

Partner Opportunity in a Transforming World

How Digital Transformation is driving value for the SAP Ecosystem

Market Transformation Leads to Accelerated Opportunity

By 2020 AT LEAST 55%



of organizations will be digitally determined, transforming markets and reimagining the future through new business models and digitally enabled products and services.



By 2022 Cloud, analytics, and social will grow to **\$764 BILLION** a 14.2% compound annual growth rate



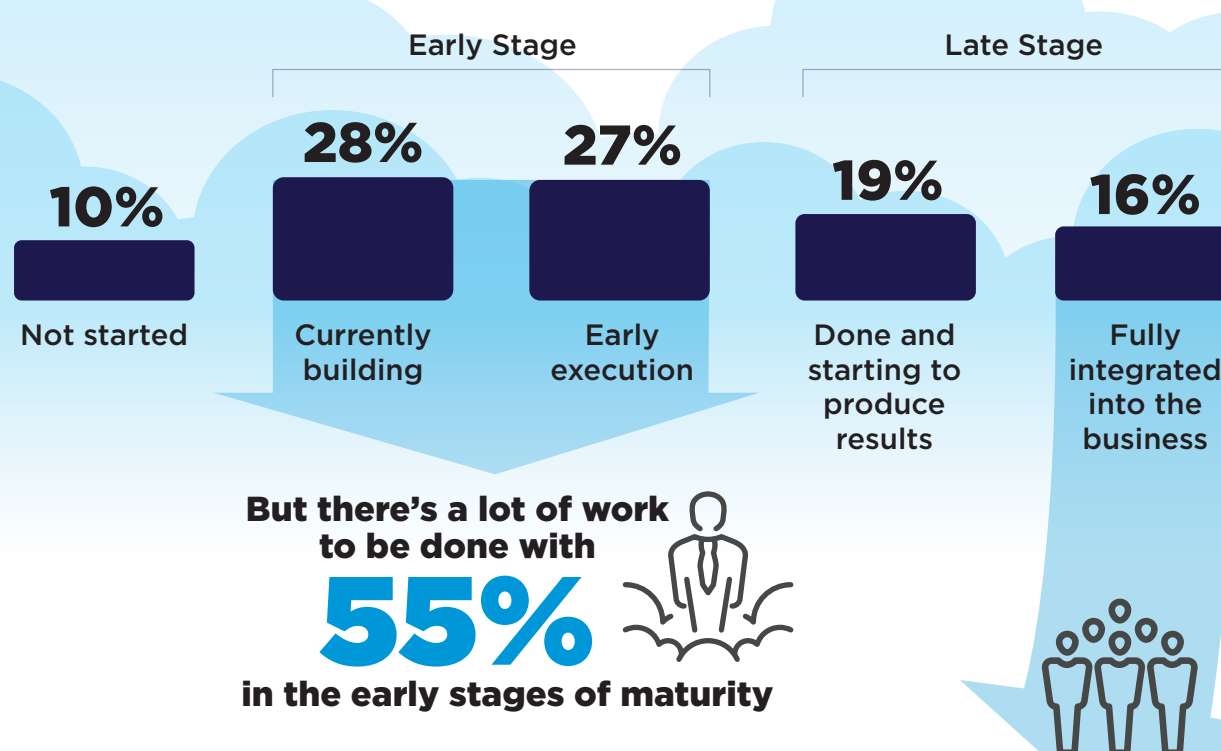
By 2022 Innovation Accelerators ICT (AI, robotics, IoT, etc.) will grow to **\$1.8 TRILLION** a 17.5% compound annual growth rate

In 2022, enterprises worldwide will spend **\$2.0 trillion** on technology and related services to implement and manage Digital Transformation (DX) initiatives.

SAP Partners on the Digital Journey

Most SAP partners are engaged in developing or executing on a digital strategy

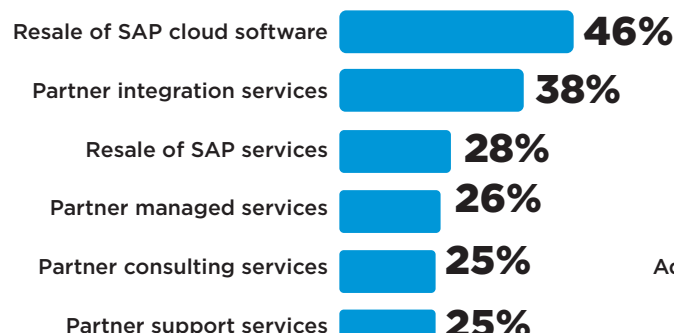
SAP Partner Digital Maturity



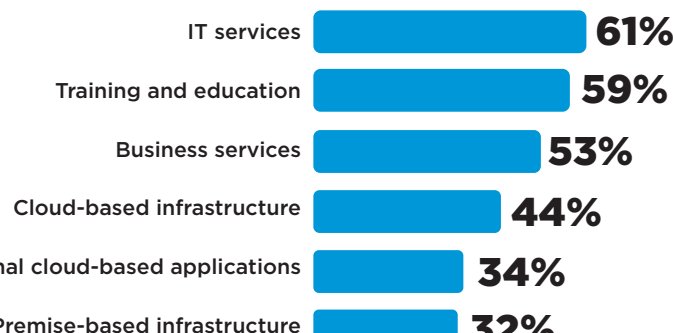
...The digitally savvy are outstripping their peers. SAP partners with a **fully integrated digital strategy** experienced an average of **43% REVENUE GROWTH** last year, compared to 22% for the rest of the SAP partners

Where SAP Partners are Finding Growth

Fastest growing revenue streams related to partners' SAP business



Additional components of a deal most demanded by SAP customers



Q: For the proportion of your business related to SAP, which of the following areas are experiencing the fastest revenue growth?

Q: In addition to your services and the basic SAP software obtained by your customers, what else do your customers obtain to complete an implementation?

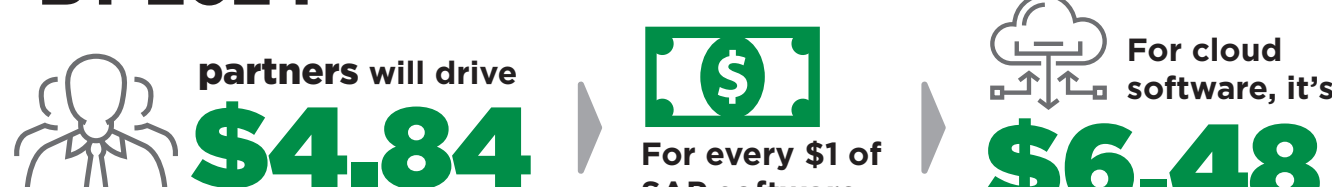
The SAP Partner Economy

SAP Partner Opportunity WILL DOUBLE BY 2024

Over the next 5 years, the partner opportunity will grow to **\$202 BILLION**

FOR EVERY \$1 OF SAP SOFTWARE SOLD IN 2018, PARTNERS GENERATED **\$3.88** THROUGH THEIR OWN VALUE CREATION. FOR PARTNERS ENGAGED IN SAP CLOUD, ITS **\$5.55**.

BY 2024



Nearly **60%** of net-new partner opportunity will be built around **SAP cloud**

The SAP cloud opportunity will grow:



THOSE PARTNERS THAT DEVELOP ON SAP CLOUD

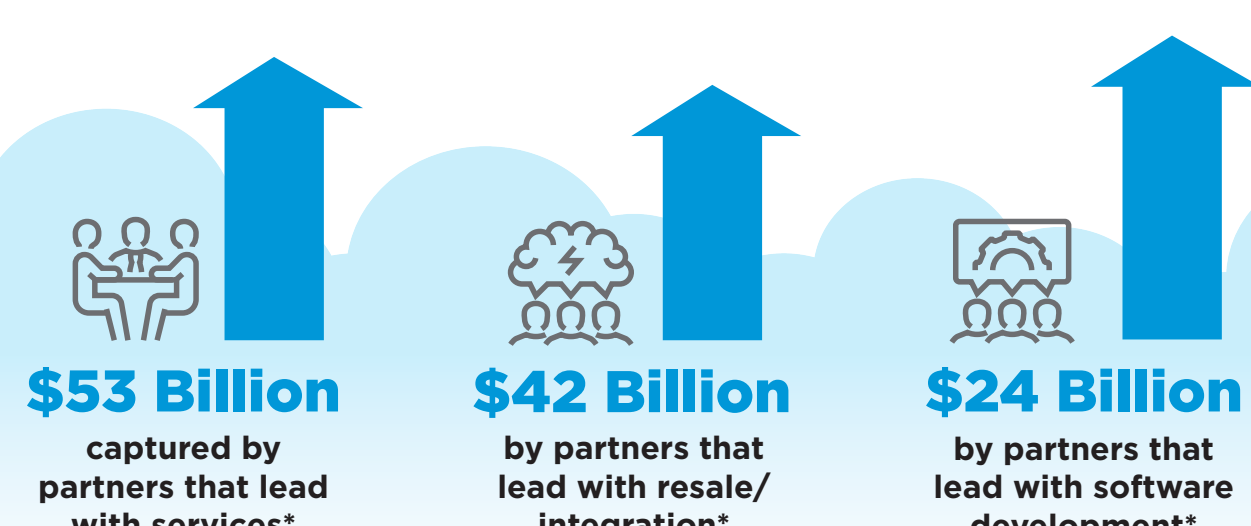


will grow the fastest - growing at

23.4%

CAGR through 2023. This growth rate is 2.3x the rate of other partners

The SAP Cloud Partner Opportunity represents:



*Note: Partners engage in a mix of revenue generating activities in providing value to customers, including resale, delivering their own services, and developing software. This research study segments the SAP partner ecosystem into three groups