Next Generation Planning & Analysis
Thursday 29 October

SAP

Welcome

Waldemar Adams
SVP Analytics, SAP EMEA

SAP would like to thank our sponsor

Powered by

intel®

Cloud Technology

SAP

New Opportunity for Financial Excellence

Increasing **complexity** of external conditions

Explosion of **Big Data**

Pressure to support **global growth** initiatives

BUSINESS TRENDS

Millennial work style enabled by **networks** and **mobility**

TECHNOLOGY TRENDS

Requirement to **reduce the cost** of finance

Accelerated **adoption of technology** innovations

The Future of Financial Planning and Analysis

FINANCE LEADERS ON THEIR FP&A MANDATE—AND THE TECHNOLOGY INNOVATIONS THAT WILL HELP THEM TO FULFILL IT
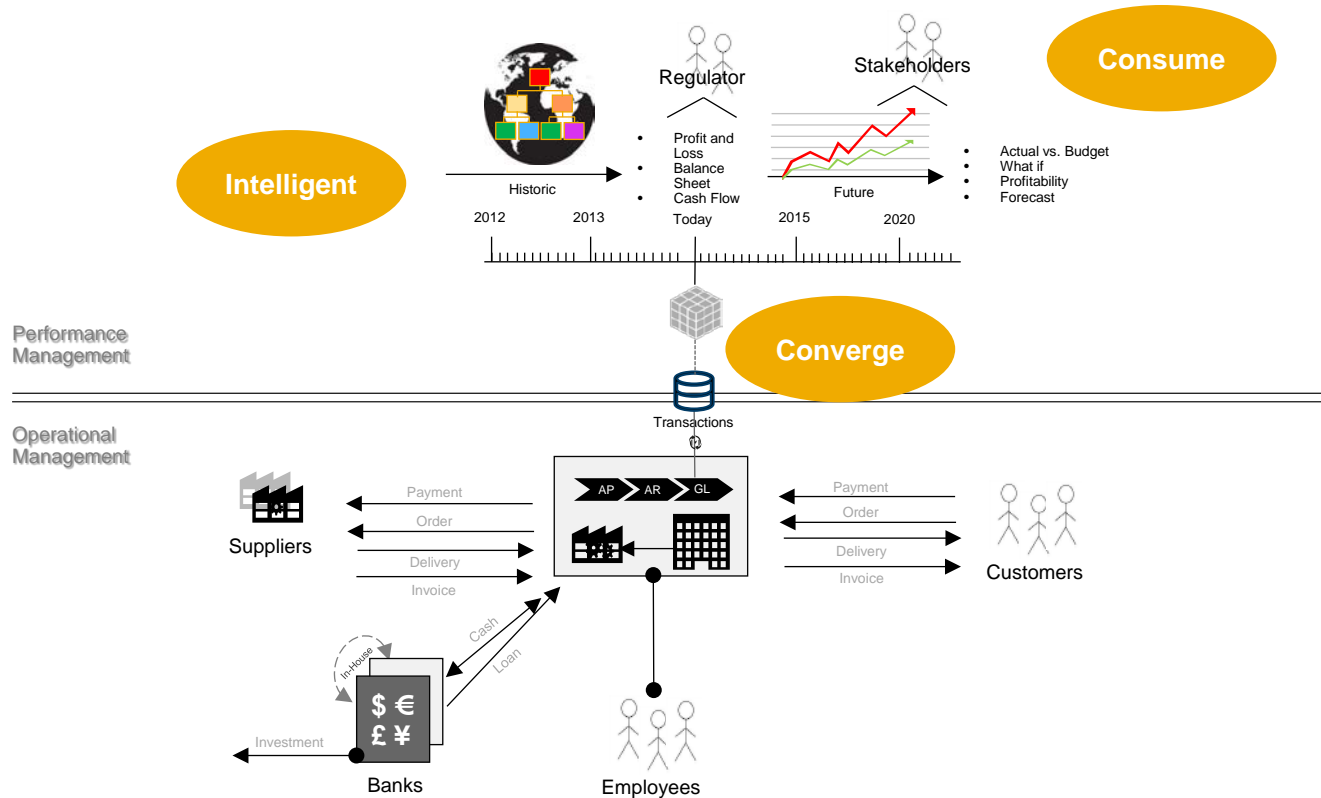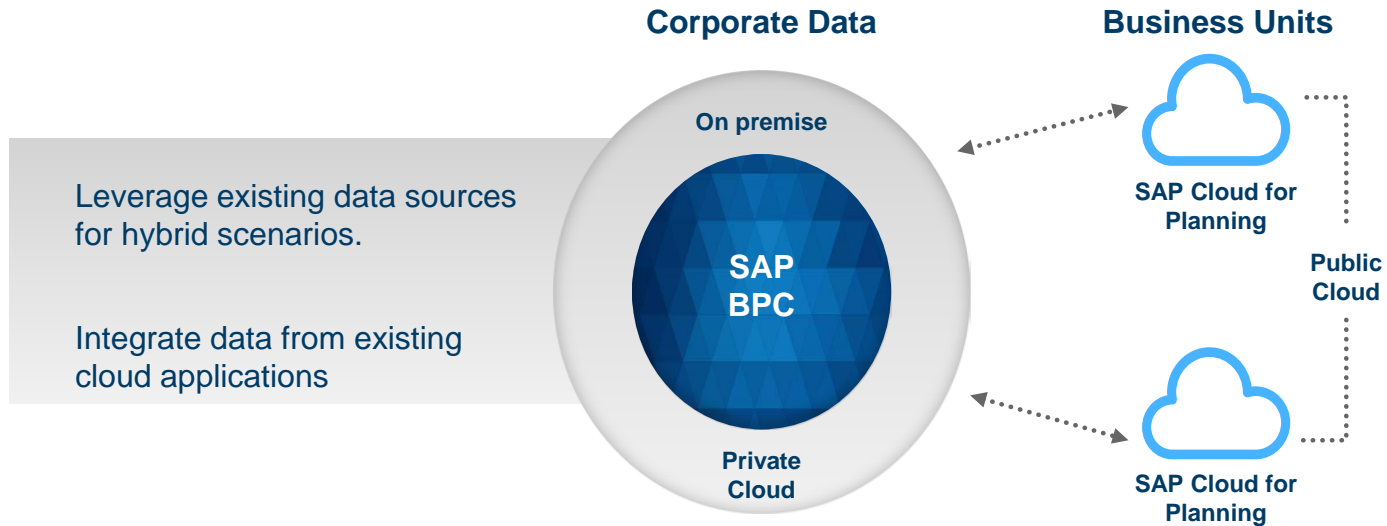
- ✓ Agility is an increasingly important source of competitive advantage.
- ✓ IT systems for FP&A are falling short of intensifying demands for real-time, ad-hoc analysis.
- ✓ Tight integration between financial planning systems and core ERP supports more effective decision making.
- ✓ Pressure on finance teams to improve their contribution to high-value planning and analysis is increasing.

FP&A may be
the most important skill set
for **finance leaders**

The major trends in FP&A Technology

Intelligent

Consume

Converge

Regulator

Stakeholders

Historic

- Profit and Loss
- Balance Sheet
- Cash Flow

Future

- Actual vs. Budget
- What if
- Profitability
- Forecast

2012   2013   Today   2015   2020

Performance Management

Transactions

Operational Management

AP   AR   GL

Suppliers

Payment
Order
Delivery
Invoice

Customers

Payment
Order
Delivery
Invoice

Cash
Loan

In-House

$ €
£ ¥

Investment

Banks

Employees

SAP now Offer Best of all Worlds

Corporate Data

Business Units

On premise

Leverage existing data sources for hybrid scenarios.

Integrate data from existing cloud applications

SAP BPC

Private Cloud

SAP Cloud for Planning

Public Cloud

SAP Cloud for Planning

Requirements for Corporate Financial Planning

Planning needs to be 'Joined Up' – and based on Actuals information
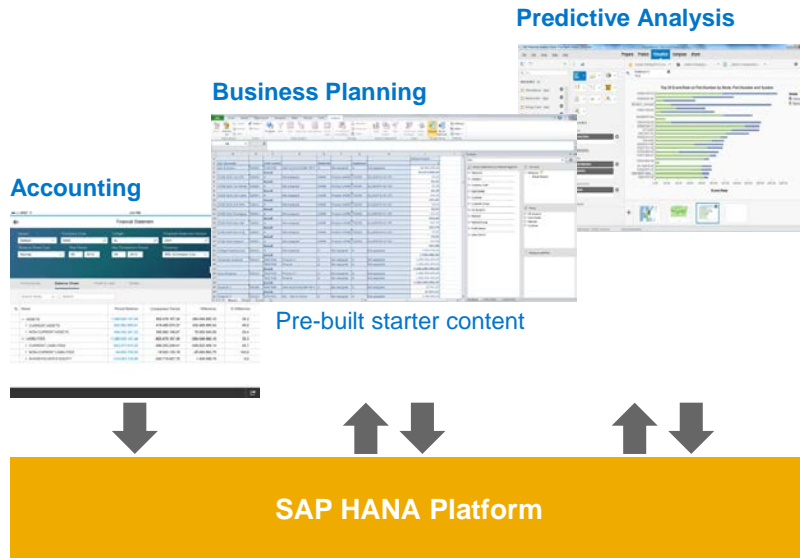
Three fundamental approaches:

    plan in the ERP

    plan in a Data Warehouse

    plan using Data-marts

Ease of Use

Performance

'Joined-Up'

'Timeliness'

ERP Integration
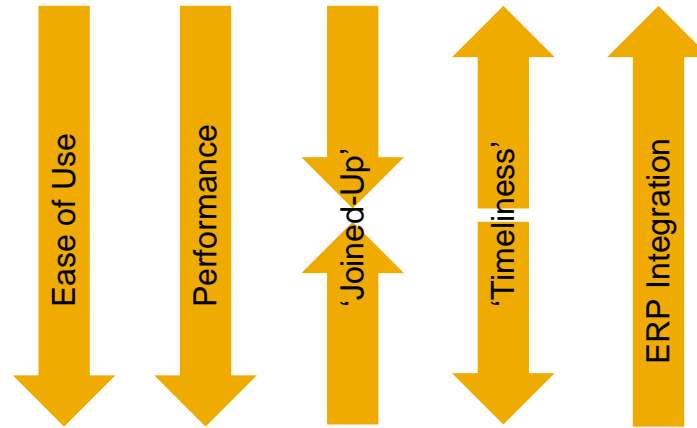
Next Generation ERP Business Planning
SAP BPC optimized for S/4HANA

"Convergence of SAP ERP and SAP Business Planning (BPC)"

Predictive Analysis

Business Planning

Accounting

Pre-built starter content

SAP HANA Platform

Key capabilities

Single planning solution with strengths of current solutions

Real-time access to master and transactional data for modeling and variance analysis

Flexible drill-down on drivers of profitability including customer, product, geography and channel

Identification of trends and forecasts using predictive analysis

Seamless integration of planning screens into ERP workflows

End-to-end simulation capabilities

Pre-built planning models for accelerated adoption

New Approach to ERP Planning

Before in ECC

- Planning silos with separate data stores
- Long running batch jobs
- Peer-to-peer transfer programs
- Cumbersome process
- Many manual steps – fault prone
- Simulation impossible

```
Expense Planning  >  Profitability Planning  >  P&L Planning
```
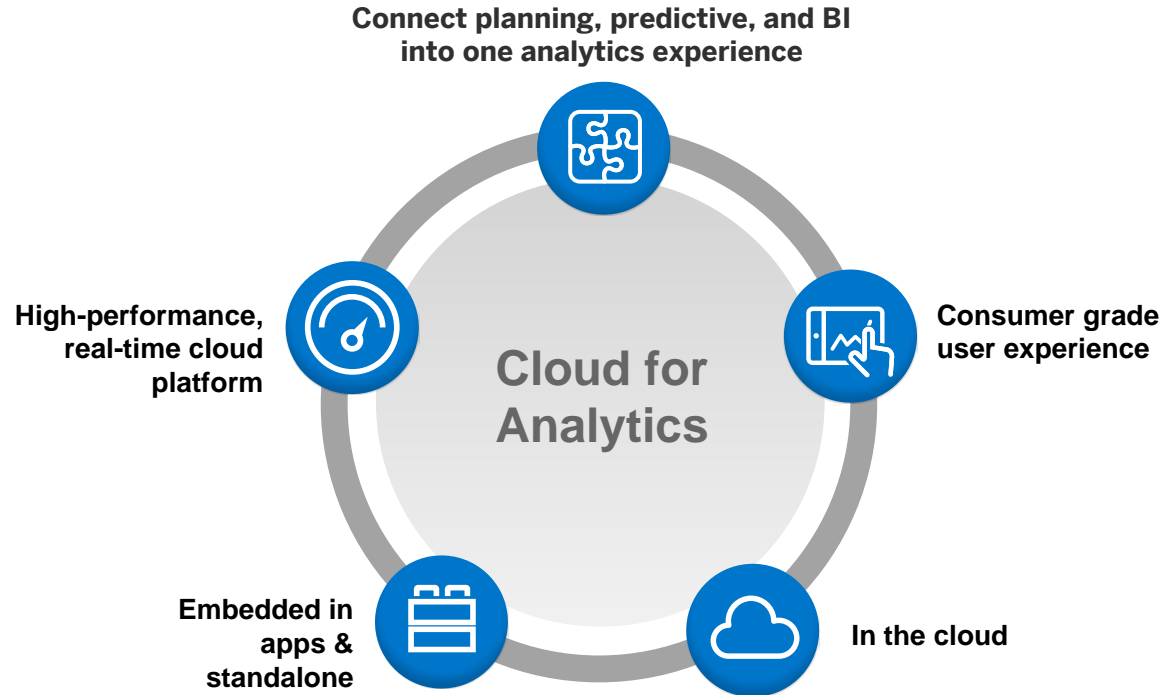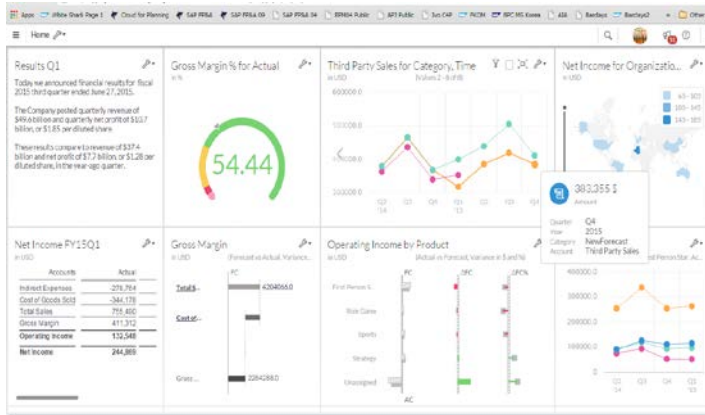
S/4 HANA Business Planning

- Common Financial Planning model
- Leverage In-Memory-planning capabilities
- Faster planning cycles
- Better decisions through end-to-end simulation capabilities

```
Expense Planning   Profitability Planning   P&L Planning
                         HANA
                         Views
                 Common Planning Model
```
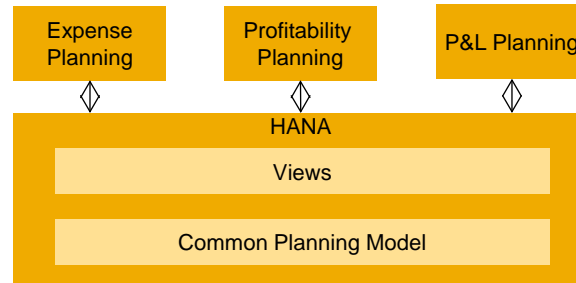
SAP's Vision For Analytics in the Cloud

Connect planning, predictive, and BI
into one analytics experience

High-performance,
real-time cloud
platform

**Cloud for
Analytics**

Consumer grade
user experience

Embedded in
apps &
standalone

In the cloud

SAP Cloud for Analytics with Planning

1. Brand new, built for SaaS
2. Planning and Analytics
3. Start with Finance (FP&A)

Plan Simpler.

People-centric   **Analytics-embedded**   **Future Oriented**

Deep dive in the planning solutions

Jean-Claude Pizzi
EPM and Finance Business Development, SAP EMEA

Our solutions for EPM and Planning

Strategize and plan

- SAP Strategy Management application
- SAP Business Planning and Consolidation application
- SAP Cloud for Planning solution

Close and disclose

- SAP Intercompany application
- SAP Business Planning and Consolidation
- SAP Financial Consolidation application
- SAP Disclosure Management application
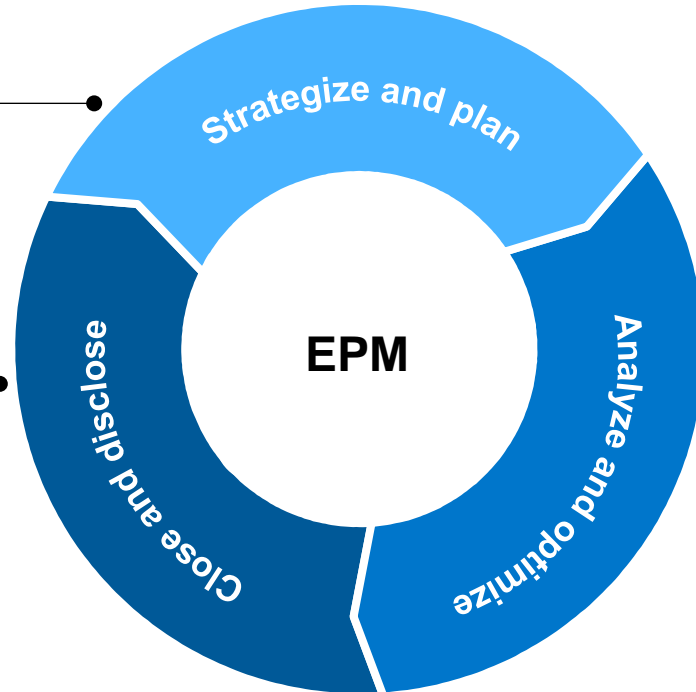
Analyze and optimize

- SAP Cloud for Planning
- SAP Business Planning and Consolidation
- SAP Profitability and Cost Management application
- SAP BusinessObjects business intelligence solutions

EPM

Strategize and plan

Analyze and optimize

Close and disclose

Our focus

Lead

Lead the market with continuous investment
in SAP solutions for
EPM 10.X
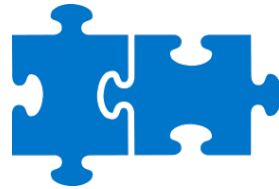
Integrate

Incorporate SAP BW integrated planning capabilities into
SAP Business Planning
and Consolidation, version
for SAP NetWeaver

Innovate

Innovate with new EPM capabilities built natively on
SAP HANA Cloud Platform

Future direction

SAP Analytics strategy

Provide new SaaS Analytics capabilities

SAP Cloud for Analytics

All analytics capabilities in one product	Consumer-grade user experience	Embedded and standalone	High-performance, real-time platform

Software-as-a-Service in the Public Cloud

Continued investment in existing solutions

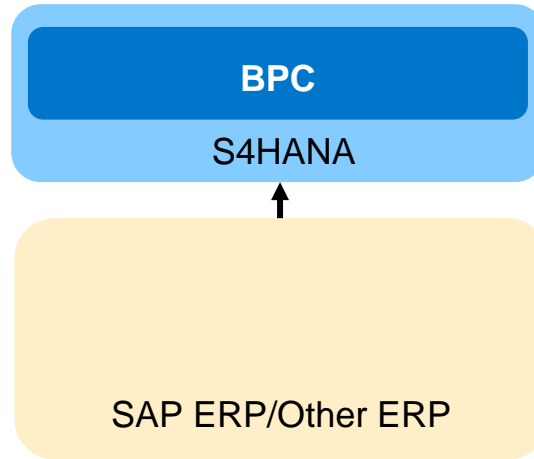| **Enterprise BI** SAP BusinessObjects BI Suite BI 4.2 (Q4) Design Studio 1.6 (Q4) Analysis Office 2.2 (Q4)	**Agile Visualization** SAP Lumira Lumira 1.29 (Q4)	**Advanced Analytics** SAP Predictive Analysis Predictive Analysis 2.4 (Q4)	**EPM** Ex. SAP Business Planning and Consolidation (BPC) *BPC 10.1 NW SP08 (Q4)*	**GRC** Ex. SAP Risk Management Risk Management 10.1 SP11 (Q4)

On-premise and/or Private Cloud Deployment Options

Very flexible BPC Deployment Options
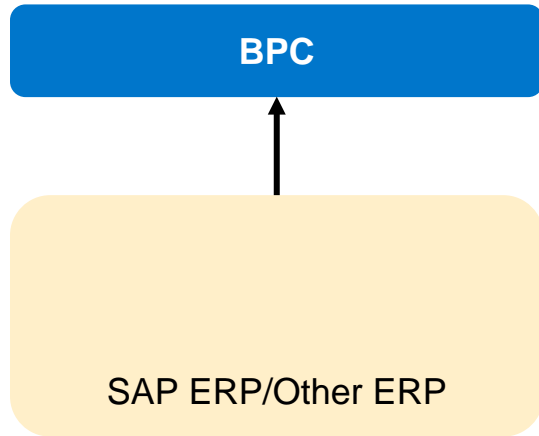
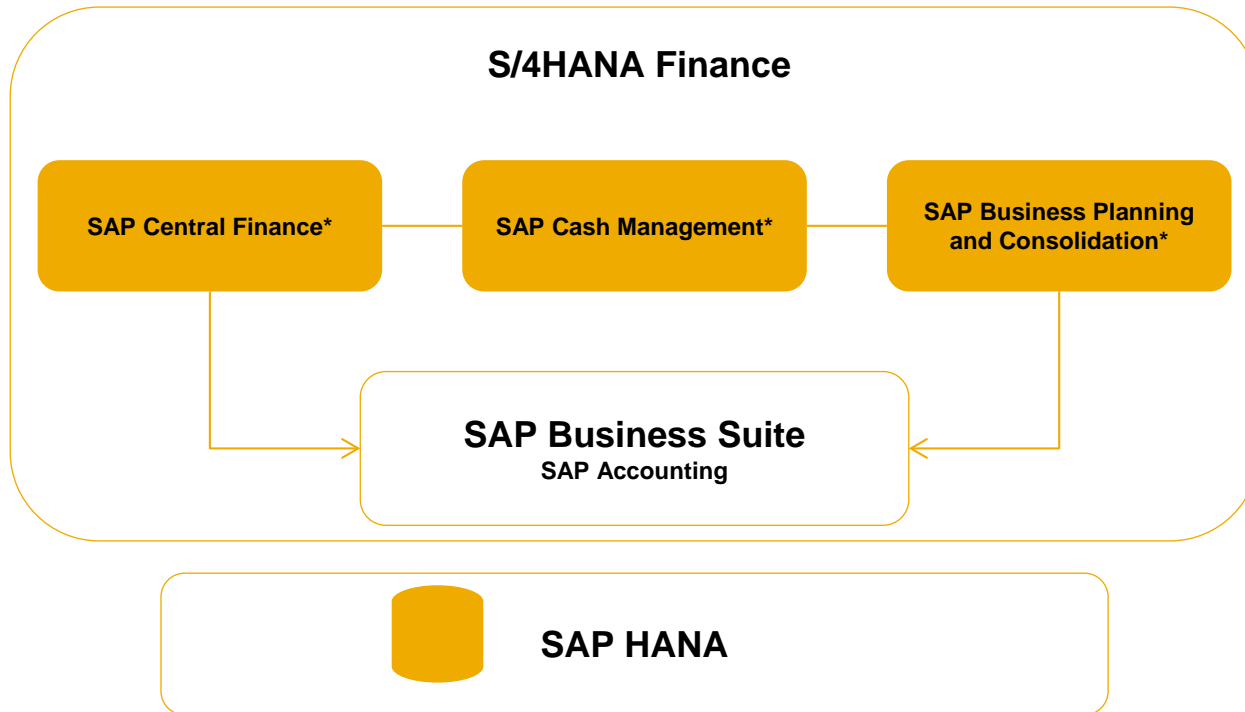"Stand-Alone"   "Central Finance"   "Fully Integrated"

BPC

BPC

S4HANA

SAP ERP/Other ERP

SAP ERP/Other ERP

BPC

S4HANA

SAP BPC optimized for S/4HANA

Powered by
(intel)
Cloud
Technology

S/4HANA Finance

S/4HANA Finance

SAP Central Finance* — SAP Cash Management* — SAP Business Planning and Consolidation*

SAP Business Suite
SAP Accounting

SAP HANA
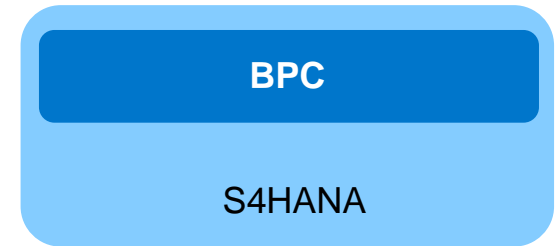
(*) Requires separate license

Next Generation ERP Business Planning

"Convergence of SAP ERP and SAP Business Planning (BPC)"
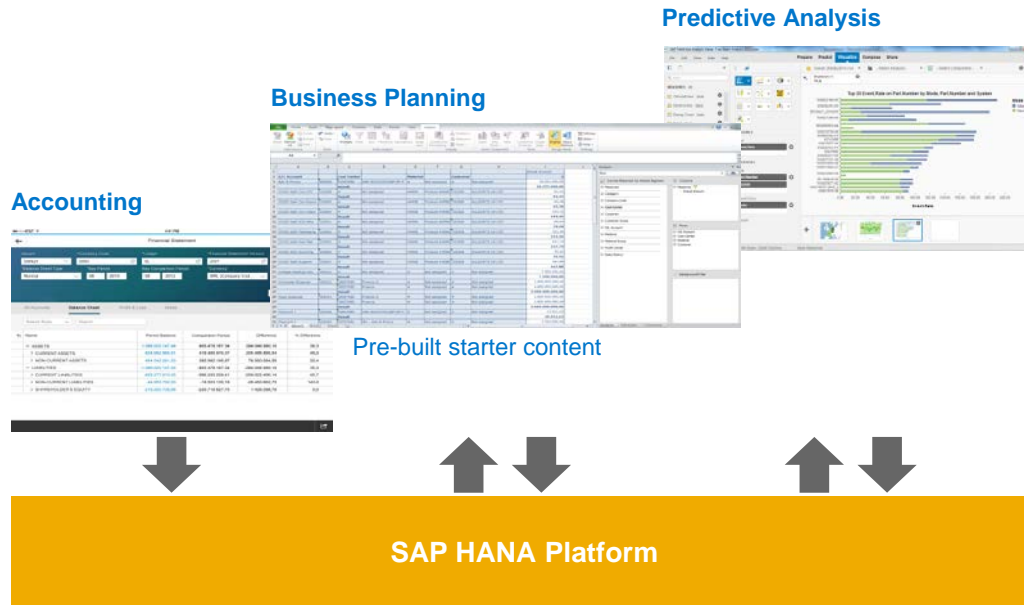
Predictive Analysis

Business Planning

Accounting

Pre-built starter content

SAP HANA Platform

Key capabilities

Single planning solution with strengths of current solutions

Real-time access to master and transactional data for modeling and variance analysis

Flexible drill-down on drivers of profitability including customer, product, geography and channel

Identification of trends and forecasts using predictive analysis

Seamless integration of planning screens into ERP workflows

End-to-end simulation capabilities

Pre-built planning models for accelerated adoption

# S/4 HANA Finance – BPC 10.1 Templates*

S/4 HANA Finance includes templates that provide support for:

- Cost Center Planning
- Internal Order Planning
- Project Planning
- Profit Center Planning
- Cost of Sales Planning
- P&L Planning
- Market Segment Planning
- Balance Sheet (SFIN 2.0)

S/4 HANA Finance also includes:

- Queries
- Planning Functions
- Sequences

(*Previously known as Integrated Business Planning for Finance)
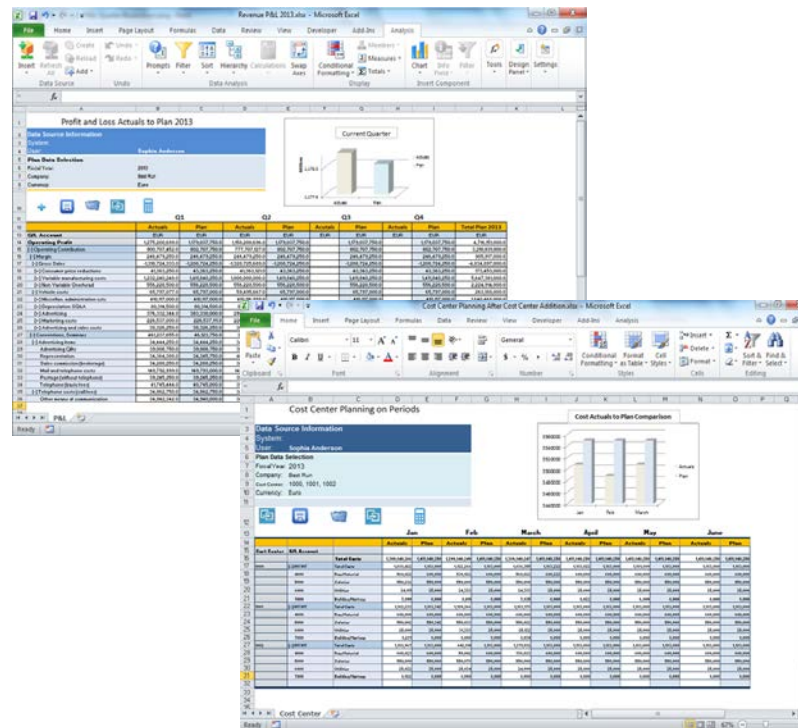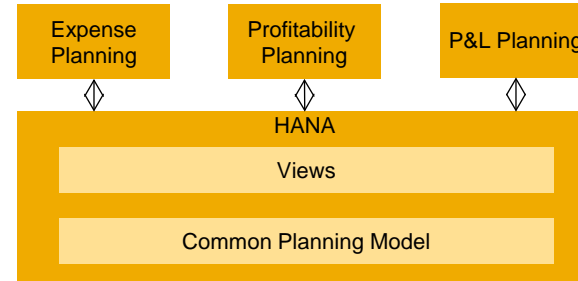
New Approach to ERP Planning

Before in ECC

- Planning silos with separate data stores
- Long running batch jobs
- Peer-to-peer transfer programs
- Cumbersome process
- Many manual steps – fault prone
- Simulation impossible

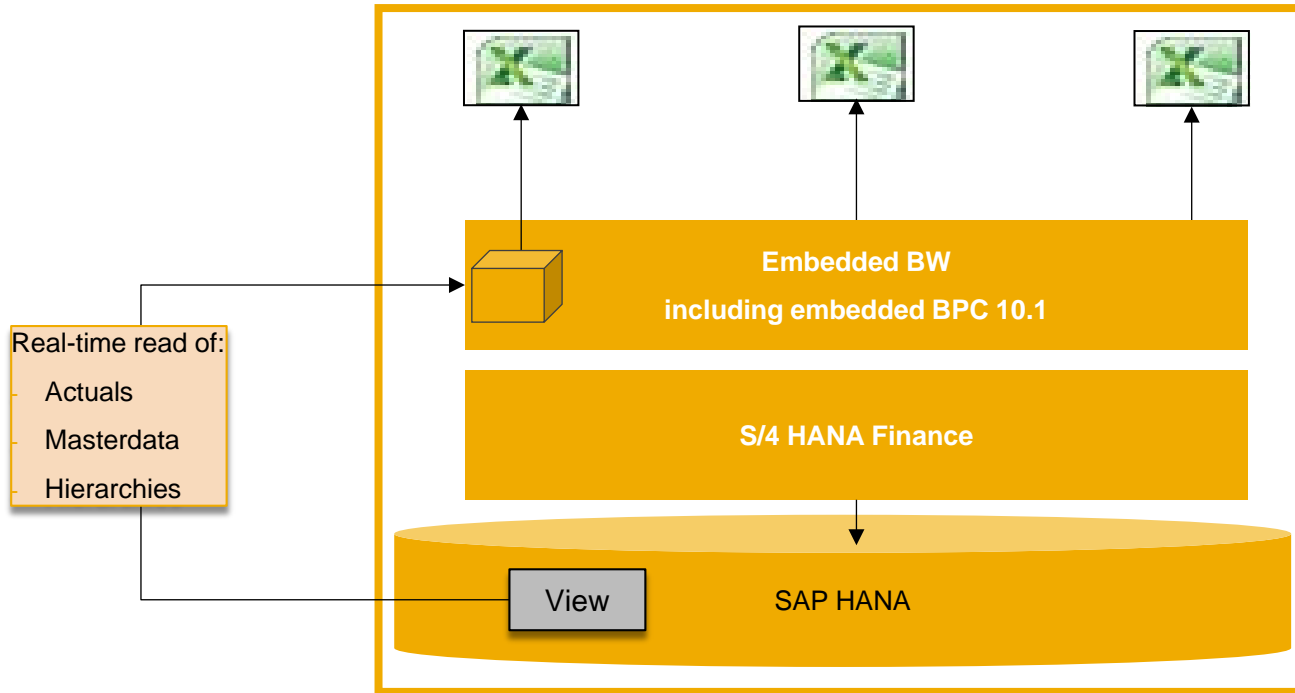| Expense Planning	Profitability Planning	P&L Planning

S/4 HANA Business Planning

- Common Financial Planning model
- Leverage In-Memory-planning capabilities
- Faster planning cycles
- Better decisions through end-to-end simulation capabilities

Expense Planning	Profitability Planning	P&L Planning

HANA

Views

Common Planning Model

Real Time Planning Architecture

Real-time read of:
- Actuals
- Masterdata
- Hierarchies

Embedded BW

including embedded BPC 10.1

S/4 HANA Finance

View

SAP HANA

# The 7 key benefits

- **Incorporate real-time actuals** – ability to compare plan/forecast against up to date actuals – including commitments…. Better budget management – avoid unforeseen overspends. Deliver real-time Liquidity Planning.

- **Dynamic forecasting with real-time ERP data** helps eliminate bad practices around budget manipulation (e.g. accrue against budget)

- **Method alignment** – allocation of costs - 'distribution and assessments' – built in to the ERP (for actuals) can be used for plan, budget & forecast – no need to rebuild/maintain in a separate planning tool – more accuracy, fewer disputes and all with less effort

- **Master data maintenance** – eliminate duplication of effort and potential errors & delays arising from mistakes

- **Best of all planning approaches** – single user license gives access to embedded planning plus 'stand-alone' (data-mart) architecture for maximum flexibility

- **Enterprise data model supports integration of financial and non-financial planning** – i.e. combination of industry planning (IS Retail, APO etc) with financial planning

- **Standardise reporting of actuals/budgets/plans and forecasts on one user interface – SAP Fiori**

SAP IBP for Finance - Actual & Planning 2014

System: ECN / User IBP01

Company: 3000 - BestRun USA / Category: PLAN01
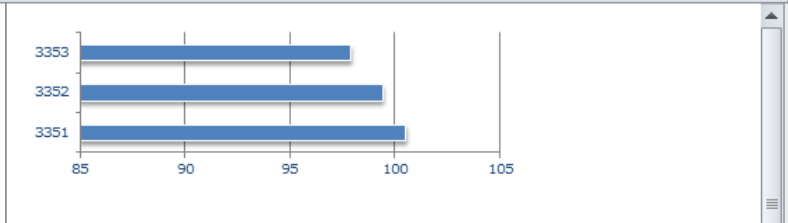
Cost Center	G/L Account			6 Actual	6 Plan	% of Plan	Actual - Plan	7 Actual	7 Plan
				$	$		$		$
Overall Result				197,138	198,062	100	-924		89,688
3351	Sales Territory A1	417000	Purchased services	13,655	13,655	100			6,377
		430100	Salaries & Wages	12,556	12,430	101	126		6,572
		430200	Benefits	4,284	4,155	103	129		2,041
		430300	Recruiting Costs	11,900	11,900	100			4,957
		430410	Internal Training	11,788	11,434	103	354		4,741
		474240	T&E - others	9,168	9,076	101	92		4,593
		475510	Market Event - Gen.	13,817	14,101	98	-284		6,604
		Result		77,167	76,751	101	416		35,884
3352	Sales Territory A2	415000	External procurement	8,730	8,992	97	-262		4,552
		430100	Salaries & Wages	17,236	17,409	99	-172		6,541
		430200	Benefits	7,692	7,769	99	-77		2,292
		430300	Recruiting Costs	7,102	7,031	101	71		2,313
		430410	Internal Training	13,797	13,383	103	414		4,853
		474240	T&E - others	6,649	6,649	100			3,332
		475510	Market Event - Gen.	16,302	16,713	98	-411		6,475
		Result		77,510	77,947	99	-437		30,359
3353	Sales Territory M3	415000	External procurement	3,041	3,133	97	-91		1,510

SAP Cloud for Planning

All Analytics. All Users. One Product.

Cloud for Analytics

Powered by
(intel)
Cloud
Technology

SAP Cloud for Analytics

Digital Boardroom			
Cloud for Analytics			
BI (available November 2015)	**Planning** (available February 2015)	**Predictive** (available Q1 2016)	**GRC** (date to be defined)
HANA Cloud Platform			

Introducing SAP Cloud for Planning part of SAP Cloud for Analytics

All Analytics. All Users. One Product.

Simplify   Experience   Trust

Simplify your job

- **All analytics in one product**

- **All business questions**

- **All data**

Business Intelligence
Planning
Predictive
GRC
Boardroom
Front-desk
Big Data analytics
Traditional analytics
On-premise data
Cloud Data
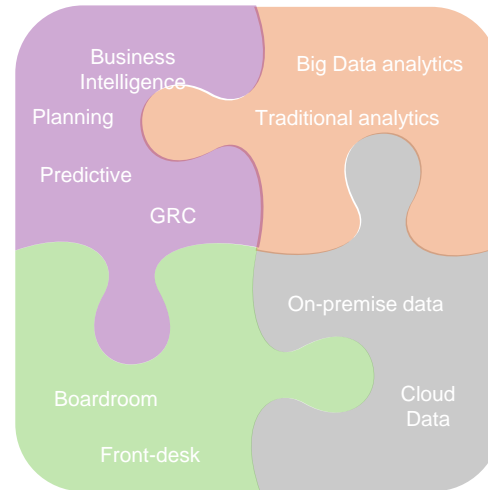
Experience a new product design

- **People-centric design**

- **Agile analytics**

- **Embedded insights**
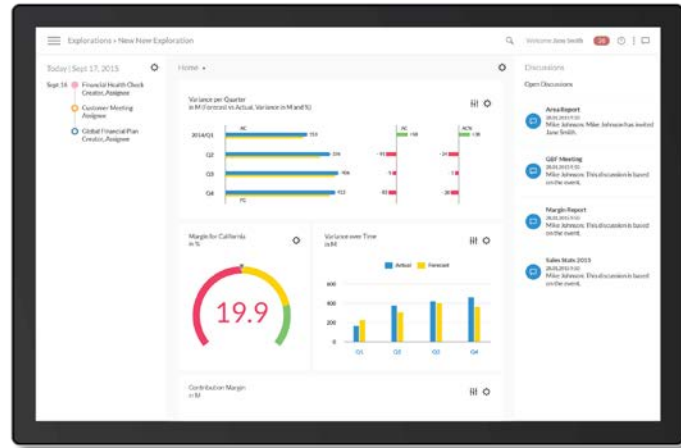
SAP Cloud for Analytics for Planning
Plan Simpler.

- Future-oriented

- People-centric

- Analytics-embedded
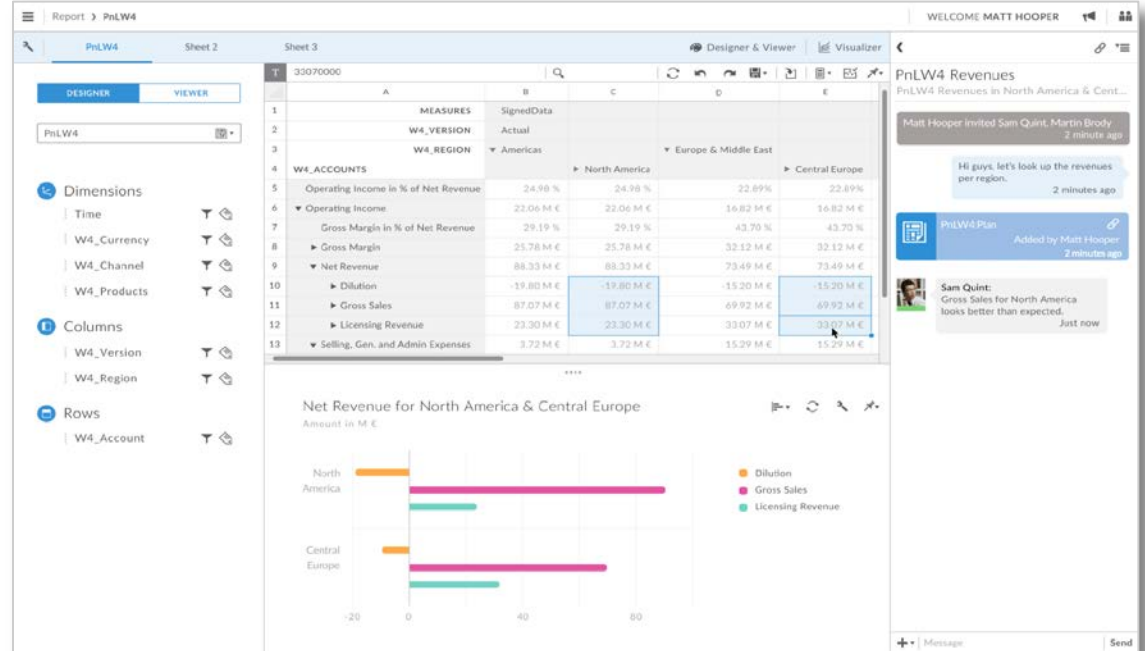
Future-oriented

- Enjoy a new generation of planning in the cloud with a modern look and feel

- Plan and simulate at any level of detail, with any number of users, at any time

- Trust your application will perform when and how you expect

Public
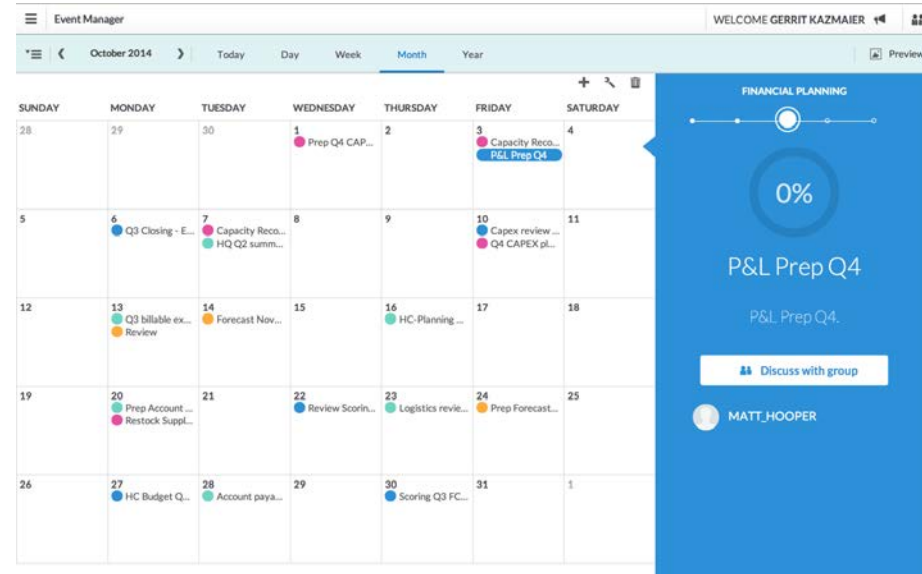
People-centric

- Simply create and modify planning models on the fly

- Take action anytime, anywhere on the desktop or on the go

- Align plans across Finance and business units with direct integration into SAP Business Planning and Consolidation

Analytics-embedded

- Analyze and plan in the same app

- Personalize your KPIs and dashboard

- Collaborate in-context of your plan
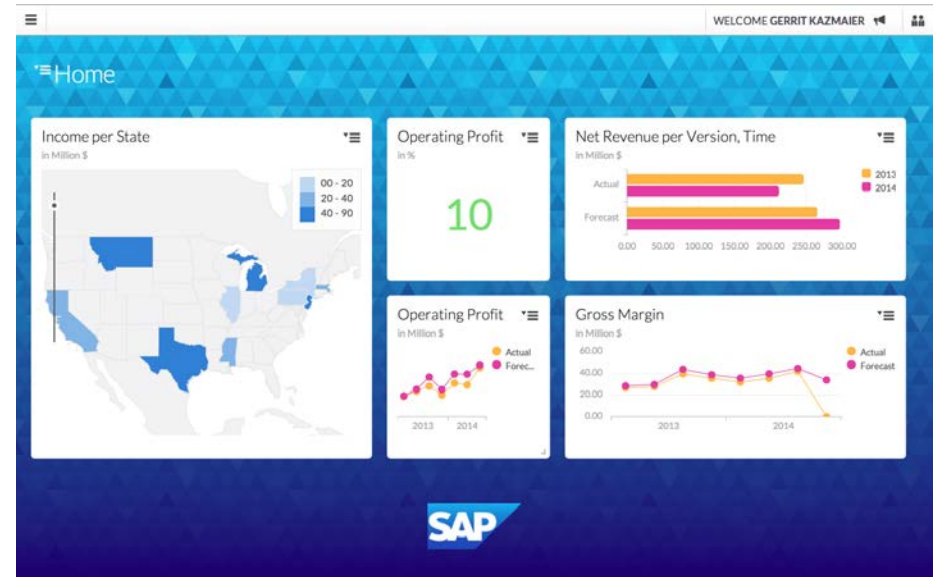
SAP Digital Boardroom

Cloud for Analytics

Powered by
intel
Cloud
Technology

Digital Boardroom

powered by SAP Cloud for Analytics

Top Floor

From top floor to shop floor

Finance	HR	Sales
Logistics	Operations	Etc

SAP S/4HANA

HANA   BW   OTHER
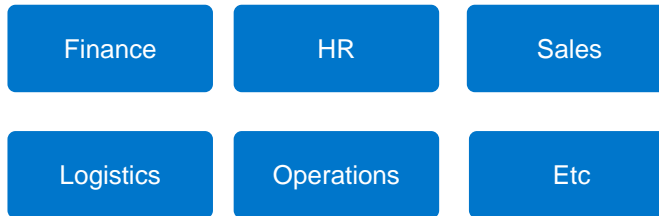
Shop Floor

Boardroom
- Total transparency
- Instant insights
- Simplified processes

Cloud for Analytics
- Planning
- BI
- Predictive*
- Governance*

SAP S/4HANA Embedded Insights
- Dashboards
- Visualizations
- Compliance

Agenda

🕐 JULY 10, 2015 09:00am - 06:00pm   📍 Heidelberg, SAP AppHaus

2015 / Q2 FINANCIAL RESULTS ⊙
Results SAP Group

C. Klein
Presenter

09:00am - 11:00am

On Premise

Cloud Applications

Business Network Group

SAP Group

2016 FINANCIAL PLAN AND BOUNDARY CONDITIONS ⊙

C. Klein
Presenter

11:00am - 11:30am

CLOUD INVESTMENT STRATEGY ⊙

11:30am - 12:00pm

TRANSFORMATION TO RUN SIMPLE ⊙

12:30pm - 03:00pm

SHORT-TERM GROWTH ⊙

03:30pm - 05:00pm

ADDITIONAL SYNC TOPICS ⊙

05:00pm - 05:30pm

WRAP UP ⊙

05:30pm - 06:00pm

Software License Revenue - Quarterly View ···

	Q2	Q3	Q4	Q1 2015	Q2
Growth Rate	1.0	-3.0	-5.0	1.0	-7.0
SW Rev.	957	952	1,867	696	979

■ SW Rev.
— Growth Rate

Weighted Pipeline (EUR) - Software Revenue ···
per DRM Category

■ Booked/ Won   ■ Committed   ▨ Probable   ▨ Upside

2015-Q3   767M
2015-Q4   971M

0M 250M 500M 750M 1.000M 1.250M

Software License Revenue

Software License Revenue

▍ Overall SW Revenue in Q2 with 979 mEUR, strong performance by MEE and North America as main revenue dri

▍ In comparison to last year a 7% decline

Weighted Pipeline - Software Revenue
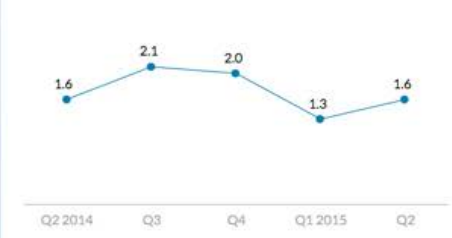
▍ Pipeline for HY2 looks healthy.

Support Revenue - Quarterly View
in million EUR, YoY in %@cc

	Q2 2014	Q3	Q4	Q1 2015	Q2
Growth Rate	4.0	8.0	9.0	7.0	7.0
Support Rev.	2,160	2,233	2,343	2,454	2,531

■ Support Rev.
— Growth Rate

MAR Lost of Total
in %

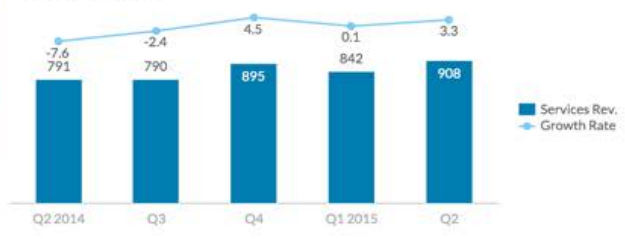| Q2 2014	Q3	Q4	Q1 2015	Q2
1.6	2.1	2.0	1.3	1.6

Support Revenue and MAR Lost of Total

Support Revenue

▍ Overall very good performance with 2,531 mEUR revenue in Q2

▍ Strong YoY Growth with 7%

Services Revenue - Quarterly View
in million EUR, YoY in %@cc

	Q2 2014	Q3	Q4	Q1 2015	Q2
Growth Rate	-7.6	-2.4	4.5	0.1	3.3
Services Rev.	791	790	895	842	908

■ Services Rev.
— Growth Rate

Book to Bill Ratio
in #

Q2 2014	Q3	Q4	Q1 2015	Q2
1.3	1.2	1.5	1.1	1.3
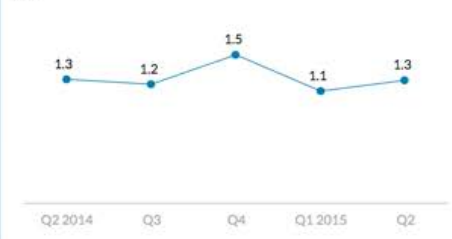
Service Revenue

Services Revenue

▍ Overall revenue performance neutral with 908 mEUR

▍ We continue to grow our Services revenue by 3,3%.

Book to Bill Ratio

▍ Book to bill ratio remains stable.

SAP S/4 HANA

18:17
Monday
26th October,
2015

Analysts Estimates - Q2 2015
Non-IFRS, in million EUR

Cloud Subscription and Support Revenue
495   533   563

Software Revenue
938   1,008   1,053

Cloud & Software Revenue
4,065
3,942   4,056   4,151

Operating Profit
1,393
1,335   1,396   1,478

Operating Margin in %
28.0
27.3   28.2   30.3

SAP
Low   Consensus   High
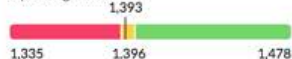
Analyst Estimates as of 09.07.2015

Financial Performance Overview
in million EUR, ops margin in %   ...

29.8   31.8   38.9   23.5   28.0

Q2 2014	Q3	Q4	Q1 2015	Q2
4,153	4,256	5,469	4,502	4,972
1,235	1,355	2,127	1,056	1,393

■ Total Revenue ■ Operating Income ─●─ Operating Margin

Stock Performance Trend
in USD

Month   Quarter   Year   All   Clear

● Vogsphere
● Carfrax
● Kria
● Milliways
● SAP
● Damogran

April July October 2014 April July October 2015 April July

2013 2013 2014 2014 2014 2015 2015

Competitor Benchmark - Total Revenue
in billion EUR

9.8 Kria

8.4   6.6   7.8   8.1

4.2   4.3   5.5   4.5   5.0 SAP

1.3   1.4   1.4   1.5   1.6 Milliways

Q2 2014   Q3   Q4   Q1 2015   Q2

HR Trend
in FTE

67,651   68,835   74,406   74,551

74,497   -1,670   -1,956   -1,210

Q2 2014   Q3   Q4   Q1 2015

Top 10 Countries by Risk Value with Number of
in million EUR, # of alerts

Alerts Total
1100 880 660 440 220 0

China
176

USA
114

Germany
77

Russian Federation
48

Brazil
28

Czech Re
21

Italy
34

France
17

Japan
13

Software Revenue Growth ▾

Legend

Software Licences					📈
5,640	6,260	7,136	8,207	9,602	11,522

Software				
5,640	6,260	7,136	8,207	9,602

Software Support					📈
9,315	10,319	10,754	11,315	12,035	12,993

Support				
9,315	10,319	10,754	11,315	12,035

Total Revenue					📈
20,750	24,253	27,339	30,353	35,229	41,505

SAP S/4 HANA

18:24 Monday
26th October,
2015

Financial Performance Overview
in million EUR, ops margin in %

Guidance - Operating Profit
in billion EUR

Operating ...

Operating ...

Guidance- Total Revenue
in billion EUR

Total Re...

Total Re...

23.9 — 19.7 — 18.5 — 16.9 — 15.3 — 14.6

20,750

+1.2%
24,253

+2.4%
27,339

+3.8%
30,353

+5.2%
35,229

+6.7%
41,505

4,952

+0.2%
4,784

+0.9%
5,055

+2.2%
5,138

+3.3%
5,380

+3.9%
6,058

2015   2016   2017   2018   2019   2020

■ Total Revenue   ■ Operating Income   ◆ Operating Margin
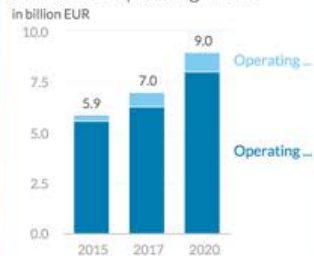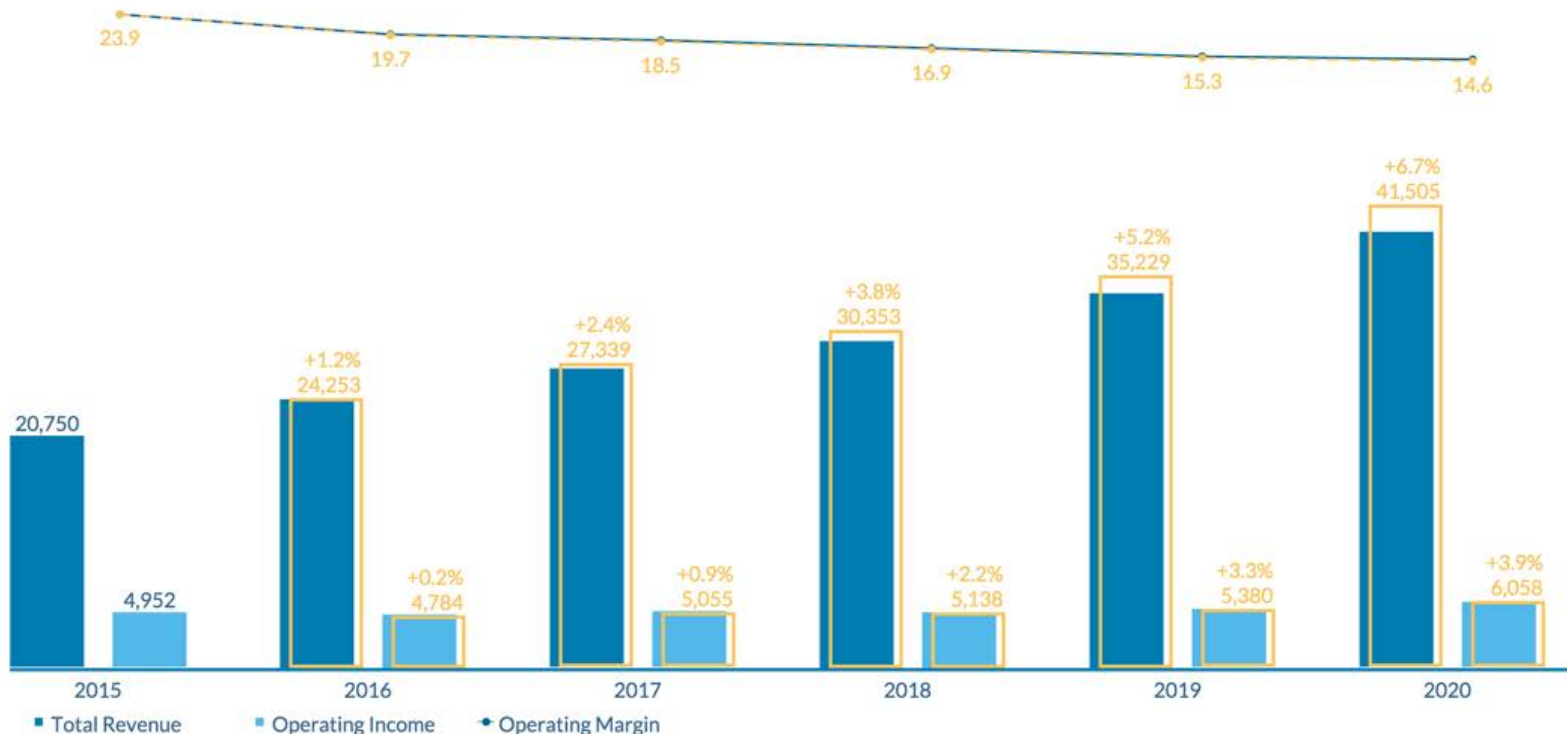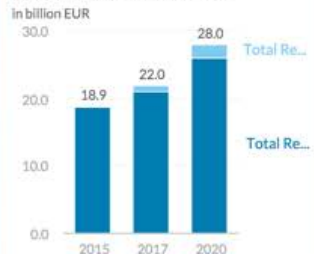
The SAP difference

Complete

end-to-end analytics solutions
on-premise and in the cloud

#1

leader in analytics*

65,000+

analytics customers

13,000+

partners with proven
track record of success

*Gartner - "Market Share Analysis: Business Intelligence and Analytics Software, April 2015

Q&A

SAP would like to thank our sponsor

Powered by

intel®

Cloud Technology

SAP®