

# Bill McDermott

CEO



# 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.

# 2014: A year of fast expansion in cloud & profitable growth

## Top Line Performance

- Cloud revenue +45%
- Run rate now exceeds €1.7B
- Cloud deferred and backlog €3.0B, €1.4B added in 2014
- SSRS revenue up 7% @cc despite less upfront and more ratable new business

## Operating Income

- Non-IFRS operating profit increased to €5.64B
- Operating profit increase despite less upfront and more ratable revenue and increased cloud investment

## Innovation Success

- Rapid transition to cloud and growing core
- Fastest growing cloud company at scale with most cloud users
- >1,850 Suite on HANA customers up >100% from 1 year a year ago
- World's largest business network 1.7M companies transacting >\$700B

Revenue + deferred + backlog growth  
→ **Market share gains vs. key competitors**

# SAP is leading the Cloud transition in the industry



**BUSINESS NETWORK BUSINESS TO BUSINESS COLLABORATION**

SAP HANA CLOUD PLATFORM  
Integration | Development | Customers | Partners

  
Big Data

# SAP HANA broad adoption across industries and use cases

## HANA is the great Simplifier

### Differentiators

- Real-time
- Massive simplification and scale
- Open
- More than a database
- Big data ready and proven

**>5,800**  
SAP HANA  
Customers

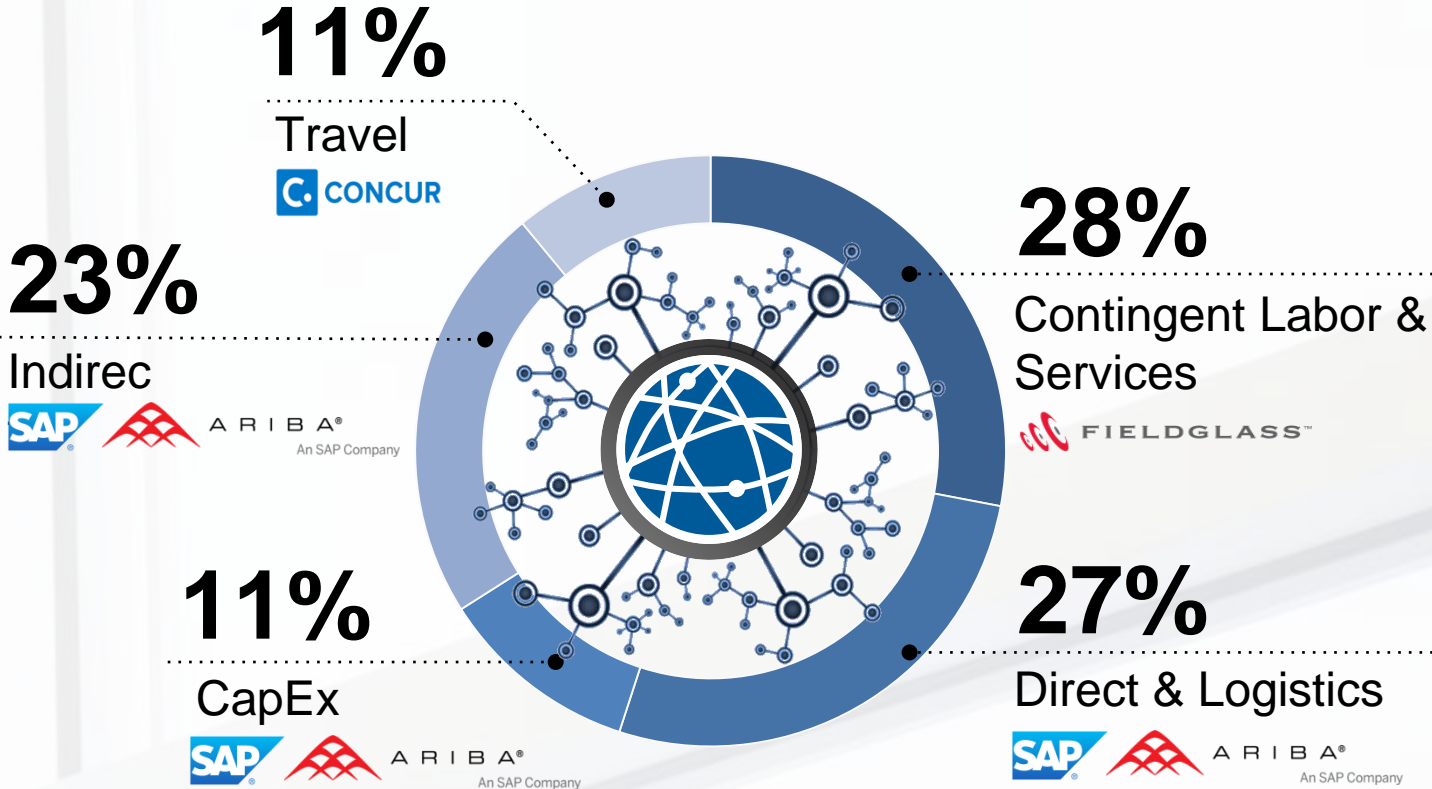
**>1,850**  
SAP Business Suite  
on HANA Customers



# World's largest Business Network to innovate the future of business within and between companies – and people

Massive cost savings AND the world's largest and most efficient sales channel

1.7 million companies transacting >\$700 billion



Source: Spend Categories for Global Top2000

# 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

# SAP is helping the world's leading companies to Run Simple

The image displays a world map divided into four quadrants, each representing a major SAP market region. The logos of various global companies are placed within these quadrants to illustrate SAP's reach. The regions and their associated companies are as follows:

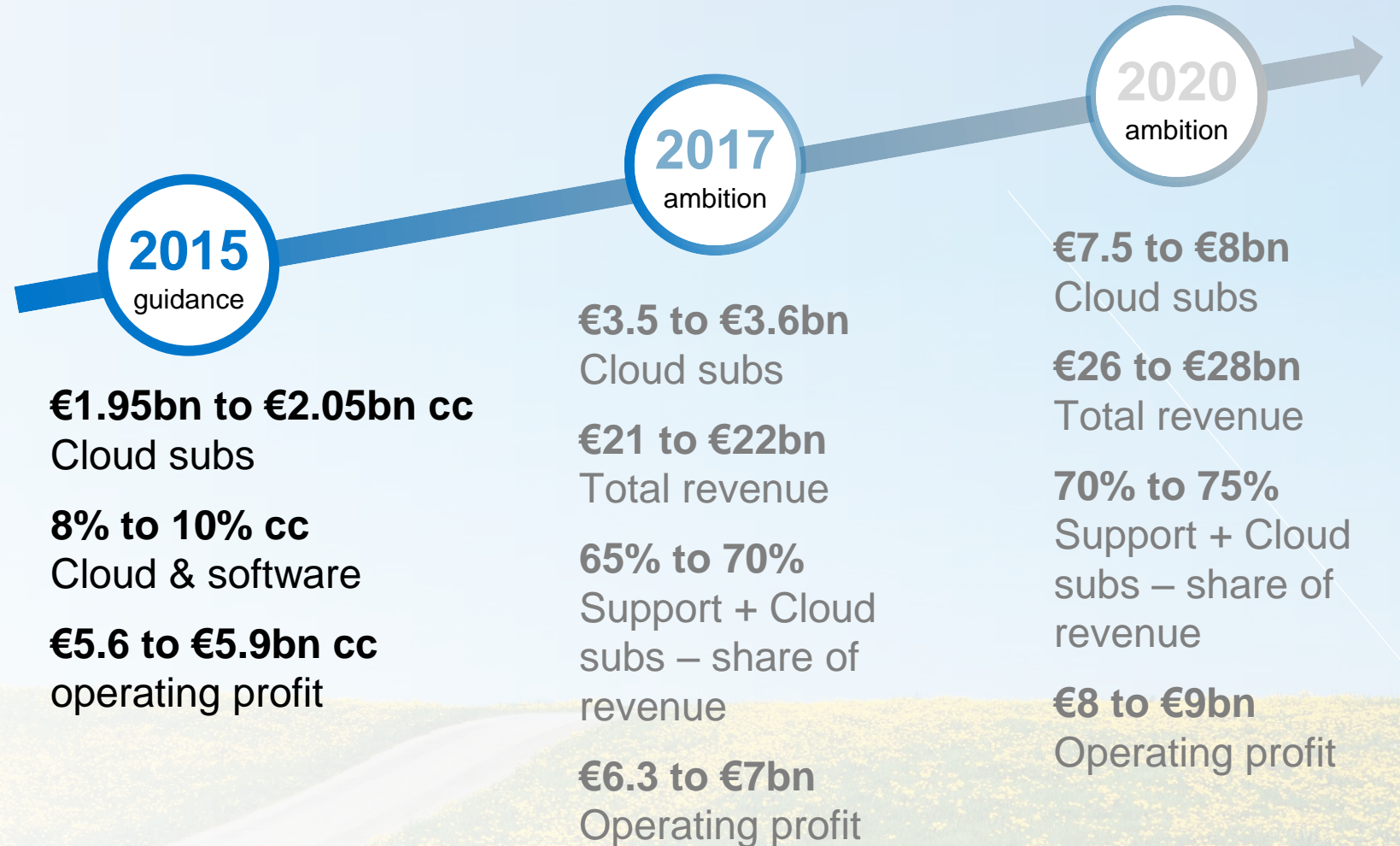
- APJ (Asia, Pacific, and Japan):** VIACOM 18, TOLL, WIPRO, MEGHNA GROUP OF INDUSTRIES, PHILIPPINE GEOTHERMAL.
- Greater China:** 恒安集团 (FENGAN), 一汽-大众 (FAW-VOLKSWAGEN), 天士力控股集团 (TASLY HOLDING GROUP), 中远集团 (COSCO), SHIMPO GROUP (世茂集团), HKT.V.
- LAC (Latin America and the Caribbean):** GLOBOSAT, GALICIA, CSN.
- MEE (Middle East and Europe):** dm, Swiss Re, WERNE & MERTZ GMBH, REWE GROUP, MEDISTANCE, SICK, RAIFFEISEN, SARGENT & LUNDY, STEYR-WERNER, TECHNODOM.
- EMEA (Europe, Middle East, and Africa):** achmea, Heino, faurecia, Office DEPOT, MOTUL, ABS, ETIHAD AIRWAYS, picard, MAG, SAFRAN, THALES, GOLD FIELDS, PLARIUM, Atos, EUROMASTER, Interserve, intralot, hepsiburada.com, Specsavers, Tryg, MINISTERE DE LA DEFENSE, TECNICAS REUNIDAS, ecotricity, PREMIER FOODS, TRENITALIA, IMPERIAL LOGISTICS, DONG energy, G-STAR RAW, Logoplaste.
- NA (North America):** Kellogg's, Whirlpool CORPORATION, Gibson, Mosaic, Pacific Drilling, Sargent & Lundy, Newport, PRIME SOURCE, MOHAWK, HERSHEY'S, GROWMARK, John Crane, RODAN+FIELDS, W.K. KELLOGG FOUNDATION, HUNTSMAN.



# 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








# Luka Mucic

CFO



# 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

# 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

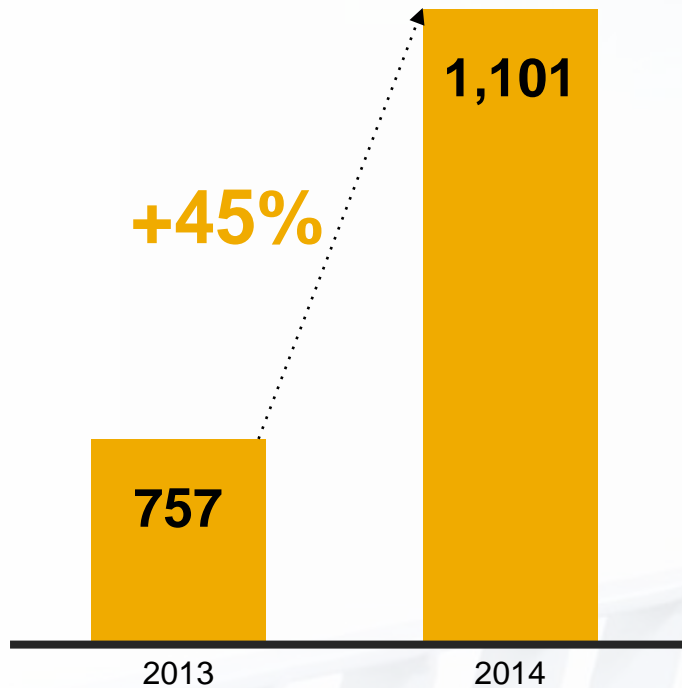
## 3 Private Cloud

- 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

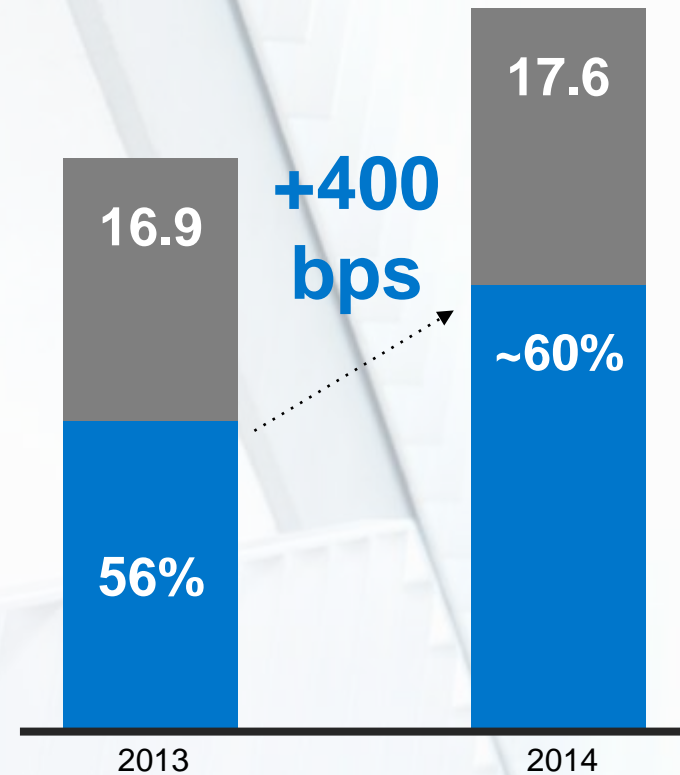
Non-IFRS, in € million



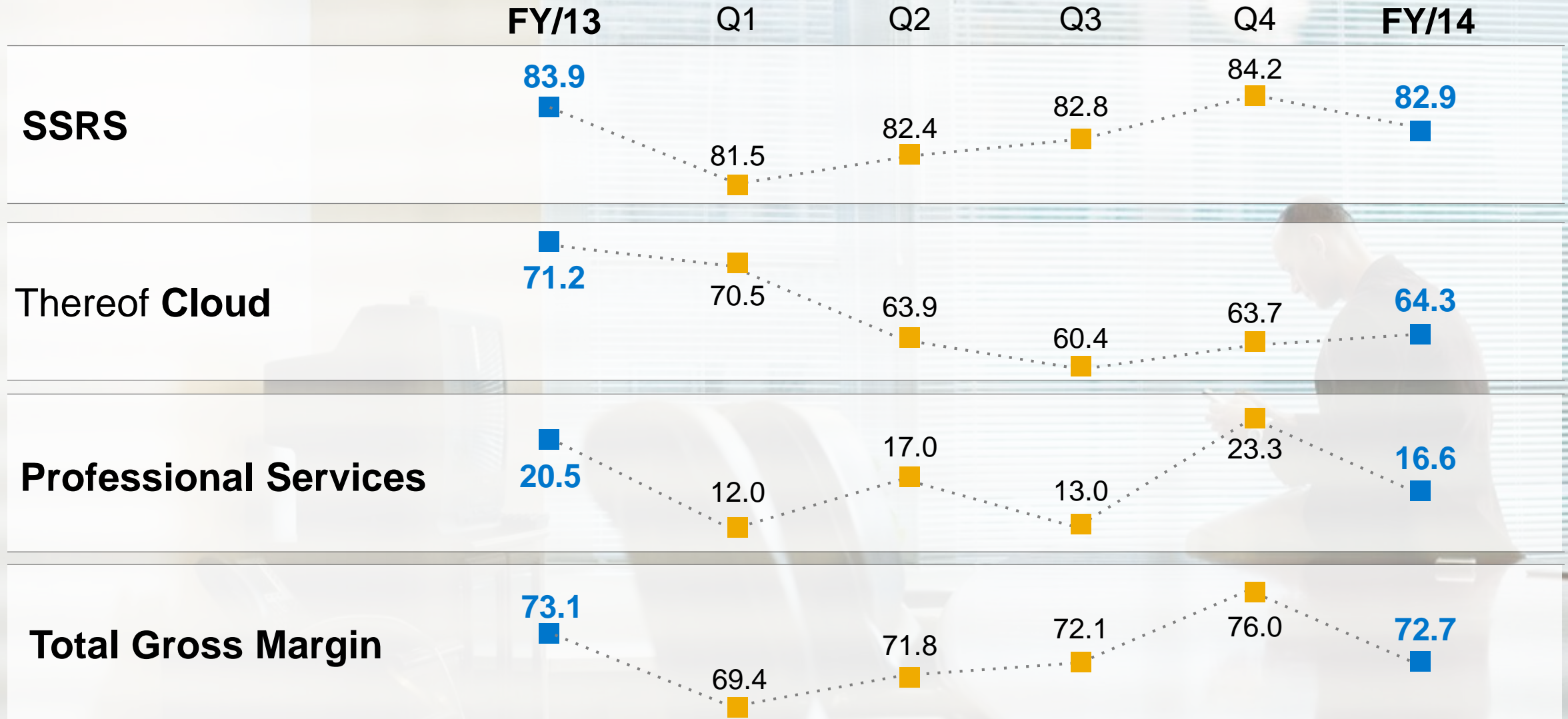
## Combined total revenue

Non-IFRS, in € billion

■ Share of Cloud subscriptions & support revenue

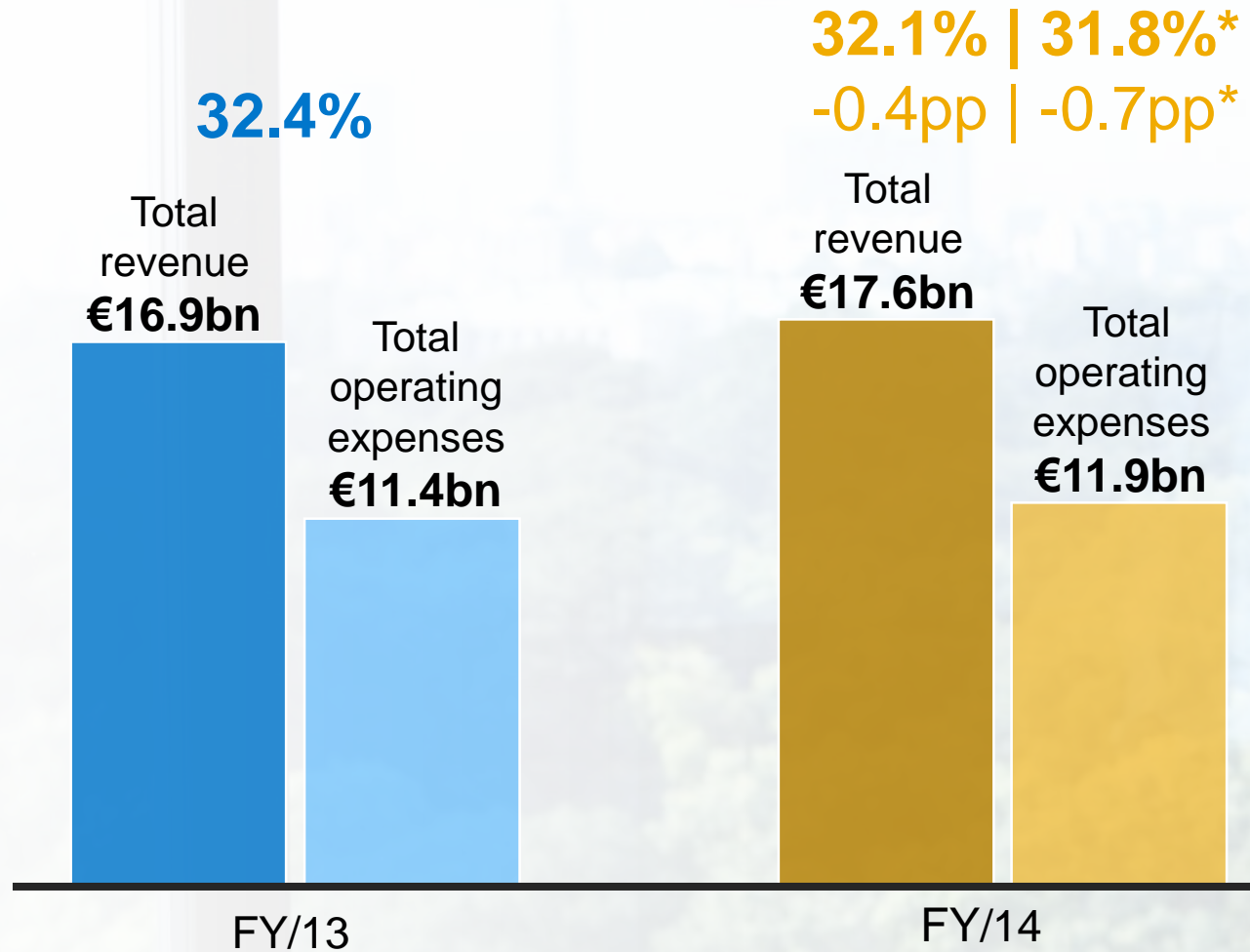


# Gross margin development 2014



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

Non-IFRS, FY/14

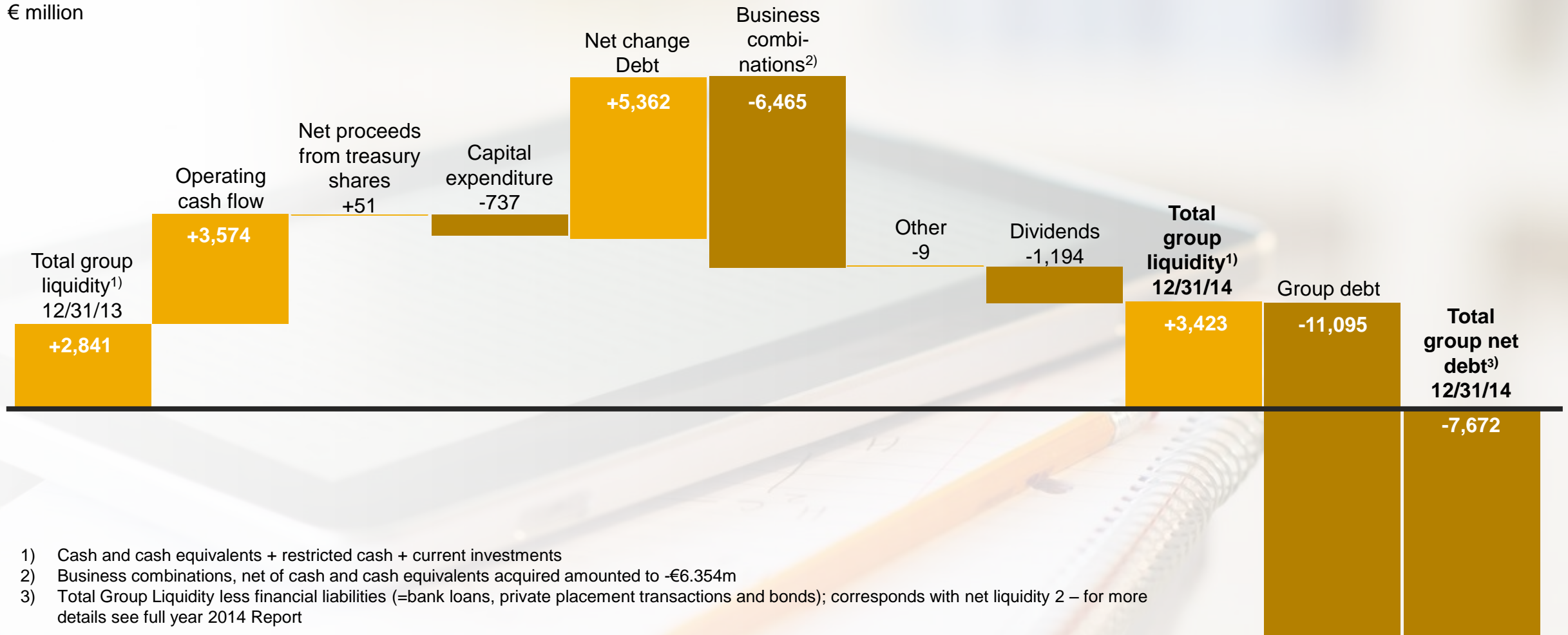


\* At constant currencies



# 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

# 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

Cloud subscriptions and support	€ 1,101		Cloud subscriptions and support	€ 1,101
Software	€ 4,399		Software licenses	€ 4,399
Support	€ 9,373	€-539	Software support	€ 8,834
Software and support	€ 13,773		Software licenses and support	€ 13,233
Software and software-related service revenue	€ 14,874		Cloud & Software	€ 14,334
Prof. services and other service revenue	€ 2,706	€+539	Services	€ 3,245
<b>Total revenue</b>	<b>€ 17,580</b>		<b>Total revenue</b>	<b>€ 17,580</b>

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

# 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

# 2015 outlook and path to 2020

Growing a more predictable revenue business while steadily increasing operating profit

