

TeamViewer with record year 2020 – targeting EUR 1bn billings in 2023

- 2020: Record billings of EUR 460.3m (+44% cc), adjusted EBTDA margin of 57%
- Q4: Billings of EUR 128.1m (+32% cc), adjusted EBITDA margin of 56%
- Enterprise-Business: With 1,885 enterprise customers billings tripled to EUR 53.0m, representing 12% of total billings
- Cash-Flow: Strong increase in 2020 to EUR 224.5m (up 56%)
- Net leverage: Reduction to 1.7x adjusted EBITDA at year-end
- 2021 Outlook: 29-33% billings growth (cc), 55-57% adjusted EBITDA margin
- Mid-term objective: Increasing billings to EUR 1bn in 2023

Goppingen, 9 February 2021: The past year has uncovered the need for digitalized processes and remote work in companies of all sizes and across all industries around the globe in a very particular way. This is also reflected in the successful fiscal year of global software provider TeamViewer. With record billings of EUR 460.3m, growth of 44% at constant currencies (cc) and an increased adjusted EBITDA margin of 56.8%, TeamViewer concluded the year of its 15th anniversary very successfully and exceeded its previously raised guidance.

Oliver Steil, TeamViewer’s CEO, said: „We serve a global customer base with our software for remote work and remote management of devices, machines and industrial equipment. Through recent product launches as well as strategic acquisitions, we bring digital transformation into action. Our solutions optimize processes across the entire value-chain – both in the space of information technology as well as operational technology. And TeamViewer is perfectly positioned to further capitalize on those achievements: We will expand our solution scope across more verticals, grow our global enterprise footprint and increase use cases for Augmented Reality and Internet of Things broadly.”

Stefan Gaiser, CFO of TeamViewer, said: “With a remarkable Q4, we concluded a record year with billings, our key performance indicator growing 44% in 2020. This underlines once more our unique financial profile combining strong growth with high profitability and cash flow. Additionally, we heavily focused on our ESG roadmap to become an ESG leader in our sector. In this context, we are very proud that a scientific study showed that the use of TeamViewer products avoids approximately 37 mega tons of greenhouse gas emissions each year, thereby helping companies all over the world to achieve their sustainability goals and contribute to fight global warming.”

Business Update

In the fourth quarter TeamViewer saw an outstanding sales traction, especially in the enterprise segment. Recently, TeamViewer announced that Siemens Healthineers, a leading global medical technology provider, is remotely supporting its tens of thousands of imaging and laboratory diagnostic equipment in clinical environments globally and thus enabling digitalization in the healthcare sector. Another example is Lely, a Dutch dairy automation company serving farmers in more than 45 countries, which uses the enterprise solution Tensor for streamlining its remote support processes, taking troubleshooting of agricultural equipment to the next level.

Based on a significant expansion of its enterprise sales team as well as sales channels for small and medium-sized enterprises, TeamViewer has nearly tripled the number of enterprise customers with annual contract values of at least EUR 10,000 to 1,885 in 2020 (31 December 2019: 698). The aggregate contribution of this customer segment amounted to EUR 53.0m in 2020 (+204% yoy), representing 12% of

Preliminary Q4 / FY 2020 Results (unaudited, IFRS)



total billings in 2020. The overall subscriber base has grown to 584,000 in 2020 (31 December 2019: 464,000), customer loyalty remained very high and successful up- and cross-sell activities resulted in a net retention rate of 103%.

Moreover, TeamViewer made significant progress in enhancing its entire solutions portfolio. The integration of TeamViewer's Internet of Things (IoT) and Augmented Reality (AR) solutions with the Frontline Suite, brought by the Ubimax acquisition, is running well with successful cross-selling activities in place. TeamViewer's enterprise solution Tensor has seen major updates with the addition of a Mobile Software Development Kit (SDK) and a white-label co-browsing feature of customer engagement software provider Xaleon, both enabling GDPR-compliant digital customer interactions in web sessions or mobile apps. Based on substantial customer interest following the co-browsing integration, TeamViewer acquired Xaleon in late January, expanding its footprint in the space of digital customer journeys. Additionally, TeamViewer has rebranded its online collaboration and video conferencing solution blizz to TeamViewer Meeting and incorporated it for free into the TeamViewer client to make the meeting functionality an integral part of TeamViewer.

TeamViewer was able to realize its strong growth in 2020 thanks to the investments the company made during the last years, especially extending the customer segment coverage with dedicated solutions and expanding geographically. During 2020, TeamViewer continued and accelerated these investments with a focus on R&D and the global sales force. The company employed 1,256 full-time employees (FTE) by year-end – 49% more than a year earlier. This includes 75 FTEs from Ubimax, which has already been merged into the TeamViewer Group in January 2021.

Summary Figures

EUR m	FY 2020	FY 2019	Δ yoy	Δ cc	Q4 2020	Q4 2019	Δ yoy	Δ cc
Billings	460.3	324.9	42%	44%	128.1	100.6	27%	32%
EMEA	246.4	174.0	42%	42%	73.5	58.0	27%	28%
AMERICAS	157.7	109.8	44%	50%	44.5	32.8	36%	48%
APAC	56.1	41.2	36%	39%	10.2	9.9	3%	6%
Adj. EBITDA	261.4	182.1	44%	49%	72.1	62.6	15%	25%
Margin	57%	56%	1pp		56%	62%	(6pp)	
Subscribers (thousand) ¹⁾	584	464	26%					
Net Retention Rate ¹⁾	103%	102%	1pp					
Employees ²⁾	1,256	841	49%					

1) LTM, 31 December

2) Full-time equivalents, 31 December

EUR m	FY 2020	FY 2019	Δ yoy	Q4 2020	Q4 2019	Δ yoy
Revenue (IFRS)	455.6	390.2	17%	121.0	106.9	13%
EMEA	248.3	219.8	13%	65.1	59.5	9%
AMERICAS	149.1	122.9	21%	40.6	34.4	18%
APAC	58.2	47.6	22%	15.2	13.0	17%
Operating Profit (EBIT)	164.0	153.0	7%	38.3	44.7	-14%
Margin	36%	39%	(3pp)	32%	42%	(10pp)
Levered Free Cash Flow	165.4	77.1	115%	56.1	31.5	78%

Financial Update

Billings in Q4 2020 were up 27% yoy (+32% cc) at EUR 128.1m (FY 2019: EUR 100.6m) resulting in full-year billings of EUR 460.3m, representing 42% growth yoy (+44% cc). In the fourth quarter the AMERICAS showed the highest growth achieving EUR 44.5m in billings due to continuing strong traction across all customer segments as well as benefitting from converting former private users into paying subscribers. EMEA remained the largest of the three regions with Q4 billings of EUR 73.5m and well-balanced growth across customer segments in TeamViewer's key markets including Germany, UK, France and Italy. The EMEA enterprise business had a particularly strong Q4, closing its strongest quarter ever. APAC continued to experience strong underlying demand resulting in high full-year growth, in particular in Japan (+102% yoy) and India (+60% yoy).

Despite significant investments to drive its global growth initiatives, TeamViewer grew its adjusted EBITDA in 2020 by 44% (+49% cc) to EUR 261.4m (2019: EUR 182.1m) and achieved a slightly expanded adjusted EBITDA margin of 56.8%. In Q4 the adjusted EBITDA was up 15% yoy (+25% cc) at EUR 72.1m (Q4 2019: EUR 62.6m).

Revenue growth has still been affected by the transition to the Software-as-a-Service (SaaS) subscription model, which was completed in 2018. During 2020, significantly less deferred revenue from prior years' perpetual license sales were recognised (2020: EUR 46.3m; 2019: EUR 125.5m). Consequently, revenue of EUR 455.6m in 2020 grew at a lower rate (2019: EUR 390.2m) than billings. Because of this accounting effect billings are a better reflection of the company's growth profile and are therefore TeamViewer's primary performance indicator. In addition to lower deferred revenue releases, operating profit (EBIT) was also impacted by IFRS 2 accounting for higher non-cash expenses predominantly related to share-based compensation of the former Ubimax management and the employee incentive plan which was set up and is fully financed by Permira.

TeamViewer's high operating profitability translated into strong net cash from operating activities of EUR 64.2m in the fourth quarter (Q4 2019: EUR 59.9m) and EUR 224.5m for the full year, up 56% compared to EUR 143.6m in 2019. Capital expenditure in 2020 of EUR 26.2m (2019: EUR 16.6m) mainly related to one-off investments in the company's new headquarter and the roll-out of a new ERP system. This amount, however, was overcompensated by substantially lower bank debt interest payable in 2020. During the fourth quarter, TeamViewer used available cash to repay a portion of its term loans resulting in a total repayment of EUR 100.6m during 2020. At the same time, cash and cash equivalents increased to EUR 83.5m in the fourth quarter (30 September 2020: 53.0m) and the company's net leverage further decreased to 1.7 times of adjusted EBITDA (30 September 2020: 2.0x).

2021 Outlook

Building on a very strong development in 2020 TeamViewer expects to keep its growth momentum in 2021 supported by global megatrends around digitalization, connectivity and sustainability.

The company expects constant currency billings growth of 29% to 33% in 2021 including the contributions from recent acquisitions. Due to exchange rate headwinds, primarily related to the weaker US Dollar, reported billings are expected in a range between EUR 585m and EUR 605m (2020: 460.3m) with quarterly growth rates between 20% and 40% (yoy). This assumes a US Dollar exchange rate of 1.20 per EUR and broadly stable other currencies. Full year revenue is expected to be in a range between EUR 525m and EUR 540m (2020: EUR 455.6m). From 2022, revenue growth is projected to be in line with billings growth. In terms of operating profitability, the company expects an adjusted EBITDA margin of 55% to 57%.

Mid-Term Objective

Based on TeamViewer's successful development, the company is strategically best positioned to further grow across all customer segments. For example, by developing further industry-specific solutions and addressing additional buyer groups in various line functions of the enterprise. Thus, TeamViewer solutions can support the digital transformation along the entire value chain, which significantly increases TeamViewer's total addressable market. With its existing and comprehensive growth initiatives, as well as through additional products and selected smaller acquisitions, TeamViewer expects billings to increase to EUR 1bn by 2023.

Conference Call and Webcast Details

Oliver Steil (CEO) and Stefan Gaiser (CFO) will speak at an analyst and investor conference call at 9:00 CET on 9 February 2021 to discuss the results. The audio webcast can be followed via www.webcast-egs.com/teamviewer20210209. A replay will be available on the Investor Relations website under ir.teamviewer.com. The accompanying presentation can be 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 550,000 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 1,200 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.

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Goppingen, 9 February 2021

Financial Calendar

Annual Report 2020	25 March 2021
Q1 2021 Results	4 May 2021
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 whose 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:

“Net retention rate” means annual recurring billings of existing subscription customers during the period considered less gross value churn plus billings from upselling and cross-selling, including foreign exchange effects and expiring discounts, as a percentage of annual recurring billings in the previous period;

“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.

Consolidated Profit & Loss Statement

in thousands of Euro	Q4 2020	Q4 2019	FY 2020	FY 2019
Revenue	120,971	106,934	455,614	390,191
Cost of sales	(17,465)	(13,810)	(64,102)	(50,228)
Gross profit	103,506	93,124	391,512	339,963
Other income	3,231	(8,132)	5,256	7,723
Research and development	(15,439)	(11,136)	(46,627)	(37,934)
Sales	(25,096)	(18,048)	(77,707)	(52,731)
Marketing	(11,241)	(12,227)	(38,459)	(29,571)
General and administrative	(12,604)	5,377	(54,939)	(58,445)
Other expenses	(185)	10	(415)	(468)
Bad debt expenses	(3,825)	(4,239)	(14,576)	(15,489)
Operating profit	38,346	44,728	164,045	153,048
Unrealised foreign exchange gains/ (losses)	12,665	9,117	27,861	7,770
Realised foreign exchange gains/ (losses)	(244)	(643)	(1,586)	(20,721)
Finance income	50	112	2,953	38,936
Finance cost	(4,561)	(7,242)	(22,887)	(83,891)
Profit before taxation	46,255	46,072	170,385	95,142
Tax income/(expenses)	(17,316)	(1,548)	(67,358)	8,717
Profit/(loss) for the period	28,939	44,524	103,027	103,859
Other comprehensive income for the period				
Items that may be reclassified to profit or loss in subsequent periods	(756)	(340)	(1,484)	202
Hedge reserve, gross	15	6	(61)	14
Exchange differences on translation of foreign operations	(771)	(346)	(1,424)	188
Total comprehensive income for the period	28,184	44,184	101,543	104,061

Consolidated Balance Sheet

in thousands of Euro	31 December 2020	31 December 2019
<i>Non-current assets</i>		
Goodwill	646,793	590,445
Intangible assets	255,330	235,831
Property, plant and equipment	40,469	26,480
Financial assets	4,516	4,424
Other assets	857	1,740
Deferred tax assets	159	6,266
Total non-current assets	948,124	865,187
<i>Current assets</i>		
Trade receivables	19,667	11,756
Other assets	7,594	5,856
Tax assets	52	4,972
Financial assets	4,456	0
Cash and cash equivalents	83,531	71,153
Total current assets	115,301	93,737
Total assets	1,063,425	958,924

Consolidated Balance Sheet (continued)

in thousands of Euro	31 December 2020	31 December 2019
Equity		
Issued capital	201,071	200,000
Capital reserve	366,898	320,661
(Accumulated losses)/retained earnings	(326,854)	(429,881)
Hedge reserve	(61)	0
Foreign currency translation reserve	(343)	1,081
Total equity attributable to owners of the parent	240,711	91,861
Non-current liabilities		
Provisions	433	235
Financial liabilities	440,153	582,538
Deferred revenue	361	2,572
Deferred and other liabilities	1,614	0
Other financial liabilities	0	0
Deferred tax liabilities	29,186	308
Total non-current liabilities	471,747	585,652
Current liabilities		
Provisions	2,225	3,284
Financial liabilities	82,099	34,260
Trade payables	8,304	9,069
Deferred revenue	214,811	210,250
Deferred and other liabilities	39,120	17,793
Other financial liabilities	29	6,642
Tax liabilities	4,378	114
Total current liabilities	350,966	281,411
Total liabilities	822,714	867,063
Total equity and liabilities	1,063,425	958,924

Consolidated Cash Flow Statement

in thousands of Euro	Q4 2020	Q4 2019	FY 2020	FY 2019
<i>Cash flows from operating activities</i>				
Profit before taxation	46,255	46,072	170,385	95,142
Depreciation, amortisation and impairment of non-current assets	11,455	9,346	41,096	36,442
(Gain)/loss from the sale of property, plant and equipment	(285)	13	(278)	(5)
Increase/(decrease) in provisions	890	1,501	753	2,170
Non-operational foreign exchange (gains)/ losses	(13,199)	(9,450)	(30,541)	10,869
Expenses for share-based compensation - equity settled	14,115	9,742	47,308	36,830
Net financial result	4,511	7,130	19,935	44,955
Change in deferred revenue	7,349	(6,564)	2,233	(67,814)
Changes in other net working capital and other	1,799	4,766	7,063	2,899
Income tax paid	(8,711)	(2,633)	(33,417)	(17,879)
Net cash from operating activities	64,179	59,923	224,536	143,610
<i>Cash flows from investing activities</i>				
Capital expenditure for property, plant and equipment and intangible assets	(3,387)	(8,789)	(26,168)	(16,551)
Proceeds from the sale of property, plant and equipment	0	(18)	23	0
Payments for the acquisition of non-current financial assets	0	(4,326)	(51)	(4,326)
Acquisition of subsidiaries	0	0	(84,053)	0
Net cash used in investing activities	(3,387)	(13,134)	(110,249)	(20,877)

Consolidated Cash Flow Statement (continued)

in thousands of Euro	Q4 2020	Q4 2019	FY 2020	FY 2019
<i>Cash flows from financing activities</i>				
Repayments of borrowings	(23,845)	(517,260)	(62,832)	(696,373)
Proceeds from bank borrowings	0	536,296	0	610,313
Payments for the capital element of lease liabilities	(1,505)	3	(4,863)	(3,836)
Interest paid for borrowings and lease liabilities	(3,234)	(19,596)	(28,071)	(46,100)
Proceeds/(payments) from the settlement of derivatives	0	(33)	0	(131)
Proceeds/(payments) in equity	0	0	0	25
Net cash used in financing activities	(28,584)	(590)	(95,766)	(136,102)
Net change in cash and cash equivalents	32,209	46,199	18,521	(13,369)
Net foreign exchange rate difference	(1,468)	(1,646)	(6,082)	0
Net change from cash risk provisioning	(179)	(99)	(61)	815
Internal combinations and transfers	0	0	0	3,768
Cash and cash equivalents at beginning of period	52,969	26,698	71,153	79,939
Cash and cash equivalents at end of period	83,531	71,153	83,531	71,153