



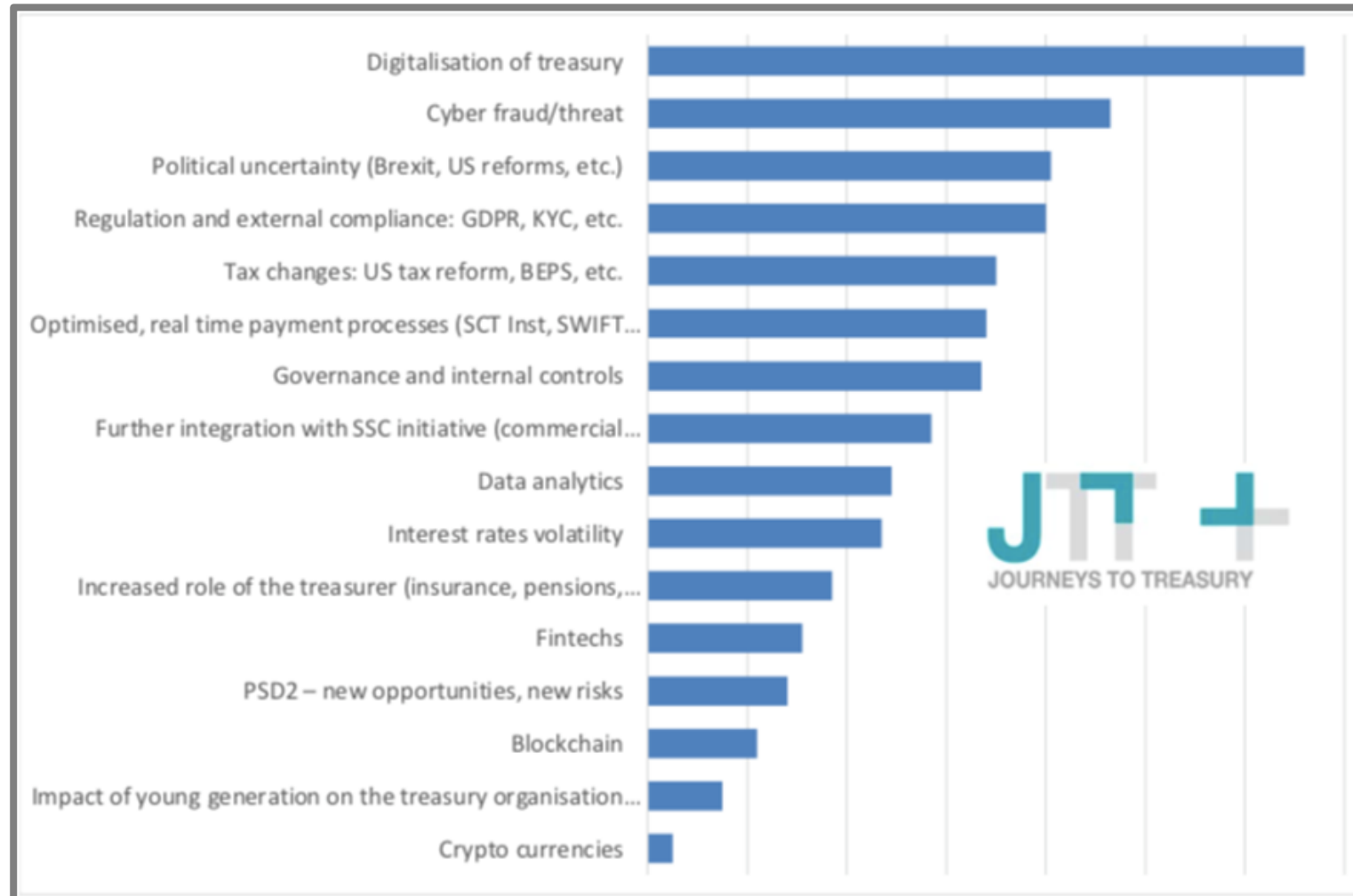
# Intelligent Treasury for a Connected World

**SAP runs SAP**

Claudio Marino, SAP CFO EMEA South  
June 13, 2019

# Treasurers' priorities are evolving

They are looking for ways to align better with these priorities



Source: JTT 2018 Survey published through the European Association of Corporate Treasurers

# The forces that are reshaping Treasury organizations

Treasury is not isolated from the rest of organization



## Strategic Support

- Transition from tactical to strategic approaches
- Guardian of assets to creator of value
- Reactive to predictive leadership
- Strong process alignment across enterprise and beyond



## Focus on Risk

- Continuing impact from financial crisis in 2008
- Increased market volatility
- Comprehensive view of risk
- Increasing avenues for financial fraud
- Exposure to cyber attacks



## Regulatory Changes

- Ongoing changes in regulations (e.g., IFRS & US GAAP)
- Local legal requirements
- Know Your Customer (KYC) requirements
- Push for global standards
- Data protection requirements (such as GDPR)



## Centralization

- Process optimization through centralizing
- Shared service centers for economies of scale
- Need for global visibility into cash
- Center of excellence approach

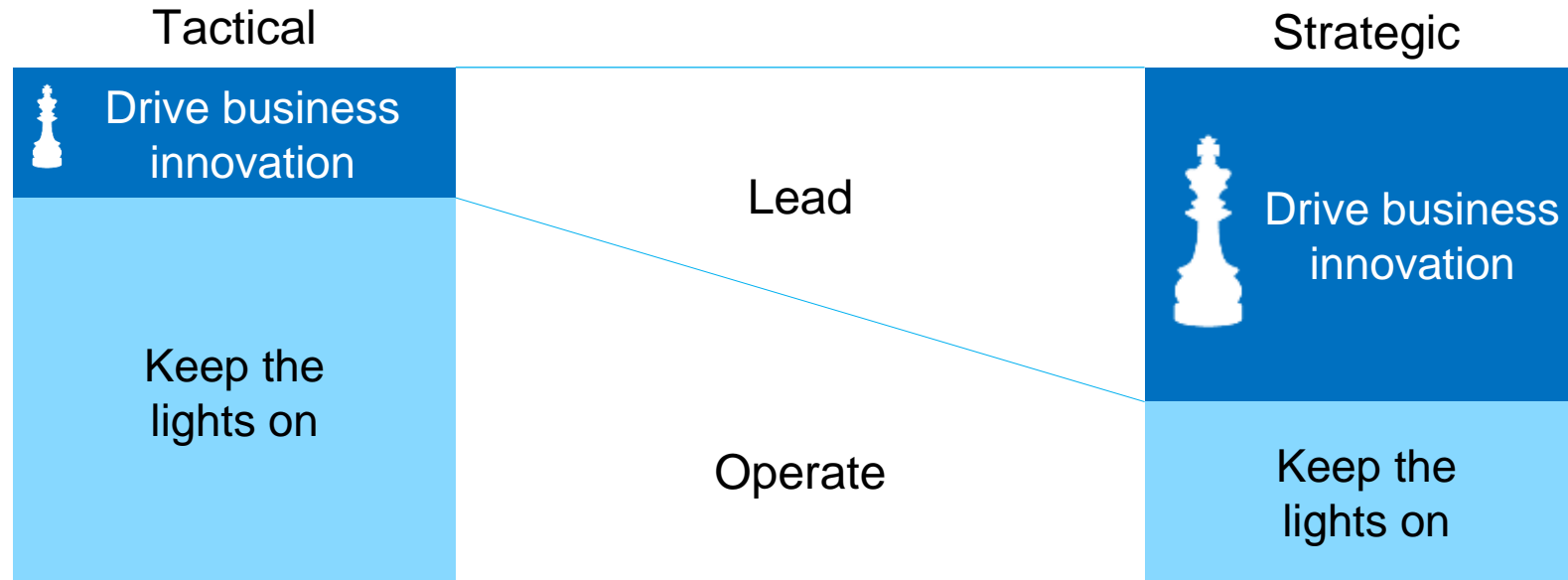


## Technology Transformation

- Intelligent systems require volume and diversity of data points
- Multiple sources generate relevant data
- Results in seconds rather than days
- Drive process efficiency to reduce costs
- Super-charged technological revolution

# Want to lead but can barely operate

Treasurers can play a pivotal role in mitigating risks and driving business



“

**76% of Finance executives believe at least half their time should be on high-value planning and analytic activities, though only 55% achieve this**

”

*Source CFO.com Research*

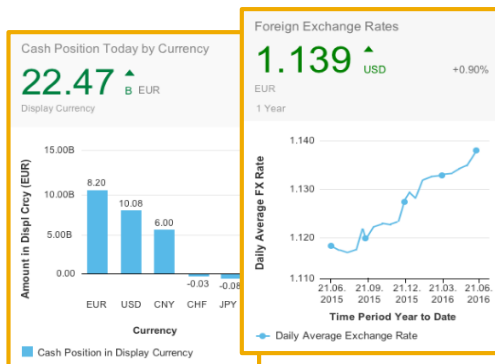
# Drivers of an Intelligent Treasury

## Insights. Automated Actions. Controlled Outcomes

1

### Gain visibility and insights from the treasurer's dashboard

- On-the-fly analysis
- Management by exception
- Collaboration with stakeholders

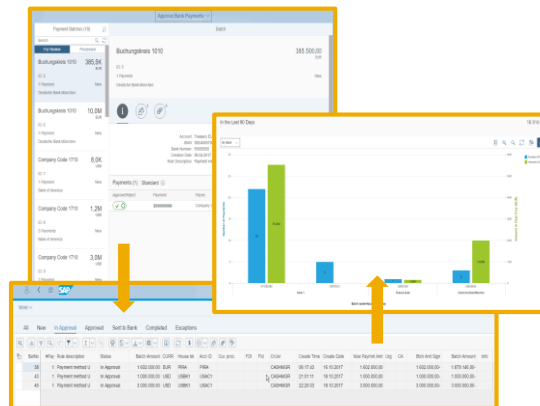


Executive Dashboards

2

### Control treasury processes with automation

- Straight-through processing
- Automated processes
- Machine Learning and Intelligence

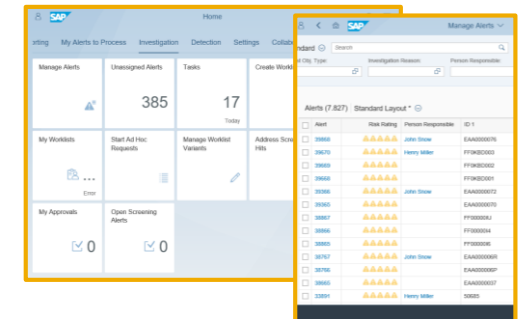


End-to-end Integrated Processes

3

### Maintain business compliance to mitigate risks

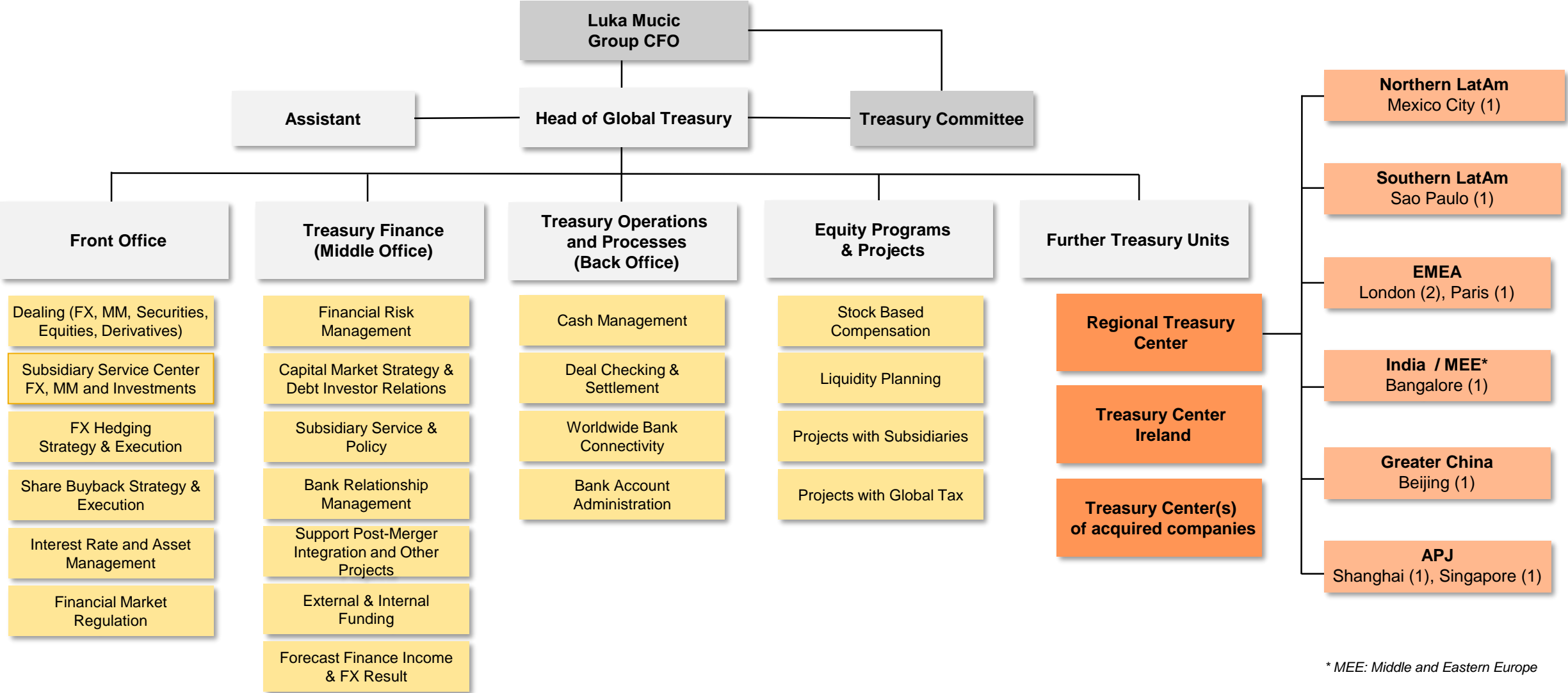
- Alerts, monitors and workflows
- Process integration across the enterprise
- Automated controls and monitoring



Screening, Alerts and Monitors

# SAP's Global Treasury Organization

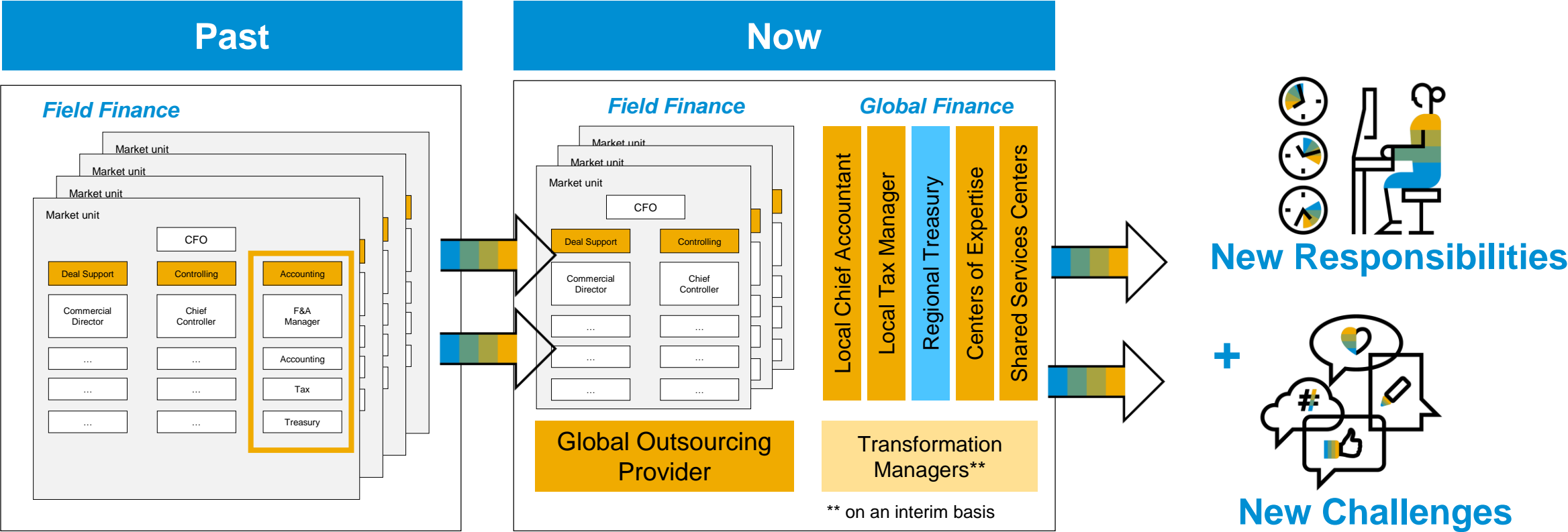
Customer reference



\* MEE: Middle and Eastern Europe

# Finance Transformation at SAP

From country and entity orientation to functional focus





# Global Treasury

## Main areas of responsibility



### Global Cash Management

- Bank account opening and closing, automated bank account statements
- Daily **cash disposition**, short-term **liquidity planning**, cash centralization
- Worldwide bank connectivity, bank account administration, **cash centralization**



### Dealing & Asset Management

- **Dealing** (FX, Money Market, Securities, Equity Derivatives)
- **Investment strategy** with current focus to avoid substantial negative yield



### Subsidiary Support

- **Liquidity & Working Capital Management**
- Bank account and payment services
- Local **financial business support** (e.g. bank guarantees)
- **I/Co financing** (foundations, capital increases, loans)
- **I/Co dividend payments**



### External Funding

- **Acquisition financing & debt capital market strategy**
- Credit rating
- Bank relationship management
- **Debt Investor Relations** (together with Investor Relations)



### Financial Risk Management

- **Liquidity risk** management (3-Pillar Financing Strategy, long-term liquidity planning)
- **FX risk** management
- **Interest rate risk** management
- **Counterparty risk** management
- Share-based compensation hedging



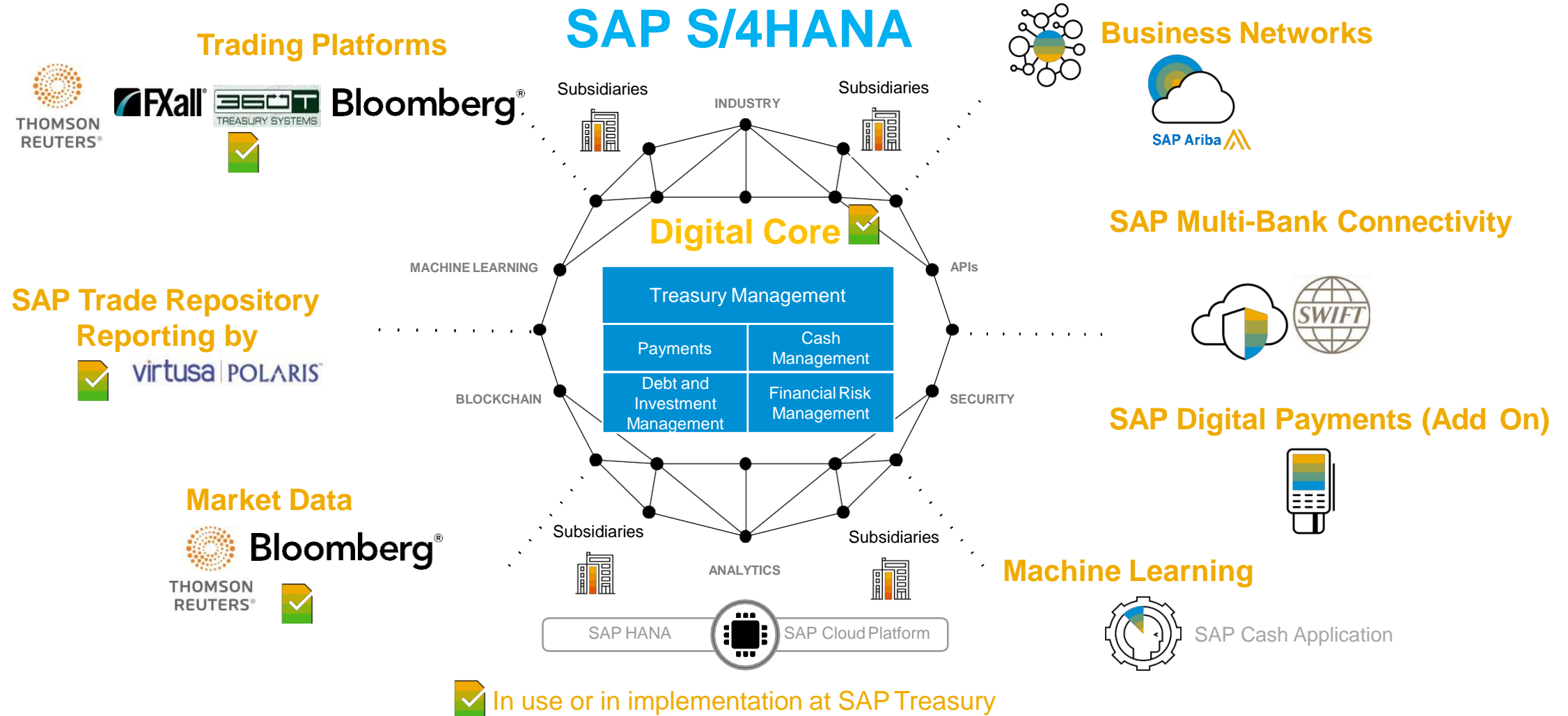
### Other value-enhancing tasks

- **Long-term liquidity planning**
- Design of **share-based compensation programs**
- Co-Innovation with Treasury Development
- **Sales support**: "SAP runs SAP" showcases
- **Deal-related support** on FX structuring, guarantees, deal financing
- Treasury Dashboard design
- Thought Leadership (e.g. participation in working groups)
- **Cross-departmental projects**, e.g. with Global Tax
- Development of Finance talents



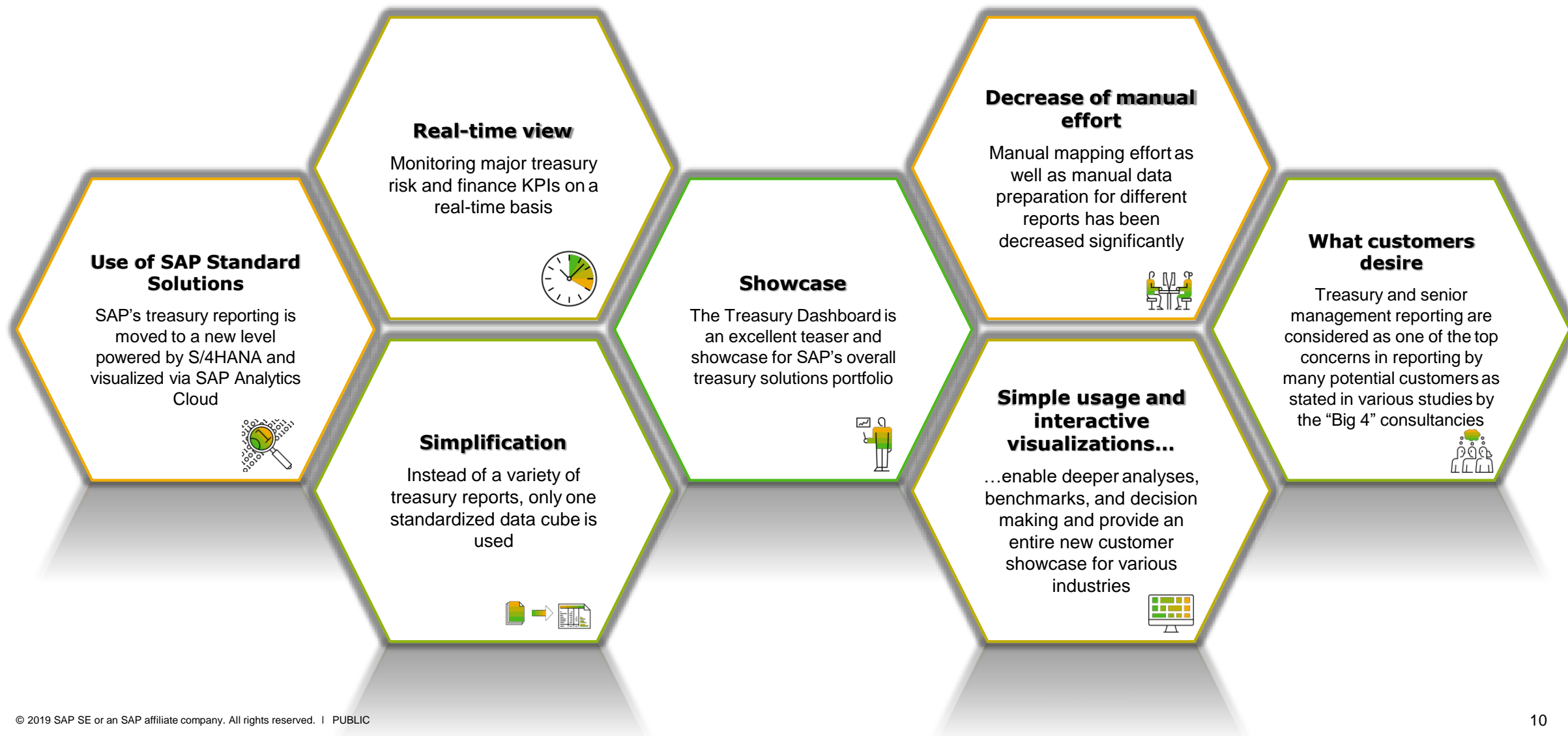
# Treasury as part of the Digital Core

## End-to-end processes with value-added extensions



# SAP Global Treasury's Dashboard

## Key Benefits



**Measure Selection**

☒ Gross Liquidity  
☐ Debt

**Region**

Search

- All
- APJ
- EMEA
- Greater China
- Latin America
- MEE

### Liquidity by Country

in mEUR



### Gross Liquidity SAP Group

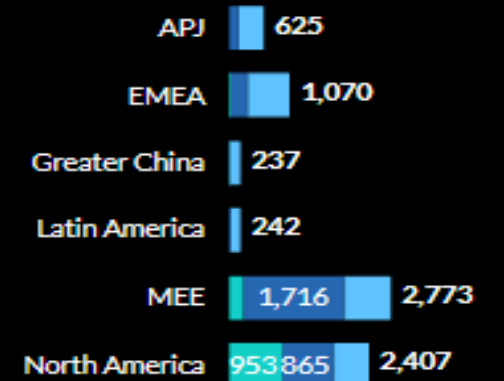
in mEUR

**7,352**  
Gross

Debt 7,802  
Net -449

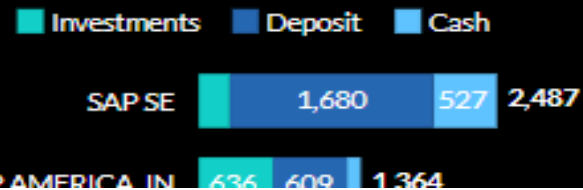
### by Region

in mEUR



### Gross Liquidity Company Code (Top 5)

in mEUR

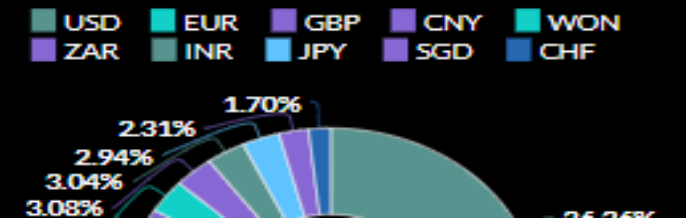


### Cash by Counterparty (Top 5)

in mEUR

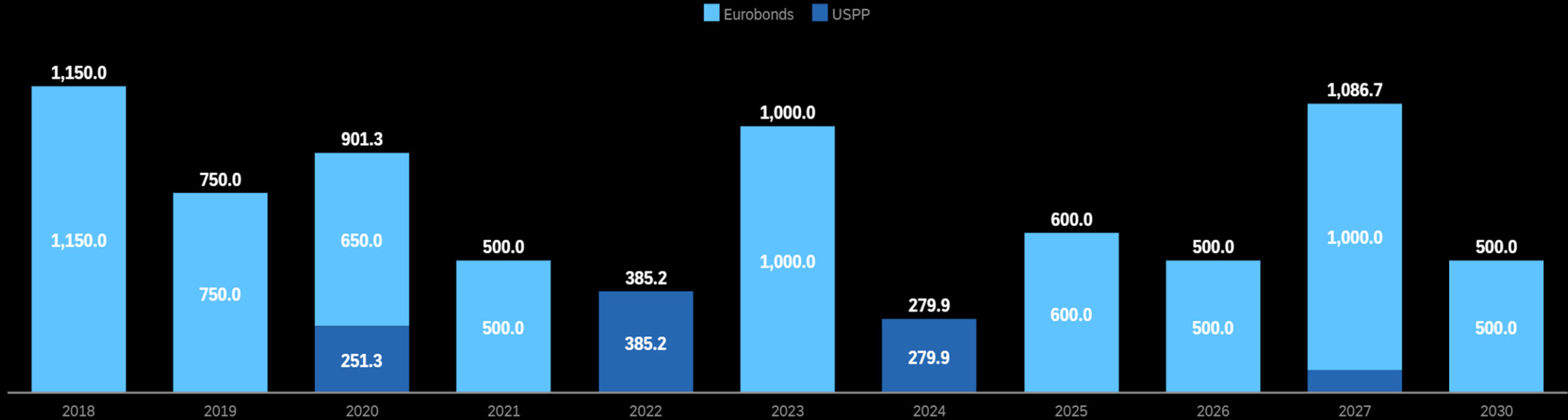


### Share by Currencies



Financing Structure

in mEUR



Maturity Profile

	PEFFZINS	PKOND	TSL
Bank Loans	—	—	-864.49 Million
Eurobond 3 - Tranche 2 (due 11/2019)	2.2861711	2.1250000	-750.00 Million
Eurobond 4 - Tranche 1 (due 11/2018)	0.1538947	0.0000000	-750.00 Million
Eurobond 4 - Tranche 2 (due 02/2022)	1.2207706	1.1250000	1.000.00 Million

Type

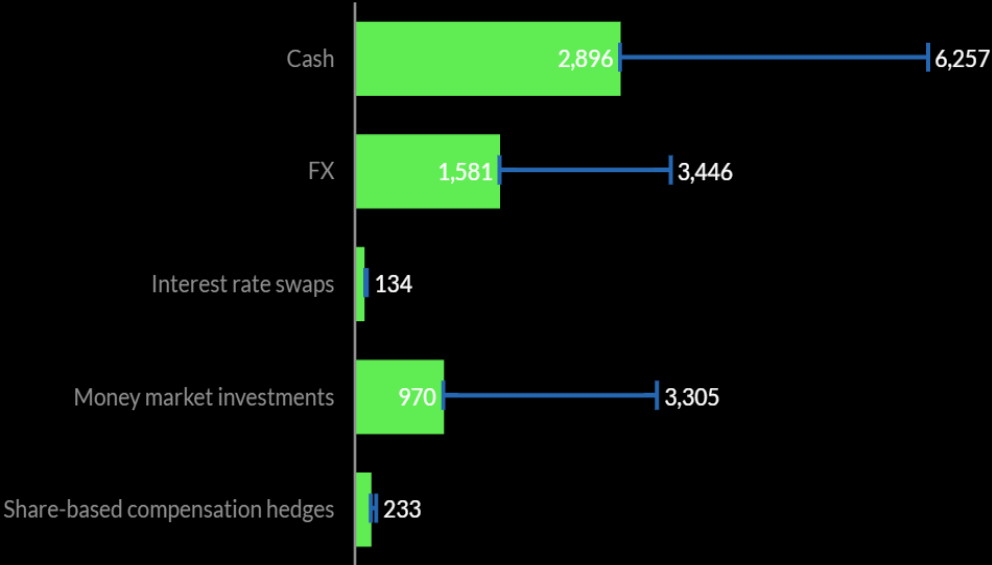
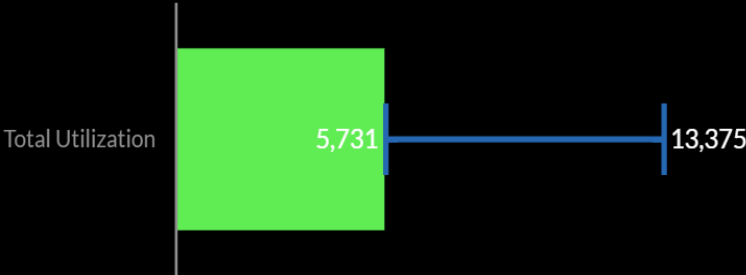
☒ All
 ☒ Core
 ☒ Non-Core

Bank

☒ All
 ☒ Cognate Holdings
 ☒ Reliance Financial Corp.
 ☒ Ward Trust
 ☒ First Choice Holdings Inc.
 ☒ Globe Holdings Inc.
 ☒ Pulse Bancorp
 ☒ Credit Bancshares
 ☒ Gold Alliance Bank System
 ☒ Banco Mercantil
 ☒ Sky High Bank Corp.
 ☒ Big Heart Trust Corp.
 ☒ National Bancshares
 ☒ Private Corporation
 ☒ Cloud Nine Bank Group

### Limit Amount Utilized

in mEUR



	Total Limit	Total Utilization	Free Limit
Cognate Holdings	0	0	0
Reliance Financial Corp.	1	1	0
Ward Trust	100	1	99
First Choice Holdings Inc.	200	31	169
Globe Holdings Inc.	355	263	92
Pulse Bancorp	350	73	277
Credit Bancshares	4	5	-1
Gold Alliance Bank System	10	4	6

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