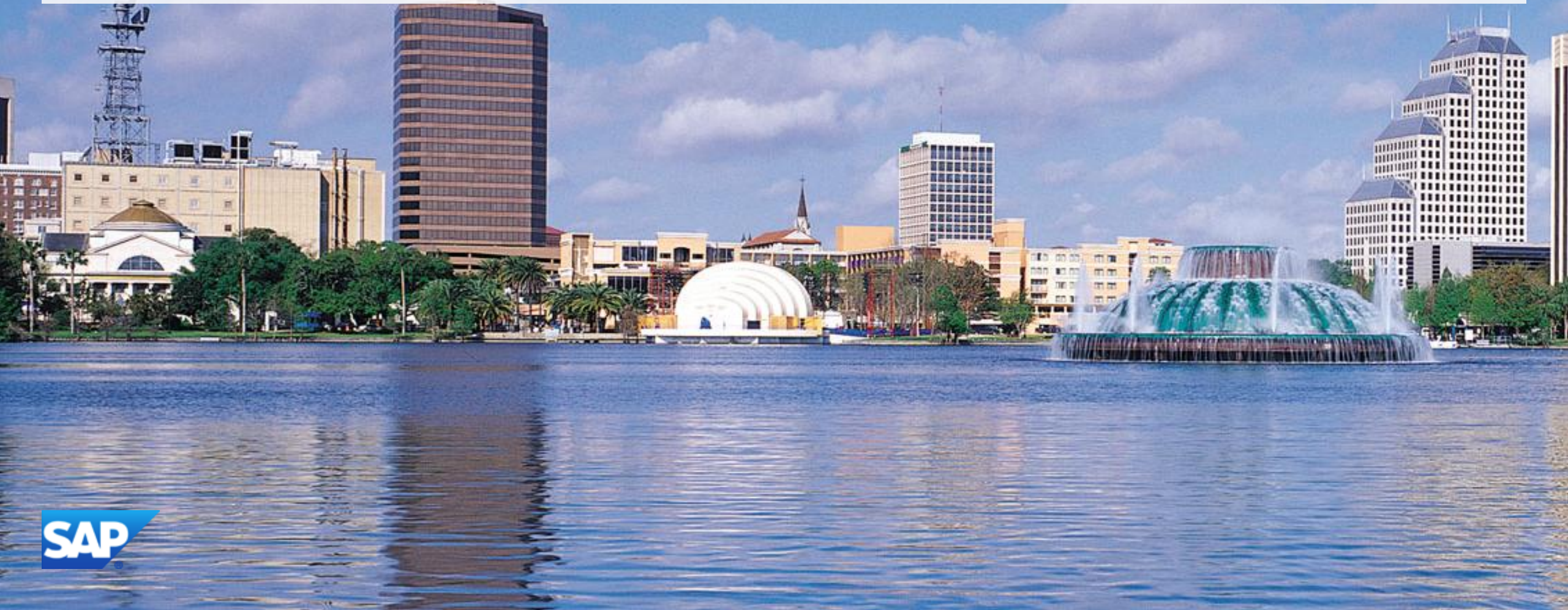


# Financial Analyst Program

**SAPPHIRE NOW Orlando**

June 3, 2014





# Agenda and Safe Harbor

Stefan Gruber, Head of Investor Relations



# Agenda

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- 1.30 – 1.35 pm**     **Welcome**  
Stefan Gruber
- 1.35 – 1.50 pm**     **Business and Financial Model – Solid Core and Fast-Growing Cloud**  
Luka Mucic, Head of Finance, Global Managing Board Member
- 1.50 – 2.10 pm**     **Leading the Way to Industry Cloud**  
Simon Paris, President Industry Cloud  
**Followed by brief Q&A**
- 2.15 – 2.30 pm**     **Product and Innovation Strategy**  
Bernd Leukert, Executive Board Member
- 2.30 – 3.00 pm**     **Executive Q&A**  
Bill McDermott, Werner Brandt, Rob Enslin, Bernd Leukert, Luka Mucic

# Safe Harbor Statement

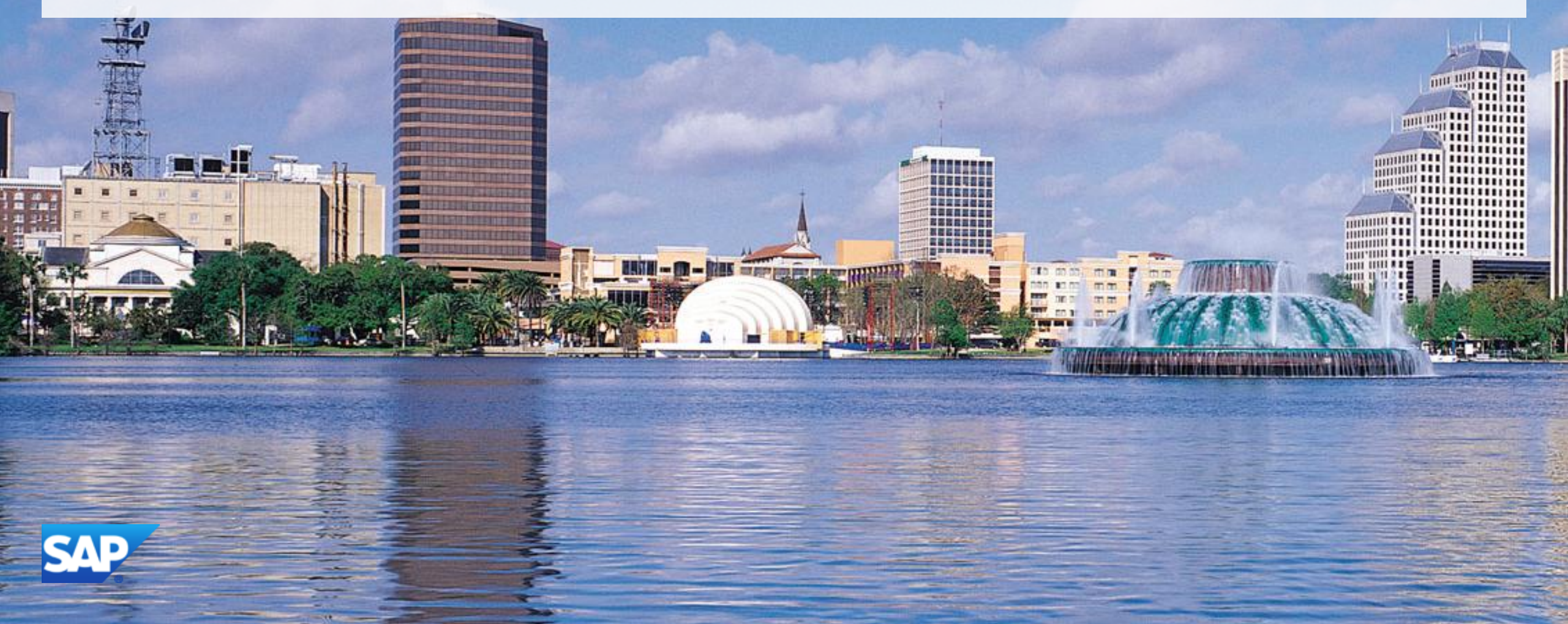
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Any statements contained in this document that are not historical facts are forward-looking statements as defined in the U.S. Private Securities Litigation Reform Act of 1995. Words such as “anticipate,” “believe,” “estimate,” “expect,” “forecast,”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

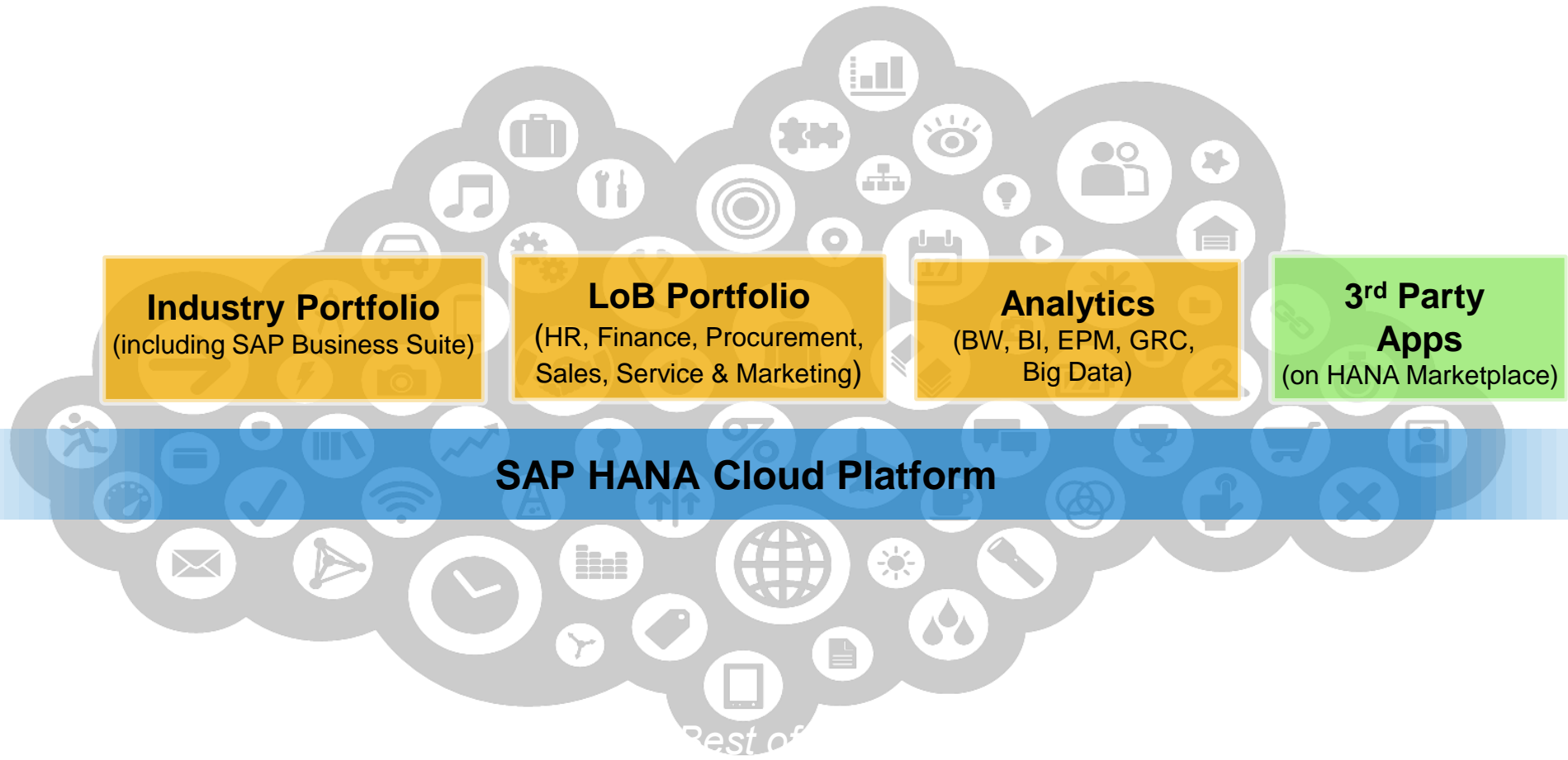


# Business and Financial Model – Solid Core and Fast-Growing Cloud

Luka Mucic, Head of Finance, Global Managing Board Member



# Our cloud vision – SAP Cloud powered by SAP HANA

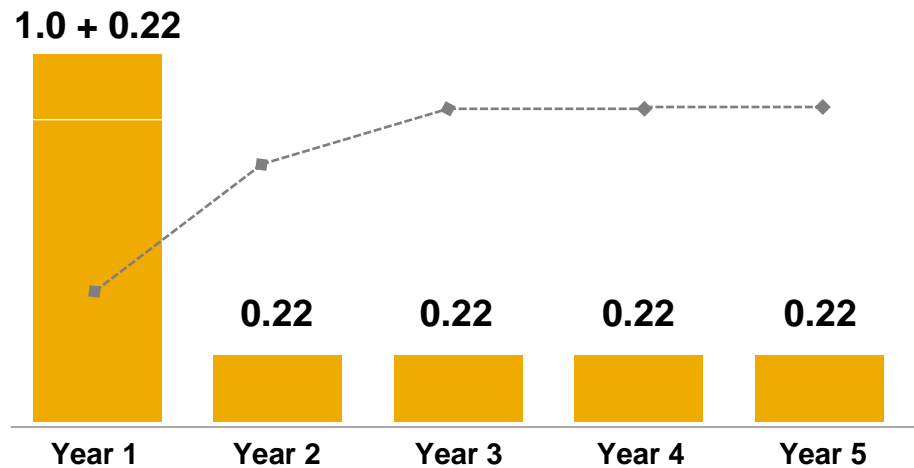


# Shift to cloud subscription model

## What it looks like for a typical deal

### OnPremise model simulation

Typical software contract value €1m, 22% maintenance (Enterprise Support)

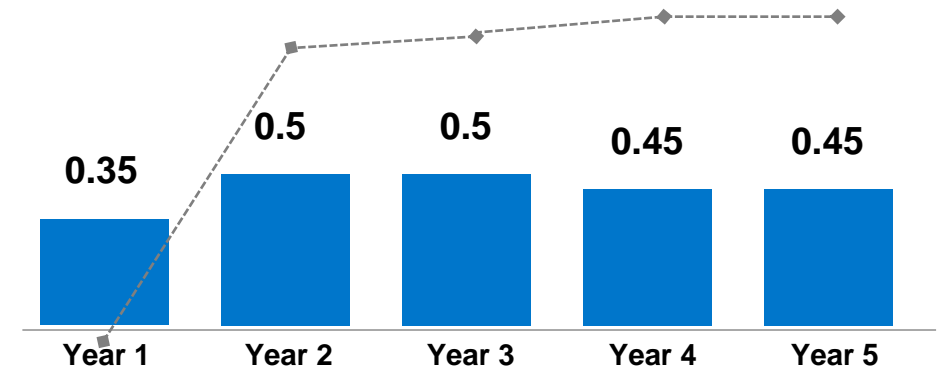


SSRS Revenue

Deal Margin

### Cloud subscription model simulation

Contract value €1.35m (due to less discounts), three years contract duration, provisioning and revenue recognition starts 3 months later



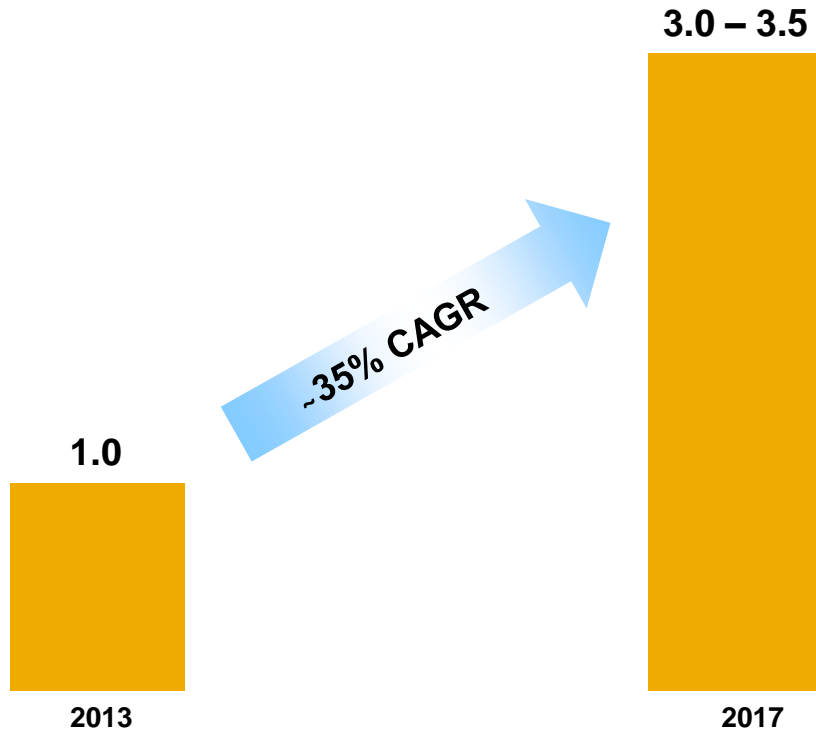


# Impact of the shift to cloud on mid-term outlook

Powerful mix shift to high growth, high margin predictable recurring revenue

## Cloud revenue ambition

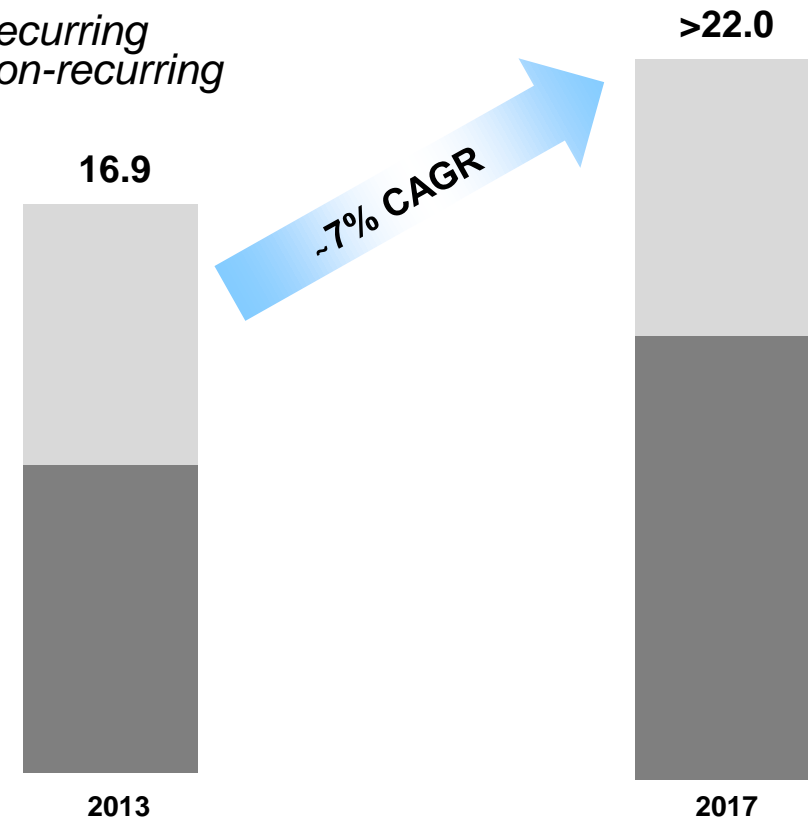
Total Cloud revenue (b€)



## Combined total revenue ambition

Revenue in b€

■ Recurring  
■ Non-recurring



Note: non-IFRS at constant currencies



# Strategy for simplification



## Simplified deployment model

- Move the 'core' to the cloud with SAP Cloud powered by HANA
- Acceleration in the public cloud in LoB
- ONE Cloud – “Suite of best of breed” Cloud
- Simplified On Premise

## Simplified products

- SAP HANA Platform for all SAP products
- HANA as a platform for partners and innovation
- Mobile-first User Experience based on SAP Fiori

## Simplified engagement

- Consistent digital experience across marketing assets
- Aligned GTM coverage model across Cloud and On Premise
- ONE face to every customer
- Streamlined best-in-class support model

# SAP reiterated its outlook for the full year 2014 (unchanged from outlook provided Jan 21, 2014)

	SAP's Outlook FY 2014	Basis for Comparison 2013
Cloud subscription and support revenue (Non-IFRS at cc)	€950m – €1bn	€758m
Software and Software-related Service Revenue (Non-IFRS at cc)	+ 6% – 8%	€14.03bn
Operating Profit (Non-IFRS at cc)	€5.8bn to €6bn	€5.51bn

## FX Effects:

If exchange rates remain at the March 2014 level for the rest of the year, the Company expects non-IFRS software and software-related service revenue and non-IFRS operating profit growth rates at actual currency to experience a negative currency impact of approximately 6 percentage points and 8 percentage points respectively for the second quarter of 2014, and of approximately 4 percentage points and 5 percentage points respectively for the full year 2014.



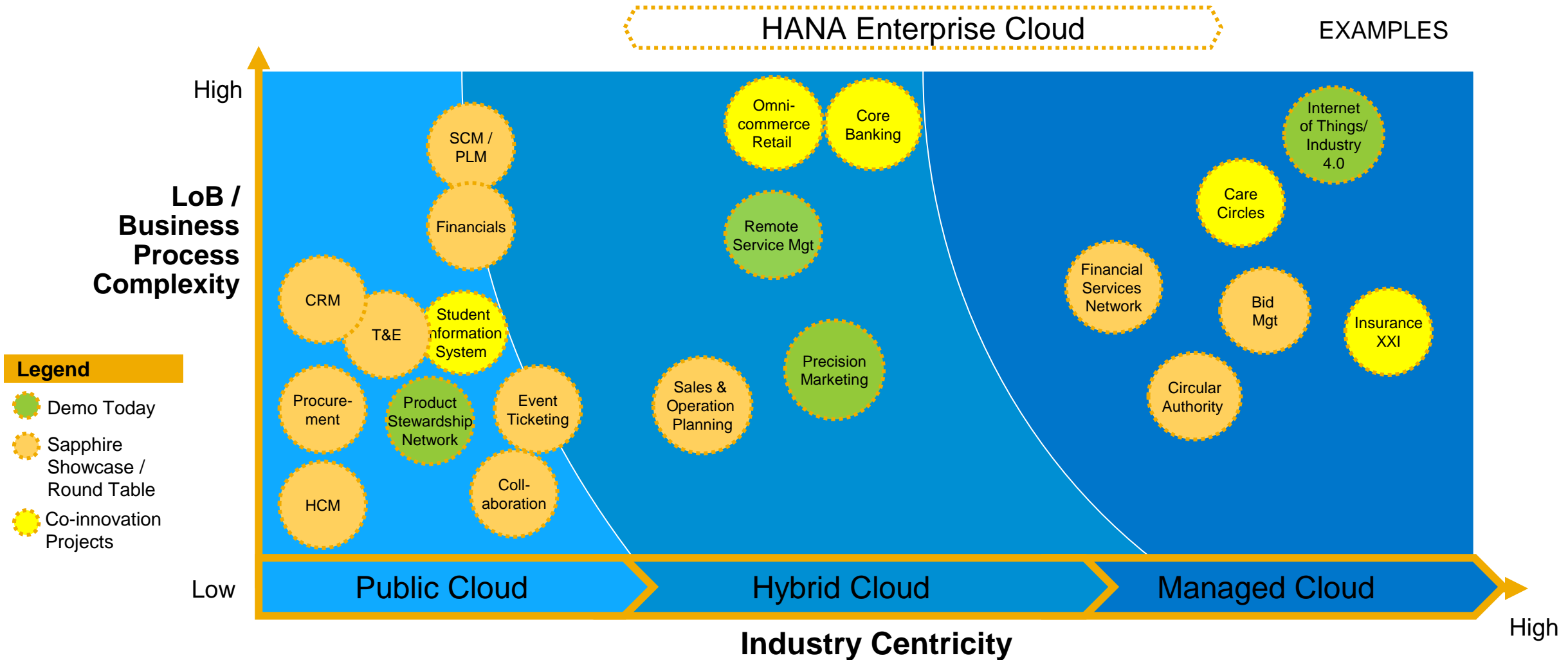
# Leading the Way to Industry Cloud

Simon Paris, President Industry Cloud



# SAP leads the way to Industry Cloud

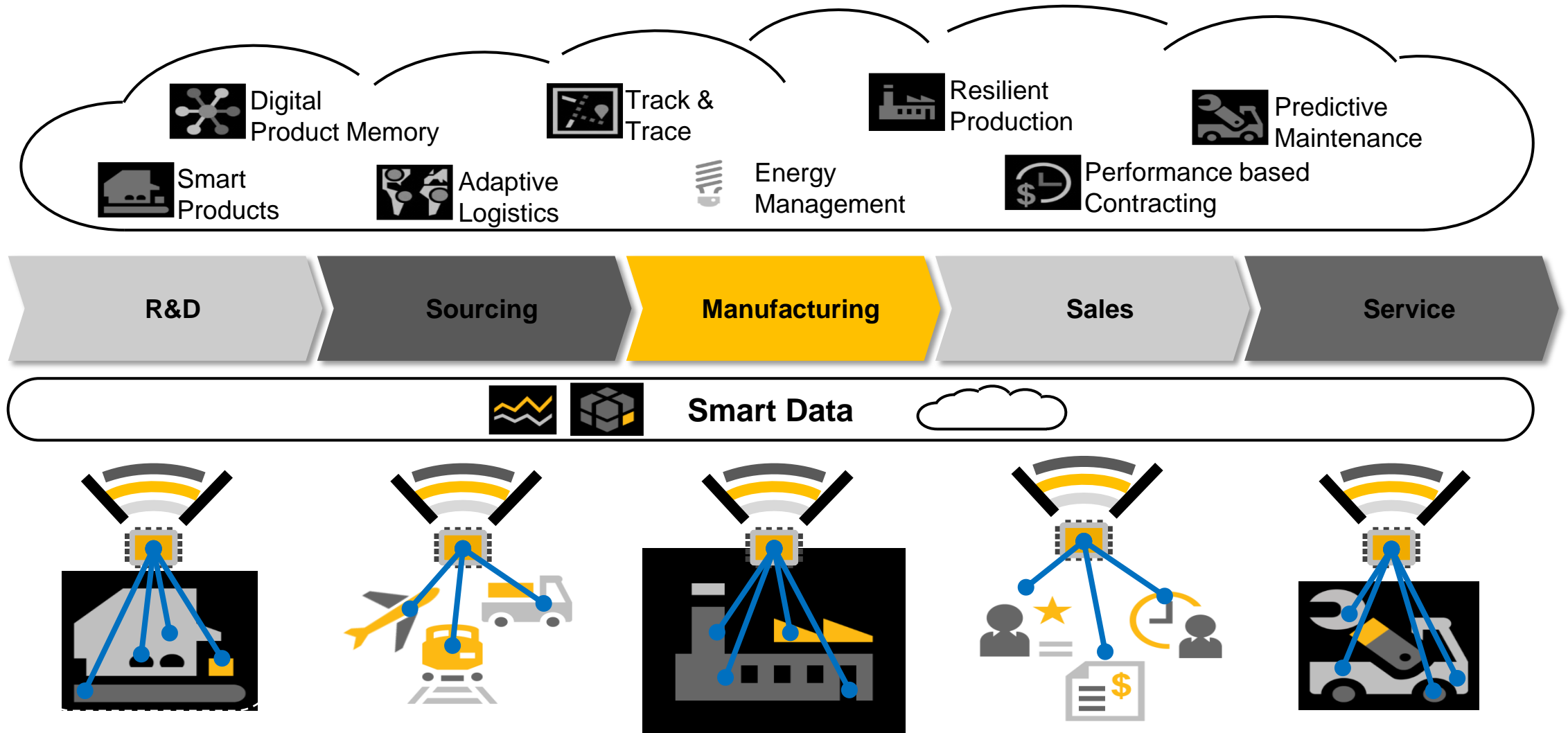
CONCEPTUAL



[Watch a short video](#)



# Industrial companies go digital – New business models emerging based on deep cloud-based process and data integration



# Industry centricity

Field and development alignment

## Board Members



Rob  
Enslin



Bernd  
Leukert

## Industries



Simon  
Paris



Christoph  
Behrendt

## Industries

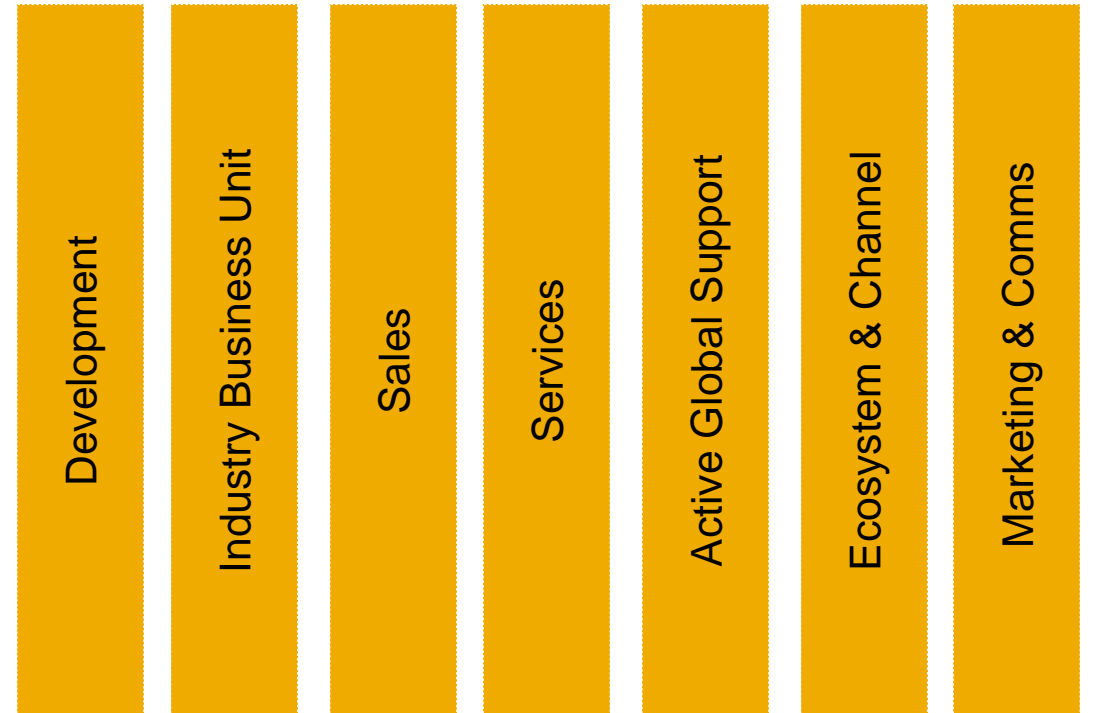
### Strategic Industries

- FSI
- Retail
- Public Services + Healthcare
- Telco

### Core Industries

- Energy & Resources
- Discrete Manufacturing
- Consumer
- Services

## 7 Primary Domains



## Integrated Operating Model



# Unmatched industry expertise by sub industry

## Industry Clusters

- 1 Services
- 2 Consumer products
- 3 Public Services & Healthcare
- 4 Manufacturing
- 5 Energy & Res.
- 6 Financial Services

## Industry Expertise

- |                            |                      |
|----------------------------|----------------------|
| CP                         | Insurance            |
| Utilities                  | Life Sciences        |
| Public Sector              | Telecom              |
| High Tech                  | Eng. Const. & Ops    |
| Oil & Gas                  | Mill Products        |
| Retail                     | Healthcare           |
| Mining                     | Aero. & Defense      |
| Prof. Services             | Media                |
| Ind. Mach. & Comp.         | Defense & Security   |
| Automotive                 | Higher Educ. & Rsrch |
| Wholesale                  | Banking              |
| Transportation & Logistics | Chemicals            |
| Sports & Ent.              |                      |

## Sub Industry Value Map

Omnichannel	Sales and Service	Retail Banking Operations	Commercial Banking Operations	Risk and Compliance
Online Banking	Customer Acquisition	Retail Deposits	Cash and Liquidity Management	Credit Risk Management
Mobile Banking	Customer Management	Retail Lending	Commercial Lending	Liquidity Risk Management
Call Center	Social Media Engagement	Centralized Payment Processing	Leasing	Governance, Compliance, and Surveillance
Automated Teller Machines			Financial Services Network	Enterprise Risk Reporting
<b>Finance</b>	Finance Transformation	Performance Management	Finance and Risk Data Management (FRA)	Collaborative Finance Operations
<b>Human Resources</b>	Core Human Resources and Payroll	Talent Management	Workforce Planning and Analytics	
<b>Procurement</b>	Strategic Sourcing and Supplier Management	Procure to Pay with Business Network Collaboration	Business Network Extensions for Procure to Pay	
<b>Information Technology</b>	Application Lifecycle Management	IT Infrastructure Management	IT Portfolio and Project Management	IT Service Management
<b>Technology and Platform</b>	Big Data	Real-Time Enterprise	Real-Time Analytics	Enterprise Mobility
			Enterprise Information Management	Application Integration
				Cloud Solutions

**Retail & Commercial Banking**

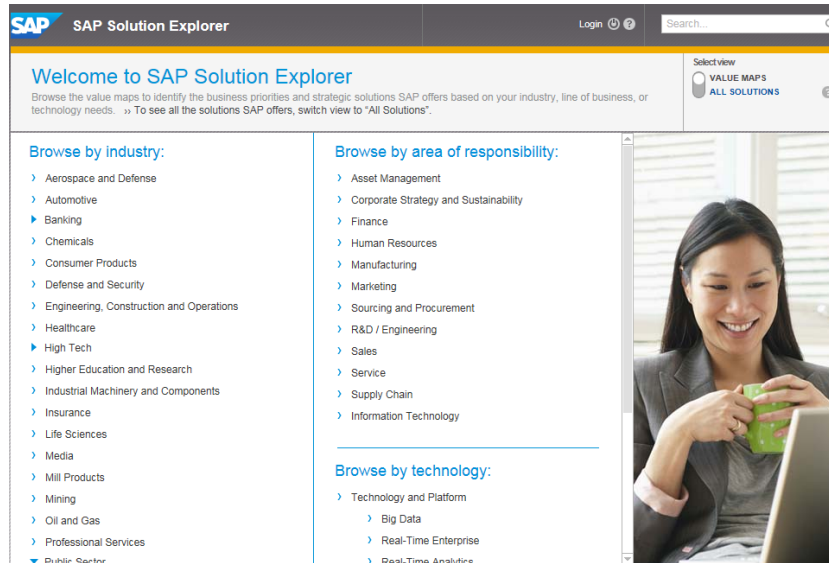
Strategic Demand Management	Operations and Asset Management	Multichannel Sales and Marketing	Customer Service and Interaction
Business Planning and Consolidation	Maintenance, Repair, and Overhaul	Multichannel Marketing	Traveler Loyalty Management
Fuel Management	Operational Risk Management	Multichannel Booking	Multichannel Customer Service
Network and Route Performance Management	Real Estate Lifecycle Management	Collaborative Sales Force Automation	
		Smart Ticketing	
<b>Human Resources</b>	Core Human Resources and Payroll	Talent Management	Time and Attendance Management
			Workforce Planning and Analytics
<b>Finance</b>	Financial Planning and Analysis	Accounting and Financial Close	Treasury and Financial Risk Management
			Collaborative Finance Operations
			Enterprise Risk and Compliance Management
<b>Procurement</b>	Strategic Sourcing and Supplier Management	Procure to Pay with Business Network Collaboration	Business Network Extensions for Procure to Pay
<b>Information Technology</b>	Application Lifecycle Management	IT Infrastructure Management	IT Portfolio and Project Management
			IT Service Management
			IT Strategy and Governance
<b>Technology and Platform</b>	Big Data	Real-Time Enterprise	Real-Time Analytics
			Enterprise Mobility
			Enterprise Information Management
			Application Integration
			Cloud Solutions

**Passenger Travel and Leisure**

**SAP** Solution Explorer

<https://rapid.sap.com/se/>

# Solution Explorer & roadmaps



Solution Explorer

[www.sap.com/solutionexplorer](http://www.sap.com/solutionexplorer)

Public source of information by  
Industry

## Overview of SAP road map for automotive Road map highlights

Recent innovations	Planned innovations	Future direction
<ul style="list-style-type: none"><li>• <b>Manufacturing and Logistics</b> – Material Requirements Planning (MRP) Cockpit on SAP HANA, Lean Manufacturing</li><li>• <b>Dealer Business Management</b> – Sell and service profitability, customer centricity</li><li>• <b>SAP Business Suite on SAP HANA apps</b></li><li>• <b>SAP HANA analytics</b></li><li>• <b>Success Factors Talent Management</b> – “War for Talents”</li><li>• <b>Customer Engagement Intelligence</b></li></ul>	<ul style="list-style-type: none"><li>• <b>Integrated Product Development/Finance</b> – Early product costing</li><li>• <b>Dealer Business Management</b> – Sales assistant</li><li>• <b>Bill of Materials (BOM) Explosion</b> on SAP HANA</li><li>• <b>Customer Engagement Intelligence</b> – Predictive marketing</li><li>• <b>SAP Predictive Maintenance and Service application</b></li></ul>	<ul style="list-style-type: none"><li>• <b>Predictive analytics</b> – Maintenance, warranty, supply chain, connected vehicle, customer behavior</li><li>• <b>Mobile apps</b> – Sales reporting, business moment actions, customer interaction</li><li>• <b>SAP Business Suite on SAP HANA</b> as platform for new business models in the automotive industry</li><li>• <b>New technologies and solutions</b> for supporting Internet of Things and Industrie 4.0 machine to machine</li></ul>



Detailed Roadmap for every industry and  
solution area

Joint deliverable with development

## In summary

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### SAP is the **ONLY** Technology Company in the World

- Field and development aligned by Industry
- Integrated, Consistent, Coherent
- Leveraged investment / agile innovation (Core to Cloud)
- Profitable, Reliable, Secure

### SAP has / is the World's

- Deepest Industry expertise
- Leader in Cloud – TODAY
- Most significant customer base
- Largest distribution system
- Largest ecosystem

# INDUSTRY CLOUD, TODAY, TOGETHER.



## In summary

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**Every LoB**

**Every Industry**

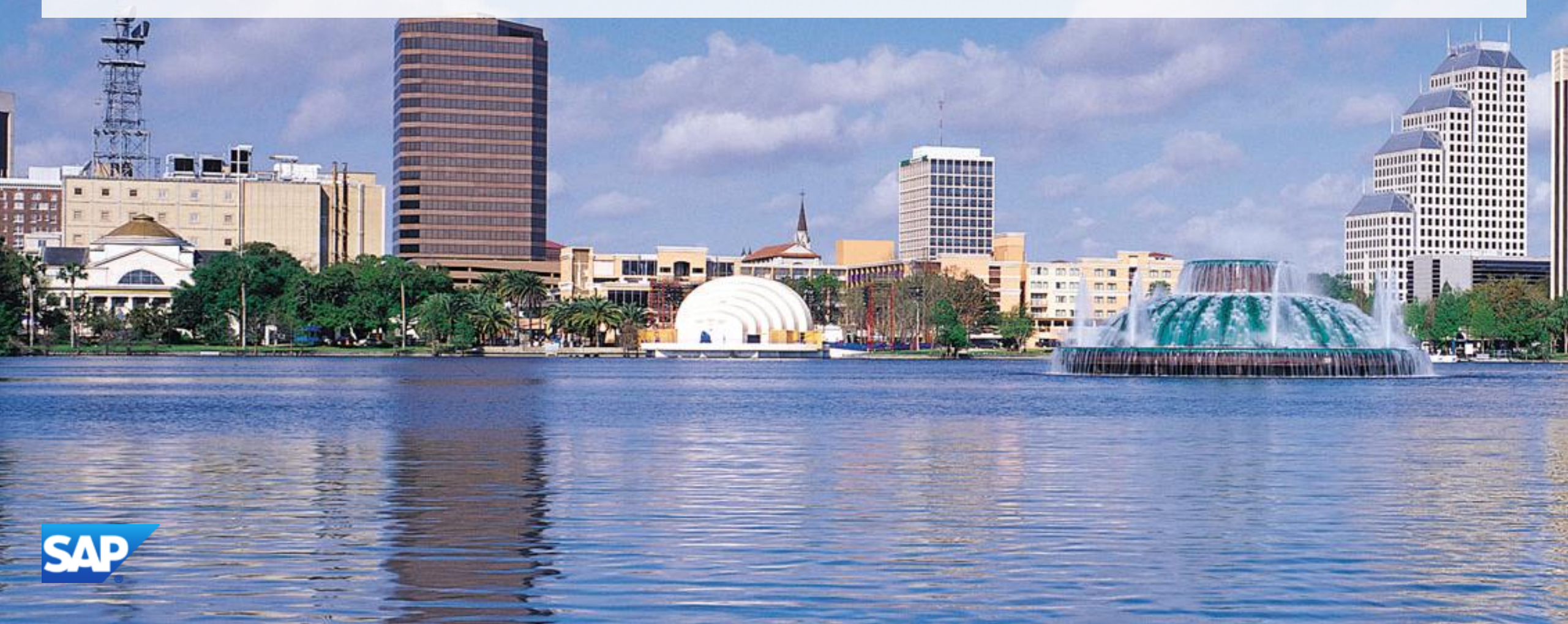
**Every Cloud Model**

**Everywhere**

**TODAY, TOGETHER.**

# Product and Innovation Strategy

Bernd Leukert, Executive Board Member









# Executive Q&A

Bill McDermott, Werner Brandt, Rob Enslin, Bernd Leukert, Luka Mucic

