



TeamViewer

Anyone. Anything.
Anywhere. Anytime.

Preliminary Q4 & FY 2019 Results

(unaudited, IFRS)

February 10, 2020



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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 value of goods and services invoiced to customers in a given period and 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.

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 in 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 the period considered;

"Cash conversion" or "cash conversion rate" means the ratio of free cash flow (pre-tax) to Adjusted EBITDA, represented as a percentage of Adjusted EBITDA;

"Free cash flow (pre-tax)" means Adjusted EBITDA less capital expenditure and adjusted for change in other net working capital;

"Other Net working capital" consists of the following balance sheet positions from the operating activities: trade receivables, trade payables, other current assets, other current liabilities and accruals (excl. deferred revenues); and

„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.





TeamViewer

Business Overview

CEO Oliver Steil



Highlights 2019: Delivering On Our Commitment



GROWTH

- FY 2019 **Billings**: €325m (+41% YoY), ahead of annual guidance
- Billings from **new product initiatives**⁽¹⁾ of €16m in 2019 more than tripled YoY
- 464k **Subscribers** at year end (+71% YoY)
- Underpinned by 102%⁽²⁾ **Net Retention Rate**



PROFITABILITY

- **Scale effects**
- FY 2019 **Adj. EBITDA**⁽³⁾ €182m (+51% YoY)
- FY 2019 **Adj. EBITDA Margin** 56%
- **Cash Conversion** 94%⁽⁴⁾ supporting organic growth, deleveraging and potential M&A



CUSTOMER SEGMENT COVERAGE

- Products tailored to customer segments
- Business critical **OT & IT Use Cases** across the modern enterprise
- 698 customers with **ACV ≥ €10k** (+67% YoY)⁽⁵⁾
- **Top 50 Deals** with €3.4m contract value (+60% YoY)⁽⁵⁾
- Targeting **SoHo** with new **Remote Access** product



GEOGRAPHIC EXPANSION

- Continued penetration in **Americas** FY 2019 Billings up 59% YoY
- 29% YoY **Employee** increase globally (841)⁽⁶⁾
- Accelerated **investments in Sales** in all regions (+68 / +44% YoY)⁽⁶⁾⁽⁷⁾



USE CASE INNOVATION

- **R&D** - additional office in Greece
- Rollout of **dedicated Use Case Products** (IoT, Pilot)
- Continuous **Product Updates** and **New Features** ensuring customer satisfaction



1. Incl. Tensor, Remote Management, Pilot, IoT, Remote Access

2. LTM as of 31 Dec 19; NRR = 1 - net value churn (gross value churn - expansion); gross value churn as billings lost from customers that had an invoice in LTM-1 but not in LTM

3. Previously referred to as Cash EBITDA

4. Defined as Pre-tax FCF / Adj. EBITDA

5. Any product; LTM as of 31 Dec 19 / ACV = Annual Contract Value;

6. Full time employees

7. Includes quota carriers and sales management



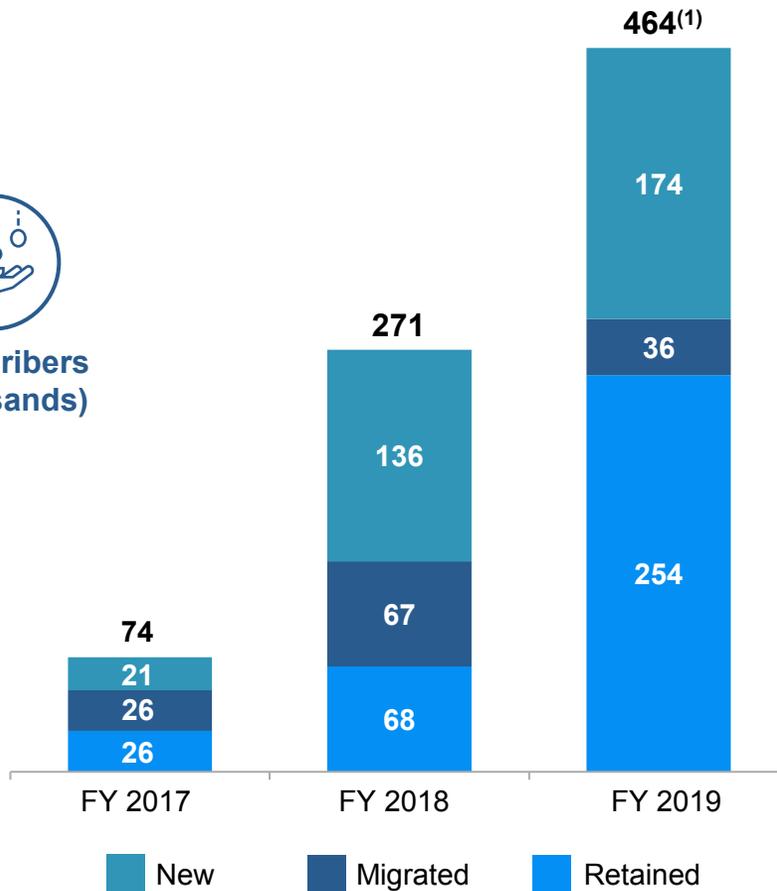
Sustained Subscriber Growth Resulting In Billings Ahead Of Guidance

Subscribers (thousands)

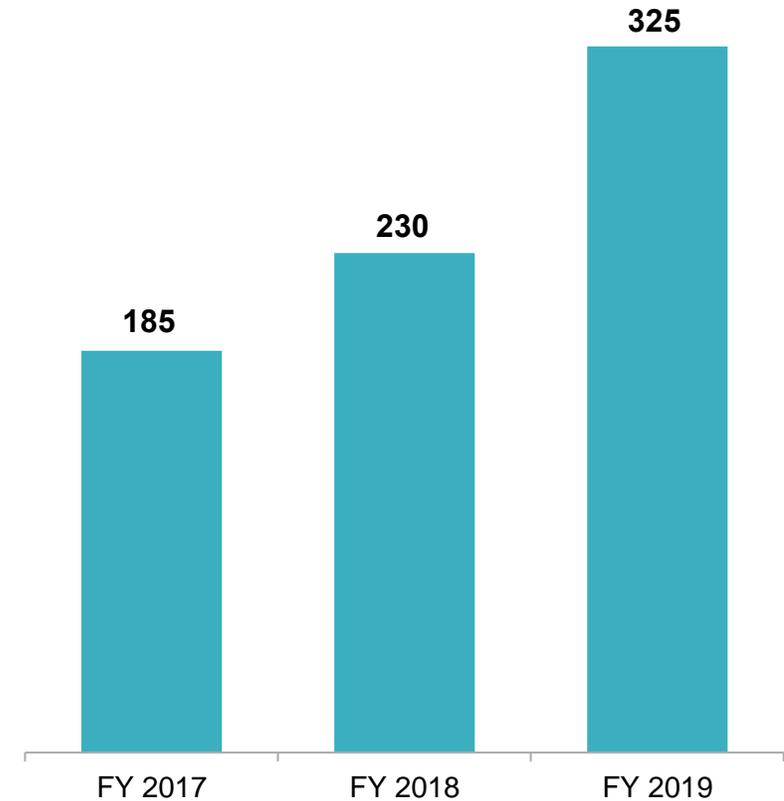
Billings (€m)



Subscribers (thousands)



Billings (€m)

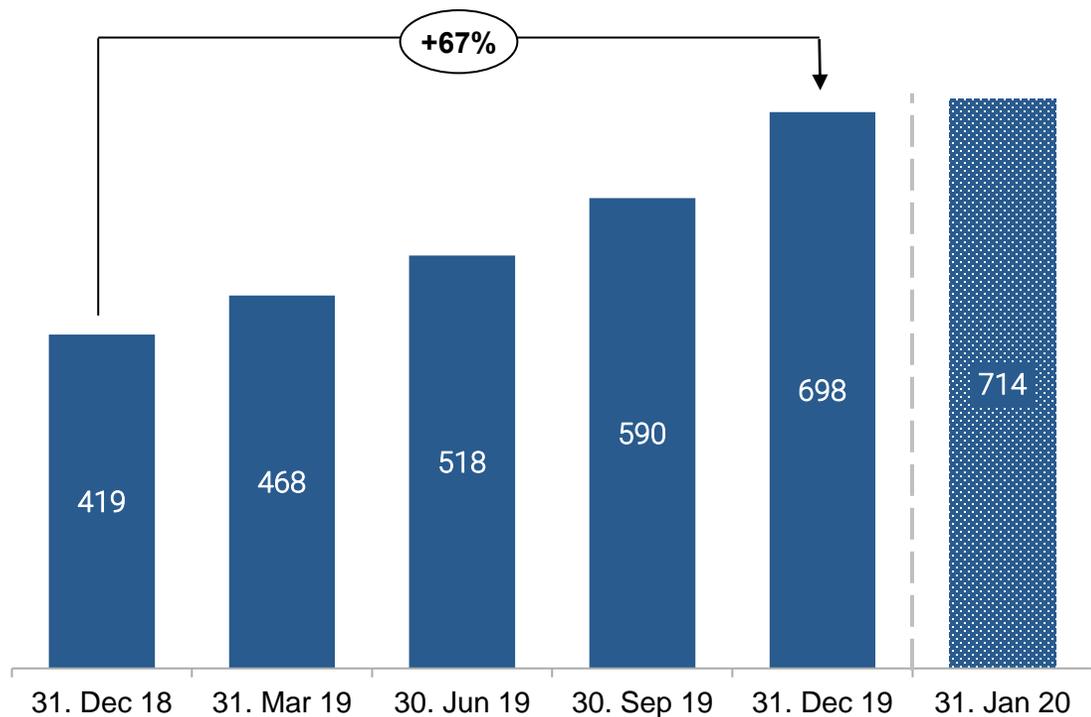


1. Restated as of 31 Dec 19 due to data consolidation as part of new ERP system rollout

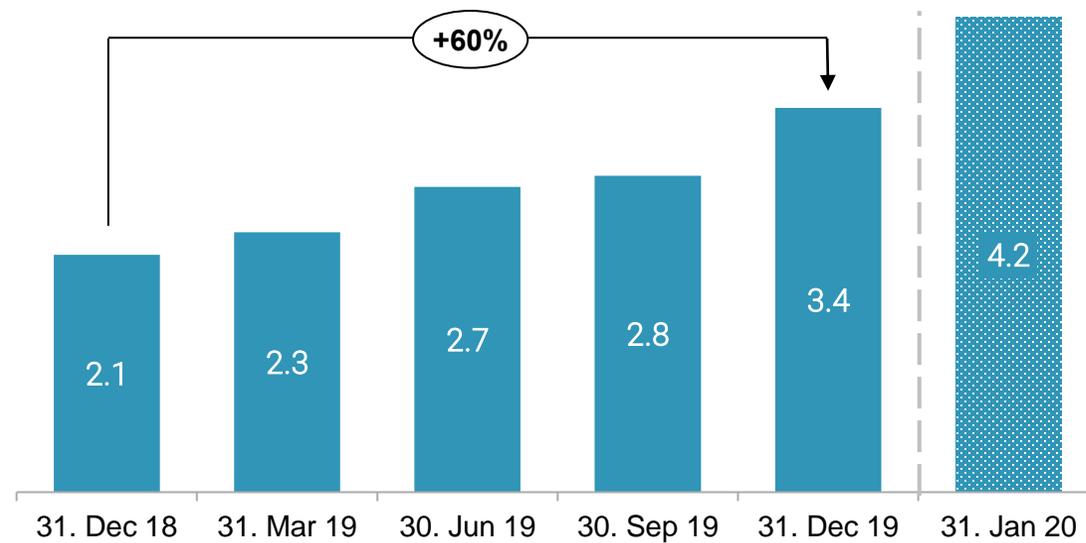


Growing Traction In The Enterprise Segment Reflected By Increasing Contract Values And A Boost In Larger Customers

Customers With Annual Contract Value Above €10k LTM (€m) ⁽¹⁾



Top 50 Deals Accumulated Contract Value LTM (€m) ⁽¹⁾

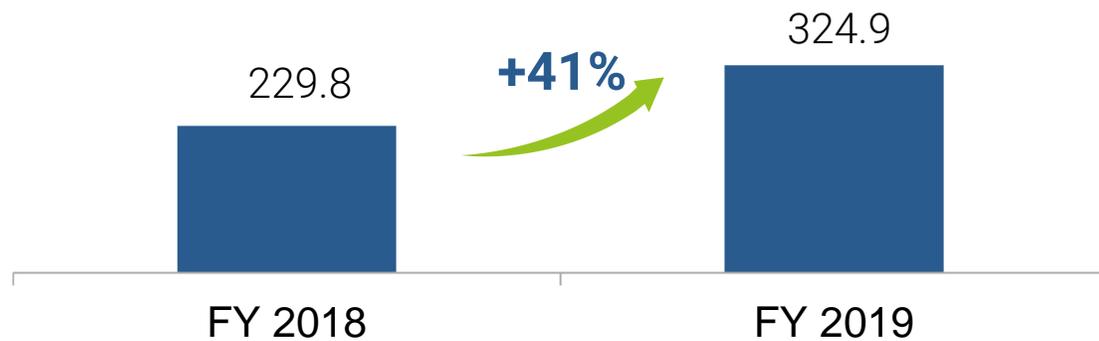
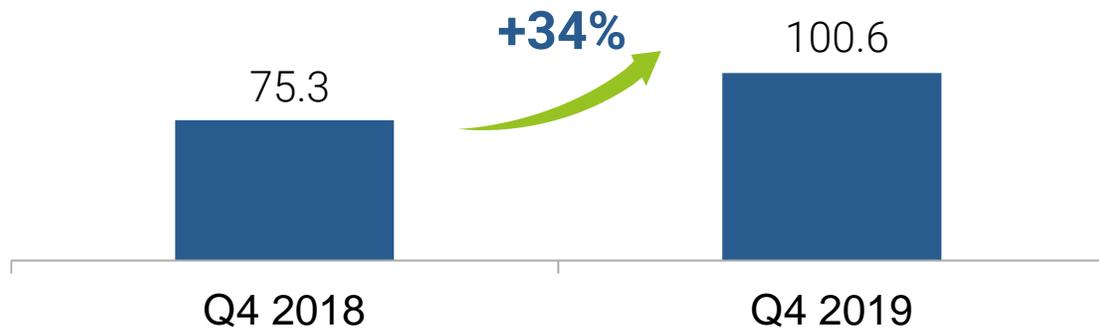


1. Any product

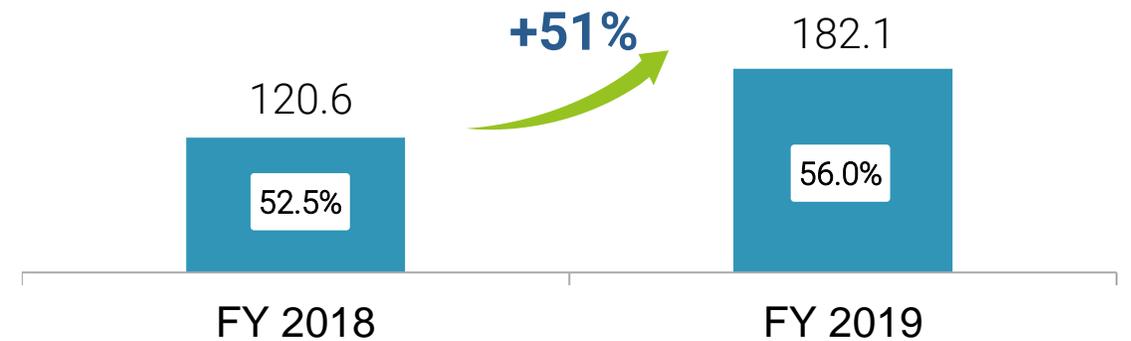
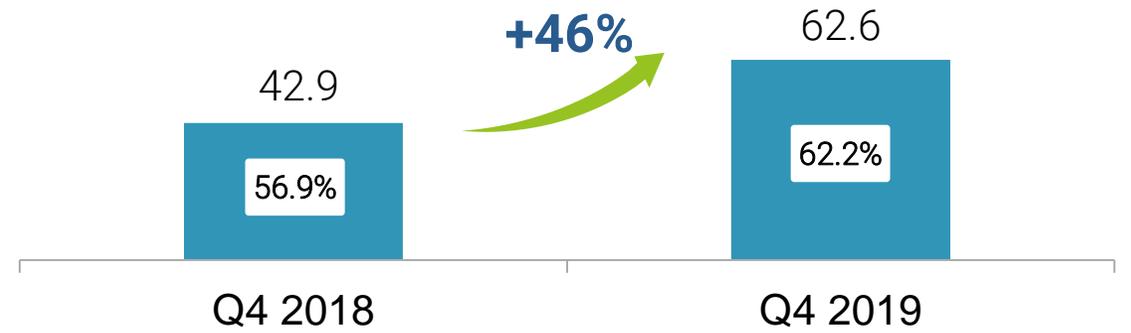


Delivering Above Market Growth While Maintaining High Adjusted EBITDA Margins

Billings (€m)



Adjusted EBITDA (€m) / Adjusted EBITDA Margin





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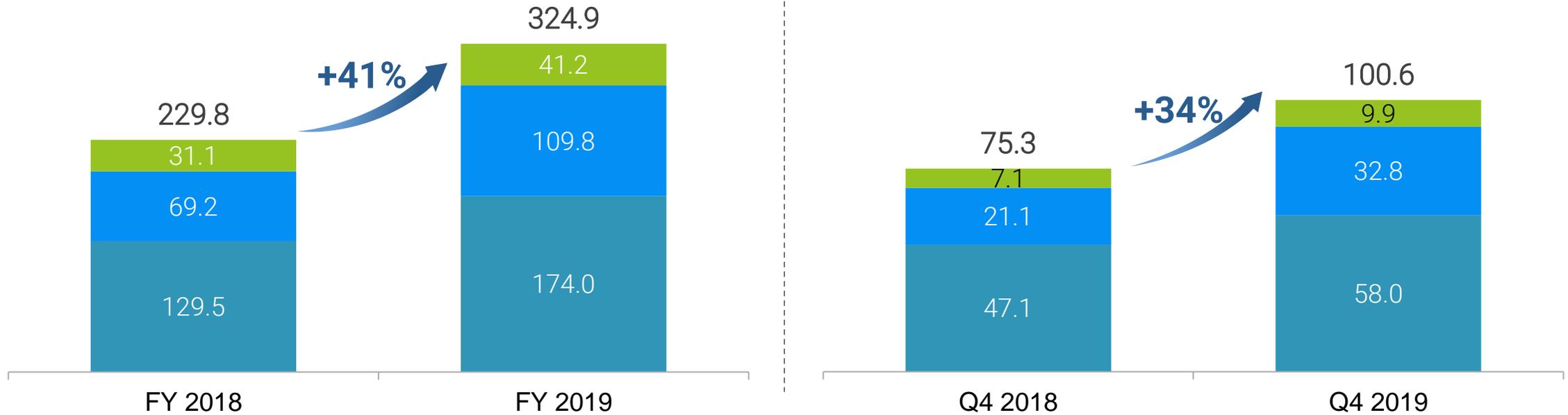
Financial Review

CFO Stefan Gaiser



FY 2019 Billings Target Overachieved With Strong Contribution From All Regions – Most Noteworthy Americas

Billings (€m)



EMEA AMS APAC



EMEA
+34%



AMS
+59%



APAC
+32%



EMEA
+23%



AMS
+55%

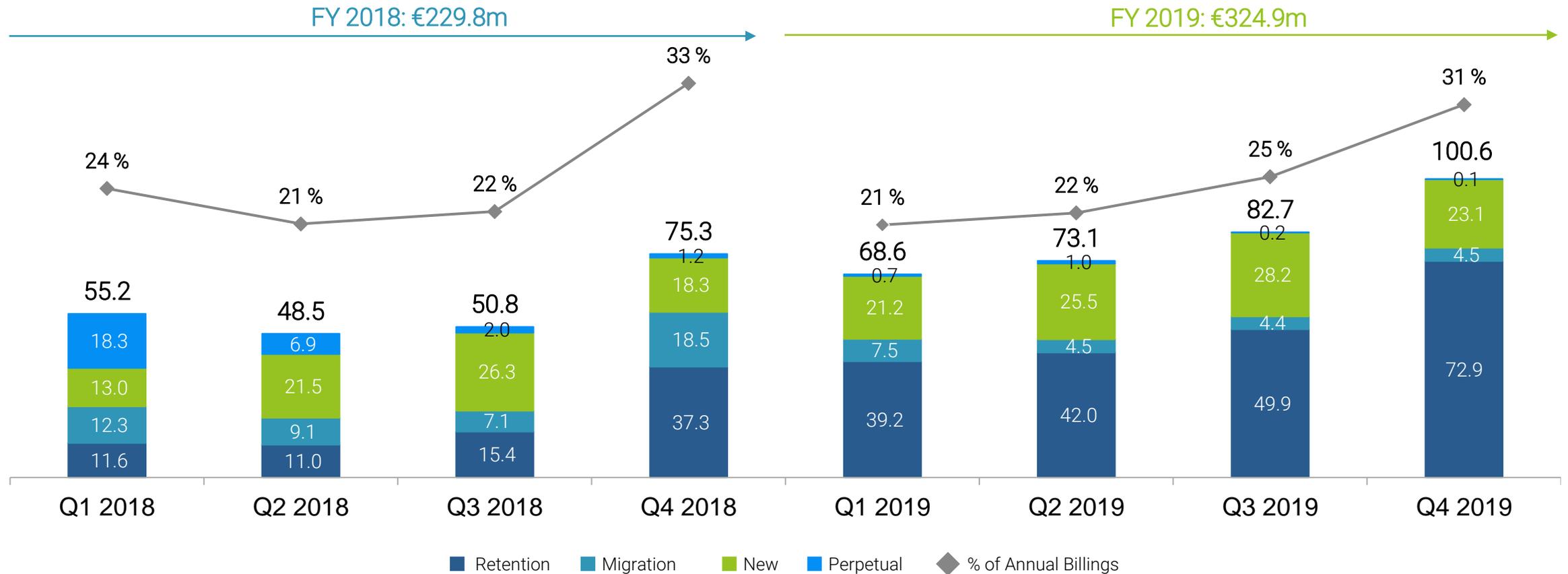


APAC
+40%



Billings Seasonality Starting To Fade As Perpetual & Migration Contribution Continues To Ebb And New Billings Span More Evenly

Billings (€m)



Scale Effects Resulting In Higher Adjusted EBITDA Margin YoY ...

Adjusted EBITDA⁽¹⁾ (€m)

	FY 2018	FY 2019	Q4 2018	Q4 2019
Billings	229.8	324.9	75.3	100.6
Cost of Sales	(21.3)	(24.2)	(5.7)	(6.9)
<i>% of Billings</i>	9.3%	7.5%	7.5%	6.9%
<i>Gross Margin</i>	90.7%	92.5%	92.5%	93.1%
Sales	(28.4)	(37.9)	(8.6)	(9.5)
<i>% of Billings</i>	12.4%	11.7%	11.4%	9.4%
Marketing	(17.6)	(22.8)	(5.5)	(6.6)
<i>% of Billings</i>	7.7%	7.0%	7.3%	6.6%
R&D	(21.1)	(28.0)	(5.7)	(7.4)
<i>% of Billings</i>	9.2%	8.6%	7.5%	7.4%
G&A	(14.0)	(16.4)	(3.5)	(4.0)
<i>% of Billings</i>	6.1%	5.0%	4.6%	4.0%
Other⁽²⁾	(6.9)	(13.5)	(3.5)	(3.6)
<i>% of Billings</i>	3.0%	4.2%	4.7%	3.5%
Adj. EBITDA⁽¹⁾	120.6	182.1	42.9	62.6
<i>% Margin</i>	52.5%	56.0%	56.9%	62.2%

Efficient go-to-market model with strong brand recognition and highly efficient sales force

Customer-centric and scalable product innovation and development

Continued investments in infrastructure and security

Other includes mainly bad debt expenses

1. Management adjustments reflected in each line item

2. Other income/expenses and bad debt expenses now shown in Other. Previously included in G&A



... While Cash Conversion Remains High

Pre-Tax Free Cash Flow (€m)

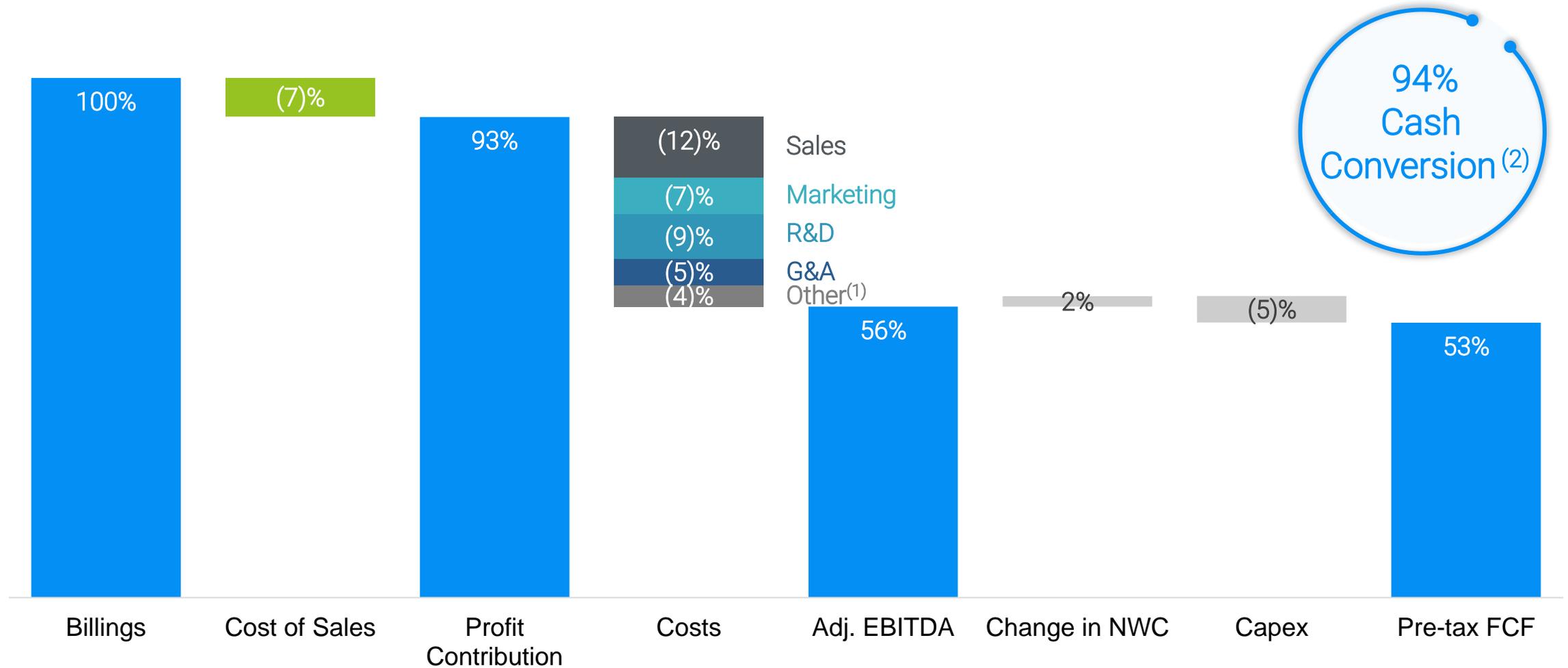
	FY 2018	FY 2019	Q4 2018	Q4 2019
Adj. EBITDA	120.6	182.1	42.9	62.6
Change in Other Net Working Capital	3.6	6.0	1.3	7.9
Capital Expenditure	(11.5)	(16.6)	(3.1)	(8.5)
Pre-Tax FCF	112.7	171.5	41.1	61.9
<i>Cash Conversion Rate</i>	<i>93.5%</i>	<i>94.2%</i>	<i>95.8%</i>	<i>99.0%</i>

Higher net working capital inflow as transition to full subscription model is complete

Capital Expenditure mainly related to new HQ and implementation of new ERP system



Unique Financial Model – Billings To Pre-Tax FCF 2019



1. Includes other income, expenses and bad debt expenses

2. Cash Conversion defined as Pre-tax FCF / Adj. EBITDA; Pre-tax FCF defined as Adj. EBITDA less capital expenditure and adjusted for change in net working capital



2019 Deleveraging Target Achieved

Leverage⁽¹⁾ (€m)

	FY 2018	FY 2019
Cash And Cash Equivalents	(79.9)	(71.2)
Financial Debt ⁽¹⁾	683.9	616.8
Loan Facilities	683.9 ⁽¹⁾	595.7
IFRS 16 Liabilities	n/a	21.1
Net Debt	603.9	545.6
Leverage (Net Debt / Adj. EBITDA)	5.0 x	3.0x

- IFRS 16 first applied in 2019
- FY 2019 capitalized operating leases due to new HQ

- Deleveraging target of 3.0x achieved
- Due to significant cash flow generation, further leverage reduction to <2.0x expected by year-end 2020

1. Defined as interest bearing loans and borrowings, current and non-current

2. Excluding €149.7m shareholder loan which was swapped into equity upon IPO



Outlook 2020

	2019 Guidance	2019 Actual	2020 Outlook
Billings 	€310 – 320m	€325m 	€430 – 440m
Revenue 	€386 – 391m	€390m 	€420 – 430m
Adj. EBITDA 	€177 – 183m	€182m 	€240 – 250m
			~€25m capital expenditure (mainly HQ and new ERP)





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Q&A





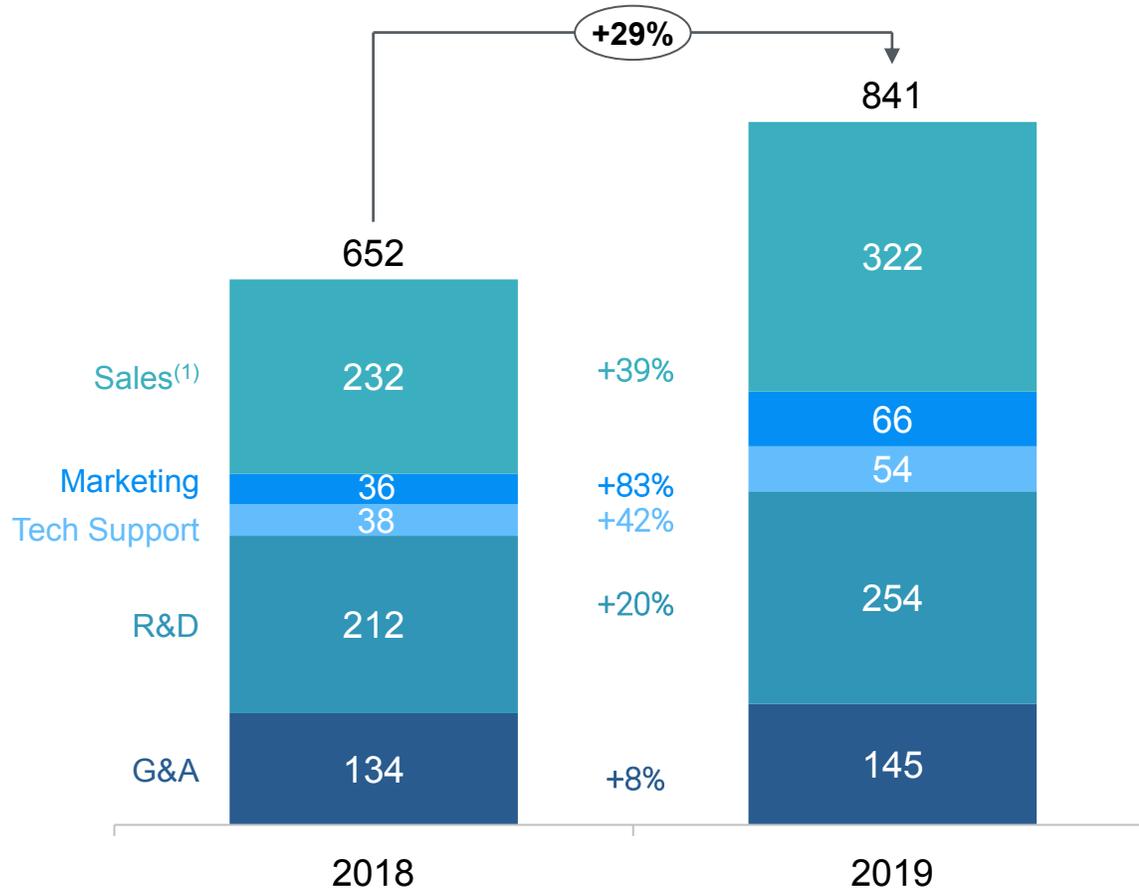
TeamViewer

Appendix



Expansion Of TeamViewer's Global Footprint

FTEs per Function Year End 2019 vs. 2018



Sales Representatives (FTEs)⁽²⁾ per Region 2019 vs. 2018

	Inside		Enterprise		Channel		Total	
	2018	2019	2018	2019	2018	2019	2018	2019
EMEA	51	56	17	26	12	14	80	96
AMS	44	49	7	16	3	9	54	74
APAC	13	34	1	9	5	8	19	51
Total	108	139	25	51	20	31	153	221

+44%

1. Includes quota carriers, management and support functions
 2. Includes quota carriers and management



Q4 2019 Reconciliation From Management Key Metrics To IFRS

Q4 2019 (€m)

	Management View Adjusted P&L	Deferred Revenue	+	D&A	+	Other non-IFRS Adjustments	Accounting View IFRS P&L
Billings / Revenue	100.6	6.3					106.9
Cost Of Sales	(6.9) / (7% of Billings)			(6.4)		(0.5)	(13.8) / (13% of Revenue)
Gross Profit Contribution	93.7 / (93% of Billings)						93.1 / (87% of Revenue)
Sales	(9.5) / (9% of Billings)			(1.1)		(11.4)	(22.0) / (21% of Revenue)
Marketing	(6.6) / (7% of Billings)			(0.3)		(1.4)	(8.3) / (8% of Revenue)
R&D	(7.4) / (7% of Billings)			(1.0)		(2.7)	(11.1) / (10% of Revenue)
G&A	(4) / (4% of Billings)			(0.6)		10.0 ⁽²⁾	5.4 / (5% of Revenue)
Other ⁽¹⁾	(3.6) / (4% of Billings)			-		(8.8)	(12.4) / (12% of Revenue)
Adjusted EBITDA	62.6 / (62% of Billings)	6.3		(9.3)		(14.8)	
Operating profit (EBIT)							44.7 / (42% of Revenue)
D&A							9.3
EBITDA							54.1 / (51% of Revenue)

1. Incl. other income, expenses and bad debt expense

2. Reflects the reduction of IPO related costs borne by the selling shareholder



FY 2019 Reconciliation From Management Key Metrics To IFRS

FY 2019 (€m)

	Management View Adjusted P&L	Deferred Revenue	+	D&A	+	Other non-IFRS Adjustments	Accounting View IFRS P&L
Billings / Revenue	324.9	65.2					390.2
Cost Of Sales	(24.2) / (7% of Billings)			(25.0)		(1.0)	(50.2) / (13% of Revenue)
Gross Profit Contribution	300.7 / (93% of Billings)						340.0 / (87% of Revenue)
Sales	(37.9) / (12% of Billings)			(4.1)		(14.7)	(56.7) / (15% of Revenue)
Marketing	(22.8) / (7% of Billings)			(1.1)		(1.8)	(25.6) / (7% of Revenue)
R&D	(28.0) / (9% of Billings)			(4.2)		(5.8)	(37.9) / (10% of Revenue)
G&A	(16.4) / (5% of Billings)			(2.1)		(39.9)	(58.4) / (15% of Revenue)
Other ⁽¹⁾	(13.5) / (4% of Billings)			-		5.3	(8.2) / (2% of Revenue)
Adjusted EBITDA	182.1 / (56% of Billings)	65.2		(36.4)		(57.9)	
Operating profit (EBIT)							153.0 / (39% of Revenue)
D&A							36.4
EBITDA							189.5 / (49% of Revenue)

1. Incl. other income, expenses and bad debt expense



Non-IFRS Adjustments in EBITDA

Deferred Revenue Adjustments (€m)

	FY 2018	FY 2019	Q4 2018	Q4 2019
Billings	229.8	324.9	75.3	100.6
Perpetual Deferred Revenue Release / (Addition)	92.0	124.5	36.0	28.7
Subscription Def. Revenue Release / (Addition)	(63.9)	(56.7)	(26.3)	(21.3)
Unallocated Deferred Revenue Release / (Addition)	0.2	(2.6)	(1.9)	(1.1)
Revenues	258.2	390.2	83.1	106.9

- In 2019, revenues still above billings due to significant releases of old perpetual licenses that overcompensates addition to deferred revenue from subscription billings
- In 2020, billings will slightly exceed revenue as a result of the release of deferred revenue in connection with perpetual licences.

1. Certain project costs previously shown in other material items now included in IPO related costs

Other non-IFRS Adjustments (€m)

	FY 2018	FY 2019	Q4 2018	Q4 2019
IFRS 2 Share-based Compensation	(1.8)	(36.8)	(0.5)	(9.7)
IPO Related Costs	(0.1)	(10.8) ⁽¹⁾	(0.1)	(0.8)
Other Material Items	(9.7)	(10.2) ⁽¹⁾	(3.6)	(4.2)
Total	(11.7)	(57.9)	(4.1)	(14.8)

- IFRS 2 charge relates to incentives for key employees and management put in place and fully funded by the selling shareholder. No dilution and no cash impact
- IPO related costs incl. the IPO employee bonus payment and other costs
- Other material items comprise reorganisation, litigation and refinancing expenses as well as costs related to GDPR and certain IT projects



Deferred Revenue Development

Deferred Revenue Beginning and End of Period (€m) IFRS

	FY 2018	FY 2019	Q4 2018	Q4 2019
Perpetual Deferred Revenue (BoP)	265.4	173.4	209.4	77.6
Release	121.7	126.1	38.4	28.9
Addition	29.7	1.5	2.4	0.2
Perpetual Deferred Revenue (EoP)	173.4	48.9	173.4	48.9
Subscription Deferred Revenue (BoP)	43.3	107.2	80.9	142.7
Release	136.2	267.6	46.6	79.8
Addition	200.1	324.3	72.9	101.1
Subscription Deferred Revenue (EoP)	107.2	164.0	107.2	164.0
Total Deferred Revenue (BoP)	308.7	280.6	290.3	220.3
Release	257.9	393.6	85.0	108.7
Addition	229.8	325.8	75.3	101.3
Total Deferred Revenue (EoP)	280.6	212.8	280.6	212.8





Preliminary Financial Information 2019

(unaudited, IFRS)

Profit & Loss Statement

(preliminary, unaudited)

in EUR thousands	For the year ended December 31,	
	2019	2018
Revenue	390,191	258,157
Cost of sales	(50,228)	(46,610)
Gross profit	339,963	211,548
Other income	7,723	1,588
R&D	(37,934)	(23,039)
Sales	(56,661)	(30,458)
Marketing	(25,641)	(17,974)
G&A	(58,445)	(26,089)
Other expenses	(468)	(166)
Bad debt expense	(15,489)	(8,280)
Operating profit	153,048	107,129
Unrealised foreign exchange gains / (losses)	7,770	(20,791)
Realised foreign exchange gains / (losses)	(20,721)	(162)
Finance income	38,936	12,311
Finance costs	(83,891)	(93,988)
Profit before taxation	95,142	4,499
Tax income / (expense)	8,717 *	(16,912)
Profit / (loss) for the period	103,859 *	(12,413)
Other comprehensive income (loss) for the period		
Items that are or may be reclassified to profit or loss	202	(10)
Hedge reserves, gross	14	(14)
Exchange differences on translation of foreign operations	188	4
Total comprehensive income for the period	104,061 *	(12,423)
Thereof attributable to owners of the parent	104,061 *	(12,423)

* These figures were corrected by way of ad hoc release dated Feb 25, 2020 and were originally published as Tax income / (expense) TEUR 15,762; Profit / (loss) for the period: TEUR 110,904; Total comprehensive income for the period: TEUR 111,106; Thereof attributable to owners of the parent: TEUR 111,106. The correction was caused by a reduction of deferred tax assets on interest loss carry-forward due to necessary adjustments for trade tax purposes. For further details, please refer to the ad hoc release of Feb 25, 2020 which is available on our [IR website](#).



Balance Sheet

(preliminary, unaudited)

in EUR thousand	For the year ended December 31,	
	2019	2018
Non-current assets:		
Goodwill	590,445	584,312
Intangible assets	235,831	252,563
Property, plant and equipment	26,480	2,239
Financial assets	4,424	0
Other assets	1,740	745
Deferred tax assets	6,266 *	0
Total non-current assets	865,187 *	839,858
Current assets:		
Trade receivables	11,756	15,442
Other assets	5,856	3,258
Tax assets	4,972	0
Financial assets	0	9,715
Cash and cash equivalents	71,153	79,939
Total current assets	93,737	108,355
Total assets	958,924 *	948,213

* These figures were corrected by way of ad hoc release dated Feb 25, 2020 and were originally published as Deferred tax assets: TEUR 13,311; Total non-current assets: TEUR 872,232; Total assets: TEUR 965,969. The correction was caused by a reduction of deferred tax assets on interest loss carry-forward due to necessary adjustments for trade tax purposes. For further details, please refer to the ad hoc release of Feb 25, 2020 which is available on our [IR website](#).



Balance Sheet (cont'd)

(preliminary, unaudited)

For the year
ended December 31,

in EUR thousands	2019	2018
Equity:		
Issued capital	200,000	25
Capital reserve	320,661	116,312
(Accumulated losses) / retained earnings	(429,881) *	(332,876)
Hedge reserve	0	(14)
Foreign currency translation reserve	1,081	4
Total equity	91,861 *	(216,548)
Non-current liabilities:		
Provisions	235	143
Interest-bearing loans and borrowings	582,538	678,771
Deferred revenue	2,572	47,225
Financial liabilities	0	2,928
Deferred tax liabilities	308	18,614
Total non-current liabilities	585,652	747,681
Current liabilities:		
Provisions	3,284	1,205
Interest-bearing loans and borrowings	34,260	154,818
Trade payables	9,069	6,695
Deferred revenue	210,250	233,410
Accrued expenses and other payables	17,793	13,846
Financial liabilities	6,642	6,640
Tax liabilities	114	466
Total current liabilities	281,411	417,080
Total liabilities	867,063	1,164,761
Total equity and liabilities	958,924 *	948,213

* These figures were corrected by way of ad hoc release dated Feb 25, 2020 and were originally published as (Accumulated losses) / retained earnings: TEUR 422,836; Total equity: TEUR 98,906; Total equity and liabilities: TEUR 965,969. The correction was caused by a reduction of deferred tax assets on interest loss carry-forward due to necessary adjustments for trade tax purposes. For further details, please refer to the ad hoc release of Feb 25, 2020 which is available on our [IR website](#).



Cash Flow Statement

(preliminary, unaudited)

For the year
ended December 31,

in EUR thousands	2019	2018
Cash flows from operating activities:		
Profit before tax	95,142	4,499
Amortisation and depreciation	36,442	30,106
(Gain) / loss on sale of fixed assets	(5)	0
(Increase) / decrease of provisions	2,170	(221)
Non-operational foreign exchange losses / (gains)	7,770	20,208
Share-based compensation expenses	36,830	1,800
Total from finance income and finance cost	44,955	81,677
Change in deferred revenue	(67,814)	(28,097)
Change in other net working capital positions	6,016	3,601
Income tax paid	(17,879)	(1,016)
Interest paid (other than borrowings)	(18)	(0)
Net cash flows from operating activities	143,610	112,556
Cash flows from investing activities:		
Proceeds from loans to third parties	0	180
Purchase of fixed and intangible assets	(16,641)	(11,484)
Purchase of financial assets	(4,326)	0
Interest received	90	126
Net cash flows from investing activities	(20,877)	(11,178)



Cash Flow Statement (cont'd)

(preliminary, unaudited)

in EUR thousands	For the year ended December 31,	
	2019	2018
Cash flows from financing activities:		
Repayments of borrowings	(696,373)	(5,016)
Proceeds from borrowings	610,313	0
Payment of principal portion of lease liabilities	(3,836)	0
Interest paid on borrowings and lease liabilities	(46,100)	(50,323)
(Payments) / proceeds from the settlement of derivatives	(131)	(610)
(Payments) / proceeds of capital contribution	25	0
Net cash flows from financing activities	(136,102)	(55,948)
Net change in cash and cash equivalents	(13,369)	45,430
Net foreign exchange difference	0	272
Net change from cash risk provisioning	815	(917)
Internal mergers and transfers	3,768	0
Cash funds at beginning of period	79,939	35,154
Cash and cash equivalents at end of period	71,153	79,939

