# TeamViewer AG

Preliminary Q3 2021 Results Call & Webcast

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Transcript

**Speakers:**

Oliver Steil

Stefan Gaiser

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Hi. Good afternoon, everyone, and thank you for joining this call on such short notice. As you have all seen, we have released our preliminary Q3 results this morning, and on the back of this, have also adjusted our guidance. We wanted to be available as soon as possible and therefore offer this conference call.

It's still early days after the end of the quarter, and therefore let me ask you already for your understanding that we won't be able to answer all of your questions today. At latest, we should be able to do so on November 3, when we release the regular Q3 results. And let me also flag that we will be hosting a Capital Markets Day on November 10.

Before I had over to Oliver, our CEO, and Stefan, our CFO, I would like to remind you of the note on forward-looking statements that you find on page two of the presentation. And let me also reiterate that all figures in the release and slide deck are unaudited and preliminary. And with that, let me hand over to Oliver.

Oliver Steil

Yes, thank you, Daniel. Good afternoon and good morning to all. Thanks for joining. Yes, clearly very bad quarterly results which we published today, very disappointing. As you can imagine, not the least for us. We really had high ambitions and we were putting a lot of effort, after Q1 and Q2, into this third quarter to make sure that we deliver on our expectations and the guidance.

So clearly, Stefan and I and the management team, we do regret that this didn't work out. It shouldn't be the case. And in that sense, quite a bad moment, I have to say, to be here, but still, of course, wanted to take the time as early as possible to explain as much as we can explain, give you more details and also show you how we think about the business going forward.

So, of course, the first thing is that Q3 as such is far away from the expectations that we had put out, and I think more importantly, as we've said, Q3 was the first, so to say, normal COVID-unaffected quarter, or unaffected by COVID. So this was a very important quarter, as we said, especially towards the back of the quarter, together with the fourth quarter, to deliver and contribute to deliver the full year guidance.

So basically, with the very bad results in Q3, this took away the chance to meet our full year guidance. And hence the adjustment of the guidance and we'll explain in a moment. Clearly, there were also some positive elements in this quarter if we compare to Q2, but then Q2 was below expectations and not strong, so therefore, it's not a big improvement, but still, we will go through that.

Looking at the weight of the release and I think in combination with the more negative news flow recently, it was clear to Stefan and myself that we want to give this context and have really ample time after this short presentation to answer all the questions that you very likely will have. We also want to use the opportunity to really highlight why we think that with this release, we are ending the negative news flow.

So we've really taken some effort to rethink our guidance and have a proper base from whereon we should be able to deliver on our targets again, as we had done in the first one and a half years post IPO. I think those of you who have been around for a long while, I hope you know us as people who want to put out numbers and deliver the numbers and be reliable partners in this. And therefore, it's very unpleasant to haven't have been able to achieve this.

So with this, if we go through Q3, if we go to page three, clearly, we did see many metrics improving compared to the second quarter, but the growth overall is much slower than we had anticipated. So we're up 18% on constant currency and also on reported, which is an improvement from Q2, which was at 15% reported, 18% constant currency. So we see better metrics, but of course far away from where it would've needed to be.

Also improvement on the churn. As we said, the COVID cohort in Q1 and Q2 were particularly affected. Subscriber churn, last 12 months subscriber churn in Q3 was 14.6%, so some improvement versus the 15.5% that we've seen in the second quarter. And also, we had said that the NRR should improve again after the big hit we took in Q2, where it was at 88. We did see good recovery now, as expected, and NRR is now nearly 100% again. So LTM now at 96% or 99% constant currency.

Subscriber growth, 11% at quarter end, at 628,000 subscribers, so not a strong growth clearly. Also enterprise, we said that especially the enterprise acceleration will be very important on the way towards the full year guidance. And I would say we did solid improvement, very clearly, especially towards the end of the quarter, as you would expect at the end of a summer quarter, that there is enterprise acceleration.

We had expected much more. We had a very strong pipeline. Some of the deals didn't came through. Some came in smaller. Some flipped to the next quarter. I would say growth solid, LTM growth in enterprise, 60%. Not a bad result, but we would've needed significantly more to be able to stay on that track or even close to the track to the full year guidance.

We closed the largest augmented reality deal. That was a good one, more than €700,000, actually in the United States, which I think is also positive. We'll come to that later. So there are positive bits and pieces here and there, but that didn't help, of course.

On the margin side, we are at 34% adjusted EBITDA, which is significantly down, most of this clearly driven by the lack of billings, which of course falls through the EBITDA. Of course, we also had a ramp in our cost base, the marketing partnerships but also significant staffing in many areas, sales, marketing, R&D. Stefan will talk about it later. And of course, if you have that, if you see those pre-investments and then significantly miss the billings, then there is not much you can do about it in the short term.

Of course, we will address this margin topic. I think we will look at the structure of costs in the business. We need to see where we have maybe overinvested too quickly and course correct. But, of course, normal story, there was no way to react to this in the very short timeframe.

Clearly, we know that some of you have been sceptical about our ambition level for the second half of the year for a while now. And I think, today, we have to concede that you were right. We have been too ambitious on a number of the factors. And it's clear that we can't compensate for this in the remainder of this year anymore, and hence the guidance change. We will address this in more detail and also explain how we see the profile of the company, going forward, in a moment.

But before we go there, maybe I'll quickly give you an update also, an overview on the regional split on the next slide. So if we go to the next slide, first of all, currency exchange rate effects almost played no role anymore in this quarter. So very clear numbers, as you can see.

EMEA showed a solid performance, 25% growth in Q3, followed by the Americas with 17%. I would say EMEA certainly solid, America with a strong finish after lower summer months, and the big disappointment was again, I should say, the APAC region where, after an already quite slow growth in Q1 and Q2, actually growth stalled in Q3 and only reached the level of Q3 2020 billings.

A mixed picture, very different pictures by country. Probably don't need to go in every single country by detail, but frankly speaking, totally unacceptable. And we're working very intensively to bring the region back on track. This is certainly not where we should be in our growth region and we need to take action there, and we will take action there.

So let me hand over to Stefan to explain then why and how we decided to change the mid-term guidance and the new guidance overall, and then I will come back later with some comments.

Stefan Gaiser

Thanks, Oliver, and good afternoon from my side. I can only repeat what Oliver said. Really, firstly, very disappointed and deeply regret that we have not met our communicated targets. Really not the situation we want to be in. And you know what? You can be sure we fought intensively very much until the end of the quarter, but it just was not good enough, the turnaround in the third quarter.

I think, as Oliver already said, some of those points which we are going to discuss have formed part of the discussions, as they did in the past couple of quarters. So let me recap the headwinds we face, some of which we underestimated on our side and we want to provide a full picture here, given the magnitude of the change.

I think we have certainly been too bullish and too ambitious on some of them. We clearly now want to adopt a more cautious approach in our thinking and forecasting. This really is also a learning for us. We want to be in a situation where we put an end to the negative financial news flow and where it's easier to see upside rather than continuous downside also. Again, as I said, the changes are so material that we want to provide more context and a full picture on the situation.

So what are the topics? A couple of key points here. Innovation speed and product portfolio, I think many of us, we talked in great detail about our solution portfolio. And I think we have really great fundamentals. But at the same time, we also felt the need to make the company more robust, reduce the reliance on our core uses cases and really forcefully enter new markets and therefore increase our sales.

We tackled this twofold. We did smaller M&A in specific areas, mostly in the enterprise segment. And at the same time, we also significantly increased our R&D headcount and opened a new R&D hub. So really trying to accelerate innovation and keep pace as a company. I think we are on the right track and we see great potential in those acquisitions and the new product releases, evidenced by some of the customers. Oliver explained the largest deal, 700k, with augmented reality, so a great win.

But look, we hoped for more and we factored in a faster acceleration of the new products. And clearly, it's more enterprise along the sales cycles, but we had thought, after defence tried in the first six months, that they should turn the corner in the third quarter and convert better. That did not happen. So the impact so far is that those investments are currently not as growth accretive as we thought they should be, and hence, given the cost base which we acquired, that they are more selling to different markets, and we generally thought that they will ramp up faster.

Secondly, as you all know, we had a great start into the enterprise segment. This business is now gaining weight, as Oliver said, 60% growth, nearly 50% or 40% of billings contribution which is quite nice, a very attractive segment. And I think initially, we were able to absorb all of those investments very well within our financial model and the scale effects we had in other areas. And based on the successes we have seen in 19 and 20, we have significantly accelerated our investments and increased today's capacity.

The pipeline is there, as Oliver mentioned as well, also still including significant seven-digit deals which we talked about. And we felt, after lots of retention focus in the first two quarters, that now it's showtime and we should be able to covert those deals. And we did some, but we closed them at lower ASPs, still 700,000, a fantastic deal, but some of those deals could've been significant larger but they had been cut back due to regional roll-outs, less product need initially and whatnot.

So pipeline there, but, to be honest, we've been overly optimistic on how we convert them. So clearly not happy with our sales productivity and we need to fix the issues because really, the billings growth in the business in the enterprise segment is attractive, but we have invested significantly more and we wanted to see the benefits of those investments in the third quarter.

Moving on to COVID, clearly, as you all know and remember, in 2020, we had significantly benefited from the COVID environment, especially for working-from-home solutions. And again, clearly, in the first six months, lots of focus on retention of those new customers and then we expected an uptick of trading in the third quarter, better customer wins across all segments after lots of defence work.

And yes, some of that we've materialised, but not to the extent expected. So I think now we have to conclude that some of the extra demand which we've seen in 2020 was probably also, or included, a certain amount of pull-forward elements, because otherwise, our pickup in the velocity business should have been better.

And we also started with the retention of those newly-won customers. I think we explained it a few times. We had downsell rightsizing of some of the customers which we won last year, probably also a little bit lower loyalty from some of those customers. And clearly, that's something which we underestimated. We felt pretty confident about retaining them as a larger volume, but that did not happen. So we thought we'd manage better.

Then moving on to APAC, we talked about that region a lot. We felt and we still feel strongly about the growth potential in that region. And that's frankly why we invested substantially over the last two years. And yes, we have experienced quite some success early on in China and very significantly in Japan in 2020, as you might remember, doubling the business there.

And also the same situation here in H1 on the first six months. Growth wasn't there, but we considered this temporary and really related to COVID retention efforts where we haven't performed strongly, to be frank. We mentioned it already at the time of the Q2 results. And Q3 should have been showtime. But in markets like China and Japan, they were not able to reverse the trend upon which we relied.

So now, if we take a step back, EMEA and America, they have consistently outgrown the APAC region. However, we relied actually on APAC being growth accretive and turning the corner in Q3, but that did not happen. Clearly, a disappointing performance in Japan and China, and it's not where it ought to be, given our investments in the market potential. So that's something where we need to course correct.

And finally, there is more low-end competition, more competitors for easy working-from-home solutions for the SMB segments, smaller office environments. And I think therefore, we need to fight harder to revamp and revitalise the free user base and free user ecosystem. And for the moment, our monetisation potential has been reduced.

We also did run some campaigns in the third quarter, and yes, they contributed a little bit, but we thought they can contribute more and that was not the case. So I think for the time being, we have to accept that there is a smaller amount of free-to-paid monetisation going forward.

Usually, many of those topics on their own, we can compensate by some outperforming areas, and we frankly considered most of this of a more temporary nature, especially after our focus on H1, customer retention. I think now, after Q3, we need to acknowledge that some of those effects are more persistent and are not only temporary, and therefore, the accumulative effect of those changes means that we can't achieve our previously issued guidance and that we also need to probably change our mid-term guidance. Clearly, this has resulted in a significantly revised guidance, which I will explain now.

So moving onto the next slide, we see our updated 2021 guidance and also our updated mid-term view. For the current year, we're now expecting billings in the range of between €535 million and 555. You all know that in anticipation of a significantly stronger recovery in Q3, we have still targeted the lower end of the range, which was previously at 585.

Clearly, the missing Q3 and now the following adjustments of our billings expectations leads to a lower outlook for revenues. We have changed that to a range from €495 to €505 million. And as Oliver mentioned, that shortfall in billing has a direct impact on adjusted EBITDA, and therefore, we also had to revise, or downward revise our margin target for this year to 44% to 46%. Clearly, given our high GP margin, it's just not possible to adapt the cost structure in such a short timeframe to compensate. But rest assured that we are looking into our capital allocation.

So given what I've summarised here before, we have also decided and concluded to not consider the current growth trajectory as temporary, but really that the longer-term trends are also not supporting the previously issued mid-term growth guidance. And therefore, we assume that we will continue to see billings growth in the high teens percentage range surely. It's therefore also clear that we will reach a €1 billion billings milestone later than in 2023. We will update you on those milestones at our CMD, which is early in November.

In terms of profitability, we clearly expect that this year's margin represents the bottom. We clearly need to focus on capital allocation and investment areas and our billings and cost growth need to be realigned again. This would be key focus areas for us as a management. And frankly, we want to become a faster and more efficient company again, after significant growth over the last couple of years.

So that's the revised guidance. Now, clearly a very bad picture today in terms of current performance. But I think, at the same time, we also want to reiterate that we believe that we've done many good things for the company and that the company is, to a certain extent, in a better position than it was a couple of years ago. We completely understand that today's release confirms some of the sceptical viewpoints. Absolutely understandable. And as I said, we really regret that we haven't met our communicated targets and that many of you will be more than annoyed today.

Hindsight, always wise. And to be clear, with the benefit of this hindsight, it would've been better to pursue a more conservative outlook, as many of you have pointed out. I think we understood that message and have therefore also changed our approach here and want to really make sure that all of the negative news is now out of the way, so to say. And if we may, and before we open it up to Q&A, let us just briefly explain why we believe TeamViewer is still a great company, even on such a day.

Just recapping all of the investments which I explained just a few minutes ago, we clearly have tangible and existing pillars in place to support our long-term growth targets. Firstly, I mentioned investments into R&D and M&A. I think we have now a significantly broadened product and solution portfolio, again, along the entire value chain, quite fundamentally different compared to where we've been a few years ago.

We have Frontline and Upskill in the AR space. We have Engage. We've just launched Classroom and also other innovative offerings. Again, they need to bear fruit and be growth accretive and need to contribute in billings to the extent we expected. But I think we have the potential there.

Secondly, we are already working today with key strategic partners, as you know. We've just announced a strategic partnership with SAP, a very important example, and I think we can confidently say that will be more forthcoming. And I think we are working there on the right step to increase our footprint in the software ecosystem and working more intensively together with strategic partners. That should really drive the enterprises business, which is growing nicely, but again short fell expectations.

Clearly, enterprise business is coming along with higher and lower contract values, as you all know. And I think, generally speaking, moving into enterprise means a more sticky customer base, more reliable and higher net potential rate. So, generally speaking, just a better quality business, going forward. Let me now hand it over to Oliver for the rest of the slide.

Oliver Steil

Yes. Thank you, Stefan. So also on my side, I think it is a company which, on the basis of strong global megatrends, I think we have positioned the company well despite the fact that it's far away from where we wanted to be, as Stefan said clearly and I said before.

I think the fourth point, the fourth pillar is really, if you remember at the time of the IPO, we were discussing, and also afterwards, the opportunity that we have in the Americas. And we have been delivering very well against that, not this year but in previous periods, and have really seen significant growth.

But also, when we were covering Americas, we talked about the channel business, the partner business, whether we shouldn't do more, the enterprise traction in the Americas and also the difference between the go-to-market model that's in EMEA. We started to see some OT traction, operational technology connectivity, and in Americas, we didn't see that.

I think what we see now, which is very positive, is that the Americas investment programme that we put in place over the last years is really boosting, so to say, the pillars one, two and three that Stefan just mentioned, because in the Americas, we do have a much stronger focus on enterprise now.

Our new President of Americas, Patty Nagle, is an enterprise person. At the same time, she is used to working with large strategic partners, channel partners like systems integrators, SAP and so forth, and she was also embracing the operational technology AR Upskill/Frontline solutions in a much better way than before.

So we now have a full coverage of the country. We have offices in Clearwater. Our old office, we have Atlanta. We have Austin, Texas. We have Vienna, Washington. Patty has rebuilt the enterprise salesforce, and I think quite a good proof point is the €700,000 automotive augmented reality deal. So we do see traction in OT.

So I think, going forward, the Americas will be a contributor to our overall growth because it is actually the place where the solutions across the value chain, the partner focus and the enterprise focus all come together in a very good way. That's not to say that's not also the case in Europe, of course, but I think the Americas is representing a large opportunity here.

Fifth point is we will see, over time, a significant improvement of our brand. I think we're really working on largescale brand-building, as you know, and there has been, and still is, a lot of scepticism around these partnerships. However, we do believe that they are very valuable and will be very valuable for us. We will elaborate much more on this on the Capital Market Day to show you what we do and also talk about some of the measurements around it and how we're going to track it, going forward.

The key point is we have two very, very big platforms, Manchester United, clearly with global reach, now with the additional extra acceleration after the Ronaldo contract signing, which is huge. Huge activation potential globally and I'm very excited about different use cases and we're starting to work on those.

The same is true for Mercedes Formula 1. This is a season with record viewership. We have the star driver, Lewis Hamilton, who has prolonged the contract for two more years. We have more races, going forward, in the Americas. So a strong focus there, big excitement around the world. We will have a very meaningful augmented reality-focused customer event around the Austin, Texas race, because again, Americas is embracing that potential very nicely.

So we see that, over time, as very supportive of our brand, of the global tech brand, through which we can then sell different solutions in different industries. And what is important is that all of the cost for these partnerships is included in the margin profile. So the mid-term guidance that Stefan has put out is including those highly attractive five-year deals on both ends.

And lastly, last but not least, I think also a word on the relative resilience of the SMB core business. There is, of course, lots of discussion around it, and there was and is pressure on downsell and there is low-end competition and there are free versions out there in different parts of the market. This is all right and true and we deal with it every single day. But at the same time, coming out of Q2, we see that the churn has improved a bit, as we had promised.

We have also focused on customer satisfaction more and more. We have been less active in free-to-paid monetisation that has an immediate impact on free user satisfaction and low-end customer satisfaction. You see that, for example, in the ratings that we see in Trustpilot and G2. G2 was always strong. Trustpilot has now improved very significantly because we have put a focus on this also, to improve our operations and our policies.

And if we take our most mature market that is mostly impacted, or should be mostly impacted by low-end competition like, for example, AnyDesk that is mentioned in many reports, then this region is growing 25% year-over-year, which is still far away from where it should be but I think it shows that even in more mature markets, we are quite or more resilient than people think.

And if we take these pillars together, the solution portfolio that we have invested in now, the partnerships which are attractive and promising, the enterprise weight, the Americas, the brand and the resilience in the core, we believe that the company is well positioned, is valuable and can deliver high-teens billings growth at very attractive margins. This is not an excuse and not what we wanted to achieve, very clearly, but I think it's still a company that, in many aspects, has attraction as an investment.

And I think with this, probably the best is if we now take your questions.

Operator

Ladies and gentlemen, at this time, we will begin the Question and Answer session. Anyone who wishes to ask a question may press star followed by one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star followed by two. If you are using speaker equipment today, please lift the handset before making your selections. Anyone who has a question may press star followed by one at this time. One moment for the first question, please. The first question is from the line of George Webb from Morgan Stanley. Please go ahead.

George Webb

Yes, thank you for taking my questions. And I've got a few, if that's okay. First of all, just starting with the forward growth targets for 22 and beyond, to grow in the high-teens level on a billings basis, can you just talk through the building blocks that you see underpinning that in terms of your net retention rate, and then what you expect to see on the new subscription billings growth.

And also, you touched on wanting to rebase expectations and set a platform to grow off. How much conservatism or margin for error do you feel like you've put into this new set of targets out there? That'd be the first question.

Secondly, just on the new subscription billing side again for the first quarter, it looks like that was an element that dropped off quite sharply versus what you've run at in the past. Roughly, it looks like, so far, year to date, you've done about €70 to €75 million of new subscription billings. Can you give us a feel for the mix of that between enterprise and SMB?

And then just finally, I think you mentioned, Oliver, that perhaps you had overinvested in some areas in the recent past and you might look to right-size some of that cost. In which areas would you say that is most applicable? Thank you.

Stefan Gaiser: Yes, thanks, George. Let me start with the building blocks of our growth, going forward. Clearly, as subscriber growth has slowed down, I think the key building block for us would be an improvement in net retention rate. I think that's the key building block for me, I have to say.

I think we have a very attractive customer base with 628,000 subscribers. Many of them clearly have the potential, where we can sell our new products into. So for me, this clearly should be driven more by an ASP increase. So I think that's what we are focusing on frankly. Yes. That's one area.

In terms of how much safety did we build in from a margin perspective, clearly, we have now factored in all of the investments we made, the entire extent of the marketing partnerships, all M&A and whatnot. So that's all reflected in our margin profile. And clearly…

Oliver Steil: There was margin for error on the billings also, I think.

Stefan Gaiser: Oh, and margin… Yes. Clearly, with the low end of the range, 535 million, that means a 10% growth for Q4. So that means quite accretion there, but again reflecting on what we experienced so far and Q4 being a big renewal quarter, we clearly feel very comfortable. We said we want to change that approach to our guidance, so there is accretion in there, absolutely.

In terms of margin profile, same here. I think that's all been priced in. Clearly, our cost growth has outpaced the billings growth, unfortunately, so we will slow that down. Yes, in next year H1, there will obviously be the ramp-up of the marketing partnerships, right, but all other areas, we will significantly slow down and reallocate investment funds from certain pockets into other pockets. But that's now an ongoing exercise.

Oliver Steil: Yes. I think in view of the areas, I would say we had a very explicit growth plan on APAC. I think we have put a decent local team in place in the core strategic markets. That's probably in some places a bit too rich, given the business development that we're seeing in this space.

So that doesn't mean that we do a restructuring, but we're talking more about a freeze. We have done upfront investments and I think it's time to get the return on these investments versus have an extra investment, for example, in headcount and spend there.

And that pretty much goes through the whole global operations, I would say, the whole go-to-market area. In some places, we have just been a bit too fast in taking people in and extra management layers, corporate functions which we all need to scale from here, I would say, with certain adjustments.

I think on maybe the last piece, billings, mid-term billings, margin for error on this one, I think we have clearly understood that we should have a conservative approach to our guidance on how we set targets for the short-term and the mid-term. And we have factored that in here. So I would say on this one, we feel very comfortable.

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| George Webb | Thanks for that. Sorry, just to follow-up on the split of new subs billings at the moment, what's the rough contribution that comes from SMB versus enterprise? |
| Stefan Gaiser | Oh, sorry, yes. Again, we're running the numbers here and finalising that, but I would say roughly maybe 20% of the new ACB is coming from enterprise, maybe 25%, so pretty much the same as in the past, I would say. |
| George Webb | Okay. Thank you very much. |
| Operator | The next question is from the line of James Goodman from Barclays. Please go ahead. |
| James Goodman | Yes, thanks for taking my questions. So a little bit, a couple of follow-ups, I guess, that are related, just in terms of the actual subscriber number. I may have this wrong but I think you had it at 5,000 sequentially, normally significantly more than that. |

I guess it's looking at the same thing a different way, but the fact that the net renewal was so much better than Q2 but the growth rate remained at that disappointing level suggests that the number of new customers that you added in the quarter really dropped off significantly and needs to pick up materially in Q4. So I'm just wondering if there's anything you can further add there in terms of the bridge around the customer additions.

And maybe in terms of the Q4 point, just why do you still have a 20 million range into Q4? From a visibility perspective, I would have thought you could narrow that a little bit, given where we are in the year.

And then maybe stepping away a little but just from the detail, I just wanted to ask you about the perception from a use case. So if we think about the growth last year, a lot from the remote access through COVID, a lot of the historic business being around remote IT support, I know that your product is used for many different use cases, but when you step back from that, can you give us a sense of how the revenue is really breaking down by those core use cases, and the outlook for those? Because I think it's those end markets that people want to map the sustainability of the organic growth to. Thank you.

Stefan Gaiser

So maybe I start with customer additions in Q3. Yes, your math is correct. It was only around 5,000, clearly lower than in the past. A couple effects here. We did run, as I mentioned, less free-to-paid campaigns, and they also have been less effective than we thought, pointing towards a worsened ecosystem. Clearly also a little bit of a base effect. At one point in time, it will be tougher to grow our customer base with a run rate of 15 to 20,000 each quarter, given that we have a certain amount of churn.

But clearly, it was below our expectations, those customer additions last year in Q3. I think we still did run some campaigns, or we did run campaigns after six months of pausing them during the COVID pandemic outbreak. This year, we did run some of them, but not as effective.

Good questions regarding the range of billings. We discussed that as well. It also shows a little bit the range of outcomes which we also felt is possible in Q3. Again, we are working on very large transactions and some of them should have been closed. Some of them have been closed, but have been closed at a lower ASP or ACB than we thought because it was only regional roll-out, etc., or the lower pace at the beginning.

But there is upside in our pipeline. But, hey, we cannot count on that. I think we learned that. We've been overly optimistic. But there is also still some upside in the pipeline. The pipeline is robust and I think we want to convert those. But yes, that's certainly not something which we want to factor in.

Oliver Steil

Yes. I think, also, at the end of Q2, we said that a lot in this year depends on effectively four months of the year, September, as the last month of Q3, as an important enterprise month, and then also important, Q4, with a large renewal base where we see good net retention rate development now. But also, Q4 is the main enterprise quarter and enterprise is a growing part of the business.

So now, if you were in our position with what we're experiencing now or have experienced, and what we need to communicate, I think it's wise to have a wider range. Because, honestly, I can't tell you how the enterprise conversion will work and how that will then contribute to the overall growth. And therefore, we better give it a wider range or keep a wider range. But we were discussing that internally as well. But I think it goes back to the question or comment by George, how much margin for error? So we've been cautious there.

Maybe on the perception of the use cases, I think this is certainly a topic where I think the Capital Market Day will help a lot, to go into much more detail. Look at the market developments, the growth by segment, our customer base. Bear with us. We will come with a lot of details on this one.

I think what I would say, the fundamental logic is that we have remote access and remote support as the key use cases in our velocity SMB, lower-end subscriber base, where we see, depending on the region, depending on the quarter, still good growth from upselling and a few new subscribers. But it's of course not the massive growth engine which we have in other places.

If we look at the enterprise, which is growing very solidly, this is the place where we have the Tensor connectivity platform where customers use Tensor to do a little bit of IT support maybe and work-from-home remote access, but mostly full connectivity into different devices. So that looks very strong, on the Tensor side.

And then, of course, the totally new area, augmented reality OT, where we now had a very big deal which we had in the Americas. And there is some very large installations where customers have been repeat buyers, and this is growing from an installed base. So as I say, the contribution of these use cases is increasing, together with the enterprise.

We have now made an effort to also have more cross-sell use cases for the SMB base, notably endpoint management, with a partnership with Malwarebytes, the TeamViewer Engage solution that we have now available for inside sales. So we're also working on this place, but I think you'll see a gradual shift into newer use cases. And the exact dynamics, as far as we can tell, and segmented with the market backdrop, will come through at the Capital Market Day.

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| James Goodman | Fantastic. Thank you. |
| Operator | The next question is from the line of Mohammed Moawalla from Goldman Sachs. Please go ahead. |
| Mohammed Moawalla | Yes, good afternoon, Oliver and Stefan. I have a couple of questions as well. So firstly, when we just think of your new medium-term targets, I think previously, in the billion of |

billings you anticipated, you had roughly about a third of that coming from enterprise. Can you just help us to understand the components on this teens guidance, high-teens guidance, what the growth rate of enterprise is expected to be versus that SMB business?

And then secondly, on the enterprise business, is there any…? You talk about realigning some investments you are making. Do you need to step up the pace of spending again further to drive the growth? And I know it's been very lumpy because of some of the larger deals. Are there any other changes in the go-to-market that need to be made?

And then secondly, coming back on the subscriptions, I guess there's been quite a deceleration in the subscriber growth. But this quarter, it's now below the churn rate that you had. So just trying to understand, going forward, to bridge the gap to get to that teens guidance, what sort of growth are you assuming for the SMB business? And is this more the normalised level of growth, with enterprise growing substantially ahead of the piece? Thank you.

Oliver Steil

Yes, maybe I'll start. So obviously, this is a short-term ad hoc communication quickly, so we need to run more numbers in how this all translates into the longer-term outlook. But what is clear is that the enterprise growth and the new use case growth has been not where we wanted it to be, but it has proven to be a good driver still. It's still very decent growth, LTM 60% or so. So this thing is moving absolutely in the right direction.

And I think, as a few of you have alluded to, the velocity business subscriber growth is not where it should be. And the upsell, cross-sell in this space could be better. So naturally, by reducing the mid-term outlook to the high-teens growth, that implies that a larger portion of that will be actually carried by enterprise. It has to be the case. So we were talking about the one third when we were looking at the billion, and that should naturally be higher if we go there, if we go to lower numbers, because we are really over-pivoting to this.

Step-up investments needed in enterprise? Actually, we think we have put a significant amount of enterprise account managers in place. We are very attractive with our new use cases for our partners, as you can see from SAP but also others. There are very good discussions going on based on the solution portfolio that we have. And I think it's really time to materialise on that.

I don't think we need significant step-up investments there. On the contrary, I think in some places, we should probably cut back a little bit because we have maybe brought the wrong people on board or focused them on the wrong topics. So this is something where I wouldn't see any extra investments for EMEA. I honestly think we can freeze the roll-out of the hiring there for quite some time and still deliver the growth that we need to because there's quite some people around.

The same is true for APAC, for example. There might more be an exchange of people than extra investment, with the exception maybe of better leadership for APAC and maybe a bit of solution delivery, pre-sales engineering for APAC, to get an enterprise pivot there. But that is not a big investment.

I think subscriptions, subscriber growth below churn rate, yes, in Q3, that was the case. I think it's a combination of a stronger focus on enterprise in this quarter, summer months where we were not very active in free-to-paid campaigning to get new subscribers in. As you know, this is a source of subscribers. We have not done that much because we had run campaigns at the beginning of the year and we wanted to pause there on the ecosystem.

So that's, I would say, a situation which is probably too negative, if you take a future view. We always said that we can probably add, I don't know, 20,000 subscribers max per quarter or so. That will come down. Stefan said it on his slide. There is competition on the low end, so we want the free ecosystem and the free users to be around. We don't want to overdo it to defend our position there, which is visible in, for example, Trustpilot's score if we are more cautious there. So this is all coming into play.

Again, we need to run detailed numbers there, but as Stefan said before, the main growth driver is NRR improvement, ASP improvement, cross-sell improvement. We have more than 620,000 subscribers now, and we should work with them and, of course, make sure churn rates are lower and we add net subscribers and don't lose. So that should be an exceptional quarter in that respect.

Mohammed Moawalla

Noted. And can I ask one follow-up just on the churn? So obviously, churn levels have gone up since when you disclosed it at the time of IPO. And I noticed a slight improvement obviously in Q3. Is this the trough, in your view, or is there a risk that the churn could still be more volatile, at least over the next couple of years? I'm curious what's the assumption you've made in your new or updated mid-term guidance.

Stefan Gaiser

Look, I don't want to be… You know what we experienced. I want to be cautious here, frankly. Churn has been stable, slightly improving, as you pointed out, despite the retention efforts going into retaining of the COVID cohort. So I think that's actually, from my perspective, a good result.

I think we always said that churn, in the long run, should actually come down because our customer base gets more mature. We have less free-to-paid subscribers, percentage wise, more mature customers, stickier customers, and therefore, churn ultimately should go down. And to a certain extent, that's part of our planning, but not factored in a significant increase here.

But I think fundamentally, net retention rate going up, churn should go slightly down. That's what I would expect. And that's what we've been experiencing. I think churn was also always more biased towards the low end of the segment, free-to-paid subscribers which then churned away the next year, that were not such a churn driver anymore in the next few years.

So I think it's a bit too early to count on lower churn, but I do think, structurally, the churn should come down in our business now. With the broadened solution portfolio, more cross- and upsell, as we are currently seeing, churn ultimately should come down to a certain extent. But it's too, too early to quantify that, I think, now, especially after these three quarters.

Mohammed Moawalla — Okay, thank you.

Operator — The next question is from the line of Stacy Pollard from JP Morgan. Please go ahead.

Stacy Pollard — Thanks. Two questions from me. Can you tell us what your FY21 guidance implies from an organic billings growth point of view? And then secondly, the reduction to high-teens growth for billings in 22 in mid-term, was that because you think the overall market growth has slowed or is it more your relative positioning or market share within that which is perhaps weaker due to higher competition? And maybe just dig in a little bit on that competitive environment, if you don't mind, both on the low end and the enterprise OT and AR side, who you're seeing move into that space.

Stefan Gaiser — Sure. So with regard to the 2021 guidance, most of that is an organic growth point of view, and the acquisitions contribute globally two percentage points overall maybe. As you know, Ubimax the largest acquisition, we already consolidated last year during Q2 so there's little accretive impact from them. And the remaining acquisitions which we have done were fairly small, yes, overall. So most of that growth is actually organic.

With regard to the reduction of the overall guidance and competitive environment, I would actually say the reason why we reduced the mid-term guidance is probably manifold, yes. I think we are clearly well positioned in the enterprise segment and it did grow very nicely, 60%, as Oliver mentioned. We did hope for more and we invested for more growth there, to be honest, yes. But that's still a nicely-growing business.

However, where we struggle a little bit is clearly free-to-paid monetisation, velocity business. And also, enterprise should have grown faster. APAC didn't perform as expected. It should've been growth accretive. It wasn't. And basically, we discounted a variety of our growth initiatives to come to a picture, and that picture is high-teens growth only, yes. There's not one single impact. It's really a variety of those factors, as I explained earlier on.

From my perspective on competitive environment, and Oliver can chime in as well, I think it has probably most changed in the working-from-home remote access space, I would say. I think our competitive positioning in the OT environment, enterprise space, is as strong as it was before, frankly, probably even stronger, because again, we have a broader solution portfolio.

We haven't seen lost deals which moved to competitors, by and large. It was overly optimistic assessment in the pipeline. Deals closed at a lower deal size, recent roll-outs were slower roll-outs, etc. But it's not that I see significant negative trends in the OT-enterprise segments, yes. Again, we didn't meet the growth which we wanted to, but this was not a result of competitive pressure. The competitive pressure is probably more taking place, as I said, in the remote access, working-from-home environment.

Stacy Pollard — Thanks.

Operator — The next question is from the line of Gianmarco Conti from Deutsche Bank. Please go ahead.

Gianmarco Conti — Hiya. Thank you for taking my questions. So I actually have a few you've already answered. One is around perhaps the scope to revisit some of those sales and marketing initiatives, to perhaps reduce the ongoing burden on margins. Are you planning on doing some level of restructuring? And if so, where?

The second question is around could you perhaps elaborate on the reason for which you've seen a slowing free user growth? I know Stacy asked the question around obviously whether it's more of a competitive thing or not. But I'm just curious to see if you have modelled a worst-case scenario in the FY22 and beyond targets. And if so, if you could elaborate what this could be exactly, i.e. do you have a specific plan on tackling competition and potential market loss?

And the third question is actually a point that you've made on your presentation earlier. I was looking through the Trustpilot reviews and I've seen that there's a fair few reviews that are saying people have been charged, even after they've cancelled for years, on the negative side. How exactly are you targeting this? And could that be an issue, going forward, on your free-to-paid campaign conversions? Thank you.

Oliver Steil

Yes. Maybe I'll start. So scope to revisit the cost and sales, I think. As I said before, I think we have put significant headcount in account managers, channel managers, business development, pre-sales, solution engineering in most of the regions. And I think that with this staffing, we should be able to significantly drive outcomes, good outcomes, over the next quarters.

And that's what we saw, not to the extent we wanted but there is good business intake in this one. And hence, the scope is to take out a few people here and there, to just trim the organisation a little bit. But more importantly, there is no need to grow the cost base as we have grown it in the past.

And if you go back, we had quite often a cost increase which was in line with the billings growth. Now, of course, due the underperformance this year, this has reverted. Cost has increased faster than billings growth. And that should then revert again, going forward now. And you can expect that we will be very, very diligent on our cost management from here on, and also on performance management.

The second question, slowing free user growth, there are various elements to it. One is, of course, I think the whole COVID piece has brought significantly more attention to work-from-home requirements. Work-from-home can either be organised by a company and then it's a paid licence and customers or workers from home are part of an enterprise licence agreement. We've been very successful in this.

But on the flipside, of course, it has brought also more companies caring about this, like Microsoft, very forcefully, and others. And of course, many of the users at home were looking for free solutions because they were trying to achieve something without paying for a licence. And we had given them a licence for free and then, over time, we tried to monetise. And there's more competition in this space, for sure. There's no dancing around that.

We focus on users which need a quality product, mostly teen-size, not so much one individual user for remote access. At least, that was our focus. We've also been more forceful on account validation. In some markets, that drives or has driven in the past a massive free user base. For example, in China, Latin America, we've been more forceful in these markets because we've learnt that the monetisation of these free users is actually quite difficult. And there's also more scamming risk and more fraud risk, which we didn't want to have. So that was an active decision.

And then there are more free products out there that we need to compete with. So in that sense, we have been less active on free-to-paid. We have generated some subscribers from this, which is good, but not as many as in the past. And it will be a declining proportion, going forward.

I think, with the new outlook, we've given us room to also react in some places where we need to in terms of pricing maybe, and be more aggressive on campaigning if we need to. But all in all, if you look at the EMEA growth number where we have lots of velocity business, this is still very robust and it will be selective activities.

To your specific question on Trustpilot, we have been much, much better in the process of handling the free-to-paid conversion and also the pardoning for free users. I think if you were to look at the commentary a year ago, significantly worse than it is now. Process is better, straight-through time is better, more forgiving, less campaigning, and that has reflected in the Trustpilot development.

So I think within the last, I don't know, four months or so, or five months, we moved from a 1.5-star rating, which was heavily influenced by basically almost only the comments around free-to-paid. That was always the problem with Trustpilot, that we said, those users who are paying and are using it for free are very happy users, but people who had been free users and were asked to pay, they don't like that and they give us a negative rating.

And what you see now is these users are significantly less, and the happy users are more vocal because we've changed some processes. People are happier. And that has brought us from 1.5 stars to four stars or so in a very short timeframe, but asking customers also to rate us and working on the feedback. And so I think that's the dynamic we're seeing there at the moment.

Gianmarco Conti

Okay, thank you. Can I just ask the question around if you've modelled a worst-case scenario in those FY22 and beyond targets? I'm just curious to know, if indeed the free users decelerate substantially and you're not able to grow as much as you hoped for with the enterprise space, if there is some substantial margin of error in those targets. I think it's just like there's a little bit of an understanding that these targets should be as realistic as possible.

Oliver Steil

Yes. So I think a good question. Sorry. I think if you look at what we have done now in terms of guidance adjustments and then the mid-term view, that is taking effectively what I was mentioning or which Mohammed mentioned as a negative quarter, where we had more subscriber outflow than inflow, and basically looking at that, taking a stance on the full year until now, and then assessing how much should we factor in from free-to-paid conversion as a subscriber addition and billing contribution.

And I think you can be sure the view we've taken on this has been a very, very negative one now because we didn't see much happening in Q3 and we're also very, very cautious regarding this development for Q4 and thereafter.

Because we also see that in conjunction with, on the one hand, the ratings from customers, the satisfaction, and Trustpilot is just one, but also the big branding partnerships which we have now with Manchester United and so forth, we want to have that to be a positive impact globally. We want sports fans, the clubs, the partners, to talk positively about us. And we probably need to provide more leeway on free usage in order to deliver this and have a positive sentiment for occasional and free users, and hence, very, very conservative planning.

And if you remember what we've put out in the past, we said free-to-paid will, over time, reduce in importance. I think the last range we always talked about was 15 to 20 million. I don't think we will get there this year. And for the years to come, it will be significantly smaller even. And that's one of the drivers Stefan has presented and also why we were taking a very significant cut in the mid-term growth rate, because we don't want to be dependent on any big moves there.

Gianmarco Conti

Thank you very much. Bye.

Operator

The next question is from the line of Gustav Froberg from Berenberg. Please go ahead.

Gustav Froberg

Hi, everyone. Thank you for taking mine as well. I have two, please. Firstly, just on the organisation and TeamViewer as it stands right now, do you anticipate the need to do any organisational restructuring? Just following on from today, what are you thinking about when it comes to the organisation as it stands?

And then a second question just on APAC. It sounds to me like you're still committed to the region. Could you talk a little bit more about why you remain committed to APAC, given the growth it has delivered so far for you?

Oliver Steil

Yes. Thanks for the questions, Gustav. So organisational restructuring, we will do, I would say, proper, sizable performance management across the whole company. And that will reduce short-term, reduce or freeze, I would say freeze, the headcount across the whole company. I wouldn't call it a restructuring, but it is a proper cleaning. Proper cleaning. Remember, we had… By the way, we hear your typing. You may…

Gustav Froberg

Oh, sorry.

Oliver Steil

Yes, thanks. Look, one of the things probably in hindsight, we have been continuing to hire people through the whole COVID period. I think we had 17 or 18 virtual onboarding sessions on a monthly basis. And that was probably, or it was… Not probably. It was too aggressive. Not all the people have landed well here, know the products well enough. So we need to do a shake-out there. And thereby, I think the organisation will be leaner, more agile and we will cut back in some areas.

That will still mean that our headcount next year will probably be the same or a bit more than this year, but very, very different from the kind of growth rate in headcount that we had in the past years. So that's how I would describe it. Again, probably more to share then at the Capital Markets Day, when we are further on this front.

APAC, why do we remain committed? That's a very good question. I think we have markets where we see strong development. If you look at Australia and New Zealand, a mature market for us, good growth. Japan, last year, a digitalisation backlog in this country which we benefited from. So now this year, the opposite development. People are down-selling, in wait-and-see mode a little bit. But I think there is still very strong potential, especially with our OT solutions, augmented reality, a strong industrial footprint. So there is room to grow.

India as a strategic market, a systems integrator being based in India, a global systems integrator, there is potential clearly. Sometimes, it's a cross-regional deal, where we work with a systems integrator from India to serve American

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| | customers. So that's also valuable, to have that connection there. |
| | And we think the big unknown, honestly speaking, is China really. It's incredibly complicated. And of course, China alone, at the time of the IPO, we felt can be a game-changer. Now it turns out not to be. It's complicated. And we need to see. |
| | When we talk about committed to the region, it should deliver. There is potential in the different markets. We have more solutions. But we will revisit the level of upfront investment in the different countries. And I think we have been entrepreneurial. We have been bold. We have put full organisations in place in the countries. |
| | And that has to be good enough now for a while. Or in some places, even, we have to cut back a little bit and be more modest and refocus our efforts. And I think this has come through in the presentation on the Americas and all the big partnerships that we can work with. |
| Gustav Froberg | All right, thanks. |
| Operator | The next question is from the line of Hannes Leitner from UBS. Please go ahead. |
| Hannes Leitner | Yes. Thank you for letting me on as well. I have also a couple of questions regarding, for example, the enterprise business. Maybe you can talk there a little bit, break it or drill down into different parts of the business, how the performance is of augmented reality, virtual reality, and how much was the drag in the quarter from the pandemic where people just downgraded below the €10,000 threshold, and then maybe how you can bridge that in future outlook, future growth. And that would be helpful. |
| | And then in terms of the investment, in regards to yours, it seems like cost control seems to be on top of the agenda. Will this be enough to come? What is your confidence level there that you don't need to invest particularly on the enterprise side? It seems like that there will be investments needed. |
| | And the third question is, in terms of the growth rate, is this a purely…? So Stacy asked for this year in terms of organic growth rate. But then going forward, the growth rate, is this an organic one? And then also in terms of the margin recovery, because if you're doing the enterprise acquisitions, it will be difficult to keep improving the margins from here. Thank you. |
| Stefan Gaiser | Yes, let me start, Hannes. So, first of all, the AR split and |

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| | the overall business mix within the enterprise space, clearly, it is becoming more OT biased. We have significantly expanded our solutions portfolio around augmented reality and mixed reality. Mixed reality is early days, frankly, yes, but augmented reality is already becoming a more mature business, with strong uptake in the customer base. Again, the largest deal which we closed for more than 700,000 was a pure subscription deal for our frontline product, so a very nice deal, yes. And it wasn't even a global roll-out.<br><br>So there's more to come. And we see that this business carries increasingly more weight in our enterprise space, sometimes in conjunction with the base connectivity layer, Tensor, which we provide. And then on top of that, we have the AR element. So this is becoming an increasingly important part, yes. It's tough to put that into different pockets, but it's getting increasingly important for us.<br><br>In terms of organic growth and our growth targets, that's all organic. And really targeting acquisitions here and there, yes, that might help a little bit, but frankly, this is organic growth targets which we've put out there. And any major acquisitions would be on top of that.<br><br>From an enterprise investment perspective, at the moment, yes, I know, in 2021, this enterprise expansion has become more expensive for us. But look, what we see is we have enterprise sales resources who are very much capable, and close those deals and convert their pipeline. So it's not a structural issue in the enterprise business, that we have under-invested. I think it's more like hiring the right talent and onboarding them efficiently. And frankly, that wasn't an easy one and I think we struggled there.<br><br>I think the overall level of investment in the enterprise business is where it ought to be. We have, per se, enough quota carriers. I don't necessarily see that we need to increase our spend in the enterprise business. And that's also what's coming back from our enterprise leaders, frankly. |
| Oliver Steil | Yes. |
| Stefan Gaiser | I think overall payroll is good enough. Let's make sure that we onboard them correctly and ramp them up efficiently and get the right talent onboard. Maybe on… |
| Hannes Leitner | Just on that point… Okay. |
| Stefan Gaiser | Yes. |
| Oliver Steil | Sorry. Go ahead. |
| Hannes Leitner | I didn't mean in terms of the salesforce. It seems always |

your investments are very focused on the salesforce. I mean Ubimax and all those, they are basically start-ups. They need investment also, predominantly, I would say, in R&D. So I was rather more speaking about investing in the product and the technology to stay ahead of the curve. So that's one thing.

And then in terms of the enterprise, it sounds like all are quite good. Just how does this square with your comment around slippage and not converting in this quarter? So where is then the confidence, going forward, in the enterprise?

Oliver Steil

Yes. So if we think about R&D, Ubimax is a start-up but it's been around for years, with a very mature product portfolio, or I mean high-end product portfolio for different verticals. The same is true with Upskill and Xaleon. So we bought R&D capacity in a significant way. We also invested quite a bit in R&D over the last years, in different locations for different products.

So I think on this one, we will always have continued R&D investment, but this is nothing which needs a step-change. It's just continuous investment in people to keep the product up to date and continuing to develop it. So on this one, I think we feel very confident that we are in a good place there, because we have effectively brought development capacity on.

It didn't come with much billings and business, but a sizeable number of people. So Ubimax came, I think, with 100 people almost, and they know what they do and have been doing so for a while. And I think the industry would recognise that we have surpassed the competition, for example, PTC in AR, with what we have to offer. So I feel very good about that, and also on TeamViewer core. And the other question was…?

Stefan Gaiser

On margin recovery. I think that was your last question, Hannes, if I am correct…

Hannes Leitner

Yes, correct.

Stefan Gaiser

Further investment needs. I think, as Oliver has just explained, we don't see further need around those areas. I think we've staffed those areas substantially in the last 12 months, frankly, so there's no ramp-up needed, neither organically nor in the acquired companies, from my perspective. So I think we should have seen the base now, the low, frankly, of our margin.

Oliver Steil

They are not more than the billings growth.

Stefan Gaiser: Yes.

Oliver Steil: That's the point. Of course, we will always reinvest into our businesses to make sure that we stay ahead of the curve, as you say. But the question is, do we need to grow out of proportion and beyond our billings growth? And that…

Stefan Gaiser: No.

Oliver Steil: We clearly don't see. We have done a lot of that upfront investment. And they're good. They're bearing fruit. We have great solutions. We get the traction. We get very good feedback on our AR solutions. We got the SAP partnership on the back of that, and also other partnerships are specifically interested in our AR positioning. So I think that's working well.

And then your other question, and maybe that's also linked to one that we had before, the drag, pandemic, downsell, why are we confident, look, I think the key point, which we were struggling with this year, one of the key points, is Q1 and Q2 were backward fighting, keeping customers, making sure they use their licence, they stay with us, they keep the capacity as much as is needed, the whole organisation focusing on that.

At the same time, all work-from-home, only virtual onboarding, and tough to manage the business after more than a year in a pandemic, especially in a culture like we are, with high growth, many new people who all need to learn the new products.

And I think the third quarter, and that's why we were so unclear on how this all will play out, the third quarter was the first one where there was some normal running the company again. And then July/August, summer, September, everybody is trying to convert.

Given all of that and the problems that we had with the pandemic and onboarding, given all of that, I think what we've delivered in the third quarter in terms of enterprise is not bad, honestly speaking. If you would've told us two years ago at IPO that we will be there at enterprise two years' later, it's good, but it's far away from what we needed to be. And now, we're getting into the flow.

To give you an example, just this week was the first time all European enterprise people came together in one room to get a proper product training on all the new products which we have. This didn't happen and couldn't happen before.

So many things much better now. Every week, we saw, throughout the quarter, things got better, but not good

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| | enough to meet this year's guidance. That's why we had to restate it. And we're also much more cautious now, going forward. |
| Hannes Leitner | Thank you so much. |
| Oliver Steil | Okay. From what we know, I think those were all the questions. So again, thank you very much for joining. Thank you for your questions. Clearly appreciate this wasn't a good day, with weak numbers and a lot to absorb and digest. And again, not helpful from our side, not where we want to be, and we will do our best to now take that as the floor, which we strongly believe is the floor. We've given ourselves margin for error now and we will work to keep on going from here. So thank you. |
| Stefan Gaiser | Thank you. |