



Quarterly Statement Q1 | 2022

GOPPINGEN, GERMANY, 4 May 2022

Q1 2022: TeamViewer continues growth trajectory fueled by growing Enterprise business; increases profitability

- Double-digit billings growth of 12% yoy (8% cc) to EUR 163.5m with strong retention of pandemic cohorts resulting in 101% NRR (99% LTM)
- Adjusted EBITDA margin of 51% driven by strong operating leverage
- SMB business up 4% yoy with higher quality tiers growing 15% yoy (LTM); entry segment continues to decrease as percentage of SMB billings
- Continued Enterprise momentum with billings up 51% yoy at EUR 35.2m accounting for 22% of total billings
- Promising pipeline build around strategic partnerships and leading Augmented Reality solutions
- Executive Board strengthened: Michael Wilkens named new Chief Financial Officer; Peter Turner to become Chief Commercial Officer
- FY 2022 guidance unchanged: 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	Q1 2022	Q1 2021	Δ yoy	Δ cc ¹
Billings (non-IFRS)	163.5	146.6	12%	8%
Adj. EBITDA (non-IFRS)	83.2	90.0	-8%	
Adj. EBITDA Margin (%)	51%	61%	-10pp	
Revenue (IFRS)	134.5	118.3	14%	
Levered Free Cash Flow	21.9	25.0	-13%	
Subscribers (thousand, 31 March)	620	603	3%	
Employees (FTE, 31 March)	1,342	1,378	-3%	

1) At constant currencies

«We achieved double-digit growth on top of 2020's and 2021's strong first quarters, underlining the resilience of our business despite general macro-economic uncertainty and a more normalized working environment. Building on our extended solutions portfolio and leading AR technology, the Enterprise business is growing strongly with an ever-increasing contribution to our success. Our profound process know-how, relevant integrations and major partnerships with SAP, Google Cloud and Microsoft, will continue to attract corporates around the world and drive our fast-growing Enterprise business in the future. The continued decoupling of billings and subscriber growth additionally underlines the increasing maturity of our business which is shifting towards customers with higher contract values.»

Oliver Steil, TeamViewer CEO

«With our first quarter results we are setting a good base to build on. I am especially pleased that we have further improved on our outstanding profitability, while strategic investments in solutions and brand positioning are fully factored in. Comparing billings growth and profitability over the last two quarters clearly shows that we are fully on track with the implementation of our operational excellence measures initiated at the Capital Markets Day. As anticipated, our subscriber base remained broadly stable during the first quarter with subscriber growth expected to kick in after reactivating our free user monetization campaigns in the course of the year. That said, our strong Net Retention Rate underlines once again TeamViewer's ability to build and maintain long-lasting customer relationships.»

Stefan Gaiser, TeamViewer CFO

In the first quarter, billings were up 12% yoy (+8% cc) at EUR 163.5m (Q1 2021: EUR 146.6m). The adjusted EBITDA margin came in at 51%, up seven percentage points compared to Q4 2021 (44%), which is above expectations and a strong proof of TeamViewer's outstanding profitability. Total billings grew steadily as a result of continued strong growth in the Enterprise business as well as in higher value SMB tiers. Against the backdrop of the deliberate suspension of free-to-paid monetization campaigns, the subscriber base remained broadly stable at 620k (FY 2021: 627k). In addition, a stable Churn Rate of 14% (Q1 2021: 15%) as well as an improved Net Retention Rate of 101% (99% in Q1 2021) reflected overall customer satisfaction. On an LTM basis, the NRR stood at 99% (100% Q1 2021) with an upward trend particularly in the Enterprise segment with an NRR of >115% on LTM basis.

SMB Highlights

Looking at the SMB business, billings in the higher quality tiers with ACVs above EUR 500 per year grew strongly at 15% yoy (LTM), leading to an increase of the ASP within the SMB business up 4% yoy to EUR 745. At the same time, SMB growth was impacted by significant upsell of existing SMB clients into Enterprise customers. As expected, the entry segment below EUR 500 contract value per year saw a lower intake of new subscribers. This leads back to the deliberate and temporary suspension of the monetization of free users, a decision TeamViewer took in Q3 2021 to further nurture its free user ecosystem, as well as continued competitive pressure. The reintroduction of free-to-paid monetization in the course of the year is expected to support SMB billings and subscriber growth, particularly in the entry segment. In parallel, the company continues its efforts to enhance user experience and to advance TeamViewer's attractiveness for SMB customers with an upcoming major release of its key connectivity product. Against this background, the total number of SMB subscribers decreased slightly by 7k, solely stemming from the entry segment. Based on all this, overall growth in the SMB segment amounts to 4% yoy at EUR 128.3m (Q1 2021: EUR 123.3m).

Enterprise Highlights

In the Enterprise business, billings increased by 51% to EUR 35.2m (Q1 2021: EUR 23.2m), accounting for 22% of total billings. Growth was driven by the company's leading solutions offering and continued success in converting SMB customers into larger Enterprise accounts. In the first quarter, TeamViewer further improved its leading Enterprise Augmented Reality (AR) platform Frontline by developing a fully integrated Artificial Intelligence (AI) add-on to the product. "AiStudio" was launched recently and consists of a self-learning algorithm to easily train AI models for image and object recognition, thus enriching AR-based workflows with automated verification and adding immediate value for customers as human errors are reduced to almost zero. The continuous expansion of TeamViewer's AR offering underlines the company's strong position in the industrial Metaverse already today. At the beginning of the year, industry analyst firm ABI research recognized TeamViewer's Frontline platform as the number one European Enterprise AR offering.

In addition, TeamViewer continues its successful partnerships with industry frontrunners such as Microsoft, SAP and Google Cloud. The latest integration of TeamViewer's Enterprise Augmented Reality platform Frontline with the SAP® Extended Warehouse Management application further bolsters TeamViewer's footprint and improves access to Enterprise customers across the world. On the back of this, TeamViewer is seeing a good traction of a joint sales motion with SAP, resulting in a robust pipeline build. In combination with the enhanced product offering and continuous demand growth, TeamViewer was able to upsell existing accounts to larger ticket sizes, grow existing SMB customers into Enterprise accounts and add new customers, particularly for Operational Technology (OT). Against this background, Enterprise customers amounted to 2,873 (FY 2021: 2,712) and billings with more than 50k EUR ACV already account for more than half of overall billings in this segment.

The increasing focus on Enterprise is being accompanied by a more seasonal business intake due to Enterprise budgeting and sales cycles that lean more towards the second half of the year. Therefore, a further acceleration of new business is expected during the second half of the year with a peak closer to year end.

Business Highlights

In addition, TeamViewer remains attractive to its customers through continuously investing in industry-leading security which was recently recognized by cyber security ratings platform BitSight. TeamViewer ranked number one remote connectivity provider worldwide and is among the top five percent of around 75,000 technology companies in BitSight's database.

Moreover, as announced last year, Chief Financial Officer Stefan Gaiser will leave the company in mutual consent upon expiry of his contract in August this year. After a thorough global search process, the company announced that Michael Wilkens, Senior Vice President Group Controlling of Deutsche Telekom AG, has been named Chief Financial Officer of TeamViewer AG, effective September 1, 2022. Stefan and Michael are already working closely together to ensure a smooth transition. In addition, TeamViewer's Executive Board will be strengthened by Peter Turner, formerly Chief Commercial Officer at Czech multinational and publicly listed cyber security software company Avast plc, who will join TeamViewer as Chief Commercial Officer starting mid-July 2022.

Regional Highlights

All operating regions contributed to TeamViewer's double-digit billings growth of 12% yoy (+8% cc) to EUR 163.5m (Q1 2021: EUR 146.6m) in the first quarter. Billings in EMEA grew by 8% (7% cc) to EUR 93.8m (Q1 2021: EUR 86.7m). Moreover, the AMERICAS – TeamViewer's second largest regional market – posted the strongest increase in billings on a yoy basis, growing by 18% (10% cc) to EUR 53.1m (Q1 2021: EUR 44.9m). Furthermore, strong billings growth of 11% (9% cc) to EUR 16.6m yoy (Q1 2021: EUR 14.9m) was reported for the APAC region, confirming that TeamViewer is on the right track with its updated strategy for the region. In addition to Sojung Lee, who joined the company as the new President APAC in December, TeamViewer welcomed Helen Lee as new Country Manager and Head of Sales for South Korea. The recent opening of a regional headquarters in Singapore and the opening of a new office space in Adelaide further strengthen the company's footprint in the strategically important region.

Financial Highlights

The company achieved an adjusted EBITDA margin of 51% (FY 2021: 47%) which is above expectations for this quarter and was driven by successful cost containment efforts that have been announced at last year's Capital Markets Day and are already fully implemented and effective. Thus, the current margin has increased by seven percentage points compared to Q4 2021 (44%). Year on year, adjusted EBITDA

decreased by 8% to EUR 83.2m (Q1 2021: EUR 90.0m), mainly due to the full effect of the strategic marketing partnerships which were not included in Q1 2021.

With the transition to a pure subscription business model being completed, the company's IFRS revenues went up by 14% yoy to EUR 134.5m (Q1 2021: EUR 118.3m) while TeamViewer's IFRS operating profit decreased slightly by 2% to EUR 28.1m (Q1 2021: EUR 28.8m). Levered free cash flow decreased by 13% yoy to EUR 21.9m (Q1 2021: EUR 25.0m). Primary reasons for this development were planned advance payments for the marketing partnerships at the beginning of the year. Capital expenditures have continued to decline post the successful rollout of a new ERP system as well as the completed headquarters move in 2021 and are now at EUR 1.3m (Q1 2021: EUR 3.9m). Cash and cash equivalents at the end of the quarterly reporting period amounted to EUR 424.3m, which represents a slight decrease by 3% (Q1 2021: EUR 437.3m) also reflecting the share buyback program of the company. Finally, the net leverage ratio increased moderately to 1.8 times of adjusted EBITDA (Q1 2021: 1.6x).

TeamViewer's share buyback program, which the company announced with its full year results in February 2022, is well on track. As of 29 April 2022, 13.4m shares reflecting a value of EUR 185m have been bought back by the company which corresponds to 62% of the EUR 300m buyback program. As previously announced, the vast majority of the shares bought back by the company will be cancelled.

Billings and Revenue per Region

EUR m	Q1 2022	Q1 2021	Δ yoy	Δ yoy cc ¹
Billings (non-IFRS)	163.5	146.6	12%	8%
EMEA	93.8	86.7	8%	7%
AMERICAS	53.1	44.9	18%	10%
APAC	16.6	14.9	11%	9%
Revenue (IFRS)	134.5	118.3	14%	
EMEA	72.8	63.2	15%	
AMERICAS	45.9	40.1	15%	
APAC	15.8	15.0	5%	

1) At constant currencies

Impact of War in Ukraine

TeamViewer is deeply concerned about the war in Ukraine. As a global company, TeamViewer upholds the universal values of freedom and democracy, and condemns any form of violence and aggression. In response to Russia's ongoing horrific attack and in addition to complying with international sanctions, the company stopped its business activities in Russia and Belarus. Consequently, TeamViewer expects a negative impact on billings of approximately one percent going forward.

Outlook

Despite this impact, TeamViewer confirms its full year guidance and continues to target high teens billings growth and to expect billings in a range of EUR 630-650m. Revenue is expected to increase in the mid-teens to EUR 565-580m. The adjusted EBITDA margin continues to be expected to lie between 45% and 47%. This guidance, however, is subject to the overall uncertainty and macro-economic situation which – depending on further developments – may impact demand growth for TeamViewer’s solutions.

Additional information

This Quarterly Statement and all information therein are unaudited.

Webcast

Oliver Steil (CEO) and Stefan Gaiser (CFO) will speak at an analyst and investor conference call at 9:00 CEST on 4 May 2022 to discuss the results. The audio webcast can be followed via <https://www.webcast-egs.com/teamviewer20220504>. 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 around 620,000 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 1,400 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 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 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	Q1 2022	Q1 2021
Revenue	134,494	118,330
Cost of sales	(18,199)	(18,380)
Gross profit	116,295	99,950
Research and development	(16,793)	(13,814)
Marketing	(31,838)	(12,994)
Sales	(22,864)	(24,625)
General and administrative	(12,734)	(13,676)
Bad debt expenses	(4,430)	(4,495)
Other income	565	1,494
Other expenses	(118)	(3,078)
Operating Profit	28,083	28,761
Finance income	70	403
Finance costs	(4,808)	(5,248)
Foreign exchange income	6,754	4,738
Foreign exchange costs	(7,683)	(18,718)
Profit before tax	22,416	9,936
Income taxes	(7,724)	(6,690)
Profit after tax	14,692	3,246
Basic number of shares issued and outstanding	196,193,045	200,000,000
Earnings per share (in € per share)	0.07	0.02
Diluted number of shares issued and outstanding	196,193,045	200,380,918
Diluted earnings per share (in € per share)	0.07	0.02

Consolidated Balance Sheet (unaudited)

€ thousand	31 Mar 2022	31 Dec 2021
<i>Non-current assets</i>		
Goodwill	667,362	667,224
Intangible assets	238,722	248,159
Property, plant and equipment	44,221	45,484
Financial assets	4,801	4,848
Other assets	6,924	3,824
Deferred tax assets	692	496
Total non-current assets	962,724	970,035
<i>Current assets</i>		
Trade receivables	10,638	11,560
Other assets	28,756	13,029
Tax assets	4,962	1,513
Financial assets	675	0
Cash and cash equivalents	424,265	550,533
Total current assets	469,295	576,635
Total assets	1,432,019	1,546,670

Consolidated Balance Sheet (continued) (unaudited)

€ thousand	31 Mar 2022	31 Dec 2021
<i>Equity</i>		
Issued capital	201,071	201,071
Capital reserve	399,744	394,487
(Accumulated losses)/retained earnings	(262,111)	(276,803)
Hedge reserve	637	12
Foreign currency translation reserve	1,807	1,320
Treasury Share reserve	(148,857)	0
Total equity attributable to shareholders of TeamViewer AG	192,291	320,087
<i>Non-current liabilities</i>		
Provisions	368	366
Financial liabilities	847,426	842,495
Deferred revenue	7,387	6,095
Deferred and other liabilities	1,698	2,032
Other financial liabilities	8,801	8,769
Deferred tax liabilities	30,349	29,764
Total non-current liabilities	896,030	889,522
<i>Current liabilities</i>		
Provisions	2,004	1,893
Financial liabilities	34,604	34,973
Trade payables	8,125	7,272
Deferred revenue	258,881	244,480
Deferred and other liabilities	35,401	41,784
Other financial liabilities	3,516	5,911
Tax liabilities	1,166	749
Total current liabilities	343,698	337,061
Total liabilities	1,239,728	1,226,583
Total equity and liabilities	1,432,019	1,546,670

Consolidated Cash Flow Statement (unaudited)

€ thousand	Q1 2022	Q1 2021
Profit before tax	22,416	9,936
Depreciation, amortisation and impairment of non-current assets	13,131	11,937
Increase/(decrease) in provisions	113	1,217
Non-operational foreign exchange (gains)/losses	2,355	15,306
Expenses for equity settled share-based compensation	5,257	14,115
Net financial costs	4,738	4,845
Change in deferred revenue	15,693	13,062
Changes in other net working capital and other	(24,144)	(23,851)
Income taxes paid	(10,374)	(12,586)
Cash flows from operating activities	29,184	33,981
Payments for tangible and intangible assets	(1,317)	(3,859)
Payments for financial assets	0	0
Payments for acquisitions	(1,977)	(19,097)
Cash flows from investing activities	(3,293)	(22,956)

Consolidated Cash Flow Statement (continued) (unaudited)

€ thousand	Q1 2022	Q1 2021
Repayments of borrowings	0	(52,730)
Proceeds from borrowings	0	400,000
Payments for the capital element of lease liabilities	(1,428)	(1,107)
Interest paid for borrowings and lease liabilities	(4,540)	(3,975)
Purchase of treasury shares	(148,857)	0
Cash flows from financing activities	(154,825)	342,188
Net change in cash and cash equivalents	(128,934)	353,213
Net foreign exchange rate difference	2,795	1,516
Net change from cash risk provisioning	(129)	(930)
Cash and cash equivalents at beginning of period	550,533	83,531
Cash and cash equivalents at end of period	424,265	437,330