



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

Customers

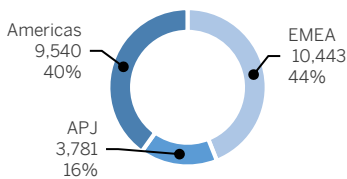
- SAP serves >404,000 customers in >180 countries
- Approx. 80% of SAP customers are SMEs
- SAP customers include:
 - 92% of the Forbes Global 2000 companies
 - 98% of the 100 most valued brands
 - 100% of the Dow Jones top scoring sustainability companies
- Our customers produce:
 - 78% of the world's food
 - 82% of the world's medical devices
- 77% of the world's transaction revenue touches an SAP system¹

Financials

Revenue – FY2017 (non-IFRS, growth rates @cc)	
Cloud subscription and support	€3.83b (+ 28%)
Cloud and Software	€19.81b (+ 8%)
Total revenue	€23.77b (+ 8%)
Revenue – Q2/2018 (non-IFRS, growth rates @cc)	
Cloud subscription and support	€1.23b (+ 40%)
Cloud and Software	€4.96b (+ 10%)
Total revenue	€6.01b (+ 10%)

Revenue by region FY2017

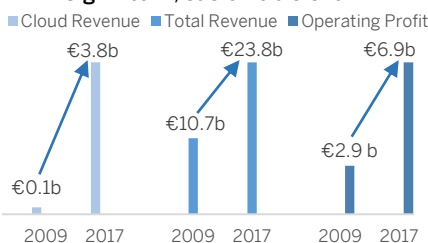
(€ m, non-IFRS / share of total rev. in %)



Outlook 2018 (non-IFRS@cc), raised on July 19, 2018	
Cloud subscription and support	€5.05b to €5.20b
Cloud and Software	€21.025b to €21.250b
Total revenue	€24.975b to €25.3b
Operating profit	€7.4b to €7.5b (2017: €6.77b)
Ambition 2020 (non-IFRS)	
Cloud subscription and support	€8.2b to €8.7b
Total revenue	€28b to €29b
Operating profit	€8.5b to €9.0b

Share of predictable revenue (defined as the total of cloud subscriptions & support revenue and software support revenue) was 66% in Q2/2018. SAP continues to expect the share of more predictable revenue to reach 70% – 75% in 2020.

Significant, sustainable Growth



¹ Source: Oxford Economics/SAP analysis, Feb. 2108

Strategy

- SAP is committed to supporting every customer to become a best-run business. Together, we help the world run better and improve people's lives.
- Being a best-run business means being an intelligent enterprise. Our strategy is therefore to deliver The Intelligent Enterprise for our customers, so they can achieve their desired outcomes.

Market Position

Enterprise Application Software

- SAP is a leader in:
 - Enterprise application software
 - Predictive analytics
 - Artificial Intelligence for cloud based marketing
- Recognized database leader
- 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

- Cloud user base: > 160m subscribers
- SAP Cloud Platform: choice across hyperscale cloud vendors (Google, Amazon, Microsoft)
- Largest cloud portfolio: >100 solutions for all lines-of-business (LoB) as well as business suites
- HCM market leader: >53m subscribers on SuccessFactors
- 39 datacenters in 21 locations in 12 countries
- SAP Digital for online SAP and partner offerings. >118,000 orders from >125 countries

Innovation

- >€3.3b R&D expense in 2017. R&D expense ratio: 14.3% (IFRS; R&D expense as % of total revenue)
- R&D headcount (FTE): 26.081 at 6/30/2018, equaling 28% of total headcount
- >100 Development locations worldwide
- 20 Development centers (SAP Labs) worldwide
- 17 Co-Innovation Labs worldwide
- 8 SAP Innovation Center Network locations
- Partner network with >17,700 SAP partner companies
- Sapphire Ventures: Invested in >90 IT startups. 56 IPOs and M&A exits since 2011
 - \$2.5b capital under management
 - Operates independently from SAP
 - Provides SAP early access to trends & innovation
- 845 patents granted and validated in 2017
- openSAP: >2.7m enrollments on online learning platform

Basic Facts

- Headquarters: Walldorf, Germany
- Founded: April 1, 1972
- Listing: Frankfurt, New York
- 93,846 employees worldwide (6/30/2018)
 - >140 nationalities worldwide
 - High employee satisfaction: Employee Engagement Index at 85% in 2017
 - 69% of SAP employees are SAP shareholders

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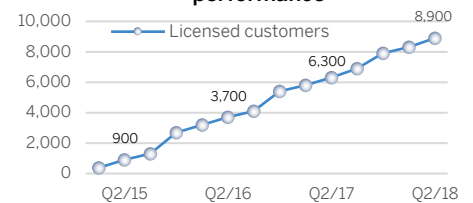
SAP's End-to-End Solutions

User interface designed with a cloud experience mindset

1 – Applications

- Packaged solutions for 25 industries and 7 lines-of-business: on premise, cloud, hybrid
- Technology leader for real-time analysis: Business Intelligence, Predictive Analytics, including BW/4HANA
- S/4HANA: next generation business suite
 - The digital core that drives digital transformation: reimagined business models and processes, unlocking the business value of internet of things and big data to any organization
 - S/4HANA Cloud: intelligent cloud ERP, delivering instant business value, access to digital capabilities and rapid innovation, including machine learning and predictive analytics

SAP S/4HANA market performance



- SAP C/4HANA, the customer experience cloud suite:
 - Customer Data Cloud: 1.3b online identities p.d.
 - Commerce Cloud: on Azure, open to public cloud
 - Marketing Cloud: 2b personalized interactions p.a.
 - Sales Cloud used by 5.6m sales people
 - Service Cloud: > 50m service tickets p.a.
- SAP Leonardo: comprehensive portfolio of solutions and services packaged by industry, combining Machine Learning, IoT, Blockchain, Analytics and Big Data on SAP Cloud Platform using Design Thinking Services
- SAP HANA Data Management Suite turns massive amounts of distributed, structured and unstructured data into valuable, usable knowledge
- Total workforce management solutions: SuccessFactors supports 42 languages. Employee Central localized for 92 countries, used by >2,600 customers

2 – Business Networks

- With a total commerce volume of >\$2.4tn p.a., SAP's Business Network companies provide the leading solutions in the areas of
 - Goods and services: SAP Ariba connects >3.4m businesses.
 - Travel and expense: Concur is being used by >50m travelers.
 - External workforce and services procurement: SAP Fieldglass customers manage >5.1m contingent workers in >180 countries

3 – Platforms

- SAP HANA, with >25,000 customers: market-leading platform for real-time computing:
 - Open platform, transactional and analytical
 - Rapid development environment with flexible deployment: on premise or in the cloud
- SAP Cloud Platform: open platform-as-a-service designed to innovate.
 - Center of the SAP Intelligent Suite
 - Full release updates every 14 days
- SAP HANA Enterprise Cloud: access to the full potential of SAP HANA via private managed cloud

