SAP: Run Simple - The World's Largest Provider of Enterprise Application Software

As market leader in enterprise application software, SAP (NYSE: SAP) helps companies of all sizes and industries innovate through simplification. From back office to boardroom, warehouse to storefront, on premise to cloud, desktop to mobile device – SAP empowers people and organizations to work together more efficiently and use business insight more effectively to stay ahead of the competition. SAP applications and services enable customers to operate profitably, adapt continuously, and grow sustainably.
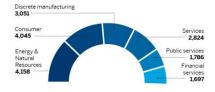
CUSTOMERS

- SAP serves > 282,000 customers in 190 countries
- > 80% of SAP customers are SMEs
- SAP customers include:
  - 87% of the Forbes Global 2000 companies
  - 98% of the 100 most valued brands
  - 100% of the Dow Jones top scoring sustainability companies
- Our customers produce …
  - 78% of the world's food
  - 82% of the world's medical devices
  - 69% of the world's toys and games
- 74% of the world's transaction revenue touches an SAP system[1]
- SAP touches US$16 trillion of retail purchases around the world[1]

FINANCIALS

- Revenue – FY 2014 (non-IFRS@const. curr.)
  - Cloud subscr. & support € 1.1 bn (+45%)
  - SW&Support[2] € 13.8 bn (+5%)
  - Total € 17.6 bn (+5%)
- Revenue – Q4 2014 (non-IFRS@const. curr.)
  - Cloud subscr. & support € 360 mn (+59%)
  - SW&Support[2] € 4.4 bn (+2%)
  - Total € 5.5 bn (+4%)

Revenue (IFRS) per industries
in € millions, as of December 31, 2014

Discrete manufacturing **3,051**
Consumer **4,045**
Energy & Natural Resources **4,158**
Services **2,824**
Public services **1,786**
Financial services **1,697**

Outlook 2015 (non-IFRS @ const. curr.)
- Cloud subscr.&support rev.: €1.95 - €2.05 bn
- Cloud &SW[3] rev up 8% - 10% (2014: €14.33 bn)
- Operating profit in a range of €5.6 - €5.9 bn

Mid-term ambition 2017 (non-IFRS@cc)
- Cloud subscr.&support rev.: €3.5 - €3.6 bn
- Total revenue: €21 - €22 bn
- Operating profit in a range of €6.3 - €7.0 bn

Mid-term ambition 2020 (non-IFRS@cc)
- Cloud subscr.&support rev.: €7.5 - €8.0 bn
- Total revenue: €26 - €28 bn
- Operating profit in a range of €8 - €9 bn

STRATEGY: RUN SIMPLE

- Provide simple, easy to consume solutions to customers so they can run their business simple,
- Customer focused innovation in the Cloud and on HANA, i.e. simple Finance, S4HANA
- Become THE cloud company powered by HANA
- Scale HANA to become THE standard platform
- Expand cloud with 3 business models
  - Public Cloud: Standard and Suite solutions
  - Business Network: Ariba, Concur, Fieldglass
  - Private Cloud on HANA Enterprise Cloud

1 Source: McKinsey/SAP analysis update 4/2013
2 SW&Support: Software and Support
3 Cloud&SW: Cloud Subscriptions and Software

MARKET POSITION

ENTERPRISE APPLICATION SOFTWARE

- SAP is market leader in
  - applications
  - analytics
  - mobility solutions
- Fastest growing database vendor
- Broadest portfolio of modular and suite solutions available on premise, in the cloud and hybrid: customers have full choice of consumption model

TOP CLOUD VENDOR

- Fastest growing company at scale in the cloud
- Run rate (projected 4 quarter turnover): > €1.7 bn
- Cloud user base: >70 mn subscribers
- Largest cloud portfolio: >30 solutions for all lines-of-business (LoB) as well as Business Suite
- Market leader in Human Capital Man. solutions
- Market leader in business networks: Spend volume > US$0.7 trillion, 1.7 mn registered users
- Leading social business platform: >15 mn users

LEADING MOBILITY VENDOR

- Market leader for mobile business applications: >130 mn mobile users, >300 mobile apps
- SAP mobile solutions reach 97% of mobile subscribers via text messaging
- 1.8 bn text messages per day delivered by SAP Mobile Platform

INNOVATION

- 14 Development centers (SAP Labs) worldwide
- 100 Development locations worldwide
- 13 Co-Innovation and Living Labs worldwide
- 21 Research locations worldwide
- Innovation Center in Potsdam, Germany
- Partner network with >12,800 SAP partner companies around the world
- Sapphire Ventures: Invested in >150 IT startups globally since 1996
  - US$1.4 bn capital under management
  - Operates independently from SAP
  - Gives SAP early visibility and access to markets, trends & innovation

EMPLOYEES AND BASIC FACTS

Employees per functional area
as of December 31, 2014

Sales & marketing **17,969**
Research & development **18,908**
Software- & software-related services **15,074**
Professional services **14,639**
General & administration **5,023**
Infrastructure **2,794**

- Headquarters: Walldorf, Germany
- Founded: April 1, 1972
- Listing: Frankfurt, New York
- 74,406 employees worldwide (12/31/2014)
  - EMEA: 33,340
  - Americas: 22,071
  - APJ: 18,995
- >120 nationalities worldwide
- nearly 80 nationalities at headquarters

SAP'S END-TO-END SOLUTIONS

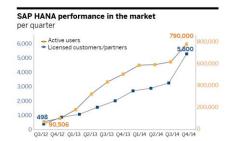Simple user experience designed with a mobile first mindset

1 – APPLICATIONS

- Packaged solutions for 26 industries and 11 lines-of-business
- SAP Business Suite optimizes all business-critical processes, including finance, marketing, human resources, procurement
- Rapid Deployment Solutions provide quick availability of applications (as little as 9 days in some cases)

2 – ANALYTICS

SAP is the market leader in products for business analysis (business intelligence) and a technology leader for real-time analysis anytime, anywhere for:
- Business intelligence
- Enterprise Performance Management
- Governance, Risk & Compliance
- Predictive Analytics

3 – SAP HANA PLATFORM

SAP HANA performance in the market
per quarter

- SAP HANA is the market-leading technology for real-time computing:
  - Open platform
  - Basis for all major SAP solutions, will become underlying technology for all SAP applications
- Customers:
  - >5,800 HANA customers
  - >790,000 active users
  - Suite on HANA: 1,850 customers
- Additionally, HANA is the platform for
  - >1,800 startups: HANA is evolving into the leading development platform
  - 8,500 trained partners
- SAP HANA Cloud Platform enables customers to extend existing Cloud applications or quickly develop entirely new ones
- As a database, >10,000 times faster than traditional databases (data analysis).
- HANA Enterprise Cloud: Customers get access to the full potential of HANA via managed Cloud.

USEFUL LINKS

Executives – Products – Events – Financials – Photos and Films – SAP Profile