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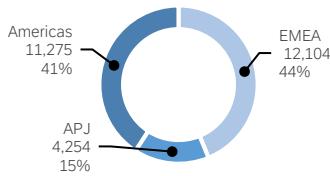
Customers

- Approx. 80% of SAP's customers are SME
- SAP customers include:
  - 92% of the Forbes Global 2000 companies
  - 98% of the 100 most valued brands
  - 97% of the greenest companies (Newsweek)
- Our customers distribute 78% of the world's food and 82% of the world's medical devices
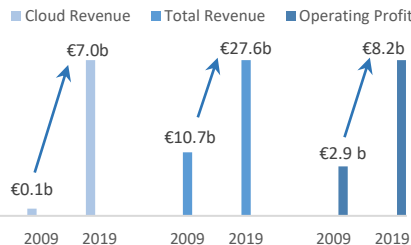- 77% of the world's transaction revenue touches an SAP system[1]

Financials

Revenue – FY2019 (non-IFRS, growth rates @cc)	
Cloud revenue	€7.01b (+ 35%)
Cloud and Software revenue	€23.09b (+ 9%)
Total revenue	€27.63b (+ 9%)
Revenue – Q3/2020 (non-IFRS, growth rates @cc)	
Cloud revenue	€1.98b (+14%)
Cloud and Software revenue	€5.54b (+ 2%)
Total revenue	€6.54b (0%)

Revenue by region FY2019
(€ m, non-IFRS / share of total rev. in %)

Americas 11,275 41%
EMEA 12,104 44%
APJ 4,254 15%

Outlook 2020 (non-IFRS@cc, revised on Oct. 26, 2020)	
Cloud revenue	€8.0b to €8.2b
Cloud and Software revenue	€23.1b to €23.6b
Total revenue	€27.2b to €27.8b
Operating profit	€8.1b to €8.5b
Share of predictable revenue (total of cloud subs. & support rev. and software support rev.)	ca. 72%
Operating Cash Flow / Free Cash Flow	~€6.0b / >€4.5b
Ambition 2025 (non-IFRS)	
Cloud revenue	>€22b
Total revenue	>€36b
Operating profit	>€11.5b
Share of more predictable revenue	Approx. 85%

Strong, sustainable Growth
(non-IFRS)

- Cloud Revenue
- Total Revenue
- Operating Profit

€0.1b / €7.0b (2009 / 2019)
€10.7b / €27.6b (2009 / 2019)
€2.9 b / €8.2b (2009 / 2019)

- #1 software company in Dow Jones Sustainability Index for 13 years

1) Source: Oxford Economics/SAP analysis, Feb. 2018
2) Definition of SAP S/4HANA see p. 33 of SAP's Q4/2019 statement

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
- Best-run businesses are intelligent enterprises – applying advanced technologies and best practices within agile, integrated business processes to become more resilient, successful and sustainable

Market Position

Enterprise Application Software

- SAP is a market share leader in enterprise resource planning (ERP), analytics, supply chain management, human capital management as well as in experience management & customer experience
- Recognized database leader
- Broadest portfolio of modular and suite solutions available on premise, in the cloud and hybrid

Top Cloud Vendor

- Cloud user base: ~230m users
- SAP Cloud Platform: choice across hyperscale cloud vendors (Alibaba, Amazon, Google, Microsoft)
- Largest cloud portfolio: >100 solutions for all lines-of-business (LoB) as well as software suites
- 164m users run on SuccessFactors solutions
- 65 datacenters in 35 locations in 16 countries
- SAP Digital Commerce for online SAP and partner offerings >194,000 orders from 170 countries

Innovation

- >€4.3b R&D expense in 2019. R&D expense ratio: 15.5% (IFRS; R&D expense as % of total revenue)
- R&D headcount (FTE): 28,955 at 9/30/2020, equaling 28.5% of total headcount
- >100 Development locations worldwide
- 20 Development centers (SAP Labs) worldwide
- 17 Co-Innovation Labs worldwide
- 5 SAP Innovation Center Network locations
- >22,400 SAP partner companies in >140 countries
- Sapphire Ventures: Invested in >110 IT startups. >55 IPOs and M&A exits since 2011
  - >$4b assets under management
  - Operates independently from SAP
  - Provides SAP early access to trends & innovation
- >900 patents granted and validated in 2019
- openSAP: >1m unique learners, >4.6m enrollments
- Artificial intelligence, machine learning and robotic process automation: >300 use cases in SAP's applications
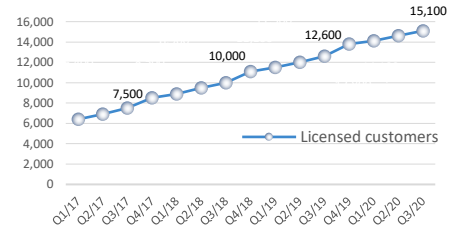
SAP Business Technology Platform (BTP)

- BTP helps build, extend and integrate applications
- Portfolio of solutions across database & data management, analytics, application development & integration, and intelligent technologies, such as:
  - SAP HANA: >33,000 direct customers; >53.000 direct+ indirect customers. Leading in-memory database, on premise & cloud
  - Powerful data warehousing and analytics solutions such as SAP Data Warehouse Cloud, SAP HANA Cloud, SAP BW/4HANA, and SAP Analytics Cloud
  - SAP Cloud Platform: >16,500 customers, >12,000 integration customers. SAP's integration and extension platform for business process outcomes
  - SAP Data Intelligence: combines AI and machine learning for data and information management

SAP's End-to-End Solutions

Applications, Technology & Support

- Packaged solutions for 25 industries and 12 lines-of-business: on premise, cloud, hybrid
- SAP S/4HANA: Market-leading Intelligent ERP, delivered with intelligent capabilities and best practices for every industry, available in the cloud or any-premise

SAP S/4HANA market performance[2]

7,500
10,000
12,600
15,100

Licensed customers

(Q1/17 – Q3/20)

- SAP Digital Supply Chain solutions with embedded intelligence and enabled Industry 4.0 (IIoT) scenarios help companies of every size and industry manage their entire supply chains digitally, from design throughout planning, manufacturing, delivery and operations
- Total workforce management solutions: SAP Success-Factors suite supports 42 languages. SAP Employee Central localized for 99 countries, used by >4,000 customers, SAP HXM Suite used by >7.000 customers
- SAP Customer Experience: Leader in digital commerce and digital experience platforms
  - Commerce Cloud: >$520b gross merchandise volume
  - Customer Data Cloud: 7b consent records, 2.8b identities
  - Litmos: 24m learners & 93m current achievements
  - Sales Cloud+Service Cloud: >1b interactions in Q3
- With a total commerce volume of >$4.1tn p.a., SAP's Business Network provides leading solutions:
  - Goods and services: ~5.3m businesses on SAP Ariba
  - SAP Fieldglass: >975,000 new workers added in Q3
- SAP Support uses AI technology, safeguarding mission-critical processes. It proactively optimizes operations and enables the Intelligent Enterprise

Services / Concur / Qualtrics

- End-to-end services including advisory and accelerators drive digital transformation, delivering training and enablement as well as strategic premium engagements
- Concur (travel, expense, invoice) has ~70m end users
- Qualtrics' experience management software drives customer loyalty, employee engagement, brand and product quality. >12,000 companies use Qualtrics

Basic and Employee Facts

- Headquarters: Walldorf, Germany
- Founded: April 1, 1972
- Listing: Frankfurt, New York
- 101,450 employees worldwide (Sept. 30, 2020)
  - 145 nationalities worldwide
  - Employee retention at 94.8% (Oct. 2020)
  - Employee Engagement Index at 86% (Sept. 2020)
  - 27.3% women in management
  - >73% of SAP employees are SAP shareholders

Useful Links

SAP Profile – Executives – Supervisory Board
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