

## TeamViewer with very strong second quarter growth and high profitability

- Q2 billings up 45% yoy to EUR 105.9m and H1 billings of EUR 225.7m (+59% yoy)
- Q2 Adjusted EBITDA of EUR 57.3m (+60% yoy) and H1 Adjusted EBITDA of EUR 131.1m (+78% yoy)
- Number of subscribers grown to more than 534,000
- Deleveraging ahead of plan with net leverage reduced to 1.9x Adjusted EBITDA
- Ubimax acquisition announced, significant increase of Total Addressable Market
- Full-year guidance confirmed, excluding impact of Ubimax transaction

**Goppingen, 4 August 2020:** TeamViewer today reported a very strong second quarter driven by sustained demand for its connectivity solutions, despite the challenging global economic conditions. Following a record first quarter which was driven by exceptionally high demand for immediate remote access and working from home solutions due to the COVID-19 pandemic, Q2 billings grew by 45% year-over-year (yoy) to EUR 105.9m (Q2 2019: EUR 73.1m). This results in first half billings of EUR 225.7m, up 59% compared to H1 2019 (EUR 141.6m). Adjusted EBITDA grew by 60% yoy to EUR 57.3m (Q2 2019: EUR 35.8m) leading to an Adjusted EBITDA margin of 54% (Q2 2019: 49%). Adjusted EBITDA in the first six months grew by 78% to EUR 131.1m compared to EUR 73.5m in H1 2019.

Oliver Steil, CEO of TeamViewer, said: “TeamViewer continues to grow strongly combined with a very high profitability. With our strategic growth initiatives, we are well positioned to benefit from underlying market trends such as remote work and the digitalization of industries around the globe. The enterprise segment will be further strengthened by our acquisition of Ubimax, the leader in Wearable Computing and Augmented Reality solutions for the frontline workforce.”

Stefan Gaiser, CFO of TeamViewer, said: “Based on our very strong and resilient financial performance we have deleveraged the business even faster than initially expected. This provides us with additional flexibility to invest in growth while maintaining above market profitability.”

### Business Update

On 15 July 2020, TeamViewer announced that it will acquire Ubimax to create the global leader in connectivity solutions and industrial workplace technology. The company’s first transaction allows TeamViewer to further drive its three strategic growth initiatives – strengthening customer segment coverage, use case innovation, and geographical expansion.

TeamViewer will significantly expand its Augmented Reality (AR) and Internet of Things (IoT) offering with industry-specific solutions for enterprise customers, following the Ubimax acquisition. The combination will also accelerate the development of new use cases applying Ubimax’s proven experience in industrial workflow integration – with a specific focus on Data Analytics and Artificial Intelligence. The transaction will lead to a significant enlargement of TeamViewer’s Total Addressable Market to EUR 40bn in 2023. Subject to ordinary conditions, the closing of the transaction is expected to occur within the third quarter 2020.

After the exceptional demand for TeamViewer solutions in the first quarter following the quarantine measures due to the COVID19 pandemic, TeamViewer’s subscriber base kept growing to more than 534,000 paying customers in the first half of 2020 (30 June 2019: 368,000). An additional billings growth driver was the continued expansion of the enterprise segment. The number of customers with an annual contract value of at least EUR 10,000 increased to 1,457 as of 30 June 2020, representing 181% growth yoy (30 June 2019: 518). Higher penetration in the global enterprise market also led to an 133% increase

yoy in the accumulated contract value of the top 50 deals to EUR 6.3m (30 June 2019: EUR 2.7m) and further diversification across industry verticals and customer segments.

During times of reduced mobility, TeamViewer provided an essential service to its users by allowing more free usage. This has led to an increased activity on TeamViewer’s global connectivity platform. Until 30 June 2020 TeamViewer’s software has been installed on more than 2.36bn devices.

### Update on 2016 Cyber Attack

As previously disclosed, TeamViewer was in the fall of 2016 target of a cyber-attack. In relation to this, TeamViewer, as a potential victim, cooperated globally with law enforcement agencies. Recently, TeamViewer’s lawyers were contacted by one of those agencies providing a brief factual update on the status of their investigations. In this update, the agency mentioned evidence for data losses derived from the events around 2016, which might lead to notice requirements vis-à-vis data protection authorities and customers – pending detailed analysis. However, they did mention as well that there is no evidence of data misuse following a series of remediation measures and infrastructure hardening undertaken by TeamViewer ending in mid 2018. Numerous independent certifications, security code reviews and penetration tests over the last years together with a 24/7 Security Operations Center ensure TeamViewer’s leading cyber defence posture.

### Financial Update

Despite the on-going challenges posed by COVID-19, TeamViewer delivered strong billings growth of 63% across the Americas in Q2 2020 (compared to Q2 2019), also driven by continued traction in the enterprise segment. In the EMEA region, billings increased by 40% and contributed more than half of Q2 Group billings due to a well-balanced performance across all sales channels. As the smallest region by billings, yet with a very large free user base, APAC was impacted more by the suspension of active free-to-paid conversion than the other regions. The billings grew by 34% in Q2 2020. During H1 2020, billings grew by 73% in Americas, by 56% in EMEA and by 45% in APAC.

### Key Figures:

EUR m	Q2 2020	Q2 2019	YoY Chg.	H1 2020	H1 2019	YoY Chg.
<b>Billings</b>	<b>105.9</b>	<b>73.1</b>	<b>45%</b>	<b>225.7</b>	<b>141.6</b>	<b>59%</b>
EMEA	56.1	40.2	40%	124.9	79.9	56%
AMERICAS	32.8	20.2	63%	71.0	41.1	73%
APAC	17.0	12.7	34%	29.8	20.6	45%
<b>Revenue</b>	<b>114.7</b>	<b>94.5</b>	<b>21%</b>	<b>217.4</b>	<b>181.2</b>	<b>20%</b>
EMEA	63.1	53.8	17%	119.5	103.1	16%
AMERICAS	37.2	29.1	28%	70.5	56.2	25%
APAC	14.5	11.6	25%	27.5	22.0	25%
<b>Adj. EBITDA</b>	<b>57.3</b>	<b>35.8</b>	<b>60%</b>	<b>131.1</b>	<b>73.5</b>	<b>78%</b>
<b>Margin (%)</b>	<b>54%</b>	<b>49%</b>		<b>58%</b>	<b>52%</b>	

Following the full transition to subscription in 2018, the remaining deferred revenue from perpetual licenses sold previously has been largely released during the first and second quarter of 2020. Therefore, the difference between Q2 2020 revenue and billings decreased compared to the same period last year. For H1 2020, billings exceeded revenue due to record billings during the first quarter. These billings will be recognized as revenue over the following 12 months, therefore positively impacting revenue for the full year 2020 and Q1 2021.

TeamViewer's efficient customer acquisition model has enabled continued profitable growth. Adjusted EBITDA for the second quarter 2020 increased to EUR 57.3m (Q2 2019 EUR 35.8m) resulting in an Adjusted EBITDA margin improvement of five percentage points. In the first half 2020 Adjusted EBITDA grew by 78% yoy to EUR 131.1m (H1 2019: EUR 73.5m) with an Adjusted EBITDA margin of 58%. Reported EBITDA decreased slightly to EUR 54.5m in Q2 2020 (Q2 2019: EUR 55.9m) and to EUR 101.3m during H1 2020 (H1 2019: EUR 108.2m), due to lower deferred revenue releases from perpetual license sales in prior years and accounting effects from share-based compensation<sup>(1)</sup>

TeamViewer's strong profitability allows for above market cash generation, as a result of the Group's subscription model and light asset base. Cash and cash equivalents have more than doubled to EUR 149.8m, since the beginning of 2020 (31 Dec 2019: EUR 71.2m) leading to a reduction of net financial debt to EUR 462.6m (31 Dec 2019: EUR 545.6m). As a result, net leverage has fallen from 3x Adjusted EBITDA at the end of last year to 1.9x on 30 June 2020. Thereby, TeamViewer has achieved its deleveraging target of less than 2x six months ahead of plan.

### **Full-year guidance confirmed**

Excluding any contribution from the Ubimax transaction and despite the weakening of the U.S. Dollar TeamViewer confirms its full year guidance with the following targets:

- billings of around EUR 450m,
- revenue of at least EUR 450m due to significant first quarter 2020 billings and therefore higher deferred revenue releases before year end,
- an Adjusted EBITDA margin of around 56%, and
- capital expenditure of EUR 25-30m.

### **Conference Call and Webcast Details**

On 4 August 2020 at 8:30 AM CEST / 7:30 AM BST there will be a press call to present the results to the media. If interested, please register your participation via [press@teamviewer.com](mailto:press@teamviewer.com).

Oliver Steil (CEO) and Stefan Gaiser (CFO) will host an analyst and investor conference call at 2:00 PM CEST / 1:00 PM BST on 4 August 2020 to discuss the results. The audio webcast can be followed via <https://webcasts.eqg.com/teamviewer20200804>. A replay will be available on the Investor Relations website under <https://ir.teamviewer.com/websites/teamviewer/English/1/investor-relations.html>. The accompanying presentation as well as the half-year 2020 report can be also downloaded there.

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<sup>1</sup>So-called IFRS 2 charges are largely related to share-based incentives that are fully funded by Permira as the selling shareholder in last year's IPO.

### **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 500,000 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 or Artificial Intelligence.

Since the company's foundation in 2005, TeamViewer's software has been installed on more than 2.2 billion devices around the world. The company is headquartered in Goppingen, Germany, and employs more than 1,000 people globally. In 2019, TeamViewer achieved billings of around EUR 325 million. TeamViewer AG (TMV) is listed at Frankfurt Stock Exchange and belongs to the MDAX. Further information can be found at [www.teamviewer.com](http://www.teamviewer.com).

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Goppingen, 4 August 2020

### **Financial Calendar**

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Q3 2020 Quarterly Statement

10 November 2020

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## **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. All stated figures are 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 goods and services invoiced to customers in a given period whose realization is probable – it is defined as revenue adjusted for change in deferred revenue P&L-effective; "Adjusted EBITDA" means EBITDA, adjusted for P&L-effective changes in deferred revenue as well as for certain special items relating to share based compensations and other material items that are not reflective of the operating performance of the business;

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

### **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:

“Net retention rate” means annual recurring billings in the period considered less gross value churn plus billings from upselling and cross-selling, including foreign exchange effects and expiring discounts, as a percentage of annual recurring billings in the previous the period considered;

“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; and

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