MAAT INVESTMENTGROUP

First Quarter 2026 Investor Letter

March 31st, 2026

Dear Fellow Investors,

We have just completed the fourth quarter and first full year as manager of your funds. Results for the quarter, and since inception are not as we hoped for, yet. The value of your capital has declined by 11.4% over the course of the year, while all comparable benchmarks have appreciated. A situation that we find frustrating and disappointing. Sentiments you no doubt share[1].

We run a concentrated portfolio at Maat. If a larger position experiences a large price move, then performance will reflect that immediately. For good, or bad. That has been the driver of results in these last three quarters. The one mitigant has been a lack of correlation between the holdings in your portfolio. That has unfolded, at least, as anticipated.

Given this performance, you may think we are down, pessimistic or caught in a loop of self loathing. This is not the case. Frustrated, yes. Miserable, no. Quite the contrary.

As we survey our portfolio, we feel optimistic and excited. Looking purely at results so far, one may think that is delusional. We think not.

Each of us are experienced in this field. We have all enjoyed halcyon periods where outperformance came easily and stress remained absent. Imbuing a triumphant feeling. Equally, we have all endured periods of underperformance where it felt like we could do nothing right. Where all feels like disaster. Such is the nature of investing.

Falling prey to such emotions, however, is best avoided. Rudyard Kipling advised the same in his wonderful poem, **If**: *"If you can meet with Triumph and Disaster, And treat those two impostors just the same…Yours is the Earth and everything that's in it, And – which is more – you'll be a Man, my son!"*

We try to take Mr. Kipling's advice, though we will settle for great performance, over time. To achieve this, we must try to remain cold and rational. Our confidence and excitement about the current portfolio is driven by our understanding of the investments within it. We look at the prospective returns those elements offer. We can imagine, quite clearly, just how they may be priced 3-4 years hence and what that means for returns.

This is not a novel activity for us. This is precisely what experience has taught us to do. On a personal note, the best performance I have experienced came after such frustrating periods.

Whether in late 2006, being short ahead of the GFC. Or from mid 2010 through the fall of 2011, sitting out a material rally in CMBS subordinate bonds, before changes in regulatory capital rules were implemented, setting of a catastrophic cascade in prices and the buying opportunity of a lifetime.

[1] It is a feature of our approach that our results will differ from benchmarks. Had we been managing your capital since the very beginning of 2025 then results would look markedly different. Two of our better ideas, held in our co-founder Dino Moertl's portfolio happened to play out in Q4 2024 / Q1 2025. Such is life.

With the former, after a challenging Q4 2006 and Q1 2007, we exceeded our budget of ~$50mm for the year by mid June, and made over $1bn by December. A feat we repeated in 2008 and 2009. With the latter, 2011 was a dud until September of that year. We ended that year flat. But made over 100% on the ample capital deployed that September in each of the following three years.

More recently, in 2019 we had an average year, following a drop of 15% the year before. One benchmark index, the MDAX returned more than double our score, at 29.1% that year. Things looked bleak. There were open questions as to whether we had lost our touch, our discipline, or our nerve.

However, the portfolio was superior and severely undervalued. We knew it would do well, only the timing was uncertain. Like a coiled spring, the pressure was released in 2020. Things looked very different, with hindsight, a few years later. From January 1st 2019 through January 1st 2023, our portfolio returned ~16.5% gross on an annualized basis, vs. ~3.5% for that same benchmark.

Why share these examples? Because we feel those past experiences are prologue for our current situation. We felt in 2019 that annual returns of 15% - 20% from the existing portfolio were highly likely over the next 5 years. Looking at the current portfolio, we think the prospects are even better. If that older portfolio acted like a coiled spring, this current portfolio looks like a loaded flywheel.

A bold claim. Easy for us to say, we know. But talk is cheap. In this letter, as with before, we will share with you a case study. It is the most important we have shared with you yet. As it covers our biggest loss thus far. The driver of our collective frustration over the past three quarters. We think that case can act as an exemplar for our bold claim about prospective returns.

This case study is long, and detailed. We want to make sure we share the full story with you, warts and all. As a result, we will keep the discussion of Macro events during the quarter to a minimum. We hope, that come the end of this letter, you will feel better informed and more comfortable with us as your fiduciary than ever before. Especially given results thus far.

One final note. Rahul and I will be attending and presenting at the Santangel's Roundtable in NYC on May 7th. We are there to promote the firm as part of a fundraising drive. We hope to launch an ICAV (QIAIF) in the latter half of the year. Should any of you be around and wish to meet up, we would love to see you.

With that context, we now turn to developments in markets and your portfolio.

Portfolio Results and Attribution

RETURNS	Q1 2026[1]	SINCE INCEPTION[2]
MAAT PORTFOLIO – GROSS	-11.4%	-10.6%
MAAT PORTFOLIO – NET	-11.6%	-11.4%
EUROSTOXX 600 (TR) – NET	-1.0%	8.4%

1 Through 31st March 2026
2 Inception Date 26th February 2025

For Q1 2026 your portfolio returned -11.6%, and since inception, your return was -11.4%, net in base currency. Driven in large part by one large position. The same which was a drag in performance for Q3 and Q4 of 2025. Given it was the second largest position, the impact was

dramatic. However, two other large positions also experienced draw downs, just towards the end of the quarter, for idiosyncratic reasons. At the time of writing, both of those have now recovered.

Market Developments

The first quarter appeared to be an echo of the prior one, with a calm feel and general optimism. The only ripples on the surface coming from concerns relating to private credit and AI. Topics we took some time to address in our last letter to you. Despite those concerns, a general air of complacency and contentment dominated. Perceptions of risk and the damage it can cause, had seemingly been lulled to sleep.

Markets were awoken brutally by a foghorn on the 28th of February. With the US and Israel attacking Iran and setting off the worst geopolitical/economic scare, arguably since the 1970's. This is a momentous event, and we fear Pandora's box has been opened. Whatever comes next is likely to be unpredictable and chaotic. Though the market doesn't seem to agree.

In the short-run, the most obvious economic consequence is the disruption of energy supplies and the related impact on the commodity chain reliant on abundant and cheap oil or natural gas. The latter being critical to world supplies of fertilizer, for example. The 'Strait of Hormuz' is now common in western lexicon, and is considered by most to be more like an economic strait jacket.

The economic system is undergoing a severe shock. Such events tend to have unforeseeable consequences. For example, the oil shock of 1973-1974, which produced a four fold increase in crude prices, crippling western economies. Or the COVID lockdown induced collapse, which saw spot oil prices trade to a negative level.

The former strangled supply, while the later choked demand. Both were unanticipated. Momentous. And had dramatic long term effects on economic behaviour at both the country and consumer level. Not to mention the huge changes they had on society more generally. We suspect such a dramatic impact from this crisis is assured. Though how that will manifest we know not.

The immediate reaction to this event was to reprice any industries or companies with heavy direct exposure to energy prices, markedly lower. We had only one position, Mayr Melnhof, with large exposure of this nature, and reduced it immediately from a large to a very small position.

There will be second order effects too, with respect to energy availability, reduction in disposable incomes and subsequently on consumer demand. Your portfolio is less exposed to these impacts than any comparable benchmark index we can find. We continuously update our assumptions regarding how this situation affects the prospects of your investments in the coming 1 – 5 years.

As with Edenred last quarter, the shares in the company covered in the case study this quarter we believe will deliver exceptional results, regardless of what ends up happening with Iran. We think both are representative of the portfolio you have. Indeed, we remain heavily invested despite these incredible events because we believe you have a portfolio built to perform regardless.

As we have explained to you in prior letters, we will take on volatility if the returns are so good they shouldn't be ignored. That is precisely how we feel about your portfolio.

There is no doubt, however, that this conflict has created a dilemma for global central banks. If the conflict continues and energy prices climb further, it is inflationary and they may be forced to raise rates. Bad news for long duration, capital intensive or highly leveraged companies.

Thankfully, we have little exposure to such traits. However, fears around AI have not receded. Those have only grown. In the past 9 months fears relating to AI have germinated a narrative about a potential SaaS apocalypse. The hysteria has gotten to the point where some analysts seem to believe this will be the sixth great extinction. Who knew it would originate in Silicon Valley?

Few companies have been spared. Not even members of the Magnificent 7. Microsoft, for example has declined by 24% from its peak last July. When Microsoft released results on January 28th, 2026, despite a 60% jump in net income, the shares dropped 10% the following day. As growth disappointed vs. expectations. Investors had expected a 42% YoY growth from Azure, and became petulant when they received only 39%. That one day drop was one of the 8th largest daily drops since 1994 for Microsoft. All this prior to the events in Iran.

We have no doubt that AI will decimate certain software businesses. However, we think the markets blanket approach to paint the scarlet letter onto all SaaS companies is misguided. Thus far, investors have employed a 'Shoot now, aim later' approach. That is the norm during a market panic.

However, when the dust settles, we believe that investors will begin to discriminate between the survivors and the victims. The principles of evolution apply here. For businesses that are adaptable and resilient, AI may well prove a catalyst to better times ahead.

We do have exposure to a business threatened by the rise of AI. A large exposure. Rather than address our rationale for the above statements theoretically, we can explain best by example.

Mea Culpa: A Costly Case That Undermined Our Returns This Past Year

We are generalist investors, who will from time to time concentrate heavily in certain positions. This opens up a range of opportunities unavailable to narrow sector specialists. However, being a generalist is a risk in a very competitive field. A fair concern for anyone who invests with us. We are confident we can benefit from the opportunity, and mitigate the risk. How can we give you comfort that our judgement is sound?

In our prior 3 missives to you, we've covered three very different companies.

- Mayr-Melnhof (A tangible, asset heavy, old & family controlled cyclical at trough)
- Vistry (An asset light homebuilder in the UK, with a unique model analogized to NVR that we couldn't get comfortable with)
- Edenred (A misunderstood global network driven payments / services business, undergoing material, but temporary problems in its major markets)

Each of these companies, and their models are different from each other. With each we wanted to share with you how we evaluate things, and why we may add one position, but not another. Our hope is that you can see what questions we ask, where we focus our attention, the logic we employ and the analogies and assumptions we make. We want to show our work so you can see if we do what we say we do. From this you can assess our level of competence or if we are falling prey to behavioural biases.

We believe these case studies can aide you in making that assessment.

We have explained to each of you before investing with us that we aim to learn recursively over time. To iterate and improve. To achieve this we must measure outcomes versus our expectations. On winners and losers alike. We must also evaluate correlation across positions.

Experience is what you get when you didn't get what you wanted

My mother would remind me of this dictum whenever I complained as a youngster. I found it unhelpful at the time. I am grateful now. The right attitude and approach can turn disappointments into lessons and ensure improvement. Every mistake brings embarrassment. In investing, it also brings a financial penalty. It is only human to wish to evade both. Even more powerful is the temptation to forget or avoid dwelling on them when they do happen.

However, doing so prevents us from gaining the education and experience we have paid for by suffering those penalties. We think that is a graver mistake and compounds the original error. We know we will err. It is unavoidable. However, failing to learn from our mistakes is a sin we endeavour never to commit, no matter how tempting it may feel in the moment.

We believe that consistent learning is a necessity for anyone looking to become, or remain, an excellent investor. Few things are more revealing than witnessing someone explain their mistakes. We endeavour to be open with you in the way we would like to be treated if the roles were reversed.

Therefore, our case study for the letter after our first full year managing your capital covers our biggest loser over that year. Our greatest error thus far. How we erred, what we learned from it,

and what we are doing going forward. Both for the investment in question and the lessons for our process more generally.

This is uncomfortable to write. We hope it is less so to read. Come the end of this case, if you feel we're being too generous to ourselves, have lost objectivity or are blind to critical points and have holes in our logic, then please don't hesitate to let us know. Such is not our intent.

Such blind spots are things we would miss by definition, and we sincerely want to learn. We think many lessons have been learned with this investment.

The company in question is **TeamViewer**. We lost ~52%[2] on the name over the course of the year. Inclusive of incremental buying as the price dropped. This was below our estimate of a worst case price performance for the name in our bear case scenario. Like you, we wonder how we got it so wrong. For us to explain in a manner where you can fairly judge our reasoning we must first give you context. This is a SaaS company, and discussions or descriptions of what such companies do and why can be dry and hard to follow at the best of times. To make it readable and comprehensible (as much for ourselves as you!) we will be liberal with analogies in explaining things for this case. Let's get to it.

What Does TeamViewer Actually Do?

If you have ever had a family member call you in a panic because their laptop is acting strangely, you understand the core problem TeamViewer solves. You need to see what they see. Better yet, you need to take control of their screen and fix it yourself. Ideally without driving across town.

That is remote access. TeamViewer built the category. Founded in 2005 in Göppingen, Germany, the company makes software that lets one computer connect to another, securely, from anywhere in the world. Regardless of device type, operating system or default language. The person connecting can see the remote screen, move the cursor, open files, run diagnostics, install updates. As though they were sitting in front of the screen in person.

What does TeamViewer offer customers?

TeamViewer's product suite spans four areas.

Remote access and support. This is the original product. Something breaks, an employee calls, and an IT technician connects to that specific device, takes control of the screen, and fixes the problem. One technician, one device, one session. It is the digital equivalent of a house call. This is what made TeamViewer famous and it remains the largest piece of the business. Hundreds of millions of devices have TeamViewer installed. Every day, tens of millions of these connections are made.

Remote management and monitoring. If remote access is the house call, this is the security camera. No one has called with a problem. No one needs to. Instead, an administrator watches a dashboard showing the health of hundreds or thousands of machines simultaneously. Patch status, software versions, disk space, security compliance, all visible in one place. The system flags what needs attention before the user notices anything is wrong. The economic difference matters. One

[2] We lost 40% vs. our average cost basis through 2025, the 52% reflects through the end of March 2026.

administrator monitoring a thousand machines from a dashboard is far more efficient than the same administrator waiting for a thousand phone calls. However, this is still mostly reactive.

Endpoint management and Digital Employee Experience (DEX). This is newer. TeamViewer acquired a company called 1E in late 2024 to move into this space. DEX goes further than monitoring. It measures how well technology is actually working for employees. Is the laptop slow? Are applications crashing? Is the VPN dropping? The idea is that IT departments fix problems before employees notice them. If remote management is the security camera, DEX is the building inspector: not just watching for alarms, but testing the wiring, checking the plumbing, and replacing parts before they fail. This is an extension of remote management, but is far more proactive. As Warren Buffett famously advised, an ounce of prevention is worth a pound of cure. DEX was built on precisely that premise.

Frontline and Industrial IoT. TeamViewer acquired Ubimax to enter this space. Frontline uses augmented reality headsets and smart glasses in warehouses, factories, and logistics operations. For example, a warehouse worker wearing a headset receives visual picking instructions overlaid on their field of vision. This is a hands-free solution with the benefit of having error rates drop and a decline in training time. One of the world's top five beverage producers has deployed it across 350 warehouses recently. However, the appeal and total addressable market (TAM) has proven far more limited than hoped for at the time of acquisition.

How is the business arranged?

TeamViewer reports in two revenue pools.

SMB (small and medium business). The legacy cash engine. Hundreds of thousands of small businesses, freelancers, and IT consultants pay annual subscriptions for remote access. The product is largely self-service. Customers find it, download it, and buy online. Margins are high because there is almost no sales cost. However, churn has been rising. In Q4 2025, subscriber churn reached 16.4%, a new peak. Competitors like AnyDesk and Splashtop offer cheaper alternatives. The customers at the very bottom end, who pay the least, are the most price-sensitive and the most likely to leave.

Enterprise. The growth engine. Large organisations with thousands of devices, complex IT environments, and strict security requirements. Enterprise deals are larger, stickier, and growing. Enterprise Annual Recurring Revenue (ARR) grew 11% in constant currency in Q4 2025. Standalone, stripping out the 1E legacy base, enterprise grew 19%[3]. The sales motion here is different: dedicated account managers, longer cycles, customisation. This is where 1E and DEX sit.

However, the SMB segment covers a broader spectrum. We believe it is more sensible to further divide that business by the different types of end user clients, as we shall show.

How good is this business, really? Let us set aside the background and narrative for a moment and look at what this business actually produces.

[3] Yes, the DEX business they acquired actually shrank during the year. We will address that, I promise.

MAAT INVESTMENTGROUP

TeamViewer generated €768mm in revenue in 2025. Adjusted EBITDA was €328mm[4].

That is a margin of 42.8%. This for a business that requires very little in tangible physical assets or capitalized software. Capex for all items should not exceeded €10mm in any year in the medium term. Leaving only lease payments (under €13mm per year) and taxes (~32%) for cash flow leakage before shareholders take. These are exceptional economics.

How exceptional? TeamViewer produces an 88% ROIC[5], excluding goodwill, and 26% if you do include it. By way of comparison, If we took all listed companies in developed Europe, excluded financials and real estate companies, then of the ~2.7k[6] companies in that cohort, only 52 of those (2.0%) could exceed TeamViewer's tangible ROIC. Taking a more conservative view, 4.1% (108) could achieve that feat if we include Goodwill *(after a couple of thus far underwhelming acquisitions).*

If we look through the lens of EBITDA margin, then using the same universe, in 2025, only 2.9% (78) companies matched or bettered TeamViewer's. On the numbers alone, this puts TeamViewer in the top ventile. Rarefied air.

If one wanted to take a textbook view of the fair value multiple for this business, you could apply the McKinsey model formula, and make a couple of assumptions about growth and cost of capital. We avoid such formulaic thinking as a rule, but it is illustrative here. So let's assume a growth rate in perpetuity (g) of 3% and a weighted average cost of capital (WACC) of 8%. The formulaic[7] fair EV/EBITDA multiple given this is 10.5x – 11.5x depending on which ROIC you choose. Move that growth rate to 5.5% and that multiple range moves to 18.6x – 22.2x. The extreme input sensitivity is why we tend to avoid this. However, it will explain much a little later on.

At the time of our first purchase, we felt the market was under pricing TeamViewer at ~7.5x EV/EBITDA. Or to invert, the market was discounting zero growth in perpetuity.

Simple, but not easy

Remote Access sounds simple. It is, for the user. That simplicity is the selling point for the product. However, it is not easy to engineer.

Underneath it sits two decades of engineering around latency, security, encryption, firewall traversal, and device compatibility. TeamViewer works across an array of operating systems. Including Windows, Mac, Linux, iOS, Android, and ChromeOS. It connects through corporate firewalls without requiring IT departments to punch holes in their network. It routes traffic through a global network of servers that minimise lag even, on poor connections. For an IT administrator supporting a thousand employees across five countries, these are not optional features. It is a critical piece of infrastructure software that addresses a key vulnerability when it comes to cybersecurity. You don't have to take our word for it.

---

[4] For the avoidance of doubt, this is our internal Adjusted EBITDA which differs to the reported Adjusted EBITDA of €340mm, by not giving credit for LTIP, RSU and Other undefined adjustments.
[5] Where Invested Capital is defined as: Net PP&E plus Net Working Capital plus Capitalized Software Intangibles. We aren't cherry picking either, the average for 2020 – 2025 was ~100%.
[6] S&P Capital IQ data used for the screen, European Developed Markets, Public Operating Companies.
[7] $\frac{EV}{EBITDA} = \frac{(1-t)(1-g/ROIC)}{WACC-g} \cdot \frac{EBIT}{EBITDA}$; or $\frac{EV}{EBITDA} = \frac{(1-T)(1-D\&A/EBITDA)(ROIC-g)}{ROIC(WACC-g)}$; We don't blindly use or follow such multiples, but it makes discussion and comparison across company and time easier.

In 2024, Russian state-sponsored group Midnight Blizzard (one of the largest global bad actors) breached TeamViewer systems. The most interesting part was what happened next. The breach was contained to TeamViewer's internal corporate IT network and there is no evidence that the customer-facing remote access platform or production systems were compromised. TeamViewer publicly disclosed the incident in line with regulatory requirements. A positive signal on transparency. Competitors have struggled on this front and have not always been so transparent.

Security is not a one and done thing, it needs constant improvement. TeamViewer operates a multi-layer security framework aligned with the NIST Cybersecurity Framework (Identify → Protect → Detect → Respond → Recover):

Layer	Implementation
Encryption	End-to-end encryption of all remote sessions
Authentication	Two-factor authentication (2FA) mandatory for enterprise accounts
Access control	Role-based access limitations; principle of least privilege
Data transfer	Configurable restrictions on file uploads/downloads during sessions
Monitoring	24/7 Security Operations Centre; AI-assisted anomaly detection
Certifications	ISO 27001 (information security management)

95% of advanced persistent threat (APT) attacks originate from Russia, Iran, North Korea, and China. TeamViewer's explicit policy of not operating in these jurisdictions meaningfully reduces its attack surface relative to global software peers.

Most recently, TeamViewer has highlighted that it is in the final stages of obtaining FedRamp authorization. This is a mandatory security clearance required for a company to be eligible for selling software product to the Department of Defense and other US federal agencies. Very few software products in the world qualify in the face of such stringent compliance checks and security audits from the US government.

What Drew Us To This Business And Led Us To Invest?

We had researched and invested in the company in prior years and understood its legacy products. Our attention was drawn back following the ~€350mm / 20% destruction of market capitalization as investors digested the 1E deal in the months after it was announced in late 2024.

We felt that was an opportune time after the fall in the share price, for a business with such exceptional economics. We had no doubt that growth had slowed, but not to nil as the company pivoted the business model towards DEX and Enterprise.

Our first investment in the shares came in Q2 2025, at an average price of ~€12 per share after considerable research on their product suite and the opportunities in the DEX market. We will expand on our findings from the research on products, position and viability a little later.

The 1E acquisition was expensive in a market few understood much about. Management didn't spend a great deal of time explaining but levered up the company to fund it. This created understandable fear and increased execution risk for shareholders. Investors had scars from prior questionable capital allocation decisions.

Notwithstanding those facts, our research indicated that the strategic rationale behind entry to the DEX space was sound. It was the right strategic move, done at the wrong price. We believed that the degree of undervaluation in TeamViewers shares more than compensated for fears about leverage, or the risks of entering a new space.

We also felt that the overhang pressure from the last remaining 7.9% stake held by Permira, the private equity sponsor who had brought the company to market, was keeping marginal investors at bay. They were sure to be sellers of that block in the coming months. However, we believed the short-term price impact would correct quickly, and once cleared, would move focus back to fundamentals.

With the release of both Q1 and Q2 results, the operational development of the company and integration of 1E was reported as positive. Both in published reports, and in our conversations with Management. Yet, throughout the summer, the price continued to drop. We attributed this to skittishness about the impact of the Permira sale. Alongside the potential impact of headwinds from foreign exchange which had been called out by management as the only threat to guidance. There was mention that growth in 1E had been impacted by the budget cuts imposed by DOGE and the Trump administration. However, Management reiterated guidance and positive messaging. With no change in operations and a declining share price, we gradually increased our position. Ultimately making it the second largest investment.

After a brief rally into the start of September, the long anticipated Permira sale occurred, on September 4th. As the market digested that stake the share price remained under pressure. We met with members of Management on the 24th of September, at a conference in Munich.

There it was confirmed once again that integration of 1E remained on track, and full-year guidance in place. Once pressed, it was acknowledged that some more senior salespeople had left 1E post closing, despite attractive retention packages. This struck us as strange, given the high price paid and heavy focus strategically. However, we naively took the explanation of their being drawn away by the lure of AI riches in Silicon Valley at face value.

We did however convey our belief that any disappointment around the integration or growth of 1E would be punished horribly by the market. And that clear and candid communication on any problems that may arise would be far better received than defensiveness and excuses. It was just after this point that things went awry.

Reality Bites

After the close on the 21st of October, 2025, TeamViewer issued a profit warning for the full year of 2025 and revised down growth expectations for 2026. In tandem, they made an early release of their Q3 report, which wasn't due to be shared until November 4th.

Management's guidance for Annual Recurring Revenue (ARR) in 2025 and 2026 was reduced. As if this wasn't bad enough, the driver of the cut was a decline in ARR from 1E. Integration, it seemed, had not gone so well.

The reaction from analysts and investors was furious. Many voted with their feet and pocketbook. The share price declined by over 20% on the first day and was ~28% lower by the end of the year.

The credibility of Management had been damaged. Even more so, with the defensive tone in which they justified the late notice of problems and by placing the blame on the US Government reining in its belt.

We shared the frustration.

However, we again felt this was a substantial over reaction. Why?

From when we first began accumulating shares at ~€12 through to the profit warning, the decline in share price was 45%. By way of comparison, from the point of our first purchase, through year end consensus expectations on Revenue and EBITDA for 2025 had declined only 1.4% and 1.7% respectively. For 2026, those respective declines were 7% and 4.3%.

Moreover, the DOGE impact on 1E had been real. It was not the sole cause of problems, but it was a contributing factor. Moreover, 1E had historically experienced lumpy results, even without DOGE getting into the mix. As we had learned from our initial research.

Disappointing to be sure. And surely knowable to Management prior to this point. But far from a disaster. Nor enough in our mind to warrant such a disproportionate decline.

Finally, we were approaching what we had assessed as a floor price in our bear case, €6 per share. Our bear case had contemplated problems with 1E, along with cost inflation and issues in the other lines of business. That floor price reflected our conservative estimate both on how angrily investors would react to any disappointment on operations, as well as a much bigger hit to profitability.

Regarding our perception of how we thought other investors might react, we felt we were conservative on a floor of multiple of free cash flow (FCF) they would attribute to such a business. While for profits we thought we were being draconian.

Some data and contrast here is illuminating. For 2025 TeamViewer ultimately delivered €328mm[8] in EBITDA. Our bear case from mid 2025 was for €278mm. Consensus for 2026 at the time of our first purchase had EBITDA at €366mm. This had declined to €350mm by year end 2025. Our bear case for 2026 was €273mm. Our Bear case was ~15% below the actual disappointing realized result for 2025, and our estimate for 2026 is still 22% below now lowered consensus for 2026.

A cynic would say I spent extra time on how conservative we were in this regard. A cynic would be right! Where it mattered, however, we were…

Wrong!

On investor revulsion we couldn't have been more mistaken. By year end, the share price settled right at our floor price, having dipped below it for most of December. We felt chastened and disappointed. With ourselves more than Management.

[8] Our adjusted figure, compared to Management's €340mm.

We pride ourselves on thinking about path risk and capital allocation. Yet our 'conservative' estimate of both had proven completely naïve.

We took stock and reassessed. The company had deleveraged. Management was defensive. There would be little to no growth for 2026. But we focus further out. We also saw some positive hiring trends around the DEX business. And we had hit a floor on results far better than our bear case. Indeed, not far from our base case, which had been more conservative than consensus.

We felt we must be close to maximum pessimism, and rebalanced bigger once more

Wrong Again! Have you Met an LLM lately?

We had not considered TeamViewer to be a material risk for AI disruption. It was one of the first items we had researched and reached comfort on. Once again we failed to empathise adequately about how other market participants may be thinking.

Much of the SaaS space has been taken to the woodshed so far in 2026 after a horrid 2025. We *assumed* TeamViewer would be immune, given the calamity of the prior year. In the Charlie Murphy skit referenced above, Rick James asked Charlie a seemingly innocent question: ***What did the five fingers say to the face?***

The answer, as I am sure you know, was: ***SLAP!***

We couldn't have been more wrong again. Since the start of the year, the share price declined by a further 25%. Bringing the decline from our initial investment to 62.5% and 57% from our average cost basis at the time. An utter disaster. And boy, did we feel it! Slap indeed. Which leads naturally to the next question.

What have we done since year end?

The answer may surprise and alarm you.

We have in the past few weeks of this quarter made TeamViewer our largest position. The average cost basis is now below €7.5 per share. In light of the foregoing, it would not surprise me if you are currently pulling your hair out and questioning your decision to entrust your money to us?

That is what we would be doing. First, let us reflect. This has been a failure of judgement on two key variables we think and talk about a lot. Capital allocation and path risk.

We have given a brief, painful but honest accounting of the events as they unfolded and our actions in response to them. We want to be candid about what we do, and why. You should know how we think and why we act.

However, to answer the question we imagine you are asking: No, we don't think we have gone mad. We know the adages that apply here:

- We know it is a dangerous and foolhardy endeavour to try and catch a falling knife. Also,
- We agree that, one never has to make money back the way one lost it.

MAAT INVESTMENTGROUP

Each of us has considerable experience across various investment firms. History, and our own experience have shown the perils of doubling down on bad ideas. Jim Chanos explained why indirectly with his observation that many more stocks have gone to zero, than have ever gone to infinity.

We are aware of the impact of endowment bias and the power pride holds over our cognition. Not to mention that we may be suffering from loss aversion, anchoring or confirmation bias. We explain the above in all the embarrassing detail to try and preclude such a notion.

We also know that awareness of such pitfalls doesn't constitute immunity.

We don't believe we are suffering from these. But you can judge that more soberly than we can. Our detailed exposition here is our attempt to afford you precisely that opportunity.

But before we do that, we also know there is an equally insidious pattern of behaviour and mistakes that flow in the opposite direction. We have seen, all too often, investors run from an investment after a material price drop, despite knowing it is now remarkably undervalued and a wonderful risk vs. reward opportunity.

Such uneconomic sales are usually done on the back of anger, frustration, embarrassment and to a chorus of voices saying 'never again'. For some, the decision to sell is pain avoidance. For others, it may be the sensible move to redirect focus from a major mistake and the impression it gives. Reputations must be protected.

We have been tempted by both[9]. These rationales are perfectly reasonable, and may make business sense. However, they are examples of investment decisions being made for reasons unrelated to the prospective risk & return of the asset in question. We try to avoid this.

Rather, we have tried to put frustration, anger and embarrassment aside to focus on asking the right question.

How would a rational investor, who never invested in TeamViewer before, assess the opportunity today?

We acknowledge that growth has slowed. We agree that the purchase of 1E looks to have been overpriced, especially in light with what has happened to SaaS multiples in the time since. That is only compounded by the bad news of its first year under new management. For which communication in nature, tone and timing was woeful. The beating in credibility is warranted.

Perceptions and reputation matter for any Management team. In this case, they have much to atone for to earn back the trust they have lost. Either that, or we suspect the board will be forced to act. However, perceptions do change. Then there are the business fundamentals.

On that front we believe the business should grow into the future. The DEX space that 1E entered is an appealing market and strategically a great point for future growth. Additionally, we don't think that TeamViewer's products are likely to be supplanted by AI. Most importantly, the equity

[9] We know we are simplifying and omitting other major drivers of such sales; e.g. Risk rules like VAR, or stop losses

in the company is currently offering a yield[10] exceeding 25% at the current low valuation.

That seems very wrong to us.

Mr. Chanos is quite correct in his observation. But not all stocks go to zero. Moreover, the average price of a listed equity moves ~50% in a given year. In this case, we managed to unintentionally invert from our stated goal and buy at the top last year.

I mentioned earlier that at the price we originally entered, the implied growth rate was zero. That was at €12 a share. You have seen how estimates for profit growth have reduced. An upsetting, but not terrible decline. Especially if you separate out the impact of 1E, as we shall demonstrate.

Using the same lens, at a price of €4.35 per share, and now with less leverage the implied growth rate is now approaching minus 10% per annum.

Looking at multiples, or implied growth rates is very superficial. We know. Is the market really pricing minus 10% perpetual growth? We think not. Valuation is always a spectrum of possible outcomes being discounted back at some rate, with the outcomes being probability weighted.

As we see it, there are two broad cases where TeamViewer's equity is truly overvalued here, despite the incredibly attractive current yield:

- The economics of the business are about to nosedive, akin to 'Yellow Pages'
- The large cash flow from the business will be wasted in foolish ways

There are some who are fearful of the former. We have our own view and will share with you why we think TeamViewer is not yet on the downslope of the roller coaster. We think many share this view in fact. That leaves the latter.

We believe the market simply does not trust leadership of the company to invest shareholders cash wisely. Indeed, they are voting with their feet and at such a low value that the message is even starker. They are convinced the money will be incinerated.

To our mind, the probability people assign to a dire outcome of perpetual capital misallocation has increased markedly. While the probability of an excellent outcome both on operations, and on wise investment of that bountiful cashflow has been moved close to zero.

Those moves are not unwarranted. Investors have good cause for concern. The record of capital allocation over the past 5 years has, with the benefit of hindsight, been incredibly disappointing.

Meanwhile, there has been a reluctance to accept or admit to mistakes having been made. Habitual reoffence combined with no acknowledgement of problem can never inspire confidence.

Notwithstanding any of this, we think that judging solely with hindsight bias is unfair and misguided. There is no doubt Management and the board have made serious errors with capital in the last few years. However, this was not done with malice. As we see it, the intention and rationale behind decisions that now look foolish were sensible. It was the amount spent in areas not so well

[10] Free cash flow to Equity (FCFE) divided by the Market Capitalization: We define it as EBITDA – Net Finance Costs & FX – Capex – Leases – Taxes

understood that caused heartbreak. There was strategic rationale, but no sense of proportion or moderation.

Or in terms we think of, Management got caught up in the potential upside of activities, but failed to adequately consider the risk. They genuinely believed in the merits of their decisions. However, to quote my mother once again, whenever I attempted to talk myself out of trouble by explaining I meant well: **The road to hell is paved with good intentions!**

As we survey the damage, we believe that most shareholders are simply fed up.

I can't blame them. We have had such conversations internally. The record looks poor. Accountability has been lacking, while the goal posts seem to be in perpetual motion. Excuses proliferate, and responsibility hides. And yet… we think that lessons have now been learned.

I know, I know. We are ignoring all prior evidence and assuming a total pivot. You wouldn't be unreasonable to accuse us of the pattern shown in the image below:

However, we really do think the penny has dropped. We also believe the CEO loves his business and colleagues.

Moreover, he is a good operational manager and helped to build a remarkable enterprise over the past 8 years. We will show the missteps taken in the past 5 years.

We also think it would be unfair to ignore his achievements. Revenues are now 5.6x the level prior to his taking the helm. EBITDA is 6x its level prior to his appointment. He is also a rare example of a European manager having material skin in the game. He is a substantial shareholder and has been throughout the company's life in public. Indeed, his shareholding has increased over time, even as sentiment soured.

This is not a person who played idly with other peoples money. He was invested alongside. He has taken losses both reputationally and financially. He just got some things wrong. Show me a CEO who hasn't!

We think the lessons from these hits have now hit home with him. It is hard to be a public market CEO. Markets tend to go to extremes, both with prices and narratives. Oliver Steil was considered brilliant up to and during COVID. Today the opposite is true. We like and admire Mr. Steil and we believe the current negative perception of him from shareholders can change.

To understand why we think this is an excellent opportunity today, we must explain to you what drove such a strong reaction in the marketplace compared to the relatively mild disappointment in results.

Beyond that, we must show why we think the business is not evaporating and why we think the 1E deal and move into DEX makes sense strategically. TeamViewer overpaid for 1E. That is clear.

MAAT INVESTMENTGROUP

Yet, we think it may end up being fondly remembered over a longer stretch of time. Most importantly we will explain why we think misallocation of capital is unlikely to be a problem in the next few years. Indeed, we think there is a chance the opposite proves true.

However, first we will share a lateral and historical perspective we think you may enjoy and find useful here.

When Bad Things Happen to Good Businesses

Most companies, over the course of their life, will experience multiple year runs where their share price is beaten down and prospects seem bleak or dire. We think sharing some historical examples of this fact before we get to our take on TeamViewer will help give you further important context, before forming your own conclusions.

Technology, AI and the related concentration of the 'Magnificent 7' have been the primary focus of discussion, analysis and returns for most investors in the past few years. Four of the seven are less than 30 years old. They are seen as wonderful businesses with impregnable economic positions. They have dominated almost everything else in the market over the past decade.

How much so? From 2016 through 2025 the S&P gave investors an aggregate return of ~235%. The Magnificent 7 returned 876% over the same period. An astonishing run. It is not surprising then that investors feel warm and fuzzy about these companies. How could one not feel a deep affection for things that have delivered such bliss! Indeed, it would be easy to assume each of the Magnificent 7 have had joyful journeys through their corporate lives, with little to worry about.

Magnificent 7 (from Jan 1, 1994)	Current Market Cap. $bn	S&P 500 Weight %	Nasdaq 100 Weight %	Biggest Fall from trailing All Time High (ATH)	Date of ATH	Trailing ATH EV/EBITDA multiple	# of Days from ATH to Trough	# of Years from ATH to Trough	Date of Trough	Trough EV/EBITDA Multiple	Lowest EBITDA multiple - Date	Lowest EBITDA multiple **
Apple	3,652	6.4%	11.0%	-79.8%	3/22/00	32.7x	272	0.7	12/19/00	1.7x	12/19/00	1.7x
Nvidia ('99)	4,070	7.1%	12.3%	-89.1%	1/3/02	33.3x	279	0.8	10/9/02	2.1x	11/20/08	2.0x
Alphabet ('04)	3,315	5.8%	10.0%	-65.0%	11/6/07	36.1x	384	1.1	11/24/08	8.2x	1/20/09	7.6x
Microsoft	2,649	4.6%	8.0%	-78.1%	12/27/99	56.9x	3,360	9.2	3/9/09	5.1x	3/9/09	5.1x
Amazon ('99)	2,140	3.7%	6.5%	-94.0%	12/10/99	NM	658	1.8	9/28/01	105.6x	1/5/23	11.2x
Meta Platforms ('12)	1,330	2.3%	4.0%	-78.1%	9/7/21	18.8x	422	1.2	11/3/22	5.2x	11/3/22	5.2x
Tesla ('10)	1,358	2.4%	4.1%	-72.4%	11/4/21	130.5x	425	1.2	1/3/23	24.2x	3/18/20	17.9x
Total	**18,514**	**32.2%**	**55.9%**		**Average**	**51.4x**	**829**	**2.3**		**21.7x**		**7.2x**

*note: weights are approximate and simple mkt cap of company /mkt cap of index (Data from S&P Capital IQ)
**When EBITDA is positive

But as the table above shows, that simply isn't true. As you can see, the table shows the Magnificent 7 and their current market capitalization as well as their current approximate weighting in the two largest equity indices. As we mentioned in our last letter to you, the degree of concentration in these names is remarkable.

It also shows for each their biggest drawdown from their trailing all time high (ATH) market capitalization to a trough.

Contrary to what you may think, each of these now acknowledged champions had huge drawdowns in the past. Only Google had a maximum fall less than 70% from a prior peak. The average for the group was ~80%. Moreover, the average period it took for these companies to slip from their high to low was just 1.1 years, excluding Microsoft.

The table also shows the EV/EBITDA multiple for those two dates in each case. As you can see, in each instance, the decline came from massive multiple compression. Meta in 2022, for example, went from ~19x to ~5x in 1.2 years.

Their lowest multiple is in the rightmost column[11].

Moreover, these companies didn't trade to very low multiples only once during a market calamity. That happened more frequently than you might imagine. The next exhibit shows a frequency table to demonstrate this fact. For any that are over 30 years old, there have been multiple years where they never traded above an EV/EBITDA multiple of 10x, not even for a day. Shocking when you think of the growth rates and TAM we now know, with hindsight, that they had remaining in front of them to conquer at very high incremental returns on invested capital:

Magnificent 7 (from Jan 1, 1994)	Current Market Cap. $bn	S&P 500 Weight %	Nasdaq 100 Weight %	# of Years Total	# of years EV/EBITDA multiple didn't exceed 10x	# of drops from prior year high to next year low > 30%	# of drops from prior year high to next year low > 40%	# of drops from prior year high to next year low > 50%	% of years with a drop of 50% or more
Apple	3,652	6.4%	11.0%	33	11	16	10	6	18%
Nvidia ('99)	4,070	7.1%	12.3%	33	7	14	12	11	33%
Alphabet ('04)	3,315	5.8%	10.0%	22	-	4	4	2	9%
Microsoft	2,649	4.6%	8.0%	33	4	8	5	4	12%
Amazon ('99)	2,140	3.7%	6.5%	27	4	11	10	6	22%
Meta Platforms ('12)	1,330	2.3%	4.0%	14	-	5	3	2	14%
Tesla ('10)	1,358	2.4%	4.1%	16	-	10	6	5	31%
Total	**18,514**	**32.2%**	**55.9%**	**25**	**4**	**10**	**7**	**5**	**20%**

Equally interesting is how many large drawdowns each of these wonderful companies has had. In the columns to the right of middle (with the number of years in which the companies didn't trade above an EV/EBITDA multiple of 10x) in the table above you will see the number of times each company had a drawdown of at least 30% - 50% from the high of the prior year, to the low of the year after.

For example, Apple has had six occasions over the 33 years in which it traded down from a recent high by 50% or more. For Microsoft, that has happened 4 times. For Nvidia, it has happened 1 in 3 years on average. For Apple, this may be understandable, as the company faced the prospect of bankruptcy several times in the second half of the 1990's. The company even had negative EBITDA in 2000!

Nvidia has also been close to the brink on several occasions. Amazon famously came close to the edge in 2001 after years of losses at an EBIT level, and slipped by thanks to a wonderfully timed convertible bond issuance from their CFO in early 2000. The cash from that deal kept the lights on through the dot.com crash for Amazon. Not only did the stock fall 92% that year through the trough, the convertible bonds traded down from above par to ~40 cents on the dollar[12].

[11] For 4 of these (Amazon, Google, Tesla and Nvidia) the lowest EV/EBITDA multiple wasn't at the trough.

[12] Here is a titbit that might surprise you: The bonds were bought by Warren Buffett, Bill Miller and Bryan Lawrence at the lows. They were redeemed at par in mid/late 2008, having paid coupons of 4.75% per year on par in between. For annualized return from the lows of ~19% per year. One could have elected to take payment in stock; if so the return by 2020 was over 80x your initial capital. See? There can be gold in them there footnotes!

Even Google has seen a 40% drop on four separate occasions. The first two were a function of the GFC. The others were in 2022 and 2023 as the market feared Google had already lost the race in Artificial Intelligence to OpenAI. Gizmodo wrote a now infamous article with a provocative headline in January of 2023: **"*Google Is Screwed, Even If It Wins Its Antitrust Case*"**[13]. Following the low of November 2022, Google is now worth 3.85x what it was then, in a little over 3 years.

Perhaps the most surprising one is Microsoft. It is hard to think of it now, but a little over a decade ago, Microsoft was seen as an over the hill legacy business that had completely missed the boat on THE most important area in technology thus far: Mobile.

The business had experienced some serious mishaps with operating system release delays, bugs and a general malaise. Not to mention a poor sequence of acquisitions (remember Skype?) which delivered nothing like what was promised, despite the enormous sums spent. The CEO, Steve Balmer was seen as strange, stubborn and delusional by some.

In 2012, Forbes published an article titled **"Five CEO's Who Should Already Have Been Fired"[14].** Top of the list was Mr. Ballmer. In the article they had these kind words to share about him: *"Without a doubt, Mr. Ballmer is the worst CEO of a large publicly traded American company today... He has steered Microsoft out of some of the fastest growing and most lucrative tech markets (mobile music, handsets and tablets)."*

Those are harsh words for an executive who helped to build one of the greatest businesses in history from the very ground up. But it was said just 5 years after one of his worst calls about a product that had proved revolutionary. The take was:

His assessment was incorrect. Now, you may think I am manoeuvring you. After all, those criticism were only aimed at the CEO and not the wonderful business. Not so.

Paul Graham, a brilliant technology investor and the founder of Y Combinator, wrote an obituary for Microsoft in 2010. Paul wrote: *"I'm glad Microsoft is dead. They were like Nero or Commodus—evil in the way only inherited power can make you... Microsoft's biggest weakness is that they still don't realize how much they suck."*

I think we can comfortably say the sentiment around Microsoft was close to a nadir. Valuation reflected that.

For the four years from 2010-2013 Microsoft didn't trade above an EV/EBITDA of 10x. For the nine years from 2008-2016 you could have bought shares at least once in the year below an EV/EBITDA multiple of 10x. Growth had slowed to ~5% a year during the period. But tangible ROIC was still in the range of 50%. Our old friend the fair value formula would suggest an

[13] https://gizmodo.com/google-bing-microsoft-chatgpt-ai-antitrust-doj-screwed-1850029781
[14] https://www.forbes.com/sites/adamhartung/2012/05/12/oops-5-ceos-that-should-have-already-been-fired-cisco-ge-walmart-sears-microsoft/

EV/EBITDA multiple for such numbers of 30x or more. But contemporary perceptions didn't agree.

Growth eventually picked up. For the next decade the CAGR in revenues was ~11%. By 2021, the multiple was above 31x. Not what was expected. There was life in that old dog yet.

The following pictures about several of the now Magnificent 7 from various magazines over the past 30 years have on thing in common. They were produced near the bottom of sentiment, and went for the jugular. They weren't considered magnificent then.

No matter the proximate causes, in each case the problem tended to be attributed to Management and the board.

Or if you wanted to look at it through the lens of a fair value multiple, they believed that the FCFE for shareholders would either grow a lot slower than they had hoped for, or would end up being misspent.

In this sense, there is an analogy to the situation with TeamViewer. The Magnificent 7 were all perceived to be wonderful businesses, dominant in their space with great management and plenty of scope for growth. People extrapolated past growth forward with reckless abandon only to panic when expectations disappointed.

For management, the spoils of success come not only from financial rewards, but also from market adulation. However, as the price changes, so does mood and perception. Steve Jobs was fired from Apple, before he returned. Jeff Bezos was ridiculed widely in 2001 and 2002 as a poster child of the insanity of the dot.com bubble. In 2022, the departure of Sheryl Sandberg from Meta was seen by many as a major mistake by Mark Zuckerberg, as he moved the company away from their core

advertising mission into a failed pivot towards the Metaverse. Yet today the view is entirely different. The shares have rallied 6x from the bottom.

These are all wonderful businesses that are greatly admired. With hindsight, they seem clear to have been winners. Many speak about these companies now as if their current success and status was inevitable and easily foreseeable. However, this was not at all clear to most at multiple times in the past.

Charlie Munger famously said *"If you're going to be in this game for the long pull, which is the way to do it, you better be able to handle a 50% decline without fussing too much about it."* Wise words. Easy to say. Very hard to follow.

So why did a less than 2% change in expectations for EBITDA lead to a 63% drop in share price for TeamViewer?

We think largely because investors finally gave up on management's capital allocation judgement. Here it is wise to follow the advice given by Atticus Finch in 'To Kill a Mockingbird': *"You never really understand a person, until you consider things from his point of view."*

Shareholders in TeamViewer have plenty of scars and bad memories to show for their time invested with the company. We are no exceptions. To understand the degree of revulsion some have come to feel…

So you can live through the disappointments like they did. Only then will their recent behaviour be comprehensible. Thankfully, we don't need a DeLorean or any plutonium.

We have given an overview of the events that unfolded from our investment in the company. However, that is just a fraction of the time the company has been public. TeamViewer listed in September of 2019 with high expectations on the back of a very promotional and exciting pitch about long-term growth and a big addressable market.

Many were sceptical about the story as many cheap alternatives to their core product existed. Yet only a few months after listing, COVID infected the world. TeamViewer was understandably one of the great beneficiaries of the declaration of lockdowns and switch to work from home that followed. Optimism for the company peaked from July of 2020 through March of 2021.

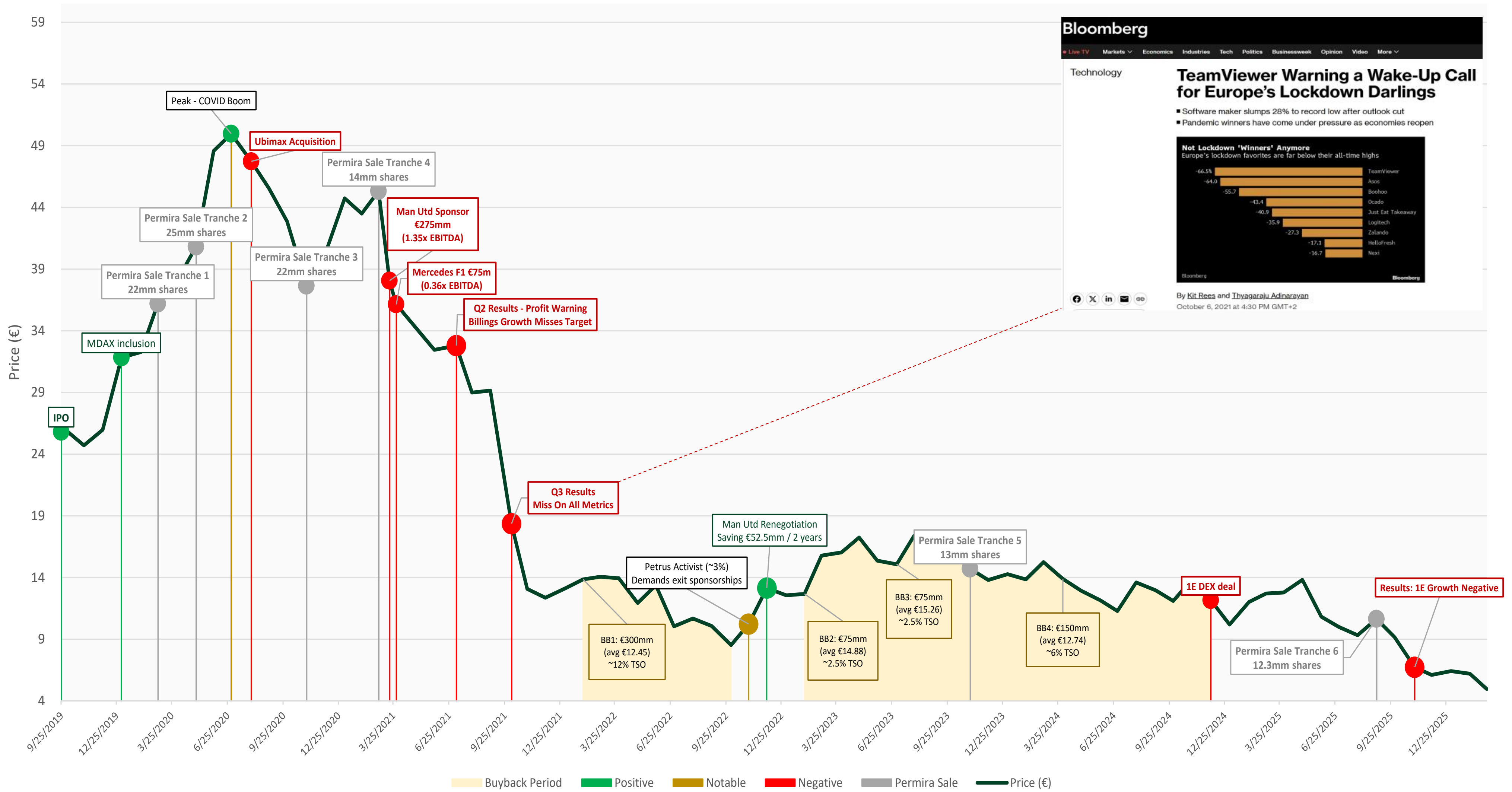
Most of the subsequent events in the years that followed have been painful ones for shareholders. Permira who were the private equity sponsor that owned and listed the company, sold 42% of its shares into the IPO. With the plan of selling off their remaining 50% in several tranches in the coming 3-5 years.

That they did, exiting 167mm of their shares (~84% of TSO) by February 2021 at an average price of €33 per share. Though their remaining ~15mm shares would remain a headache and overhang in the coming half decade.

The following table shows the sequence of key events, as we see them, over the time the company has been public. They are colour coded as we would categorise them. Green is a positive. Red a negative. Gold is notable, and amber is ambiguous:

#	Date	Event	Share Price (€)	Sentiment	% Change since IPO	DropSince Trailing ATH
1	25/09/2019	IPO	€25.30	✓	0%	0%
2	23/12/2019	MDAX Inclusion	€30.99	✓	22%	0%
3	04/03/2020	Permira Sale Tranche 1 — 22mm shares	€34.25	→	35%	0%
4	14/05/2020	Permira Sale Tranche 2 — 25mm shares	€41.50	→	64%	0%
5	09/07/2020	Peak — COVID Boom	€53.62	●	112%	0%
6	15/07/2020	Ubimax Acquisition	€46.65	✗	84%	-13%
7	20/10/2020	Permira Sale Tranche 3 — 22mm shares	€42.24	→	67%	-21%
8	17/02/2021	Permira Sale Tranche 4 — 14mm shares	€48.64	→	92%	-9%
9	19/03/2021	Man Utd Sponsor — €275mm total (1.35x EBITDA)	€37.56	✗	48%	-30%
10	30/03/2021	Mercedes F1 Sponsor — €75mm (0.36x EBITDA)	€35.64	✗	41%	-34%
11	08/07/2021	Q2 Results — Profit Warning — Billings Growth Misses Target	€27.69	✗	9%	-48%
12	06/10/2021	Q3 Results — Miss On All Metrics	€17.86	✗	-29%	-67%
13	02/02/2022	Buyback 1 Begins — €300mm total	€15.53	◆	-39%	-71%
14	26/09/2022	Buyback 1 Ends — avg €12.45, ~12% TSO	€8.01	◆	-68%	-85%
15	16/11/2022	Petrus Activist (~3%) — demands exit of sponsorships	€10.70	●	-58%	-80%
16	16/12/2022	Man Utd Renegotiation — saving €52.5mm over 2 years	€12.20	✓	-52%	-77%
17	15/02/2023	Buyback 2 Begins — €75mm	€15.18	◆	-40%	-72%
18	15/06/2023	Buyback 2 Ends — avg €14.88, ~2.5% TSO	€14.32	◆	-43%	-73%
19	20/06/2023	Buyback 3 Begins — €75mm	€13.95	◆	-45%	-74%
20	30/11/2023	Buyback 3 Ends — avg €15.26, ~2.5% TSO	€13.29	◆	-47%	-75%
21	07/11/2023	Permira Sale Tranche 5 — 13mm shares	€14.40	→	-43%	-73%
22	13/12/2023	Buyback 4 Begins — €150mm	€13.49	◆	-47%	-75%
23	13/12/2024	Buyback 4 Ends — avg €12.74, ~6% TSO	€10.08	◆	-60%	-81%
24	12/12/2024	1E DEX Deal	€11.14	✗	-56%	-79%
25	04/09/2025	Permira Sale Tranche 6 — 12.3mm shares	€9.00	→	-64%	-83%
26	21/10/2025	Results — 1E Growth Negative (Profit Warning - Early Q3 release)	€8.48	✗	-66%	-84%
27	22/10/2025	The next Day	€6.65	✗	-74%	-88%

This may be easier to appreciate in a chart. The following portrays the same data given in the table above as laid out in a price chart over time:


TeamViewer — Price History (Monthly) with Key Events
Price (€)
59
54
49
44
39
34
29
24
19
14
9
4
IPO
MDAX inclusion
Permira Sale Tranche 1
22mm shares
Permira Sale Tranche 2
25mm shares
Peak - COVID Boom
Ubimax Acquisition
Permira Sale Tranche 3
22mm shares
Permira Sale Tranche 4
14mm shares
Man Utd Sponsor
€275mm
(1.35x EBITDA)
Mercedes F1 €75m
(0.36x EBITDA)
Q2 Results - Profit Warning
Billings Growth Misses Target
Q3 Results
Miss On All Metrics
Petrus Activist (~3%)
Demands exit sponsorships
Man Utd Renegotiation
Saving €52.5mm / 2 years
Permira Sale Tranche 5
13mm shares
BB1: €300mm
(avg €12.45)
~12% TSO
BB2: €75mm
(avg €14.88)
~2.5% TSO
BB3: €75mm
(avg €15.26)
~2.5% TSO
BB4: €150mm
(avg €12.74)
~6% TSO
1E DEX deal
Permira Sale Tranche 6
12.3mm shares
Results: 1E Growth Negative
Bloomberg
Technology
TeamViewer Warning a Wake-Up Call for Europe's Lockdown Darlings
Software maker slumps 28% to record low after outlook cut
Pandemic winners have come under pressure as economies reopen
Not Lockdown 'Winners' Anymore
Europe's lockdown favorites are far below their all-time highs
By Kit Rees and Thyagaraju Adinarayan
October 6, 2021 at 4:30 PM GMT+2
9/25/2019
12/25/2019
3/25/2020
6/25/2020
9/25/2020
12/25/2020
3/25/2021
6/25/2021
9/25/2021
12/25/2021
3/25/2022
6/25/2022
9/25/2022
12/25/2022
3/25/2023
6/25/2023
9/25/2023
12/25/2023
3/25/2024
6/25/2024
9/25/2024
12/25/2024
3/25/2025
6/25/2025
9/25/2025
12/25/2025
Buyback Period
Positive
Notable
Negative
Permira Sale
Price (€)

Things looked good at first. Post-IPO, Goldman Sachs and Barclays expected a 5 year CAGR in billings of 30% and 32% through 2023. For Revenues they expected a CAGR of 25% and 26% respectively. While for EBITDA, operating leverage and the attendant increase in margins were expected to lead to a CAGR of 34% for the same five years by GS.

The company IPO'd at an EV/EBITDA multiple of ~23x. Goldman suggested an EV/EBITDA of 36x wouldn't be unreasonable. The P/E multiple was nearly 50x. Barclays had used comparable P/E multiples to appraise value. They felt 50x was fair and suggested it was a good buy at 43x.

After inclusion in the MDAX and the revelation of COVID, growth was even better than hoped for. Revenues grew in 2019 at over 50%. At peak in July 2020, the EV/EBITDA multiple reached 58.3x.

This was as good as it got. Then came the bad news.

15th July, 2020: Acquisition of Ubimax (€136.5mm):

It was TeamViewer's first ever acquisition and was framed by Management as transformational. Repositioning TeamViewer from a remote desktop utility, into a *"global leader in connectivity solutions and industrial workplace technology."* Shareholders were told it would increase the TAM for TeamViewer by ~€10bn to €40bn in total. TeamViewer subsequently did two small additional bolt-on acquisitions to flesh out the product suite and rebranded all such products as 'Frontline'.

The products themselves were aimed at the industrial market and offered workers in factories, repair shops or logistics hubs hands-free tools which overlayed a computer blueprint of instructions, either through a tablet or glasses. For example, showing where to twist and how far when removing an oil filter.

TeamViewer paid in a mix of cash (~€86mm) and shares. On the same day the deal was announced, TeamViewer also revealed billings growth of 45%. Despite that, the deal caused so much alarm that the share price fell. This was on account of the eye watering price paid. In the year prior to being acquired, Ubimax had revenues of only €9.1mm and ~200 enterprise customers for an annual average spend per customer of ~46k. Considering it had 90 employees across three countries, we expect it was breakeven at best.

That was a price of 15x EV/Revenue for a subscale business in a tangential area. That may not have seemed so expensive to Management at the time, given TeamViewer was itself trading at an EV/Revenue of 22x. However, sustaining such a high multiple was not a given and the majority of the purchase price was paid in cash. More importantly, TeamViewer was exceedingly profitable, while Ubimax was not.

For investors, it seemed an expensive and incoherent adventure to chase growth through acquisition when organic growth had been advertised as so plentiful.

Management's plan was to push an excellent product which had trouble gaining traction through TeamViewers installed base of over 500k users. They would lead the digitalisation of shopfloors with wearable computers. The average spend per client on Frontline was so much higher. You can see the appeal. Surely, they could push this through their channel.

It made sense on paper and would have been great if it worked. If one adds the subsequent two-bolt on acquisitions, the total spend on the 'Frontline' product line was €150mm. TeamViewer have never broken out the contribution of 'Frontline'. We estimate it is producing revenues of €30mm - €40mm today at a margin that is surely below the group average. That was not the plan. Market fears at the time were confirmed and the price paid now clearly looks, as was suspected at the time, to have been far too expensive.

The deal highlights some traits that came to dominate investors minds.

- A sensible strategic rationale,
- A very high price, requiring everything to work perfectly or result in disappointment,
- No accountability when things didn't work out as planned, and
- A gradual diminution in reporting and updating shareholders as time passed.

One could perhaps understand the first two in this case as TeamViewer had expensive stock it could use as currency. Management may get a pass on one such deal. But if a pattern emerges, perceptions become a problem. More insidious in many ways were the last two traits which sowed the seeds of distrust in the following couple of years. As more missteps were taken, those seeds blossomed and grew at a blistering rate.

19th March, 2021: Manchester United Shirt Sponsorship (€275mm total /€55mm p.a.):

Next, in a move that shocked both Manchester United fans and all shareholders of TeamViewer, they announced a 5 year, £47mm per season deal taking over the prime front of shirt sponsor position from Chevrolet. The total contract value was ~1.35x that years expected EBITDA and 2.7x net income. Or in annual terms, ~22% of EBITDA and ~53% of net income.

The deal was presented as a brand building exercise to accelerate its repositioning from remote support to an enterprise platform, and in particular to tap into user growth in Asia, where United is enormously popular. The logic was simple enough. Invest in the brand. Build awareness, especially amongst enterprise clients. Then grow via bigger tickets into higher margins. Once again, a nice idea in theory.

The shock was not positive for shareholders. The share price fell 16% on that day alone.

Investors were left utterly bewildered. Why risk so much money to build the brand for an enterprise pivot that was still so embryonic and speculative? This was a huge fixed annual expense to burden the company with. Naturally, they wanted some answers.

- What was the ROI for this expenditure likely to be?
- How would it be measured?
- What alternatives had been considered?
- Who had negotiated the price?

The answers were equivocal at best. As with the Ubimax deal, this was entirely unexpected, and inconsistent with what had been laid out at the time of their investment during the IPO.

It shared some of the traits we saw with the Ubimax deal. There was a rationale to the deal, but it was weak. More pointedly it was another very expensive, very speculative bet. Reliant on everything working out perfectly, or risking huge disappointment and reputational damage. Nobody would take issue with efforts to build brand awareness. But the dosage, and risk involved was shocking. **Where was the sense of proportion?**

It seemed to outside observers that nobody had considered the downside. There were already questions about how much COVID may have benefitted and pulled forward user growth for TeamViewer. What would happen, if after this huge expense, growth continued to slow?

To many the answer seemed to be that the risk had been ignored, or dismissed.

In words and deeds, investors let Management know their verdict on the deal. They hated it! If there had been misgivings about judgement with the Ubimax deal, it was starting to move towards dismay.

That must have made Management nervous. As they were deep in finalizing another sponsorship deal also aimed at brand building.

30th March, 2021: Mercedes F1 Sponsorship (€75mm total):

Just 11 days after announcing the Manchester United deal, TeamViewer disclosed another 5 year arrangement with the Mercedes-AMG Petronas F1 and EQ Formula E teams. The exact financial terms of the deal were not disclosed. We have estimated the figure above. For that spend, TeamViewer's logo would be shown on the car and the drivers racing suits.

The aim once again was brand building. Here the link to the technological showcase that is F1 was more understandable. The rationale given was that some large enterprise software companies were already sponsors in the sport. For example, Oracle for Red Bull and Cognizant for Aston Martin.

This was true. However, the comparison was a puzzling one. Oracle had Revenues of $39bn in 2020. Cognizant's were $16.6bn that year. TeamViewer delivered €456mm by comparison.

To be sure, Oracle and Cognizant were spending more on F1 than TeamViewer. However, taken together with the Manchester United sponsorship, TeamViewer were spending ~15% of their Revenues on building an enterprise brand that was still speculative. Oracle and Cognizant were by comparison spending less than 0.2% of their Revenues on the same, for products that were anything but speculative.

Once again, proportion was lacking.

The Hits Just Keep On Coming – Mid 2021 Profit Warnings and Growth Reset Lower:

As the timeline and chart shows, subsequent to this, the share price went on a monotonical decline for 6 months. For good reason. The very fear people had discussed at the announcement of the Manchester United deal, about the consequences around a decline in growth rate came to pass.

When Q2 results for 2021 were released, it was revealed that the Net Retention Rate (NRR) had dropped below 88% in the Enterprise segment. A huge disappointment given the Enterprise pivot.

User growth also dropped sharply. Meanwhile, TeamViewer's reflex move to push some free clients to paying was meeting more resistance. All of which meant lower growth.

If Q2 results were a disappointment, Q3 results were a disaster. Management had planned for 20% growth during the year. Enterprise development was far behind plan. Guidance was cut once more on all key metrics. Revenue was now expected to be ~€500mm for the year and EBITDA ~€225mm. Just 8 months prior to that, with the release of 2020 results, Management had guided towards ~€530mm in Revenue and ~€314mm of EBITDA. Bloomberg even did a headline story!

A nosebleed expenditure had been invested between acquisitions and sponsorship on the promise this would expand the TAM and accelerate growth. Yet just 6 months later, growth was diminishing and margins had been slashed.

Two weeks after the guidance cut, the CFO Stefan Gaiser announced he would leave at the end of his contract in 2022. By year end 2021, the share price was below €12. Down 73% for the year, and 72% since the announcement of the Manchester United deal. This in a year where the MDAX was up ~19.7%, the DAX ~23% and the EuroStoxx 50 ~18.3%.

The credibility of Management and the company were left in tatters.

~~Crisis~~ Capital Market Day (CMD 10th November 2021):

Management tried to address the problems and to triage their reputation with the investors toward the end of the year. It had many of the hallmarks of any such crisis management event.

There was the ritualistic human sacrifice. The chief marketing officer (CMO) had agreed to leave the company after the fallout from the brand building debacle.

Problems were acknowledged with an unsatisfactory sales conversion rate. In addition to a reshuffle of how operations in Asia would work, to stoke growth there. So much for the Manchester United halo.

Management also doubled down on Frontline and the opportunities there. Front and centre were the augmented reality glasses and demonstrations of what can be done with them. This was genuinely impressive to witness. The size of the potential market was again emphasized. As was the nature of larger tickets and stickier contracts.

However, there was also some disappointment. Medium term growth targets were moved lower, to an 8% revenue CAGR. By late 2021 consensus estimates were already starting to fall. For revenues, down to a CAGR of 20% and 23% over the next few years respectively for Goldman and Barclays. Meanwhile, the hoped for operating leverage and growth in margins was not materializing. Barclays updated projection for the 3 – 5 year CAGR for EBITDA had dropped from ~30% to 13% over the two years.

Come 2023, actual EBITDA was €260mm. This compared to an expectation at the IPO of €441mm - €458mm from Goldman and Barclays respectively.

On the Enterprise side, though demonstrations looked good, the lack of conversion to contracts remained a concern. Given the sequence of events in the prior year, trust was at a premium.

MAAT
INVESTMENTGROUP

There was an attempt to defend the sponsorship deals, despite the removal of the CMO. These were now described as strategic investments with a long-term payoff. Though how that investment might be measured and assessed was not addressed.

I will speculate here, but the lack of recognition of a major error, or of taking responsibility, not to mention the unwillingness to learn lessons was a big mistake. Rather than restore credibility, the event further eroded it. With the share price falling nearly 10% again.

Share Buyback of €300mm Announced (2nd February 2022):

In conjunction with the release of the FY 2021 results, Management announced a large €300mm share buyback. With shares down ~47% from the IPO just over 2 years before, this brought relief from shellshocked shareholders. This was supported by news that the Enterprise segment had shown strong growth in the final quarter.

Perhaps investors just had to be patient on the Enterprise given longer sales cycles? Or COVID had muddied the waters. Management portrayed the buyback as a signal of confidence. Investor relief was palpable. Operational developments had stabilized and Management were not acting wildly with shareholders capital.

The company would ultimately buyback ~12% of its shares over the following 7 months at an average price of €12.45.

16th November, 2022: Activist Involved – Petrus Demands Exit of Sponsorships:

Petrus, an activist hedge fund released a public letter and brutal critique of capital allocation. Describing the sponsorship deals as *"a sign of hubris and appalling judgement."*

They also ridiculed the idea of comparing TeamViewer to Oracle or SAP especially on spend relative to revenue. They concluded by repeating a demand they had apparently been making in private for several months: renegotiate the Manchester United sponsorship contracts and stop the cash bleed associated.

Management gave a non-committal response saying it valued investor feedback and would explore options, as it had been doing. The market loved the idea and reacted positively.

16th December, 2022: Manchester United Sponsorship Reduction (€52.5mm over 2 years):

The pressure worked. Just one month later, TeamViewer and Manchester United announced a 'mutually-beneficial agreement'. That worked in Manchester United's favour and gave them the option to buy back the shirt rights. If and when a new sponsor was found on terms United liked, then TeamViewer would step down to a global partner with a reduced financial liability.

9 months later in September 2023, United announced Qualcomm's 'Snapdragon' as the new sponsor paying £60mm per year. United were the big winners here. They got to increase the annual income by 27% for the last two years of the contract.

TeamViewer got no swap exit fee. Meanwhile, TeamViewer remained as a 'global partner' paying we believe ~€8mm per year. That would have suggested a total saving over the remaining two

years of ~€94mm. However, in the press release from TeamViewer relaying the news, they guided to savings of only €17.5mm in 2024 and €35mm in 2025. The difference was being reinvested into other brand and marketing measures.

In any event. Investors were pleased.

More Share Buybacks of €300mm Announced (15th February 2023 – 13th December 2024):

Pressure lifted and judgement softened around Management following the prior buyback and renegotiation of the Manchester United deal. The rationale for the next buybacks was based on the first. Strong cash flow, and positive growth in the business. Aligned with few to no alternative attractive options for spending that cash flow.

In aggregate for all the buybacks, there was an average price of €13.6 per share. Which retired ~22% of the total shares outstanding (TSO). As the last buyback was coming to an end, they announced their largest ever acquisition:

10th December, 2024: Acquisition of 1E – DEX (€682mm total):

The deal came out of nowhere and in a space many small and mid-cap investors had never heard of. What is DEX? Why would TeamViewer enter it?

More importantly, PTSD struck with memories of Frontline. The price paid was frighteningly high at 9.3x ARR and ~30x EV/EBITDA. This for a business that had been around for over 20 years and which had underwhelming top line growth (relative to the price) over any reasonable period.

Revenue CAGR's for 1E over the prior 2, 5 and 10 years were 10.1%, 11.9% and 6.3% respectively. Growth was lumpy too. In 30% of the past 20 years, revenue growth was negative. In 20% of those years the decline in revenue was in the double digits.

To be fair, Margins had expanded over time making the CAGR in EBITDA much more attractive. However, all of that had come in the prior 3 years, and EBITDA in 2023 fell by 24%, on a mild 3% drop in Revenues.

Going back to our fair value multiple discussion, that record is not something you would normally associate with a 30x EV/EBITDA multiple.

This historical record was not shared. Such things usually aren't. But anyone could find it in the companies house directory. All that was shared was an ARR figure of $77mm and talk of excellent growth prospects along with a cursory discussion of what DEX is.

Not good enough considering past mistakes. Worse, the seller was the private equity group, Carlyle. As a rule of thumb, when an experienced and excellent seller comes up against a relatively inexperienced buying team, the winner is usually a foregone conclusion.

If all of that wasn't enough, the deal was financed largely through debt. Leverage was manageable prior to the deal at 1.8x Net Debt (ND)/EBITDA. Post closing it would move to 3.2x.

Not crazy. But a big move to make given the prior record and the speculative nature of the deal.

MAAT INVESTMENT GROUP

This was a huge bet, made with borrowed money by a company with a limited and poor record of doing M&A. Especially M&A with a premise of entering a new product vertical, justified by pushing the acquired company's products and services through TeamViewer's large client base.

The price was perplexing too. The growth rates for 1E were only marginally better at the top line than those of TeamViewer and much more volatile.

Why pay 30x EV/EBITDA for a small business in an area you don't know, when you could buy back your own business which had similar growth and much better margins at 9.1x?

Making such a huge bet in such a manner necessitated strong, clear and compelling communication about the justification and about what to expect. That was sadly, found wanting.

No surprise then that the deal was met with utter bewilderment and shock. Then anger.

Recall from the first perceived error, Ubimax, the traits we laid out that were to become common:

- A sensible strategic rationale,
- A very high price, requiring everything to work perfectly or result in disappointment,
- No accountability when things didn't work out as planned, and
- A gradual diminution in reporting and updating shareholders as time passed.

As investors digested the announcement they felt Déjà vu. The first two points were repeats. Now the question was would 1E disappoint too?

Ubimax had not gone well. But it was only 1.5% of TeamViewer's Market Capitalization when it was done. Nor had leverage been necessary. By comparison, the 1E purchase price was 27.5% of the EV and 33% of the then Market Capitalization of TeamViewer.

A similar disappointment here would be catastrophic. However, Management seemed oblivious to the risk. In all conversations, their excitement about the upside potential was evident. The clear hazard it introduced for the company's finances and their own reputation was absent.

While investors had the stark contrast of a much easier investment available. TeamViewer's own shares. When pressed on how they could justify taking such a large risk while such an easy alternative existed, the answer seemed to be grow or die.

Investors could understand the sentiment. However, this was not justifiable at any price. Any sense of proportion was once again lacking. Investors couldn't believe that no lesson had been learned.

Many sold on the follow and the share price dropped. Over the next few months, we dived into research. Getting back up to speed on the existing TeamViewer business lines, and with special attention to 1E.

What we found during that process eased our minds. The DEX space was a natural market for TeamViewer. Meanwhile, the rest of their business was now slower in growth, but not dying.

We share all of the above for illustration. We think it would be clear to even a passing observer that most capital allocation decisions made by the company have been, with the benefit of hindsight, to the detriment of shareholders.

The one decision that remains a subject of debate is the one we pose now:

Were Those Buybacks Useful or Wasteful?

Despite initial investor enthusiasm on buybacks the share price ended 2024 roughly where it had begun before the first buyback in 2022. Market Capitalization was lower given the reduction in share count. Understandably, Management and the Board seemed non-plussed by the whole exercise.

Are Buybacks Good or Bad?

If they are done cheaply, they are good. Very cheaply, and they are excellent. However, as with any investment made, if one pays too high a price, then one should expect a disappointing result.

Looking back today, the answer looks clear. The buybacks now look to have been a horrible idea. The shares are now 65% lower than they were bought back for.

So why do we equivocate?

The buybacks done during that two-year period were done at what we estimate were average FCFE yields of 8%. In absolute terms, that is not bad. In addition, both EBITDA and FCFE were growing at double digit rates. If that were to persist then the outcome was assured to be positive. So long as:

- Growth in FCFE remained positive, and
- No more expensive speculative escapades with company capital were made.

It was that last point that made us ambivalent. We weren't sure that was a safe bet. Negative attention had waned. Things were boring. Dangerous conditions for an ambitious and action driven Management team. In short, they looked sensible so long as the money would not be gambled away on some wild bet. Which brings us to the natural question…

Would Shareholders Be Better Off Today If There Had Been No Buybacks?

Looking solely at the development of share price, the answer seems like a clear yes.

However, the share price is a function of behaviour in the past and expectations of the future. Other events have occurred since the buyback that have led to the current predicament. One must separate that impact to answer the question. Let's try. The following table shows three scenarios.

The first shows the situation as it is today. The second shows a hypothetical assuming there had been no buybacks and no M&A over the past 4 years. The final scenario shows a hypothetical where the buybacks were executed in full, but the 1E deal had never happened. It backs out all impacts of the 1E deal. Both the contribution to earnings, and the debt raised to finance the deal:

MAAT INVESTMENTGROUP

Scenarios	Scenario 1	Scenario 2	Scenario 3
Adjustments	Today's Situation	No Buybacks & No M&A	Buybacks Done & No M&A
Shares outstanding	158mm	201mm	158mm
Current Share price	€ 4.35	€ 4.35	€ 4.35
Market Cap. (current px)	€687mm	€874mm	€687mm
Net debt (incl. leases) Adj.	€914mm	(€368mm)	€232mm
Adjustments impact	—	*€1,088mm*	*€682mm*
Enterprise Value Adj.	**€1,601mm**	€506mm	€919mm
EBITDA 2026E	€315mm	€298mm	€298mm
EV / EBITDA (today/implied)	**5.1x**	**1.7x**	**3.1x**
Market Cap. Adj.	€687mm	€1,883mm	€1,283mm
Adjusted Share Price (current 5.1x EV/EBITDA multiple)	**€ 4.35**	**€ 9.40**	**€ 8.29**
Adj. Share Price vs. Current	**0%**	**116%**	**91%**

It also reverses the ~€600mm spent from 2022 – 2024 on buybacks. That in combination with the €682mm paid for 1E is what produces a €1,282mm addition to cash adjustment in the table.

Hence ND moves from €914mm in the current situation to a Net Cash position of €368mm in Scenario 2. While EBITDA drops by €17mm to reverse 1E's contribution.

The Enterprise Value (EV) you see in the table for Scenario 2 adjusts for the addition to cash and a 27% adjustment up in market capitalization from the increase in shares outstanding, from the reversal of buybacks. For Scenario 2, the net adjustment is €1,088mm.

For Scenario 3, there is only the removal of the 1E deal. Market Capitalization remains as today, and ND drops by the €682mm purchase price, while EBITDA again reverses that deals impact.

From those changes, we get an adjusted Enterprise Value of €506mm and €919mm in Scenario's 2 & 3 assuming the current share price prevails. The implied EV/EBITDA is then 1.7x for Scenario 2 and 3.1x for Scenario 3.

The last line shows the adjusted share price doing something different. Here we simply apply the current EV/EBITDA multiple of 5.1x to the adjusted EBITDA in the other two scenarios, then apply it to the adjusted ND to come up with an Adjusted Market Capitalization and share price.

From this lens, buybacks alone don't look so value destructive, though doing nothing seems best.

However, that last implied adjusted share price assumes the same multiple as today. We don't think that is realistic.

Rather we believe that in the do nothing scenario (#2) the multiple would be higher than today, but not much higher, as folks would still have concern about where the cash from operations and on the balance sheet might be deployed. If one assumed an EV/EBITDA multiple of 6.5x then the price today would be €11.5 per share, 164% higher than the current level.

While in the third scenario with only buybacks, the market would reward the sensible use of cash with a higher multiple of perhaps 8.5x EV/EBITDA. That would give a share price today of €14.6, 235% higher than the current price.

You may disagree with our views on those multiples. However, we suspect you will agree with the observation that it is the 1E deal, leverage and the nausea both caused amongst shareholders that has laid the company's valuation low in the past 18 months.

Buybacks are not the guilty party. Nor were they a waste of time. They just seem that way given the actions taken afterwards.

More importantly, recall that the buybacks done in the past were done at a FCFE Yield of ~8%. They were also done at higher multiples than any we contemplate above.

Which leads us back to the question posed a couple of pages prior…

Are Buybacks Good Or Bad Uses of Capital?

It depends! They are just a tool available for capital allocation. Like any tool, it can be used for the right purpose, or the wrong purpose. At the right time, or at the wrong time. Used well, they are hugely accretive to value. Used poorly, they are incredibly destructive.

There are plenty of examples of the worst of this practice. AIG bought back $6bn in shares through 2007. Their last purchases were at $55 per share in December of that year. 10 months later the equity was worthless. New Century, a US mortgage originator, was buying back shares through 2005 – 2006. It filed for bankruptcy in April 2007.

Those were quick. Sometimes it happens slowly. Sears Holdings spent ~$6bn on buyback from 2005 through 2011 at an average price of ~$100 per share. By 2012 the price was down over 50%. By 2018 it was bankrupt.

For a German example, even Wirecard approved a plan to buyback €200mm of shares in November 2019[15], just 7 months later it fell into insolvency. Though no shares were actually bought under that program. I guess they ran out of cash?

However, when used well, buybacks can produce results just as eye-popping. Here are some famous examples:

THE OUTSIDERS: EXCEPTIONAL CAPITAL ALLOCATORS

The book ***"The Outsiders"*** by William Thorndike profiled CEOs who **produced on average a 20.1% annual return for shareholders** through **radical capital allocation** and **contrarian management styles**.

Henry Singleton (Teledyne)

Bold Acts
- Executed **eight massive tender offers** between 1972 and 1984
- Repurchased **90% of Teledyne's outstanding shares**
- Shrunk capital base while earnings grew

20.4% Compound Annual Return over 27 years

Katharine Graham (Washington Post)

Bold Acts
- Only acquired businesses meeting an **11% IRR hurdle**
- Repurchased **40% of the company's shares** when undervalued
- Disciplined acquisitions: Kaplan, cable TV businesses

22.3% CAGR (1971-1993) through strict discipline with contrarian buybacks

John Malone (TCI)
- Ignored reported earnings; managed entirely to **cash flow per share**
- Used **extreme leverage** to roll up cable systems, then used depreciation to shield cash flows from tax
- Opportunistically **repurchased ca. 40% of TCI's outstanding shares** during market downturns — **never paid a dividend**

30.3% CAGR over 25 years

Warren Buffett (Berkshire Hathaway)
- Mastered insurance **"float"** as low-cost permanent leverage (avg. **1.7x**)
- Concentrated, high-conviction bets on quality businesses
- Only when Berkshire's cash pile exceeded $150 billion and the stock traded **near its "intrinsic value" that he began the massive multi-billion dollar repurchase programs** seen today — **never paid a dividend**

19.9% CAGR (1965-2024)

Tom Murphy (Capital Cities)
- Exploited the bear market of the 1970s and early 80s to **repurchase nearly 50% of the company's outstanding shares at single-digit P/E multiples**, a move that massively amplified per-share value before the ABC merger.
- Doubled operating margins from **30% to 50%** through ruthless cost control & decentralisation

19.9% CAGR over 29 years

In every case, the common thread was **radical capital allocation** combined with a **contrarian management style**.

[15] Wirecard AG publishes details of Share Buyback Program 2019/I

MAAT INVESTMENTGROUP

What you will see with each is that they bought shares when valuations were very low. Usually they used some measure, such as FCFE yield or likely IRR as their yardstick. Moreover, when they did act, they did it in size. The cheaper their shares became, the more aggressive they got. Henry Singleton of Teledyne being the most emphatic example.

There are European examples too. Telecom Italia was hated in late 2023. The company was perceived as a distressed utility on the way to the dustheep of history. Leverage was high at over 6x ND/EBITDA. Short interest was over 20% of TSO. The market had no belief in the company or management to do anything intelligent.

Then management changed their strategy. They divested assets such as NetCo & Sparkle, and reduced leverage from 2024 onwards. Perceptions changed. By year end 2025 the share price was 2.4x what it was prior to the pivot in strategy. Then in February 2026, they announced a buyback of €400mm and did a 1-for-10 reverse split. The share price is now ~25% higher than it was at the start of the year. While the Italian Index is down for the year[16].

For a recent German example, take Norma Group an industrial company that makes engineered joint parts, such as clamps, connectors and components for connecting pipes, tubes and hoses. With heavy exposure to the currently hated automotive space.

They sold their water management business unit late last year. Of the ~€650mm net proceeds, a little under half was earmarked for debt reduction. The reduction was required, as the sale also took over half of EBITDA and the remaining business has single digit EBITDA margins and unenviable cash flow conversion.

In addition, they announced in February of this year a tender offer for ~10% of the TSO at a ~14% premium to the then share price. They also announced a capital reduction[17] €207mm, or ~39% of the current market capitalization. Nearly 50% of the market capitalization is being returned to shareholders. Norma's shares are understandably outperforming comparable industrial suppliers from Germany.

So plenty of good examples too and great news for Norma shareholders. But what about us?

How good would a TeamViewer buyback look today with the multiple at 5.0x and a FCFE Yield of 25%?

Unsurprisingly, Wonderful! Provided the business doesn't undergo a quick decline in operating performance.

At such a yield doing a buyback is a no brainer. Moreover, this is a situation where moderation should be ignored. The bigger the buyback when such returns are on offer, the better. Those who are extremely conservative might worry about leverage. We believe TeamViewer will end Q1 of 2026 with leverage of ~2.7x ND/EBITDA.

[16] In that case the company had deleveraged first and didn't act in huge size. Though investors are clearly happy with the moves. I expect they would have been far happier had that same volume of repurchases had been done two years prior when the share price was a third of the current level.

[17] Think of it as akin to a special dividend, but under German corporate law, it is shown as a reduction in equity

MAAT INVESTMENTGROUP

Is this problematic? Does it preclude the ability to do a buyback?

We think not. Management took leverage up to 3.2x for the 1E deal. For comparison, we think the FCFE yield on that asset was 2% or less. The hoped for high return there would have to come from growth.

There is no such hope required for TeamViewer, in our opinion. More importantly, the equity in 1E as well as in the legacy business of TeamViewer (which at peak was valued at €12bn) is now available for €687mm. Less than 1% more than the €682mm Management paid for 1E alone.

Keep in mind also, that over two years Management spent €600mm on buybacks at higher prices. That is ~87% of the current market capitalization. Indulge me for a moment here. Imagine the company was bold enough to do the same volume again, with starting leverage where it is. If they did, and assuming they could buy at the current share price (EV remains constant) then after concluding the buyback, the company would have leverage of 4.76x[18]. Quite uncomfortable, but not crazy. If we assume the same EV/EBITDA multiple as now, of 5.0x then the EV would remain the same. Leaving the remaining ~13% of current shares outstanding for a market capitalization of ~€87mm.

The FCFE yield would then be over 100% once that was concluded. Even allowing for a substantial upswing in interest servicing cost. We assume an incremental 3.5% added to annual interest on the new much larger debt load. Meaning that if the debt used had no restriction on dividends, the whole of the remaining market capitalization could be paid back in a dividend the following year. Assuming no decline in FCFE, not even growth, such a dividend could be paid every year.

Of course, that is strictly hypothetical. We know there would be limits on dividends with such leverage. Equally, the company would not be able to buy back 87% of shares at the current price[19]. We just show the numbers to illustrate a limit case. Such a move, if those things were possible would really be a no brainer.

That scale is impractical. However, a very large buyback of substantial scale that would allow dividends, at a price close to current levels and which would not put the company at an unprecedented leverage level is distinctly feasible.

For example, the company could practically tender for ~32% of shares via a reverse Dutch auction[20]. Doing so would leave remaining shareholders with a 30% FCFE yield.

And by year end 2026 would leave leverage close to the 3.2x it got to post closing on 1E.

If such a bold move was made we believe it would change perceptions dramatically. As we hope we have proven, market concern is about capital allocation aptitude. The market believes currently

[18] This leverage target is far from outlandish, as the example of BeyondTrust (a competitor) leveraged recapitalization from late 2025 shows. We detail this a little further on.
[19] Though, as the Singleton example shows, if the shares trade this cheaply for a number of years, it is feasible then.
[20] There are limits on buyback volumes in Germany for a given year. However, given an EGM and approval from authorities, this limit can be exceeded.

there is a negative skill in this regard. Doing such a large buyback at these attractive prospective yields would turn perceptions on their head.

Clearly, it would be wonderful **if** they pursued such a course. But it only matters if they do.

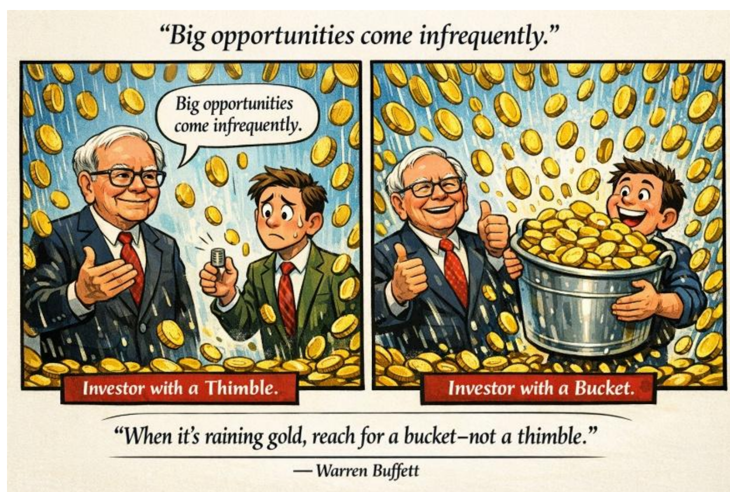
How Likely Are Management And The Board To Make Such A Brilliant Move Now?

We believe this is more likely than not. There are a few reasons. First, Management have done buybacks before. It is not a foreign activity to them. However, they felt those were ineffective. We think it has been impressed upon them that the issue was not the buyback per se that was ineffective. It was the effect of actions taken afterwards. As we outlined before.

More importantly, we get the impression that Management and the board have been equally shocked by the punishment the market has meted out to them for their perceived transgressions. With that in mind, we believe they have become more open minded to reevaluating how they go about capital allocation. In the book we referred to, "The Outsiders", one of the most impactful lessons is of being selective about when and in what size to use buybacks as a tool.

The critical principle is to be as big and aggressive as possible at those points when your own stock is extraordinarily cheap.

As is often the case, Warren Buffett expressed the core of this idea in simple terms during the height of the Global Financial Crisis (GFC):



How true that is!

The five examples we cited earlier demonstrate this well. Now, just imagine how powerful such actions would have been for the various members of the Magnificent 7 we looked at earlier, if they had been so bold with buybacks at their troughs.

Sadly, only one of them has really done that. Meta bought back $28bn of its own shares (~6% of TSO) during 2022 at the nadir of its reputation at an average price of ~$170. Those shares are worth ~$93bn today. Imagine they had done more!

In discussions with Management we have shared this same form of analysis and many of the examples outlined here. Though we have no idea what they may do.

The examples above are all positive messages, well evidenced examples with pleasing outcomes. However, in times of stress, sometimes positive messages don't resonate or penetrate the fog of shock and worry.

Contemplating the penalty of inaction can be more powerful and resonant in such conditions. Perhaps it is better to invert the framing here and try to see things from Management and the Boards point of view, through a more penetrating question.

What Happens If They Don't Act?

The stark reality facing both is that they have an angry, frustrated and increasingly impatient shareholder base. They also face substantial reputational and financial risk at this juncture.

While the 1E deal may end up being seen as a masterstroke a few years down the line. It looks like a terrible dud at the moment.

Leadership have made their bed with respect to capital allocation. The judgement may seem harsh to insiders, who have acted in good faith. However, the scorecard at present doesn't paint a pretty picture.

Worse, the major disappointments shareholders have suffered from since 2021 have created a stick to beat leadership with. Recall, the traits of each was to take something strategically sensible, but to do it on a speculative basis putting the company at risk with disproportionately high levels of spend. Just to summarize:

Date Range	Event	Total Spend	% of Revenue	% of EBITDA	% of Market Cap at time	% of current Market
2021	Man Utd & Mercedes Sponsorships	350	70%	170%	4%	49%
2022-2024	Share Buybacks	600	97%	251%	19%	84%
2024	1E DEX Deal	680	101%	249%	45%	96%

Those were bold, big aggressive bets. If we were in either the Chairman or CEO's seat we would have this history in mind. They are in a tough spot here. But they do have an Ace card to play. The market just doesn't believe they have the awareness or courage to play it.

A quote often attributed to Dietrich Bonhoeffer applies, *"Not to speak is to speak. Not to act is to act."*

To the question at hand, we believe Management will be damned by their own record if they fail to act boldly here. The contrast with past actions and expenditures would act as an indictment.

How Much Is Enough?

Above we outlined the idea of a buyback of ~30% of shares[21]. The table below shows that at the bottom and in comparison with the negative events discussed before:

Date Range	Event	Total Spend	% of Revenue	% of EBITDA	% of Market Cap at time	% of current Market
2021	Man Utd & Mercedes Sponsorships	350	70%	170%	4%	49%
2022-2024	Share Buybacks	600	97%	251%	19%	84%
2024	1E DEX Deal	680	101%	249%	45%	96%
2026	Buyback 30% of Shares - Reverse Split	213	28%	67%	30%	30%

[21] Disclaimer: for the avoidance of doubt, the 30% tender buyback target and the associated €220 million capital allocation idea discussed in this letter represent the independent analysis and strategic recommendations of Maat Investment Group. These figures are hypothetical suggestions based on the company's prior capital allocation history and current market valuation. As of the date of this letter, management has provided no indication, commitment, or feedback regarding the pursuit of such a transaction.

The prior negative were huge bets, with large risks associated, and against counterparts who had superior experience. Unlike those, this would be a bet where Management knows better than anyone the prospects for the future, and can influence them.

What should the market think, if they were willing buyers of their own shares at 3x the current price, but won't do one third of the size today with EBITDA almost 20% higher?

More importantly, how should investors judge them, if they were willing to spend €682mm, at a 2% or less FCFE yield, for 1E, but won't buy their own business, including 1E, at a yield of 25%?

These are of course rhetorical questions. The answers speak for themselves, I hope. Inaction, indeed a lack of **MAJOR** action here would be inexplicable.

It would suggest they believe the operational performance of the business is about to nosedive. Or, that they have lost their nerve, at the worst time.

Imagine if the share price has doubled on merely stable performance 2 years from now. How will the market look back on such a missed opportunity with retrospect then?

Incentivized Financially and Reputationally:

The Chairman has only been in place since 2022. He came in after the first large buyback. He was in place for the approval of the 1E acquisition, but his own record on M&A while CEO at Dürr AG, where he is now Chairman, was excellent. **Ralf Dieter** is a fantastic businessman and manager. His track record speaks for itself. Had you bought shares at the time he took over as CEO of Dürr in 2006 and held them through his retirement from that role at the end of 2021, you would have made an annualized return of ~19%.

As a respected Chairman in a new industry, he chose to trust Management judgement on the 1E transaction. However, 1E has clearly not delivered as planned.

Though he has no material financial stake in the company, Mr. Dieter has an exceptional and hard won reputation in German business circles. We doubt he is willing to risk it further for TeamViewer, on speculative deals or on misguided expenditures with no clear framework for ROI. He is as aware of the record of the past 5 years as anyone. We expect he will keep a much shorter leash on major expenditures going forward and require a much more clinical evaluation of the assumptions being made and risks borne.

Given his great record, Management couldn't have a better guide and sounding board to making improvements and improving capital allocation. He would also be the best judge to know if a change in management is required. Though we don't think that point has been reached, and have no indication he feels that way either.

The CEO, Oliver Steil has been at the helm for 8.5 years. We already discussed the positives he has delivered to shareholders. He has, in many respects, done an excellent job.

Expectations management and communication related to it has been a major problem.

Being too aggressive in proportioning bet size has been another. As the sponsorships and 1E deal exemplify. Especially considering they were situations where the counterpart was far better informed and skilled in the field.

Manchester United have negotiated many shirt deals. TeamViewer was a novice. Carlyle are amongst the sharpest sellers one can find in any M&A transaction. TeamViewer were relative beginners by comparison. Betting big, in arenas where you are the least skilled player, and have less experience is not a recipe for success, as any poker player will tell you.

To be clear, we are not fans of the two major decisions we mention immediately above. The ideas and strategic rationale we can understand. The scale and proportion of the bets we cannot.

Mr. Steil is willing to bet big. Thus far, that has proven a curse. However, a failure to do so now will only make things worse. As I hope we have conveyed with our discussion of buybacks above.

Moreover, aside from capital allocation thus far, we admire Mr. Steil. Both as a person, and a manager. He lives and breathes TeamViewer. He is passionate about the business and hard working. His employees like him too, although like outside shareholders, we have no doubt they are disappointed with how perception of the firm has developed.

Yet, there has been a persistent reluctance to acknowledge errors, or to draw lessons from them. At least in public. We think, as with Mr. Dieter, that the shock of the past 18 months has now registered with Mr. Steil. He strikes us as fully cognizant of the damage his own reputation has taken.

In addition, while we judge with the benefit of hindsight, Mr. Steil is the man in the arena. The idea he has somehow been a thoughtless spendthrift with the shareholders money is simply not the case. He has participated, in size, with his own wealth the whole way through (as shown):

Oliver Steill (CEO) - Ownership Over Time						
Date of Notification	Buy/Sell/Other	# Shares	Total Held	Price	Volume Traded	Market Value
10/5/2020	Compensation	1,765,971	1,765,971	€ 42.08	74,312,060	74,312,060
7/9/2020	**PEAK**		**1,765,971**	**€ 53.62**	**74,312,060**	**94,691,365**
11/25/2020	Sell (Tax)	- 1,059,582	706,389	€ 39.10	- 41,429,656	27,619,810
12/30/2020	**Year End**		**706,389**	**€ 43.83**		**30,961,030**
8/9/2021	Buy	149,849	856,238	€ 26.54	3,976,992	22,724,557
8/9/2021	Buy	30,000	886,238	€ 26.54	796,200	23,520,757
8/9/2021	Buy	15,000	901,238	€ 26.54	398,100	23,918,857
10/1/2021	Compensation	1,765,971	2,667,209	€ 24.87	43,919,699	66,333,488
11/29/2021	Sell (Tax)	- 529,791	2,137,418	€ 12.35	- 6,542,919	26,397,112
11/30/2021	Other	149,791	2,287,209	€ 11.99	1,795,994	27,423,636
12/30/2021	**Year End**		**2,287,209**	**€ 11.82**		**27,034,810**
6/17/2022	Buy	75,000	2,362,209	€ 10.98	823,500	25,937,055
6/17/2022	Buy	25,000	2,387,209	€ 10.98	274,500	26,211,555
6/17/2022	Buy	16,744	2,403,953	€ 10.98	183,849	26,395,404
8/9/2022	Buy	96,047	2,500,000	€ 10.74	1,031,545	26,850,000
12/30/2022	**Year End**		**2,500,000**	**€ 12.05**		**30,112,500**
2/13/2023	Buy	50,000	2,550,000	€ 14.83	741,250	37,803,750
3/14/2023	Buy	50,000	2,600,000	€ 14.98	748,750	38,935,000
3/14/2023	Buy	20,000	2,620,000	€ 14.98	299,500	39,234,500
3/14/2023	Other	100,000	2,720,000	€ 14.98	1,497,500	40,732,000
12/29/2023	**Year End**		**2,720,000**	**€ 14.06**		**38,243,200**
12/30/2024	**Year End**		**2,720,000**	**€ 9.54**		**25,959,680**
10/23/2025	Buy	50,000	2,770,000	€ 6.61	330,250	18,295,850
12/30/2025	**Year End**		**2,770,000**	**€ 6.05**		**16,758,500**
3/31/2026	**Current**		**2,770,000**	**€ 4.35**		**12,060,580**

His record of shareholding demonstrates this. At the peak of the share price, Mr. Steil's stake was worth ~€95mm. He sold ~€48mm of that over two transactions to cover taxes associated with the award. Adjusted for those sales, at peak his shareholding was worth €47mm. That compares

to the current value of ~€12mm. Despite having a lot of skin in the game, from 2022 onwards he paid ~€9.6mm in cash for shares. Those are now worth only ~€2.5mm.

That does not strike me as the behaviour of someone who had anything other than conviction in his actions. Those convictions appear, with hindsight, to have been misplaced. However, careless, thoughtless or playing with other people's money he was not. He was and is a large shareholder. Something strikingly uncommon in Germany and Europe more broadly.

Mr. Steil has both financial and reputational reasons to make sure the next few moves in capital allocation are sensible ones.

Is This Time Different?

We may of course be mistaking our hopes and how we would react, and ignoring the track record. That was the error that got us into this mess.

However, we suspect with Mr. Dieter helming the board, and with the chastening rebuke from the market, that this episode has left an indelible mark on Management and the board. One that has forced minds to open.

If that is the case, then we believe there are unlikely to be any major negative capital allocation decisions taken in the coming 2-3 years. Just as in the 2022 – 2024 period. This is all we need at current valuations for a very good return. Any positive capital allocation actions could lead to exceptional returns. Most importantly, neither of these outcomes is being priced in here. Only very bad ones.

As we outlined above, we also believe that Management and the board understand the message inaction would send. Unintended or not. Which brings us back to the other critical question we posed at the outset.

Is The Business About To Nose Dive?

We think not. We think in **the SMB segment** things are about to stabilize. Both from actions by TeamViewer changing course, and from competitors pushing pricing. Enterprise growth is actually healthy, something missed by those who look at only headline consolidated figures. While 1E, which had a bad first year, is strategically sound on several levels and we believe is already showing improvement.

This is easier to understand when decomposed into the component parts, which we do below. This letter is long already, but we hope the foregoing has whetted your appetite enough that you want to learn more.

Make no mistake, we aren't claiming that everything is wonderful with the underlying business. There are genuine issues to deal with, and a host of frustrated clients to boot. However, we think the situation is stable and with some chances for improvement.

First, let us share some high-level historical context. The following shows the progression of results from 2018 onwards for TeamViewer on a consolidated basis:

Income Statement	2018	2019	2020	2021	2022	2023	2024	2025
	<------------	------------	------------	------------	------------>	*Reported*	*Pro Forma*	
ARR			**458**	**535**	**604**	**644**	***757***	**760**
Billings			**460**	**548**	**635**			
o/w SMB			*88.5%*	*83.0%*	*79.2%*	*80.7%*	*70.5%*	*68.2%*
o/w ENT Standalone			*11.5%*	*17.0%*	*20.8%*	*19.3%*	*19.9%*	*23.0%*
o/w 1E							*9.7%*	*8.7%*
Growth				*16.7%*	*12.9%*	*6.7%*	*17.5%*	*0.4%*
Revenue/ARR Factor				109%	106%	104%	115%	101.4%
FX Impact								
Revenue (IFRS)	**258**	**390**	**456**	**501**	**566**	**627**	***740***	**747**
Growth		51.1%	16.8%	10.0%	12.9%	10.7%	18.1%	0.9%
EBITDA Adj.	**149**	**247**	**251**	**206**	**208**	**236**	***295***	**328**
Margin	57.7%	63.4%	55.1%	41.0%	36.7%	37.6%	39.9%	44.0%

There is one thing we must relay upfront. TeamViewer switched from offering perpetual licenses towards subscriptions from 2018 onwards[22]. Growth has been fine but declining. Especially in the **SMB segment**. The following table, with segments broken out illustrates the degree to which that has been happening:

TeamViewer Growth as Reported		2022-2025	2021-2025	2018-2025
CAGR	1yr	3yr	4yr	7yr
ARR	**11.1%**	**8.0%**	**9.2%**	**NA**
o/w SMB	-2.8%	1.0%	3.4%	12.3%
o/w ENT Standalone	16.4%	9.8%	17.1%	NA
o/w 1E (Revenue)	-9.5%	4.6%	11.1%	11.5%
Revenue (IFRS)	**11.2%**	**9.7%**	**10.5%**	**16.4%**
EBITDA Adj.	**20.4%**	**16.5%**	**12.4%**	**12.0%**

As you can see, Revenue growth has decelerated in the most recent years. Especially if one considers 1E was consolidated from February 2025. Inflating 1yr growth figures overall. EBITDA growth in the past three and four years looks better because we have the benefit of unwinding those sponsorships and because of the 1E contribution. 1E had negative EBITDA four years ago and a 22.5% margin the year after. Pushing up the growth rates in EBITDA reported for TeamViewer given the base effect. Equally, three and four year growth rates in ARR, Revenue and EBITDA are aided by 1E being counted in the final year, while being excluded from the base year in each case.

It is more revealing to look at the growth for TeamViewer assuming 1E had never happened, and then to compare that with TeamViewer including 1E Pro Forma back through 2018 to see what is really driving things. The two tables exhibited below do that:

TeamViewer Growth excl. 1E		2022-2025	2021-2025	2018-2025
CAGR	1yr	3yr	4yr	7yr
ARR	**1.3%**	**4.7%**	**6.7%**	**NA**
o/w SMB	-2.8%	1.0%	3.4%	12.3%
o/w ENT Standalone	16.4%	9.8%	17.1%	NA
Revenue (IFRS)	**4.6%**	**7.4%**	**8.8%**	**15.4%**
EBITDA Adj.	**13.9%**	**14.3%**	**10.9%**	**11.1%**

TeamViewer Growth & 1E Pro Forma		2022-2025	2021-2025	2018-2025
CAGR	1yr	3yr	4yr	7yr
ARR	**0.3%**	**4.7%**	**7.1%**	**NA**
o/w SMB	-2.8%	1.0%	3.4%	12.3%
o/w ENT Standalone	16.4%	9.8%	17.1%	NA
o/w 1E (Revenue)	-9.5%	4.6%	11.1%	11.5%
Revenue (IFRS)	**0.9%**	**6.2%**	**8.2%**	**14.5%**
EBITDA Adj.	**11.2%**	**14.1%**	**12.5%**	**12.9%**

The table on the left shows how TeamViewer developed absent the impact of 1E. Growth in ARR and Revenue has been declining on a gradual basis. However, EBITDA growth has been good due to the discontinuation of the Manchester United sponsorship. This shows the true development for the legacy TeamViewer business. Consolidated ARR and revenue deceleration has been a function of negative trends in SMB, being countered by positive developments in

[22] Older users were allowed to keep using old versions, though this is being gradually hollowed out. From a financial reporting perspective, the switch from reporting billings (the total value of licenses invoiced within a specific period) to ARR (annual contract value of a subscriptions) happened in 2022. As a result, comparability of Revenue and Churn over time is quite messy.

MAAT INVESTMENT GROUP

Enterprise. SMB growth finally turned negative in 2025. Not ideal, but far from terrible if you consider that foreign exchange was a 2% headwind to ARR and 1% to revenue due to the ~12% depreciation of the USD in 2025. Moreover, the SMB contribution to overall Revenue has dropped from 88.5% in 2020 to 68.2% in 2025, and will diminish further in the coming years.

The table on the right shows a Pro Forma for TeamViewer and 1E combined throughout the past 8 years, based on companies house data for 1E. Here the real contrast emerges. 1E had a detrimental effect on growth in ARR, Revenue and EBITDA over one and three years as a result of the decline in Revenue and EBITDA it experienced in 2025.

This is even worse when one considers that 1E was supposed to accelerate growth when acquired. It did the opposite. So in addition to the sticker shock of the price paid, investors were left pondering a negative operating trend and greater challenges in the core SMB business.

SMB was historically a critical source of both direct revenue, and for upselling to enterprise. The fear is if you kill the top of the funnel, then ultimately it is only a matter of time before the rest of the business also enters decline. Such a fear is completely understandable. However, we think the situation is more complex and less concerning than such a superficial analysis would suggest.

How Bad Are Things In The SMB Segment & How Concerned Should We Be?

The SMB bucket is broadly divided into three sub-categories of pricing. The lowest rung is composed of clients paying €500 or less per year. The middle rung covers clients paying from €501 - €1,500 per year. The highest rung are those paying between €1,501 and €10,000 per year. It is informative to look inside those buckets to see what has been driving the decay in SMB. As the following table shows it is in bottom two rungs that we have seen the declines occurring since 2021/2022:

SMB	2018	2019	2020	2021	2022	2023	2024	2025
SMB Customer Buckets				Billings to here ->|		| -> From here on ARR		
<500	64	89	114	110	103	104	104	99
500-1,500	99	132	151	168	175	170	167	156
1,500-10,000	67	89	147	177	225	246	263	264
Total SMB	230	308	407	455	503	**520**	**533**	**519**
Growth		*33.9%*	*32.2%*	*11.6%*	*10.6%*	*3.4%*	*2.6%*	*-2.8%*
Share in %								
<500	*28%*	*29%*	*28%*	*24%*	*21%*	*20%*	*19%*	*19%*
500-1,500	*43%*	*43%*	*37%*	*37%*	*35%*	*33%*	*31%*	*30%*
1,500-10,000	*29%*	*29%*	*36%*	*39%*	*45%*	*47%*	*49%*	*51%*

The upper end (€1,501-€10,000) has been growing. In 2018, only 29% of SMB revenue came from the highest rung. By 2025, it was 51%. To really understand TeamViewer, we think it is best to divide the SMB segment into two parts. The lower two rungs, which we will label **'Remote'** and the upper one, which we will bucket later with the old enterprise business and label **'Tensor & Frontline'**.

What is going on here? A mix of things. For some part, there has been successful upselling. From the lowest end products towards more users per client, or more services per user. Such an act takes a client out of the lowest two rungs and moves them up. Either to the highest rung, or for a major upsell, into the Enterprise segment.

MAAT INVESTMENTGROUP

There is also the element of competition. Former employees of TeamViewer have left and started competitors. A mix of a free offering, in tandem with aggressive price increases from 2021 left TeamViewer wide open to a client revolt. Especially amongst the most price sensitive, least security constrained clients who dominate Remote, the lowest rung.

How impactful was the pricing increase and competition? Very. A better way of viewing this is by looking at subscription figures. Keep in mind that the switch to subscriptions came only in 2018. The best comparable figures are only available since 2021.

SMB	2018	2019	2020	2021	2022	2023	2024	2025
Subscribers BoP (in '000s´)	**74**	**271**	**464**	**583**	**624**	**622**	**627**	**639**
SMB Churn	**8%**	**9.1%**	**15.0%**	**14.1%**	**14.4%**	**14.8%**	**15.3%**	**16.4%**
(+) Churned	(6)	(25)	(70)	(82)	(90)	(92)	(96)	(105)
(+) New Subscribers	203	218	189	123	88	97	108	97
(=) Subscribers EOP (in '000s)	271	464	583	624	622	627	639	631
Growth		*71.2%*	*25.6%*	*7.0%*	*-0.3%*	*0.8%*	*1.9%*	*-1.3%*
(x) ARR/Subscriber (in €)	1,333	838	778	753	807	832	843	817
(=) ARR	**230**	**308**	**407**	**455**	**503**	**520**	**533**	**519**
Growth		*33.9%*	*32.2%*	*11.6%*	*10.6%*	*3.4%*	*2.6%*	*-2.8%*

You will see above that the second line shows the percentage Churn rate per year in total subscribers. This is how many subscribers are lost each year, and how many must be replaced. You will see also that Churn since 2021 has been ticking up gradually every year.

Churn 101 – Understanding What Is Being Reported

Allow us one more brief aside here. Churn is a critical metric when looking at subscriber-based business models. However, Churn is not a single metric. Rather, the term refers to a family of related measurements. Each capturing a different dimension of customer attrition. TeamViewer shows different measures depending on the segment of business being described.

For the SMB segment, TeamViewer reports '*Logo Churn'*. That is the number of discrete customer accounts ('Logo's) that cancel (voluntary churn – active decision to leave) or fail to renew (involuntary churn – expired credit cards or administrative lapses) within a period. For this measure, the value of the client's account is ignored. It is just a binary on the client staying or leaving. This measure answers the question "what share of our customers are leaving?" without revenue weighting distorting the signal.

For the SMB segment, especially the two lower rungs this is the most meaningful metric to use as the dispersion in contract values is not so large. A 15% logo churn implies that one in seven subscribers left during the year and that the business must replace them through new subscriber acquisitions just to maintain the subscriber base. As you can see, this figure has drifted from 14.1% in 2021 to 16.4% last year.

There are benchmark levels one can look at to evaluate the quality of a subscription business, based on churn. Let's see how TeamViewer's SMB segment does against such a benchmark. The following table from a study by Rachitsky and Winters[23]. It shows the rough buckets for what constitutes good and great churn levels for subscription businesses:

[23] What is good retention - by Lenny Rachitsky, they surveyed 20 senior growth practitioners (from Pinterest, Slack, Dropbox, Grubhub, Atlassian, a16z, Greylock, and others) and synthesised their inputs with public company data.

MAAT INVESTMENTGROUP

Segment	Implied Good Churn	Implied Great Churn
Consumer SaaS	~60%	~30%
SMB / Mid-Market SaaS	~40%	~20%
Enterprise SaaS	~30%	~10%

The SMB/Mid-Market SaaS benchmark seems the most relevant comparator for TeamViewer's SMB segment. By this standard, 'good' churn is ~40% and 'great' is ~20%. TeamViewer's current SMB churn of 16.4% places it in the 'great' category by this framework. A surprising finding considering the bearish narrative around the stock.

However, the Rachitsky benchmarks reflect the full spectrum of SaaS businesses including early-stage startups with high involuntary churn and poor product-market fit. For a mature, category-leading product like TeamViewer, the relevant comparison is against the upper end of the 'great' range and against direct peers, not against the median SaaS company.

Public comparables from the Rachitsky research reinforce this calibration: QuickBooks Online reported 21% 12-month churn, Slack 5-10%, and Atlassian 2%. TeamViewer's 16.4% rate sits between QuickBooks, a direct SMB SaaS peer with similar churn dynamics, and the collaboration tools (e.g. Slack), which benefit from stronger network effects and higher switching costs.

By this yardstick, TeamViewer is only good, not great. But has been worsening. Another study done by Paddle[24], drew on data from ~13k anonymized SaaS companies. From this, benchmarks for good and great churn on a monthly basis were derived (table below):

Segment	Good Monthly Churn	Great Monthly Churn	Good Annual (approx.)	Great Annual (approx.)
B2C SaaS	3-5%	<2%	~31-46%	<22%
B2B SMB + Mid-Market	2.5-5%	<1.5%	~26-46%	<17%
B2B Enterprise	1-2%	<0.5%	~11-22%	<6%

TeamViewer's SMB business maps best to the B2B SMB+Mid-Market bucket in the table. By this measure, TeamViewer's annualized churn rate at 16.4% is right on the borderline between 'great' and 'good'.

The takeaway from benchmarking? TeamViewers SMB segment, on a churn basis, is not in a crisis situation. However, the trajectory is concerning. From being comfortably in the 'great' category it is slipping into merely 'good'. If it doesn't arrest that decline, it will head rapidly to bad.

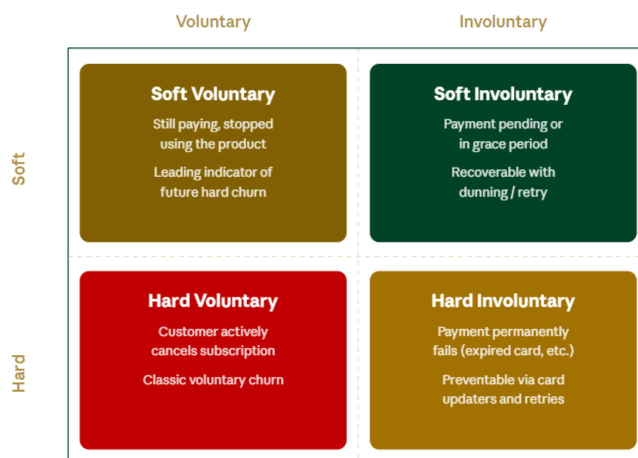
There are a few other variables to consider in churn beyond what we have mentioned when comparing across companies and products.

We mentioned above the idea of **voluntary** vs. **involuntary** churn. Voluntary is choosing not to renew payment. Involuntary can be an expired card, or administrative lapse. Then if it is a **hard** or **soft**. Hard indicates a deliberate decision to leave with intent.

Soft considers the case where clients still pay, but aren't using the service. Someone in the soft bucket is very likely to leave in the future, and that bucket is a great lead indicator of future churn.

[24] https://www.lennysnewsletter.com/p/monthly-churn-benchmarks, ProfitWell data (n=13,000 SaaS companies), published in Lenny Rachitsky, "What is good monthly churn" (Feb 2022).

The following Matrix is one proposed by Crystal Widjaja to consider those two criteria:



Unfortunately, this level of disclosure detail is not made available by TeamViewer. So we cannot decompose it in the manner that would be most useful.

However, the message is clearly negative by deduction.

The company has had a high reliance on auto-renewal and multi-year pre-paid contracts. This suggests that soft churn is masking the true scale of disengagement by the SMB base.

This leaves two other important variables that should be considered when comparing churn rates.

First is **price point.** The higher the price, the lower churn should be. This is because cheaper products tend to server smaller businesses that are more likely to fail or switch. There is more elasticity of demand with that cohort. Meanwhile, high ARPU products cannot sustain a high-churn rate as unit economics for the business collapse under such a condition. From this factor, given the low ARPU, TeamViewer's SMB business, in particular on the two lower rungs is structurally pre-disposed to higher Churn.

Second is the **Maturity Effect.** Monthly churn tends to decrease with the age of the business. This is down to survivorship bias, with long-term fully dependent users pulling down the average churn rate, after more skittish users depart. This is the most concerning point about TeamViewer's churn[25] acceleration in recent years in SMB. All things equal, given the age of TeamViewer's SMB product, churn should be decreasing, not increasing.

This signals there is a genuine problem and that the acceleration is driven by active forces, such as overly aggressive pricing, or increased competition. Those negative forces are dominating the maturity effect. For both pricing and competition, that suspicion is justified. Both are problems. However, we think both can be addressed. We will get to that in a moment.

In short, for the SMB part of the business, and in particular the 'remote' bottom two rungs of that segment (€0 - €1,500) the trend is negative:

Annual Contract Value (€m)[1]	2018	2019	2020	2021	2022	2023	2024	2025	CAGR			
Remote Desktop:									**1Y**	**1Y CC**	**3Y**	**5Y**
<500€	64	89	114	110	103	104	104	99	*-5%*	*-5%*	*-1%*	*-3%*
500-1,500€	99	132	151	168	175	170	167	156	*-7%*	*-5%*	*-4%*	*1%*
Total	**163**	**222**	**265**	**278**	**278**	**274**	**271**	**255**	***-6%***	***-5%***	***-3%***	***-1%***

(1) Metric was changed from billings to ARR in 2023

[25] Other measures of Churn look to value of the contract and are measured against ARR or NRR. Those account for both the number of subscribers and how much they spend. This is more useful for larger ticket items. However, seeing only these figures without 'Logo Churn' can hide troubling and important dynamics about the distribution and health of subscriber dynamics. For the Enterprise business, TeamViewer reports NRR.

TeamViewer still is in the 'good' category for SaaS businesses of this type. However, even the concerning headline trend likely disguises a worse underlying reality.

Why Did This Happen, And Can It Be Stopped?

TeamViewer has been aggressive on pricing and has become subject to more competition in the past half decade.

There are two different phases that one can break this down to. The first phase was between mid-2019 and 2021. Recall that TeamViewer had moved customers from perpetual licenses to a subscription model starting 2018. The initial cohorts tend to be loyal users of the product with higher willingness to pay. They opt-in to such a move because it enables them to get access to a more secure product, and better support. Licenses require the owner to do their own maintenance and make it optional for the software company to provide continued compatibility to the latest version. The trade off is a higher annual cost to the software user.

For less active users of the product however, the price increase can turn them from supporters to detractors.

TeamViewer had invested in a highly efficient free to paid blocker which tracked customer usage. When usage was deemed to be commercial in nature, access was automatically blocked and a TeamViewer salesperson would call with an offer that clients were almost forced to accept, to keep the lights on.

That was good for short-term revenue growth ahead of an IPO, but harmful on a PR basis with their smaller clients. Especially those who had in the past bought perpetual licenses.

Some examples are illuminating. Technibble had blogposts of customers who had paid ~$1,300 for perpetual licenses in the past being offered subscription pricing in the range of $500 - 700 per year. Effectively requiring them to 're-purchase' the product every two years. For managed service providers (MSPs) who had built their businesses around TeamViewer, the cost escalation was particularly acute because their licensing costs scaled with the number of concurrent connections.

This sales motion was brought to an abrupt end in 2021 when high churn led to the crisis CMD and the company abandoning their strategy of programmatic free to paid user monetization. The focus shifted to actively upselling customers to higher subscription tiers based on functionality. All seemed well.

Enter Peter Turner

In July 2022, TeamViewer hired Peter Turner, formerly of Avast, as Chief Commercial Officer (CCO). His brief was simple. Revive SMB growth in a high-churn market. Something he had done for Avast using targeted campaigns in a similarly competitive space with high churn.

He made some early positive changes, most notably the launch of Remote, a revamped SMB offering. This moved TeamViewer from a purely transactional model to a user account-based workflow.

In simple terms, it was closer to Teams than Zoom: access required a registered host, improving security and control. More importantly, it allowed TeamViewer to track user behaviour and better understand customer needs. An important step in addressing soft churn over time.

However, this was overshadowed by a major pricing misstep. From 2023 to 2024, TeamViewer pushed through steep, non-negotiable renewal increases, widely seen as poorly timed given the financial pressure on SMB customers. The issue was not just the magnitude, but the execution.

Contracts auto-renewed with a 28-day notice period. Price increases were communicated by email at that point, with silence deemed acceptance after 14 days. Customers who missed the window were automatically charged the higher rate. While the 'silence-is-consent' mechanism legally sound, the approach triggered significant backlash.

Multiple community forum posts appeared from customers reporting their annual fees doubling or tripling without prior negotiation. Not a recipe for customer delight. This suggests that the elevated logo churn of 14.1% - 15.3% in the 2021 - 2024 period, and the further deterioration to 16.4% in 2025, is not purely a hangover from the initial 2020 shock but reflects a structural repricing of the customer relationship.

Rough Pricing, And…

Such price increases can be done without disaster if there is no easy substitute. However, for the TeamViewer remote product, which makes up most of the subscriber base in the two bottom rungs of SMB there were alternatives available. ***Splashtop*** and ***AnyDesk***.

…New Competition. AnyDesk, founded in 2014 by former TeamViewer developers, positioned itself explicitly as a lower-cost alternative and gained traction among price-sensitive SMBs and MSPs. Splashtop was founded in 2006 by a group of MIT students. It's marketing from 2020 onward consistently referenced TeamViewer's pricing as a pain point.

Each renewal cycle gives marginal customers a fresh reason to evaluate alternatives that did not exist or were unknown in 2018. Especially when the competition at the low end has a large discount in pricing, and where pricing is such an important driver of end-user choice. The following compares pricing, terms and hidden costs from the three:

TeamViewer		AnyDesk		Splashtop	
Plan	2026 (€/mo)	Plan	2026 (€/mo)	Plan	2026 (€/mo)
Remote Access	€21.28	Solo	€24.70	Solo	€5.13
Business	€43.50	Performance	Removed	Pro	€7.05
Premium	€96.50	Standard	€42.65	Performance	€11.11
Corporate	€196.50	Advanced	€95.64		

Hidden Cost's	TeamViewer	Splashtop	AnyDesk
Extra concurrent session	€75-80/ch/mo	Included	€26/conn/mo
Mobile access add-on	€11-33/mo	Included	Included
Annual price escalation	5-15%	Varies	20-100%
Implementation (SMB)	€425-1,700	Minimal	Minimal
Implementation (Enterprise)	€4,275-42,735	Custom	Custom

Contract Terms	TeamViewer	Splashtop	AnyDesk
Annual-only billing	✓	✓	✓
Auto-renewal	✓	✓	✓
Cancellation window	28 days	30 days	~28 days
Multi-year lock-in available	✓	✓	✓
7-day money-back guarantee	✓	✗	✗
Mid-term downgrade allowed	✗	✗	✗

TeamViewer's board has finally woken up to the longer-term risks of such aggressive pricing. Peter Turner was asked to leave. Debbie Lillitos was hired as CCO with a primary KPI of churn reduction. Her first action was to suspend renewal price increases for 2026. Followed by a promise of no free to paid campaigns for the foreseeable future. This is in part why revenue growth is expected to be so low for 2026.

We would be remiss not to share how the TeamViewer product ranks against the competitors mentioned. TeamViewer is more expensive. But it is also superior. Particularly from a security perspective. The following shows for the lower end of the SMB bucket a comparison of the TeamViewer vs. competitor attributes (Ease of use, Security and Pricing – Maat Analysis):

◀ VENDOR OVERVIEW ▶	◀ SMB CRITERIA ▶		
Entrant	SMB C1: Ease of Use & Rapid Deployment	SMB C2: Patch Mgmt & Baseline Security	SMB C3: Transparent & Predictable Pricing
TeamViewer SE	★★★ Best in Class	★★★ Best in Class	★★ Average
AnyDesk	★★★ Best in Class	★ Below Average	★★★ Best in Class
Splashtop	★★ Average	★★ Average	★★★ Best in Class

As you can see, on all but pricing, TeamViewer has the best offering. AnyDesk is poor with respect to security. Splashtop is merely average on all features except pricing.

Other near free offerings are also included for your benefit, in another table below.

◀ VENDOR OVERVIEW ▶	◀ SMB CRITERIA ▶		
Entrant	SMB C1: Ease of Use & Rapid Deployment	SMB C2: Patch Mgmt & Baseline Security	SMB C3: Transparent & Predictable Pricing
TeamViewer SE	★★★ Best in Class	★★★ Best in Class	★★ Average
NinjaOne (NinjaRMM)	★★★ Best in Class	★★★ Best in Class	★★ Average
Chrome Remote Desktop	★★★ Best in Class	★ Below Average	★★★ Best in Class
Apple Remote Desktop	★ Below Average	★ Below Average	★★ Average
N-able	★★ Average	★★ Average	★★ Average
Kaseya	★ Below Average	★★ Average	★★★ Best in Class

If price is the major driver of a lower end buyer, then TeamViewer will struggle to compete.

Though they do have a free offering, the forced upgrades of recent years have left subscribers wary of when they will be forced to move.

However, if security matters, then the alternatives leave much to be desired.

One side effect of AI proliferation is an increase in hacks and security vulnerabilities. We think that ultimately plays into TeamViewers hands.

MAAT INVESTMENTGROUP

More generally, while anyone should hate seeing TeamViewer losing subscribers, if they are to lose some, one would prefer it was the lowest value, most price sensitive cohort. Which is what has been happening.

Will Churn Keep Increasing in the SMB Segment?

We have no crystal ball, but we think 2025 may look like a near term or intermediate peak on this level. First, because TeamViewer has decided on no price increase this year.

Second, the gap in pricing from AnyDesk and SplashTop should decrease. We have been expecting they would increase prices. We estimate AnyDesk to be loss making with Revenues below €50mm, while SplashTop likely has EBITDA margins in the teens or lower, with 2024 Revenues of ~$105mm.

These are both mature companies in their own right. In the current environment where SaaS is being repriced and reevaluated by markets, running onwards with no profits is no less acceptable for smaller niche software providers than it is for the large businesses that have seen their share prices decimated over the past year.

To pacify their own investors, we expect they will need to increase pricing, or the services offered. With TeamViewer not increasing prices, the gap in relative value proposition should work in TeamViewers favour. Especially as they continue to roll out new features.

This is not just idle speculation on our part. On March 1st, Splashtop announced a 20% increase in prices, going from $5 to $6 per month on their lowest end Solo plan. While AnyDesk announced the removal of their AnyDesk Performance package in January of 2026, which was $19.90 per month and replaced it with a standard package which costs $49.90 per month. Indeed, AnyDesk has had the most aggressive price increases of the three companies since 2023:

Plan Tier	TeamViewer	Splashtop	AnyDesk
Entry (1 user)	**0% ($24.90 unchanged)**	+20% ($5 to $6)	**+94% ($14.90 to $28.90)**
Small Team	+2% ($49.90 to $50.90)	**0% ($8.25 unchanged)**	**+67% ($29.90 to $49.90)**
Mid-market	+10% ($102.90 to $112.90)	**0% ($13 unchanged)**	**+40% ($79.90 to $111.90)**
Large Team	+11% ($206.90 to $229.90)	N/A (custom)	N/A (custom)

Those concerned that TeamViewer's churn will monotonically increase due to competition seem to ignore the reality that competitors will need to start showing profits at some near point. Something that has not been true in the recent past.

Through a combination of self-help and competitor action, we believe continued increase in Churn for SMB is unlikely to be a major problem in the next few years. Especially in those lower two rungs of SMB. Where concerns have been, justifiably, most acute.

What is this legacy 'Remote' connection business worth? The following table breaks out remote, with some assumptions we have made on the average ARR for the two buckets, as well as for our estimated subscriber numbers and churn:

SMB	2018	2019	2020	2021	2022	2023	2024	2025
ARR - Remote	**163**	**222**	**265**	**278**	**278**	**274**	**271**	**255**
Growth		*35.8%*	*19.4%*	*4.8%*	*0.1%*	*-1.4%*	*-1.1%*	*-6.0%*
Avg ARR Lower Bucket (<500)	250	250	250	250	250	250	250	250
Avg ARR Mid Bucket (500-1500)	925	700	700	700	700	700	700	700
ASP (Own Calculation, revenue weigh	659	519	506	522	533	530	527	525
Growth		*-21.3%*	*-2.4%*	*3.1%*	*2.1%*	*-0.5%*	*-0.5%*	*-0.4%*
Number of Subscribers Est. (000s)	248	427	523	532	522	517	514	485
Growth		*72.5%*	*22.3%*	*1.7%*	*-1.9%*	*-0.9%*	*-0.6%*	*-5.6%*
o/w Lower Bucket (<500€)	175	279	355	345	325	326	327	311
o/w Upper Bucket (500-1.500€)	73	148	168	187	196	191	187	175
Lower Bucket Subscribers (%)		65.4%	67.9%	64.8%	62.4%	63.0%	63.5%	64.0%
Churn	8.4%	9.6%	15.8%	14.8%	15.1%	15.5%	16.1%	17.2%

Subscribers likely peaked in 2021, falling off thereafter with ARR following with a lag. We believe margins are higher than the company average here, with EBITDA of ~€120mm (47%) for 2025. For a low estimate, we can do a rundown valuation. Let's assume something much worse than current; If we use a -10% CAGR in revenues from churn similar to the past two years continuing for the next decade. And that EBITDA margins remain high, as SG&A and R&D costs are cut in tandem. Then, by 2030 revenues and EBITDA would have declined by 41% to €151mm and €71mm, respectively. That is below 2018 levels.

We don't believe this is likely, this is something closer to a worst case scenario. Given these are risk reduced cash flows, we discount them back at 5%[26]. That suggests the remote is worth at least €450mm. If we assume an annualized decline of -5% in ARR per year, the rundown valuation for remote is €685mm. If there is no growth or decline for ten years, and a 2% terminal decline thereafter, then remote is worth €986mm. Which translates into EV/EBITDA multiples of 3.8x, 5.7x and 8.3x respectively.

What About Growth In The Rest Of The Business?

We have spent time on the lowest rungs of the SMB business. We will now take you through the remaining elements of TeamViewer. Here we will subdivide the rest into our own buckets, purely to illustrate the dynamics as we see them. We do this as the upper rung of the SMB bucket, and old 'Enterprise' business of TeamViewer are more akin to each other than the lower rungs of SMB.

The following table shows the ARR for that **upper SMB bucket and the ARR for Enterprise excluding the impact of 1E, which we labelled 'Tensor and Frontline'**:

Annual Contract Value (€m)[1]	2018	2019	2020	2021	2022	2023	2024	2025	CAGR			
Tensor & Frontline:									**1Y**	**1Y CC**	**3Y**	**5Y**
1,500-10,000	67	89	147	177	225	246	263	264	*0%*	*3%*	*5%*	*12%*
ENT Segment (excl. 1E)		17	53	93	132	124	150	175	*16%*	*19%*	*10%*	*27%*
Total	**67**	**107**	**200**	**270**	**357**	**370**	**413**	**439**	***6%***	***9%***	***7%***	***17%***

(1) Metric was changed from billings to ARR in 2023

As you can see here the development has been quite positive. Don't be fooled either by the relatively low one year and three year CAGR's for the SMB upper rung (€1,501 - €10,000). A large, but not disclosed, driver of the decline in growth rate there is from clients moving into the Enterprise segment.

---

[26] If one takes the risk to the cash flows, a lower discount rate is appropriate.

The better measure in our eyes is to look at those two on a combined basis, Tensor and Frontline. Recall that Frontline is the augmented reality business from the Ubimax deal combined with two smaller acquisitions that followed. Here the one, three and five year growth rates are good, if not great. Perfectly reasonable for an upper SMB and lower enterprise software business.

We think this business can and should continue to grow at a high single digit rate. This is both a function of increasing demand and due to a stronger competitive position for TeamViewer in this market segment.

The key features clients discriminate on in this segment differ from the lower buckets of SMB. There the driving forces were price, ease of use and deployment, and baseline security. Enterprise clients have different priorities.

For Enterprise clients the focus is depth of security, the quality and integration of support, the degree of automation and the ability of the product to meet various industry standards for compliance and governance.

The table here (Maat Analysis) shows a similar comparison to that we did for the SMB segment.

◀ VENDOR OVERVIEW ▶	◀ ENT CRITERIA ▶			FINAL RATING
Entrant	ENT C1: Advanced Automation & Scalable Orchestration	ENT C2: Governance, Compliance & Granular Controls	ENT C3: Deep Integration & Dedicated Support	Overall Category
TeamViewer SE	★★★ Best in Class	★★★ Best in Class	★★★ Best in Class	★★★ Best in Class
LogMeIn / GoTo	★★ Average	★ Below Average	★★ Average	★ Below Average
Ivanti	★★★ Best in Class	★ Below Average	★★ Average	★★ Average
BeyondTrust	★★★ Best in Class	★★★ Best in Class	★★★ Best in Class	★★★ Best in Class
Microsoft (Intune / Quick Assist)	★★★ Best in Class	★★★ Best in Class	★★ Average	★★★ Best in Class

Price does matter here, but it is a secondary concern.

There is no sufficiently low price that will compensate for inadequate security or an inability to pass compliance tests.

You may notice that the competitors in this space are different. This is again down to the different key criteria for clients. Neither SplashTop nor AnyDesk are likely to meet enterprise grade security and compliance requirements.

The two largest competitors in this space are LogMeIn (which owns the 'GoToMyPC' brand) and BeyondTrust. As the table shows, LogMeIn ranks behind TeamViewer on quality in every area. It doesn't do better on price either.

BeyondTrust has a very good product. However, both LogMeIn and BeyondTrust are struggling with substantial financial and technical debt.

With respect to financial debt, LogMeIn was taken private for $4.3bn in 2020, with $3bn in debt. It has struggled with weak profitability, declining revenue and cash flow since. It had to do an out of court restructuring at below par prices in early 2024[27]. With respect to technical debt, it has sadly been a similar story. LogMeIn was an acquisitive roll-up of various brands. In 2023, the company

[27] https://www.goto.com/blog/goto-group-update-feb-5-2024

MAAT INVESTMENT GROUP

suffered a large and embarrassing hack. Worse, it turned out that the company had taken several months to notify users of the breach. Demonstrating holes in the aggregate security umbrella. Unlike the hack TeamViewer suffered, client data was lost, and so was client money.

BeyondTrust is also owned by private equity. The same firm in fact, Francisco Partners. It has ~$500mm in annual revenues. Rumours were of a potential sale late last year, targeting a valuation of 5x – 20x Revenues[28], or $2.5bn - $10bn. That seems optimistic. BeyondTrust is also heavily leveraged. BlackStone refinanced the original LBO debt in late 2023 with a $1bn private loan package[29]. This was said to be done at a leverage level of 6.5x – 6.9x ND/EBITDA minus CAPEX. Suggesting leverage through the loan of 6.0x – 6.5x for ND/EBITDA.

It has also suffered from a number of high profile security concerns. Most recently in early 2025, hackers exploited a zero-day in a third-party application to access a BeyondTrust AWS account, stole an infrastructure API key, and used it to compromise 17 Remote Support SaaS customer instances by resetting local application passwords[30]. The U.S. Treasury Department was amongst those breached. Worse, weeks after initial disclosure of the hack, thousands of BeyondTrust instances remained exposed to the problem.

The irony that a company selling privileged access management software was itself compromised via privileged access could inspire Alanis Morrissette (*Isn't it ironic. Don't you think?*). TeamViewer had an incident too, but customers were unaffected and their security provisions worked effectively.

So the best competitors are heavily leveraged, have major security issues and substantial technical debt. Such competitors tend not to be particularly innovative or able to focus on improving and maintaining their product or service quality.

Good news for TeamViewer, and part of our reason for comfort about its prospects for growth and competitive position within the segment.

What is this legacy 'Tensor & Frontline' business worth?

We think as an absolute floor, the value would be the current multiple for the whole business at ~5.0x EV/EBITDA, for €950mm.

For a mid-case, we think something slightly above the leverage on the loan BeyondTrust got last year is a reasonable proxy. We use 7x EV/EBITDA, for a valuation of €1.34bn.

For a better case, we can point to the indicated target sales levels being muted for BeyondTrust. If we take below the lower end of the range they are targeting, 4.5x EV/ARR, that equates to a valuation of €1.99bn, or an EV/EBITDA of 10.4x. That seems punchy in the current market, but not given history or given the economics and growth of the business, absent current sentiment.

That leaves 1E, which we will get to. But first we must address the elephant in the room.

---

[28] Francisco Partners weighs multi-billion dollar sale of cybersecurity firm BeyondTrust - Private Equity Wire;

[29] https://www.bloomberg.com/news/articles/2023-12-07/blackstone-provides-1-billion-in-private-credit-for-beyondtrust

[30] PostgreSQL flaw exploited as zero-day in BeyondTrust breach

MAAT INVESTMENTGROUP

Why Won't AI Kill TeamViewer?

The perceived threat from AI for TeamViewer, or other SaaS companies in general, tends to be framed from three possible angles of attack:

- AI will allow anyone to vibe code their own software, rendering current products obsolete.
- AI will kill all jobs, technology first, rendering those reliant on seat based pricing with no clients to charge against seat usage.
- AI will allow potential competitors in the value chain to move up or down, and increase competition in areas that were before distinct.

On the first point, we are dismissive. Vibe coded applications may look cool on first glance. However, they are far from secure. And while they may work well in the first days, they are not actively maintained. Hardware and software specifications and configurations are updated continuously.

For a normal end user of applications (individual or SMB), the importance of this may not be apparent. But it is critical. Failure to maintain and integrate for updates will render the product open to major security risks, or just broken. Any vibe coded versions are unlikely to be saleable. Meanwhile, we expect those developed for internal use will quickly be trashed as the time cost and nuisance of updating and maintaining the code reveals itself.

For enterprises, security is the primary concern. They have complex data structures and large customer liabilities. CIO/CTOs are risk averse by nature and for good reason. The table below gives a snippet of major cyber risk events from nascent AI products in the month of March, 2026 alone:

Company	Event
Axios	npm maintainer hijacked, RAT deployed to 100M+ weekly downloads
LiteLLM	PyPI package backdoored, three-stage credential harvester across 97M monthly installs
Railway	CDN misconfiguration leaked authenticated user data for 52 minutes affecting ~3,000 users
Delve	$300M compliance startup allegedly exposed for fabricating 493 SOC 2 audit reports
Mercor AI	LAPSUS$ allegedly stole 939GB source code and 4TB total data
OpenAI Codex	Command injection via branch names, found in Dec 2025; BeyondTrust published findings, no evidence of exploitation
Copilot	Microsoft allegedly injected ads into 1.5M+ GitHub pull requests without developer consent
Claude Code	Source code leak **(all of the code)**

Such an episode can be a career ender for a CIO/CTO. The frequency and severity of major hacks has increased materially, of late. One thing AI can certainly do is make hacking easier and more widespread. Remote connectivity confers access to key data and control of key systems. We think the idea that any reputable company would take such a huge security risk to save a small sum is naïve. Even for company's with no CIO/CTO, why take the chance. For those with a CIO/CTO, we think it naïve to ignore their incentive structure.

Here, we think doomsayers who group all SaaS companies into one bucket have the framing all wrong. We would encourage the sceptics to think again, perhaps through the lens of insurance. Cyber insurance has been one of the fastest growing insurance markets in the past decade. Driven by both large increases in penetration and annual premiums.

Paying up an extra €20 per month to ensure no cyber attack event doesn't seem so much when things are viewed from that perspective. Especially if you are a CIO/CTO with the potential downside of becoming unemployable in the event things go wrong. And considering the company

MAAT INVESTMENTGROUP

is paying for the connection, not the CIO/CTO's own pocketbook. We estimate the odds of them allowing a vibe coded solution as nil. While paying up slightly for best in breed security seems a no brainer.

The second and third point are addressed by DEX, and the acquisition of 1E. So let's consider those questions and 1E together:

What About DEX?

The second point, where AI causes widespread reduction of employment, is one reason why we think the 1E acquisition was strategically sensible. In such an environment, fired workers in technology, finance and industry would, be supplanted by a large increase in the number of devices or endpoints. Just as there are fewer workers on farms today, but many more machines.

There has been much debate about how SaaS companies will adjust away from the traditional per seat / user pricing convention in the brave new world of AI and related agents. After all, in this scenario, revenues will be crushed by seat numbers evaporating. Here we must credit management. They saw this coming. They are pivoting their pricing model entirely. They launched a new platform in late 2025, at small scale, called the **TeamViewer One platform** which includes:

- Remote connectivity.
- DEX automation (device health, self-healing).
- AI agents, and
- Third-party patching and endpoint management.

Providing a solution suitable for the changing landscape, and moving pricing from per seat to per endpoint. This does come with a clear downside. They cannibalise their own seat revenues. However, there is a less intuitive, and larger offsetting upside. Moving from price per seat, to price per endpoint produces a multiplier effect. Because the growth in number of devices will likely be far greater than the corresponding drop in seats.

For example, replace a labour intensive automotive plant with robots and you increase the number of endpoints that are robots, or control points for groups of the same. Equally, if autonomous driving takes over, there will be far more motors and CPU's in a car than currently. Those will need to be monitored continuously, ideally with preventative maintenance. Precisely the use case for TeamViewer One. Moreover, the connection will need to be totally secure, reliable at low latency and constantly maintained with seamless customer support. Which is what TeamViewer specializes in.

TeamViewer expects a 30-40% uplift in ARR from customers that migrate, as result. Amazing **if** it works. However, good execution is needed. Memories of big plans and large profits from Frontline and the Ubimax acquisition remain front of mind.

Nevertheless, TeamViewer is already moving its model to the new world of product pricing. Moreover, it positions the company well, to be resilient whether AI causes mass unemployment or not.

The final point, is the most clear and present danger.

Products from companies such as ServiceNow are typically used in conjunction with remote connection software, but were traditionally bought separately and considered different services.

AI makes software engineers and coding a lot more productive. This is our biggest fear regarding AI's potential impact on TeamViewer.

Prior industry vertical divides acted like a large walled city. The cost / benefit of spending large sums to provide a peripheral service beyond the narrow one for someone like ServiceNow precluded entering the relatively unappealing and small profit pool that remote connectivity market presents. We think the walls to that city may remain strong.

However, the productivity gains, in addition to the psychological fears in the SaaS space generated by AI may allow for a '**Trojan Horse**' development to the industry structure.

First, the cost of development for those companies has reduced.

Second, the incentive to mitigate potential churn from their core products is now much more pronounced. All fear they can be displaced. Far more than a year ago. Such fears tend to provoke defensive moves. Major SaaS companies showing increased churn or declining growth in revenues are being punished in the market. There is no doubt they will doubt to counter any such trends and avoid the pain associated.

One way to do this is by adding more services, and perhaps by going up or down the value chain to eat someone else's lunch.

For example, imagine a ServiceNow client with a contract that is up for renewal. ServiceNow wants to avoid churn and, if possible, to increase pricing. How can either be justified to the CIO/CTO of a sceptical client? Adding secure remote connectivity would certainly qualify. They could tell the client you just don't renew TeamViewer, or AnyDesk when those contracts come to the roll-date. The appeal for ServiceNow in this instance is not the relatively small revenue pool remote connectivity enjoys. It making sure their offering remains appealing.

In this sense, we think the nature and degree of competition in certain verticals has, or will likely change. This is the biggest threat to the remote connection industry as we see it.

However, this is the other reason why we think 1E and the move to embrace the DEX space made sense. TeamViewer is making just such a pivot.

At worst, it should prove a solid defence. Their current competitors, AnyDesk and Splashtop have no such DEX offering. While on the Enterprise side, BeyondTrust and LogMeIn are in no technical or financial position to develop such a product organically or through acquisition.

Equally, the large and fast growing DEX competitors to 1E have both the cash and expertise to try and move into remote connections. After all, they are connected on the back end continuously.

MAAT INVESTMENTGROUP

We think the acquisition of 1E is a solid defensive manoeuvre against any such encroachment by those players. Though again, ideas are lovely, but it is execution that counts.

1E had a terrible 2025. The DEX market did not. The market leader, Swiss-based Nexthink, has grown from $5mm in revenues in 2013 to ~$350mm in revenues in 2025. It plans to grow to ~$1bn in revenues within 4 years which would imply an expected annual growth rate of 30%[31]. AI doesn't seem to be an issue for the DEX space. It may be a catalyst.

The disconnect between market and competitors growing at a pace, while 1E shrank is startling.

Is 1E A Problem Of Poor Product, Or Is Something Else Wrong?

The product is excellent. The problem has been sales. Specifically the pipeline that TeamViewer acquired when it bought the company. The first shoe to drop was Elon Musk's DOGE deciding that US Federal agencies must cut software spend by 20% across the board. 1E's single largest customer with an annual contract composing 15% of 2024 revenue, is the US Veteran Affairs Department.

That was followed by HP, a large reseller partner choosing to end the relationship. Finally, there was abnormal churn in other clients who had signed on in the 12 months prior to TeamViewer buying 1E. A cynic would think there may have been some window dressing by an owner who knew they would a motivated seller in a year or two.

Altogether we suspect value churn was between 15-20% in 2025. Astronomical when churn rates are in the low to mid-single digits for typical enterprise SaaS products.

However, those are also one-off's and now in the past. We expect Q1 2026 to be the final wave of known churn for 1E. With gradual recovery thereafter. Attributable to several remedial actions:

- **Mark Banfield** who led 1E before acquisition has consolidated responsibility for all Enterprise sales at TeamViewer, including DEX. While Tim Koubek, who worked with Mark to deliver 175% growth at infrastructure software company LogicMonitor over 3 years, has been appointed Head of Enterprise Americas in April 2026. Bolstered by the return of several former 1E salespeople.
- A **partnership with fast growing MSP Thrive Technologies** was signed Q4 2025 which provides a scalable channel distribution pathway in the US mid-market, and
- 1E is in the final stages of **completing the FedRamp certification.** This will enable them to sell more into the US Federal Government.

In short, the move into DEX improves TeamViewer's resilience, in the event that clients consolidate IT capabilities into a few Remote Maintenance and Monitoring (RMM) platforms, such as Nexthink and Lakeside. And move away from single point solutions such as AnyDesk or BeyondTrust.

[31] Nexthink ponders exit at USD 1bn revenue - CFO - ION Analytics

Indeed, TeamViewer was itself at risk from such displacement. It mitigated that risk by buying 1E. Moreover, **if** execution improves from here, then the TAM for TeamViewer is far bigger than before.

AI is a potential threat to TeamViewer and the various players in its industry. However, we think the threat is far less pronounced than some of the more hysterical takes we have heard. Moreover, we think TeamViewer is best positioned of the current remote incumbents to adapt to the changes AI is driving.

What is 1E and DEX worth within TeamViewer?

We know TeamViewer overpaid at €682mm. However, 1E still had ~€66mm in revenue and ~€18mm in EBITDA for 2025 and will grow again in 2026. We think a floor is at least €200mm. That would be 3x EV/ARR and 11.3x EBITDA.

It is no doubt worth considerably more. The larger competitors in the space have been hot topics in the financial markets. Nexthink is a larger player that has been growing more rapidly.

It had an ARR in 2025 of €350mm, and has grown that at an annualized rate of 28.5% since 2020. More impressive again is EBITDA margins of over 40%. Vista Equity Partners committed to a majority stake 6 months ago at a valuation of ~$3bn. Valuing the business at 8.5x ARR and 21x EBITDA.

NinjaOne is bigger again. It had an ARR of $500mm in 2025, with an average spend of ~$13.5k per client. Having grown 70% during that year[32]. It expects similar growth for this year. At the last fundraising round in early 2025, it was valued at $5bn. That was a valuation of 17x EV/ARR for the prior year, and 10x for the year that was to come.

No doubt, these are bigger, better companies than 1E. Nevertheless, TeamViewer brings a massive potential client base. Especially if TeamViewer One gains traction. We think a valuation range of 3x to 7.5x EV/ARR is a reasonable spectrum for the 1E portion of TeamViewer. Putting the range between the floor of €200mm and a better outcome of potentially €500mm.

Conclusion

I know we have covered a lot of ground here. The idea was not to bore, nor to distract. It was to do a proper post mortem and offer you sufficient data, context and explanation. So that you can reasonably evaluate the decisions that we made, the factors we considered and the rationales, logic and assumptions we used to make them.

We told you some pages ago, that we expect you may think we are mad to increase our position in TeamViewer given the price action since we bought and the series of events. On a superficial level, that decision does look crazy. However, we hope our analysis, and exposition has explained why we think we remain sane.

[32] NinjaOne hits revenue benchmark, topping $500 million ARR

As is always the case, to the extent that you dispute the facts we have shared. Or feel we have asked the wrong questions, or simply gotten to the wrong answers. We really do want to hear from you.

We know we can get it wrong. We have here, badly. As it pertains to TeamViewer, we made several mistakes:

- Our perception of a cheap entry price was completely misguided at €12 per share, nearly 3x the current price.
- Our evaluation of path risk did not anticipate the degree of possible investor revulsion to any disappointment or PTSD trigger. We could and should have known better. We did not appreciate just how bad sentiment could get, despite knowing history.
- We knew the history, and thought Management would do as we might. We didn't give sufficient weight to their actual track record – and the impact of that on credibility.
- We were too quick to increase position size as uncertainty prevailed.
- We failed to appreciate how the Market was interpreting the impact of the rise of AI.

I can assure you, we are highly aware of each of these and we have already factored in the lessons to our investment process. We had done so before we made our latest decision to upsize again.

Sadly, TeamViewer is a great case in point of the path risk and 'short-option' we have described to you as a major peril for the niche market we invest in. Our original entry price looks very far away now.

If a bidder were to emerge today for the company and offer €9 per share, we suspect it would be sold. Just because it would offer frustrated shareholders an exit over 100% higher than the current price. That would only happen if the buyer thought the shares were worth far more than our original purchase price. Yet we would still have lost 25% on our original investment. This is a genuine peril in our space.

The risk of further embarrassment from doubling down after such a sequence of events is high. Especially when one opens up the door to show others how the sausage was made. Nevertheless, we think it is the right thing to do, and what we would hope for if the roles were reversed.

Our investment in TeamViewer viewed from a newcomers perspective is exactly how we decided whether to increase our position, or exit it. Our aim here has been to put you in just such a position, and let you see if you would do the same.

From that perspective, we think an investment at TeamViewer here looks to be a wonderful proposition, so long as:

- The operating business doesn't go into a sudden rapid decline, and
- Leadership doesn't do anything silly with the ample cash flow of the business.

On capital allocation, we explained that both the CEO and Chairman now seem to have recognized the impact of past mistakes. Moreover, we think they understand the need to avoid any further missteps, and the potential benefit to making positive bold moves.

On the operating business we explained that the headwind has been from the lower rung of the SMB segment. But also why those headwinds are now likely to be receding. While Frontline & Tensor are doing better than most realize. While DEX could be a positive wildcard.

We know our opinions on all of these items is in stark contrast to most in the market. At least now, you know why we disagree.

Coming to valuation, if we are right on operations, and growth doesn't turn negative, then things should go well. If they avoid errors on capital allocation too, then returns should be excellent. If they make sensible moves, returns should be extraordinary. The table below summarizes our estimates of value from the various segments earlier:

Ranges of Valuation						
2025 Estimates	Remote	Frontline & Tensor	1E / DEX	TeamViewer	Implied Share Price	Downside/ Upside
Revenue	**255**	**439**	**66**	**760**		
EBITDA	119	191	18	328		
EBITDA Margin %	46.8%	43.5%	26.8%	43.2%		
Floor EV	**450**	**950**	**200**	**1,600**	**€ 4.33**	0%
Floor EV/EBITDA	**3.8x**	**5.0x**	**11.3x**	**4.9x**		
Mid EV	**685**	**1,337**	**350**	**2,372**	**€ 9.21**	113%
Mid EV/EBITDA	**5.7x**	**7.0x**	**19.8x**	**7.2x**		
Better EV	**986**	**1,986**	**500**	**3,472**	**€ 16.16**	273%
Better EV/EBITDA	**8.3x**	**10.4x**	**28.2x**	**10.6x**		

The risk reward looks excellent. As they should at this price with such great economics.

However, what if industry structure does change. Then even if TeamViewer can maintain market share and Revenues, it is likely margins would suffer. This would take a few years, but it would severely damage the case. If we assume margins were to fall to 20% overall, then using the same multiples per segment used above, things would look bleak:

Ranges of Valuation						
2025 Estimates	Remote	Frontline & Tensor	1E / DEX	TeamViewer	Implied Share Price	Downside/ Upside
Revenue	**255**	**439**	**66**	**760**		
EBITDA	53	79	18	150		
EBITDA Margin %	20.9%	18.0%	26.8%	19.7%		
Floor EV	**201**	**393**	**200**	**794**	**€ 0.00**	-100%
Floor EV/EBITDA	**3.8x**	**5.0x**	**11.3x**	**5.3x**		
Mid EV	**306**	**553**	**350**	**1,209**	**€ 1.86**	-57%
Mid EV/EBITDA	**5.7x**	**7.0x**	**19.8x**	**8.1x**		
Better EV	**440**	**822**	**500**	**1,762**	**€ 5.36**	24%
Better EV/EBITDA	**8.3x**	**10.4x**	**28.2x**	**11.7x**		

However, we think such an outcome is incredibly unlikely and would take years to play out. This table disregards the FCFE. That should be payable to shareholders even at current leverage levels either via buyback or dividend. If you assume that in such a dire outcome, that Management will be aware of the dynamics, and further assume they do the right thing and payout the FCFE that they can, even if for only two years, then the situation looks very different. The effective Downside/Upside then looks as follows:

MAAT INVESTMENTGROUP

2025 Estimates	Remote	Frontline & Tensor	1E / DEX	TeamViewer	Implied Share Price	Downside/ Upside
Ranges of Valuation - With Dividends Paid for 2 years						
Revenue	**255**	**439**	**66**	**760**		
EBITDA	53	79	18	150		
EBITDA Margin %	20.9%	18.0%	26.8%	19.7%		
Floor EV	**201**	**393**	**200**	**794**	**€ 2.26**	**-48%**
Floor EV/EBITDA	**3.8x**	**5.0x**	**11.3x**	**5.3x**		
Mid EV	**306**	**553**	**350**	**1,209**	**€ 4.12**	**-5%**
Mid EV/EBITDA	**5.7x**	**7.0x**	**19.8x**	**8.1x**		
Better EV	**440**	**822**	**500**	**1,762**	**€ 7.62**	**76%**
Better EV/EBITDA	**8.3x**	**10.4x**	**28.2x**	**11.7x**		

This only further emphasizes the importance of the Board and Management making good capital allocation decisions henceforth. And why investors are so sensitive to it.

To be clear, we think the Floor value is very unlikely to be realized. Moreover, we don't see indications of major margin erosion yet. We will change our view if we see any developments in that direction.

Rather, we think that from the original table on the prior page that the Mid and Better EV's are the most likely scenarios.

We have addressed this case and valuation almost entirely from a defensive perspective. We have tried to be cold and rational and consider things as if we had never owned shares. Only you can judge if we have achieved that end.

With that approach in mind, it is sensible to also look at the other side. If we were looking at this on that basis, then the company could turn out to be a potential long, or a potential short. Looking at it from that perspective is particularly enlightening.

If One Were Short TeamViewer's Shares Here, What Would Keep You Awake At Night?

Those who are short the shares today must have a clear rationale. Many are. Short interest at the time I write is ~11%, with a borrow cost of over 4% per year.

What are those short the company betting against? Either negative growth in earnings in the coming year or two. A further decline in multiple. If it can happen to the magnificent 7, it can happen here. Or, more speculative spending from Management. However, If not, then how comfortable should one be in a crowded short, paying ~30% per year?

What happens if Management does something sensible with that cash? Such as a large buyback?

A €600mm buyback volume now would be catastrophic for anyone short at the current level. The company buying back ~87% of shares while shorts had to buy back 11% would make a run for the exits very tricky. Even just a 30% tender would have a huge impact.

To be short and confident here, one has to believe no such move is remotely feasible. Or that a very material and rapid decline is around the corner for operations. Not to mention the cold sweats we would endure worrying about a potential LBO. In our opinion, a short here is a huge risk.

But those short have done wonderfully, where we have performed appallingly. We can understand if you trust their opinion over ours.

The Last Word

Our last few letters to you have been long, but we hope engaging and informative. We have covered four entirely different businesses and situations. We did so to show you how we work as generalists and to give comfort we are thorough and thoughtful. So you can assess us.

After all, your primary bet is on us, not directly in the companies. That should be a bet on our ability, experience, judgement, integrity and adherence to a solid process.

We have seen other firms abandon failed investments, regardless of price. Usually driven by fear of shame and embarrassment. Like an offender running from the scene of a crime.

We have tried to be calm and rational here. You can be the judge of that.

We have gone into extra depth on TeamViewer as it constitutes our largest error thus far. You deserve a candid post mortem and to know what, if anything, we have learned.

We promise our next letter will be much shorter. We are very unhappy with our performance over the past 12 months. We have done considerable work and continue to improve. But the results don't show it.

Despite this, we feel more confident in the prospects of our current portfolio and the likely returns than we have done in the past decade. We have each experienced periods of flat and poor performance. However, we have also experienced the results that tend to follow. We believe that solid valuation work will be rewarded by the market. We just don't know when.

We are incredibly lucky to be doing this job and to have your trust. Thank you. We hope the fruits of all of the hard work done will start to show in meaningful positive results. Soon.

Best Regards,

Shaun Heelan, Chief Investment Officer

Disclaimer

Maat Investment Group GmbH ("MAAT") is authorized as an investment firm (Wertpapierinstitut) by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, "BaFin") and is registered with the U.S. Securities and Exchange Commission (SEC). MAAT only transacts business in the U.S. in states where it is properly notice filed or is excluded or exempted from registration requirements. Authorization by BaFin and registration with the SEC does not constitute an endorsement of the firm by these regulators and does not mean the advisor has attained a particular level of skill or ability.

Certain information contained herein has been obtained from third party sources and such information has not been independently verified by MAAT. No representation, warranty, or undertaking, expressed or implied, is given to the accuracy or completeness of such information by MAAT or any other person. While such sources are believed to be reliable, MAAT does not assume any responsibility for the accuracy or completeness of such information. MAAT does not undertake any obligation to update the information contained herein as of any future date.

This presentation is confidential, is intended only for the person to whom it has been directly provided and under no circumstances may a copy be shown, copied, transmitted or otherwise be given to any person other than the authorized recipient without the prior written consent of MAAT.

There is no guarantee that the investment objectives will be achieved. Moreover, the past performance is not a guarantee or indicator of future results.

Certain information contained herein constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "project," "estimate," "intend," "continue," or "believe," or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events, results or actual performance may differ materially from those reflected or contemplated in such forward-looking statements. Nothing contained herein may be relied upon as a guarantee, promise, assurance or a representation as to the future.

The reader should not assume that investment decisions identified and discussed were or will be profitable. Specific investment advice references provided herein are for illustrative purposes only and are not necessarily representative of investments that will be made in the future.

Views and opinions expressed are for information and education purposes only and should not be considered investment advice.