

Q3 Investor Presentation

November 2019

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Introduction To TeamViewer



PLATFORM

- Business critical **connectivity platform**
- **~100% SaaS** (software as a service) business model
- **~340m** annually active devices ⁽¹⁾
- Net revenue retention rate **103%** 2019 ⁽³⁾



GLOBAL

- **~€10bn** global TAM as of 2018
- Active in **~180 countries**
- >800 employees ⁽²⁾ across **15 offices**
- Worldwide network with **>1,000 routers** across **81 locations**



STRONG GROWTH

- **Accelerating** billings growth **>45%** YoY ⁽²⁾
- **24% TAM** (total addressable market) growth from 2018-2023
- **Expanding** use cases
- **Multiple levers for growth**



ATTRACTIVE ECONOMICS

- No geographic, customer or vertical concentration
- **>430k** subscriptions ⁽²⁾
- **Scalable** with gross profit margin **>90%** ⁽³⁾ and **CLTV / CAC >30x** ⁽⁴⁾



HIGHLY PROFITABLE

- Cash conversion **>90%** ⁽⁵⁾
- EBITDA margin **>50%** ⁽⁴⁾

1. A device which reported any activity type within 12 months

2. 9M 2019; growth YoY

3. LTM Q3 2019; gross profit margin excluding D&A and non-recurring COGS; Net revenue retention rate = 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

4. FY 2018; CLTV, the expected customer lifetime value, defined as (annual recurring billings (ARB) per customer * gross margin) / gross value churn; CAC, the customer acquisition cost, defined as sales & marketing costs / # new customers

5. Illustrative pre-tax operating cash flow defined as cash EBITDA - capex - change in net working capital; conversion defined as illustrative pre-tax operating cash flow / cash EBITDA



Business Update: We Are On Track To Deliver On Our Commitment



Continuous Growth Momentum

- ✓ Q3 shows 63% YoY billings growth
- ✓ 103% NRR 2019 provides clear visibility for future growth
- ✓ >430k subscriptions in total reached end of Q3 2019



Successful Enterprise Launch

- ✓ Enterprise customers exceeding 10k ACV grew by 60% YoY
- ✓ Net increase of 72 customers exceeding 10k compared to previous quarter



Geographic Expansion

- ✓ +41% 9M 2019 YOY growth in EMEA
- ✓ Continued penetration in Americas (+60% 9M billings YoY growth)
- ✓ Continued investments and sales force expansion, particularly in APAC



Use Case Innovation

- ✓ Important product updates, including Pilot 2.0
- ✓ Setting up R&D office in Greece has started



Sustained exceptional Profitability and Cash flows

- ✓ 10% points margin increase vs. Q3 2018 / 3% points margin increase vs. 9M 2018
- ✓ Relatively stable cost base on absolute level allows for scale effects
- ✓ FCF Conversion of 92%



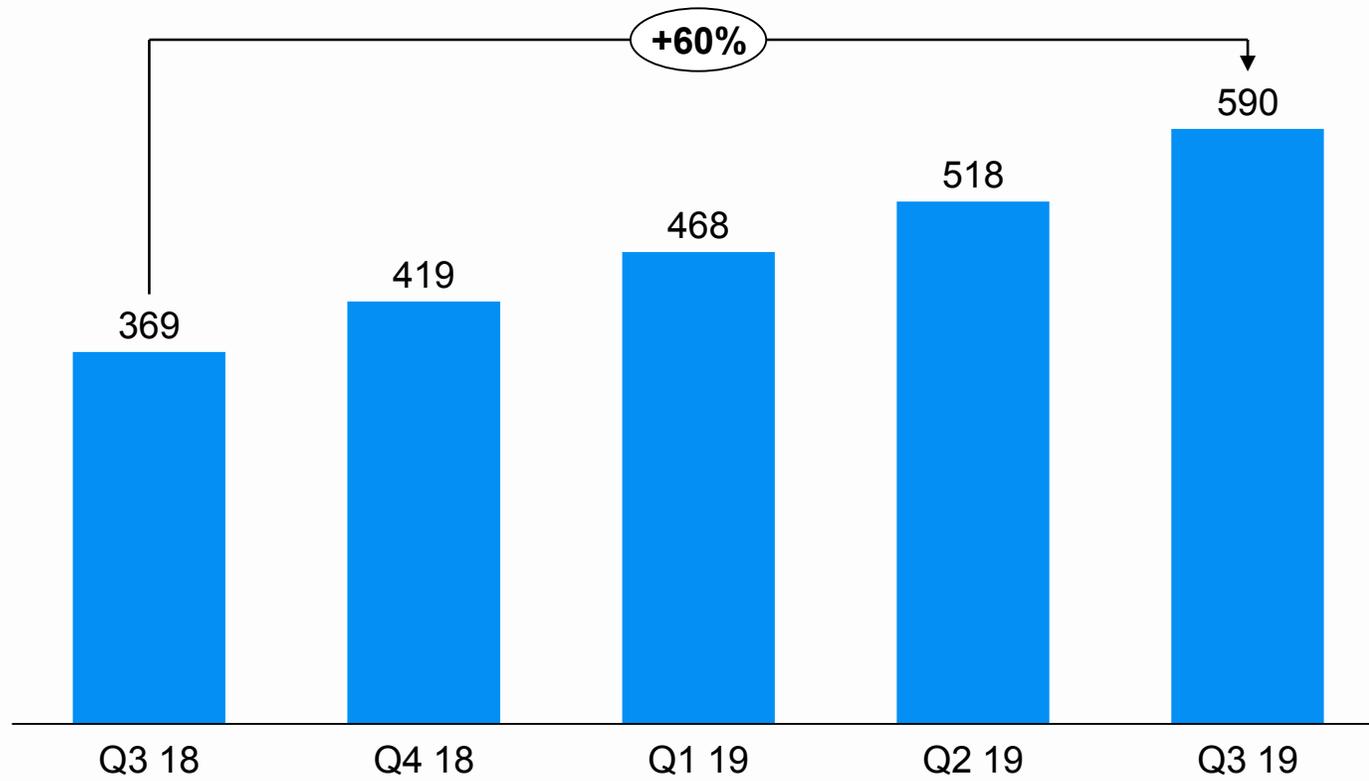
Continuous Growth in Enterprise Segment



Customers With ACV⁽¹⁾ Above €10k (any product)



Top 3 Deals in Q3 2019



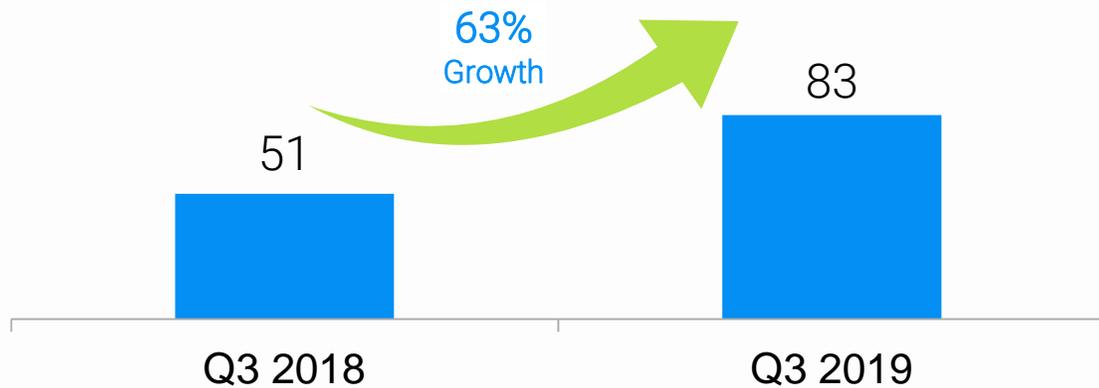
- 1) Pharmaceuticals: €252k (Renewal)
- 2) Automotive: €114k (Upsell)
- 3) Technology: €79k (New Sales)

1. ACV: Annual Contract Value

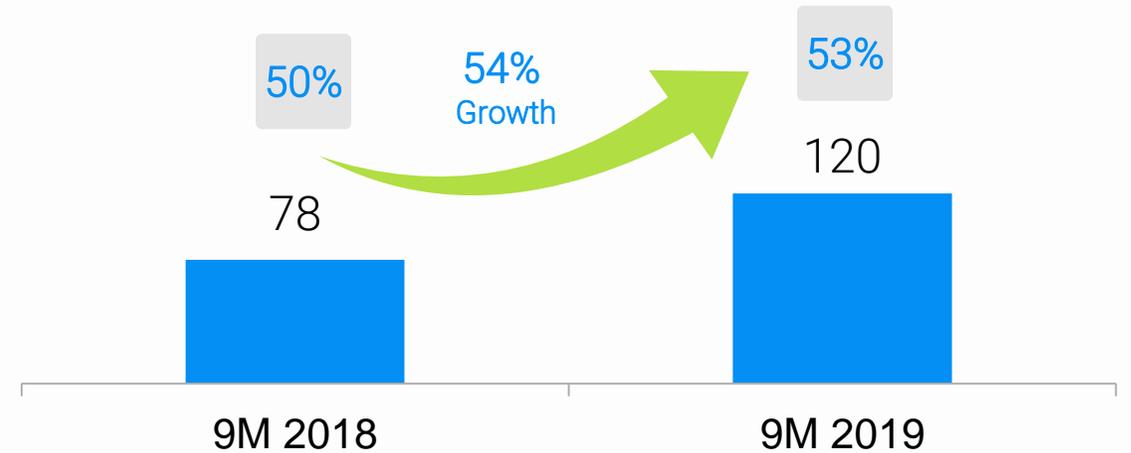
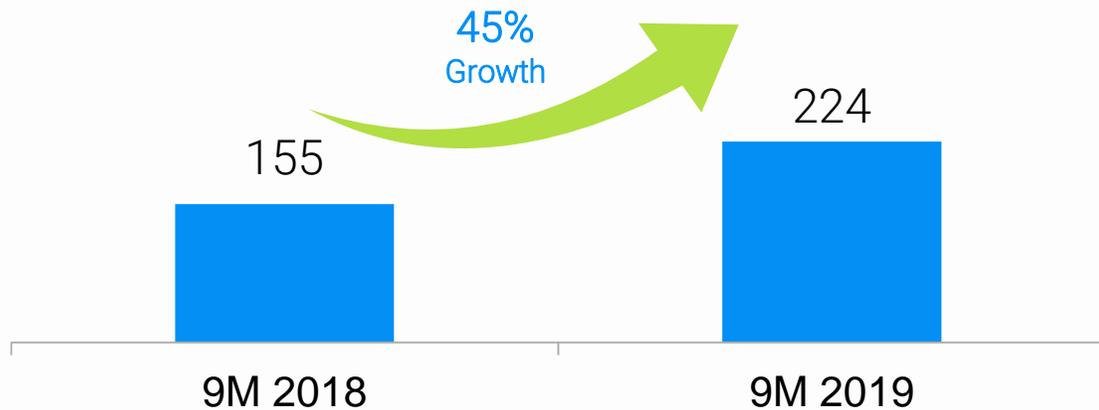
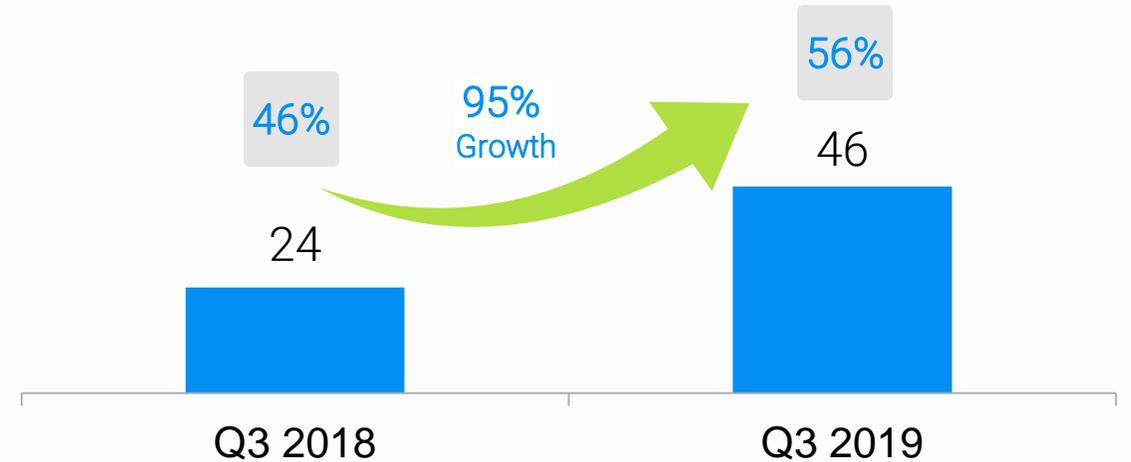
Overview of Key Performance Indicators – Q3 2019



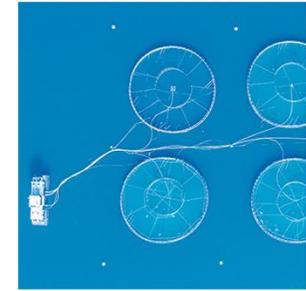
Billings (€m)



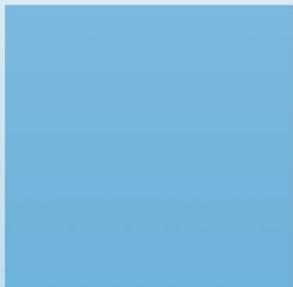
Cash EBITDA (€m)



■ Cash EBITDA Margin



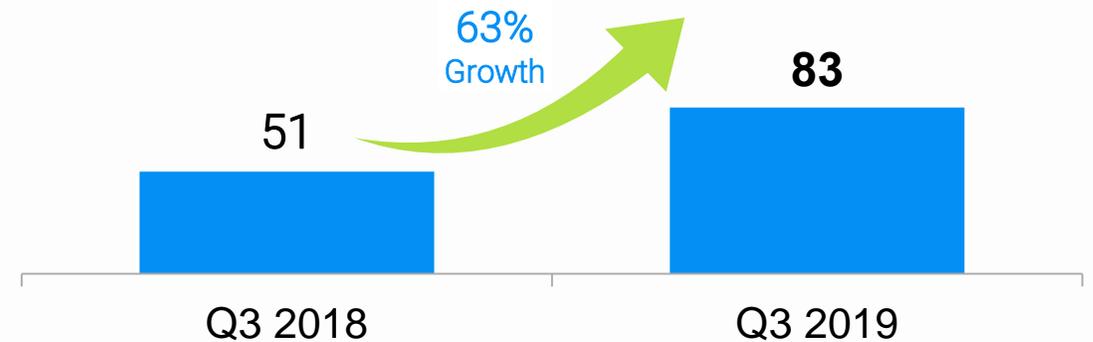
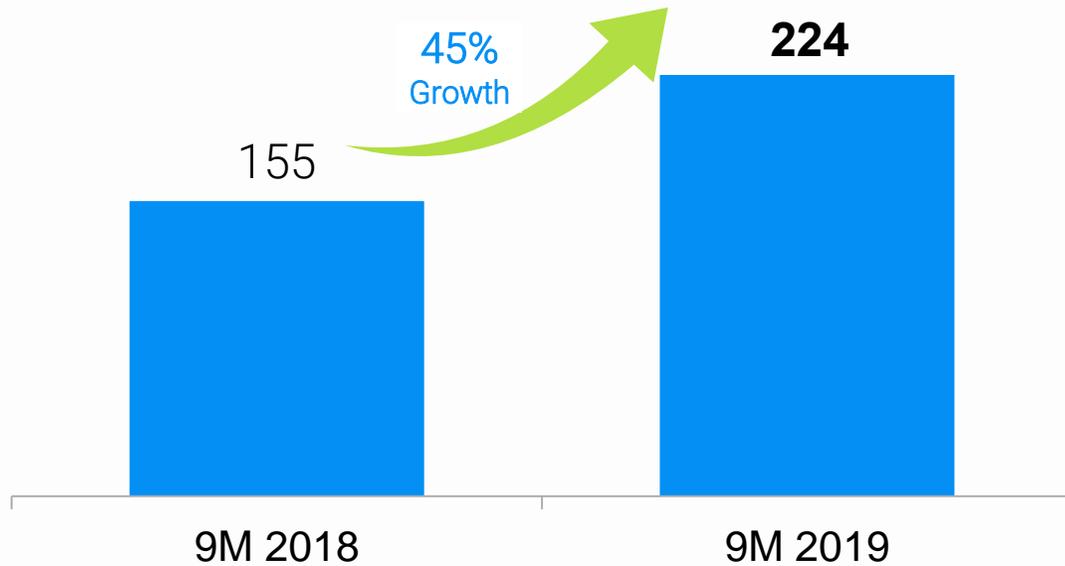
Financial Update



Q3 2019 Billings Update



Billings (€m)



Completed Subscription Transition

Strong Renewals Dynamics
NRR 103% 9M 2019

Continued New Sales Momentum

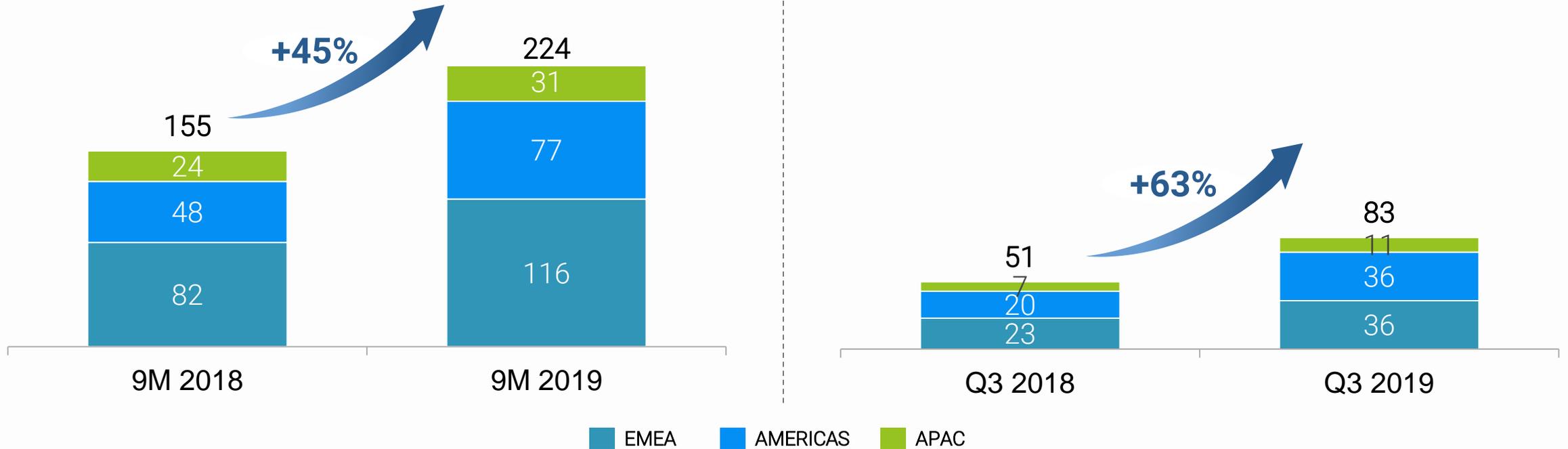
High Visibility on 2019E Given Q4 Renewals



Q3 2019 Regional Billings Update



Billings (€m)



EMEA
+41%



AMERICAS
+60%



APAC
+30%



EMEA
+54%



AMERICAS
+75%



APAC
+55%



Cash EBITDA 9M Q3 2019

Illustrative Cash EBITDA 9M 2019 (€m)

FYE, 31-Dec	9M 2018A	9M 2019A	Q3 2018A	Q3 2019A	
Billings	155	224	51	83	
Cost of Sales	(16)	(17)	(6)	(6)	<i>Scaling of customer support and infrastructure cost for Router & Server plus IFRS 16 impact</i>
<i>% of Billings</i>	10%	8%	11%	8%	
Gross Margin	90%	92%	89%	92%	
Sales	(20)	(28)	(7)	(10)	<i>Efficient GTM model with highly efficient sales force</i>
<i>% of Billings</i>	13%	13%	14%	12%	
Marketing	(12)	(16)	(4)	(5)	<i>Very low CAC driven by Virality and strong Brand</i>
<i>% of Billings</i>	8%	7%	8%	6%	
R&D	(15)	(21)	(5)	(7)	<i>Customer-centric and scalable product development</i>
<i>% of Billings</i>	10%	9%	11%	8%	
G&A⁽¹⁾	(14)	(23)	(5)	(9)	<i>Continued Investments in infrastructure and security</i>
<i>% of Billings</i>	9%	10%	10%	11%	
Cash EBITDA	78	120	24	46	
<i>% Margin</i>	50%	53%	46%	56%	

1. G&A includes other income, other expenses and bad debt expenses

Free Cash Flow

Illustrative FCF (€m)

	Q3 2018A	Q3 2019A
Cash EBITDA	23.6	46.0
Change in Net Working Capital	(0.5)	2.0
Capex	(3.4)	(0.2)*
Pre-Tax FCF	19.7	47.8
<i>% Cash Conversion</i>	83%	104%
	9M 2018A	9M 2019A
Cash EBITDA	77.7	119.6
Change in Net Working Capital	2.3	(1.8)
Capex	(8.4)	(8.1)*
Pre-Tax FCF	71.6	109.6
<i>% Cash Conversion</i>	92%	92%

Capitalised operating leases from IFRS 16 amount to ~€1 in Q3 2019

Capex for FY 2019 expected to amount to €10-15m compared to €11m in FY 2018

2020 Capex broadly in line with 2019. Thereafter mid-single digit amount.

*NAL capex (€1.3m) not yet included

Leverage

Overview of Current Capital Structure (€m)

	FY 18	LTM Q3 19
Cash And Cash Equivalents	(81)	(27)
Financial Debt	676	621
Net Financial Debt	595	595
<i>x Net Debt / Cash EBITDA</i>	<i>4.9 x</i>	<i>3.7x</i>

Refinancing in September with 613m nominal debt (USD, EUR and GBP) and 4.2% weighted interest

Capitalised operating leases from IFRS 16 amount to ~€8m in 2019

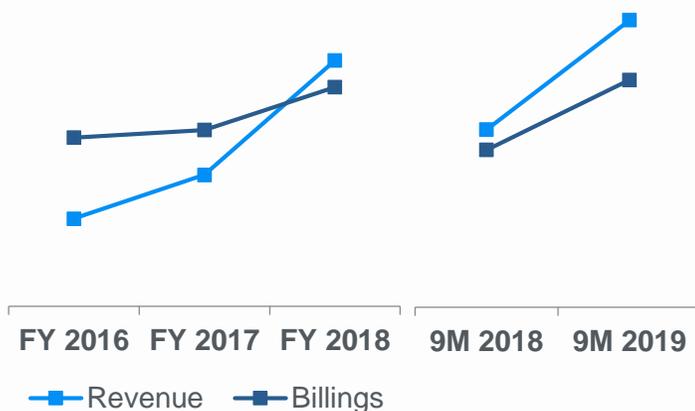
Clear deleveraging target to ~3.0x Net Debt / Cash EBITDA by FYE 2019

Aiming to reduce leverage to <2.0x by 2020

Deferred Revenue

Deferred Revenue (€m)

FYE, 31-Dec	2016A	2017A	2018A	2018 9M	2019 9M
Billings	177	185	230	155	224
Δ Deferred Revenue – Perpetual	(74)	(11)	92	56	96
Δ Deferred Revenue – Subscription	(8)	(30)	(64)	(37)	(35)
Δ Deferred Revenue – Unallocated	(4)	(5)	0	0	0
Revenues	92	138	258	175	283



- Billings reflect invoiced amounts in any given period
- For IFRS purposes billings are recognized as revenue over time

- Historical perpetual licenses were recognized over 3 and 4 years vs. 12-months rolling for subscription licenses
- Q3 2019: Higher revenues than billings in Q3 and 9M due to significant releases of old perpetual licenses that overcompensates addition to deferred revenue from subscription billings

- Revenue in 2019 will be significantly higher than billings due to release of perpetual deferred revenue; Full-year guidance is €386 – 391m revenues
- As the transition to subscription was fully completed in Q3 2018 and the vast majority of perpetual revenues is recognized by year-end 2020, the effect will reverse and billings will exceed revenue in the medium term (revenue expected to be ~90% of billings in the medium term)

Specific Accounting Topics

Specific Accounting topics (€m)

	Q3 2019A	9M 2019A
IFRS 2	(26)	(27)
IPO-related charges	(8)	(8)
<i>IPO employee bonus payment</i>	(7)	(7)
<i>Other IPO related cost</i>	(1)	(1)
GDPR projects	(0)	(1)
Other non-recurring items	(4)	(7)
Total	(38)	(43)
Deferred tax income (interest carry forward)	59	59

- IFRS 2 charge relates to incentive structure put in place and fully financed by selling shareholder
- No dilution and no cash impact
- Counter-position directly booked into equity
- For more details, see IPO prospectus

- IPO-related charges:
 - One-off bonus paid to all employees and thus eliminated for Cash EBITDA; cash impact
 - Other IPO cost: one-off cost that are not reimbursed by the selling shareholder

Well On Track To Achieve 2019 Guidance For Billings ...

Billings (€m)

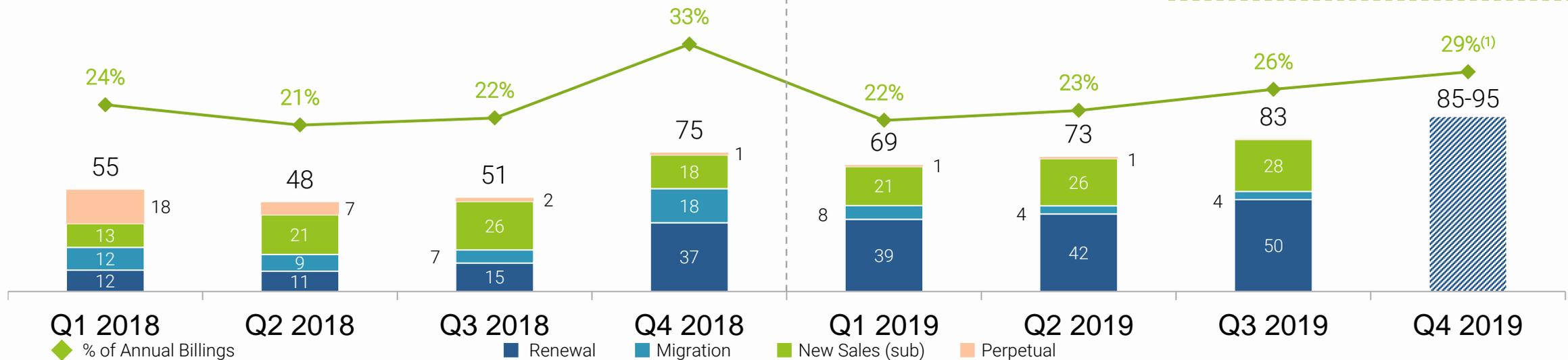
FY 2019E: €310-320m (+35-39% vs. FY 2018A)

LTM Sep-2019A: €300m

Key Developments in Q3 2019



Strong operating momentum continued since H1, billings significantly ahead of prior year



1. Based on the mid-point of the FY2019 guidance, i.e. €315m Billings FY2019

... And Cash EBITDA

Cash EBITDA (€m)

FY2019: €177-183m

LTM: €163m

Key Developments in Q3 2019



Strong operating momentum continued since H1, Cash EBITDA significantly ahead of prior year



Strong increase of Cash EBITDA margin, 56% in Q3 2019 vs 46% in Q3 2018



Cash EBITDA expected to continue to reflect seasonality, with majority of billings realized in Q4



◆ % of Annual Cash EBITDA □ Cash EBITDA Margin

1. Based on the mid-point of the FY2019 guidance, i.e. €180m Cash EBITDA FY2019

FY 2019 KPI Guidance Fully Confirmed

		FY 2018	FY 2019
Billings	Billings 	€230m	€310 – 320m
	% Y-o-y Growth	+25%	35 – 39% growth
	Renewal (Net Retention)	Over 100%	Marginally above 100%
Revenue		€258	€386 – 391m
Cash EBITDA		€121m	€177– 183m

Appendix



Reconciliation From Management Key Metrics To IFRS

Consolidated Statement of Comprehensive Income Q3 2019, in €m

	Management View Adjusted P&L	Deferred Revenue	+	D&A	+	Specific Non-recurring Adjustments	Accounting View IFRS P&L
Billings / Revenue	83	19					102
Cost Of Sales	(6)			(6)		(0)	(13)
Gross Profit Contribution	76 / (92% of Billings)						89 / (88% of Revenue)
Other Income	8			-		-	8
Sales	(10) / (12% of Billings)			(1)		(3)	(14) / (14% of Revenue)
Marketing	(5) / (6% of Billings)			(0)		(1)	(6) / (6% of Revenue)
R&D	(7) / (8% of Billings)			(1)		(3)	(10) / (10% of Revenue)
G&A	(12) / (14% of Billings)			(1)		(31) ⁽²⁾	(44) / (43% of Revenue)
Other Expenses ⁽¹⁾	(5)			-		-	(5)
Cash EBITDA	46 / (56% of Billings)						
D&A	(9)						
Cash EBIT / Operating Profit	37 / (45% of Billings)						18 / (18% of Revenue)
D&A							9
EBITDA							27 / (27% of Revenue)

1. Including Bad debt expense

2. Mainly relates to IFRS 2 adjustment as outlined on page 15

Reconciliation From Management Key Metrics To IFRS

Consolidated Statement of Comprehensive Income 9M 2019, in €m

	Management View Adjusted P&L	Deferred Revenue	+	D&A	+	Specific Non-recurring Adjustments	Accounting View IFRS P&L
Billings / Revenue	224	59					283
Cost Of Sales	(17)			(19)		(1)	(36)
Gross Profit Contribution	207 / (92% of Billings)						247 / (87% of Revenue)
Other Income	16			-		-	16
Sales	(28) / (13% of Billings)			(3)		(3)	(35) / (12% of Revenue)
Marketing	(16) / (7% of Billings)			(1)		(1)	(17) / (6% of Revenue)
R&D	(21) / (9% of Billings)			(3)		(3)	(27) / (9% of Revenue)
G&A	(27) / (12% of Billings)			(2)		(35) ⁽²⁾	(64) / (23% of Revenue)
Other Expenses ⁽¹⁾	(12)			-		-	(12)
Cash EBITDA	120 / (53% of Billings)						
D&A	(27)						
Cash EBIT / Operating Profit	92 / (41% of Billings)						108 / (38% of Revenue)
D&A							27
EBITDA							135 / (48% of Revenue)

1. Including bad debt expense

2. Mainly relates to IFRS 2 adjustment as outlined on page 15



Deferred Revenue

Deferred Revenue (€m)

	For the year ended December 31,			For the nine months ended September 30,	
	2016	2017	2018	2018	2019
Perpetual - BoP	181	254	265	265	173
Perpetual - Release of Deferred Revenue	78	106	122	83	97
Perpetual - Addition of Deferred Revenue	151	117	30	27	1
Perpetual - EoP	254	265	173	209	78
Subscription - BoP	6	14	43	43	107
Subscription - Release of Deferred Revenue	18	38	136	90	187
Subscription - Addition of Deferred Revenue	26	68	200	127	222
Subscription - EoP	14	43	107	81	143
Total Deferred Revenue - BoP	186	268	309	309	281
Total Deferred Revenue - Release	96	144	258	173	284
Total Deferred Revenue - Addition	177	185	230	154	224
Total Deferred Revenue - EoP	268	309	281	290	220

Consolidated P&L

Consolidated P&L (€m)

	Q3 2019	Q3 2018	% YOY	9M 2019	9M 2018	% YOY
Revenue	102	73	39%	283	175	62%
Cost of sales	(13)	(12)	5%	(36)	(35)	5%
Gross profit / (loss)	89	61	46%	247	140	76%
Other income	8	0	>100%	16	1	>100%
R&D	(10)	(6)	70%	(27)	(17)	60%
Sales	(14)	(8)	81%	(35)	(21)	64%
Marketing	(6)	(4)	48%	(17)	(12)	40%
G&A	(44)	(6)	>100%	(64)	(18)	>100%
Other expenses	(0)	(0)	>100%	(1)	(0)	>100%
Bad debt expense	(5)	(1)	>100%	(11)	(4)	>100%
Operating profit / (loss)	18	36	-49%	108	69	58%
Unrealised foreign exchange gains / (losses)	3	(3)	-	(1)	(16)	-91%
Realised foreign exchange gains / (losses)	(21)	(0)	>100%	(20)	(0)	>100%
Finance income	17	8	>100%	39	12	>100%
Finance costs	(37)	(17)	>100%	(77)	(54)	42%
Profit / (Loss) before taxation	(21)	23	-	49	10	>100%
Tax income / (expense)	34	(13)	-	10	(10)	-
Profit / (Loss) for the period	14	10	>100%	59	0	>100%

Consolidated Balance Sheet

Consolidated Balance Sheet (€m)

	September 30, 2019	December 31, 2018
Non-current assets:		
Property, plant and equipment	12	2
Goodwill	591	584
Intangible assets	239	253
Deferred tax assets	2	0
Other non-current assets	5	1
Total non-current assets	850	840
Current assets:		
Trade receivables	9	15
Cost to obtain a contract current	0	1
Other current assets	10	3
Current tax assets	7	0
Financial assets	0	10
Cash and cash equivalents	27	80
Total current assets	54	108
Total assets	903	948

Consolidated Balance Sheet (cont'd)

Consolidated Balance Sheet (€m)

	September 30, 2019	December 31, 2018
Equity:		
Issued capital	200	0
Capital reserve	310	116
(Accumulated losses)/retained earnings	(474)	(333)
Foreign currency translation reserve	1	0
Total equity	37	(217)
Non-current liabilities:		
Interest-bearing loans and borrowings	610	679
Deferred revenue	7	47
Deferred tax liabilities	0	19
Financial liabilities	0	3
Total non-current liabilities	617	748
Current liabilities:		
Interest-bearing loans and borrowings	3	155
Trade payables	8	7
Deferred revenue	213	233
Accrued expenses and other payables	22	14
Current tax liabilities	0	0
Provisions	2	1
Financial liabilities	0	7
Total current liabilities	249	417
Total equity and liabilities	903	948

Consolidated Statement of Cash Flows

Consolidated Statement of Cash Flows (€m)

	For the nine months ended September 30,	
	2019	2018
Cash flows from operating activities:		
Profit for the period (net income/net loss)	59	0
Amortisation and depreciation	27	22
(Gain)/ loss on sale of fixed assets	(0)	0
(Increase)/decrease of provisions	1	0
Unrealised foreign exchange (gains)/losses	20	16
Non-cash share-based compensation expenses	27	1
Financial result effect	38	42
Changes in working capital	(63)	(16)
Tax expense/(income)	(10)	10
Taxation paid	(15)	(1)
Interest paid (other than borrowings)	(0)	0
Net cash from operating activities	84	75

Consolidated Statement of Cash Flows (cont'd)

Consolidated Statement of Cash Flows (€m)

	For the nine months ended September 30,	
	2019	2018
Cash flows from investing activities:		
Investments	0	0
Capital expenditure	(8)	(8)
Finance effects	0	0
Net cash used in investing activities	(8)	(8)
Cash flows from financing activities:		
Loans & borrowings	(136)	(41)
Repayments of borrowings	(179)	(4)
Proceeds from bank borrowings	74	0
Payments of lease	0	(4)
Interest paid on borrowings	(27)	(37)
Proceeds / payments from the settlement of derivatives	0	0
Proceeds / payments of capital contribution	0	0
Proceeds / repayments of intercompany loans	0	0
Proceeds / payments of intercompany interest	0	0
Net cash from financing activities	(136)	(41)
Net change in cash funds	(60)	25
Other cash effects for balance sheet reconciliation ¹	6	(1)

1. Including net foreign exchange difference, net change from cash risk provisioning, internal mergers and transfers

Quarterly KPIs

Quarterly KPIs for the Three Months Ended (€m)

	2016				2017				2018				2019		
	Mar-31	Jun-30	Sep-30	Dec-31	Mar-31	Jun-30	Sep-30	Dec-31	Mar-31	Jun-30	Sep-30	Dec-31	Mar-31	Jun-30	Sep-30
Revenue	20	21	24	27	30	33	36	40	47	55	73	83	87	95	102
EMEA	13	14	15	17	19	20	22	24	28	32	43	48	49	54	57
AMS	5	5	6	7	8	9	10	11	14	16	22	25	27	29	32
APAC	2	2	3	3	4	4	4	5	5	6	9	10	10	12	13
Other / reconciliation															
Billings	46	37	32	63	52	38	29	65	55	48	51	75	69	73	83
EMEA	28	20	17	40	32	21	16	44	34	25	23	47	40	40	36
AMS	13	12	11	16	15	12	9	14	15	13	20	21	21	20	36
APAC	5	5	5	6	6	5	4	7	7	10	7	7	8	13	11
Other / reconciliation															
Cash EBITDA	31	20	14	42	33	18	10	42	33	21	24	43	35	28	46
<i>Cash EBITDA margin (in %)</i>	67%	54%	43%	68%	64%	48%	33%	64%	61%	43%	46%	57%	51%	39%	56%

Refinancing

New Financing in place since 09/2019

	Amount	6M Base	Margin	All-in interest
RCF	35	0.00%	2.50%	
Total loan amount	613			4.18%
<i>o/w EUR</i>	125	0.00%	2.50%	2.50%
<i>o/w USD</i>	413	2.06%	2.75%	4.81%
<i>o/w GBP</i>	75	0.83%	2.75%	3.56%

- 613m refinancing with 35m additional RCF facility on 27 September 2019
- Mandatory repayment of 5% starting 12/31/2020, full repayment on 26 September 2024
- EURIBOR, LIBOR (USD) and LIBOR (GPB) as base rates
- First lien USD with 1% floor, EUR and GBP with 0% floor
- Full amortization of unexpensed transaction costs