



NUCLEUS
RESEARCH

SAP

Expectation relative to market segment

Track

Technology Segment
Enterprise Applications

Ticker Exchange Bloomberg
SAP NASD NH NUC <GO>

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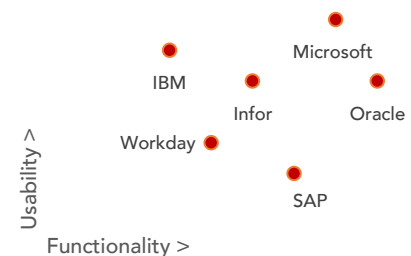
SAP's large and diverse customer base and longstanding presence as a leading technology provider has allowed it to thrive amid economic downturn. The vendor has proven its long-term value to organizations through its ability to support multiple organizational operations, many of which have been critical to its customers' survival.

Price 4/20/2021 \$139.40
52 week range \$104.46 - \$169.30

COMPANY

SAP offers modular business management solutions for a broad range of use cases. The software can be deployed both on-premises and through Software-as-a-Service (SaaS) delivery models. The vendor has expertise in many industries, particularly in financial services, and professional services. Additional areas of coverage include consumer-facing industries, process industries, and discrete industries. SAP applications can run on independent platforms or on HANA, the vendor's database server, which can natively store and retrieve data and has advanced analytics capabilities.

MARKET POSITION



MARKET

SAP is one of a few vendors that offers customers a full suite of enterprise applications, giving it a significant competitive and strategic advantage in the market. Additionally, increased demand for cloud enterprise applications has contributed to the vendor's continued success. While slower than others to embrace the cloud, SAP has now committed to the cloud's future, providing a clear and modern roadmap for enterprise clients. Nucleus expects that demand for full suite, cloud-based solutions will further solidify SAP's market position as organizations continue to adapt to changes in the overall work landscape. The vendor has also launched its 'RISE with SAP.' RISE is a subscription service that combines a set of services and product offerings and is meant to help customers go through digital transitions and become what SAP is calling 'intelligent enterprises.'

RELATIVE SOLUTION COST

Workday	103%
SAP	100%
Oracle	100%
Microsoft	100%
IBM	97%
Infor	97%

Relative cost to a customer based on typical mid-sized deployments during the past 6 months.

CUSTOMER PERCEPTION

> 90 Positive

Analyst estimate based on feedback from customers and prospects during the past 6 months

COMPETITION

Nucleus positions SAP as an Expert in the Enterprise Resource Planning (ERP), Customer Relationship Management (CRM), Human

Capital Management (HCM), Supply Chain Planning (SCP), and Analytics Technology Value Matrices. The vendor's main competitors are other full-suite enterprise providers such as Oracle, Infor and Microsoft. Other competitors, such as Salesforce for CRM, have expertise in specific market areas. As SAP moves legacy customers to their cloud infrastructure, there is risk of drop off as organizations weigh their vendor options amid the transition. While Oracle has made a recent point to highlight the number of large customers moving from SAP ERP to Oracle, Google's parent company Alphabet has announced that it is moving its internal financial operations from Oracle to SAP.

OUTLOOK

SAP's well-established market presence has allowed it to not only survive but excel amid the downturn. The vendor's ability to scale its solutions to the needs of organizations of all sizes, along with its wide range of functionality across organizational needs, have given it somewhat of a safety net against customer poaching at the hands of other providers. The vendor has been able to continue growth in all of its respective technology coverage areas and has proven to be well-equipped to handle long term customer needs. Nucleus expects that as more organizations reopen and face new regulations across business areas, SAP will serve as an attractive option for new customers looking to transition to the cloud.