



SAP Capital Markets Day

Leading the Digital Transformation

February 9, 2017

Agenda

01:00 pm	Welcome Stefan Gruber, Head of Investor Relations
01:00 – 01:30 pm	Strategy and Vision: Helping Customers Win in the New Digital Economy Bill McDermott, CEO Moderated by Maria Bartiromo, Global Markets Editor, Fox Business Network
01:30 – 02:15 pm	Product Innovation: Leading Customers' Digital Transformation Bernd Leukert, Products & Innovation Steve Singh, Business Networks & Applications
02:15 – 02:45 pm	E2E Digital Transformation enabled by SAP – Through the Eyes of the Customer Rob Enslin, Global Customer Operations Ittaya Sirivasukarn, INSEE CEO
02:45 – 02:55 pm	Coffee Break
02:55 – 03:45 pm	Customer Deep Dive – moderated by Jennifer Morgan, President SAP North America Jim Ferolo, Vice President Digital and Marketing Technologies, Maui Jim, Inc Robert Meshew, Chief Technology Officer, Microsoft Supply Chain, Microsoft Georgina Jarratt, Managing Director, Head of Transformation, Global HR, HSBC Bank PLC Richard Taylor, Partner at The Birchman Group
03:45 – 04:10 pm	Driving Growth, Predictability, and Profitability Luka Mucic, CFO
04:10 – 05:00 pm	Q&A Bill McDermott, Luka Mucic, Rob Enslin, Bernd Leukert, Steve Singh
05:00 – 05:30 pm	Cocktails and Social Hour

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.



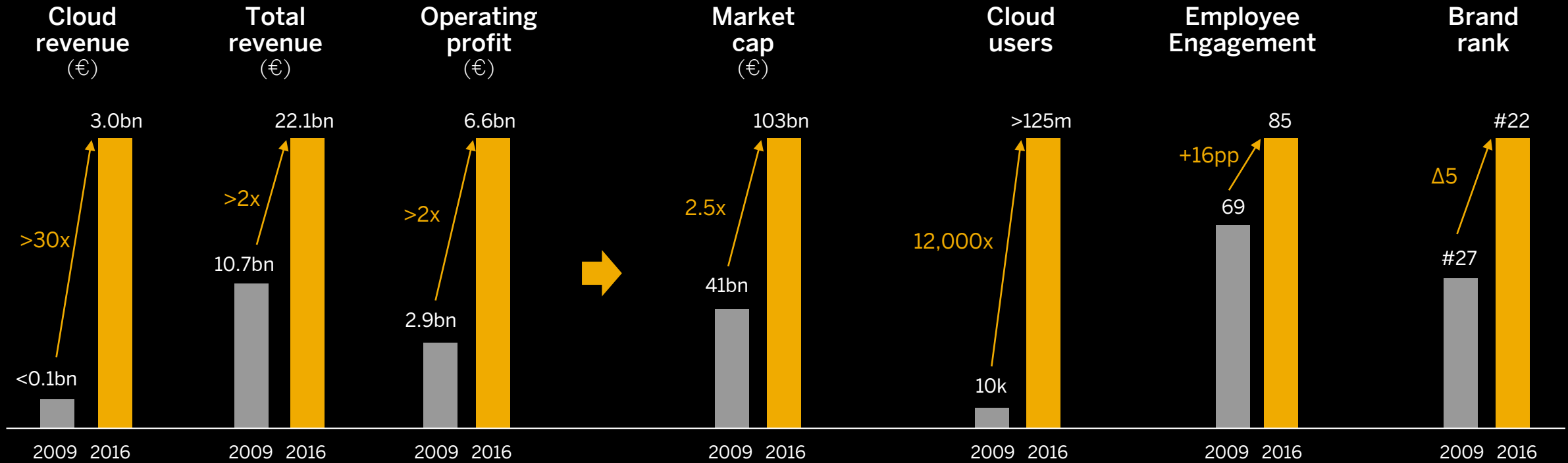
Strategy and Vision: Helping Customers Win in the New Digital Economy

Bill McDermott, CEO

February 9, 2017

Seven Years of Significant, Sustainable Growth

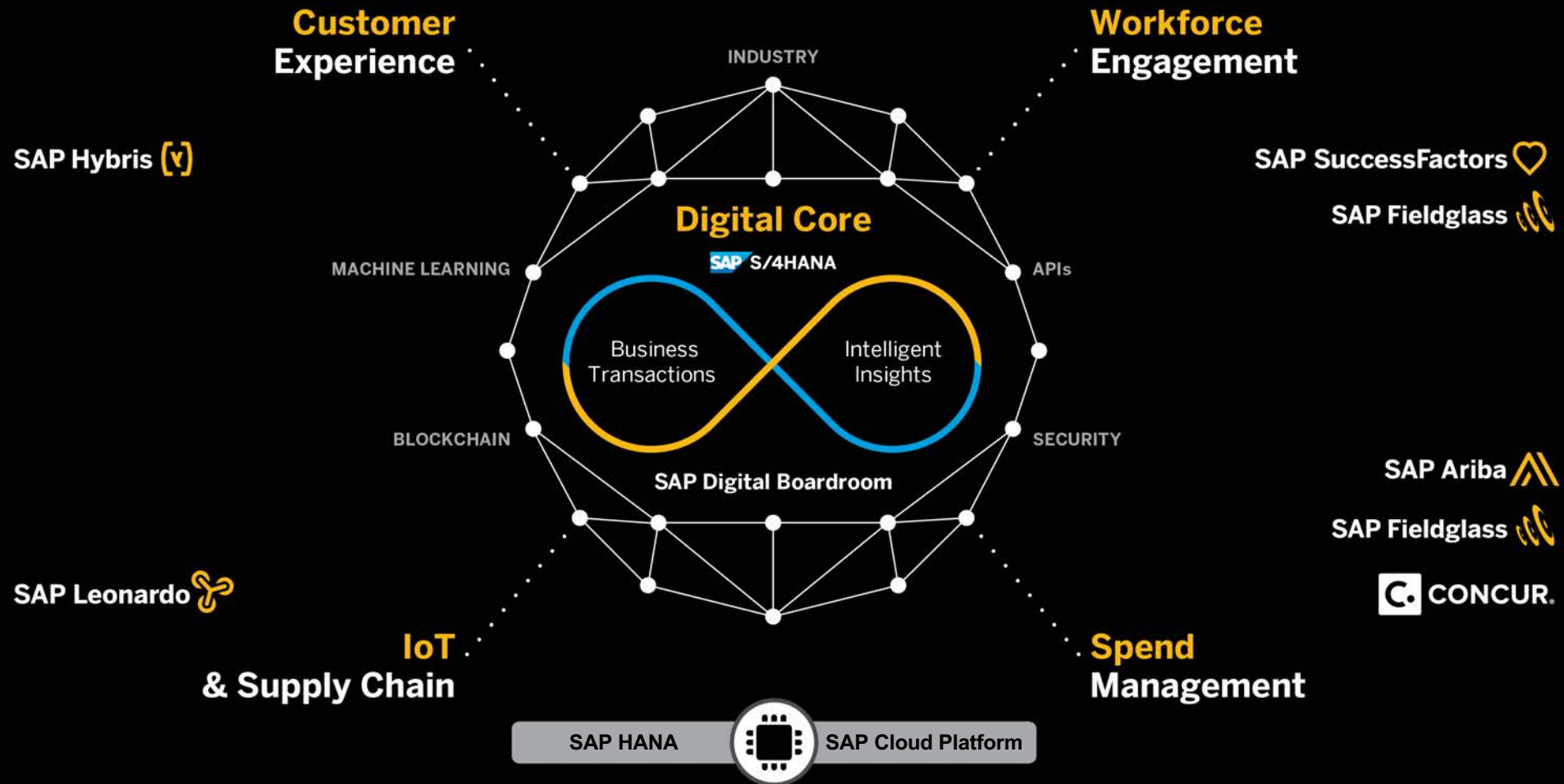
Driven by strong customer, employee and brand engagement



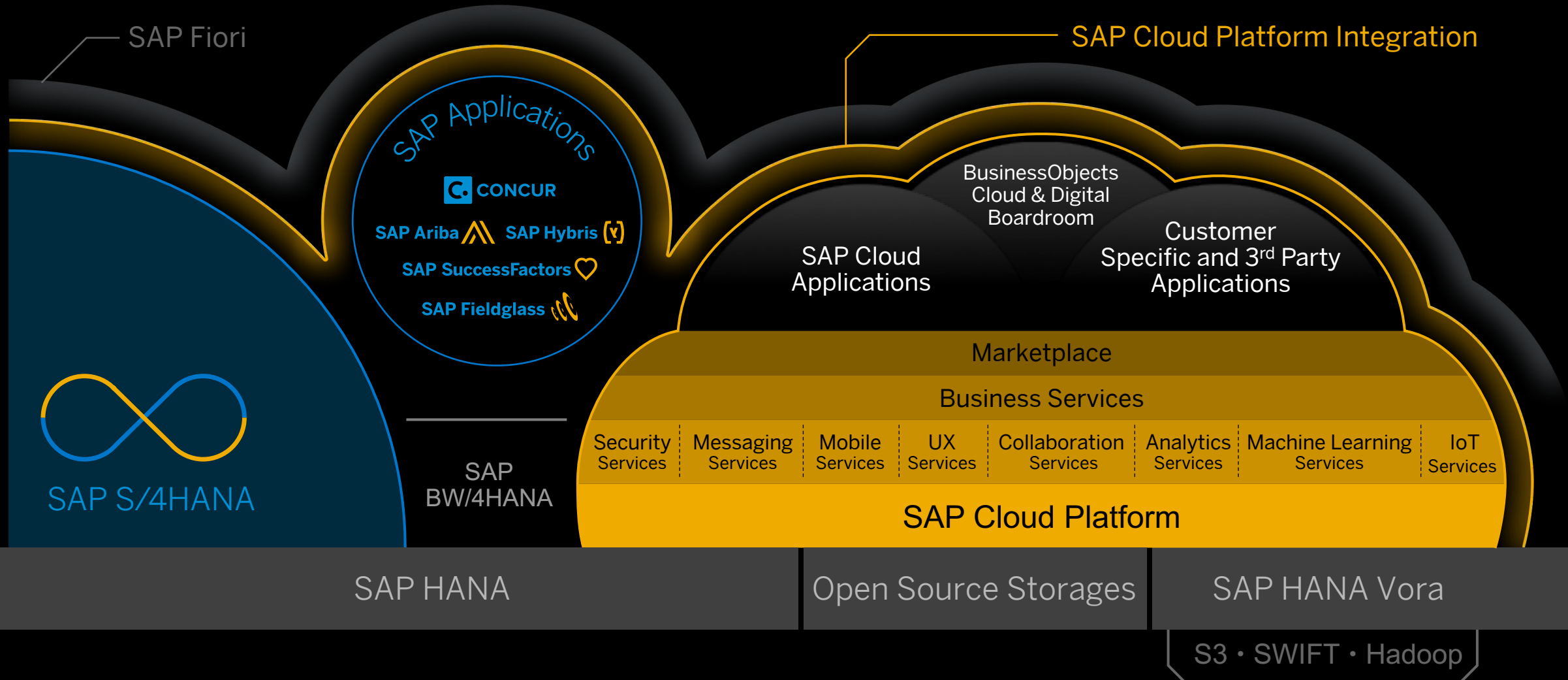
■ 2009 ■ 2016

* Interbrand Ranking. All numbers are non-IFRS unless otherwise stated.

SAP Cloud is the Digital Business Platform



SAP Cloud Platform accelerates digital innovation



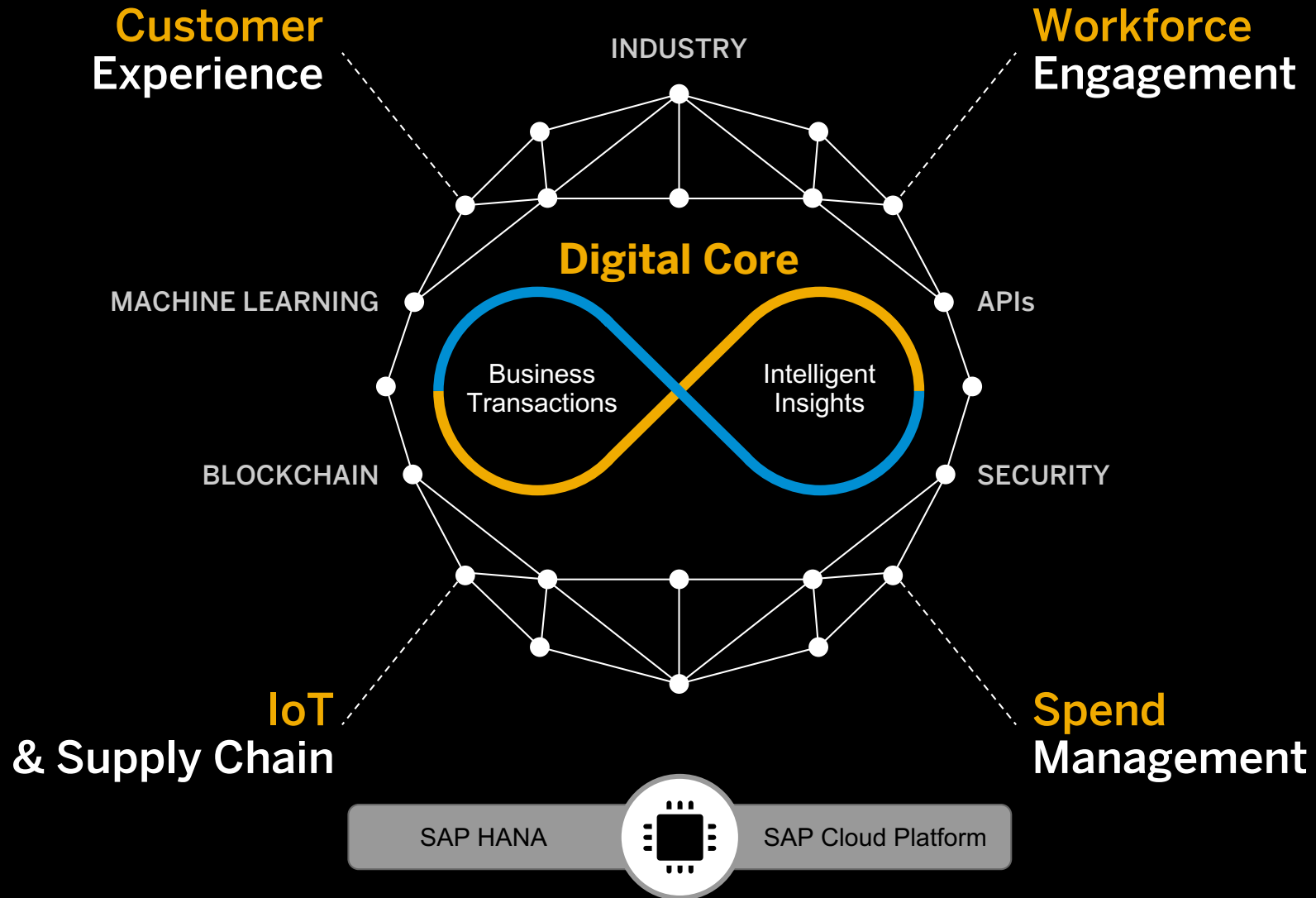


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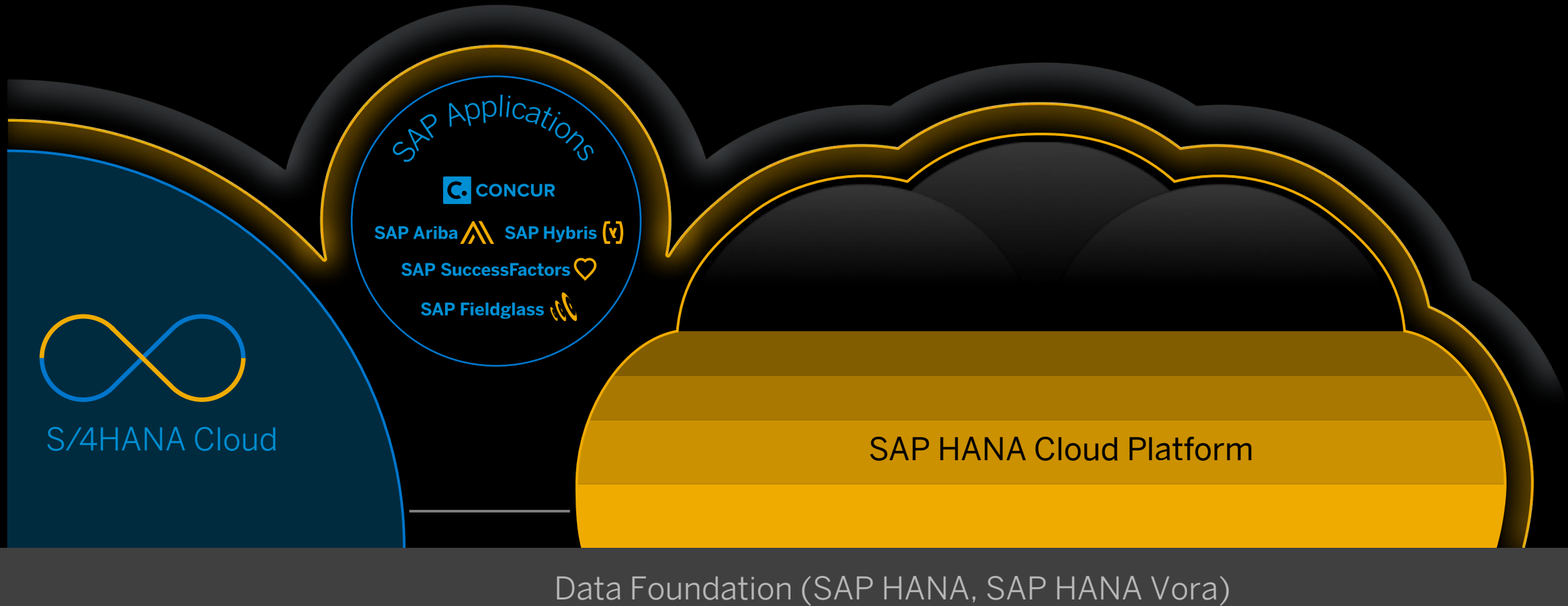
Leading Customers' Digital Transformation

Bernd Leukert, Products & Innovation
Steve Singh, Business Networks & Applications

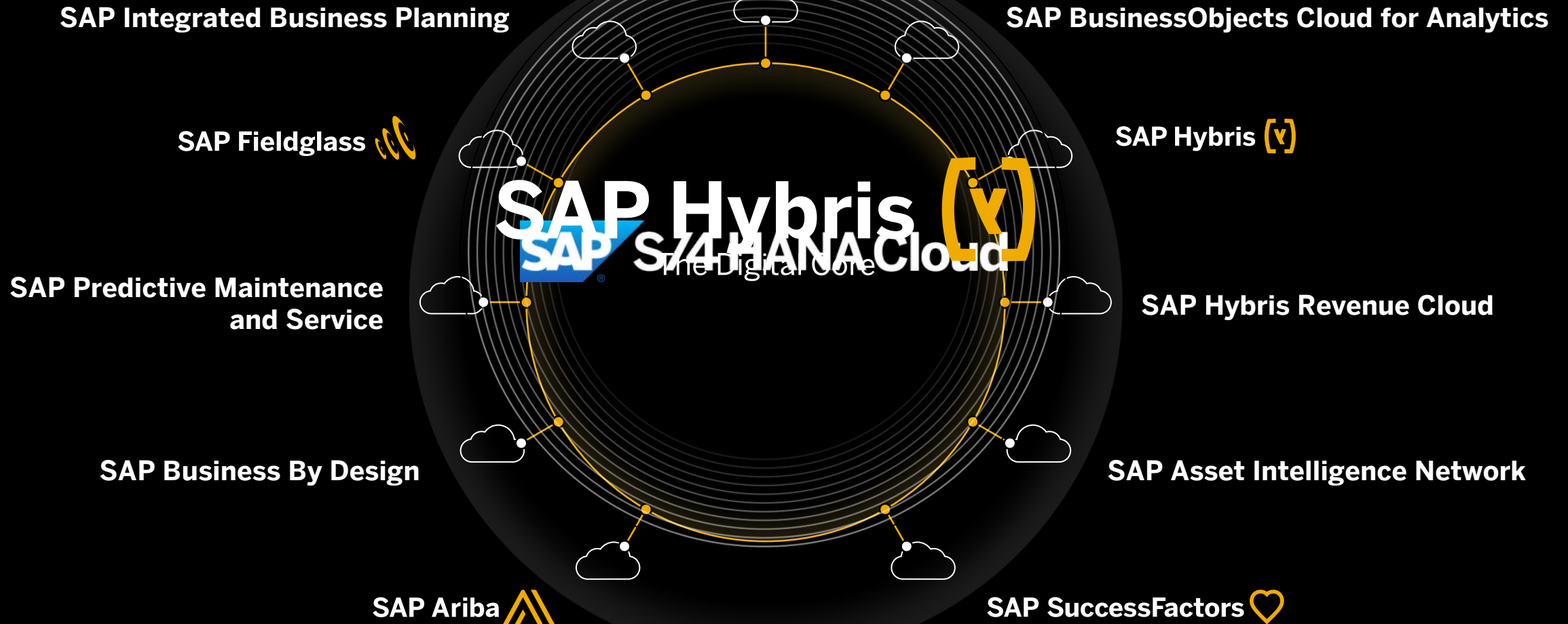
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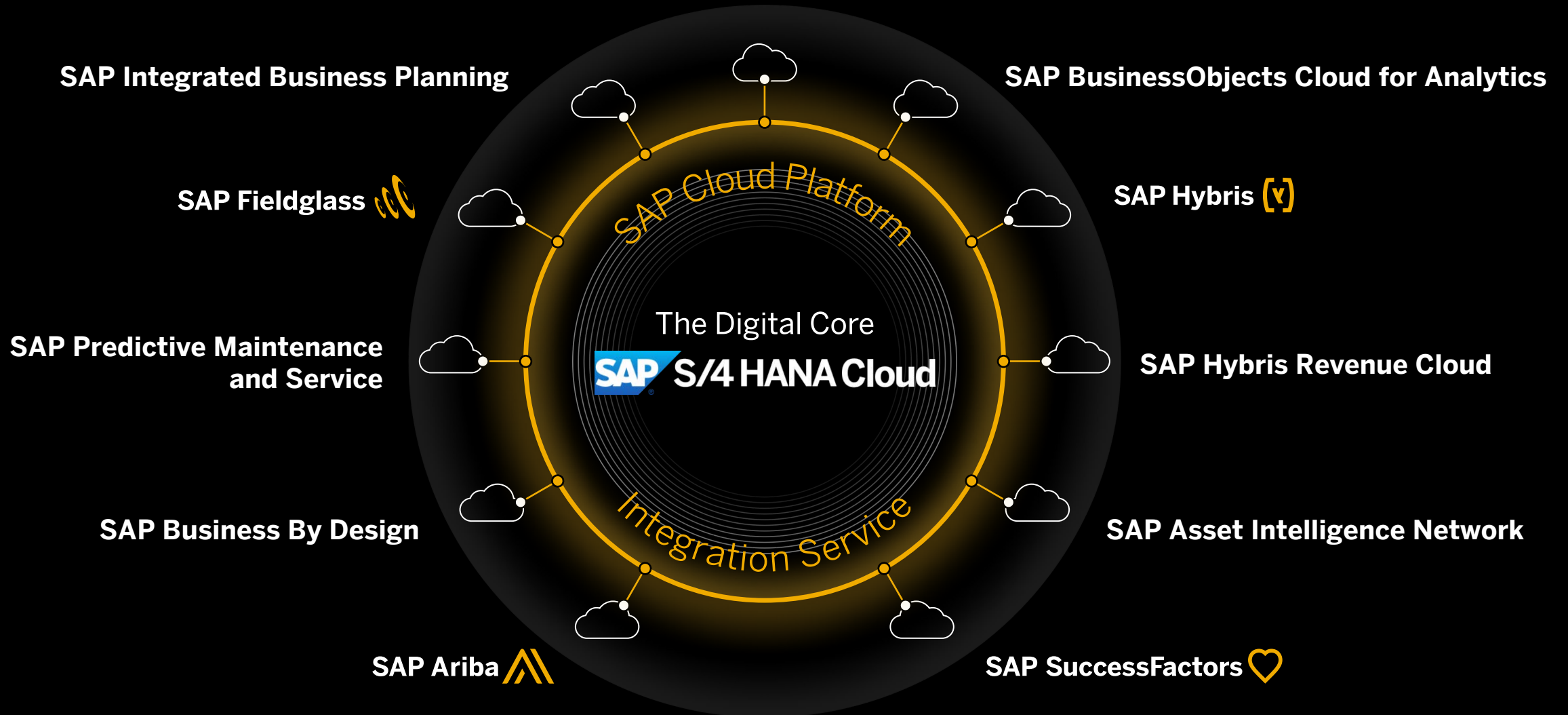
SAP's Modular Suite for Digital Differentiation



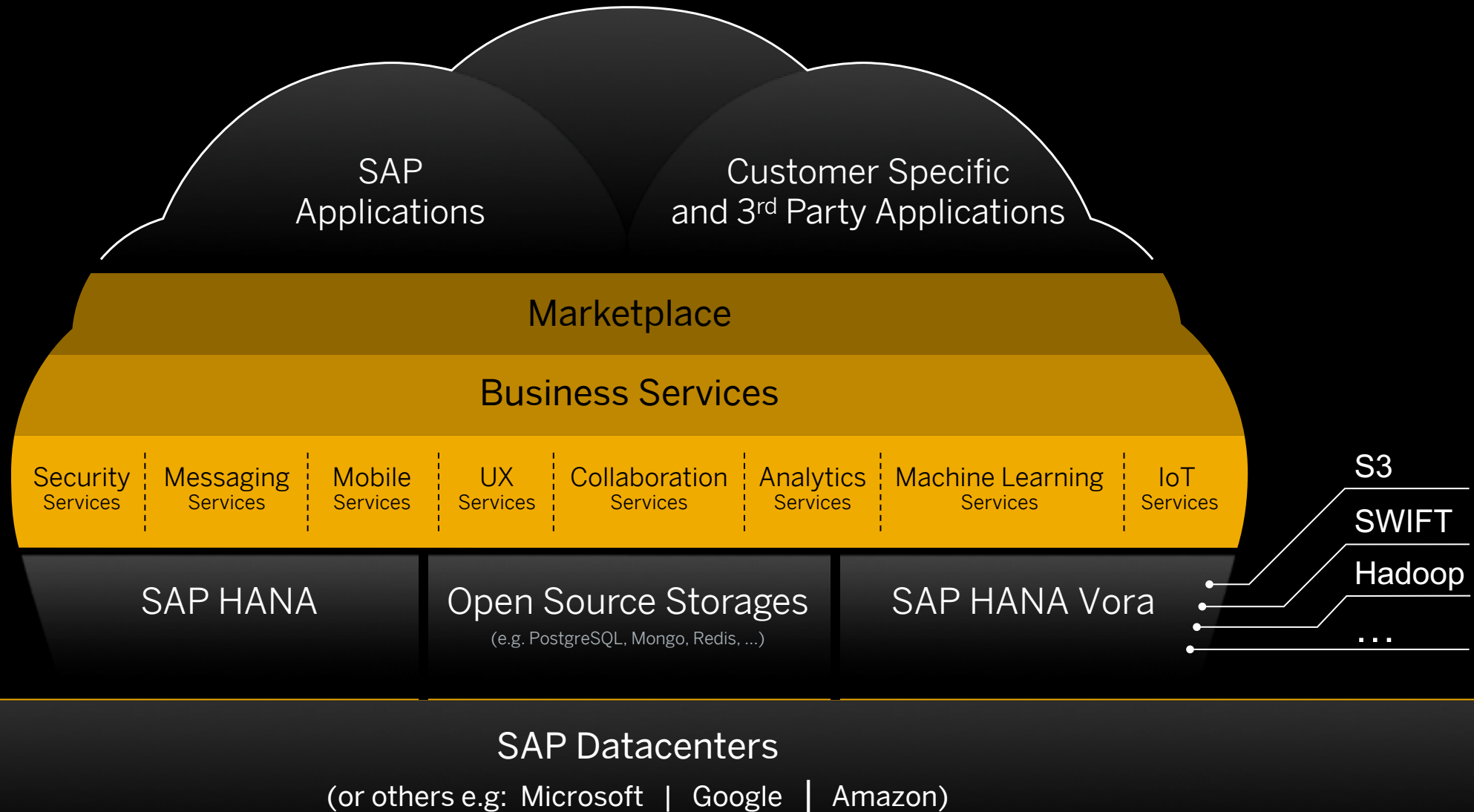
SAP Cloud Applications



SAP Cloud Applications

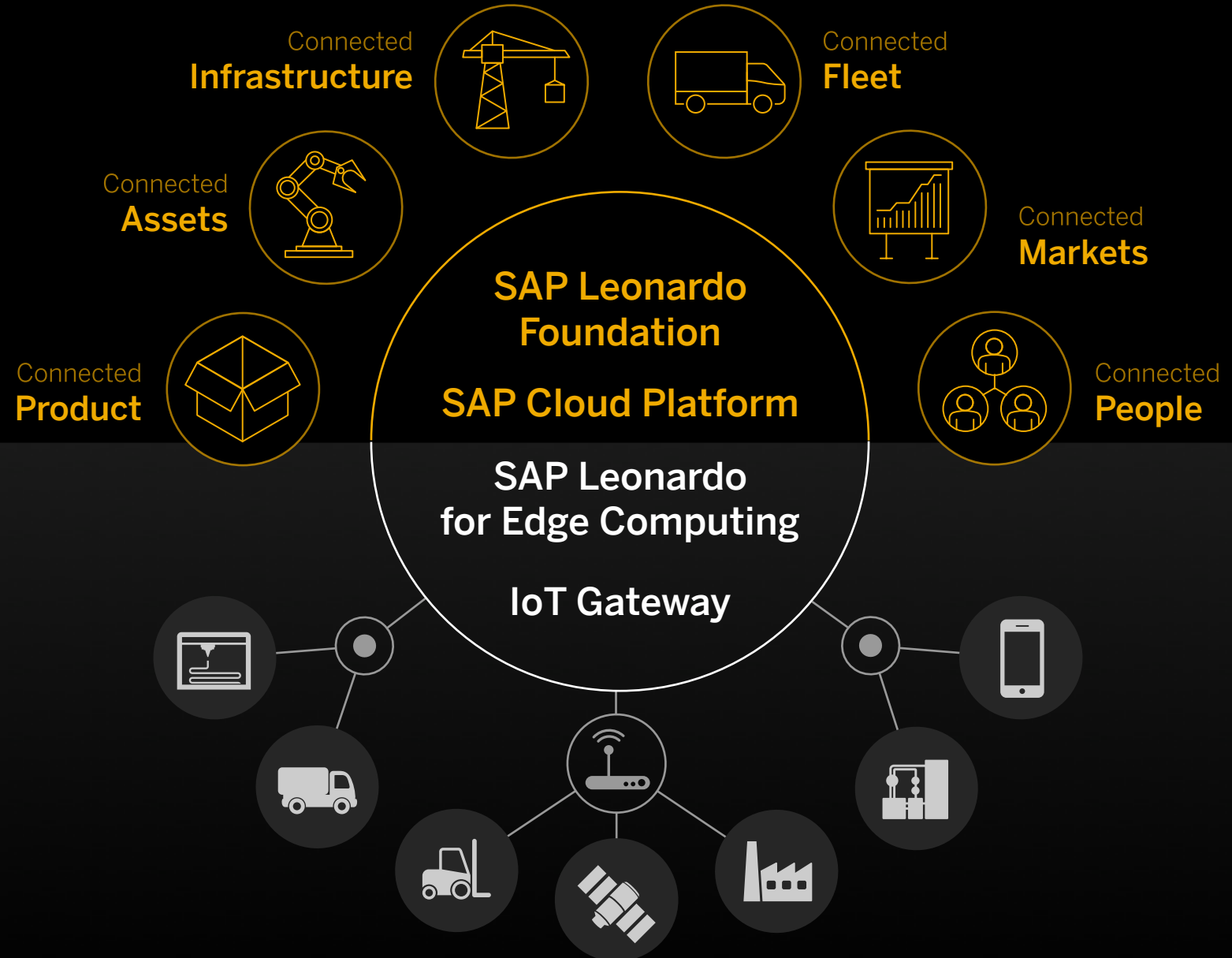


SAP Cloud Platform

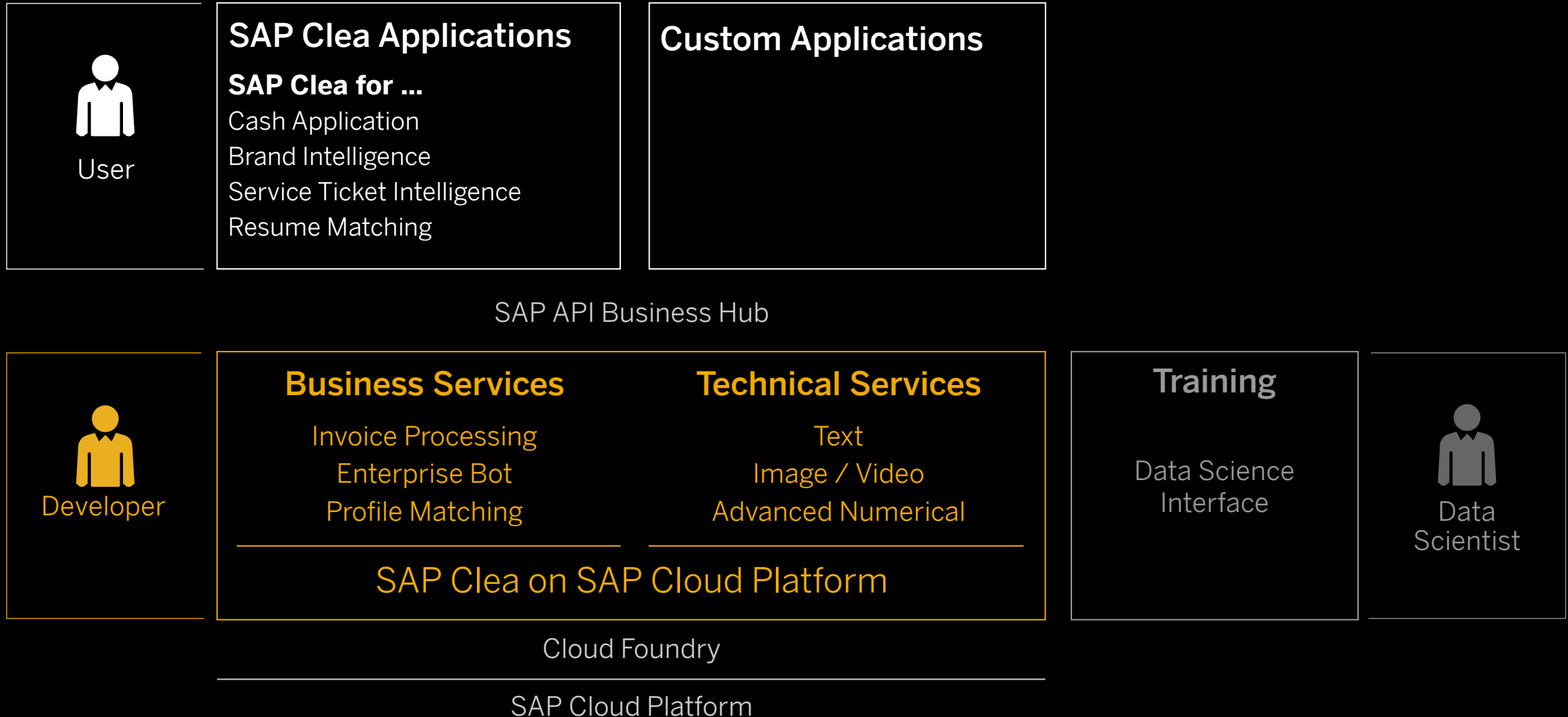


Informational
Technology (IT)
“Outcomes”

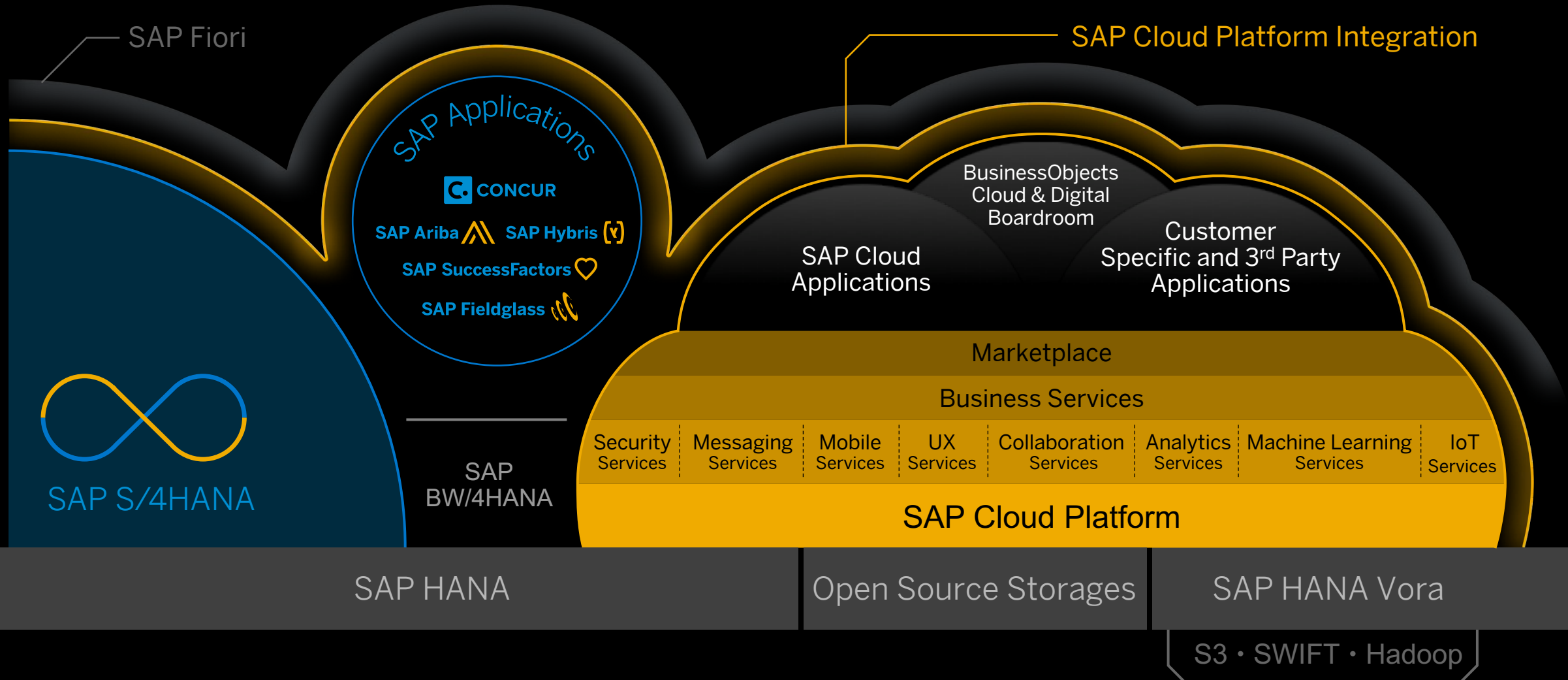
“Things”
Operational
Technology (OT)



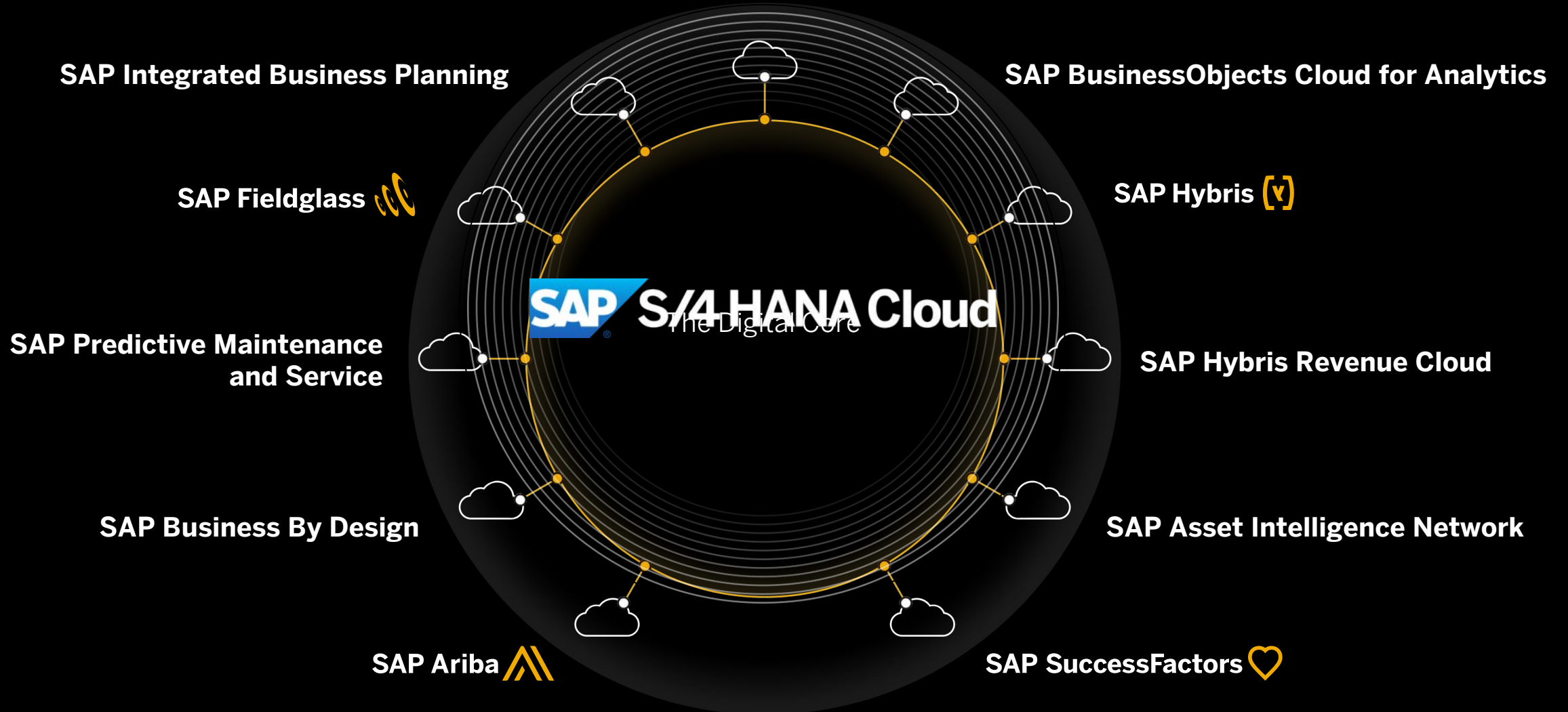
SAP Clea – Machine Learning



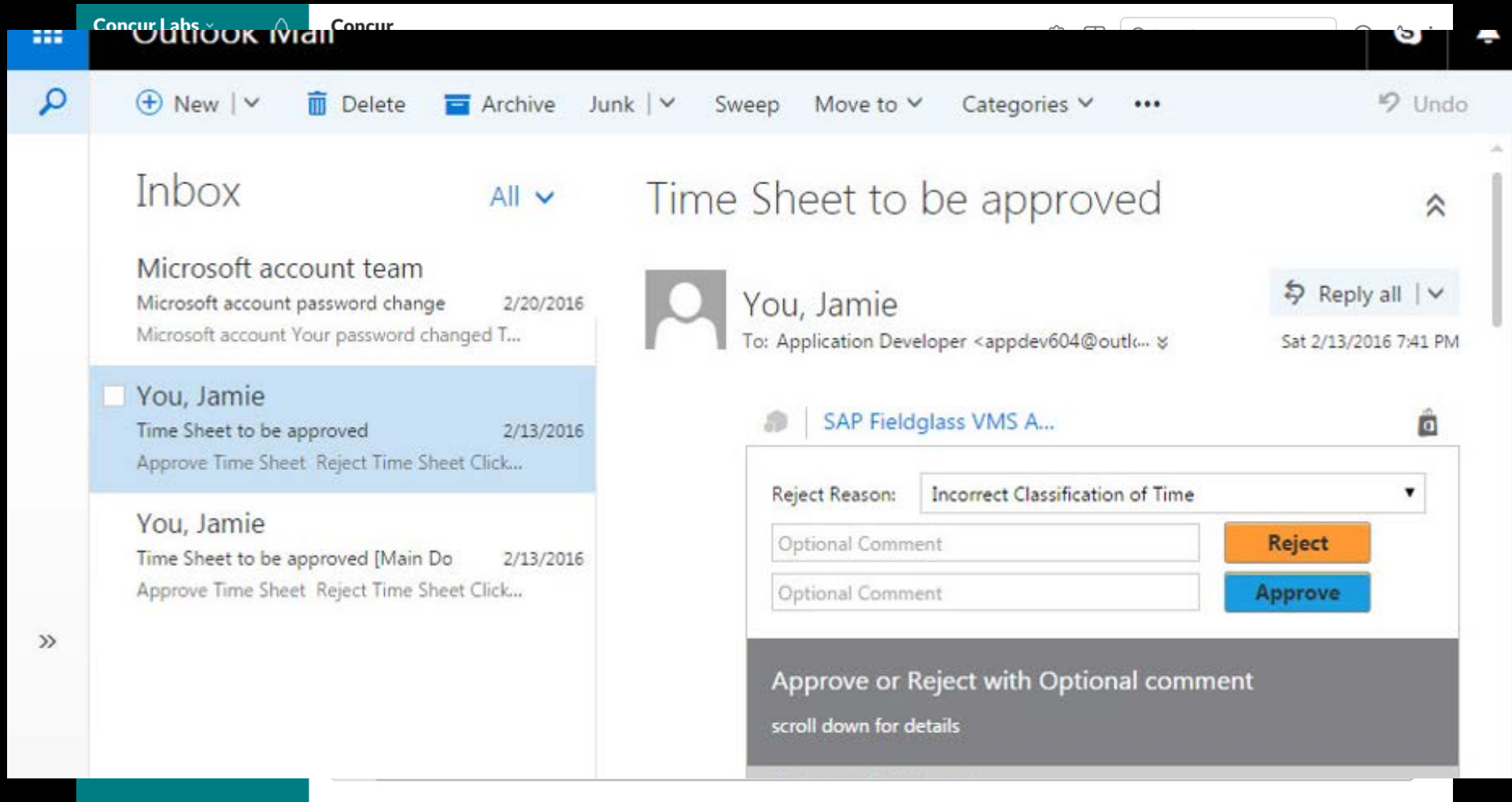
SAP's Modular Suite



One SAP – Integration across all applications



Open Platforms: Innovation where users are



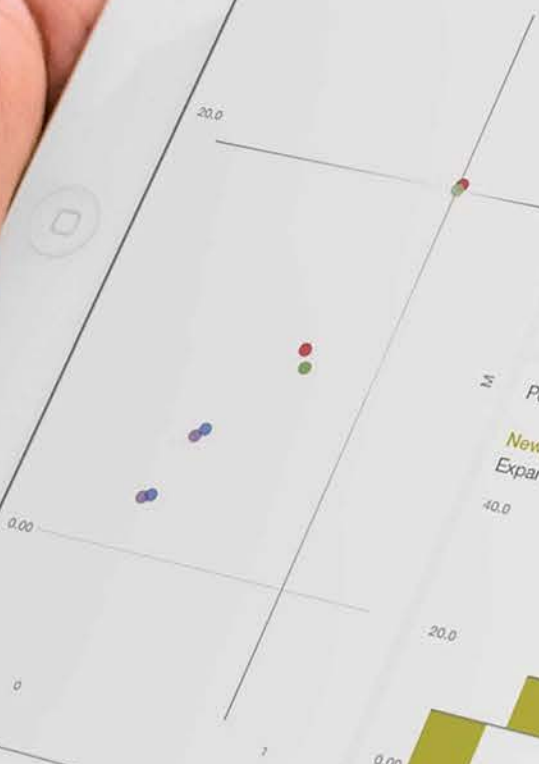
Time sheet approvals
Concur bot for Slack (beta)
from within Microsoft Outlook

VP Sales - Fiscal Year Dashboard

Product Sales by Group

Enterprise
Enterprise Sales East

\$5,998,260.00
Amount

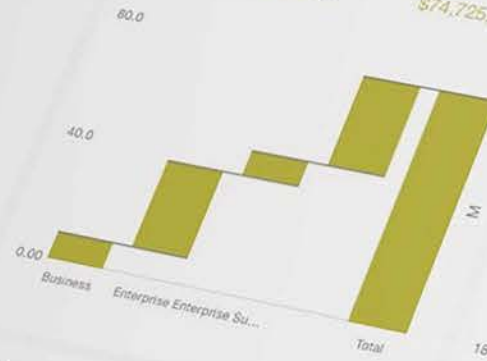


Product Tier Breakdown

Business, Enterprise,...

Total

\$74,725,975.00



Sales Size by Month

Avg. Deal Size
4/1/2014

\$22,808.19



Purchase Type Breakdown

New customer, Expan...

Expansion

\$9,999,330.00



Sales Cycle by Month

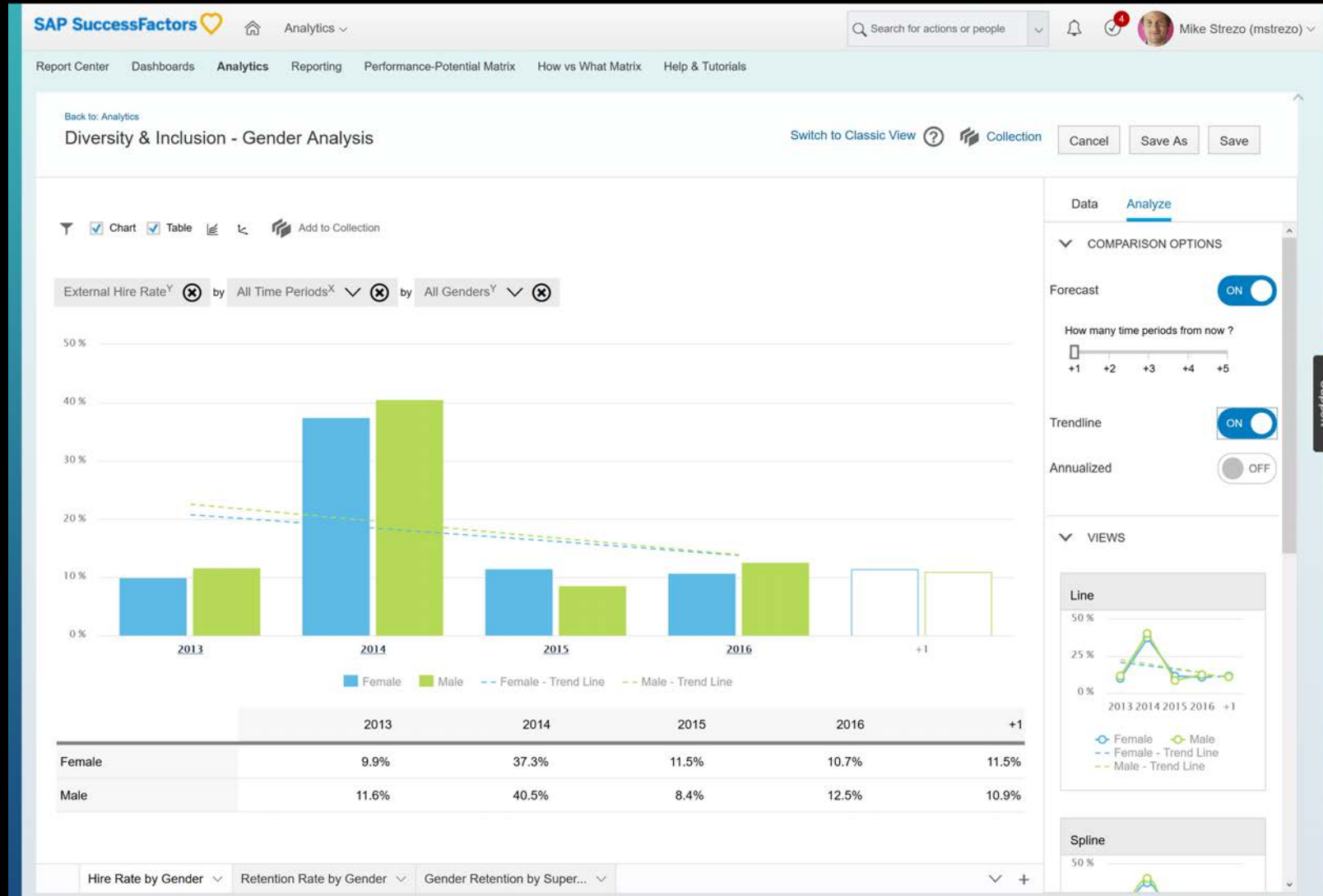
Avg. Deal Cycle
1/1/2014

160



Bringing data to decisions

Business Beyond Bias





We're making it easier for customers to do business with SAP

Connected to Customers

Cloud Simple Selling:

- Contracts
- Pricing
- Support



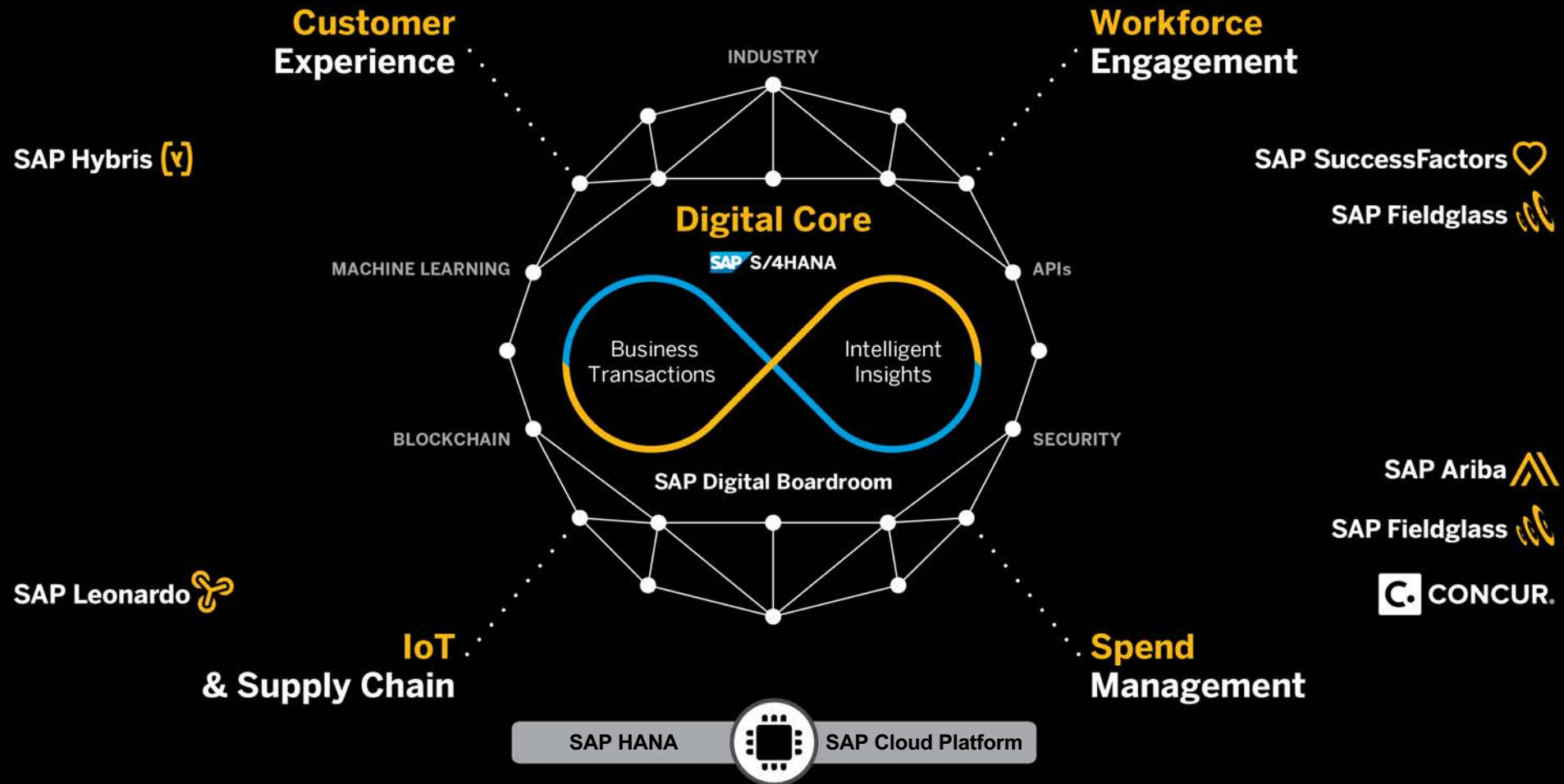
E2E Digital Transformation enabled by SAP – Through the Eyes of the Customer

Ittaya Sirivasukarn, INSEE CEO

Rob Enslin, SAP Global Customer Operations

February 9, 2017

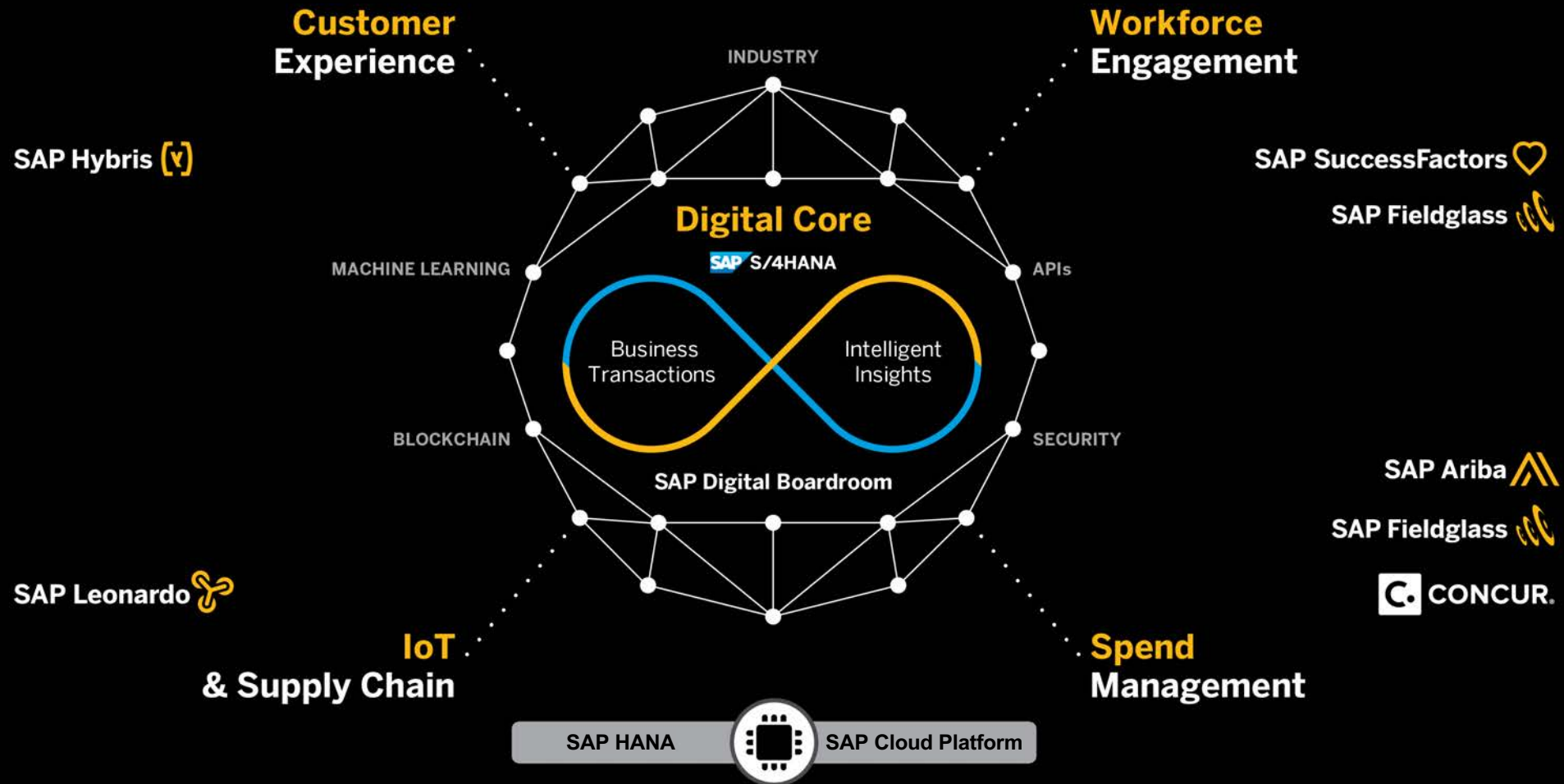
Digital Business Framework



Enterprise architecture for the Digital Economy



Digital Business Framework



SIAM CITY CEMENT

- Siam City Cement (SCCC) is the 2nd largest of Cement & Building Products Producer & Distributor in Thailand
- INSEE Digital is the IT of SCCC who provides all IT Application & Infrastructure to SCCC
- Annual revenue of 800m-Euro and 4,000 employees
- SCCC is embarking on a regional expansion strategy buying assets from competing cement brands (e.g. Holcim, Cemex) throughout Asia
- Ambition to be the first Digital Enterprise in Thailand, leading the transformation of Asian enterprises into Industry 4.0





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Bringing it all Together

Customer Deep-Dive

Jennifer Morgan, President SAP North America

February 9, 2017

Bringing it all together

Customer deep-dive



Jim Ferolo

Vice President Digital and
Marketing Technologies,
Maui Jim, Inc.



Georgina Jarratt

Managing Director, Head of
Transformation, Global HR,
HSBC Bank PLC



Richard Taylor

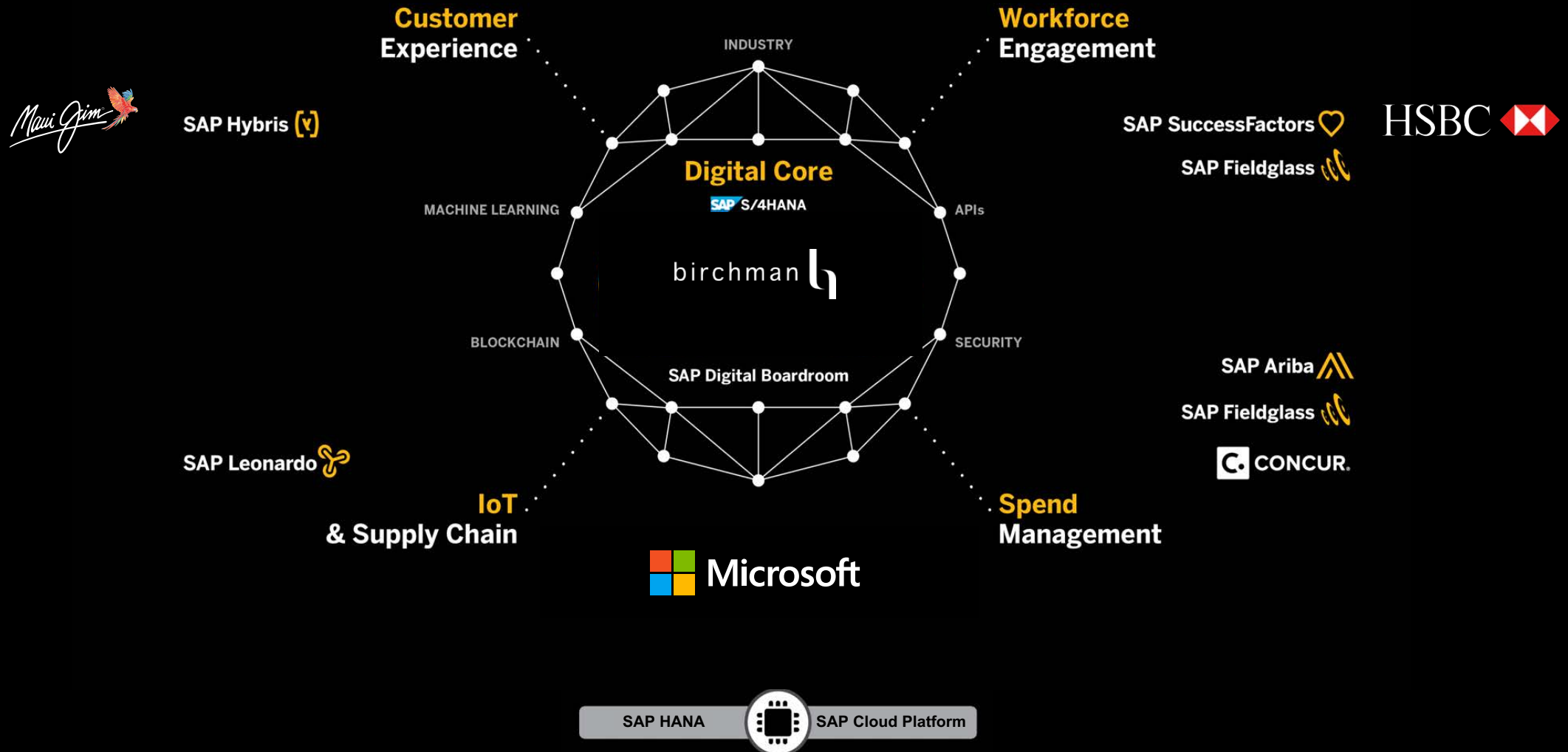
Partner at
The Birchman Group



Robert Meshew

Chief Technology Officer,
Microsoft Supply Chain,
Microsoft

Digital Business Framework





Driving Growth, Predictability, and Profitability

Luka Mucic, CFO

February 9, 2017

2020 growth trajectory

Continued strong **cloud** growth

Taking market share & driving share of wallet

New cloud bookings: +31% in FY 16

Cloud backlog: €5.4bn; +47% @cc as of FY 16

Growth in our **core business**

Software

Low- to mid-single digit license decline through 2020



Support

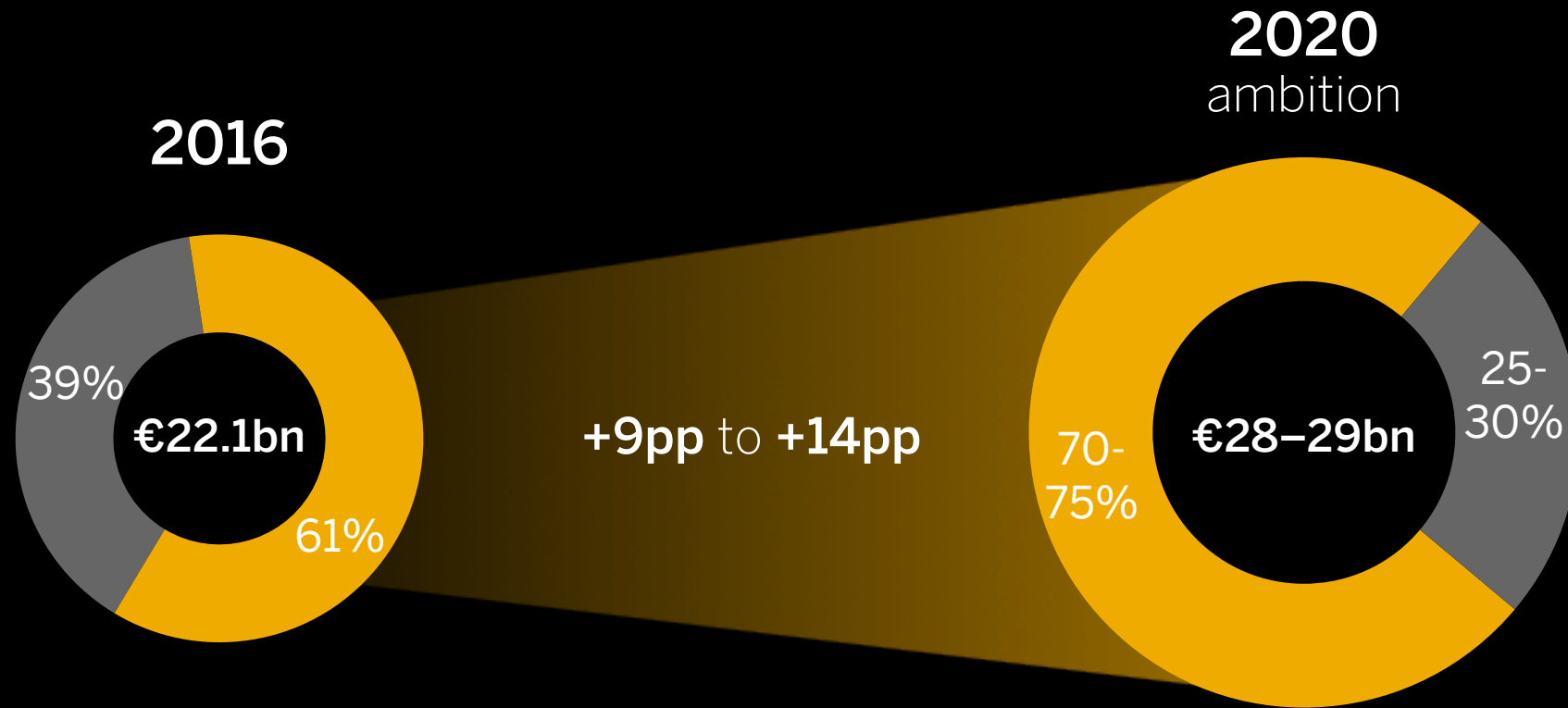
Highly predictable due to resilient growth and very high renewal rates



High single-digit cloud and software revenue growth

All revenue figures are non-IFRS

Pushing towards a larger more predictable business

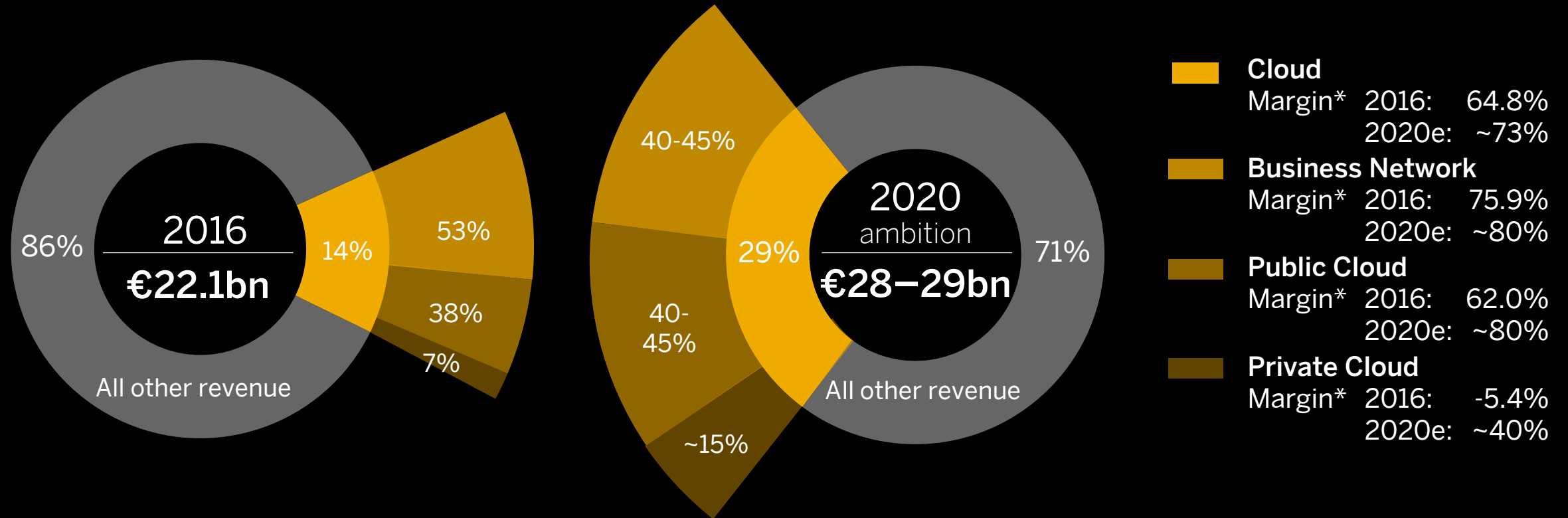


Support + Cloud subscriptions revenue as share of total revenue

All other revenue

All figures are non-IFRS

Cloud gross margins on track towards long-term ambition



*Cloud subscriptions and support gross margin; 2020 potential

Increased transparency in our segment reporting

Business development by delivery model

Extract from new segment reporting***	FY/16	FY/20e
ATS** IaaS*	-5.4	~40
ATS** SaaS/PaaS*	62.0	~80
Business Network SaaS/PaaS*	75.9	~80
Cloud*	64.8	~73
Software & Support	87.4	~88
Cloud & Software	83.7	
Services	18.2	~20
Total gross margin	72.9	

Expected development of cost ratios

R&D will slightly decline

S&M expected to follow growth of business

G&A will remain broadly stable at reduced level

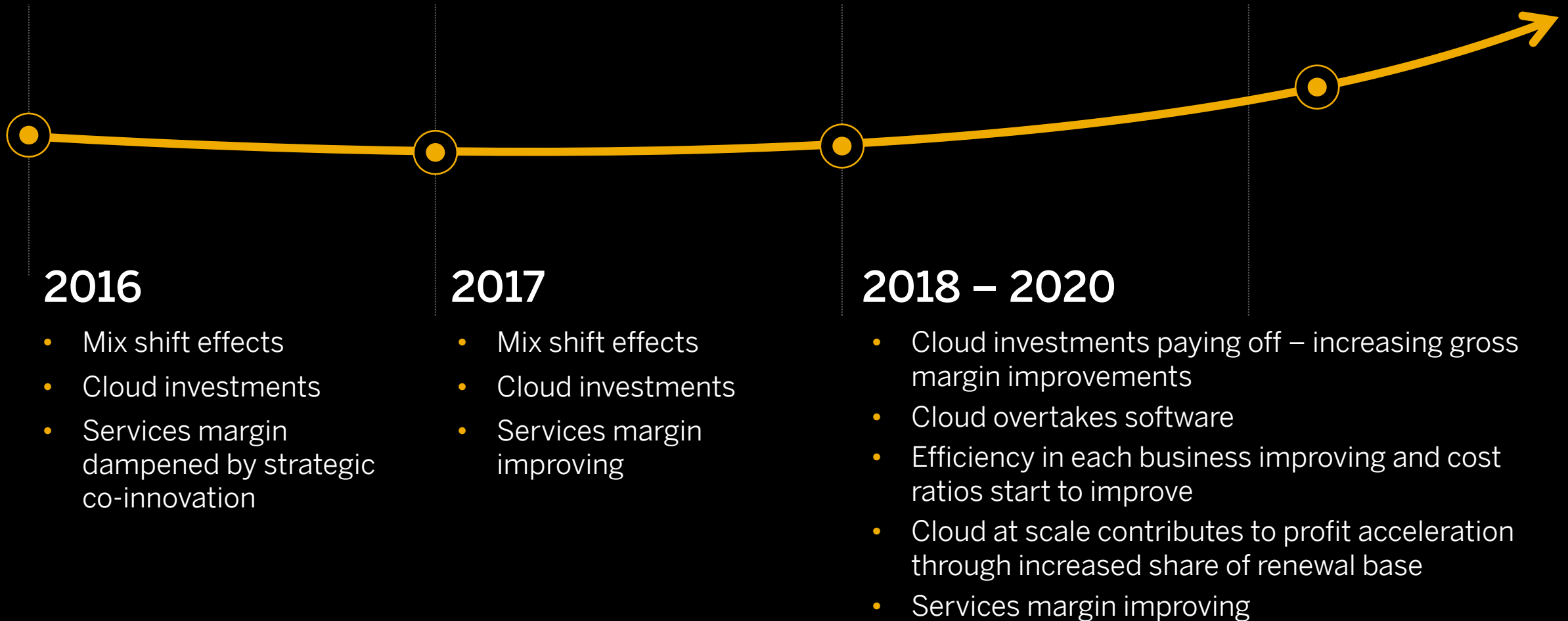
* Subscriptions and support

** Applications, Technology and Services

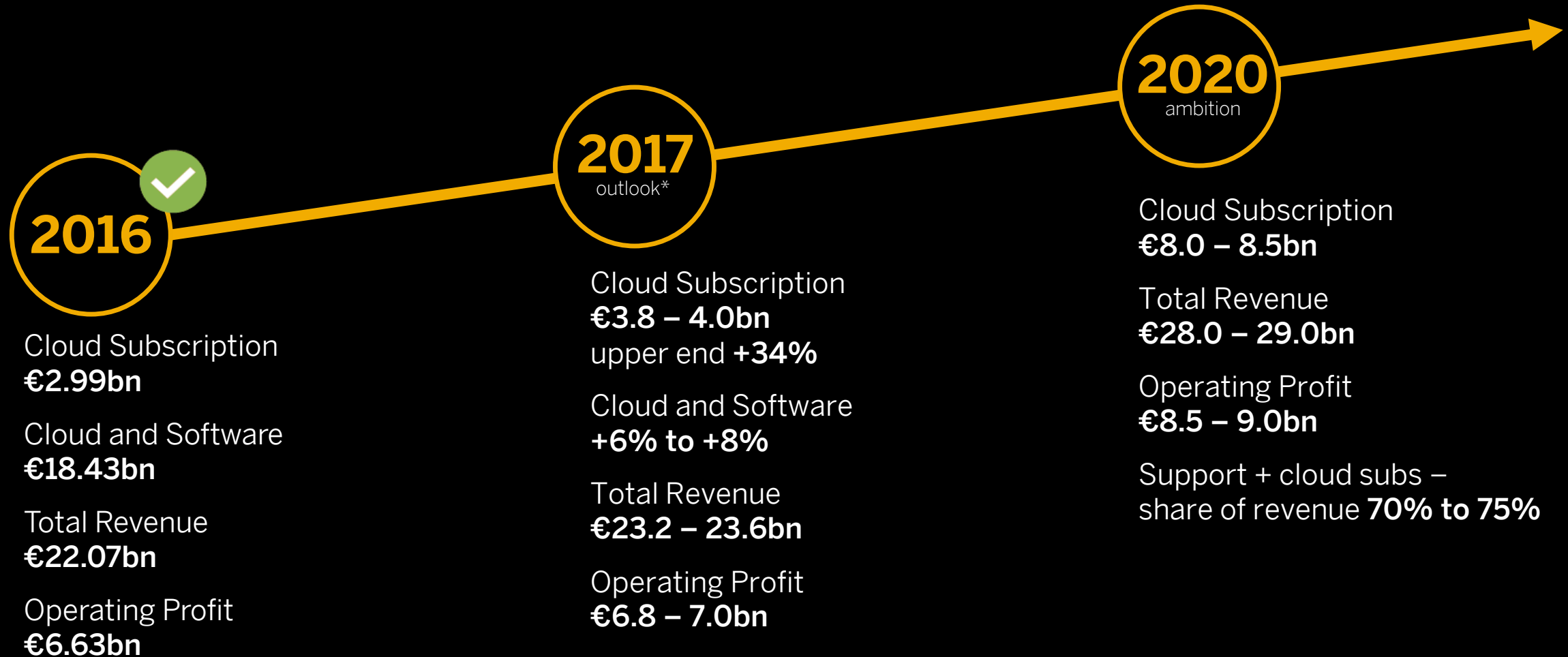
***Non-IFRS gross margins in %; starting Q1/17

Driving increased profitability

Highly profitable cloud business in the long term

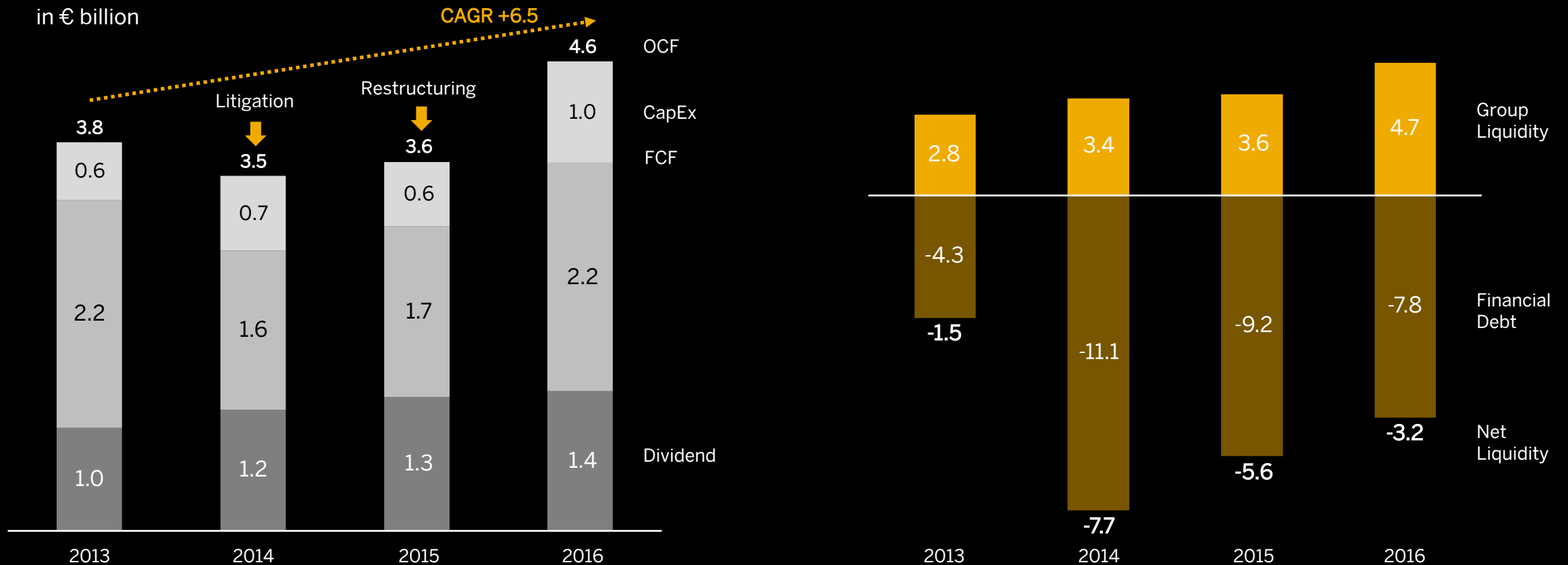


Strong growth ambitions through 2020



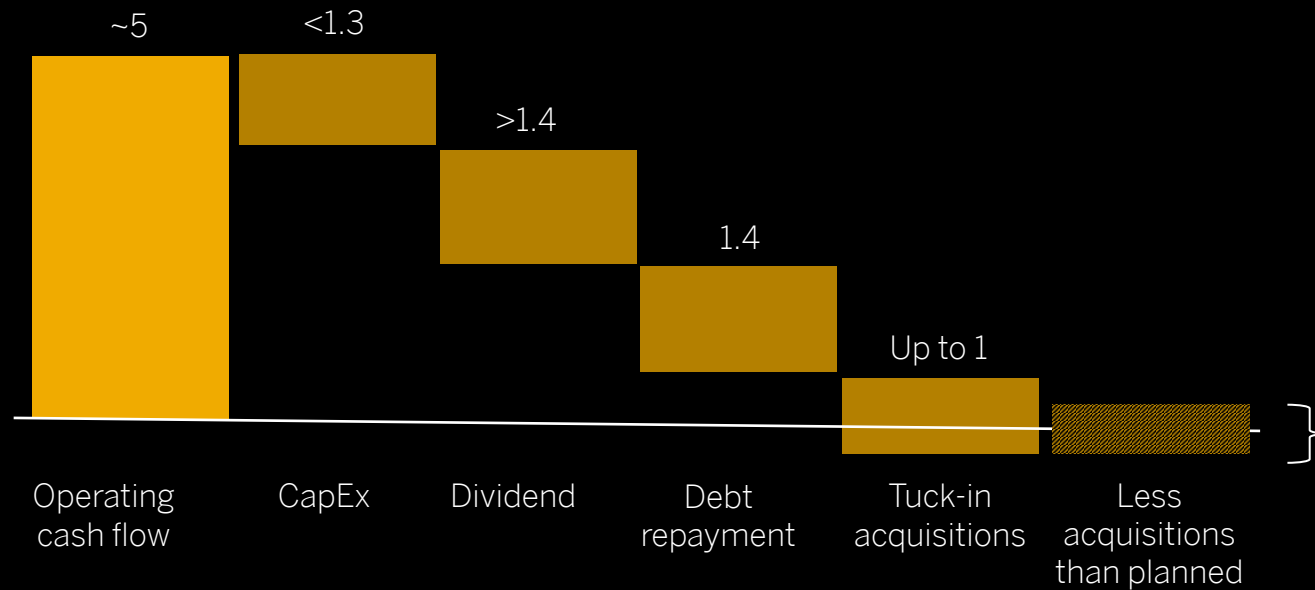
Non-IFRS; *Non-IFRS at constant currencies

Expanding operating cash flow while significantly paying back debt, increasing dividends, and investing in growth



Considerations for share buyback

Expected amounts in € billions for 2017



Capital allocation priorities

- CapEx – funding of organic growth opportunities
- Repayment of debt
- Continued dividends
- Tuck-in acquisitions

Potential share buyback in H2 2017

SAP remains a growth company, today and beyond 2020

- SAP is the leader in business and enterprise software and has never been in a stronger position
- We are continuously investing in growth and our proven track record of innovation is helping to capture new business opportunities and ensure long-term success
- As we continue our acceleration to the cloud we will increase the predictability of our revenues, improve margins, profitability, and cash flow
- Our unique position provides optionality around strategic decisions aimed at driving shareholder value



Q&A

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