

26th August 2016

TMT

SAP

Price EUR77.50

Acquiring Altiscale for over USD125m?

Fair Value EUR75 (-3%)

NEUTRAL

Bloomberg	SAP GR
Reuters	SAPG.DE
12-month High / Low (EUR)	78.9 / 55.9
Market Cap (EURm)	95,209
Avg. 6m daily volume (000)	2,481

ANALYSIS

- Yesterday the website VentureBeat reported SAP was acquiring Altiscale for over USD125m. Founded in 2012 and based in California, Altiscale offers a cloud version of the Hadoop open source software for storing, processing and analysing large amounts of data. It also provides a cloud version of Apache Spark, a faster alternative to Hadoop, as well as BI tools to access data from Hadoop and Spark clusters.
- - This is the kind of "bolt-on" acquisitions we expect from SAP for the next two years. Altiscale would allow SAP to save time and money on the development of products based on Hadoop and Spark. According to VentureBeat, the deal, which is expected to be announced in the next few weeks, would be valued for 3-4x the amount invested by VCs in the company.

	1 M	3 M	6 M	31/12/15
Absolute perf.	0.5%	7.5%	10.9%	5.6%
Softw.& Comp.				
SVS	1.6%	4.9%	11.2%	3.8%
DJ Stoxx 600	0.3%	-1.9%	4.7%	-6.5%
	2015	2016e	2017e	2018e
P/E	20.5x	20.0x	17.6x	16.5x
Div yield (%)	1.5%	1.5%	1.7%	1.8%

VALUATION

- SAP's shares are trading at est. 14.8x 2016 and 13.4x 2017 EV/EBIT multiples.

NEXT CATALYSTS

- Q3 2016 results on 21st October before markets open.

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Distribution of stock ratings

BUY ratings 72%

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