

2015 ANNUAL REPORT
5-YEAR SUMMARY

Reimagine Your Business



The Best-Run Businesses Run SAP®

Five-Year Summary¹⁾

SAP GROUP

€ millions, unless otherwise stated	2015	2014	2013	2012	2011
Revenues					
Cloud subscriptions and support (IFRS)	2,286	1,087	696	270	18
Non-IFRS adjustments	10	14	61	73	0
Cloud subscriptions and support (non-IFRS)	2,296	1,101	757	343	18
Software licenses and support (IFRS)	14,928	13,228	12,809	12,532	11,012
Non-IFRS adjustments	2	5	21	9	27
Software licenses and support (non-IFRS)	14,930	13,233	12,830	12,540	11,038
Cloud and software (IFRS)	17,214	14,315	13,505	12,801	11,030
Non-IFRS adjustments	11	19	82	81	27
Cloud and software (non-IFRS)	17,226	14,334	13,587	12,883	11,057
Services (IFRS = non-IFRS)	3,579	3,245	3,310	3,421	3,203
Total revenue (IFRS)	20,793	17,560	16,815	16,223	14,233
Non-IFRS adjustments	11	19	82	81	27
Total revenue (non-IFRS)	20,805	17,580	16,897	16,304	14,260
Operating expenses					
Cost of cloud subscriptions and support ²⁾ (IFRS)	1,022	481	314	NA	NA
Non-IFRS adjustments ²⁾	-232	-88	-97	NA	NA
Cost of cloud subscriptions and support ²⁾ (non-IFRS)	789	393	218	NA	NA
Cost of software licenses and support ²⁾ (IFRS)	2,291	2,076	2,056	NA	NA
Non-IFRS adjustments ²⁾	-283	-258	-263	NA	NA
Cost of software licenses and support ²⁾ (non-IFRS)	2,008	1,818	1,793	NA	NA
Cost of cloud and software (IFRS)	3,313	2,557	2,370	2,339	1,948
Non-IFRS adjustments	-516	-346	-360	-411	-285
Cost of cloud and software (non-IFRS)	2,797	2,211	2,011	1,929	1,663
Cost of services (IFRS)	3,313	2,716	2,660	2,734	2,406
Non-IFRS adjustments	-180	-125	-128	-132	-33
Cost of services (non-IFRS)	3,133	2,590	2,533	2,602	2,373
Total cost of revenue (IFRS)	6,626	5,272	5,031	5,073	4,354
Non-IFRS adjustments	-696	-471	-487	-542	-318
Total cost of revenue (non-IFRS)	5,930	4,801	4,543	4,531	4,036
Research and development (IFRS)	2,845	2,331	2,282	2,261	1,935
Research and development (as a percentage of total revenue, IFRS)	13.7	13.3	13.6	13.9	13.6
Research and development (as a percentage of total operating expenses, IFRS)	17.2	17.6	18.5	18.6	20.7
Sales and marketing (IFRS)	5,401	4,304	4,131	3,912	3,083
General and administration (IFRS)	1,048	892	866	949	715
Depreciation and amortization (IFRS)	1,289	1,010	951	863	724

€ millions, unless otherwise stated	2015	2014	2013	2012	2011
Profits and Margins					
Cloud subscriptions and support margin ²⁾ (as a percentage of corresponding revenue, IFRS)	55.3	55.8	54.8	NA	NA
Cloud subscriptions and support margin ²⁾ (as a percentage of corresponding revenue, non-IFRS)	65.6	64.3	71.2	NA	NA
Cloud and software margin (as a percentage of corresponding revenue, IFRS)	80.8	82.1	82.4	81.7	82.3
Cloud and software margin (as a percentage of corresponding revenue, non-IFRS)	83.8	84.6	85.2	85.0	85.0
Services margin (as a percentage of corresponding revenue, IFRS)	7.4	16.3	19.6	20.1	24.9
Services margin (as a percentage of corresponding revenue, non-IFRS)	12.5	20.2	23.5	23.9	25.9
Total gross margin (as a percentage of total revenue, IFRS)	68.1	70.0	70.1	68.7	69.4
Total gross margin (as a percentage of total revenue, non-IFRS)	71.5	72.7	73.1	72.2	71.7
Operating profit (IFRS)	4,252	4,331	4,479	4,041	4,884
Non-IFRS adjustments	2,095	1,307	1,003	1,150	-171
Operating profit (non-IFRS)	6,348	5,638	5,482	5,192	4,713
Operating margin (as a percentage of total revenue, IFRS)	20.5	24.7	26.6	24.9	34.3
Operating margin (as a percentage of total revenue, non-IFRS)	30.5	32.1	32.4	31.8	33.1
Financial income, net	-5	-25	-66	-72	-42
Profit before tax (PBT)	3,991	4,355	4,396	3,796	4,767
PBT margin (as a percentage of revenues)	19	25	26	23	33
Income tax expense	-935	-1,075	-1,071	-993	-1,331
Profit after tax	3,056	3,280	3,325	2,803	3,437
Return on equity (profit after tax in percentage of average equity)	14	18	22	21	31
Non-IFRS Adjustments					
Revenue adjustments	11	19	82	81	27
Adjustment for acquisition-related charges	738	562	555	537	447
Adjustment for share-based payment expenses	724	290	327	522	68
Adjustment for restructuring	621	126	70	8	4
Adjustment for TomorrowNow and Versata litigation	0	309	-31	0	0
Segment results					
Applications, Technology & Services Segment					
Segment revenue ²⁾	19,126	16,871	16,386	NA	NA
Gross margin ²⁾ (as a percentage of corresponding revenue, IFRS)	72	73	74	NA	NA
Segment profit ²⁾	7,918	7,099	7,056	NA	NA
Segment margin ²⁾ (Segment profit as a percentage of Segment revenue, IFRS)	41	42	43	NA	NA
SAP Business Network Segment					
Segment revenue ²⁾	1,614	644	460	NA	NA
Gross margin ²⁾ (as a percentage of corresponding revenue, IFRS)	67	66	65	NA	NA
Segment profit ²⁾	312	105	99	NA	NA
Segment margin ²⁾ (Segment profit as a percentage of Segment revenue, IFRS)	19	16	22	NA	NA

€ millions, unless otherwise stated	2015	2014	2013	2012	2011
Liquidity and cash flow					
Net cash flows from operating activities	3,638	3,499	3,832	3,822	3,775
Net cash flows from investing activities	-334	-7,240	-1,781	-5,964	-1,226
Net cash flows from financing activities	-3,356	4,298	-1,589	-194	-1,176
Free cash flow	3,001	2,762	3,266	3,281	3,330
Free cash flow as percentage of total revenue	14	16	19	20	23
Cash conversion rate (net cash flows from operating activities as a percentage of profit after tax)	119	107	115	136	110
Cash and cash equivalents	3,411	3,328	2,748	2,477	4,965
Short-term investments	148	95	93	15	636
Group liquidity (cash and cash equivalents/short-term investments/restricted cash)	3,559	3,423	2,841	2,492	5,601
Financial debts (due to banks, private placements, bonds)	9,174	11,093	4,308	4,994	3,965
Net liquidity	-5,615	-7,670	-1,467	-2,502	1,636
Days' sales outstanding (DSO, in days)	71	65	62	59	60
Assets, equity and liabilities					
Trade and other receivables	5,362	4,443	3,962	4,006	3,577
Total current assets	9,739	8,999	7,351	6,928	9,628
Total non-current assets	31,651	29,566	19,739	19,378	13,313
Deferred cloud subscriptions and support revenue (IFRS)	957	689	443	317	4
Total current liabilities (including deferred income)	7,867	8,574	6,347	6,546	6,199
Total non-current liabilities (including deferred income)	10,228	10,457	4,695	5,627	4,053
Total equity (including non-controlling interests)	23,295	19,534	16,048	14,133	12,689
Total assets	41,390	38,565	27,091	26,306	22,941
Equity ratio (total equity as a percentage of total assets)	56	51	59	54	55
Debt ratio (total liabilities ³⁾ as a percentage of total assets)	44	49	41	46	45
Investments in goodwill, intangible assets or property, plant, and equipment (including capitalizations due to acquisitions)	676	8,636	1,813	6,939	657
Key SAP Stock Facts					
Issued shares ³⁾ (in millions)	1,229	1,229	1,229	1,229	1,228
Earnings per share, basic (in €)	2.56	2.75	2.79	2.35	2.89
Earnings per share, diluted (in €)	2.56	2.74	2.78	2.35	2.89
Dividend per share ⁴⁾ (in €)	1.15	1.10	1.00	0.85	1.10
Total dividend distributed ⁴⁾	1,378	1,315	1,194	1,013	1,310
Total dividend distributed as a percentage of profit after tax ⁴⁾	45	40	36	36	38
SAP share price ⁵⁾ (in €)	73.38	58.26	62.31	60.69	40.85
SAP share price – peak (in €)	74.85	62.55	64.80	61.43	45.90
SAP share price – low (in €)	54.53	50.90	52.20	41.45	34.26
Market capitalization ⁵⁾ (in € billions)	90.18	71.60	76.50	74.70	50.20
Return on SAP shares ⁵⁾ 1-year investment period (as a percentage)	25.87	-4.80	4.20	52.10	8.70
Return on SAP shares ⁵⁾ 5-year investment period (as a percentage)	13.99	13.90	21.80	13.10	1.70
Return on SAP shares ⁵⁾ 10-year investment period (as a percentage)	6.72	7.40	7.90	13.80	2.20

€ millions, unless otherwise stated	2015	2014	2013	2012	2011
Employees and personnel expenses					
Number of employees ^{6), 8)}	76,986	74,406	66,572	64,422	55,765
Number of employees, annual average ⁶⁾	75,180	68,343	65,409	61,134	54,346
Number of employees in research and development ^{6), 8)}	20,938	18,908	17,804	18,012	15,861
Personnel expenses	10,170	7,877	7,489	7,286	5,880
Personnel expenses – excluding share-based payments	9,446	7,587	7,162	6,764	5,812
Personnel expenses per employee – excluding share-based payments (in € thousands)	126	111	109	111	107
Women working at SAP (as a percentage)	31	31	31	30	30
Women in management ⁸⁾ (total, as a percentage of total number of employees)	23.6	21.3	21.2	20.8	19.5
Women managing managers ^{7), 8)} (as a percentage)	19.2	15.9	14.3	14.5	13.5
Women managing teams ^{7), 8)} (as a percentage)	25.3	23.3	21.7	21.1	20.5
Employee Engagement Index (as a percentage)	81	79	77	79	77
Business Health Culture Index ¹³⁾ (BHCI, as a percentage)	75	72	67	66	65
Employee retention (as a percentage)	91.8	93.5	93.5	94.0	92.8
Total turnover rate (as a percentage)	11	9	8	7	9
Customer					
Customer Net Promoter Score ^{9), 12)} (as a percentage)	22.4	19.1	12.1	8.9	NA
Environment					
Net Greenhouse gas emissions (in kilotons)	455	500	545	485	490
Greenhouse gas emissions per employee ⁶⁾ (in tons)	6.0	7.3	8.3	7.9	9.0
Greenhouse gas emissions per € revenue (in grams)	21.9	28.4	32.4	30.0	34.4
Total energy consumption (in GWh)	965	920	910	860	860
Energy consumed per employee ⁶⁾ (in kWh)	12,500	13,400	13,900	14,000	15,700
Data center energy consumed (in GWh)	249	179	173	160	154
Data center energy per employee ^{6), 10)} (in kWh)	NA	NA	2,633	2,598	2,824
Data center energy per € revenue ¹¹⁾ (in kWh)	12	10	NA	NA	NA
Renewable energy sourced (as a percentage)	100	100	43	51	32

¹⁾ Amounts for 2011 to 2015 according to IFRS, unless otherwise stated.

²⁾ 2012 and 2011 amounts are not available.

³⁾ As sum of current and non-current liability.

⁴⁾ 2015 numbers are based on the proposed dividend for 2015 and on 2015 closing level of treasury stock.

⁵⁾ Average Annual Return. Assuming all dividends are reinvested.

⁶⁾ Full-time equivalents.

⁷⁾ Relates to different levels of management position.

⁸⁾ Numbers based on year-end.

⁹⁾ In 2012, we adopted a new methodology for measuring customer loyalty: Net promoter score (NPS). There are therefore no comparable NPS values for years prior to 2012.

¹⁰⁾ Due to the integration of cloud capacity of external non-SAP data centers normalizing energy consumption against SAP employees becomes meaningless. KPI discontinued.

¹¹⁾ Data center energy consumption normalized against € revenue combines a relative measure of required energy to develop and operate solution in internal and external data center.

¹²⁾ The 2015 Customer NPS is not fully comparable to the prior year's score.

¹³⁾ The BHCI score for 2014 was recalculated from 70% to 72% based on two updated questions in the people survey concerning work-life balance.