



Preliminary Results Q4 | FY 2021

(unaudited, IFRS)

GOPPINGEN, GERMANY, 2 February 2022

Strong year end: TeamViewer records 19% billings growth and announces share buyback program on the back of outstanding profitability and cashflow

- FY 2021: Billings of EUR 547.6m up 19% yoy; Adj. EBITDA margin of 47%
- Q4: Billings up 20% yoy to EUR 153.7m; Adj. EBITDA margin of 44%
- Strong enterprise business: Q4 billings doubled, FY billings up 75% to EUR 93m
- 2021 acquisitions fully integrated, substantially expanding TeamViewer's solutions portfolio
- Major strategic partnerships initiated, providing additional tailwinds for further billings growth
- Buyback program of up to EUR 300m or nearly 10% of total shares outstanding as cornerstone of updated capital allocation
- Confirmed outlook 2022: High teens growth with billings expected between EUR 630-650m; Adj. EBITDA margin within range of 45%-47%

Key Figures

EUR m, unless otherwise stated	Q4 21	Q4 20	Δ yoy	Δ cc ¹	FY 21	FY 20	Δ yoy	Δ cc ¹
Billings (non-IFRS)	153.7	128.1	+20%	+17%	547.6	460.3	+19%	+20%
Adj. EBITDA (non-IFRS)	67.7	72.1	-6%		257.0	261.4	-2%	
Adj. EBITDA Margin (%)	44%	56%	-12pp		47%	57%	-10pp	
Revenue (IFRS)	132.3	121.0	+9%		501.1	455.6	+10%	
Revenue from subscription model (non-IFRS)	132.2	114.4	+16%		498.5	409.3	+22%	
Levered Free Cash Flow	68.0	56.1	+21%		157.8	165.5	-5%	
Subscribers (thousand, 31 Dec.)					627	584	+7%	
Employees (FTE, 31 Dec.)					1,477	1,256	+18%	

1) At constant currencies

«We are pleased with the conclusion of this financial year and have clearly set the course for continued profitable growth. With decisive investments in our portfolio, we have built an industry-leading AR platform and bolstered our position in important growth markets. We entered major strategic partnerships with global players such as SAP and Google Cloud, opening the doors to businesses all over the world and significantly expanding our reach. Our number one priority is to remain laser-focused on further realizing the goals we outlined at our Capital Markets Day, and we will now firmly execute against our growth agenda.»

Oliver Steil, TeamViewer CEO

«We have delivered on our updated 2021 guidance, steadily generating high teens growth with strong profitability and very strong cash flows. At the same time, we successfully expanded our customer base across all industries and verticals. Through our clear focus on cost containment, we were able to maintain high profitability and achieve margins ahead of our revised guidance.

Our financial profile remains very strong, backed by a superior cash position. This opens up avenues for further value generation for our shareholders: We have reviewed our capital allocation and have come to the conclusion that a leverage ratio of around 1.5x Adj. EBITDA ensures an efficient financing structure while still providing sufficient strategic flexibility going forward. Consequently, we will initiate a share buyback program of up to EUR 300m or nearly 10% of total shares outstanding, thus demonstrating our confidence in the business outlook and increasing our shareholders' participation in TeamViewer's success.»

Stefan Gaiser, TeamViewer CFO

Goppingen, 2 February 2022 – TeamViewer, a leading global provider of remote connectivity and workplace digitalization solutions, successfully concluded the past financial year in line with its updated guidance and with overall strong results. In Q4, the company regained positive sales momentum and saw high teens billings growth. This was particularly driven by a strong enterprise business and continuous growth in the SMB segment. With targeted investments into its free user ecosystem and successful cost containment, TeamViewer laid the foundation for future, sustainable growth.

Business Update

2021 was marked by strategically important decisions with positive long-term implications driving TeamViewer's future growth trajectory. By acquiring Upskill and Viscopic – both leading players in the rapidly growing field of Augmented Reality ("AR") – TeamViewer decisively strengthened its solutions portfolio, while increasing its footprint in the U.S., the company's biggest single market. Both acquisitions have been fully integrated into the company's enterprise AR platform Frontline, with multinationals such as Ford, DHL and Airbus among TeamViewer's global customers. Additionally, with the acquisition of Xaleon,

TeamViewer entered the attractive area of Customer Engagement Software, broadening its portfolio along the value chain by solutions for sales and customer support.

Moreover, TeamViewer entered multiple high-profile partnerships with leading businesses in their respective industry with SAP and Google Cloud as clear highlights. These strategic partnerships are a major driver for the company's long-term growth, as they accelerate the expansion into various strategically relevant industries and allow for a continuous extension of TeamViewer's sales reach. These collaborations underline TeamViewer's strong value proposition in the enterprise segment and its relevance for the global tech ecosystem.

TeamViewer continues to significantly invest in its brand as well as in the marketing of its broadened solutions portfolio across all customer segments. The five-year partnerships with football club Manchester United and Mercedes-AMG Petronas Formula 1 and Mercedes-EQ Formula E racing teams are two key pillars to bolster long-term growth in TeamViewer's SMB and enterprise segments. Both platforms have a tremendous impact on the company's brand awareness – bringing TeamViewer closer to its goal of becoming a truly global tech brand.

Since its Capital Markets Day in November, TeamViewer already made substantial progress with the implementation of its roadmap to re-accelerate growth initiatives and better balance billings and cost growth. Amongst other accomplishments, the past weeks saw successes on containing cost growth, thus reaching the company's cost control target and therefore contributing to continuous high profitability with a full-year adjusted EBITDA margin of 47% – above the revised guidance.

Updated strategy on capital allocation

As indicated in its recent trading update, TeamViewer has reviewed its capital allocation. On the back of a strong and long-term secured financing structure combined with continuously high cash flow generation, TeamViewer set a sustainable year-end leverage target of c. 1.5x adj. EBITDA. As a result, the company is initiating a buyback program of up to EUR 300m or a maximum of 20,000,000 shares (representing nearly 10% of all shares outstanding), in line with authorities granted by the shareholders' meeting on 3 September 2019. The buyback program is expected to start on 3 February 2022 and to be completed within 2022. The buyback program will be carried out in accordance with Regulation (EU) No. 596/2014 (Market Abuse Regulation) and other applicable rules and regulations. The vast majority of shares will be cancelled, and the share capital of the company will be reduced accordingly. The program demonstrates TeamViewer's confidence in the strong outlook for the business and its commitment to shareholder value creation by allowing shareholders to participate in the success of the company, while at the same time ensuring sufficient strategic flexibility going forward.

Financial Overview

In Q4 2021 billings were up 20% yoy (+17% cc¹) at EUR 153.7m (Q4 2020: EUR 128.1m) resulting in full-year billings of EUR 547.6m and 19% growth yoy (+20% cc).

¹ at constant currencies

Q4 growth was driven by a particularly strong enterprise business, up 107% yoy at EUR 29.4m resulting in full year Enterprise billings of EUR 93m (2020: EUR 53m) up 75%. Since its inception three years ago, TeamViewer has now built a leading enterprise business and grown the segment to nearly 100 million euro in billings – corresponding to a close to fivefold increase compared to c. EUR 17m in 2019. TeamViewer added 827 new customers to its Enterprise business, now counting 2,712 customers and reflecting the attractiveness of the expanded solutions portfolio to customers across all industries. At the same time, the SMB business also contributed to the company's success with Q4 billings up 9% to EUR 124.4m and full year billings growth of 12% to EUR 455m compared to EUR 407m in 2020. The growth stems from higher volumes with existing customers as a result of continued cross- and upselling as well as winning new customers at higher price points. Overall Average Selling Price (ASP) within the SMB business increased by 4% to EUR 728.

Overall subscribers increased by 43,000 to 627,000, in line with the communicated corridor of 30-50k additional subscribers annually. In Q4 2021, the number of subscribers remained essentially flat as a result of TeamViewer's decision to suspend free-to-paid monetization campaigns since Q3 2021. The company intends to continue its strategy at the beginning of 2022, leading to an increasing seasonality of subscriber growth with the majority of new subscribers expected to be added in the second half of the year. However, given TeamViewer's strong focus on further developing existing SMB customers and the general shift of the business towards enterprise customers, the relevance of subscriber growth for the company's overall future growth is continuously decreasing.

In addition, Q4 saw a continued improvement of overall subscriber churn to 14% (Q4 2020: 15.1%), confirming TeamViewer's ability to retain the strong intake of customers won from the COVID pull forward demand in the prior year. The net retention rate significantly increased again to 105% in Q4 after 99% in Q3. The full year Net Retention Rate of 98% further underlines TeamViewer's success in building lasting customer relationships, especially in the enterprise business as well as for larger SMB customers.

Billings and Revenue per Region

EUR m	Q4 21	Q4 20	Δ yoy	Δ cc ¹	FY 21	FY 20	Δ yoy	Δ cc ¹
Billings (non-IFRS)	153.7	128.1	+20%	+17%	547.6	460.3	+19%	+20%
EMEA	85.5	73.5	+16%	+15%	296.0	246.4	+20%	+20%
AMERICAS	54.9	44.5	+24%	+18%	187.9	157.7	+19%	+22%
APAC	13.3	10.2	+31%	+30%	63.6	56.1	+13%	+14%
Revenue (IFRS)	132.3	121.0	+9%		501.1	455.6	+10%	
EMEA	70.1	65.1	+8%		267.7	248.3	+8%	
AMERICAS	46.7	40.6	+15%		172.4	149.1	+16%	
APAC	15.4	15.2	+1%		61.0	58.2	+5%	

1) At constant currencies

In terms of regional performance, fourth quarter billings growth was especially strong in the APAC region achieving EUR 13.3m (Q4 2020: EUR 10.2m; +31% yoy). With Sojung Lee who joined TeamViewer's Senior Leadership Team as the new President APAC in December, the company has won a proven enterprise software expert with extensive knowledge of the important Asian markets, thereby significantly strengthening its expertise in one of TeamViewer's key growth regions. Billings in the AMERICAS grew by 24% to EUR 54.9m in the fourth quarter (Q4 2020: EUR 44.5m), while the EMEA region contributed Q4 billings of EUR 85.5m (Q4 2020: EUR 73.5m), growing by 16%.

The combination of a strong fourth quarter in terms of billings growth and successfully meeting a cost control target to rebalance OpEx and billings growth, led to a full year adjusted EBITDA of EUR 257m (47% adj. EBITDA margin), thus above guidance.

In 2021, IFRS revenue amounted to EUR 501.1m. The corresponding revenue growth of 10% yoy remained affected by the transition to the Software-as-a-Service (SaaS) subscription model in 2018. In 2021 revenues from the discontinued perpetual business model accounted for EUR 2.6m compared to EUR 46.3m in 2020. This decline reduced overall reported revenue growth. More importantly, revenue from the subscription model was up 22% in 2021 to EUR 498.5m (2020: EUR 409.3m).

TeamViewer's Operating Profit under IFRS decreased in 2021 from EUR 164m to 117m due to lower revenues and gross profits from the discontinued perpetual business model as well as the investments into the marketing partnerships. Despite higher investments, TeamViewer achieved a very strong adjusted EBITDA as well as a strong net cash generation of EUR 76.4m from operating activities in the fourth quarter (Q4 2020: EUR 64.2m) and EUR 194m for the full year, compared to EUR 225m in 2020. As a result of strong billings growth, Operating cash flow in the fourth quarter was particularly strong. Capital expenditure in 2021 of EUR 15.2m (2020: EUR 26.1m) significantly decreased compared to 2020 as larger projects such as the rollout of a new ERP system as well as the move to new headquarters were successfully concluded. As a result of the strong profitability in combination with low working capital requirements and low capex, cash and cash equivalents increased to EUR 551m in the fourth quarter (Q4 2020: EUR 83.5m). The company's net leverage thus further decreased to 1.3 times of adjusted EBITDA (2020: 1.7x).

Outlook

TeamViewer expects continuing demand growth for its solutions over the coming quarters. Global megatrends around digitalization, connectivity, and sustainability will continue to support the company's growth trajectory in 2022, as will the continued implementation of the measures communicated at the company's Capital Markets Day. Against this background, TeamViewer continues to target high teens billings growth and expects billings in a range of EUR 630-650m. Revenue is expected to increase in the mid-teens to EUR 565-580m. Adjusted EBITDA margin is expected to be between 45% and 47%. The company also expects its operating cash flows to increase significantly compared to 2021.

Additional information

This Quarterly Statement and all information therein are preliminary and unaudited.

Webcast

Oliver Steil (CEO) and Stefan Gaiser (CFO) will speak at an analyst and investor conference call at 9:00 CET on 2 February 2022 to discuss the results. The audio webcast can be followed via <https://www.webcast-egs.com/teamviewer20220202>. A replay will be available on the Investor Relations website under ir.teamviewer.com. The accompanying presentation can also be downloaded there.

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About TeamViewer

TeamViewer is a leading global technology company that provides a connectivity platform to remotely access, control, manage, monitor, and repair devices of any kind – from laptops and mobile phones to industrial machines and robots. Although TeamViewer is free of charge for private use, it has more than 625,000 subscribers and enables companies of all sizes and from all industries to digitalize their business-critical processes through seamless connectivity. Against the backdrop of global megatrends like device proliferation, automation and new work, TeamViewer proactively shapes digital transformation and continuously innovates in the fields of Augmented Reality, Internet of Things and Artificial Intelligence. Since the company's foundation in 2005, TeamViewer's software has been installed on more than 2.5 billion devices around the world. The company is headquartered in Goppingen, Germany, and employs around 1,500 people globally. In 2021, TeamViewer achieved billings of around EUR 548 million. TeamViewer AG (TMV) is listed at Frankfurt Stock Exchange and belongs to the MDAX. Further information can be found at <https://www.teamviewer.com/>.

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Financial Calendar

Annual Report 2021	16 March 2022
Q1 2022 Results	4 May 2022
Annual General Meeting	17 May 2022
Q2 2022 Results/ Half-Year Report 2022	3 August 2022
Q3 2022 Results	3 November 2022

IMPORTANT NOTICE

Certain statements in this communication may constitute forward looking statements. These statements are based on assumptions that are believed to be reasonable at the time they are made, and are subject to significant risks and uncertainties, including, but not limited to, those risks and uncertainties described in TeamViewer's disclosures. You should not rely on these forward-looking statements as predictions of future events and we undertake no obligation to update or revise these statements. Our actual results may differ materially and adversely from any forward-looking statements discussed in these statements due to several factors, including without limitation, risks from macroeconomic developments, external fraud, lack of innovation capabilities, inadequate data security and changes in competition levels. 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 stated figures are preliminary and unaudited.

Alternative performance measures (APMs)

This document contains certain alternative performance measures (collectively, "APMs") including billings and Adjusted EBITDA that are not required by, or presented in accordance with, IFRS, German GAAP or any other generally accepted accounting principles. TeamViewer presents APMs because they are used by management in monitoring, evaluating and managing its business and management believes these measures provide an enhanced understanding of TeamViewer's underlying results and related trends. The definitions of the APMs may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools and should, therefore, not be considered in isolation or as a substitute for analysis of TeamViewer's operating results as reported under IFRS or German GAAP. APMs such as billings and Adjusted EBITDA are not measurements of TeamViewer's performance or liquidity under IFRS or German GAAP and should not be considered as alternatives to results for the period or any other performance measures derived in accordance with IFRS, German GAAP or any other generally accepted accounting principles or as alternatives to cash flow from operating, investing or financing activities.

TeamViewer has defined each of the following APMs as follows:

"Billings" represent the (net) value of invoiced goods and services charged to customers within a period and constitute a contract as defined by IFRS 15.

"Adjusted EBITDA" is defined as operating income (EBIT) as per IFRS plus depreciation and amortisation of tangible and intangible fixed assets (EBITDA), adjusted for change in deferred revenue recognised in profit or loss during the period under consideration and for certain transactions that have been defined by the Management Board in agreement with the Supervisory Board (income and expenses). Business events to be adjusted relate to share-based compensation models and other material special items of the business which are presented separately to show the underlying operating performance of the business.

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

Operational metrics and other financial measures for information purposes

This document also includes further certain operational metrics, such as Net Retention Rate, and additional financial measures that are not required by, or presented in accordance with IFRS, German GAAP or any

other generally accepted accounting principles (collectively, “other financial measures”). TeamViewer presents these operational metrics and other financial measures for information purposes and because they are used by the management for monitoring, evaluating and managing its business. The definitions of these operational metrics and other financial metrics may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools and should, therefore, not be considered in isolation or as a substitute for analysis of TeamViewer’s operating results, performance or liquidity as reported under IFRS or German GAAP.

TeamViewer has defined these operational metrics and other financial measures for information purposes as follows:

“Levered free cash flow” (FCFE) means net cash from operating activities less capital expenditure for property, plant and equipment and intangible assets (excl. M&A), payments for the capital element of lease liabilities and interest paid for borrowings and lease liabilities.

„Net leverage ratio“ means the ratio of net financial liabilities (sum of interest-bearing loans and borrowings, current and non-current, less cash and cash equivalents) to Adjusted EBITDA (LTM).

“Net retention rate” or “NRR” is calculated as recurring billings (subscription renewals, up-selling and cross-selling activities) over the last twelve months attributable to retained subscribers (subscribers who were subscribers in the previous twelve-month period) divided by the total recurring billings from the previous twelve-month period.

“Retained Billings” means recurring billings (renewals, up- and cross sell) attributable to retained subscribers who were subscribers in the previous twelve-month period.

“New Billings” means recurring billings attributable to new subscribers.

“Non-recurring Billings” means all billings that do not recur such as professional services and hardware reselling.

Consolidated Profit & Loss Statement (unaudited)

€ thousand	Q4 2021	Q4 2020	FY 2021	FY 2020
Revenue	132,252	120,971	501,097	455,614
Cost of sales	(17,288)	(17,465)	(70,944)	(64,102)
Gross profit	114,964	103,506	430,153	391,512
Research and development	(17,267)	(15,439)	(62,137)	(46,627)
Marketing	(28,481)	(11,241)	(96,070)	(38,459)
Sales	(13,793)	(25,096)	(89,165)	(77,707)
General and administrative	(13,055)	(12,604)	(51,532)	(54,939)
Bad debt expenses	(3,689)	(3,825)	(15,995)	(14,576)

Other income	2,851	3,231	5,039	5,256
Other expenses	(242)	(185)	(2,869)	(415)
Operating Profit	41,288	38,346	117,424	164,045
Finance income	201	50	599	2,953
Finance costs	(5,198)	(4,561)	(19,170)	(22,887)
Foreign currency income	7,892	15,665	20,259	43,873
Foreign currency costs	(9,356)	(3,245)	(33,723)	(17,598)
Profit before taxation	34,827	46,255	85,389	170,385
Income taxes	(6,386)	(17,316)	(35,337)	(67,358)
Profit/(loss) for the period	28,441	28,939	50,051	103,027
Basic number of shares issued and outstanding	200,356,977	200,000,000	200,130,077	200,000,000
Earnings per share (in € per share)	0.14	0.14	0.25	0.52
Diluted number of shares issued and outstanding	200,356,977	200,160,215	200,611,286	200,063,861
Diluted earnings per share (in € per share)	0.14	0.14	0.25	0.51

Consolidated Balance Sheet (unaudited)

€ thousand	31 December 2021	31 December 2020
<i>Non-current assets</i>		
Goodwill	667,224	646,793
Intangible assets	248,159	255,330
Property, plant and equipment	45,484	40,469
Financial assets	4,848	4,516
Other assets	3,824	857
Deferred tax assets	496	159
Total non-current assets	970,035	948,124
<i>Current assets</i>		
Trade receivables	11,560	19,667
Other assets	13,029	7,594

Tax assets	1,513	52
Financial assets	0	4,456
Cash and cash equivalents	550,533	83,531
Total current assets	576,635	115,301
Total assets	1,546,670	1,063,425

Consolidated Balance Sheet (continued) (unaudited)

€ thousand	31 December 2021	31 December 2020
<i>Equity</i>		
Issued capital	201,071	201,071
Capital reserve	394,487	366,898
(Accumulated losses)/retained earnings	(276,803)	(326,854)
Hedge reserve	12	(61)
Foreign currency translation reserve	1,320	(343)
Total equity attributable to shareholders of TeamViewer AG	320,087	240,711
<i>Non-current liabilities</i>		
Provisions	366	433
Financial liabilities	842,495	440,153
Deferred revenue	6,095	361
Deferred and other liabilities	2,032	1,614
Other financial liabilities	8,769	0
Deferred tax liabilities	29,764	29,186
Total non-current liabilities	889,522	471,747
<i>Current liabilities</i>		
Provisions	1,893	2,225
Financial liabilities	34,973	82,099
Trade payables	7,272	8,304
Deferred revenue	244,480	214,811
Deferred and other liabilities	41,784	39,120
Other financial liabilities	5,911	29
Tax liabilities	749	4,378
Total current liabilities	337,061	350,966

Total liabilities	1,226,583	822,714
Total equity and liabilities	1,546,670	1,063,425

Consolidated Cash Flow Statement (unaudited)

€ thousand	Q4 2021	Q4 2020	FY 2021	FY 2020
<i>Cash flows from operating activities</i>				
Profit before taxation	34,827	46,255	85,389	170,385
Depreciation, amortisation and impairment of non-current assets	13,256	11,455	50,918	41,096
Increase/(decrease) in provisions	(265)	890	(399)	753
Non-operational foreign exchange (gains)/losses	2,162	(13,199)	15,902	(30,541)
Expenses for equity settled share-based compensation	(12,875)	14,115	27,590	47,308
Net financial costs	4,998	4,511	18,571	19,935
Change in deferred revenue	15,200	7,349	35,403	2,233
Changes in other net working capital and other	22,746	1,514	4,114	6,785
Income taxes paid	(3,634)	(8,711)	(43,513)	(33,417)
Cash flows from operating activities	76,415	64,179	193,973	224,536
<i>Cash flows from investing activities</i>				
Payments for tangible and intangible assets	(3,133)	(3,387)	(15,231)	(26,145)
Payments for financial assets	(310)	0	(310)	(51)
Payments for acquisitions	0	0	(23,383)	(84,053)
Cash flows from investing activities	(3,443)	(3,387)	(38,924)	(110,249)

Consolidated Cash Flow Statement (continued) (unaudited)

€ thousand	Q4 2021	Q4 2020	FY 2021	FY 2020
<i>Cash flows from financing activities</i>				
Repayments of borrowings	(25,204)	(23,845)	(77,934)	(62,832)

Proceeds from borrowings	0	0	400,000	0
Payments for the capital element of lease liabilities	(2,236)	(1,505)	(6,884)	(4,863)
Interest paid for borrowings and lease liabilities	(3,025)	(3,234)	(14,078)	(28,071)
Cash flows from financing activities	(30,465)	(28,584)	301,104	(95,766)
Net change in cash and cash equivalents	42,507	32,209	456,154	18,521
Net foreign exchange rate difference	5,758	(1,468)	11,779	(6,082)
Net change from cash risk provisioning	(223)	(179)	(930)	(61)
Cash and cash equivalents at beginning of period	502,491	52,969	83,531	71,153
Cash and cash equivalents at end of period	550,533	83,531	550,533	83,531