



TeamViewer

Anyone. Anything.
Anywhere. Anytime.

Q1 2020 Investor Presentation

12 May 2020



Important Notice

This presentation as well as any information communicated in connection therewith (the "Presentation") contains information regarding TeamViewer AG (the "Company") and its subsidiaries (the Company, together with its subsidiaries, "TeamViewer"). It is being provided for informational purposes only and should not be relied on for any purpose and may not be redistributed, reproduced, published, or passed on to any other person or used in whole or in part for any other purpose.

All stated figures are unaudited.

Certain statements in this presentation 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 subsequent written and oral forward-looking statements attributable to it or to persons acting on its behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Presentation.

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.

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

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;

"Adjusted 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

„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.





TeamViewer

Business Overview

CEO Oliver Steil



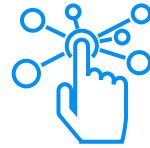
In The Middle Of Accelerated Global Megatrends

Long-Term Growth Trends Accelerated by COVID-19



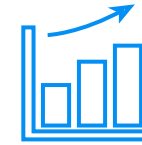
- Underinvestment in digitization comes to light
- Working from home becoming the new norm
- Reduced mobility make remote management & control of things and expert collaboration business critical
- Economic recovery will require efficiency gains from more connectivity

Unique Positioning & Business Model



- Platform serving all verticals and customer segments
- Enterprise break-through with over 300 Tensor licenses sold in Q1
- Remote and fast deployment of products
- High sales productivity rooted in efficient GTM model

Exceptional Growth & High Profitability



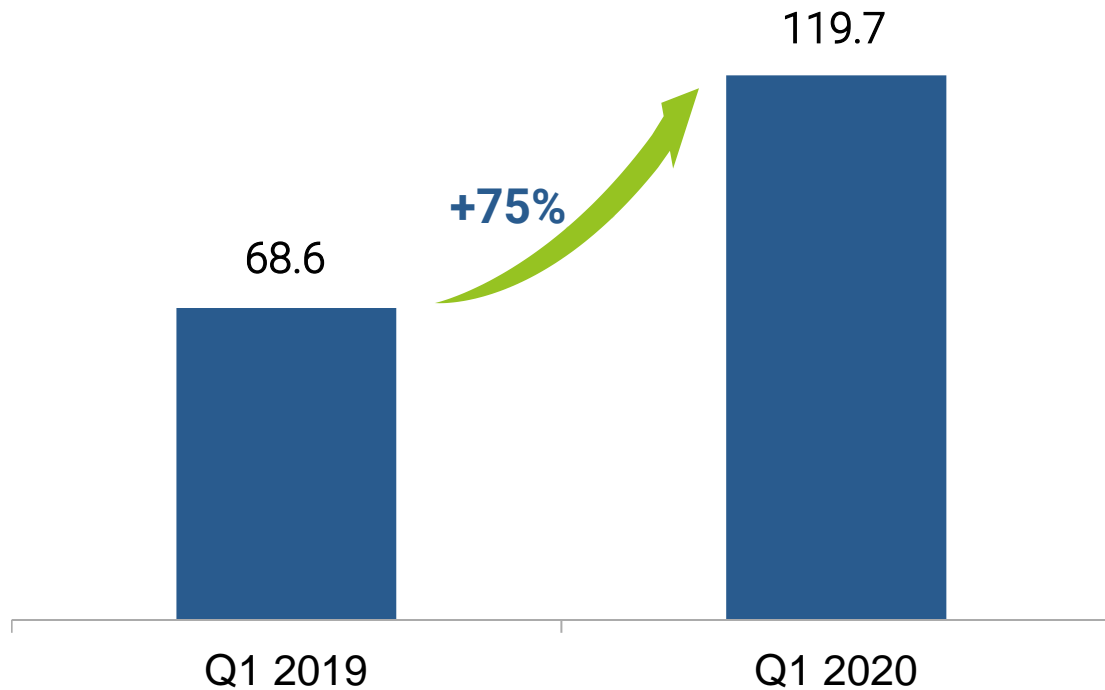
- Q1 billings: €119.7m (+75% YoY)
- >514k subscribers⁽¹⁾ (+62% YoY)
- Q1 adj EBITDA: €73.9m (+96% YoY)
- 2.4x net leverage

1. LTM March 2020

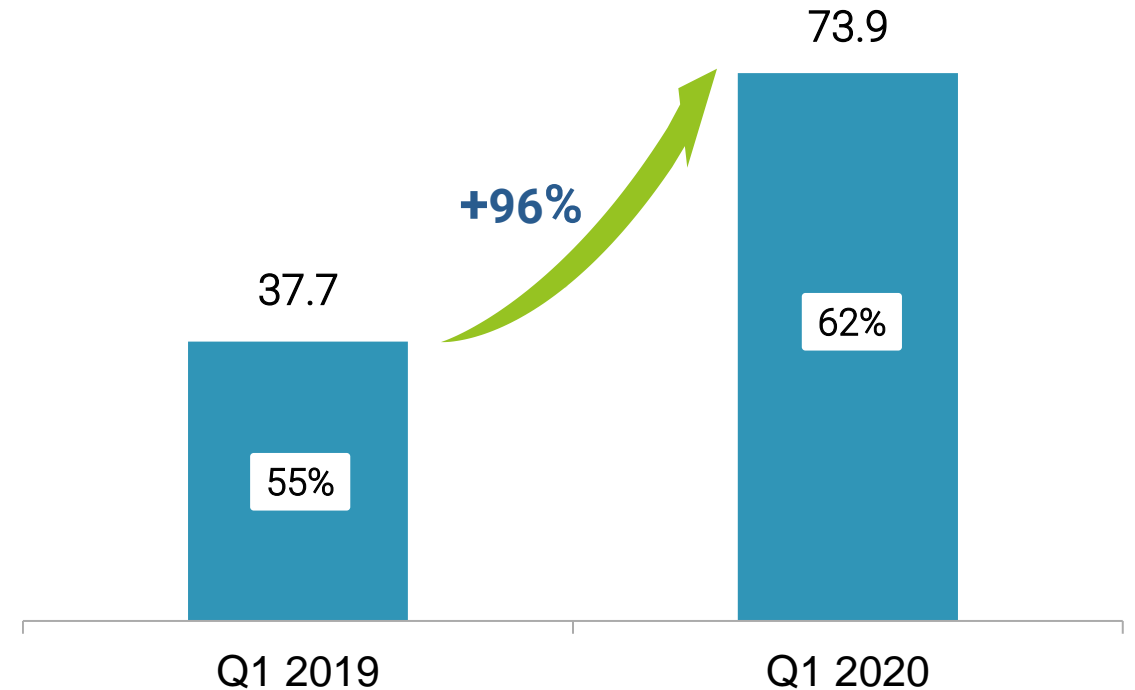


Extra Demand In March Drove Billings And Adjusted EBITDA Growth

Billings (€m)

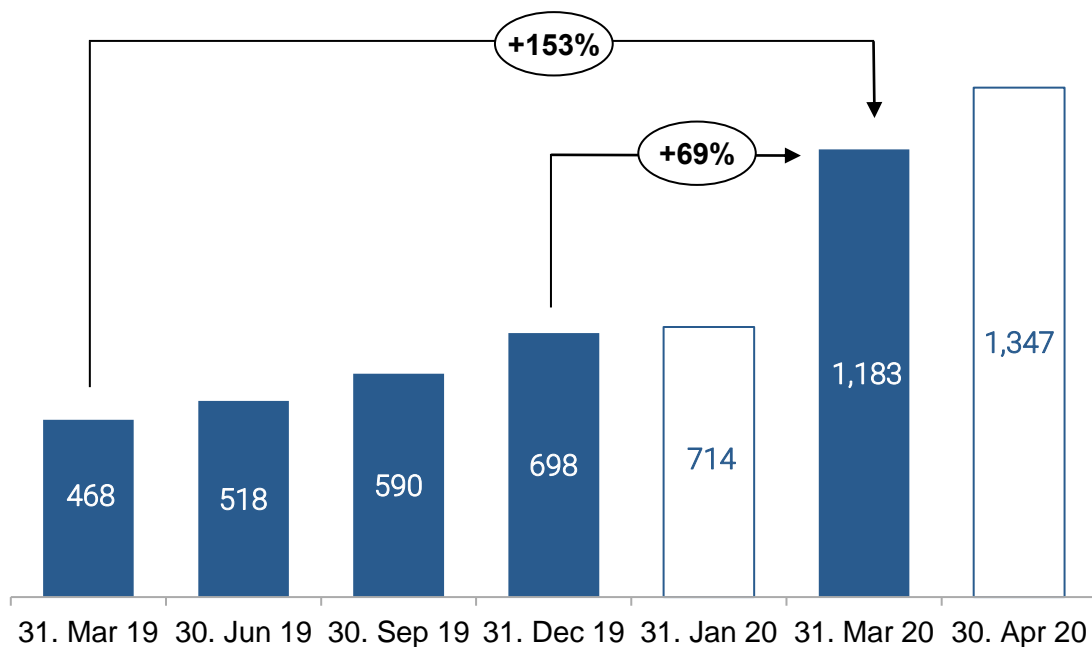


Adjusted EBITDA (€m) & Adjusted EBITDA Margin



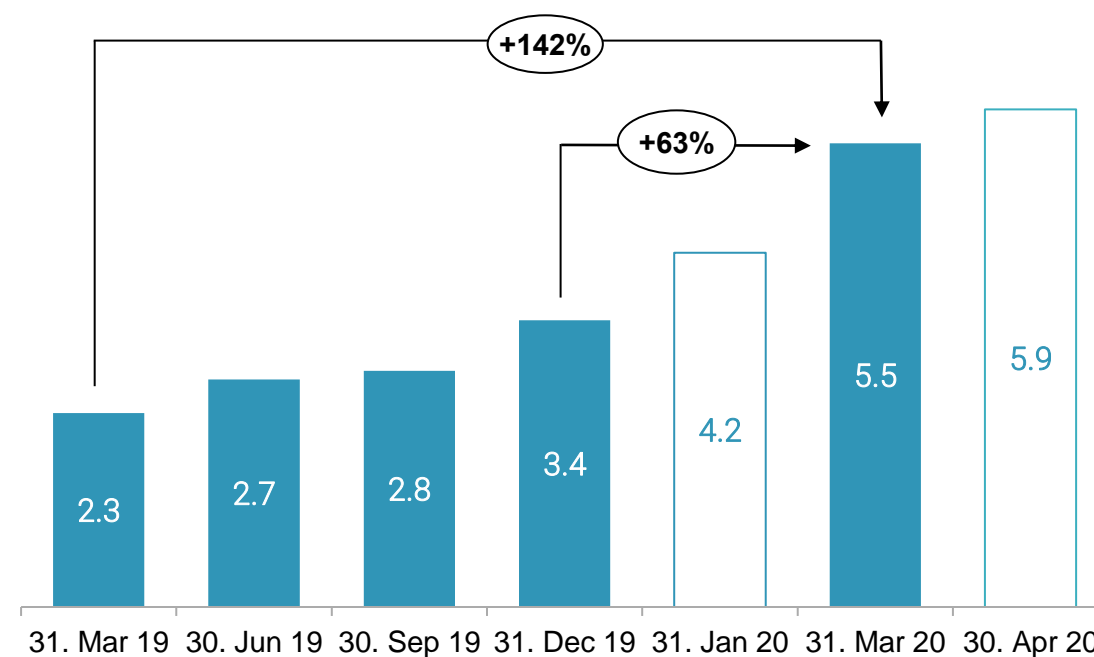
Step Change in Enterprise Business

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



- 69% jump mainly driven by Tensor & Remote Access bundle sales in March
- Overall traction in Enterprise segment driving ACV growth
- Customers with ACV ≥ €50k tripled YoY

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



- Accumulated Top 50 deal volume expanded by 63% during Q1, while deal size range shifted upwards
 - LTM Dec 19: €36k to approx. €300k p.a.
 - LTM Mar 20: €53k to more than €500k p.a.

1. Any product; LTM as of 31 Mar 20 / ACV = Annual Contract Value



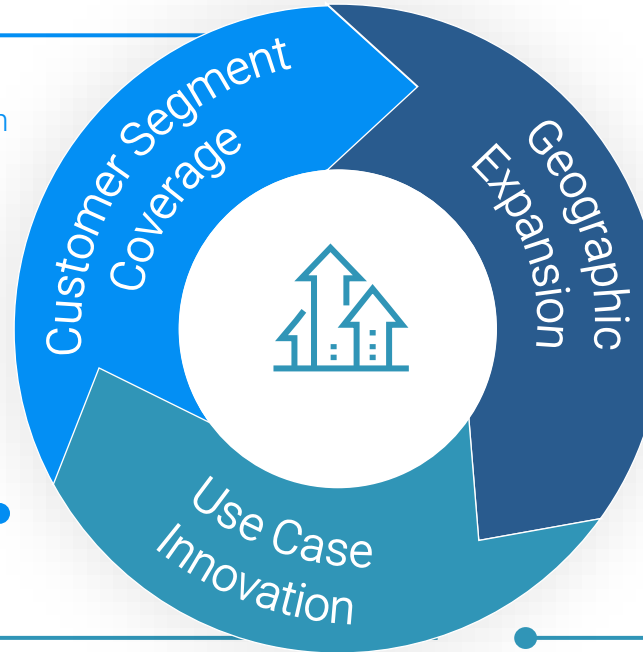
Selected Key Deals Across Regions And Verticals

Sector	Country	ACV	Licence	Use Case
Food Retail	Germany	>€200k	Tensor, RMM, Pilot	POS & IT support, presentation of stores
IT Services	France	>€200k	Tensor	Customer & internal IT support
Public Sector	Italy	>€200k	Tensor, RA	Remote work & support
Software Vendor	Germany	>€200k	Tensor, RA	IT infrastructure, remote work
MedTech	USA	>€200k	Tensor	Medical device support, customer training
Healthcare Systems	USA	>€200k	Tensor	Customer EHR software support, hospital device connectivity
Agricultural Food Services	Japan	>€100k	Tensor	Remote management & support of customer devices
IT Services	France	>€100k	Tensor	Internal IT, POS operation & support
Automotive	Austria	>€100k	Tensor, RA	Remote work
Capital Goods	Italy	>€100k	Tensor, RA	Machinery remote operation, internal IT, remote work
Healthcare Services	UK	>€100k	Tensor, RA	Remote work, medical device support, crisis management, IT support
MedTech	Germany	>€100k	Tensor, Pilot	Machinery remote operation & support
Financial Services	Germany	>€100k	Tensor, Pilot, Blizz	Internal IT, meeting, staff support & training
Pharmaceutical	Italy	<€100k	Tensor	Medical collaboration, accessing to lab equipment for Covid-19 testing
Retail	Australia	<€100k	Tensor, RA, Pilot	POS operation & support, IT infrastructure
Oil & Gas	Canada	<€100k	Tensor	POS management and support
Technology Hardware	Japan	<€50k	Corporate, Pilot	Remote support of equipment, training engineers



Uninterrupted Execution Of Growth Initiatives

- Deeper and broader **enterprise penetration**
- **Channel 2.0 program** enhancing reseller business
- Expansion of **global partnerships & integrations**



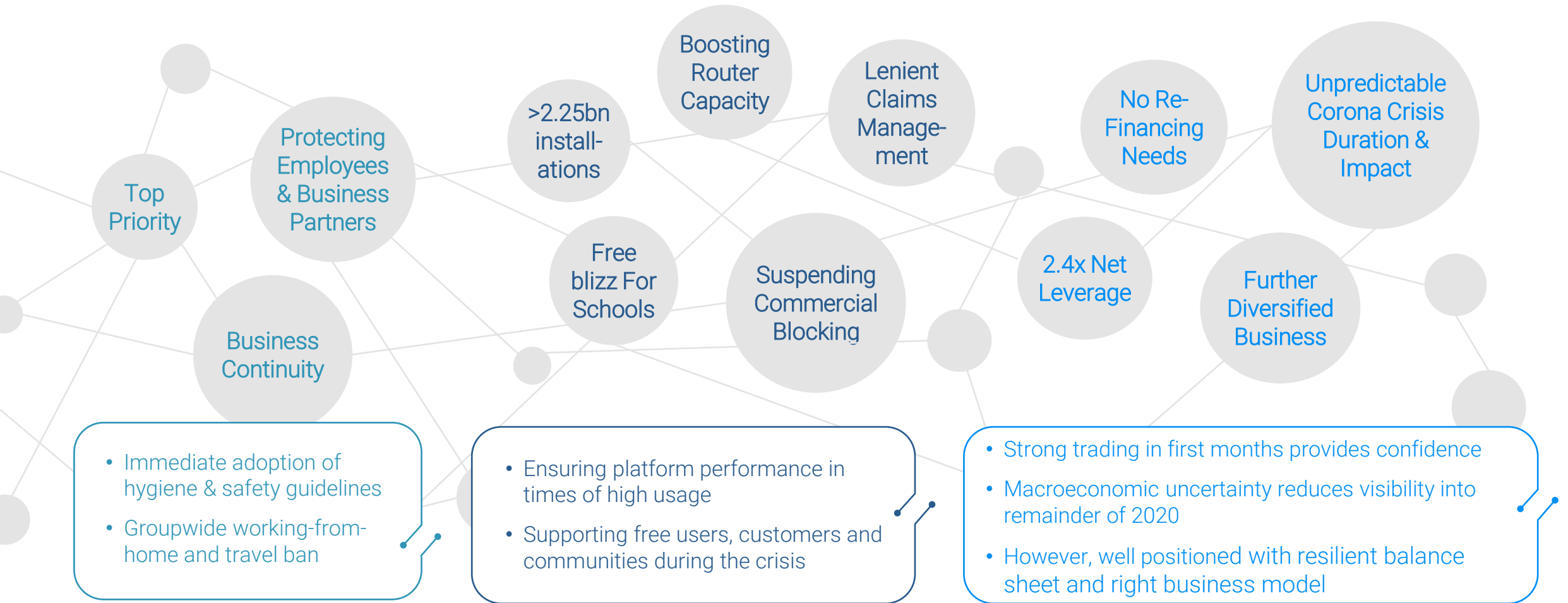
- Global hiring continuing as planned⁽²⁾
- US Enterprise Sales team significantly ramped to 28 FTEs⁽³⁾

- **Continuous product improvements:** Tensor & Remote Access bundle, Pilot using iPad Pro LiDAR scanner
- **Building out R&D** to 286 FTEs
- **IoT Team strengthened:** new lead and dedicated sales
- **Screening technology acquisitions**

1. Selection
2. 928 FTEs as at 31 March 2020
3. Includes quota carriers, management and support



Engaging With All Our Stakeholders In Uncertain Times





TeamViewer

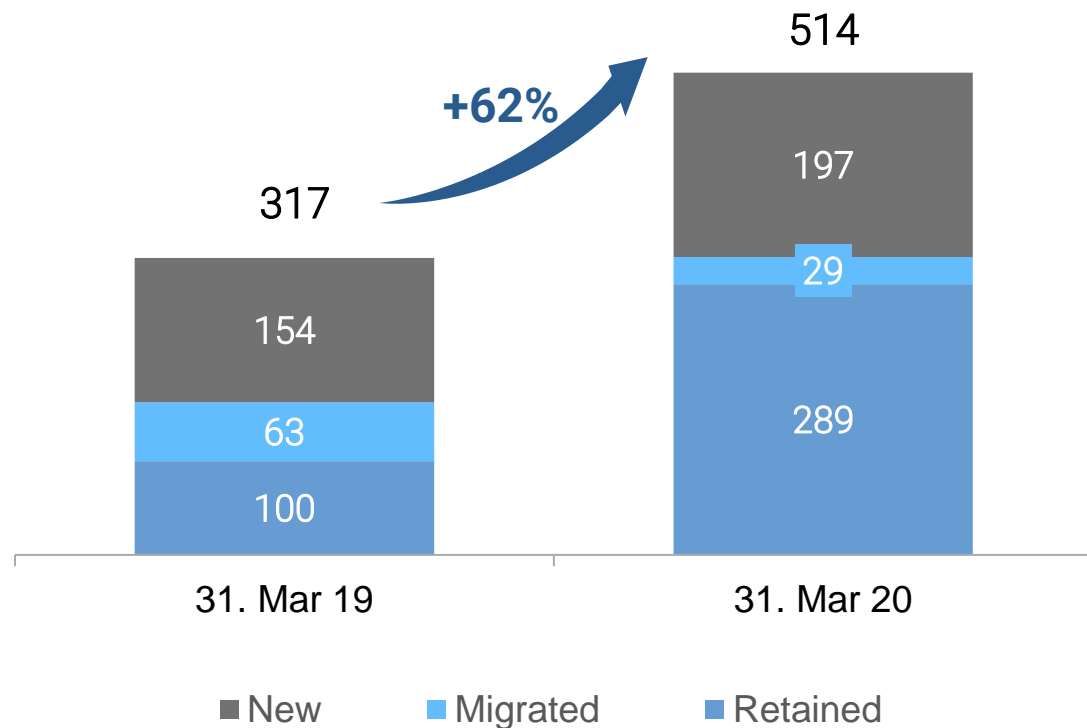
Financial Review

CFO Stefan Gaiser

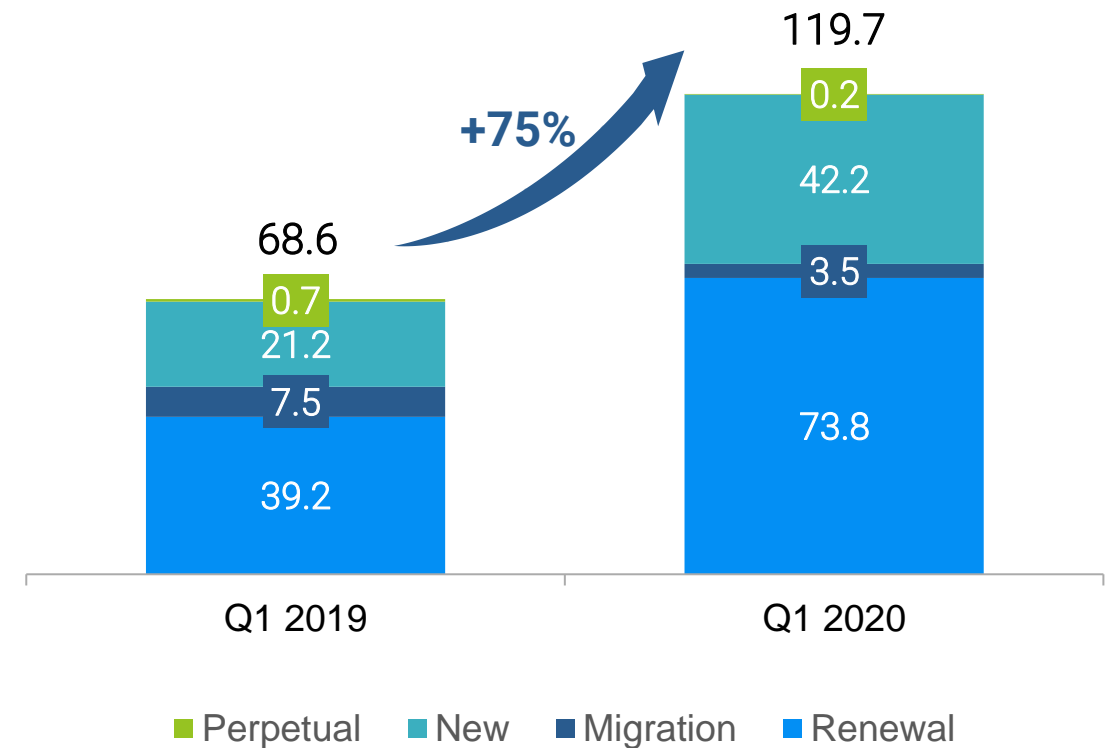


Subscriber And New Billings Growth Driven By Extra Demand In Q1

Subscribers (thousands) – LTM March 2020

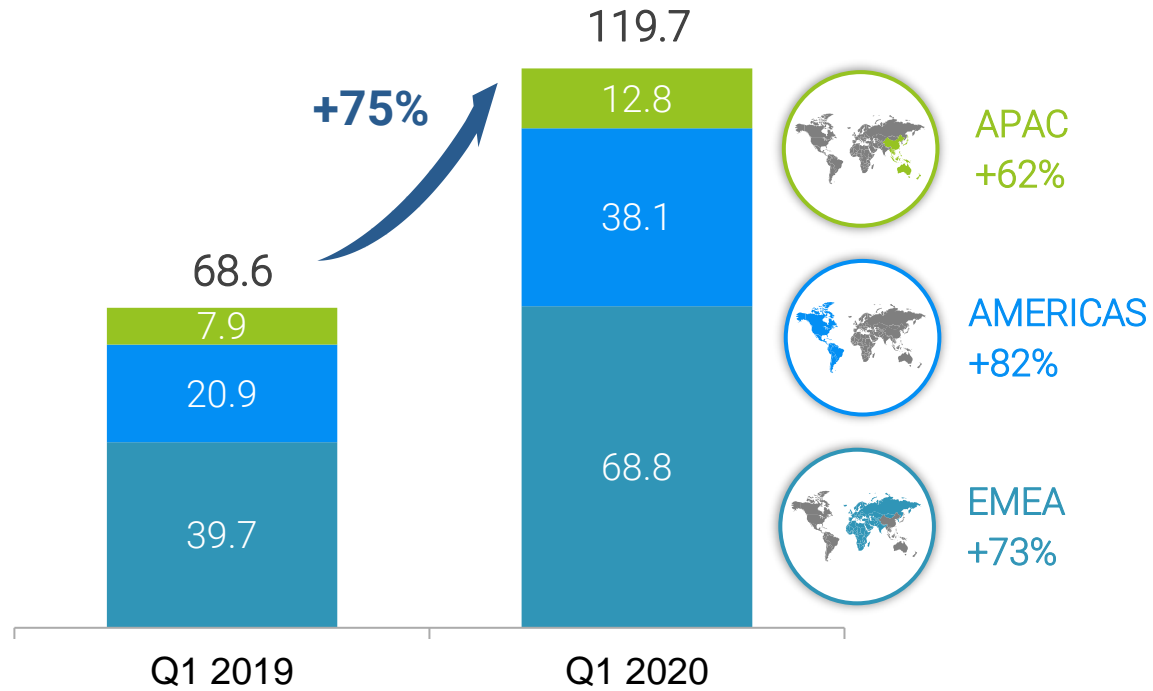


Billings (€m)

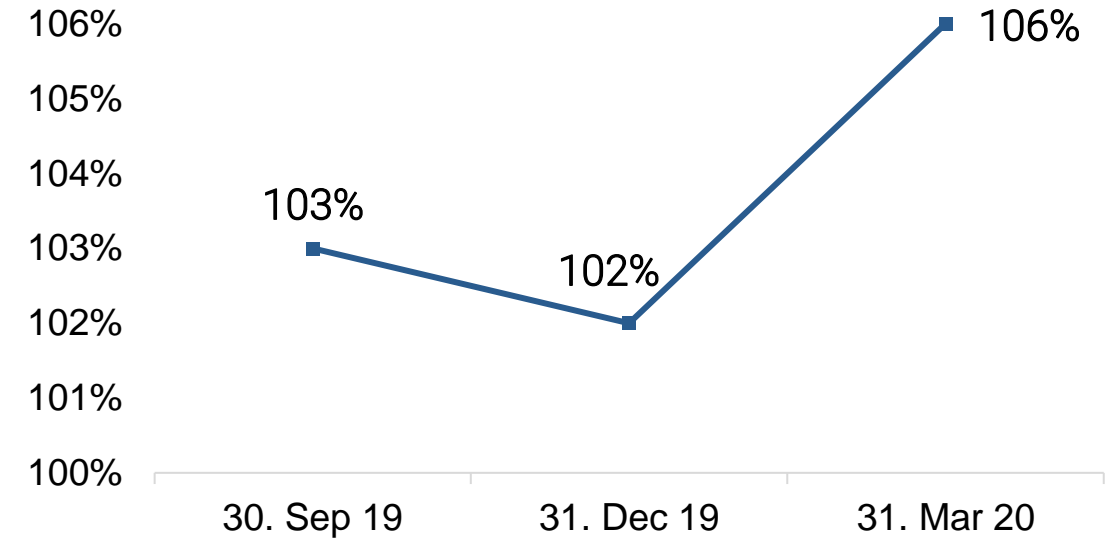


Extraordinary Billings Growth In All Regions and 106% NRR...

Billings By Region (€m)



Net Retention Rate (LTM)



- EMEA and AMERICAS experienced highest growth due to a significant amount of new subscribers in March
- EMEA and AMERICAS benefiting from WFH demand in March, while APAC more impacted in the first half of April due to Japan lock-down

- Increase in NRR due to significant upselling driven by higher capacity requirements of existing subscribers and stable churn rates
- NRR is based on annually recurring billings net of payment defaults



...Resulting in €74m Adj. EBITDA (62% Adj. EBITDA Margin)...

Adjusted EBITDA (€m)

	Q1 2020	Q1 2019	YoY%
Billings	119.7	68.6	75%
Cost of Sales	(7.8)	(5.5)	43%
<i>% of Billings</i>	6.5%	8.0%	
<i>Gross Margin</i>	93.5%	92.0%	
Sales	(12.7)	(8.4)	52%
<i>% of Billings</i>	10.6%	12.2%	
Marketing	(6.9)	(5.1)	36%
<i>% of Billings</i>	5.8%	7.4%	
R&D	(7.4)	(6.1)	22%
<i>% of Billings</i>	6.2%	8.9%	
G&A	(6.1)	(4.0)	51%
<i>% of Billings</i>	5.1%	5.9%	
Other⁽¹⁾	(4.9)	(1.8)	176%
<i>% of Billings</i>	4.1%	2.6%	
Adj. EBITDA	73.9	37.7	96%
<i>% Margin</i>	61.7%	55.0%	

- Dealt very well with increased load on infrastructure during times of peak usage, reflecting the quality of the platform
- Additional rented router capacity expected to bring gross margin more in line with FY 19 level

- Bespoke product bundling addressing extra demand in Q1 from Enterprise customers
- Acceleration of R&D
- Significant sales force expansion across all GTM channels

- In 2020, continued investments across functions including accelerated hiring
- Therefore, FY 20 gross margin and adjusted EBITDA margin expected to be in line with FY 19, with slight upside potential

1. Incl. other income/expenses and bad debt expenses of €5.2m.



...Of Which 98% Was Converted Into Recurring Pre-Tax Free Cash Flow

Adjusted Pre-Tax FCF (€m)

	Q1 2020	Q1 2019
Adj. EBITDA	73.9	37.7
Changes in Other Net Working Capital	3.7	(0.6)
Capital Expenditure	(5.2)	(3.7)
Adj. Pre-Tax FCF	72.4	33.4
Cash Conversion Rate ⁽¹⁾	98.0%	88.6%

- Continued high quality of earnings with high cash conversion
- Capital expenditure mainly related to ERP roll out and HQ investments

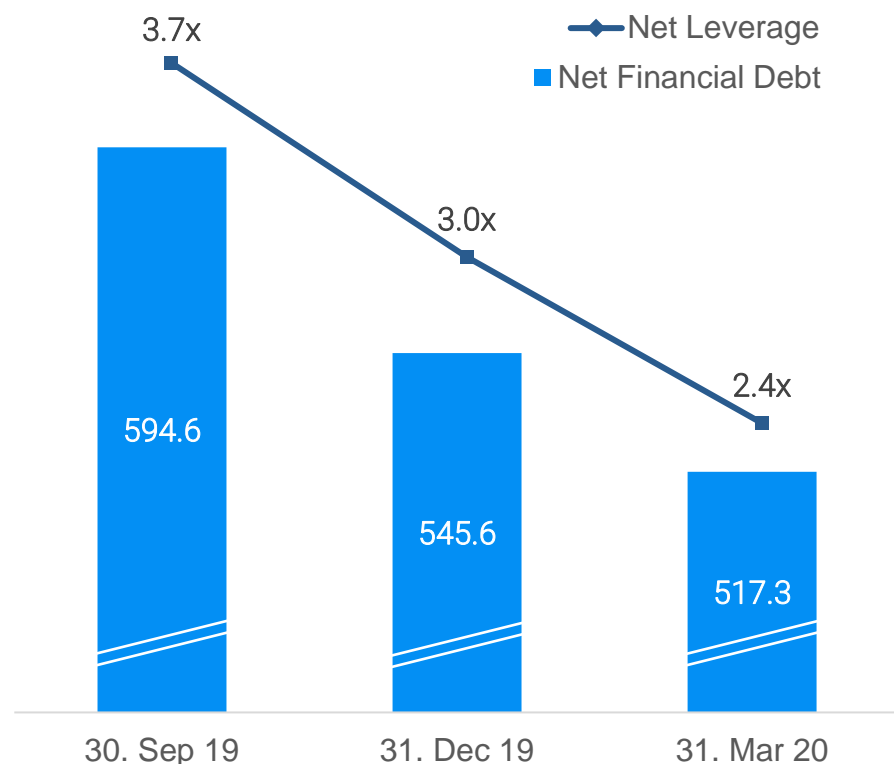
- Supporting customers with more lenient claims management
- Cash collection of Q1 billings on target

1. Adj. Pre-Tax FCF / Adj. EBITDA



Cash Position Significantly Increased And Deleveraging Ahead Of Plan

Net Financial Debt (€m) and Net Leverage⁽¹⁾



- Q1 €623.1m financial debt comprises €603.0m term loan facilities and €20.1m IFRS 16 lease liabilities
- Deleveraging ahead of plan with net leverage falling to 2.4x
 - €105.8m cash & cash equivalents (+€34.7m since Dec 2019)
 - €218.3m LTM consolidated adj. EBITDA

- Term loan facilities with all-in interest cost of c. 4.27% p.a. in Q1
- Further reduction of interest cost expected due to lower base rates and margin-step down (margin/rate floor): USD 2.5% / 1% , EUR 2.25% / 0% , GBP 2.5% / 0%
- Opportunistic USD hedge executed: interest cap at 1.5% for c. 70% of USD loan





- €35m RCF remains undrawn
- Term loan facilities (due Sep 2024) subject to 5% annual repayment starting in Dec 2020

1. Net Financial Debt / LTM Adj. EBITDA



Raising Full Year Guidance On Back Of Strong Q1 – Reduced Visibility Into Remainder Of 2020

FY 2020 Outlook

	Old	New
Billings 	€430 – 440m	~ €450m
Revenue 	€420 – 430m	≥ €450m
Adj. EBITDA 	€240 – 250m	~ 56% margin
Capital Expenditure 	~ €25m	€25 – 30m

- Strategic positioning resulted in very strong Q1 performance
- April continued to be strong - albeit the COVID-19 driven demand softened later in the month
- Strong trading during the first four months supports confidence in overachieving the original full year outlook. However, continued macro-economic uncertainty reduces visibility into the remainder of 2020
- On this basis and provided that the general economic conditions recover, the company has raised its outlook for FY 2020
- Revenue impacted by significant first quarter billings and higher subscription deferred revenue releases before year end
- Slightly higher capital expenditure due to COVID-19 related delays to the new ERP roll-out and new headquarters refurbishments





TeamViewer

Q&A





TeamViewer

Appendix



Q1 2020 Reconciliation From Management Key Metrics To IFRS

Q1 2020 (€m)

	Management View Adjusted P&L	Deferred Revenue	+	D&A	+	Other non-IFRS Adjustments	Accounting View IFRS P&L
Billings / Revenue	119.7	(17.0)					102.7
Cost Of Sales	(7.8) / (6.5% of Billings)			(6.1)		(0.1)	(14.1) / (13.7% of Revenue)
Gross Profit Contribution	111.9 / (93.5% of Billings)						88.6 / (86.3% of Revenue)
Sales	(12.7) / (10.6% of Billings)			(1.3)		(1.6)	(15.7) / (15.3% of Revenue)
Marketing	(6.9) / (5.8% of Billings)			(0.3)		(1.4)	(8.7) / (8.5% of Revenue)
R&D	(7.4) / (6.2% of Billings)			(1.3)		(0.7)	(9.5) / (9.2% of Revenue)
G&A	(6.1) / (5.1% of Billings)			(0.5)		(6.2)	(12.8) / (12.5% of Revenue)
Other ⁽¹⁾	(4.9) / (4.1% of Billings)			0		0	(4.8) / (4.7% of Revenue)
Adjusted EBITDA	73.9 / (61.7% of Billings)	(17.0)		(9.6)		(10.1)	
Operating profit (EBIT)							37.1 / (36.1% of Revenue)
D&A							9.6
EBITDA							46.7 / (45.5% of Revenue)

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



Non-IFRS Adjustments in EBITDA

Deferred Revenue Adjustments (€m)

	Q1 2020	Q1 2019
Billings	119.7	68.6
Perpetual Deferred Revenue Release / (Addition)	17.4	32.5
Subscription Def. Revenue Release / (Addition)	(21.5)	(14.0)
Undue Billings	(12.9)	(0.3)
Revenue	102.7	86.7

- Billings now above revenue as the revenue release of old perpetual license sales is flattening out
- Undue billings are billings not yet recognizable as trade receivables under IFRS 15

Other non-IFRS Adjustments (€m)

	Q1 2020	Q1 2019
IFRS 2 Share-based Compensation	(10.1)	(0.5)
Reorganization Expenses	0	(1.2)
Other Material Items	0	(2.0)
Total	(10.1)	(3.6)

- IFRS 2 charge relates to share-based incentives put in place and fully funded by Permira (no dilution and cash flow neutral) and new LTIP for management and key employees



Deferred Revenue Development

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

	Q1 2020	Q1 2019
Perpetual Deferred Revenue (BoP)	48.9	173.4
Release	17.5	32.9
Addition	0.1	0.5
Perpetual Deferred Revenue (EoP)	31.4	140.9
Subscription Deferred Revenue (BoP)	164.0	107.2
Release	98.1	54.3
Addition	119.6	68.3
Subscription Deferred Revenue (EoP)	185.5	121.2
Total Deferred Revenue (BoP)	212.8	280.6
Release	115.6	87.2
Addition	119.7	68.8
Total Deferred Revenue (EoP)	216.9	262.2



Covid-19 Driven Demand Led To Higher Than Usual Billings During The 14 Days Prior To Quarter End

Trade Receivables & Undue Billings (€m)

	31 Mar 20	31 Dec 19	Δ
Trade Receivables	7.0	11.8	(4.8)
Undue Billings	26.3	12.8	13.5
Total	33.3	24.6	

- Trade receivables are fully recognized when the payment is due after 14 days (IFRS 15)
- Due to the high portion of billings during the second half of March, €26.3m of billings were not past the due date and have not been recognized as a trade receivable
- Cash collection of Q1 billings on target



Profit & Loss Statement (unaudited)

in thousands of euro

	Q1 2020	Q1 2019
Revenue	102,717	86,714
Cost of sales	(14,067)	(11,852)
Gross profit	88,650	74,861
Other income	453	199
Research and development	(9,473)	(7,617)
Sales	(15,705)	(9,259)
Marketing	(8,691)	(5,253)
General and administrative	(12,829)	(7,485)
Other expenses	(137)	(0)
Bad debt expenses	(5,157)	(1,972)
Operating profit	37,111	43,474
Unrealised foreign exchange gains/(losses)	(7,556)	(8,610)
Realised foreign exchange gains/(losses)	0	345
Finance income	40	21,403
Finance cost	(8,130)	(16,927)
Profit before taxation	21,465	39,685
Tax income/(expenses)	(9,339)	(13,145)
Profit/(loss) for the period	12,126	26,540
Other comprehensive income for the period		
Items that may be reclassified to profit or loss in subsequent periods	(74)	5
Hedge reserve, gross	(67)	(5)
Exchange differences on translation of foreign operations	(7)	10
Total comprehensive income for the period	12,051	26,544



Balance Sheet

(unaudited)

in thousands of euro

	31 March 2020	31 December 2019
<i>Non-current assets</i>		
Goodwill	590,440	590,445
Intangible assets	230,809	235,831
Property, plant and equipment	26,999	26,480
Financial assets	5,802	4,424
Other assets	813	1,740
Deferred tax assets	5,248	6,266
Total non-current assets	860,111	865,187
<i>Current assets</i>		
Trade receivables	6,999	11,756
Other assets	6,661	5,856
Tax assets	4,729	4,972
Financial assets	436	0
Cash and cash equivalents	105,829	71,153
Total current assets	124,654	93,737
Total assets	984,765	958,924



Balance Sheet (cont'd)

(unaudited)

in thousands of euro

	31 March 2020	31 December 2019
Equity		
Issued capital	200,000	200,000
Capital reserve	330,688	320,661
(Accumulated losses)/retained earnings	(417,756)	(429,881)
Hedge reserve	(67)	0
Foreign currency translation reserve	1,074	1,081
Total equity attributable to owners of the parent	113,939	91,861
Non-current liabilities		
Provisions	274	235
Financial liabilities	588,958	582,538
Deferred revenue	877	2,572
Deferred and other liabilities	106	0
Deferred tax liabilities	343	308
Total non-current liabilities	590,557	585,652
Current liabilities		
Provisions	2,267	3,284
Financial liabilities	34,190	34,260
Trade payables	6,759	9,069
Deferred revenue	216,068	210,250
Deferred and other liabilities	20,703	17,793
Other financial liabilities	237	6,642
Tax liabilities	45	114
Total current liabilities	280,269	281,411
Total liabilities	870,826	867,063
Total equity and liabilities	984,765	958,924



Cash Flow Statement

(unaudited)

in thousands of euro

	Q1 2020	Q1 2019
<i>Cash flows from operating activities</i>		
Profit before taxation	21,465	39,685
Depreciation, amortisation and impairment of non-current assets	9,613	8,761
(Gain)/loss from the sale of property, plant and equipment	3	0
Increase/(decrease) in provisions	(978)	117
Non-operational foreign exchange (gains)/ losses	6,689	8,308
Expenses for share-based compensation	10,133	450
Net financial result	8,091	(4,476)
Change in deferred revenue	4,123	(18,478)
Changes in other net working capital	3,699	(609)
Income tax paid	(8,104)	(5,534)
Interest received/(paid)	(17)	(0)
Net cash from operating activities	54,717	28,225
<i>Cash flows from investing activities</i>		
Capital expenditure for property, plant and equipment and intangible assets	(5,194)	(3,696)
Payments for the acquisition of non-current financial assets	(51)	0
Interest received	40	288
Net cash used in investing activities	(5,205)	(3,408)



Cash Flow Statement (cont'd)

(unaudited)

in thousands of euro

	Q1 2020	Q1 2019
<i>Cash flows from financing activities</i>		
Repayments of borrowings	0	(1,286)
Payments for the capital element of lease liabilities	(967)	(1,017)
Interest paid for borrowings and lease liabilities	(13,349)	(13,197)
Net cash used in financing activities	(14,316)	(15,500)
Net change in cash and cash equivalents	35,195	9,317
Net foreign exchange rate difference	453	405
Net change from cash risk provisioning	(972)	111
Cash and cash equivalents at beginning of period	71,153	79,939
Cash and cash equivalents at end of period	105,829	89,772

