SAPPHIRE NOW 2017
Investor & Financial Analyst Conference

May 17th, 2017
## Agenda

<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
<th>Presenter/Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>01:00 pm</td>
<td>Welcome</td>
<td>Stefan Gruber, Head of Investor Relations</td>
</tr>
<tr>
<td>01:05 – 01:20 pm</td>
<td>Business Overview</td>
<td>Luka Mucic, CFO</td>
</tr>
<tr>
<td>01:20 – 01:40 pm</td>
<td>SAP Technology for the Intelligent Enterprise</td>
<td>Bjoern Goerke, Chief Technology Officer &amp; President SAP Cloud Platform</td>
</tr>
<tr>
<td>01:40 – 01:50 pm</td>
<td>Q&amp;A</td>
<td></td>
</tr>
<tr>
<td>01:50 – 02:05 pm</td>
<td>Accelerate Digital Value Creation with SAP S/4HANA Cloud</td>
<td>Darren Roos, President S/4HANA Cloud</td>
</tr>
<tr>
<td>02:05 – 02:15 pm</td>
<td>Q&amp;A</td>
<td></td>
</tr>
<tr>
<td>02:15 – 02:30 pm</td>
<td>Coffee Break</td>
<td></td>
</tr>
<tr>
<td>02:30 – 03:00 pm</td>
<td>Executive Q&amp;A</td>
<td>Bill McDermott, Luka Mucic, Rob Enslin, Bernd Leukert</td>
</tr>
</tbody>
</table>
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.
Business Overview
Luka Mucic, CFO

May 17th, 2017
2020 ambition – pushing towards a larger more predictable business

2016

- Support + Cloud subscriptions revenue as share of total revenue: 39%
- All other revenue: 61%
- Total revenue: €22.1bn

2020 ambition

- Support + Cloud subscriptions revenue as share of total revenue: 70-75%
- All other revenue: 25-30%
- Total revenue: €28–29bn

+9pp to +14pp

All figures are non-IFRS
Driving increased profitability
Highly profitable cloud business in the long term

2016
- Mix shift effects
- Cloud investments
- Services margin dampened by strategic co-innovation

2017
- Mix shift effects
- Cloud investments
- Services margin improving

2018 – 2020
- Cloud investments paying off. Highly standardized “converged platform” drives:
  - Gross margin improvement
  - R&D leverage (away from “any DB”)
- Cloud overtakes software
- Efficiency in each business improving and cost ratios start to improve
- Cloud at scale contributes to profit acceleration through increased share of renewal base
Other topical issues

1. Stock-based compensation
2. Restructuring
3. Cash-flow development / use of cash
4. New segment reporting
## Outlook for FY2017 – update on FX impact

<table>
<thead>
<tr>
<th>SAP’s outlook FY 2017</th>
<th>Cloud subscriptions and support revenue (Non-IFRS at cc)</th>
<th>Cloud and software revenue (Non-IFRS at cc)</th>
<th>Total revenue (Non-IFRS at cc)</th>
<th>Operating profit (Non-IFRS at cc)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€3.8bn to €4.0bn upper end +34% [ 2016: €2.99bn]</td>
<td>+6% to 8%</td>
<td>€23.2 to 23.6bn [ 2016: €22.07bn]</td>
<td>€6.8bn to €7.0bn [ 2016: €6.63bn]</td>
</tr>
</tbody>
</table>

| Actual performance 3M/17 | €878m | +30% | +9% | €5.1bn | + 8 % | €1.1bn | +2% |

While the Company’s full-year 2017 business outlook is at constant currencies, actual currency reported figures are expected to continue to be impacted by exchange rate fluctuations. If exchange rates remain at the May 15th, 2017 level for the rest of the year, the Company expects its non-IFRS cloud and software revenue growth rate as well as its non-IFRS operating profit growth rate to experience a currency benefit in a range of 1 to 4 percentage points for Q2 2017. For the full year 2017 we expect a range of 0 to 3 percentage points benefit.

This currency impact estimate supersedes the estimate we provided on April 25th, 2017 which was based on March 2017 average exchange rates.
SAP Technology for the intelligent enterprise

Björn Goerke, Chief Technology Officer & President SAP Cloud Platform
**Digital Economy is Reality**

**Fortune 500 is changing**

88% of the companies have disappeared, merged, or contracted since 1955.

Source: Steven Denning (Forbes)

**Shrinking life expectancy of companies.**

75 years

15 years

**The Unicorns**

The number of new venture backed startups winning billion-dollar valuations.

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>17</td>
</tr>
<tr>
<td>2012</td>
<td>11</td>
</tr>
<tr>
<td>2013</td>
<td>29</td>
</tr>
<tr>
<td>2014</td>
<td>60</td>
</tr>
<tr>
<td>2015</td>
<td>66</td>
</tr>
</tbody>
</table>

Source: CBInsights

**New Heavyweights**

Equal 60% of total DAX-marketcap

**Top 10 companies**

In the top 10 list of the largest global companies in 2016, 70% are new companies compared to 2006.

Source: Forbes

Charles Darwin:

“Survival of the fittest”

Not the biggest ones win, the most agile ones.
Bi-Modal IT

How to sense?

How to engage?

How to decide?

How to run your company?

How to steer your company?

Setting the foundation

Mode 1

Mode 2
Digitalization

Every company to become a software-driven company by...

Intelligently connecting People, Things and Businesses

Machine Learning
Real-time data
Integration
Security
UX/ CX
IoT
Mobile
Collaboration
New business models
New eco-systems
APIs
Microservices
Integration
Compliance
Transform to an agile enterprise architecture

SAP Cloud Platform

S/4HANA

On Premise

Cloud

NEW

BUILD

EXTEND

INTEGRATE

Ecosystem
Openness
Microservices
Realtime Data
Multi-Cloud

Cloud and On Premise integration with SAP Cloud Platform and S/4HANA.
Intelligently connecting People, Things and Businesses

Connectivity
- Internet
- Mobile
- Internet of Things

Intelligently
- Market insights
- Usage statistics
- Predictive

Business
- B2B collaboration
- Business Networks
- Cloud

Customer
Company building products for construction and mining industries
Connectivity
- Mobile
- CRM integration

Intelligently
- Market insights
- Store Analytics
- Task management

Business
- Collaboration btw. stores
- 360° customer view
- Personalized service

Intelligently connecting People, Things and Businesses

Customer
Why SAP Cloud Platform?

#1
SAP – SAP is committed to the Enterprise, is the world’s leader in enterprise applications, and is a leader in cloud with over 30 solutions and 130 million subscribers.

#2
Single PaaS – SAP Cloud Platform provides the capability of extending SAP LoB Applications, SAP Landscapes, and 3rd party solutions all from a single PaaS.

#3
Open – SAP Cloud Platform leverages the best of Open Source (Cloud Foundry, Java), Open Languages (HTML5, Swift, Node.js) and Open APIs (REST, JSON).

#4
Ecosystem – SAP Cloud Platform combines extensive services with smart business semantic that allow developers & partners in our ecosystem to deliver new digital business solutions more easily, more cost-efficient and more rapidly than ever before.

#5
Flexible – SAP is the only vendor that provides an end-to-end business cloud platform on top of the infrastructure provider of your choice – accompanied by unified access via a central cockpit to orchestrate multi-cloud.
Digital Innovation Lab with SAP Leonardo

- Design Thinking
- Rapid Prototyping
- Business Value
- Digital Transformation
Thank you
Accelerate digital value creation with SAP S/4HANA Cloud

Darren Roos, President S/4HANA Cloud
@darrenroos
Cloud ERP is at the core of digital value creation

Empower talent and creativity
- Intuitive yet impactful user experience
- Advanced interactions to reduce manual work

Free up resources for innovation
- Instant access to strategic capabilities
- Ability to adapt and innovate rapidly

Accelerate adoption in a hyper-connected world
- Reduce silos to leverage new business models
- Continuous transformation through digital agility

Simplicity of user experience

Velocity of digital business
S/4HANA Cloud is your intelligent Cloud ERP

Intuitive
Delivering next-generation contextual experiences and smart interactions across all devices.

Instant
• Go Live in Weeks
• Quarterly Updates
• Fit to Standard

Intelligent
• Machine Learning & AI
• Digital Assistant
• Predictive Analytics

Innovative
• In-memory Database
• Real-time Insights
• Native Integration

Industry-Leading
Reducing complexity of the digital agenda by leveraging our unique expertise from the last 40+ years and our value visibility globally.
**Market Segmentation**

- Targeting upper mid-market through to large enterprises with 1,500+ employees
  - Incl. subsidiaries and operational units of large enterprises (Two-tier ERP)

**Sectors & LoBs**

- Solution designed for service centric and product centric organizations
  - Service centric: Consulting, Audit, Tax and other Professional Services
  - Product centric: Manufacturing and other operations focused organizations
- Focus on Finance and Procurement functions

**Geographical Focus**

- Focus on 12 key market units:
  - EMEA: UK, France, Netherlands, Italy, Spain, South Africa
  - MEE: Germany, Switzerland
  - NA: US, Canada
  - APJ: Australia, Japan
Upset your industry with the intelligent cloud ERP solution that offers live insights and real-time updates. So you can do more than predict the next opportunity, you can seize it without missing a step.

SAP S/4HANA Cloud Run Ahead
Executive Q&A
Bill McDermott, Luka Mucic, Rob Enslin, Bernd Leukert