

15th December 2016

TMT

**SAP**

Price EUR80.40

**Acquisition of Abakus, a start-up in marketing optimisation**

Fair Value EUR82 (+2%)

**NEUTRAL**

Bloomberg	SAP GR
Reuters	SAPG.DE
12-month High / Low (EUR)	82.4 / 64.9
Market Cap (EURm)	98,772
Avg. 6m daily volume (000)	2 349

	1 M	3 M	6 M	31/12/15
Absolute perf.	6.0%	2.4%	19.4%	9.6%
Softw.& Comp.				
SVS	5.5%	-2.1%	11.8%	3.9%
DJ Stoxx 600	5.2%	5.1%	11.0%	-2.8%

  

	2015	2016e	2017e	2018e
P/E	21.3x	21.3x	18.0x	16.7x
Div yield (%)	1.4%	1.5%	1.6%	1.7%

#### ANALYSIS

- **Yesterday evening SAP announced the acquisition of Abakus** for an undisclosed sum. Founded in 2013 and based in Emeryville (CA) with an office in London, Abakus is a cloud-based cross-channel marketing measurement and optimisation software vendor. Thanks to a patented game theory-based attribution technology built for media placement, its solution helps brands evaluate, plan and optimise their marketing activity so that they get a better return on the money they spend.
- **Immaterial impact on our forecasts.** The transaction is expected to close in Q1 2017. No figures are available, but we estimate Abakus employs a few dozen employees - which means sales are likely to be c. EUR5m in our view. The combination of Abakus with the omni-channel SAP Hybris Marketing Cloud, which includes customer profiling and journey management, will allow brands to optimise marketing performance and understand customer interactions from multiple sources across all devices and channels. Using Abakus will allow SAP customers to base their marketing strategy on actual data as opposed to ad-hoc models.

#### VALUATION

- SAP's shares are trading at est. 15.6x 2016 and 13.7x 2017 EV/EBIT multiples.
- Net debt on 30th September 2016 was EUR3,904m (net gearing: 16%).

#### NEXT CATALYSTS

FY16 results on 24th January 2017 before markets open.

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## Distribution of stock ratings

BUY ratings 55,6%

NEUTRAL ratings 34%

SELL ratings 10,5%

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