



# TeamViewer

## Quarterly Statement Q1 | 2021

GOPPINGEN, GERMANY, 4 MAY 2021

### **Q1 2021: TeamViewer prepares the ground for long-term growth and achieves record billings**

- Strong billings growth of 26% at constant currencies to EUR 146.6m on top of extraordinary Q1 2020
- Adjusted EBITDA up 22% year-on-year to EUR 90.0m
- Adjusted EBITDA margin of 61.4%
- Two successful tuck-in acquisitions and two landmark sports partnerships to underpin long-term sustainable growth
- New CMO and new President Americas to drive global brand building and accelerate expansion and growth in the Americas region
- EUR 300m ESG-linked promissory note loan issued at very attractive terms
- Full-year 2021 outlook confirmed: EUR 585m - 605m billings with 49 - 51% adjusted EBITDA margin and revenue of EUR 525m - 540m

#### **Key Figures**

EUR m, unless otherwise stated	Q1 2021	Q1 2020	Δ yoy	Δ cc <sup>1</sup>
Billings (non-IFRS)	146.6	119.7	+22%	+26%
Adj. EBITDA (non-IFRS)	90.0	73.9	+22%	
Adj. EBITDA Margin (%)	61.4%	61.7%	-0.3pp	
Revenue (IFRS)	118.3	102.7	+15%	
Levered Free Cash Flow	25.0	35.2	-29%	
Subscribers (thousand LTM) <sup>2</sup>	603	514	+17%	
Employees (FTE, 31 March)	1,378	928	+49%	

1) Growth at constant currency 2) Last twelve months as of 31 March

«In the first quarter, we have continued our remarkable growth path, while setting the strategic course to build a truly global tech brand. We are delivering sustainable growth combined with high profitability and will continue to do so which underpins the strength of our business model. With two landmark sport partnerships we are investing significantly in our brand as well as in the marketing of our broadened solutions portfolio across all customer segments. Together with our investments in the enterprise segment and our recent acquisitions in adjacent markets, these strategic decisions put TeamViewer in a pole position to grow stronger for longer – to the benefit of all our stakeholders.»

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Oliver Steil, TeamViewer CEO

«On top of an outstanding growth against an extremely strong comparative quarter last year, we were also able to significantly drive our ESG agenda in the first three months of 2021. We embedded ESG in our financing, set the target to become climate neutral by 2030 latest and have received the confirmation by leading sustainability scientists that our offering helps our customers and users to significantly reduce their carbon footprint.»

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Stefan Gaiser, TeamViewer CFO

## Q1 2021 Business Update

In the first quarter of 2021 TeamViewer recorded billings growth at constant currencies of 26% to EUR 146.6m. This is on top of an exceptionally strong Q1 in the prior year driven by significant extra demand after the outbreak of the COVID-19 pandemic. As a result, TeamViewer grew its Q1 billings by nearly 50% on average over two consecutive years. Adjusted EBITDA increased to EUR 90.0m, up 22% year-on-year, leading to a very strong adjusted EBITDA margin of 61.4%. This underlines TeamViewer's unique financial profile of high growth combined with exceptional profitability.

Key growth drivers for TeamViewer were the strong customer retention and continued expansion of the enterprise business. TeamViewer's subscriber base grew to 603,000, including 2,058 enterprise customers with a yearly contract value above EUR 10,000. Increasingly, large organizations are using TeamViewer for operational technology (OT) use cases including IoT and Augmented Reality (AR) technology. For example, Mitsubishi Electric Europe uses TeamViewer's AR support solution in its offices across Central and Eastern Europe to enhance customer support experience and improve repair processes for their industrial control systems, drives, and robots. Switzerland-based global technology company Bühler Group has implemented TeamViewer's enterprise solution including AR for remote maintenance and commissioning of critical infrastructure for production outlets across the globe.

Through two strategic acquisitions, TeamViewer further expanded its addressable market in the first quarter and invested in long-term growth. With the acquisition of Xaleon, TeamViewer entered the customer engagement space. Only three months later, its operations and technology are fully integrated, and the new solution suite TeamViewer Engage has been introduced to the market. It enables seamless digital customer interaction from first contact to closing contracts in virtual conversations. The second acquisition of Upskill, the US pioneer for industrial AR solutions, strengthens TeamViewer's global leadership in enterprise AR solutions across all verticals and has significantly expanded the visibility and reach in the US, TeamViewer's largest market.

To turn TeamViewer into a global tech brand, the company signed strategic five-year partnerships with two of the most successful and well-known sports brands in the world: football club Manchester United and Mercedes racing teams in formula 1 and formula E. Both partners have a very large global fanbase including APAC and the Americas as major growth regions. These landmark partnerships will enable TeamViewer to present its brand and its technology across all customer segments – through prominent brand placements across various assets and channels, through activation in social media and at live events, and through high-end hospitality for relationship-building. Another focus will be the joint creation of case studies that showcase how TeamViewer's technology supports both teams on their path to digital transformation.

Moreover, TeamViewer hired new senior talent: The company appointed Lisa Agona as new global CMO and member of the management board which underscores the relevance of the marketing function for TeamViewer. In addition, senior enterprise software executive Patricia Nagle joined as new President Americas to further accelerate business development and expansion in the Americas region. Both new hires started in Q2.

## Outlook

Operating in the very attractive growth markets around digitalization, connectivity, and industry 4.0 solutions, TeamViewer is best positioned to grow across all customer segments. The company has put comprehensive initiatives in place to further penetrate these markets and foster sustainable long-term growth targeting more than EUR 1bn billings in 2023 and continued high billings growth of at least 25% after 2023.

Following a strong first quarter, TeamViewer confirms its 2021 outlook and projects reported billings in a range of EUR 585m and EUR 605m and revenue to be in a range between EUR 525m and EUR 540m, assuming a US Dollar exchange rate of 1.20 per EUR and broadly stable other currencies. As announced in March 2021, the company expects an adjusted EBITDA margin of 49% to 51% for fiscal year 2021.

## Financial Results

TeamViewer achieved record billings of EUR 146.6m in the first quarter 2021, up 22% year-on-year and up 26% adjusted for currency effects. Subscriber retention was a key focus in the first quarter and TeamViewer's customer support and sales teams very successfully retained a large number of subscribers that were added in the first wave of global lockdowns in 2020. The net retention rate remained strong with 100%.

The expanded enterprise customer base contributed EUR 58.7m of billings during the last twelve months ending 31 March 2021, up 90% compared to the twelve-month period ending on 31 March 2020 (EUR 31.0m). At the same time, the share of contracts with annual values of EUR 50,000 or more has increased to 41% from 32% a year earlier. TeamViewer benefits from a well-diversified go to market model covering all customers segments which has shown strong growth across the EMEA and Americas regions and solid performance in APAC.

### Billings and Revenue per Region

EUR m	Q1 2021	Q1 2020	Δ yoy	Δ cc <sup>1</sup>
<b>Billings (non-IFRS)</b>	<b>146.6</b>	<b>119.7</b>	<b>+22%</b>	<b>+26%</b>
EMEA	86.7	68.8	+26%	+27%
AMERICAS	44.9	38.1	+18%	+28%
APAC	14.9	12.8	+17%	+17%
<b>Revenue (IFRS)</b>	<b>118.3</b>	<b>102.7</b>	<b>+15%</b>	-
EMEA	63.2	56.4	+12%	-
AMERICAS	40.1	33.2	+20%	-
APAC	15.0	13.1	+15%	-

1) Growth at constant currency

Q1 2021 revenue increased by 15% year-on-year to EUR 118.3m (Q1 2020: EUR 102.7m), reflecting the discontinuation of the former perpetual license model. This effect will phase out during 2021 closing the growth differential to billings from 2022 onwards. A significant amount of Q1 billings have been booked towards the end of the quarter and will therefore be recognised as revenue later in the year contributing to TeamViewer's full year 2021 revenue in the following quarters.

While continuing to invest across the sales, marketing and R&D organisations, adjusted EBITDA grew 22% year-over-year to EUR 90.0m. With 61.4%, the adjusted EBITDA margin remained virtually unchanged compared to Q1 2020. This high operating profitability continues to translate into very strong cash conversion. Levered Free Cash Flow amounted to EUR 25.0m (Q1 2020: EUR 35.2m) which already included prepayments related to the landmark sports partnerships. The company benefited from significantly lower interest paid for borrowings and lease liabilities of EUR 4.0m (Q1 2020: EUR 13.4m) as a result of fast deleveraging and the debt optimisation program which commenced last year. In Q1 2021 TeamViewer continued its financing activities with a EUR 300m promissory loan note linked to the ESG management score compiled by Sustainalytics and has thereby started to embed sustainability in its capital structure, too. In addition, a further reduction of funding costs and extension of maturities was achieved with a EUR 100m bilateral loan. The net proceeds were used to repay the drawn portion of the revolving credit facility RCF (EUR 52.7m) and will provide ample financial flexibility to execute on the company's comprehensive growth initiatives. At the end of the first quarter, net leverage ratio stood at 1.6x with cash and cash equivalents of EUR 437.3m, providing TeamViewer with a strong liquidity position.

## Additional information

This Quarterly Statement and all information therein is unaudited.

### Webcast

Senior management will host an analyst and investor conference call at 9:00 CEST on 4 May 2021 to discuss the results. It will be webcast live at [www.webcast-eqs.com/teamviewer20210504](http://www.webcast-eqs.com/teamviewer20210504). A replay will be available on the Investor Relations website under [ir.teamviewer.com](http://ir.teamviewer.com). The accompanying presentation can also be downloaded there.

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## About TeamViewer

TeamViewer is a leading global technology company that provides a connectivity platform to remotely access, control, manage, monitor, and repair devices of any kind – from laptops and mobile phones to industrial machines and robots. Although TeamViewer is free of charge for private use, it has more than 600,000 subscribers and enables companies of all sizes and from all industries to digitalize their business-critical processes through seamless connectivity. Against the backdrop of global megatrends like device proliferation, automation and new work, TeamViewer proactively shapes digital transformation and continuously innovates in the fields of Augmented Reality, Internet of Things or Artificial Intelligence. Since the company's foundation in 2005, TeamViewer's software has been installed on more than 2.5 billion devices around the world. The company is headquartered in Goppingen, Germany, and employs more than 1,300 people globally. In 2020, TeamViewer achieved billings of EUR 460m. TeamViewer AG (TMV) is listed at Frankfurt Stock Exchange and belongs to the MDAX. Further information can be found at [www.teamviewer.com](http://www.teamviewer.com).

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## Financial Calendar

Annual General Meeting	15 June 2021
Q2 2021 Results / Half-Year Report 2021	3 August 2021
Q3 2021 Results	9 November 2021

## IMPORTANT NOTICE

Certain statements in this communication may constitute forward looking statements. These statements are based on assumptions that are believed to be reasonable at the time they are made, and are subject to significant risks and uncertainties, including, but not limited to, those risks and uncertainties described in TeamViewer's disclosures. You should not rely on these forward-looking statements as predictions of future events and we undertake no obligation to update or revise these statements. Our actual results may differ materially and adversely from any forward-looking statements discussed in these statements due to several factors, including without limitation, risks from macroeconomic developments, external fraud, lack of innovation capabilities, inadequate data security and changes in competition levels. All stated figures are unaudited.

### Alternative performance measures (APMs)

This document contains certain alternative performance measures (collectively, "APMs") including billings and Adjusted EBITDA that are not required by, or presented in accordance with, IFRS, German GAAP or any other generally accepted accounting principles. TeamViewer presents APMs because they are used by management in monitoring, evaluating and managing its business and management believes these measures provide an enhanced understanding of TeamViewer's underlying results and related trends. The definitions of the APMs may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools and should, therefore, not be considered in isolation or as a substitute for analysis of TeamViewer's operating results as reported under IFRS or German GAAP. APMs such as billings and Adjusted EBITDA are not measurements of TeamViewer's performance or liquidity under IFRS or German GAAP and should not be considered as alternatives to results for the period or any other performance measures derived in accordance with IFRS, German GAAP or any other generally accepted accounting principles or as alternatives to cash flow from operating, investing or financing activities.

TeamViewer has defined each of the following APMs as follows:

"Billings" represent the (net) value of goods and services invoiced to customers in a given period if realization is probable – it is defined as revenue adjusted for change in deferred revenue P&L-effective;

"Adjusted EBITDA" means EBITDA, adjusted for P&L-effective changes in deferred revenue as well as for certain special items relating to share-based compensations and other material items that are not reflective of the operating performance of the business.

"Adjusted EBITDA margin" means adjusted EBITDA as a percentage of billings.

## Operational metrics and other financial measures for information purposes

This document also includes further certain operational metrics, such as Net Retention Rate, and additional financial measures that are not required by, or presented in accordance with IFRS, German GAAP or any other generally accepted accounting principles (collectively, "other financial measures"). TeamViewer presents these operational metrics and other financial measures for information purposes and because they are used by the management for monitoring, evaluating and managing its business. The definitions of these operational metrics and other financial metrics may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools and should, therefore, not be considered in isolation or as a substitute for analysis of TeamViewer's operating results, performance or liquidity as reported under IFRS or German GAAP.

TeamViewer has defined these operational metrics and other financial measures for information purposes as follows:

"Levered free cash flow" (FCFE) means net cash from operating activities less capital expenditure for property, plant and equipment and intangible assets (excl. M&A), payments for the capital element of lease liabilities and interest paid for borrowings and lease liabilities; and

„Net leverage“ means the ratio of net financial debt (sum of interest-bearing loans and borrowings, current and non-current, less cash and cash equivalents) to Adjusted EBITDA.

"Net retention rate (NRR)" means annual recurring billings (renewals, up- & cross sell) attributable to retained subscribers (subscribers which had been subscribers in the previous 12-month period) of the last 12-month period divided by all annual recurring billings of the previous 12-month period.

TeamViewer amended the NRR definition with the beginning of FY 2021 to facilitate a direct derivation from reported annual recurring billings. If calculated according to this new definition, the NRRs for FY 2020 and FY 2019 would be 104% and 105% compared to previously disclosed NRRs of 103% and 102% for FY 2020 and FY 2019, respectively.

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ISS ESG: In February 2020, TeamViewer has been awarded „Prime“ status with the ISS ESG Corporate Rating.

In April 2020 TeamViewer has received an ESG rating score from Vigeo Eiris.

## Consolidated Profit &amp; Loss Statement

€ thousand	Q1 2021	Q1 2020
Revenue	118,330	102,717
Cost of sales	(18,380)	(14,067)
<b>Gross profit</b>	<b>99,950</b>	<b>88,650</b>
Sales	(24,625)	(15,705)
Marketing	(12,994)	(8,691)
Research and development	(13,814)	(9,473)
General and administrative	(13,676)	(12,829)
Bad debt expenses	(4,495)	(5,157)
Other income	1,494	453
Other expenses	(3,078)	(137)
<b>Operating profit</b>	<b>28,761</b>	<b>37,111</b>
Finance income	403	40
Finance cost	(5,248)	(8,130)
Foreign exchange income	4,738	5,697
Foreign exchange costs	(18,718)	(13,253)
<b>Profit before taxation</b>	<b>9,936</b>	<b>21,465</b>
Income taxes	(6,690)	(9,339)
<b>Profit/(loss) for the period</b>	<b>3,246</b>	<b>12,126</b>
Basic number of shares issued and outstanding	200,000,000	200,000,000
<b>Earnings per share (in € per share)</b>	<b>0.02</b>	<b>0.06</b>
Diluted number of shares issued and outstanding	200,380,918	200,000,000
<b>Diluted earnings per share (in € per share)</b>	<b>0.02</b>	<b>0.06</b>

## Consolidated Balance Sheet

€ thousand	31 March 2021	31 December 2020
<b><i>Non-current assets</i></b>		
Goodwill	665,076	646,793
Intangible assets	268,074	255,330
Property, plant and equipment	43,329	40,469
Financial assets	4,516	4,516
Other assets	966	857
Deferred tax assets	159	159
<b>Total non-current assets</b>	<b>982,119</b>	<b>948,124</b>
<b><i>Current assets</i></b>		
Trade receivables	18,055	19,667
Other assets	33,107	7,594
Tax assets	52	52
Financial assets	1,443	4,456
Cash and cash equivalents	437,330	83,531
<b>Total current assets</b>	<b>489,987</b>	<b>115,301</b>
<b>Total assets</b>	<b>1,472,106</b>	<b>1,063,425</b>

## Consolidated Balance Sheet (continued)

€ thousand	31 March 2021	31 December 2020
<b><i>Equity</i></b>		
Issued capital	201,071	201,071
Capital reserve	381,012	366,898
(Accumulated losses)/retained earnings	(323,608)	(326,854)
Hedge reserve	(48)	(61)
Foreign currency translation reserve	320	(343)
<b>Total equity attributable to owners of the parent</b>	<b>258,748</b>	<b>240,711</b>
<b><i>Non-current liabilities</i></b>		
Provisions	400	433
Financial liabilities	857,317	440,153
Deferred revenue	267	361
Deferred and other liabilities	2,576	1,614
Other financial liabilities	13,354	0
Deferred tax liabilities	27,926	29,186
<b>Total non-current liabilities</b>	<b>901,839</b>	<b>471,747</b>
<b><i>Current liabilities</i></b>		
Provisions	3,475	2,225
Financial liabilities	31,755	82,099
Trade payables	7,889	8,304
Deferred revenue	227,968	214,811
Deferred and other liabilities	35,593	39,120
Other financial liabilities	2,891	29
Tax liabilities	1,948	4,378
<b>Total current liabilities</b>	<b>311,519</b>	<b>350,966</b>
<b>Total liabilities</b>	<b>1,213,359</b>	<b>822,714</b>
<b>Total equity and liabilities</b>	<b>1,472,106</b>	<b>1,063,425</b>

## Consolidated Cash Flow Statement

€ thousand	Q1 2021	Q1 2020
<b><i>Cash flows from operating activities</i></b>		
Profit before taxation	9,936	21,465
Depreciation, amortisation and impairment of non-current assets	11,937	9,613
(Gain)/loss from the sale of property, plant and equipment	(0)	3
Increase/(decrease) in provisions	1,217	(978)
Non-operational foreign exchange (gains)/losses	15,306	6,689
Expenses for share-based compensation - equity settled	14,115	10,133
Net financial costs	4,845	8,091
Change in deferred revenue	13,062	4,123
Changes in other net working capital and other	(23,851)	3,682
Income tax paid	(12,586)	(8,104)
<b>Net cash from operating activities</b>	<b>33,981</b>	<b>54,717</b>
<b><i>Cash flows from investing activities</i></b>		
Capital expenditure for property, plant and equipment and intangible assets	(3,859)	(5,155)
Proceeds from the sale of property, plant and equipment	(0)	0
Payments for the acquisition of non-current financial assets	0	(51)
Acquisition of subsidiaries	(19,097)	0
<b>Net cash used in investing activities</b>	<b>(22,956)</b>	<b>(5,205)</b>

## Consolidated Cash Flow Statement (continued)

€ thousand	Q1 2021	Q1 2020
<i>Cash flows from financing activities</i>		
Repayments of borrowings	(52,730)	0
Proceeds from bank borrowings	400,000	0
Payments for the capital element of lease liabilities	(1,107)	(967)
Interest paid for borrowings and lease liabilities	(3,975)	(13,349)
<b>Net cash used in financing activities</b>	<b>342,188</b>	<b>(14,316)</b>
Net change in cash and cash equivalents	353,213	35,195
Net foreign exchange rate difference	1,516	453
Net change from cash risk provisioning	(930)	(972)
Cash and cash equivalents at beginning of period	83,531	71,153
<b>Cash and cash equivalents at end of period</b>	<b>437,330</b>	<b>105,829</b>