SAP S/4HANA Release and Maintenance Strategy Update

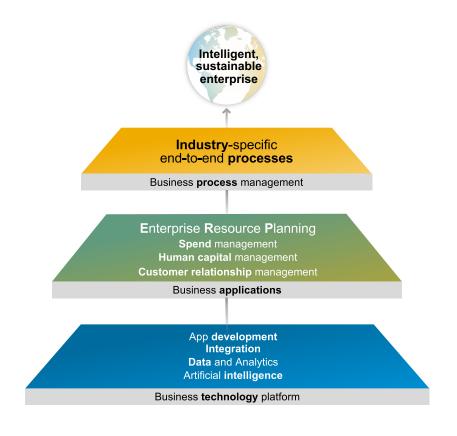
November 29, 2022 | 10:00 AM EST/ 03:00 PM CET



Ulrike Raidl

Vice President
Solution Management SAP S/4HANA





Enable every enterprise to become an intelligent, sustainable enterprise

SAP S/4HANA is at center of every intelligent enterprise transformation

Modular cloud portfolio

Continuous innovation | Easily Extensible | Cybersecurity | Cloud economics

SAP

S/4HANA

Cloud

SAP Business Technology Platform

Integration and extensibility

SAP Signavio

Business process transformation

SAP Cloud LoB

Applications from SAP and partners

SAP Industry Cloud

Applications from SAP and partners

Cloud ERP for every business need

SAP S/4HANA Cloud, public edition

SAP S/4HANA Cloud, private edition

Ready-to-run cloud ERP that delivers the latest industry best practices and continuous innovation

Tailored-to-fit cloud ERP that adapts to your organization's unique transformation

Standardization Personalization

SAP S/4HANA Cloud, private edition

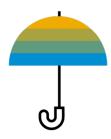
Tailored-to-fit cloud ERP that adapts to your organization's unique transformation





based on your differentiating processes, securing your competitive advantage

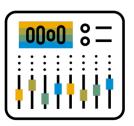
- Use industry best practices where suitable
- Take advantage of the powerful configuration options for your differentiation
- Leverage non-disruptive extensibility and an unparalleled number of partner add-ons



Protect your investment

building upon your existing knowledge and customizations

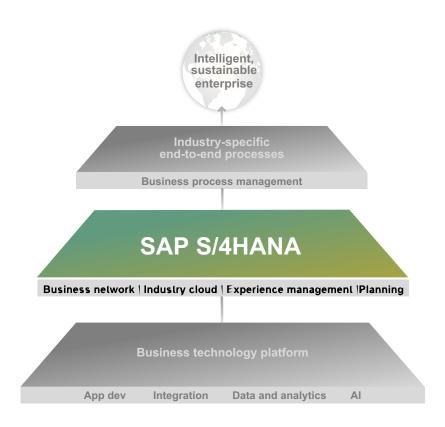
- Keep your scope, leverage modern UI, and optimize your business processes gradually
- Optimize what you have with dedicated tools to achieve a clean core
- Take advantage of SAP's security operations and SLAs



Keep control

and innovate at your own pace in your environment of choice

- Decide how frequently you want to update
- Roll-out innovations when they fit your timeline
- Choose the cloud infrastructure that best fits your requirements



SAP S/4HANA is the **product family** of SAP's modern ERP Offerings, which are at the core of the intelligent, sustainable enterprise.

SAP S/4HANA is delivered in three distinct product flavors:

- SAP S/4HANA Cloud, public edition
- SAP S/4HANA Cloud, private edition
- SAP S/4HANA

The change in strategy described in the following slides only effects solutions in the SAP S/4HANA Cloud, private edition family and SAP S/4HANA (on-premise).

SAP S/4HANA has reached its next stage

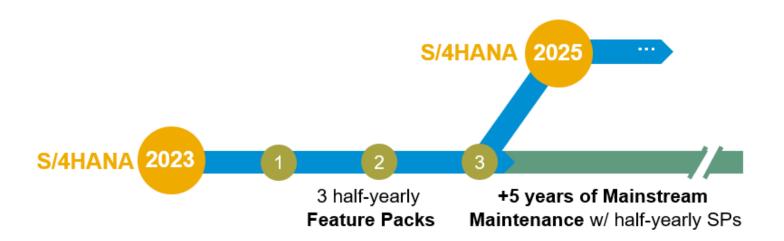


As of October 12th, SAP has delivered eight SAP S/4HANA releases

Next level of product maturity: SAP S/4HANA 2023

Delivering completeness on Compatibility Scope alternatives and concluding major renovations.

Taking the next evolutionary step towards a release strategy, which better supports our customer base.





Releases versus Feature Packs

RELEASE

Requires an upgrade

The **heavy-lift** with data model changes, new ABAP platform version, new kernel, new DDIC version, ...

Adoption of ABAP core enhancements is possible

Upgrade requires thorough testing, as well as partially adjustments and training, due to incompatible or substantial changes

Heavily modifying development is possible

Status of apps may change from **deprecated** → **revoked**

Covers ~300 development projects delivering ~600 innovations

Includes the flush re-delivery of public cloud developments

FEATURE PACK

Requires an update

Technically it is a **support package with new/enhanced features**, deployed on the previously delivered base release

ABAP platform stays on previous release, too

Enhanced/modified features need to be **switched for minimal-disruptiveness** of the feature pack; the update is **easier to consume** than the upgrade

Additive, new application innovation is anyhow no problem

No new deprecation and no revocation starting with a feature pack

Covers 50-100 projects with 50-130 innovations

Scope is cherry-picking based on actual customer demand

New extended maintenance option for SAP S/4HANA 1709, 1809, and 1909 customers

SAP S/4HANA 2023 release marks an important milestone for our customers with SAP S/4HANA Cloud, private edition, or on-premise:







Less disruptive feature delivery



Extended mainstream maintenance timeframe

- To migrate to the upcoming SAP S/4HANA 2023 release, RISE with SAP is the perfect solution.
- To make it more effective for customers to upgrade to the 2023 release, SAP offers:

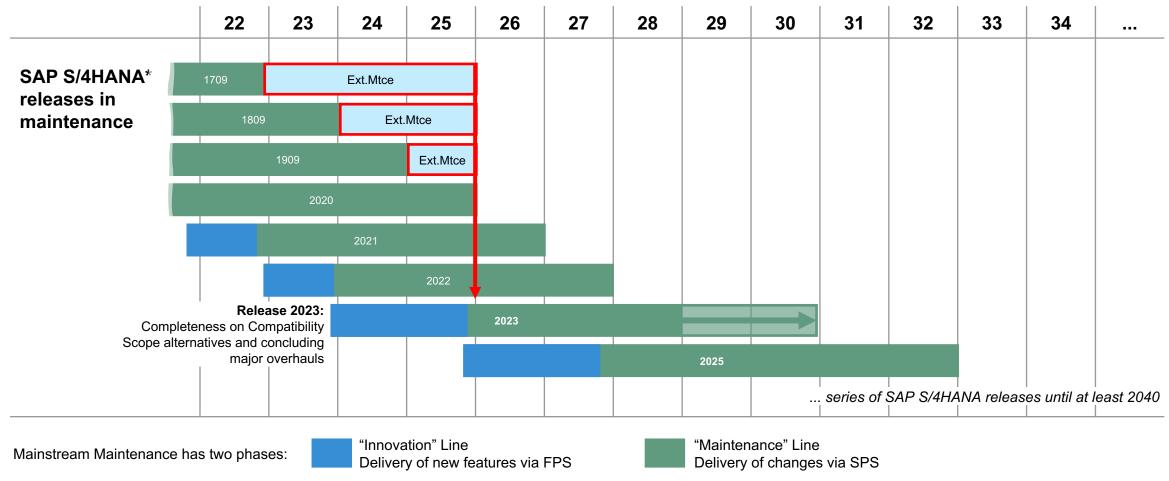


Extended maintenance option for customers on SAP S/4HANA 1709, 1809, or 1909

- Included in RISE and other SAP S/4HANA subscriptions
- 4% fee on core SAP S/4HANA for on-premise customers



Extended maintenance for SAP S/4HANA 1709, 1809, and 1909 releases



After the general availability of SAP S/4HANA 2022, Feature Package Stacks (FPS) and Support Package Stacks (SPS) contain stabilizations bundled with corrections and legal changes. Customers benefit from this functionality as part of their maintenance fee. The first SPS of a new release can contain selected features and is labeled Feature Package Stack (FPS) accordingly. Support Package Stacks are compiled periodically and made available in the SAP Service Marketplace

Extended maintenance for cloud customers

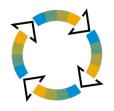
For cloud customers, the following rules apply:



Eligible subscriptions

The following cloud subscriptions (incl. predecessors) are eligible:

- SAP S/4HANA Cloud, private edition
- SAP S/4HANA Cloud, private edition, tailored option
- SAP S/4HANA Cloud, extended edition
- HEC Subscription for SAP S/4HANA



Automatically granted

Once customers consuming an eligible cloud subscription, extended maintenance will be applied automatically until end of 2025.



No additional fee

For eligible subscriptions, extended maintenance is free of charge.

Extended maintenance for on-premise customers

Four options are available for SAP S/4HANA on-premise customers approaching the end of mainstream maintenance:

- 1. **Upgrade** to a release in mainstream maintenance
- 2. Lift & Shift to RISE with SAP S/4HANA Cloud, private edition
- 3. Continue to operate SAP S/4HANA with **customer specific maintenance**
- 4. Optionally purchase extended maintenance
 - For on-premise installations of SAP S/4HANA releases 1709, 1809, and 1909
 - Available at a price point of 4 p.p. on all SAP S/4HANA Enterprise Management SKU in customer landscape
 - Available at a term of 3 months; always starting on Jan 1 of respective year with automatic, quarterly renewal until Dec 2025

Extended maintenance for SAP S/4HANA 1709 is commercially available since Nov 1, 2022.

SAP S/4HANA On-premise Concept Overview

Customer landscape

SAP S/4HANA Enterprise Management

SAP S/4HANA Add-ons

Other landscape elements

Extended maintenance fee will be calculated on all SAP S/4HANA Enterprise Management licenses in the landscape



Add-ons specific for releases 1709-1909 are generally expanded in mainstream maintenance until end of 2025 – no additional fee
See upcoming SAP Note for selected exclusions

Out of scope for extended maintenance for SAP S/4HANA – no additional fee

Special case mixed landscapes:

Landscape includes a complex mix of S/4 releases – e.g., 1610, 1709, 1909, 2021

Extended maintenance fee is calculated on all Enterprise Management SKUs independent of releases

Customer selects for which releases extended maintenance is requested; examples:

1709

Contract and full fee as per above starts Jan 1, 2023

Extended maintenance will be enabled for releases 1709 and newer, i.e., also for 1909

1909

Contract and full fee as per above starts Jan 1, 2025

Extended maintenance will be enabled for release 1909 only

Extended maintenance for on-premise – recap

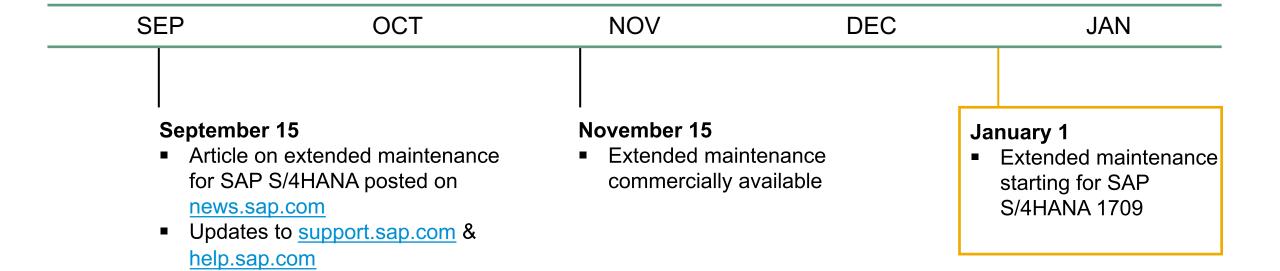
- An existing maintenance contract is prerequisite for extended maintenance eligibility
- Extended maintenance is a separate contract and can be cancelled on a quarterly basis
- Extended maintenance is calculated based on the <u>entire</u>
 Enterprise Management maintenance base in the customer's landscape

Sample calculation:

	in k€	Enterprise Support	Support Fee in k€	Ext. Maintenance	Ext. Mtce. Fee in k€
Maintenance Base	250	22%	55	N/A	N/A
thereof Enterprise Management	175	22%	38,5	4 pp	7
thereof add-ons & other	75	22%	16,5	N/A	N/A



Timelines



Thank you.

Contact information:

Ulrike Raidl

SAP S/4HANA Solution Management

ulrike.raidl@sap.com

+49 171 308 54 53



@UlrikeR



...and see you again on Thursday





Oliver Frick
Chief Product Expert,
SAP S/4HANA Service



Vice President and Chief Expert, SAP S/4HANA Solution Management



Noboru Ota



Important Links

SAP Support Portal	<u>Link</u>
SAP Note 2881788 "End of SAP Business Suite 7 mainstream maintenance"	[<u>Link</u>]
SAP Note 1648480 "Maintenance for SAP Business Suite 7 Software []"	[Link]
SAP Note 52505 "Support after end of mainstream maintenance or extended []"	[Link]
SAP Note 3016445 "SAP ERP, private cloud edition […]"	[Link]
SAP Note 3016524 "RISE with SAP S/4HANA, private cloud edition […]"	[Link]
Product Availability Matrix	[<u>Link</u>]