

Debt Investors Call First-Quarter 2016

Steffen Diel, Head of Global Treasury
Scott Smith, Investor Relations
Dympna Donnelly, Global Treasury

Walldorf, Germany
Wednesday, May 4th 2016

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

Outlook and Additional Information

Balance Sheet and Cash Flow Analysis

Strong momentum in the cloud continued

- **Non-IFRS cloud subscriptions and support revenue:** +33% yoy to €678m (+33% at cc)
- **New cloud bookings – key measure for SAP’s sales success in the cloud:** +23% to €145m¹⁾
- **Cloud subscriptions and support backlog²⁾:** €3.7bn as of Dec 31, 2015, +45% yoy
- **Cloud applications total subscribers:** ~100 million
- **SAP Business Networks:**
 - total segment revenue was €451m (€447m at cc) in Q1, yoy +22% (+21% at cc)
 - ~2.1 million connected companies trade >\$800bn of commerce³⁾ on Ariba network
 - ~ 40 million end users process travel and expenses with Concur annually
 - customers are managing 2.3m flexible workers with the Fieldglass platform annually

1) New cloud bookings consist of order entry of a given period that is expected to be classified as cloud subscription and support revenue and results from purchases by new customers and from incremental purchases by existing customers. Consequently, orders to renew existing contracts are not included. The order amount must be committed. Consequently, due to their pay-per-use nature, business network transaction fees which do not include a committed minimum consumption are not reflected in the bookings metric (e.g. SAP Ariba and SAP Fieldglass transaction-based fees). Amounts included in the measures are generally annualized.

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

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

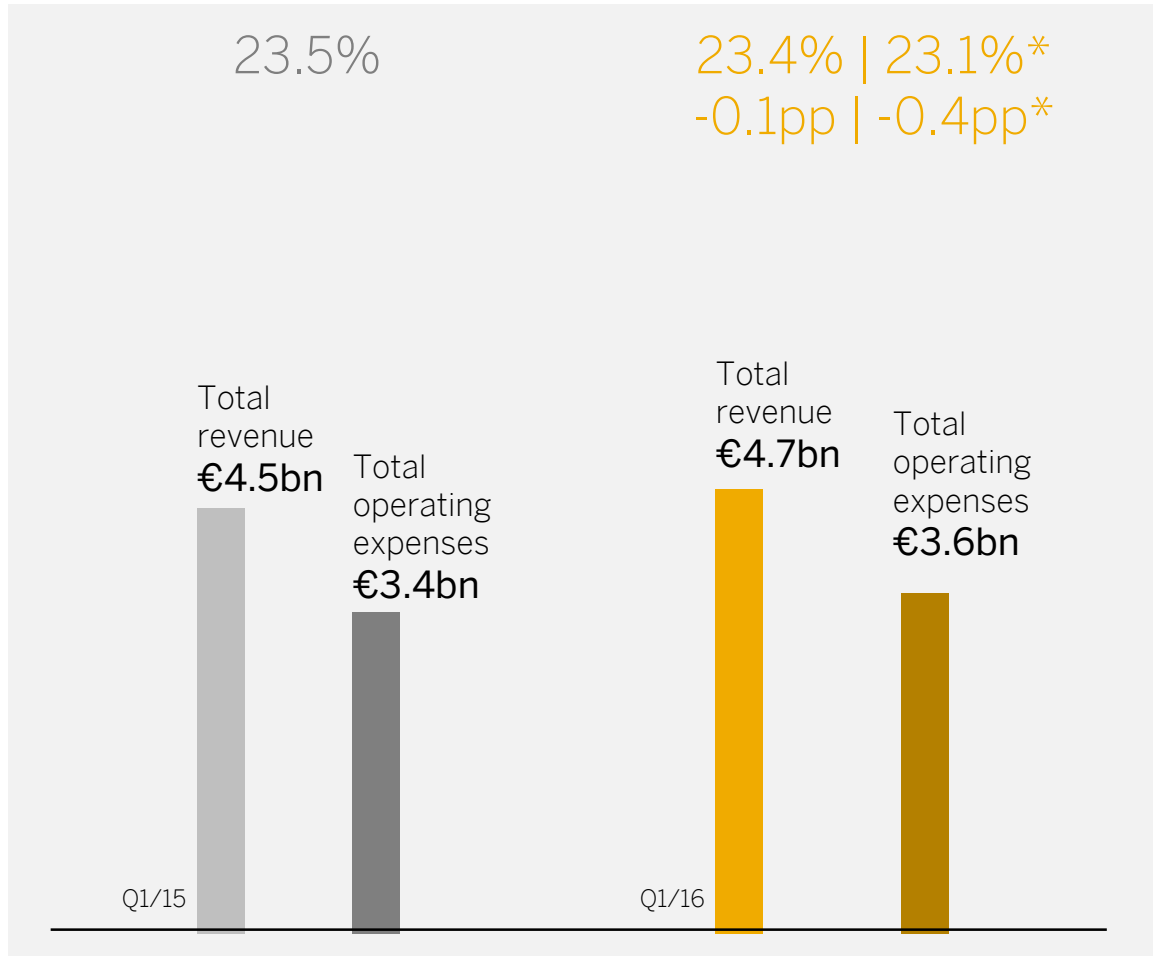
Regional performance¹⁾ Q1 2016

- **EMEA: solid performance**
 - 8% increase in cloud and software revenue
 - cloud subscriptions and support revenue grew by 49%
 - solid software license revenue growth
- **Americas: North America, coming off a very strong Q4/15, had slower than anticipated start to the year**
 - cloud and software revenue up 4%
 - cloud subscriptions and support revenue grew 29%
 - continuing political and macroeconomic instability in Latin America (Brazil in particular) weighed on Q1 performance
- **APJ: solid execution**
 - cloud and software revenue up by 1%
 - cloud subscriptions and support revenue grew 26%
 - software revenue performance in line with expectations given a tough prior year comparison with China growing double-digit

1) Revenues calculated based on customer location; All numbers are non-IFRS; Growth rates as reported.

Non-IFRS operating profit increased by 5% in Q1 2016

Non-IFRS, Q1 2016



Non-IFRS operating profit:

- +5% to €1.1bn (Q1/15: €1.1bn)
- +4% to €1.1bn at cc

Non-IFRS operating margin:

- -0.1pp to 23.4% (Q1/15: 23.5%)
- -0.4pp to 23.1% at cc

* At constant currencies

Non-IFRS operating profit up 5% even with a lower than expected license revenue performance

€ millions, unless otherwise stated

Revenue Numbers	IFRS			Non-IFRS			
	Q1/16	Q1/15	Δ%	Q1/16	Q1/15	Δ%	Δ% at cc
Cloud subscriptions and support	677	503	35	678	509	33	33
Software licenses	609	696	-13	609	696	-13	-10
Software support	2,564	2,454	4	2,564	2,454	5	5
Software licenses and support	3,172	3,150	1	3,173	3,150	1	2
Cloud and software	3,850	3,653	5	3,851	3,659	5	6
Services revenue	877	844	4	877	844	4	6
Total revenue	4,727	4,497	5	4,728	4,502	5	6
Operating Expense Numbers							
Total operating expenses	-3,914	-3,859	1	-3,624	-3,446	5	6
Profit Numbers							
Operating profit	813	638	28	1,104	1,056	5	4
Finance income, net	-35	-11	>100	-35	-11	>100	
Profit before tax	743	478	55	1,034	897	15	
Income tax expense	-173	-65	>100	-271	-200	35	
Profit after tax	570	413	38	763	697	9	
Operating margin in %	17.2	14.2	+3.0pp	23.4	23.5	-0.1pp	-0.4pp
Basic earnings per share, in €	0.48	0.35	38	0.64	0.58	9	

Agenda

Income Statement

Outlook and Additional Information

Balance Sheet and Cash Flow Analysis

Outlook for the FY 2016

	Actual Performance Q1/16	SAP's Outlook FY 2016	Basis for Comparison 2015
Cloud subscription and support revenue (Non-IFRS at cc)	€676m (+33%)	€2.95bn to €3.05bn (upper end +33%)	€2.30bn
Cloud and software revenue (Non-IFRS at cc)	+ 6%	+ 6% to 8%	€17.23bn
Operating profit (Non-IFRS at cc)	€1.1bn	€6.4bn to €6.7bn	€6.35bn

Additional outlook information and non-IFRS adjustments

The company continues to expect a full-year 2016 effective tax rate (IFRS) between 22.5% to 23.5% (2015: 23.4%) and an effective tax rate (non-IFRS) between 24.5% to 25.5% (2015: 26.1%).

IFRS Profit Measure	Actual Amounts Q1/15	Actual Amounts Q1/16	Est. Amounts for FY 2016
Revenue adjustments	€6m	€1m	<€20m
Share-based payment expenses	€179m	€109m	€650m to €690m
Acquisition-related charges	€183m	€170m	€680m to €730m
Restructuring charges	€51m	€11m	€40m to €60m
Sum of all adjustments	€419m	€291m	€1,390m to €1,500m

Explanation of non-IFRS measures

SAP has provided its non-IFRS estimates for the full-year 2016. For a more detailed description of all of 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.

Agenda

Income Statement

Outlook and Additional Information

Balance Sheet and Cash Flow Analysis

Balance sheet, condensed

March 31, 2016, IFRS

Assets € millions	03/31/16	12/31/15	Equity and liabilities € millions	03/31/16	12/31/15
Cash, cash equivalents and other financial assets	6,102	3,762	Trade and other payables	954	1,088
Trade and other receivables	5,550	5,275	Provisions	196	299
Other non-financial assets and tax assets	716	703	Other liabilities	3,293	4,478
Total current assets	12,368	9,739	Deferred income, current	5,265	2,001
Goodwill	21,922	22,689	Total current liabilities	9,708	7,867
Intangible assets	3,954	4,280	Financial liabilities	8,640	8,681
Property, plant, and equipment	2,177	2,192	Provisions	275	180
Other non-current assets	2,462	2,490	Deferred income, non-current	107	106
Total non-current assets	30,516	31,651	Other non-current liabilities	1,233	1,262
Total assets	42,884	41,390	Total non-current liabilities	10,256	10,228
			Total liabilities	19,964	18,095
			Total equity	22,920	23,295
			Total equity and liabilities	42,884	41,390

Operating cash flow increased by 5% to €2.5 billion year-over-year

€ millions, unless otherwise stated	01/01/16 - 03/31/16	01/01/15 - 03/31/15	Δ
Operating cash flow	2,482	2,366	+5%
- Capital expenditure	-168	-139	+21%
Free cash flow	2,313	2,227	+4%
Free cash flow as a percentage of total revenue	49%	50%	-1pp
Cash conversion rate	4.36	5.73	-24%
Days sales outstanding (DSO in days)	73	67	+6

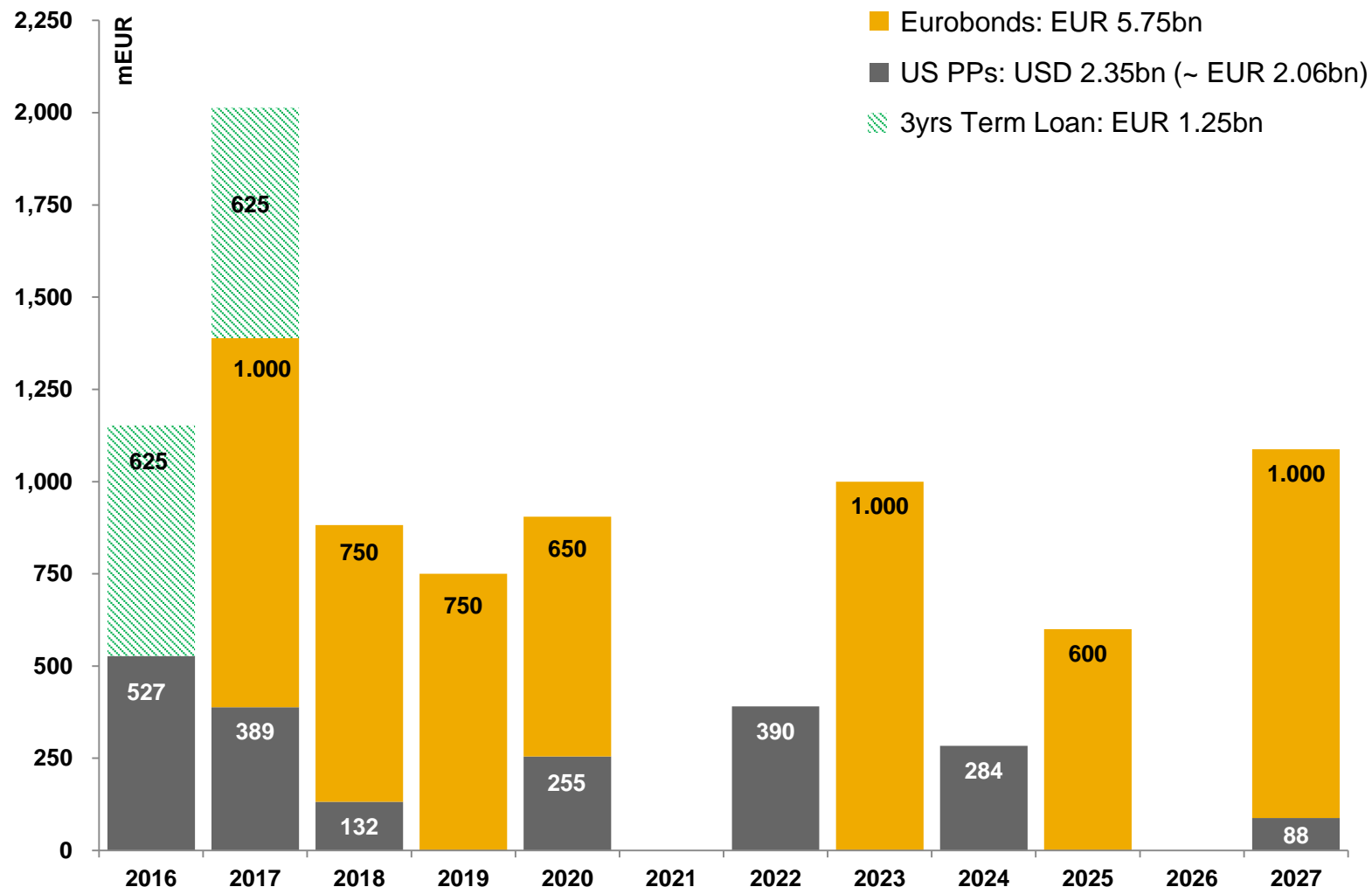
Maturity Profile-31 March 2016

- Fixed/Floating Mix 2016

- Fixed 37%
- Floating 63%

- USD / EUR Mix 2016

- USD 23%
- EUR 77%



* Potential maturity profile as term loan will be repaid flexibly depending on cash flow

Contact Details for Investor Questions

Investor Relations

- ▶ **Stefan Gruber** – Head of Investor Relations SAP SE
 - +49 6227 7-52727
- ▶ **Astrid Stroemer**
 - +49 6227 7-52167
 - Responsibilities for Institutional Investors and Analysts, Europe
- ▶ **John Duncan**
 - +1 (212) 653-1413
 - Responsibilities for Institutional Investors and Analysts, US
- ▶ **Scott Smith**
 - +1 (650) 461-2905
 - Responsibilities for Institutional Investors and Analysts, US

Global Treasury

- ▶ **Steffen Diel** – Head of Global Treasury SAP SE
 - +49 6227 7-48208
- ▶ **Klaus Heizmann**
 - +49 6227 7-44289
 - Responsibilities include bond investors
- ▶ **Dympna Donnelly**
 - +353 (1) 471-7307
 - Responsibilities include USPP investors

For all email enquiries contact investor@sap.com