

GOPPINGEN, GERMANY, 3 August 2021

## Q2 / H1 2021: TeamViewer shows positive momentum and significant progress in building a global tech brand

- Billings growth at constant currencies of 18% in Q2 and 22% in H1, on top of extraordinary 2020 comparatives
- Adjusted EBITDA margin of 47% in Q2 and 55% in H1, showing industry-leading profitability
- 623,000 subscribers: plus 20,000 in Q2 and stable churn
- Extended Augmented Reality (AR) solutions portfolio through tuck-in acquisitions
- Major partnership with SAP providing industrial customers with cutting-edge AR technology
- Increased global brand awareness through activation of landmark sports partnerships
- Technology expert Ms Hera Kitwan Siu recommended as new Supervisory Board member
- Full-year guidance unchanged

### Key Figures

EUR m, unless otherwise stated	Q2 21	Q2 20	Δ	Δ cc <sup>1</sup>	H1 21	H1 20	Δ	Δ cc <sup>1</sup>
Billings (non-IFRS)	121.6	105.9	+15%	+18%	268.1	225.7	19%	+22%
Adj. EBITDA (non-IFRS)	57.0	57.3	-0%		147.0	131.1	12%	
Adj. EBITDA Margin (%)	46.9%	54.0%	-7pp		54.8%	58.1%	-3pp	
Revenue (IFRS)	122.8	114.7	7%		241.2	217.4	11%	
Levered Free Cash Flow	32.2	44.4	-27%		57.3	79.5	-28%	
Subscribers (thousand, 30 June)	623	534	+17%					
Employees (FTE, 30 June)	1,472	1,051	+40%					

1) At constant currency

«We are encouraged by the significant uptick in trading performance in June which makes us confident to deliver on our targets and continue our sustainable growth path in the second half of the year. We have successfully started to build a global tech brand and the first six months set the groundwork for bolstering our position as a leader in enterprise AR solutions. Particularly further acquisitions in adjacent markets and the initial activation of our global landmark sports partnerships strengthened our global footprint and overall brand visibility.»

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Oliver Steil, TeamViewer CEO

«In Q2, we have heavily invested in our future growth while maintaining industry-leading profitability. Our recent investments in our salesforce and the increasing demand in the enterprise segment will further allow us to build on this momentum in the second half of 2021.»

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Stefan Gaiser, TeamViewer CFO

## Business Update

TeamViewer grew second quarter billings by 15% and 18% at constant currencies, year-over-year. While the company successfully retained most of the new subscribers from the first wave of the 2020 lockdown, renewal values in April and May were lower than anticipated. This one-off effect occurred across all regions reducing capacities for home working solutions which customers had bought a year earlier. In June, trading momentum improved significantly, due to a rebound of renewal values and a very strong enterprise pipeline conversion. First half performance in the other go-to-market channels was overall strong with stable to slightly increasing average selling prices, good renewal values and stable subscriber churn. Strong customer retention and attracting new subscribers expanded the subscriber base to around 623,000 paying customers during the second quarter.

### *Enterprise growth supported by a broadened solutions portfolio, ACV expansion and key customer wins*

TeamViewer's broadened solutions portfolio to cover digital transformation needs along the entire value chain is paying off as an increasing number of globally operating corporations rely on the company's solutions. The company has further grown the number of its largest customers with ACVs of more than EUR 10.000 to 2,252 (30 June 2020: 1.457) by expanding services to existing customers as well as through new customer acquisition.

For example, global leading manufacturer of printing presses and solutions for the print media industry Heidelberg Druckmaschinen AG uses TeamViewer's solutions to remotely connect to its software

solution and machines worldwide and thus to provide faster technical support around-the-clock, reducing downtime and enhancing productivity for their customers.

TeamViewer's large subscriber base provides ample opportunity for up- and cross selling to existing customers with global operations driving enterprise growth. This is reflected in a strong pipeline of Tensor and Augmented Reality transactions.

Another example for the broadened solution portfolio is TeamViewer's new customer engagement solution TeamViewer Engage, a product brought in by the acquisition of Xaleon. It complements TeamViewer's offer by an advanced form of GDPR-compliant screensharing in web sessions. TeamViewer Engage meets the increasing demand for remote customer interactions that replace physical sales and customer services processes as an important part of the value chain in all industries. The continuous expansion of TeamViewer's solution portfolio is an important driver of TeamViewer's growth trajectory.

### ***Building a leader in AR solutions through acquisitions and strategic partnership with SAP***

Throughout the first half of the year, TeamViewer worked on extending its solutions portfolio with special focus on building its leading position in the rapidly growing enterprise AR market through acquisitions and a new strategic partnership.

Besides the acquisition of Upskill, the US pioneer for industrial AR solutions, TeamViewer acquired Viscopic, a leading German innovator of Mixed Reality solutions and interactive 3D visualization. Upskill strengthens TeamViewer's coverage of more industrial verticals and further enhances the company's presence in North America. In addition, Viscopic's interactive 3D visualization capabilities enable additional use cases in manufacturing, training, and quality assurance processes.

Beyond its successful M&A activities, TeamViewer is joining forces with SAP to drive the digital transformation of workplaces and processes in the context of SAP's Industry Cloud. The recently announced partnership will be kicked-off with the integration of TeamViewer Frontline, TeamViewer's AR based workflow and remote support suite, into SAP's solutions for asset and service management in the coming weeks. The partnership underlines TeamViewer's leading position in enterprise AR solutions and proves its scalability across use cases and applications, making it even more compelling for potential customers. Already today, customers such as Coca-Cola Hellenic Bottling Company and DB Schenker are using TeamViewer Frontline integrated with their SAP systems.

### ***Activating global sports partnerships***

Opening new sales channels and possibilities for additional use cases is another key element of the company's strategy. TeamViewer activated its global marketing landmark partnerships with two iconic sports brands: Manchester United and Mercedes' racing teams in Formula 1 and Formula E. Both partners revealed the new branding of their teams with the TeamViewer logo. As part of the sponsorship package, global marketing activities were initiated across channels, leading to a significant increase in TeamViewer's global brand visibility. TeamViewer's branding at the Formula One races in Monaco and Baku generated in excess of USD 20m of AVE (advertising value equivalent). The partnership launch activities amounted to a

total reach of around 5m people worldwide via Mercedes-AMG Petronas Formula One's Instagram and Facebook channels. Manchester United launch content obtained ca. 30m views of global media coverage. Additionally, the club's social media channels generated around 8.4m views globally. These efforts signal the start of the five-year partnerships which will allow TeamViewer to present its brand as well as its technology to an extensive global fanbase – especially in APAC and the Americas as major growth regions.

### ***Strengthening of the management team***

In Q2 2021, TeamViewer successfully extended its Management Board, adding Lisa Agona as global CMO and member of Senior Leadership Team (SLT). The company also welcomed Patricia Nagle as President Americas and Georg Beyschlag as Executive Vice President Strategy & Corporate Development to drive the company's strategic functions and to accelerate business development.

### ***Technology expert Ms Hera Kitwan Siu proposed as new member of the Supervisory Board***

TeamViewer today also announced changes to its Supervisory Board. The company's Nomination and Remuneration Committee recommended Ms Hera Kitwan Siu, Member of the Board of Directors of The Goodyear Tire & Rubber Company, as a new member of the Supervisory Board. Subject to her appointment by court, Siu will succeed Holger Felgner, who retires from TeamViewer's Supervisory Board with immediate effect. A member of the Board since 2019, Felgner will focus on his work as Co-CEO of Chrono24, the leading online marketplace for luxury watches.

Siu has served in various executive and leadership roles at leading global tech and software companies including SAP, Nokia and most recently as CEO of Greater China for Cisco Systems, and consults technology companies as Digital China Group. Besides her role on the Board of Directors of The Goodyear Tire & Rubber Company, Ohio, USA, she also serves on the Board of Directors of Vallourec S.A., France and Qingdao Alnnovations, China.

"We are very pleased to recommend Hera for TeamViewer's Supervisory Board. Hera is a world-class leader with an outstanding track record of leadership positions in the tech industry. Her technological expertise and knowledge across almost all APAC markets will bring valuable insights and perspectives, especially as TeamViewer is further exploring Asia as one of its key growth regions," said Abraham Peled, Chairman of the Supervisory Board. "On behalf of the Supervisory Board, the shareholders and the Senior Leadership Team of TeamViewer, I would also like to thank Holger Felgner for his long-standing commitment. His dedication and leadership in various roles since the formation of the company have shaped TeamViewer into the company it is today. We wish him all the best in his future professional endeavors."

## Financial Overview

TeamViewer's billings of EUR 121.6m in the second quarter and EUR 268.1m in the first half represent 18% and 22% constant currency growth against the comparable periods of the previous year, which saw significant extra demand following the outbreak of the pandemic. Due to a temporary impact by lower renewal values between March and May, the Net Retention Rate as of 30 June 2021 decreased to 95% on reported billings and 98% at constant currencies. Enterprise customers, nevertheless, contributed billings of EUR 67.4m during the last twelve months, up 66%, while their number increased by 55% to 2,252 over the same period. The share of Enterprise contracts with a value of more than EUR 50,000 has further increased to 46%.

Revenue excluding discontinued perpetual license sales, grew 20% to EUR 122.3m in the second quarter and 28% to EUR 238.9m in the first six months, now representing more than 99% of total revenue of EUR 122.8m in the second quarter and EUR 241.2m in the first half.

### Billings and Revenue per Region

EUR m	Q2 21	Q2 20	Δ	Δ cc <sup>1</sup>	H1 21	H1 20	Δ	Δ cc <sup>1</sup>
<b>Billings</b> (non-IFRS)	<b>121.6</b>	<b>105.9</b>	<b>+15%</b>	<b>+18%</b>	<b>268.1</b>	<b>225.7</b>	<b>19%</b>	<b>+22%</b>
EMEA	63.8	56.1	+14%	+14%	150.6	124.9	21%	+21%
AMERICAS	38.5	32.8	+17%	+26%	83.4	71.0	17%	+27%
APAC	19.2	17.0	+13%	+16%	34.2	29.8	15%	+17%
<b>Revenue</b> (IFRS)	<b>122.8</b>	<b>114.7</b>	<b>+7%</b>		<b>241.2</b>	<b>217.4</b>	<b>11%</b>	
EMEA	65.3	63.1	+4%		128.5	119.5	8%	
AMERICAS	42.1	37.2	+13%		82.2	70.4	17%	
APAC	15.4	14.5	+6%		30.4	27.5	10%	

1) At constant currency

With an Adjusted EBITDA of EUR 57.0m in the second quarter and EUR 147.0m in the first half, operating profitability was strong, while TeamViewer continued to invest in all areas and increased its global workforce to nearly 1,500 full-time employees. Mainly the acceleration of investments in marketing and R&D led to an Adjusted EBITDA margin of 47% in the second quarter and 55% in the first half, and lower operating cash flow compared to 2020. At the same time cash flow benefitted from a reduction in trade receivables, lower capital expenditure and lower interest payments despite EUR 400m of additional debt funding raised by way of an ESG-linked promissory note loan and a bilateral facility in the first quarter. During the second quarter, cash and cash equivalents increased by EUR 28.2m to EUR 465.6m and the net leverage ratio decreased to 1.5x providing the company financial flexibility to continue executing on its growth initiatives

## Outlook

Considering the strong trading momentum at the end of Q2, TeamViewer's extended solution portfolio and the investments in sales and marketing, the company confirms its full-year guidance at the lower end of the following ranges:

- Billings between EUR 585m and EUR 605m
- Revenue between EUR 525m and EUR 540m.

This assumes a US Dollar exchange rate of 1.20 per EUR and broadly stable other currencies. The Adjusted EBITDA margin is expected between 49% and 51% of full-year billings.

Furthermore, TeamViewer confirms its long-term ambition: based on its comprehensive initiatives to further penetrate the very attractive growth markets around digitalization, connectivity, and industry 4.0 solutions, TeamViewer is best positioned to grow across all customer segments and thereby foster its sustainable long-term growth targeting more than EUR 1bn billings in 2023 and continued high billings growth of at least 25% after 2023.

## 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 3 August 2021 which will be webcast live at [www.webcast-egs.com/teamviewer20210803](http://www.webcast-egs.com/teamviewer20210803). A replay as well as the accompanying presentation will be available on [ir.teamviewer.com](http://ir.teamviewer.com).

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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 and 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 around 1,500 people globally. In 2020, TeamViewer achieved billings of EUR 460 million. 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

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Q3 2021 Results

9 November 2021

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## 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. The Company undertakes no obligation, and does not expect to publicly update, or publicly revise, any forward-looking statement, whether as a result of new information, future events or otherwise. 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 invoiced goods and services charged to customers within a period and constitute a contract as defined by IFRS 15.

"Adjusted EBITDA" is defined as operating income (EBIT) as per IFRS plus depreciation and amortisation of tangible and intangible fixed assets (EBITDA), adjusted for change in deferred revenue recognised in profit or loss during the period under consideration and for certain transactions that have been defined by the Management Board in agreement with the Supervisory Board (income and expenses). Business events to be adjusted relate to share-based compensation models and other material special items of the business which are presented separately to show the underlying 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.

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

"Net retention rate" or "NRR" is calculated as annual recurring billings (subscription renewals, up-selling and cross-selling activities) over the last twelve months attributable to retained subscribers (subscribers who were subscribers in the previous twelve-month period) divided by the total recurring billings from the previous twelve-month period. (Note: TeamViewer amended the NRR definition with the beginning of FY 2021 to facilitate a direct derivation from reported annual recurring billings.)

"Retained Billings" means annual recurring billings (renewals, up- and cross sell) attributable to retained subscribers who were subscribers in the previous twelve-month period.

"New Billings" means annual recurring billings attributable to new subscribers.

"Non-recurring Billings" means all billings that do not recur annually such as professional services and hardware reselling.

## Consolidated Profit &amp; Loss Statement

€ thousand	Q2 2021	Q2 2020	H1 2021	H1 2020
<b>Revenue</b>	<b>122,830</b>	<b>114,729</b>	<b>241,160</b>	<b>217,446</b>
Cost of sales	(18,573)	(16,218)	(36,954)	(30,285)
<b>Gross profit</b>	<b>104,257</b>	<b>98,511</b>	<b>204,207</b>	<b>187,161</b>
Other income	566	68	2,060	521
Research and development	(16,182)	(9,648)	(29,996)	(19,121)
Sales	(26,177)	(17,762)	(50,802)	(33,467)
Marketing	(18,307)	(9,043)	(31,302)	(17,733)
General and administrative	(12,869)	(13,771)	(26,545)	(26,600)
Other expenses	1,215	(154)	(1,863)	(291)
Bad debt expenses	(3,457)	(3,366)	(7,952)	(8,523)
<b>Operating profit</b>	<b>29,046</b>	<b>44,836</b>	<b>57,807</b>	<b>81,947</b>
Finance income	130	111	533	151
Finance costs	(4,607)	(5,376)	(9,855)	(13,507)
Foreign currency income	2,520	3,651	7,258	9,349
Foreign currency costs	2,511	5,005	(16,207)	(8,248)
<b>Profit before taxation</b>	<b>29,600</b>	<b>48,227</b>	<b>39,536</b>	<b>69,692</b>
Income taxes	(14,922)	(17,890)	(21,612)	(27,229)
<b>Profit/(loss) for the period</b>	<b>14,679</b>	<b>30,337</b>	<b>17,925</b>	<b>42,463</b>
Basic number of shares issued and outstanding	200,000,000	200,000,000	200,000,000	200,000,000
<b>Earnings per share (in € per share)</b>	<b>0.07</b>	<b>0.15</b>	<b>0.09</b>	<b>0.21</b>
Diluted number of shares issued and outstanding	200,417,354	200,000,000	200,491,417	200,000,000
<b>Diluted earnings per share (in € per share)</b>	<b>0.07</b>	<b>0.15</b>	<b>0.09</b>	<b>0.21</b>

## Consolidated Balance Sheet

€ thousand	30 June 2021	31 December 2020
<b><i>Non-current assets</i></b>		
Goodwill	666,902	646,793
Intangible assets	265,333	255,330
Property, plant and equipment	45,188	40,469
Financial assets	4,490	4,516
Other assets	1,013	857
Deferred tax assets	275	159
<b>Total non-current assets</b>	<b>983,201</b>	<b>948,124</b>
<b><i>Current assets</i></b>		
Trade receivables	13,500	19,667
Other assets	39,342	7,594
Tax assets	1,369	52
Financial assets	1,166	4,456
Cash and cash equivalents	465,572	83,531
<b>Total current assets</b>	<b>520,949</b>	<b>115,301</b>
<b>Total assets</b>	<b>1,504,151</b>	<b>1,063,425</b>

## Consolidated Balance Sheet (continued)

€ thousand	30 June 2021	31 December 2020
<b>Equity</b>		
Issued capital	201,071	201,071
Capital reserve	395,127	366,898
(Accumulated losses)/retained earnings	(308,930)	(326,854)
Hedge reserve	(61)	(61)
Foreign currency translation reserve	262	(343)
<b>Total equity attributable to shareholders of TeamViewer AG</b>	<b>287,469</b>	<b>240,711</b>
<b>Non-current liabilities</b>		
Provisions	357	433
Financial liabilities	853,706	440,153
Deferred revenue	691	361
Deferred and other liabilities	3,442	1,614
Other financial liabilities	13,932	0
Deferred tax liabilities	30,199	29,186
<b>Total non-current liabilities</b>	<b>902,327</b>	<b>471,747</b>
<b>Current liabilities</b>		
Provisions	2,161	2,225
Financial liabilities	33,253	82,099
Trade payables	7,160	8,304
Deferred revenue	237,202	214,811
Deferred and other liabilities	31,018	39,120
Other financial liabilities	3,264	29
Tax liabilities	296	4,378
<b>Total current liabilities</b>	<b>314,354</b>	<b>350,966</b>
<b>Total liabilities</b>	<b>1,216,681</b>	<b>822,714</b>
<b>Total equity and liabilities</b>	<b>1,504,151</b>	<b>1,063,425</b>

## Consolidated Cash Flow Statement

€ thousand	H1 2021	H1 2020
<b><i>Cash flows from operating activities</i></b>		
Profit before taxation	39,536	69,692
Depreciation, amortisation and impairment of non-current assets	24,622	19,322
Increase/(decrease) in provisions	(140)	(978)
Non-operational foreign exchange (gains)/losses	10,838	(3,301)
Expenses for equity-settled share-based compensation	28,229	20,412
Net financial costs	9,321	13,356
Change in deferred revenue	22,721	6,800
Changes in other net working capital and other	(29,571)	2,355
Income taxes paid	(29,546)	(17,666)
<b>Cash flows from operating activities</b>	<b>76,011</b>	<b>109,990</b>
<b><i>Cash flows from investing activities</i></b>		
Capital expenditure for property, plant and equipment and intangible assets	(8,380)	(14,944)
Payments for the acquisition of non-current financial assets	0	(51)
Payments for acquisition	(23,383)	0
<b>Cash flows from investing activities</b>	<b>(31,763)</b>	<b>(14,995)</b>

## Consolidated Cash Flow Statement (continued)

€ thousand	H1 2021	H1 2020
<b><i>Cash flows from financing activities</i></b>		
Repayments of borrowings	(52,730)	0
Proceeds from borrowings	400,000	0
Payments for the capital element of lease liabilities	(3,620)	(1,757)
Interest paid for borrowings and lease liabilities	(6,744)	(13,636)
<b>Cash flows from financing activities</b>	<b>336,906</b>	<b>(15,393)</b>
<b>Net change in cash and cash equivalents</b>	<b>381,155</b>	<b>79,603</b>
Net foreign exchange rate difference	1,780	(531)
Net change from cash risk provisioning	(894)	(471)
Cash and cash equivalents at beginning of period	83,531	71,153
<b>Cash and cash equivalents at end of period</b>	<b>465,572</b>	<b>149,755</b>