptions & support and support revenue



Operating profit grew 3% to €5.63bn* while significantly expanding our Cloud delivery capabilities

Non-IFRS, FY/14



* At constant currencies

Outlook for the full year 2015

	SAP's Outlook FY 2015	Basis for Comparison 2014
Cloud subscription and support revenue (Non-IFRS at cc)	€1.95bn to €2.05bn (upper end +86%*)	€1.10bn
Cloud & Software Revenue** (Non-IFRS at cc)	+ 8% to 10%	€14.33bn
Operating Profit (Non-IFRS at cc)	€5.6bn to €5.9bn	€5.64bn
Effective Tax Rate (IFRS)	25.0% to 26.0%	24.8%
Effective Tax Rate (Non-IFRS)	26.5% to 27.5%	26.2%

* The upper end of this range represents a growth rate of 86% at constant currencies.
Concur and Fieldglass are expected to contribute approximately 50 percentage points to this growth.

** Formerly known as Software and Software-related Service Revenue

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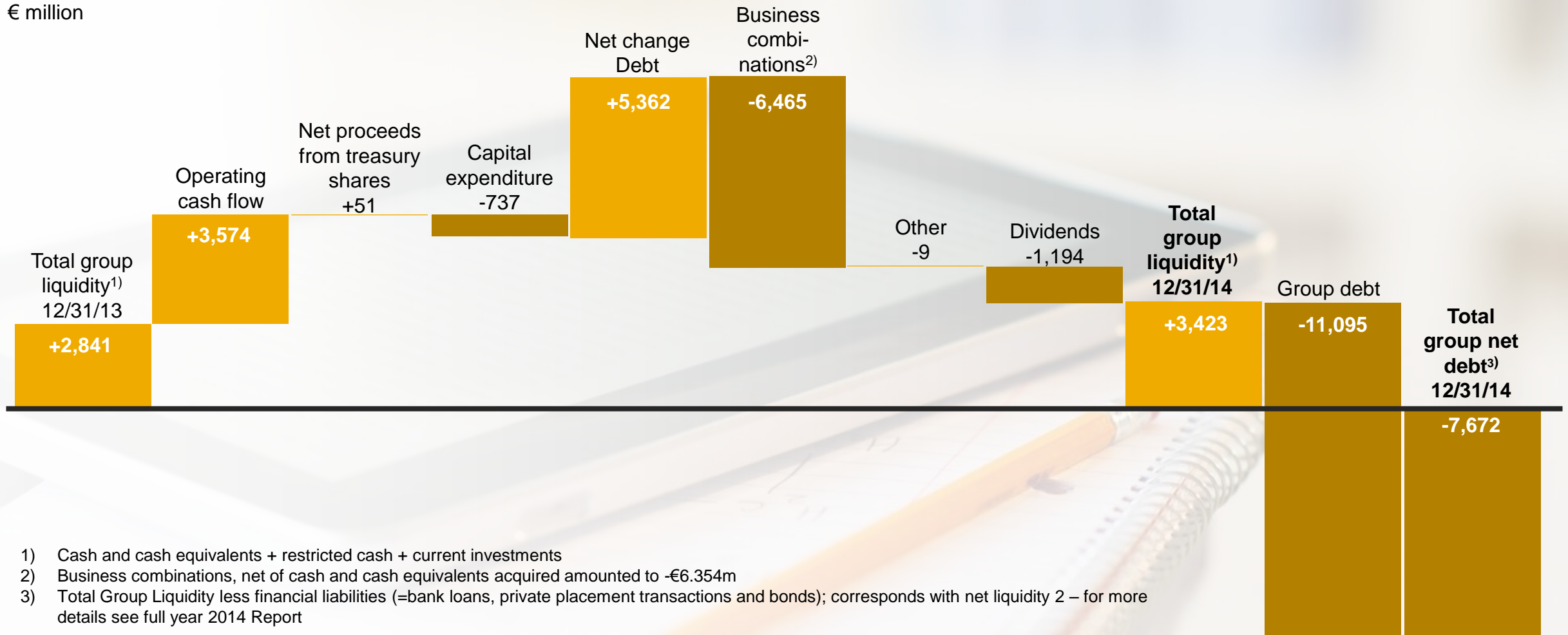
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2015 Outlook and path to 2020

Net liquidity declined sequentially by €6.7bn to €-7.7bn mainly due to the debt financed acquisition of Concur

€ million



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

2) Business combinations, net of cash and cash equivalents acquired amounted to -€6.354m

3) Total Group Liquidity less financial liabilities (=bank loans, private placement transactions and bonds); corresponds with net liquidity 2 – for more details see full year 2014 Report

Balance sheet, condensed

December 31, 2014 IFRS

Assets € millions	12/31/14	12/31/13
Cash, cash equivalents and other financial assets	4,007	2,999
Trade and other receivables	4,330	3,864
Other non-financial assets and tax assets	605	488
Total current assets	8,942	7,351
Goodwill	20,831	13,690
Intangible assets	4,608	2,954
Property, plant, and equipment	2,102	1,820
Other non-current assets	1,892	1,275
Total non-current assets	29,432	19,739
Total assets	38,374	27,091

Equity and liabilities € millions	12/31/14	12/31/13
Trade and other payables	1,006	850
Deferred income	1,681	1,408
Provisions	150	346
Other liabilities	6,931	3,743
Current liabilities	9,767	6,347
Financial liabilities	7,741	3,758
Provisions	149	132
Deferred income	78	74
Other non-current liabilities	1,044	731
Non current liabilities	9,013	4,695
Total liabilities	18,780	11,043
Total equity	19,594	16,048
Equity and liabilities	38,374	27,091

Operating cash flow declined by 7% to €3,57bn mainly due to payouts for litigation

€ millions, unless otherwise stated	01/01/14 - 12/31/14	01/01/13 - 12/31/13	Δ
Operating cash flow	3,574	3,832	-7%
- Capital expenditure	-737	-566	+30%
Free cash flow	2,837	3,266	-13%
Free cash flow as a percentage of total revenue	16%	19%	-3pp
Cash conversion rate	1.09	1.15	-5%
Days sales outstanding (DSO in days)	65	62	+3

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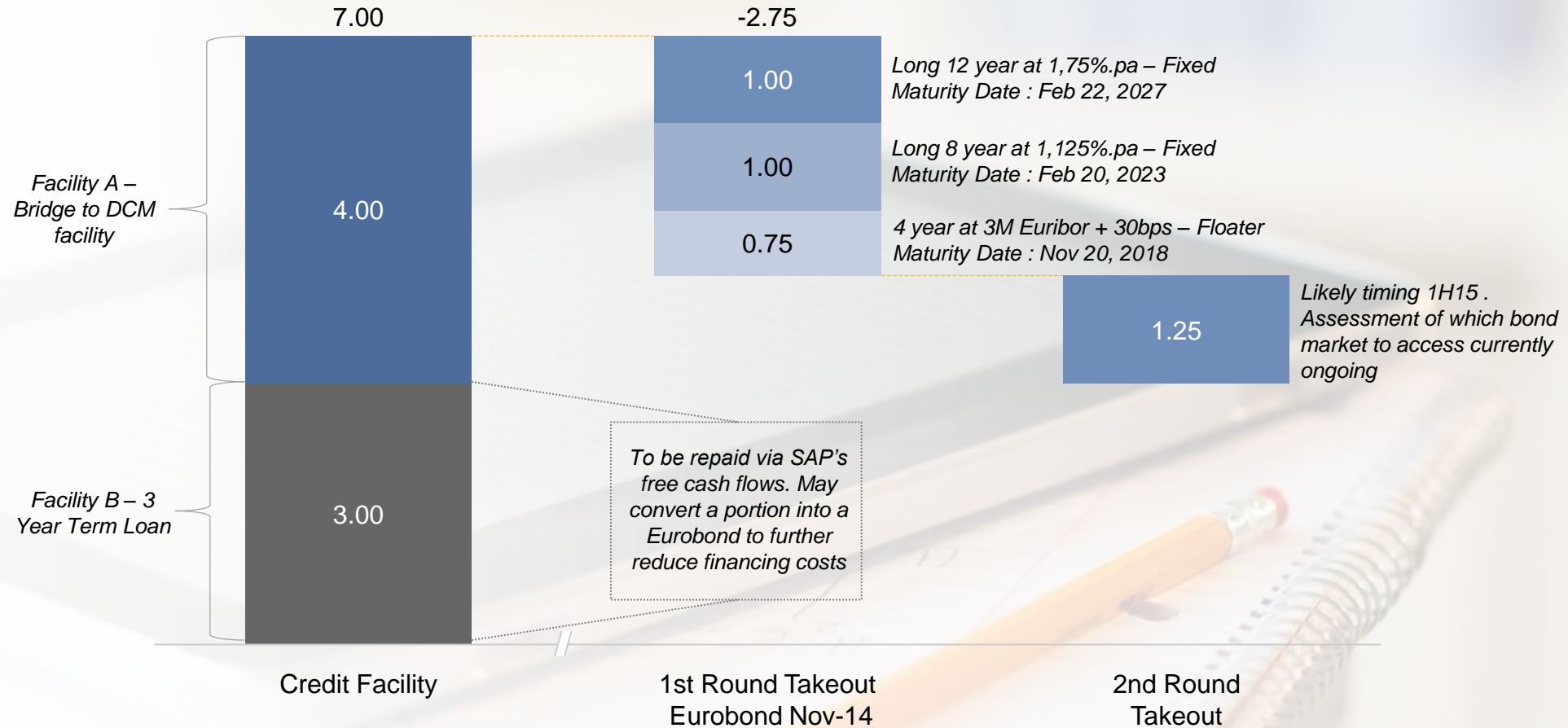
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Concur Financing and take out strategy

€ billion

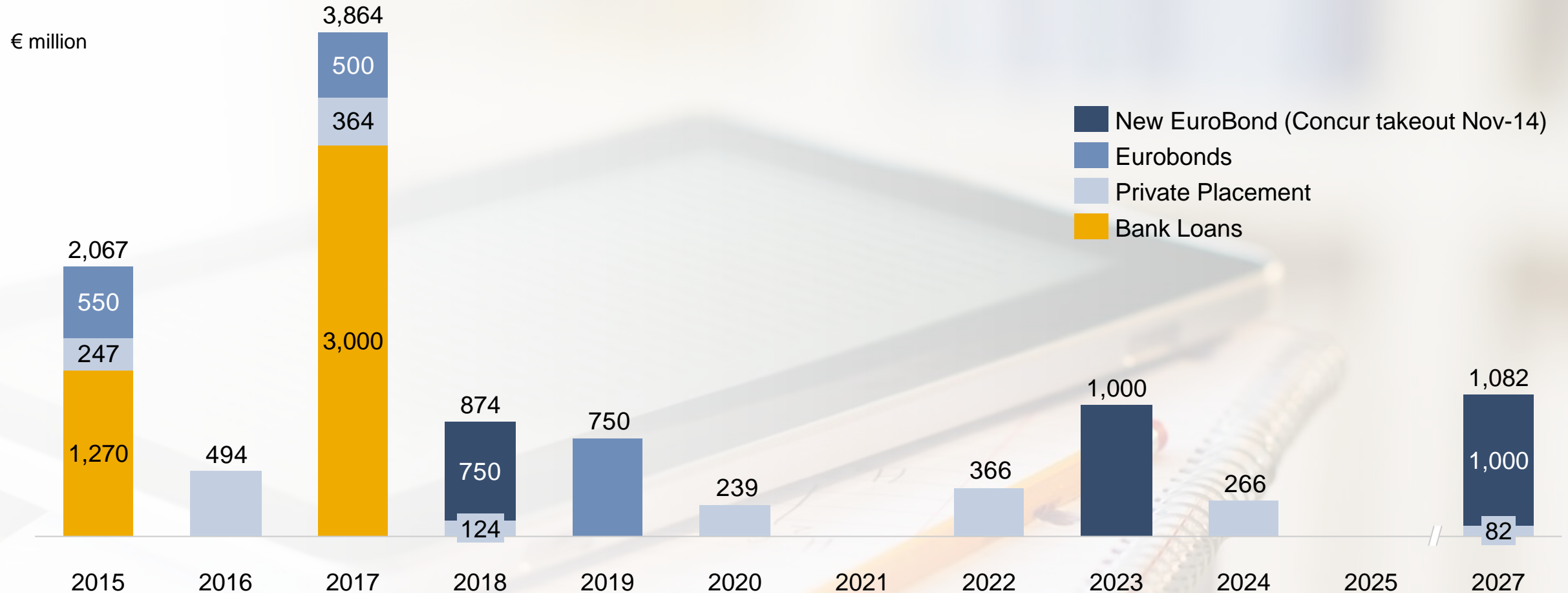


Credit facility

- Sole underwriter: Deutsche Bank
- Dual currency
- Syndication amongst 19 of SAP's bank partners on October 17
- Covers purchase price, target debt refinancing and acquisition-related costs

Debt maturity profile*

Approx. €11,1bn of M&A driven external debt



~70% of SAP's financial debt will mature in the next 5 years

* Based on contractual repayment

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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 overtakes license – SAP will reach a scale in its cloud business which clears the way for operating profit expansion

