



# Trimble Inc.

Fourth Quarter and Full Year 2023  
Results Summary



# Fourth quarter and full year highlights

## 2023 Performance Highlights




- Fourth quarter revenue \$932M (+3% organic); \$1.98B of ARR (+13% organic)
- Full year revenue of \$3.8B, (+1% organic), record full year gross margin of 64.7%
- +170 bps of margin expansion; record non-GAAP operating margin of 24.6%, and record Adjusted EBITDA margin of 26.6%
- Free cash flow of \$555M up significantly Y:Y
- Total remaining performance obligations (backlog) of \$1.8 billion

## Structural Model Progression

Key Statistics			
	2013	2018	2023
Revenue	\$2.3B	\$3.1B	\$3.8B
ARR \$	\$581M	\$1.1B	\$1.98B
Recurring revenue % of total	22%	31%	49%
SW/services/recurring % of revenue	40%	52%	67%
Non-GAAP gross margin %	56.4%	58.0%	64.7%
Adjusted EBITDA % of revenue	22.8%	22.6%	26.6%
Net working capital % of revenue	8.9%	3.4%	-4.4%
Operating Leverage			5 years: 44% 10 years: 31%



# Capital allocation highlights: driving shareholder value

Capital allocation		2023 Outcomes	2024 Actions
Strategic Priorities	Tactics		
<b>Connect &amp; Scale</b> strategic (P&L) investments have biased to capture the <b>growth</b> opportunity in the <b>construction</b> market   <b>ARR Growth</b>	TC1 product strategy - pre-packaged bundled offerings	Doubled the number of pre-packaged TC1 offerings in Q4 by serving more users across more vertical segments	Execute in the market - learn & expand
	Systems & process transformation - efficiency & effectiveness	Foundational capabilities: licensing, entitlement, identity Customer 360 views - unlock marketing & selling insights	Expand further across geographies and AECO product portfolio
	Go to market alignment - cross sell enablement in AEC software	ACV bookings growth in AECO software: >30% Y/Y TC1 bookings in AECO software: nearly half of Q4 ACV bookings AECO cross-sell bookings: >20% for total year; accelerated to >25% in Q4	Account based selling model - enabling a higher level of cross selling in combination with account based marketing
<b>Simplification and focus</b> of the Trimble business portfolio   <b>Growth &amp; Margin Expansion</b>	Portfolio optimization (including divestitures)	21 divestitures over last 4 years Divested water metering business & owned dealership in Germany	Focus on businesses where Trimble has a natural "right to win"
	Joint Venture with AGCO	Signed Ag JV with AGCO (with an ongoing supply agreement) Regulatory review in process	Close JV in 1H'24 and return capital to shareholders
	Organizational alignment	\$50M annualized cost reduction implemented in 2023 Prepared the company for the reorganization in FY24: AECO software, Field Systems, Transportation & Logistics	Resegment external reporting - provide further clarity on business models within AECO, Field Systems, T&L
<b>Returning capital</b> to Trimble shareholders   <b>ROIC</b>	Return AGCO JV proceeds to shareholders	Communicated \$1.1B debt paydown + \$0.4B buyback \$100 million buyback executed in Q4	\$1.1B of debt paydown; \$800M buyback authorization; tuck-in M&A

ACV refers to annualized contract value.

AECO refers to architects, engineers, contractors, and owners.



# Voice of customer: Connect & Scale

**Outcome:**  
Delivering lifecycle value

“Trimble Construction One for our firm has enabled us to communicate amongst each separate discipline and each progression of a process throughout the entire project to where we’re seamlessly tied together and working as a cohesive unit.”

**Mechanical Contractor**

**Outcome:**  
Uniquely connecting workflows

“Trimble’s connected workflows have taken our different divisions that previously were working on their own (and repeating the same tasks), to now having the ability to use one document with shared access for spot checks. At the end of the day that spot check can take 20 minutes compared to the days that were spent on this prior.”

**Electrical Contractor**


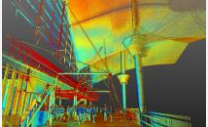










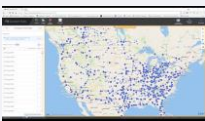

**Outcome:**  
Easier to do business with

“I like that Trimble pulls everything together so we don’t need five different logins or six different subscriptions. It’s one central hub and it really gets the whole company on the same page so we don’t have to learn multiple programs.”

**Electrical Contractor**



# Company Organization & Future Segment Reporting

<p><b>AECO</b> (architects, engineers, contractors, owners)</p>	<p><b>Architects</b></p> 	<p><b>Engineers</b></p> 	<p><b>Construction</b></p> 	<p><b>Owners</b></p> 	<p>Revenue: <b>≈\$1.3B</b></p> <p>% Software/Services/Recurring: <b>≈99%</b></p> <p>% Recurring: <b>≈95%</b></p>		
<p><b>Field Systems</b></p>	<p><b>GNSS</b></p> 	<p><b>Positioning Services</b></p> 	<p><b>Total Stations &amp; Scanning</b></p> 	<p><b>Mobile Mapping</b></p> 	<p><b>Ag IP</b></p> 	<p><b>Machine Control</b></p> 	<p>Revenue: <b>≈\$1.45B</b></p> <p>% Software/Services/Recurring: <b>≈50%</b></p> <p>% Recurring: <b>≈20%</b></p>
<p><b>Transportation &amp; Logistics</b></p>	<p><b>Telemetry</b></p> 	<p><b>Transport Mgmt System</b></p> 	<p><b>Mapping</b></p> 	<p><b>Transport Mgmt Platform</b></p> 	<p>Revenue: <b>≈\$0.8B</b></p> <p>% Software/Services/Recurring: <b>≈90%</b></p> <p>% Recurring: <b>≈85%</b></p>		

Figures reflect midpoint of As-adjusted FY24 revenue Outlook. As-adjusted Outlook removes the Agriculture business from FY'24, and includes projected supply agreement revenue. Recurring revenue includes revenue from subscriptions, term licenses, and maintenance and support.



# Fourth quarter 2023 financial summary

\$M, Except Per Share	Fourth Quarter of		
Non-GAAP Highlights	2022	2023	Y/Y Change
Revenue	\$856.5	\$932.4	+9%
Gross Margin % of Revenue	61.8%	65.3%	+350 bps
Adjusted EBITDA	\$208.4	\$241.2	+16%
Adjusted EBITDA % of Revenue	24.3%	25.9%	+160 bps
Operating Income	\$187.8	\$226.6	+21%
Operating Income % of Revenue	21.9%	24.3%	+240 bps
Tax Rate	17.5%	16.4%	-110 bps
Net Income	\$149.9	\$156.6	+4%
Diluted Earnings Per Share	\$0.60	\$0.63	+5%
Balance Sheet & Cash Flow Highlights			
Net Debt	\$1,249.0	\$2,836.8	+127%
Deferred Revenue	\$737.6	\$761.4	+3%
Cash Flow from Operations	\$106.1	\$98.9	-7%
Free Cash Flow	\$99.5	\$89.1	-10%
Share Repurchases	\$0.0	\$100.0	NA

Fourth Quarter 2023		
	Total Company	As-Adjusted, Excluding Ag <sup>(1)</sup>
Organic revenue	+3%	<b>+6%</b>
Currency translation	+1%	+1%
Acquisitions	+5%	+6%
Divestitures	-1%	-1%
Total revenue	+9%	+12%

- Gross margin up significantly due to increased subscription mix and lower costs
- Operating margin growth driven by strong gross margins and cost control
- Cash flow impacted by U.S. tax payments made in the fourth quarter

(1) As-adjusted results remove the Agriculture business from FY'22 and FY'23. Figures may vary due to rounding.



# Full year 2023 financial summary

\$M, Except Per Share	Fiscal Year		
	2022	2023	Y/Y Change
<b>Non-GAAP Highlights</b>			
Revenue	\$3,676.3	\$3,798.7	+3%
Gross Margin % of Revenue	60.0%	64.7%	+470 bps
Adjusted EBITDA	\$917.3	\$1,009.7	+10%
Adjusted EBITDA % of Revenue	25.0%	26.6%	+160 bps
Operating Income	\$841.5	\$934.7	+11%
Operating Income % of Revenue	22.9%	24.6%	+170 bps
Tax Rate	18.2%	17.2%	-100 bps
Net Income	\$660.3	\$663.7	+1%
Diluted Earnings Per Share	\$2.64	\$2.66	+1%
<b>Cash Flow Highlights</b>			
Cash Flow from Operations	\$391.2	\$597.1	+53%
Free Cash Flow	\$348.0	\$555.1	+60%
Share Repurchases	\$394.7	\$100.0	-75%

Full Year 2023		
	Total Company	As-Adjusted, Excluding Ag <sup>(1)</sup>
Organic revenue	+1%	<b>+4%</b>
Currency translation	0%	0%
Acquisitions	+4%	+5%
Divestitures	-2%	-3%
Total revenue	+3%	+6%

- Gross margin up due to increased subscription mix and lower costs
- Operating margin expansion driven by increased gross margins
- Cash flow driven by profit growth and improvements in inventory offset by higher interest expense

(1) As-adjusted results remove the Agriculture business from FY'22 and FY'23.



# Financial metric highlights

<b>Annualized recurring revenue ≈\$1.98B (+24% growth, +13% organic)</b>	<b>Approx. \$1.8B Remaining Performance Obligations (backlog)</b>
<b>FY'23 free cash flow \$555 million</b>	<b>53% of Q4'23 revenue is recurring<sup>(1)</sup></b>
<b>Net working capital &lt;0% of TTM revenue</b>	<b>69% of Q4'23 revenue is software/services/recurring</b>
<b>FY'23 Gross Margin 64.7%</b>	<b>Net Debt:TTM Adjusted EBITDA 2.8x ~\$268m lower than close of the Transporeon acquisition</b>

Backlog represents contracted revenue for which goods or services have not been delivered and includes both invoiced amounts in deferred revenue as well as amounts that are not yet invoiced.

The backlog excludes recurring billings for a portion of the existing customer base that are billed monthly as services are incurred.

Adjusted EBITDA refers to non-GAAP operating income plus depreciation expense and cloud computing amortization plus income from equity method investments, net.

Net working capital refers to Accounts Receivable plus Inventory minus Accounts Payable minus Accrued Compensation and Benefits minus Deferred Revenue (current and non-current).

Software, Services, and Recurring includes all software sales, services, and recurring revenue and excludes upfront hardware sales.

TTM refers to trailing twelve months.

1. Recurring revenue includes revenue from subscription, maintenance & support, and term license agreements.





# Fourth quarter revenue by type and geography

Revenue Growth by Type				
\$ Millions	Fourth Quarter of			
	2022	2023	Y/Y Change	Y/Y Organic Change
<b>Product</b> (hardware and perpetual software licenses)	\$415.8	\$402.8	-3%	-4%
<b>Subscription and services</b> (SaaS, term licenses, maint & support, transactions, prof. svcs)	\$440.7	\$529.6	+20%	+10%
<b>Total</b>	\$856.5	\$932.4	+9%	+3%

Annualized Recurring Revenue				
\$ Billions	Fourth Quarter of			
	2022	2023	Y/Y Change	Y/Y Organic Change
Annualized Recurring Revenue	\$1.60	\$1.98	+24%	+13%

Revenue by Geography				
\$ Millions	Fourth Quarter of			
	2022	2023	Y/Y Change	Y/Y Organic Change
North America	\$455.5	\$492.8	+8%	+8%
Europe	\$239.1	\$265.0	+11%	-6%
Asia-Pacific	\$93.5	\$109.2	+17%	+12%
Rest of World	\$68.4	\$65.4	-4%	-6%

Organic Annualized Recurring Revenue refers to Annualized Recurring Revenue excluding the impacts of (i) foreign currency translation, and (ii) acquisitions and divestitures. Figures may vary due to rounding.



# Fourth quarter 2023 segment results

\$M	Q4'23 Segment Revenue & Y/Y Growth	Q4'23 Segment Operating Income \$ / %	Q4'23 Commentary
Buildings & Infrastructure	\$388.5, +11% (+10% organic, +1% FX, +1% Acquisition)	\$108.2 27.9%	<ul style="list-style-type: none"> <li>Organic ARR growth near 20%</li> <li>Construction software businesses continue to benefit from market demand and strong execution</li> <li>Civil Construction approximately flat Y/Y</li> </ul>
Geospatial	\$169.5, -1% (+1% organic, +1% FX, -3% Divestiture)	\$46.8 27.6%	<ul style="list-style-type: none"> <li>Growth in survey sales to end users</li> <li>Organic ARR growth mid-teens %</li> </ul>
Resources & Utilities	\$179.6, -3% (-4% organic, +1% FX, -1% Divestiture)	\$61.0 34.0%	<ul style="list-style-type: none"> <li>Agriculture revenue down - market conditions and distribution transition</li> <li>High-single digit ARR growth with continued strong Positioning Services growth</li> </ul>
Transportation	\$194.8, +30% (+1% organic, +1% FX, +29% Acq., -1% Divestiture)	\$40.2 20.6%	<ul style="list-style-type: none"> <li>Organic ARR growth up mid-single digits %</li> <li>Organic growth in Enterprise and MAPS</li> <li>Transporeon record bookings in fourth quarter</li> </ul>
Trimble Total	\$932.4, +9% (+3% organic, +1% FX, +5% Acq., -1% Divestiture)	\$226.6 24.3%	<ul style="list-style-type: none"> <li>Organic ARR up 13%, Adjusted EBITDA margin of 25.9%</li> </ul>

Figures may vary due to rounding.



# FY'24 Outlook

\$M	As-Reported <sup>(1)</sup>		As-Adjusted, Excluding Ag Business to JV <sup>(2)</sup>	
	FY'23 Actuals	FY'24 Guidance	FY'23 Actuals	FY'24 Guidance
Annualized Recurring Revenue	\$1.98B (+13% organic)	11%-13% organic	\$1.97B (+13% organic)	11%-13% organic
Revenue <sup>(1)</sup>	\$3.80B	\$3.57-\$3.67B	\$3.29B	\$3.49-\$3.59B
Total Growth	3%	(6%) to (3%)	6%	6% to 9%
Organic Growth	1%	2% to 5%	4%	<b>4% to 7%</b>
Non-GAAP Operating Margin	24.6%	24% to 25%	23.2%	24% to 25%
Adjusted EBITDA Margin	26.6%	26% to 27%	25.4%	26.5% to 27.5%
Non-GAAP EPS	\$2.66	\$2.60 to \$2.80		
Free cash flow	\$555M (0.8X)	≈0.85X		

- Strong ARR growth expected to continue, driving increased predictability and profitability
- As-adjusted (excluding Agriculture), organic revenue growth is expected to increase, includes impact of 53rd week<sup>(3)</sup>
- As-adjusted non-GAAP operating margins and Adjusted EBITDA margins expected to grow significantly driven by gross margin expansion due to subscription growth and recent cost reduction activities
- Outlook assumes \$1.1B of debt paydown at JV transaction close and up to \$800M buyback in 2024
- EPS expected to grow year over year at the guidance midpoint despite short term dilution from Ag JV
- Free cash flow ≈0.85X non-GAAP net income, below 1X due to transaction costs and 53rd week

(1) As-Reported reflects reported results and for Outlook assumes JV with AGCO closes on April 1, 2024, and includes one quarter of Agriculture results in Q1'24 and three quarters of projected supply agreement revenue and operating income and JV equity income in Q2'24, Q3'24 and Q4'24.

(2) As-Adjusted results and as-adjusted guidance remove the Agriculture business from FY'23 and FY'24, and include projected supply agreement revenue and operating income and JV equity income in Q2'24, Q3'24 and Q4'24. Supply agreement revenue is treated as M&A/inorganic in the calculation of organic growth. Total growth may not be comparable FY'23 to FY'24 year over year as the FY'23 figures do not include pro forma supply agreement revenue and JV equity income.

(3) Trimble has 53 weeks in fiscal 2024, compared to 52 weeks in most fiscal years. The extra week is expected to increase revenue by \$85 million in Q4'24.

Note: See appendix for detailed assumptions for guidance and as-adjusted figures.



# Q1'24 Outlook

\$M	As-Reported <sup>(1)</sup>		As-Adjusted, Excluding Ag Business to JV <sup>(2)</sup>	
	Q1'23 Actuals	Q1'24 Guidance	Q1'23 Actuals	Q1'24 Guidance
Annualized Recurring Revenue	\$1.65B	11%-13% organic	\$1.63B	11%-13% organic
Revenue	\$915M	\$905-935M	\$769M	\$825-855M
Total Growth	(8%)	(1%) to 2%	(6%)	7% to 11%
Organic Growth	(3%)	(5%) to (2%)	Flat	2% to 6%
Non-GAAP Operating Margin	24.7%	23% to 24%	22.1%	24% to 25%
Adjusted EBITDA Margin	27.2%	25% to 26%	25.0%	26% to 27%
Non-GAAP EPS	\$0.72	\$0.57 to \$0.62		

(1) As-Reported reflects reported results and for Outlook assumes JV with AGCO closes on April 1, 2024, and includes one quarter of Agriculture results in Q1'24.

(2) As-Adjusted results and as-adjusted guidance remove the Agriculture business from FY'23 and FY'24.

Note: See appendix for detailed assumptions for guidance and as-adjusted figures.





# Appendix and Reconciliations



# FY'24 Outlook Assumptions

	As-Reported <sup>(1)</sup>	
	Q1'24 <sup>(1)</sup>	FY'24 <sup>(1)</sup>
<b>Revenue Growth:</b>		
Organic	(5%) to (2%)	2% to 5%
Acquisition	5%	2%
Divestiture	(1%)	(10%)
FX	0%	0%
<b>Total Revenue Growth</b>	<b>(1%) to 2%</b>	<b>(6%) to (3%)</b>

\$M	As-Reported <sup>(1)</sup>	
	Q1'24 <sup>(1)</sup>	FY'24 <sup>(1)</sup>
Unallocated Corporate Expense	≈\$24M	≈\$100M
Depreciation	≈\$11M	≈\$45M
Equity Income	≈\$8M	≈\$35M
Net Interest Expense	≈\$48M	≈\$125M
Tax Rate	≈17.5%	≈17.5%
Average Shares Outstanding	≈248M	≈243M

FY'24 As-Reported <sup>(1)</sup>	
<b>Total Revenue Growth:</b>	
Buildings & Infrastructure	+11% to +13%
Geospatial	Minus MSD%
Resources & Utilities	Minus 50% <sup>(2)</sup>
Transportation	+MSD %
<b>Total Revenue Growth</b>	<b>(6%) to (3%)</b>

(1) As-Reported reflects reported results and for Outlook assumes JV with AGCO closes on April 1, 2024, and includes one quarter of Agriculture results in Q1'24 and three quarters of projected supply agreement revenue and operating income and JV equity income in Q2'24, Q3'24 and Q4'24.

(2) Reflects impact of Ag JV transaction.



# FY'23 and Q1'23 As-Adjusted Reconciliation<sup>(1)</sup>

	Q1'23		FY'23	
	\$MMs	% of Revenue	\$MMs	% of Revenue
Revenue, As-Reported	\$915.4		\$3,798.7	
Less: Agriculture	(\$146.1)		(\$508.2)	
Revenue, As-Adjusted for Ag JV	\$769.3		\$3,290.5	
GAAP Operating Income, As-Reported	\$137.0		\$448.8	
Add: Amortization of purchased intangible assets	\$34.7		\$212.3	
Add: Acquisition / divestiture items	\$7.0		\$72.4	
Add: Stock-based compensation / deferred compensation	\$35.4		\$151.1	
Add: Restructuring and other costs	\$12.0		\$50.1	
Non-GAAP Operating Income, As-Reported	\$226.1		\$934.7	
Less: Agriculture Non-GAAP Operating Income	(\$56.0)		(\$170.9)	
Non-GAAP Operating Income, As-Adjusted for Ag JV	\$170.1	22.1%	\$763.8	23.2%
Non-GAAP Operating Income, As-Reported	\$226.1		\$934.7	
add: Depreciation expense and cloud computing amortization	\$11.3		\$46.9	
add: Income from equity method investments, net	\$11.4		\$28.1	
Adjusted EBITDA, As-Reported	\$248.8		\$1,009.7	
less: Agriculture Non-GAAP Operating Income	(\$56.0)		(\$170.9)	
less: Agriculture depreciation expense	(\$0.8)		(\$2.2)	
Adjusted EBITDA, As-Adjusted for Ag JV	\$192.0	25.0%	\$836.6	25.4%

(1) As-adjusted results remove the Agriculture business from Q1'23 and FY23.



# FY'13 and FY'18 Non-GAAP Reconciliation

	2013		2018	
	\$MMs	% of Revenue	\$MMs	% of Revenue
GAAP Revenue	\$2,288.1		\$3,108.4	
Acquired deferred revenue adjustment	<u>\$0.0</u>		<u>\$23.6</u>	
Non-GAAP Revenue	\$2,288.1		\$3,132.0	
GAAP Gross Margin	\$1,203.8	52.6%	\$1,681.0	54.1%
Acquired deferred revenue adjustment	\$0.0		\$23.6	
Restructuring charges and other costs	\$0.8		\$0.5	
Amortization of purchased intangible assets	\$81.1		\$103.2	
Stock-based compensation / deferred compensation	\$2.6		\$4.5	
Amortization of acquisition-related inventory step-up	\$1.5		\$0.2	
Acquisition / divestiture items	<u>\$0.0</u>		<u>\$2.0</u>	
Non-GAAP Gross Margin	\$1,289.8	56.4%	\$1,815.0	58.0%





# FY'13 and FY'18 Non-GAAP Reconciliation (cont.)

	2013		2018	
	\$MMs	% of Revenue	\$MMs	% of Revenue
GAAP Operating Income	\$251.7	11.0%	\$320.7	10.3%
Acquired deferred revenue adjustment	\$0.0		\$23.6	
Restructuring charges and other costs	\$8.1		\$8.7	
Amortization of purchased intangible assets	\$162.8		\$179.6	
Stock-based compensation / deferred compensation	\$36.5		\$75.7	
Amortization of acquisition-related inventory step-up	\$1.5		\$0.2	
Acquisition / divestiture items	\$13.2		\$38.9	
Amortization of acquired capitalized commissions	<u>\$0.0</u>		<u>(\$4.7)</u>	
Non-GAAP Operating Income	\$473.8	20.7%	\$642.7	20.5%
Depreciation expense	\$26.7		\$35.6	
Income from equity method investments, net	<u>\$20.7</u>		<u>\$28.7</u>	
Adjusted EBITDA	\$521.2	22.8%	\$707.0	22.6%



# Forward-looking statements

Certain statements made in this presentation, and any subsequent Q&A period, are forward-looking statements, within the meaning of Section 21E of the Securities Exchange Act of 1934 as amended, and are made pursuant to the safe harbor provisions of the Securities Litigation Reform Act of 1995. These statements include expectations about our future financial and operational results. These forward-looking statements are subject to change, and actual results may materially differ due to certain risks and uncertainties. The Company's results may be adversely affected if the Company is unable to market, manufacture and ship new products, obtain new customers, effectively integrate new acquisitions, or get the benefits it is expected from its joint ventures, including with AGCO. The Company's results would also be negatively impacted due to weakness and deterioration in the US and global macroeconomic outlook, including slowing growth, inflationary pressures and increases in interest rates, which may affect demand for our products and services and increase our costs, adversely affecting our revenues and profitability, supply chain shortages and disruptions, the pace at which our dealers work through their inventory, changes in our distribution channels, adverse geopolitical developments and the potential impact of volatility and conflict in the political and economic environment, including the Middle East and the Russian conflict with Ukraine and its direct and indirect impact on our business, foreign exchange fluctuations, the pace we transition our business model towards a subscription model, the imposition of barriers to international trade, and the impact of acquisitions or divestitures. Any failure to achieve predicted results could negatively impact the Company's revenue, cash flow from operations, and other financial results. The Company's financial results will also depend on a number of other factors and risks detailed from time to time in reports filed with the SEC, including its quarterly reports on Form 10-Q and its annual report on Form 10-K. Undue reliance should not be placed on any forward-looking statement contained herein. These statements reflect the Company's position as of the date of this presentation. The Company expressly disclaims any undertaking to release publicly any updates or revisions to any statements to reflect any change in the Company's expectations or any change of events, conditions, or circumstances on which any such statement is based.

To help our investors understand our past financial performance and our future results, as well as our performance relative to competitors, we supplement the financial results that we provide in accordance with generally accepted accounting principles, or GAAP, with non-GAAP financial measures. The previous pages contain non-GAAP measures including non-GAAP revenue, Adjusted EBITDA, free cash flow, non-GAAP operating income, non-GAAP gross margins, non-GAAP tax rate, non-GAAP net income, and non-GAAP diluted earnings per share. The specific non-GAAP measures, which we use along with a reconciliation to the nearest comparable GAAP measures can be found on our website at <http://investor.trimble.com>.

