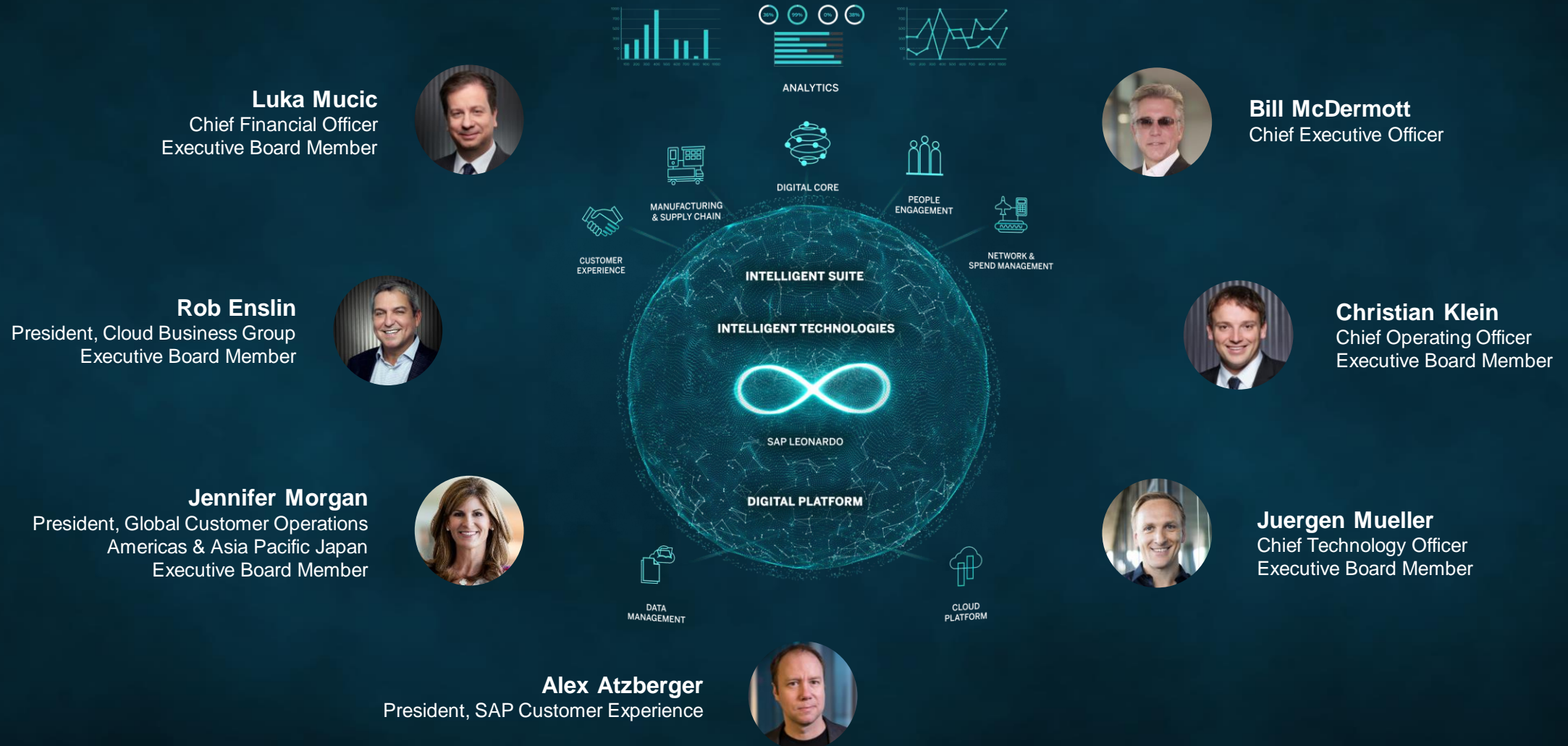


Welcome to SAP Capital Markets Day 2019



Agenda

09:30 – 09:35 am	Welcome Stefan Gruber, Head of Investor Relations
09:35 – 10:05 am	Strategy and Vision: Opportunity in Time of Disruption Bill McDermott, CEO
10:05 – 10:30 am	Delivering the Intelligent Enterprise Christian Klein and Juergen Mueller, Executive Board Members
10:30 – 10:45 am	Break
10:45 – 11:15 am	SAP C/4HANA Shaking up CRM Alex Atzberger, President SAP Customer Experience
11:15 – 11:45 am	Customer Perspective Hosted by Jennifer Morgan, Executive Board Member
11:45 am – 12:10 pm	Charting the Course for 2023 Luka Mucic, CFO and Executive Board Member
12:10 – 12:55 pm	Q&A
12:55 – 2:00 pm	Buffet Lunch Reception
02:15 – 03:45 pm	Breakout Sessions
03:45 – 04:30 pm	Coffee and Networking

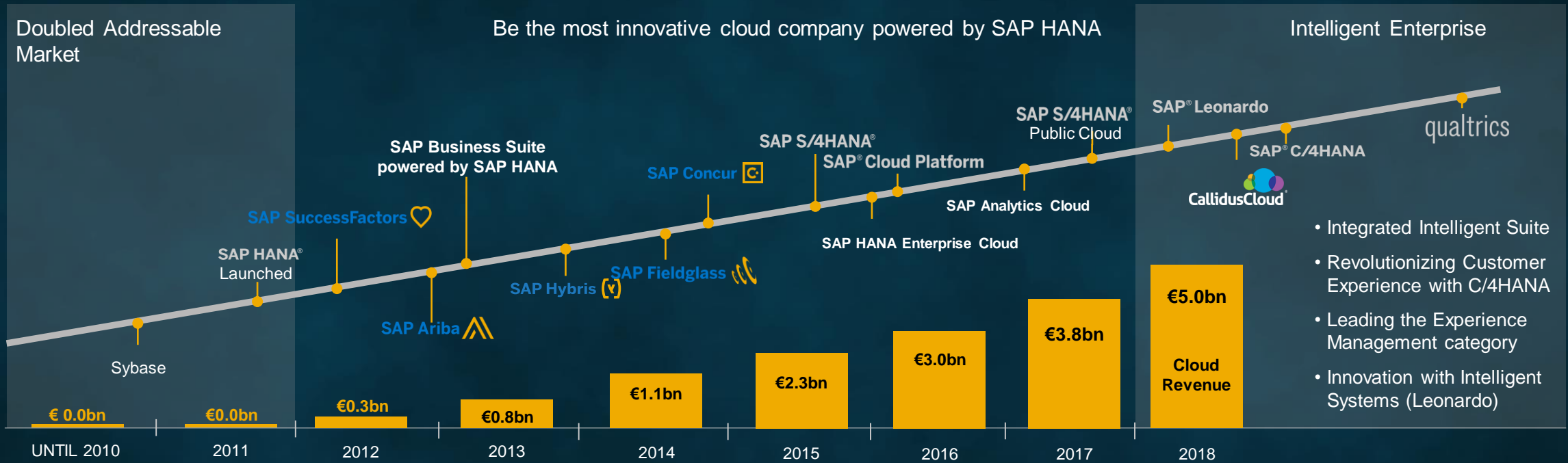
Safe Harbour Statement

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 SEC. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates.

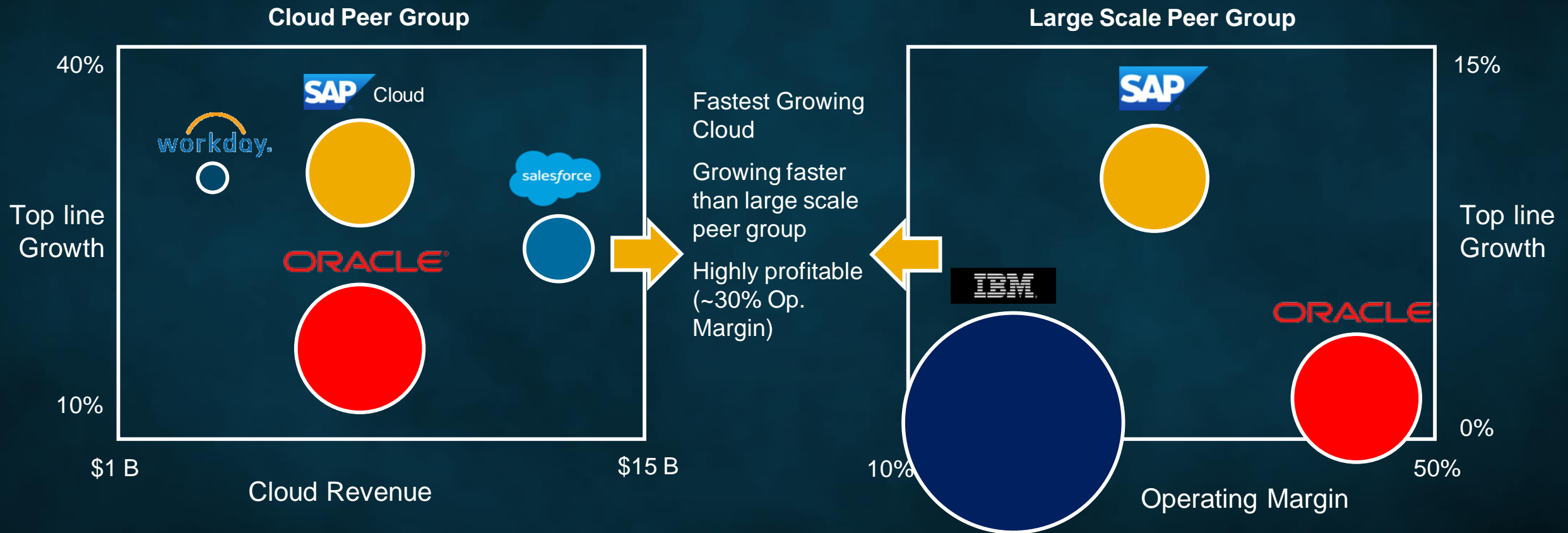
Opportunity in Time of Disruption

Bill McDermott, CEO

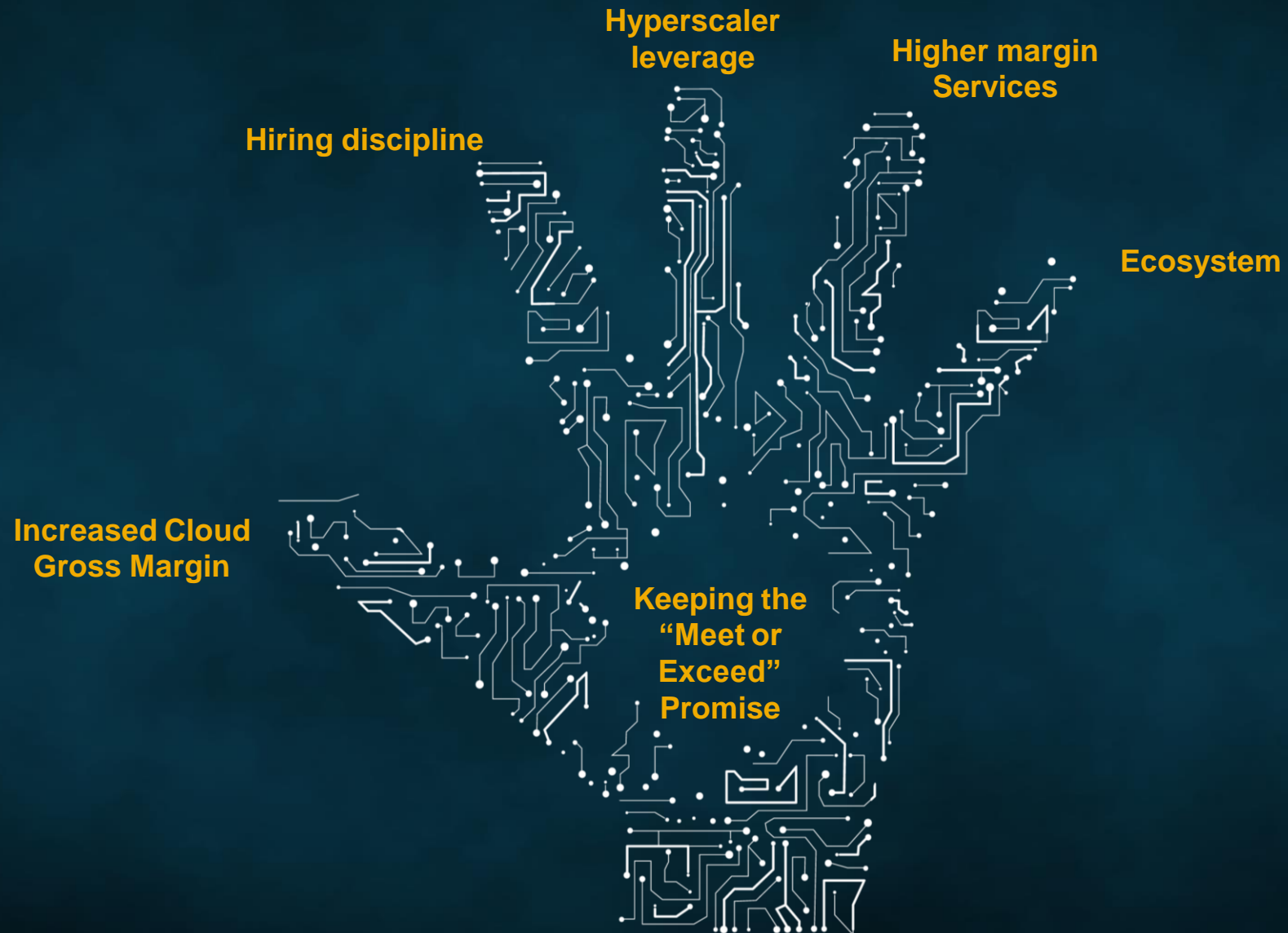
SAP: “Structural Incline”



The fastest growing cloud at scale in business software

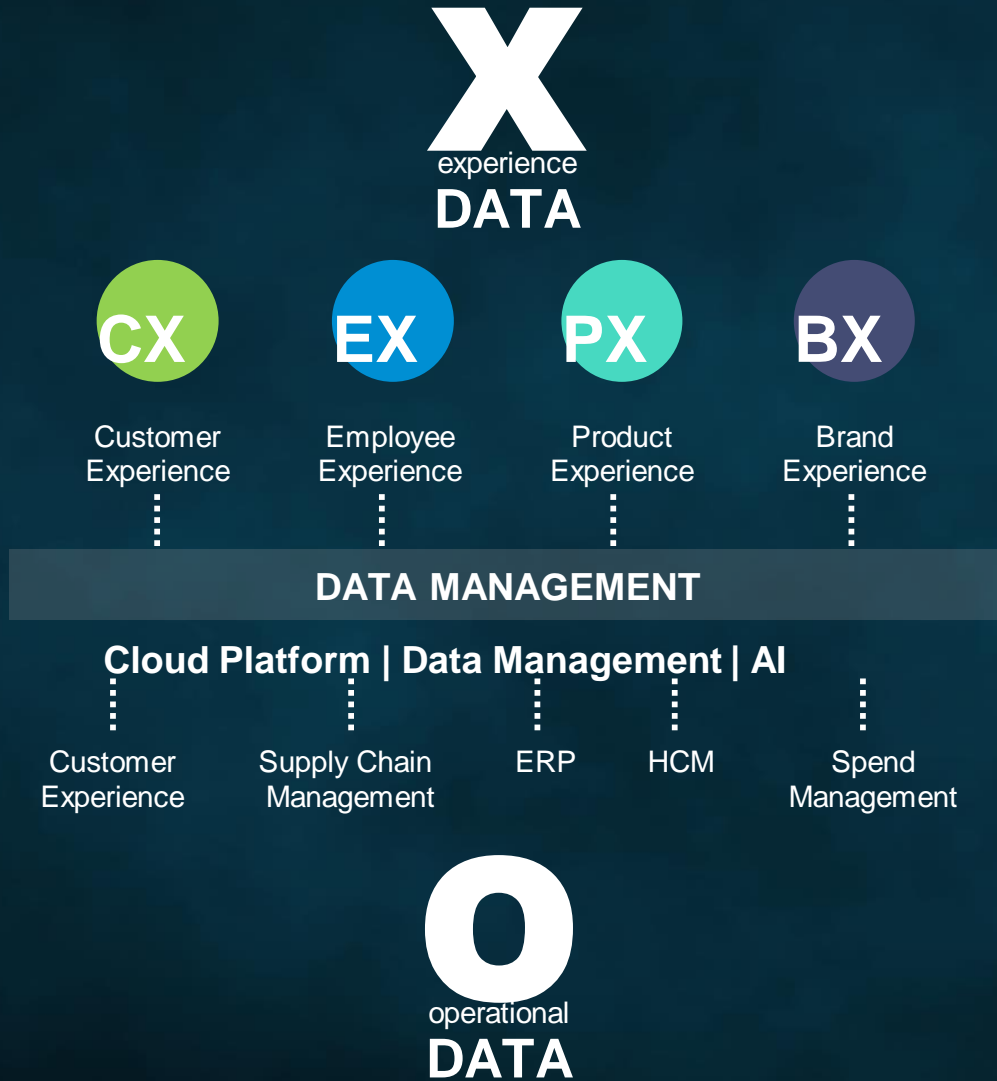


Driving sustainable operating profit growth



Winning the experience economy

EXPERIENCE MANAGEMENT



1.8B

experience touchpoints run on Qualtrics

77%

Of the world's transactions across 25 industries touch SAP systems

The SAP “Top Ten”

Winning Strategy

1. X+O: Experience Management (X) Meets Intelligent Enterprise (O)
2. Next Gen CRM: C/4+S/4 End-to-End
3. Industry 4.0: Next-Gen Manufacturing and Supply Chain
4. Automation and Augmented Humanity: SAP Leonardo Everywhere
5. New Skills, Flexible Workforce: SAP SuccessFactors + SAP Fieldglass

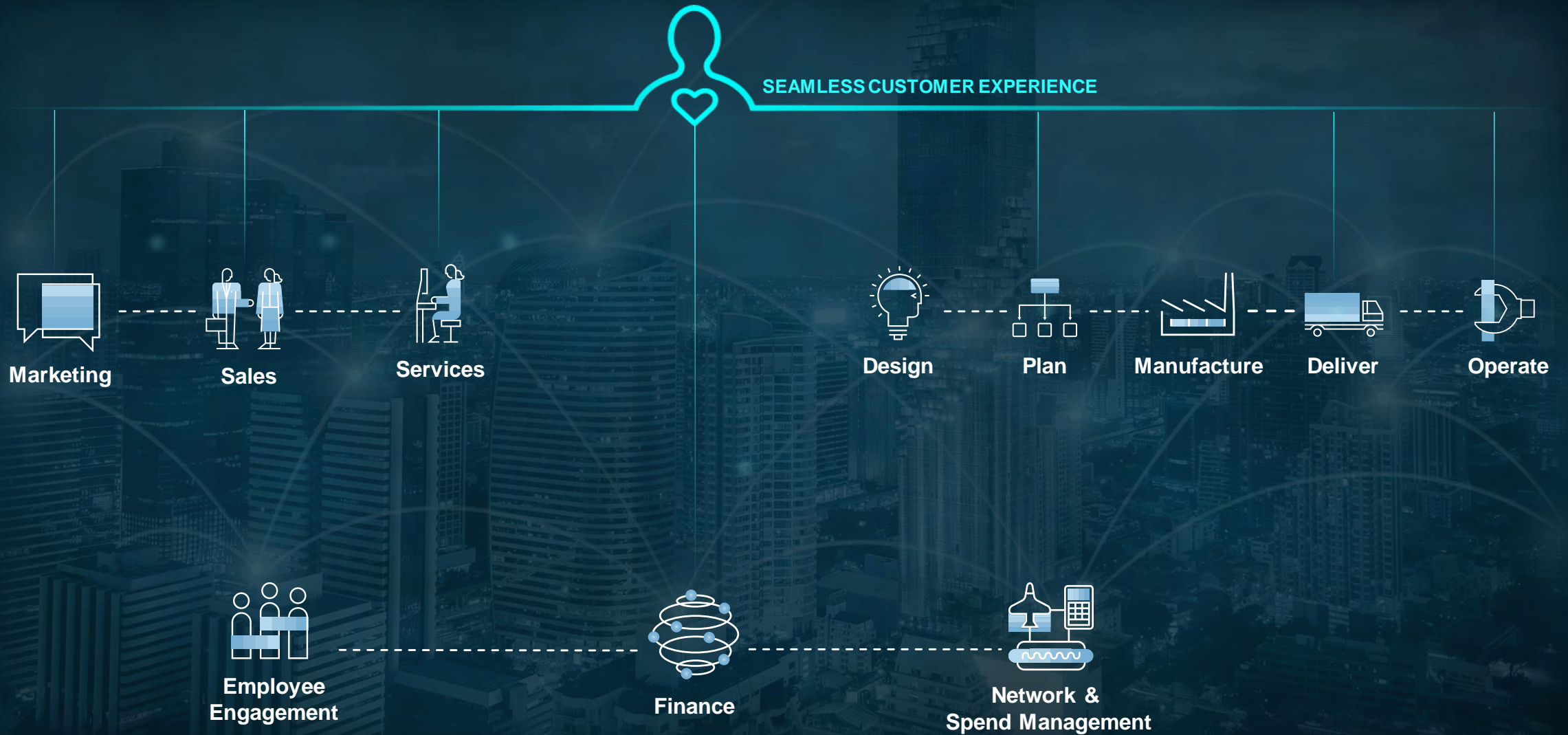
2023 Growth Ambition

6. #1 in Experience Management
7. Fastest Growing in Customer Experience
8. #1 in Cloud ERP
9. #1 in Cloud Workforce Management
10. Global Standard in Business Networks: Trillions in Commerce

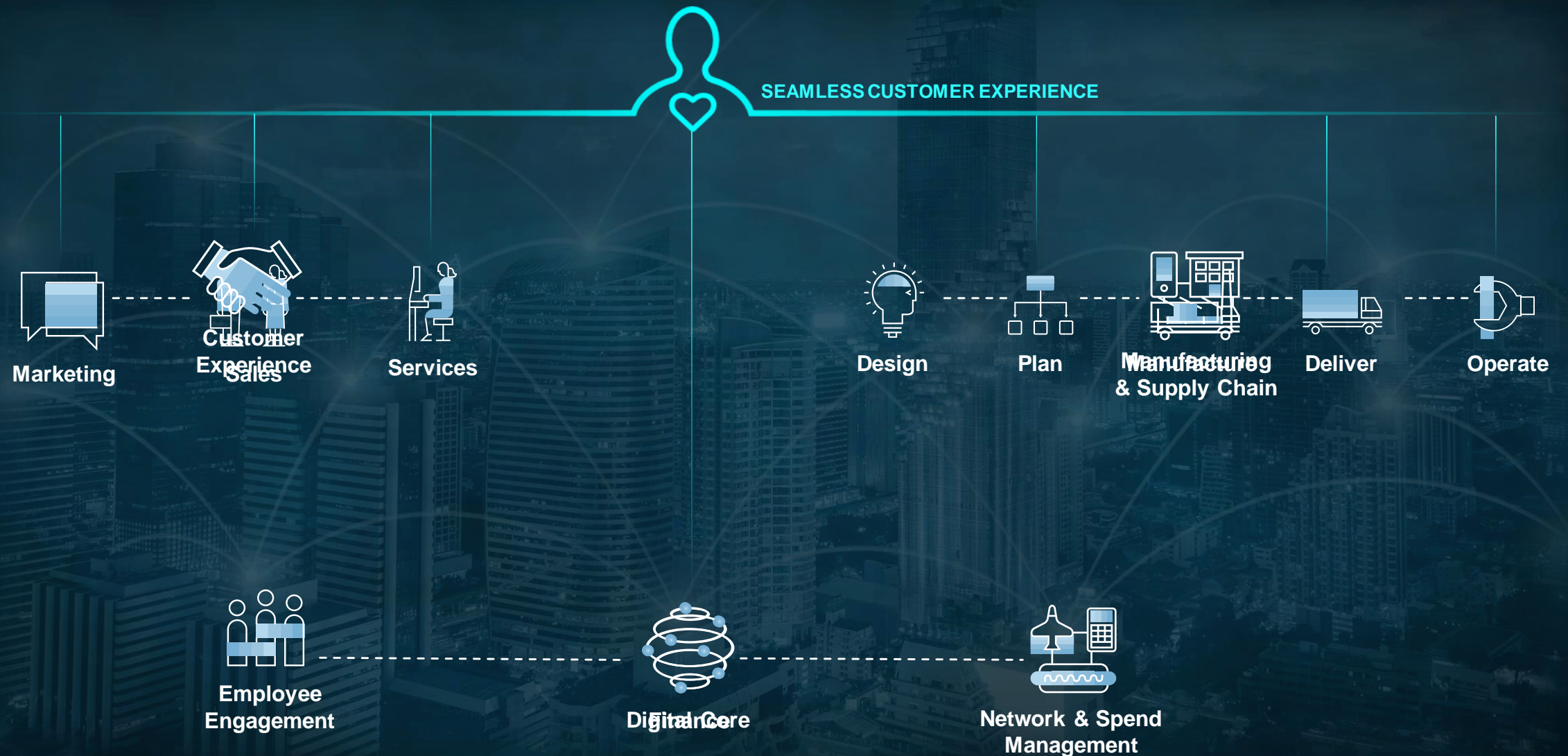
DELIVER the Intelligent Enterprise

Christian Klein (COO) and Juergen Mueller (CTO)
Executive Board Members

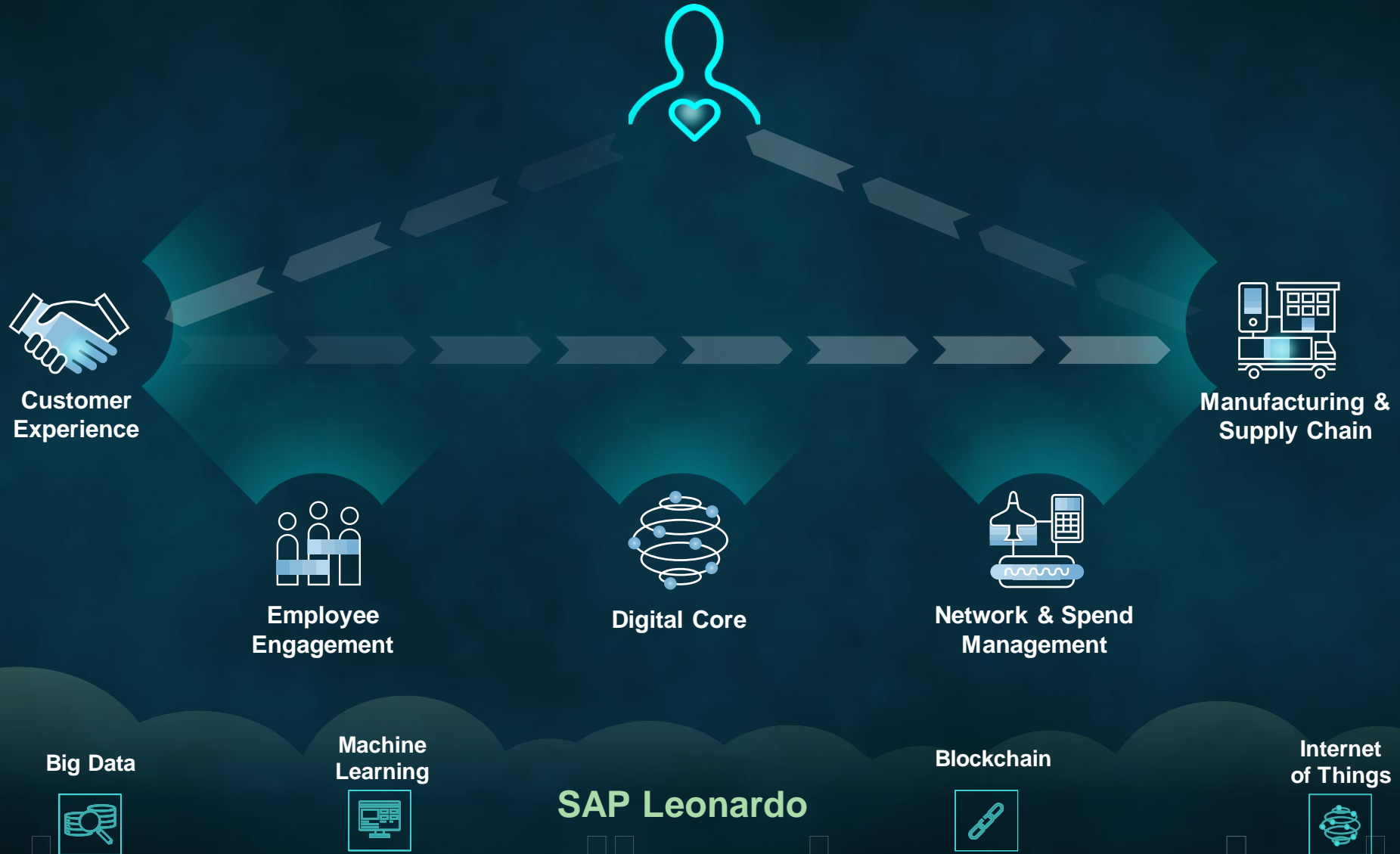
The Intelligent Enterprise by SAP – ONE Seamless Customer Experience



The Intelligent Enterprise by SAP – ONE Seamless Customer Experience



Intelligent Business Processes With SAP Leonardo



We Empower Decision Makers with End-to-End Real Time Steering



Real time steering across the value chain

Reporting | Predictive Analytics | Integrated Planning



Customer Experience



Manufacturing & Supply Chain



Employee Engagement



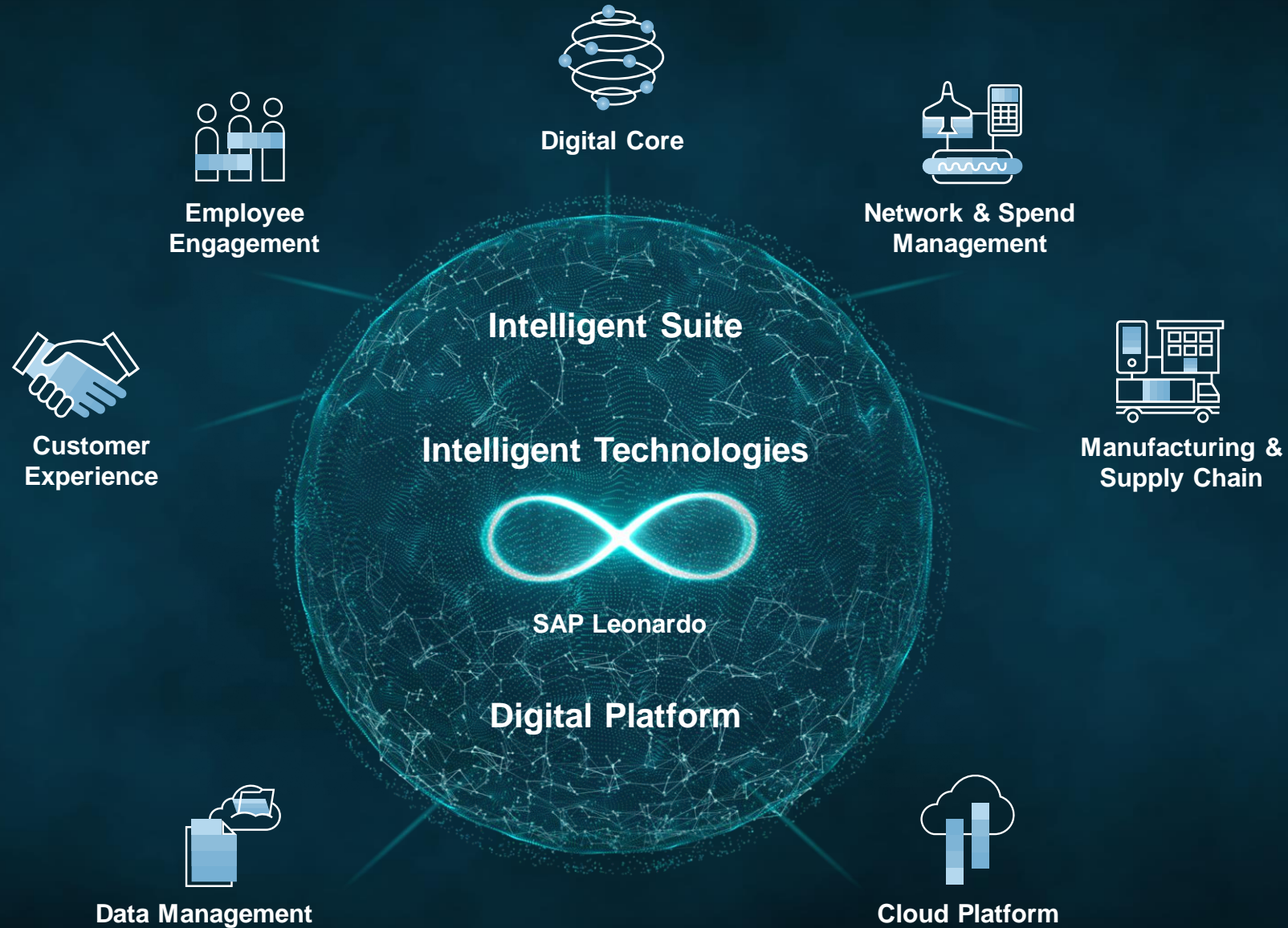
Digital Core



Network & Spend Management

SAP Cloud Platform powered by HANA

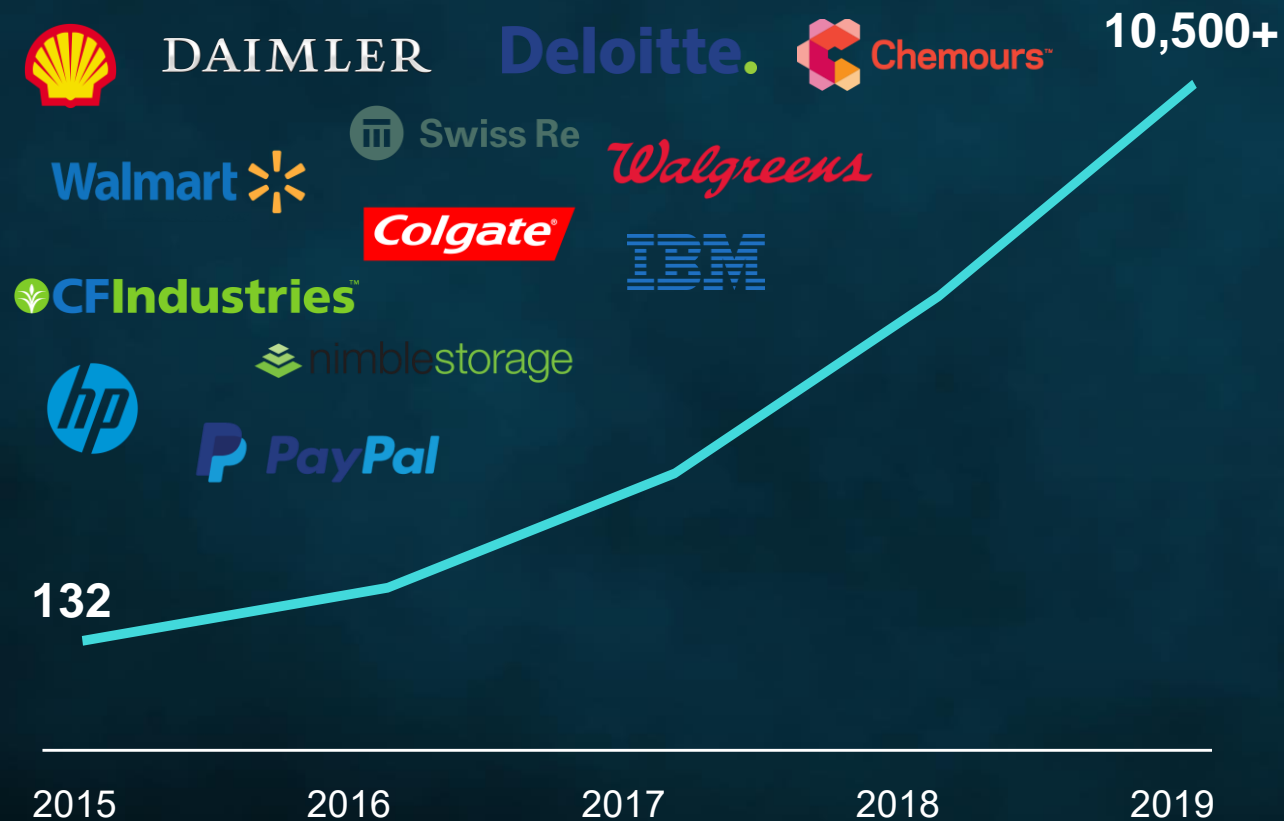
The Intelligent Enterprise



Adoption of SAP S/4HANA is kicking in by offering unique potential across all Lines of Business.

SAP S/4HANA Adoption

of licensed customers



10,500+

Licensed customers



Ahead of R/3
Adoption



40%

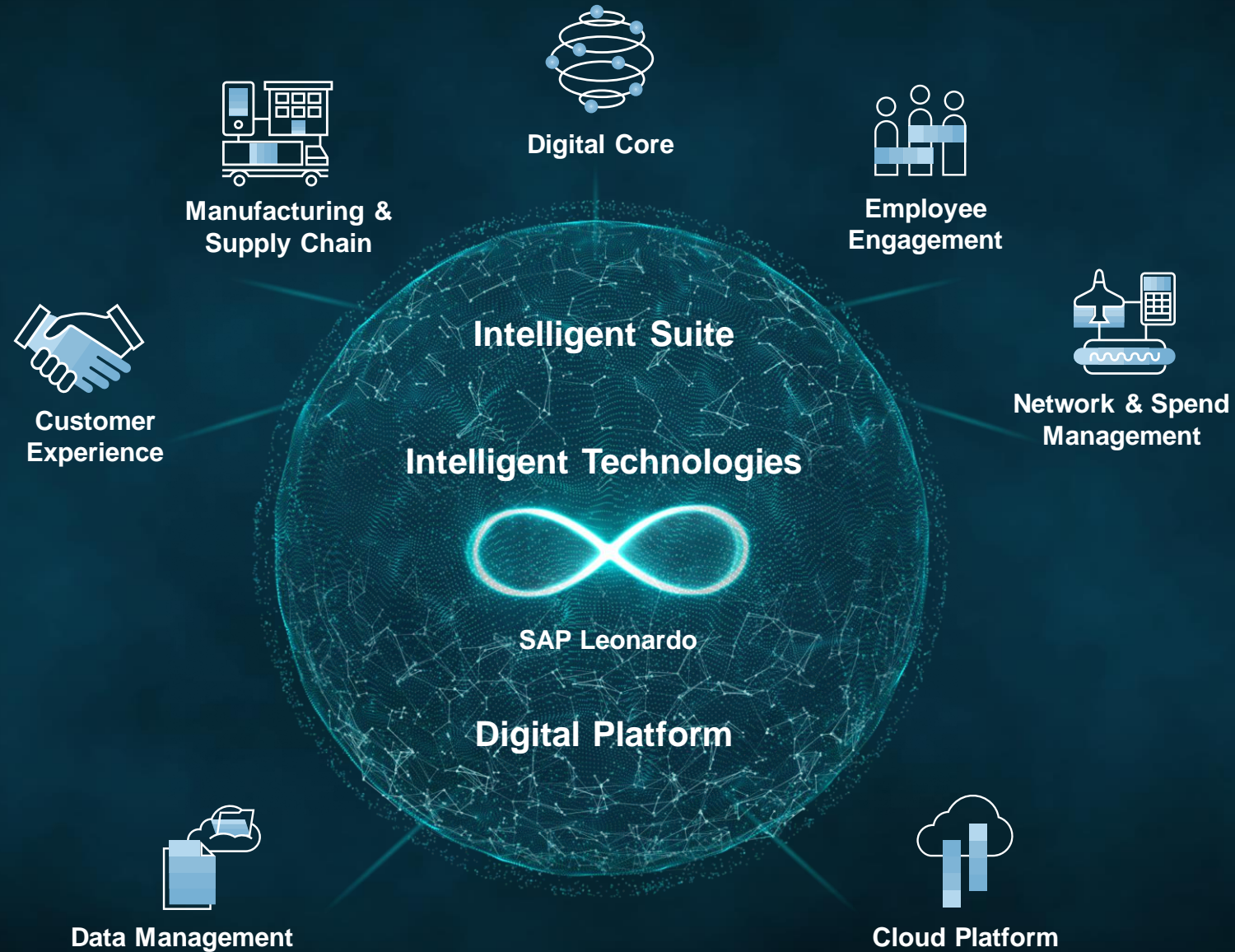
Net new customer share



Accelerated
Cloud Growth

in Finance and Professional Services

The Intelligent Enterprise



SAP C/4HANA

Shaking up CRM

Alex Atzberger, President SAP Customer Experience



@aatzberger

#BeBold

THE BEST RUN 

We live in a Experience Economy

80%

of customers have chosen to **switch brands** due to a poor **customer experience**¹

\$2.5T

Impact of yearly loss of trust due to abuse of **data privacy** and **brand loyalty**²

\$100B

Estimated market size for **customer experience solutions, platform and integration** to operational systems³

CRM has evolved into **Customer Experience** management platforms

Legacy CRM

CX Suites

Transactional data



Operational + Experience data

Siloed view and processes with focus on sales force automation



Seamless end-to-end journeys designed around customer across all channels

Customer privacy not in scope



Privacy built-in

Monolithic platforms



Microservices-driven agile platform

SAP

C/4HANA


5 Clouds and 7 Suite Attributes




Marketing Cloud
2.8 Billion personalizations



Commerce Cloud
5-year Gartner MQ Leader




Service Cloud
61 million Service Tickets




Sales Cloud
5+ million Sales Professionals



Customer Data Cloud
1 Billion+ consent profiles



Harmonized User Experience



End-to-End Processes




Business and Master Data Services




Suite Intelligence and Analytics



Platform Services



Extensibility and Integration



Open Ecosystem

Best-of-Breed: Recognized product leadership



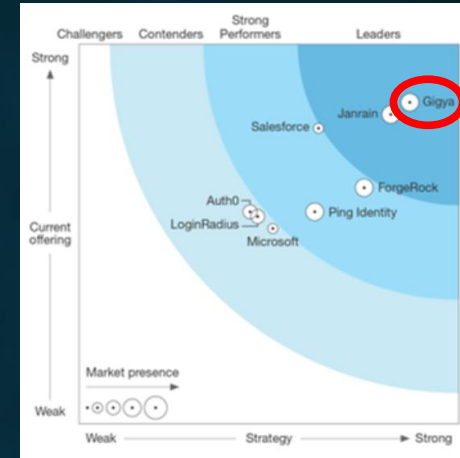
Gartner Front Runners for Field Services



Forrester Wave for B2C Commerce Suites



Forrester Wave for B2B Commerce Suites



Forrester Wave for Customer Identity Mgmt



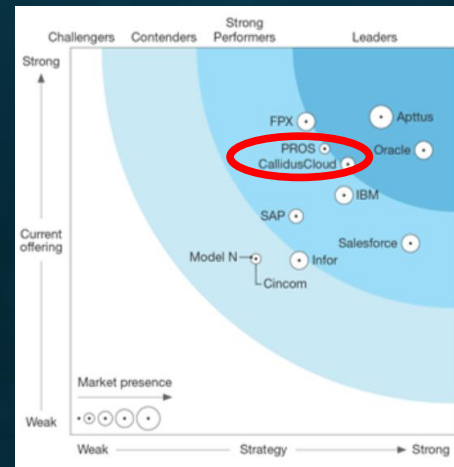
Gartner Magic Quadrant for Multichannel Marketing



IDC MarketScape AI in Enterprise Marketing Clouds



Gartner Magic Quadrant for Configure, Price, Quote



Forrester Wave for Configure, Price, Quote








IDC MarketScape Leader Subscription Relationship Management



Gartner Magic Quadrant for Sales Performance Management

Best-of-Suite: Most complete portfolio

	Sales	Service	Marketing	Commerce	Customer Data	Collaboration	Cloud Platform	Integration	Industries	Open Data Initiative	X Data & O Data
	●	●	●	●	●	●	●	●	●	●	●
	●	●	●	●		●	●	●	●		
	●	●				●	●	●	●	●	
			●	●	●	●				●	
		●					●				

Market Leadership: SAP is LEADING Customer Experience



Digital Commerce¹

#1

#3

#4

CRM¹

#2

#1

#3

Experience Management²

#1

n/a

n/a

Source:

(1) Gartner Enterprise Application Market Share Q12018, May 2018

(2) Qualtrics S1 filing

Momentum is gaining...



... Opportunity is vast

- Cloud Growth 170% YoY
- 10,000+ customers use either one or multiple C/4HANA solutions
- 10M+ users from sales, service to marketing professions
- Close to 4,000 SAP CRM customers remain On-premise today
- Largest addressable enterprise app market, least penetrated market by SAP

The SAP Advantage

Experience ✓



Trust ✓



Integration ✓



SAP C/4HANA + Qualtrics allow customers to put the **customer at the center** of their business and **engage across all channels** with the customer

SAP C/4HANA provides a **single view** of the customer based on **consent-driven customer data**

SAP C/4HANA + S/4HANA are an **integrated suite** resulting in lower integration costs and smarter **end-to-end processes** that connect demand chain to the company's operational core



Lorenz Gan - CIO New Era

Customer Perspective

Hosted by Jennifer Morgan
President, Global Customer Operations Americas and Asia Pacific Japan
Executive Board Member

jetBlue

Alex Chatkewitz
Chief Accounting Officer
and Controller



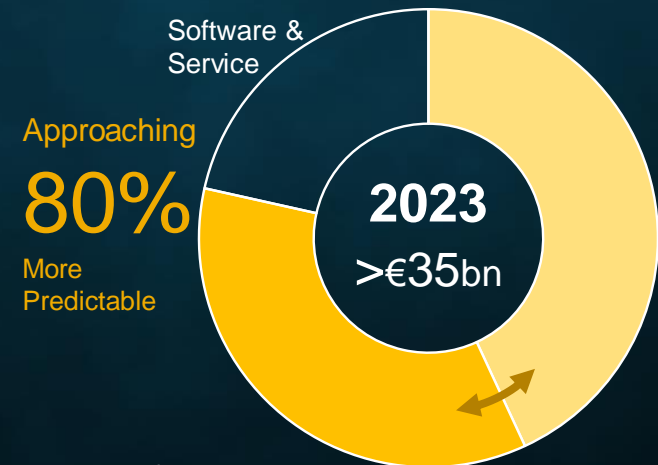
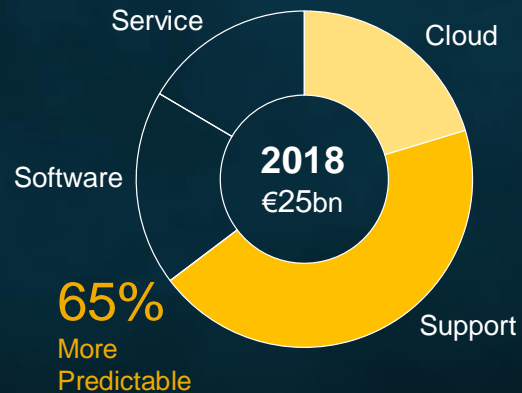
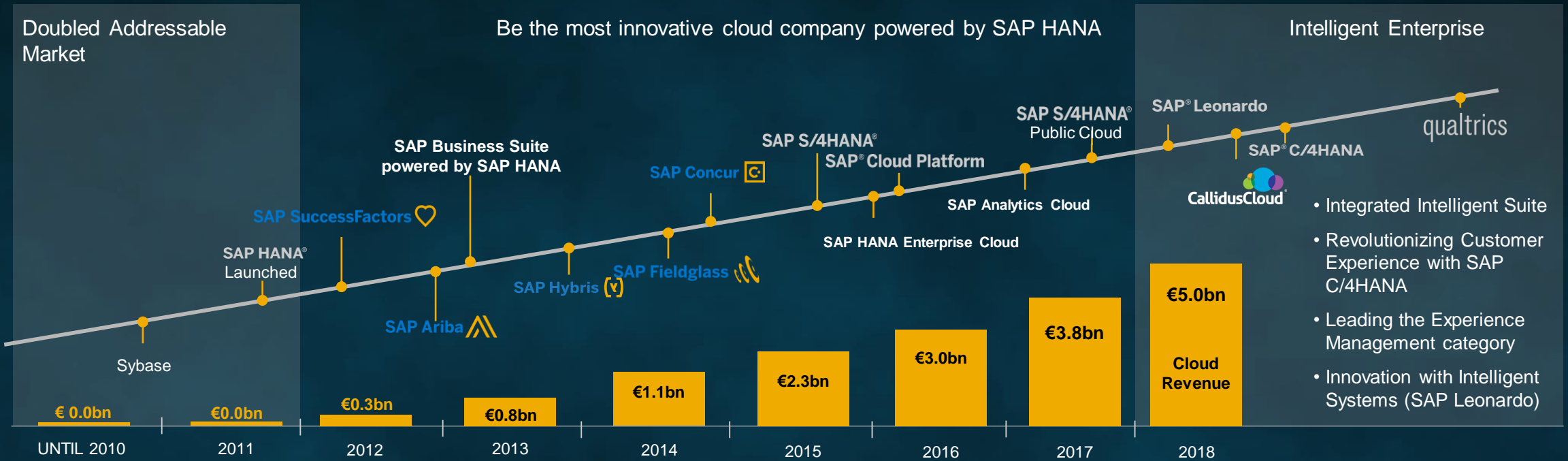
verizon[✓]

Sara Baxter Orr
CFO Verizon Wireline





Charting the Course for 2023

Luka Mucic, CFO and Executive Board Member

We've Come a Long Way



Staying our Course, Keeping our Promises

	2015 	2016 	2017 	2018 	
Cloud Revenue	<div style="border: 1px solid black; padding: 5px;"> <div style="background-color: #1a3d4d; color: white; padding: 2px;">€1.95 – 2.05bn</div> <div style="background-color: #ffc000; color: white; padding: 2px;">€2.0bn</div> </div>	<div style="border: 1px solid black; padding: 5px;"> <div style="background-color: #1a3d4d; color: white; padding: 2px;">€2.95 – 3.05bn</div> <div style="background-color: #ffc000; color: white; padding: 2px;">€3.0bn</div> </div>	<div style="border: 1px solid black; padding: 5px;"> <div style="background-color: #1a3d4d; color: white; padding: 2px;">€3.8 – 4.0bn</div> <div style="background-color: #ffc000; color: white; padding: 2px;">€3.8bn</div> </div>	<div style="border: 1px solid black; padding: 5px;"> <div style="background-color: #1a3d4d; color: white; padding: 2px;">€4.95 – 5.15bn</div> <div style="background-color: #ffc000; color: white; padding: 2px;">€5.2bn</div> </div>	Outlook (€bn) Actual (€bn)
Cloud & Software Revenue (growth)	<div style="border: 1px solid black; padding: 5px;"> <div style="background-color: #1a3d4d; color: white; padding: 2px;">+8% – 10%</div> <div style="background-color: #ffc000; color: white; padding: 2px;">+12%</div> </div>	<div style="border: 1px solid black; padding: 5px;"> <div style="background-color: #1a3d4d; color: white; padding: 2px;">+6% – 8%</div> <div style="background-color: #ffc000; color: white; padding: 2px;">+8%</div> </div>	<div style="border: 1px solid black; padding: 5px;"> <div style="background-color: #1a3d4d; color: white; padding: 2px;">+6% – 8%</div> <div style="background-color: #ffc000; color: white; padding: 2px;">+8%</div> </div>	<div style="border: 1px solid black; padding: 5px;"> <div style="background-color: #1a3d4d; color: white; padding: 2px;">+6.5% – 8.5%</div> <div style="background-color: #ffc000; color: white; padding: 2px;">+10%</div> </div>	
Total Revenue			<div style="border: 1px solid black; padding: 5px;"> <div style="background-color: #1a3d4d; color: white; padding: 2px;">€23.2 – 23.6bn</div> <div style="background-color: #ffc000; color: white; padding: 2px;">€23.8bn</div> </div>	<div style="border: 1px solid black; padding: 5px;"> <div style="background-color: #1a3d4d; color: white; padding: 2px;">€24.8 – 25.3bn</div> <div style="background-color: #ffc000; color: white; padding: 2px;">€26.0bn</div> </div>	
Operating Profit	<div style="border: 1px solid black; padding: 5px;"> <div style="background-color: #1a3d4d; color: white; padding: 2px;">€5.6 – 5.9bn</div> <div style="background-color: #ffc000; color: white; padding: 2px;">€5.9bn</div> </div>	<div style="border: 1px solid black; padding: 5px;"> <div style="background-color: #1a3d4d; color: white; padding: 2px;">€6.4 – 6.7bn</div> <div style="background-color: #ffc000; color: white; padding: 2px;">€6.6bn</div> </div>	<div style="border: 1px solid black; padding: 5px;"> <div style="background-color: #1a3d4d; color: white; padding: 2px;">€6.8 – 7.0bn</div> <div style="background-color: #ffc000; color: white; padding: 2px;">€6.9bn</div> </div>	<div style="border: 1px solid black; padding: 5px;"> <div style="background-color: #1a3d4d; color: white; padding: 2px;">€7.35 – 7.50bn</div> <div style="background-color: #ffc000; color: white; padding: 2px;">€7.5bn</div> </div>	

Increasing Our Ambition

2020 Ambition

as of January 2015

- **Cloud Revenue**
in a range of €7.5 – 8.0bn
- **Total Revenue**
in a range of €26.0 – 28.0bn
- **Operating Profit**
in a range of €8.0 – 9.0bn

> + €1.1bn

> + €1.9bn

> + €0.3bn

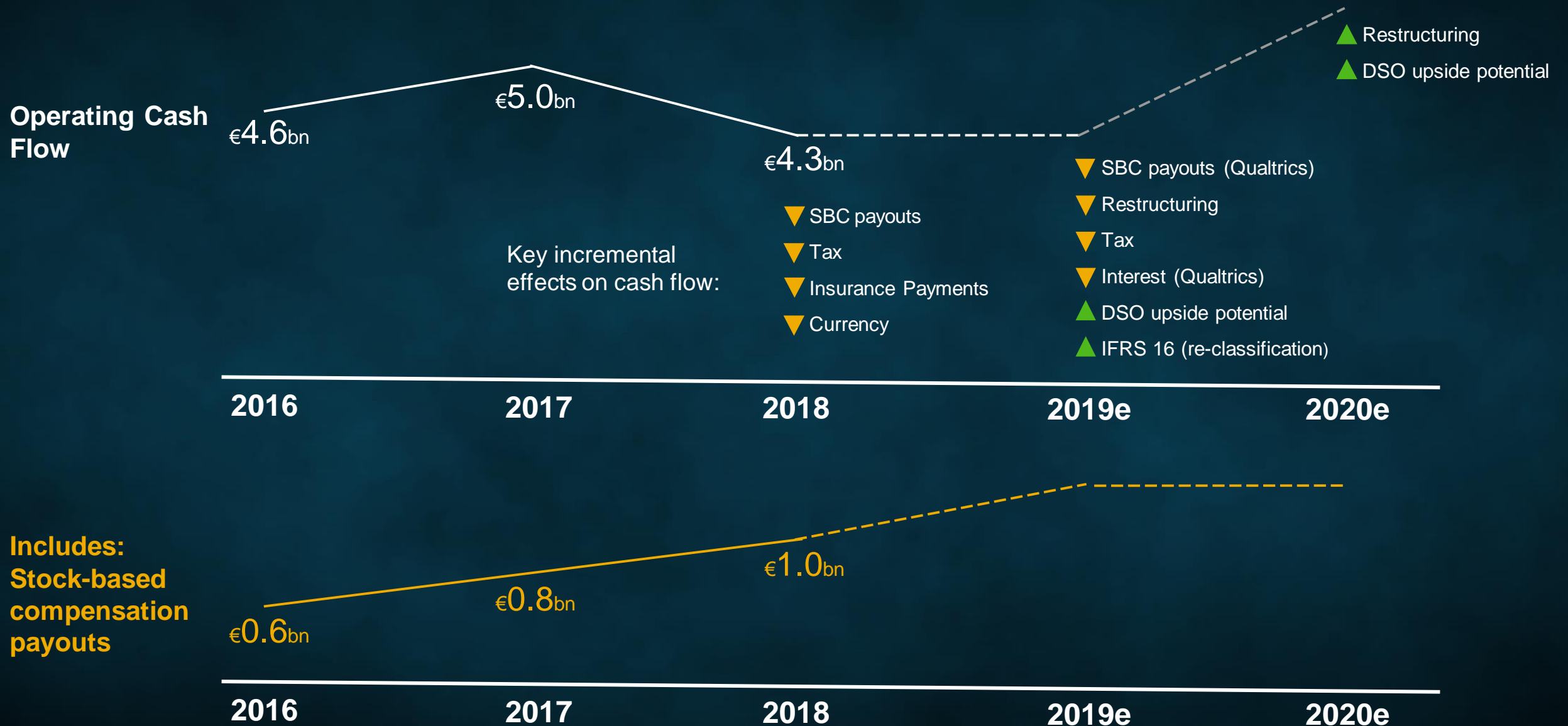
2020 Ambition

as of January 2019

- **Cloud Revenue**
in a range of €8.6 – 9.1bn
- **Total Revenue**
in a range of €28.6 – 29.2bn
- **Operating Profit**
in a range of €8.5 – 9.0bn



Cash Matters



Flat Capital Expenditure, Adjusted Free Cash Flow Definition

2019 Adoption of IFRS 16 (Leases)

Balance Sheet Expansion

€1.7 – 1.9bn

Operating Profit Increase

Significantly Below €0.1bn

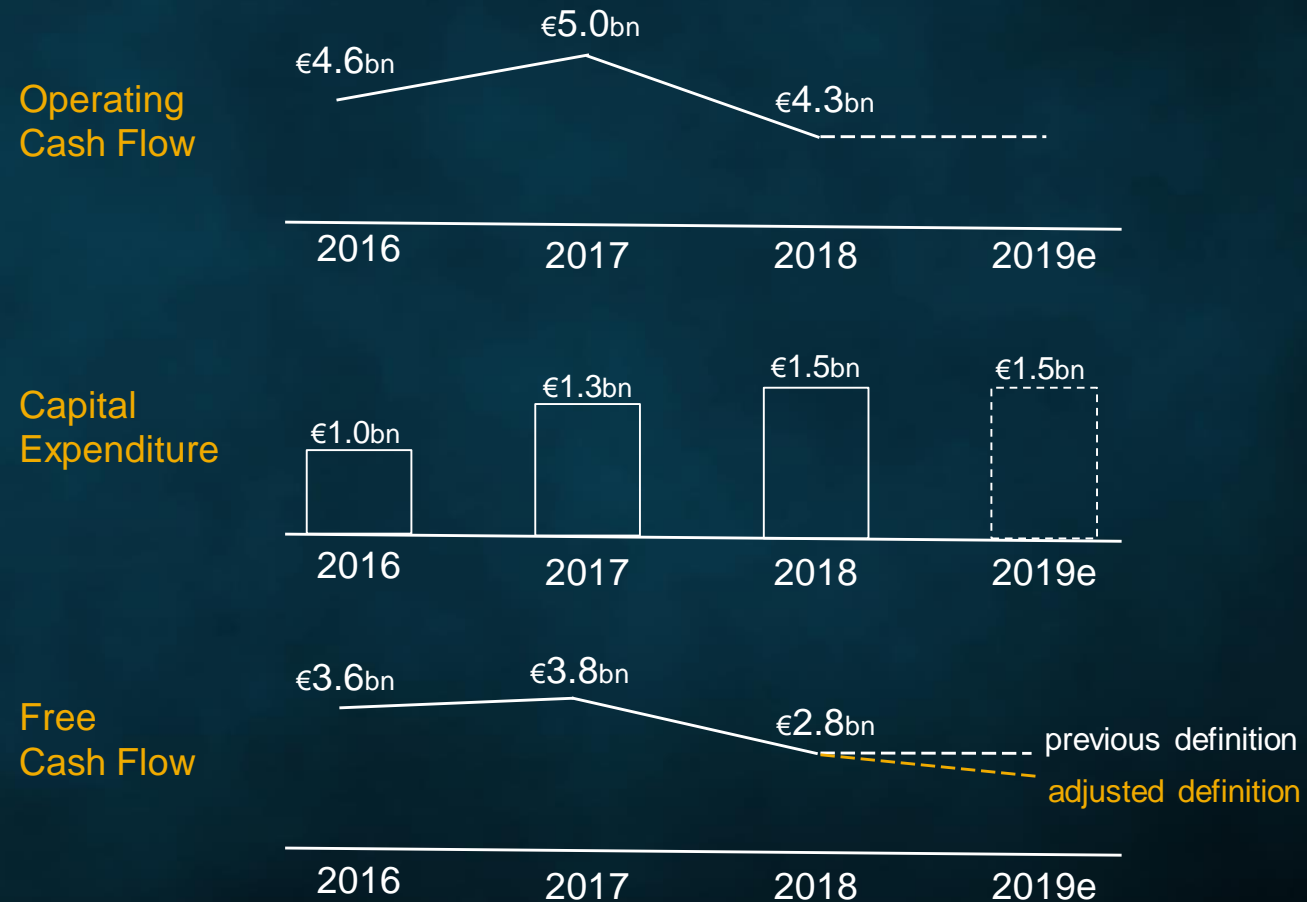
Operating Cash Flow Increase

€0.3 – 0.4bn

Free Cash Flow Unaffected

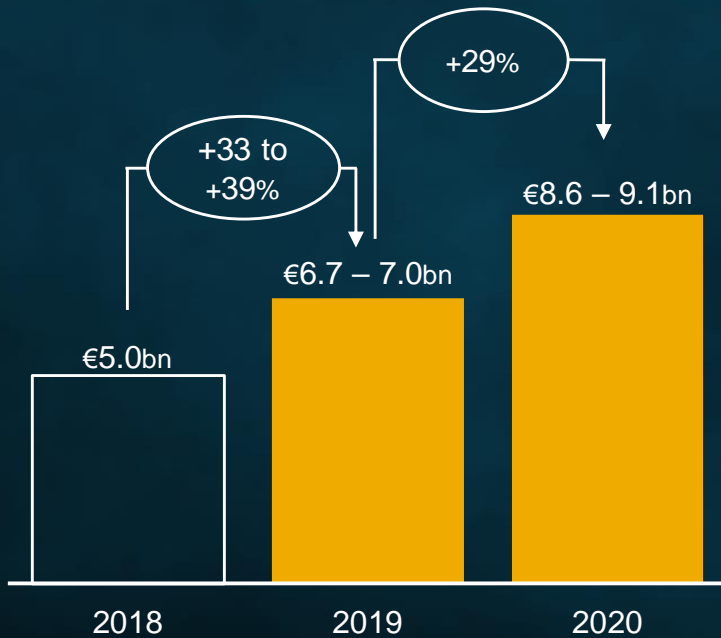
Adjusted SAP Definition

Capital Expenditure and Free Cash Flow

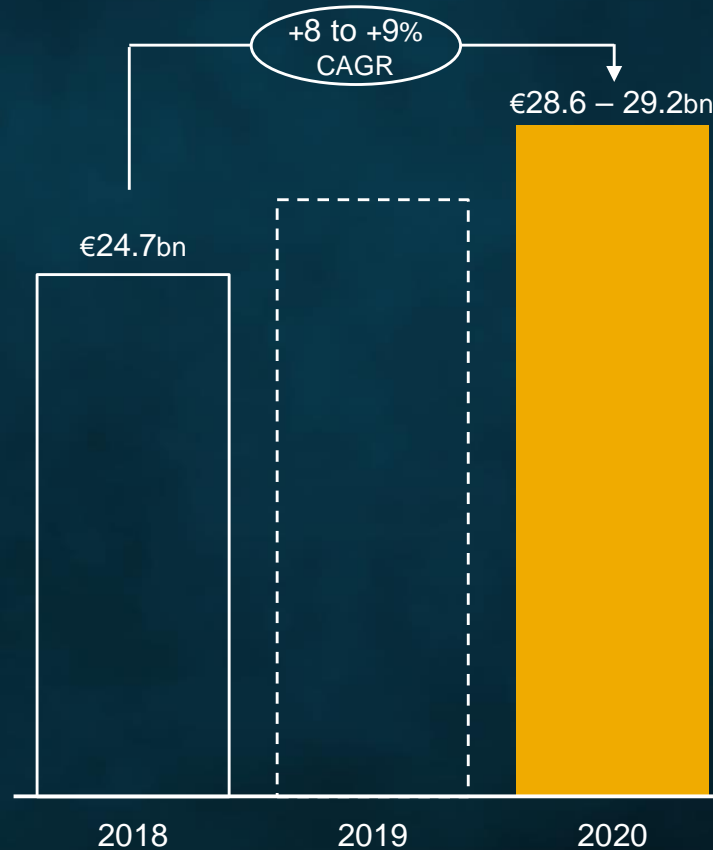


Charting the Course for 2019 and 2020

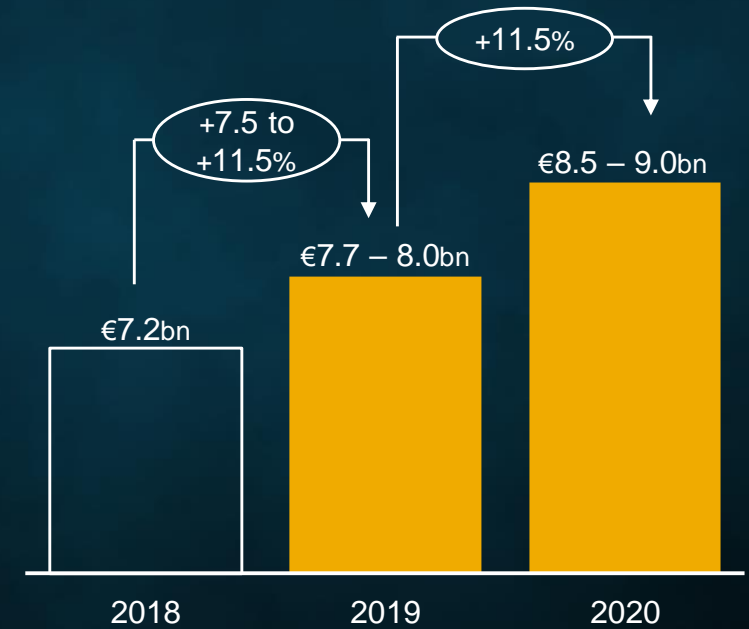
Cloud Revenue (€bn)



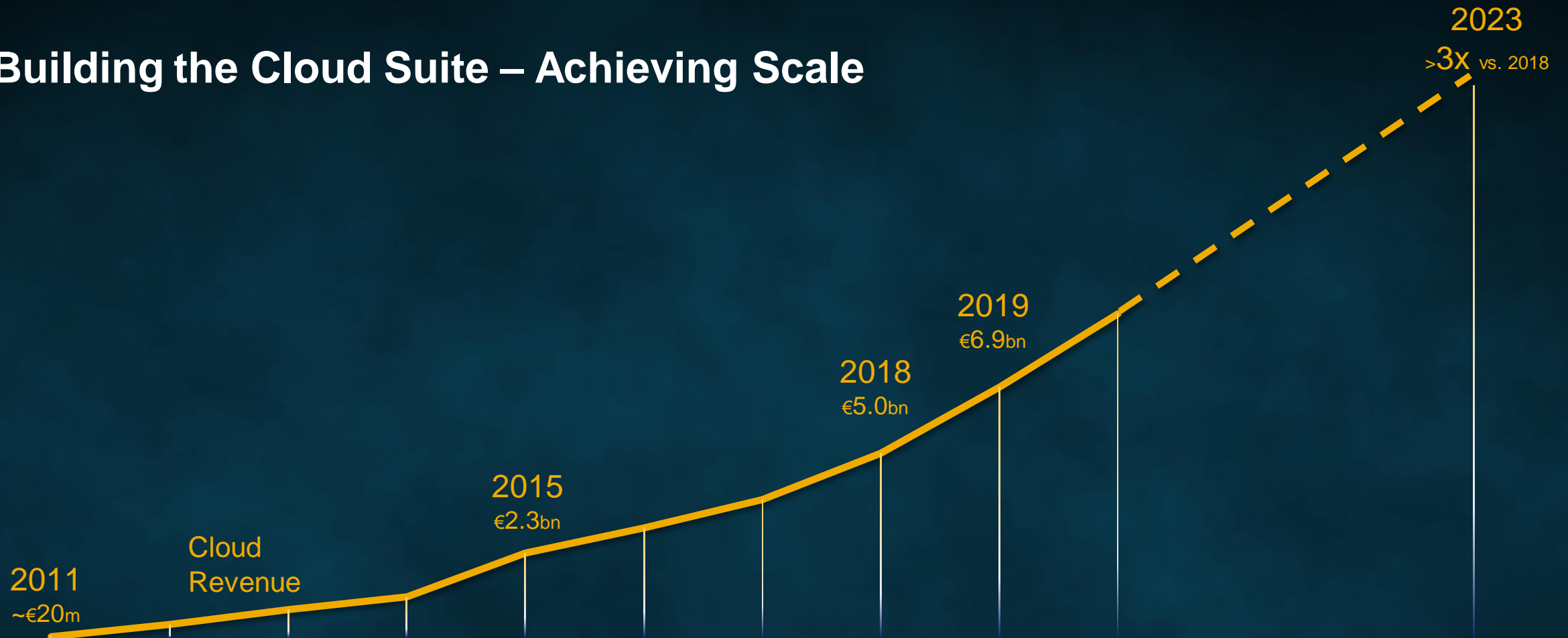
Total Revenue (€bn)



Operating Profit (€bn)



Building the Cloud Suite – Achieving Scale



Ramping

- SAP Analytics Cloud
- SAP Cloud Platform
- SAP Fieldglass
- Manufacturing & Supply Chain
- SAP S/4HANA Cloud

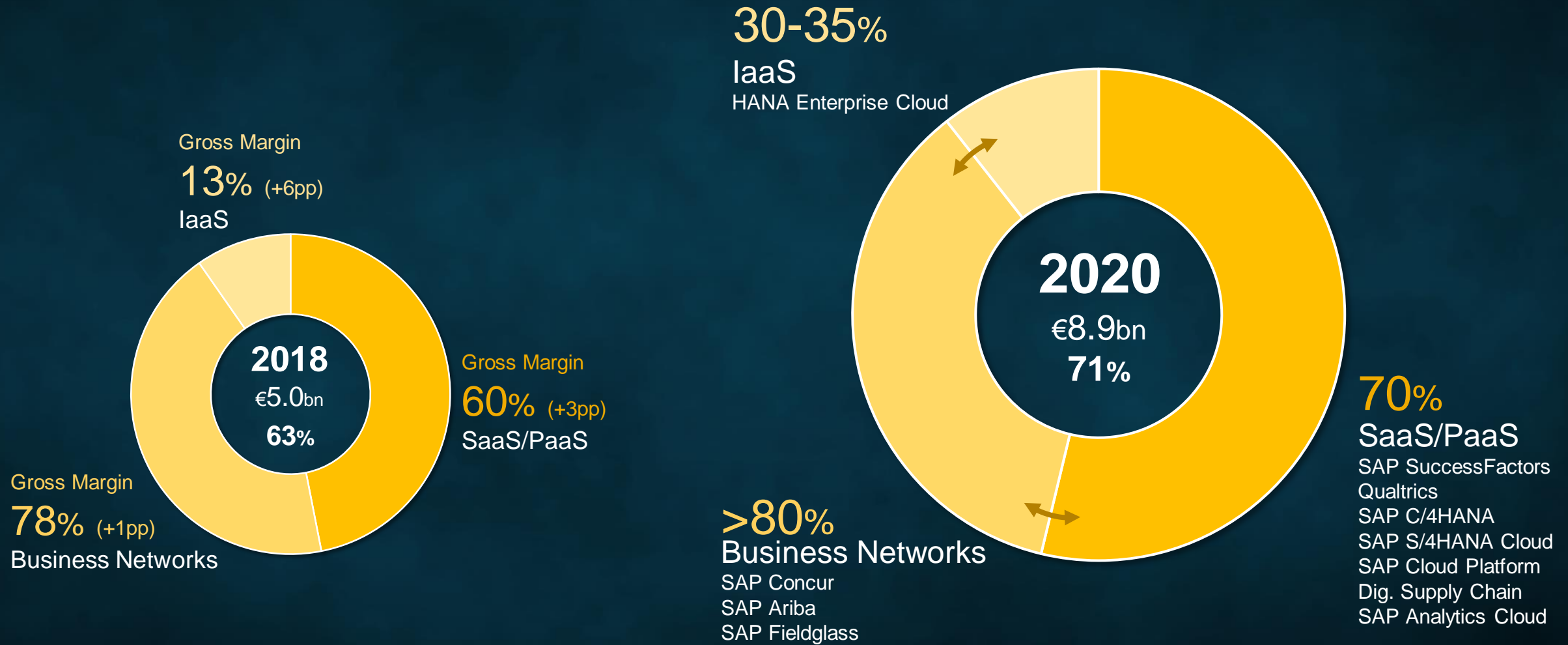
Approaching Scale

- SAP C/4HANA
- Qualtrics
- HANA Enterprise Cloud

Fully Scaled

- SAP SuccessFactors
- SAP Concur
- SAP Ariba

Expanding Gross Margins for Every Cloud Model



Expanding Gross Margins, Decreasing Expense Ratios

Gross Margins

Non-IFRS; in percent	2017	2018	2020e
Business Network	76.7	77.8	>80
Private Cloud (IaaS)	7.2	13.0	30-35
Public Cloud (PaaS/SaaS)	56.7	59.9	70
Cloud	62.2	63.1	71
Software & Support	87.0	87.4	⇒
Cloud & Software	82.2	81.5	
Services	23.5	22.9	⇒
Total Gross Margin	72.5	71.8	

Expense Ratios

Non-IFRS; expenses as a percentage of total revenue	2018	2020e
Research and Development	13.8	⇒
Sales and Marketing	25.0	⇒
General and Administration	4.0	⇒

Charting the Course for 2023 – Our Financial Ambition

Cloud Revenue

> **3x**

vs. 2018

Total Revenue

> **€35bn**

More Predictable Revenue

approaching **80%**

Operating Profit

7.5 – 10%

5-year CAGR

Why SAP?

What **we** think

- The **integrated, intelligent suite always wins**
- Only SAP enables companies to build a reliable, future-proof **IT platform for their mission-critical operations**
- SAP is end-to-end – **on premise, hybrid and cloud**
- Together with Qualtrics, SAP will become the undisputed **leader in the Experience Management category**
- SAP has a **resilient, predictable and sustainable business model**
- SAP has a **strong focus on sustainability**

What **you** think

- “SAP grew cloud subscription at a rate **faster than their main competitors** in FY’18”
- “SAP offers a **good combination of defensive growth**, given its exposure to digital transformation and its high share of recurring revenue”
- “SAP **S/4HANA is SAP’s most significant innovation** in the core for 20 years”
- “With their **broad innovative and competitive portfolio** SAP delivers rapid growth quarter by quarter“
- “SAP **Leonardo**, which helps companies to orchestrate disruptive capabilities, could be **the start of another powerful product cycle**”