

Trimble First Quarter 2020 Results Summary

Key Messages

- 1** Trimble is an essential business, and our response to COVID-19 is to lead with a set of first principles that puts employee health and safety first
- 2** First quarter results exceeded expectations
- 3** Balance sheet and liquidity remain strong, and we will ensure unrestricted access to liquidity
- 4** Business more resilient than at any point in Trimble history - diversification of business models, geographies and end-markets
- 5** We have taken capital, cost and supply chain actions to fortify the business
- 6** While we have visibility into aspects of the business, we are suspending guidance until economies further open and end-markets stabilize
- 7** We have positioned ourselves to remain focused on executing core elements of our long term strategy - Connect & Scale 2025

1

Trimble is an essential business, and our response to COVID-19 is to lead with a set of first principles that puts employee health and safety first

Trimble is essential and open for business

- Transportation - moving goods to retailers
- Agriculture - preparing for planting season
- Utilities - systems for managing water and electric utilities
- Construction - digital management of construction sites
- Geospatial - mapping of critical utility infrastructure

Employee health and safety comes first

- Manufacturing and fulfillment operations open with measures in place to enhance employee safety
- Remote work policies in place for majority of workforce
- Crisis management team setting global and local policies
- Actively engaged Board of Directors

First principles based leadership to manage the business

- Protect and strengthen the core of Trimble
- Preserve as many Trimble jobs as possible
- Position Trimble to exit the crisis in a stronger competitive position

1 Our team is helping our customers and our communities

Helping our customers

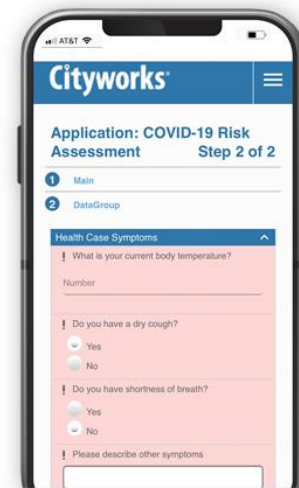
- Free trucking apps which allow drivers to see which truck stops and rest areas are open and what amenities are available

		
<p>Free driver trip planning that suggests open truck and rest stops, where available</p> <p><i>Use code BESAFE in Company ID to access for free during COVID-19</i></p>	<p>Free to current PC*MILER Interactive customers during COVID-19 pandemic to support WFH</p>	<p>Free web app to display and collect current truck stop status and amenity information</p> <p><i>Available for anyone to use; no login or email required</i></p>

- Extended leasing terms for customers; e.g., 90 day deferred payments and 0% financing through banks
- Short term subscription discounts with extension of term

Helping our communities

- Cityworks is making freely available to municipal customers and non-customers, its COVID-19 application, used to manage critical resources such as workers and protective equipment
- SketchUp partnered with Make4COVID: building PPE for local healthcare workers/hospitals and spreading best practices
 - Offered a 100 license package for SketchUp and Trimble Connect to Make4Covid (<https://www.make4covid.co/>) free of charge and joined with other Makers around Colorado to print face shield frames on a fleet of 3D printers



2 First quarter results exceeded expectations

\$M, Except Per Share	First Quarter of		
	2019	2020	Y/Y Change
Non-GAAP Income Statement Highlights			
Revenue	\$804.5	\$794.0	-1%
Gross Margin % of Revenue	58.0%	59.1%	+110 bps
Adjusted EBITDA	\$174.7	\$180.4	+3%
Adjusted EBITDA % of Revenue	21.7%	22.7%	+100 bps
Operating Income	\$155.7	\$161.2	+4%
Operating Income % of Revenue	19.4%	20.3%	+90 bps
Tax Rate	20.0%	17.5%	-250 bps
Net Income	\$113.5	\$122.5	+8%
Diluted Earnings Per Share	\$0.45	\$0.49	+9%

- Non-GAAP Revenue: -1% y/y;
 - Organic -2%
 - Currency translation -1%
 - Acquisitions/divestitures +2%
- Annualized recurring revenue of \$1.15 billion, up 7% y/y
- Non-GAAP gross margin up due to revenue mix
- Non-GAAP EPS up \$0.04/share, driven by higher gross margin, lower operating expenses and lower tax rate

2 First quarter results exceeded expectations

\$M	Q1'20 Revenue & Y/Y Growth	Q1'20 Operating Income \$ / %	Q1'20 Overall Dynamics
Buildings & Infrastructure	\$296.9, +1% (+2% organic, -1% FX, 0% M&A)	\$60.8 20.5%	<ul style="list-style-type: none"> (+) Growth in civil hardware and architecture & design (+) ARR growth and retention (-) Bookings slow down (-) Project starts, project delays
Geospatial	\$146.2, -9% (-9% organic, -1% FX, 0% M&A)	\$30.5 20.9%	<ul style="list-style-type: none"> (+) New product introductions (-) Dealer inventory drawdown (-) Automotive OEMs shutdown/delayed (-) Oil & gas
Resources & Utilities	\$180.3, +13% (+7% organic, -2% FX, +7% M&A)	\$66.9 37.1%	<ul style="list-style-type: none"> (+) Agriculture aftermarket guidance sales (+) Growth in Utilities business (+) Growth in correction services (-) OEM performance (factory shutdowns)
Transportation	\$170.6, -10% (-10% organic, -1% FX, +1% M&A)	\$16.9 9.9%	<ul style="list-style-type: none"> (+) Growth of maps business (ARR) (+) Trucking companies supplying food and other essentials (-) Trucks being taken offline (capital goods, oil & gas) (-) Lack of access to depots for hardware installations (+/-) Shift of enterprise business to subscription
Trimble Total	\$794.0, -1% (-2% organic, -1% FX, +2% M&A)	\$161.2 20.3%	

Late Quarter Trends

- Recurring revenues continuing to grow
 - No meaningful change in customer retention
 - Delays in new logo bookings
- Non recurring businesses (hardware, perpetual software, pro services) saw pullback
 - OEM / dealer facility shutdowns
 - Oil price decline
 - Access to client facilities / teams

3

Balance sheet and liquidity remain strong, and we will ensure access to liquidity

Compelling cash flow profile

\$M, Except Per Share	First Quarter of		
	2019	2020	Y/Y Change
Balance Sheet & Cash Flow Highlights			
Cash	\$217	\$217	+0%
Net Debt	\$1,678	\$1,759	+5%
Deferred Revenue	\$464	\$552	+19%
Cash Flow from Operations	\$148	\$156	+5%
Free Cash Flow	\$133	\$139	+5%

- Operating cash flow consistently > Non-GAAP net income. Ratio has increased in prior downturns (2008-09, 2015-16)

Net debt refers to total debt minus total cash and cash equivalents.
Free cash flow refers to cash flow from operations minus capital expenditures.
Figures may vary due to rounding.

Staggered debt maturity

Debt Stack	Maturity
\$225 million Term Loan	2022
\$300 million Senior Notes	2023
\$1.25 billion Revolving Credit Facility (\$180 million outstanding at end of Q1'20)	2023
\$400 million Senior Notes	2024
\$600 million Senior Notes	2028
\$280 million Uncommitted Bank Lines	

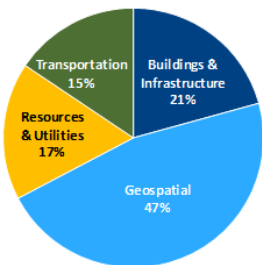
- Term loan maturity extended to July 2022
- No required principal payments forecasted on debt prior to 2022
- \$1.07 billion available liquidity on \$1.25 billion revolver

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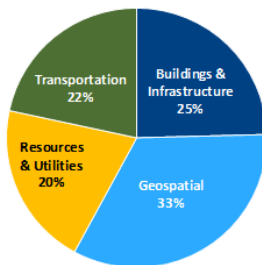
Business more resilient than any point in Trimble history – diversification of business models, geographies, end-markets

Revenue by Reporting Segment – More Balanced, Less Dependent on Geospatial

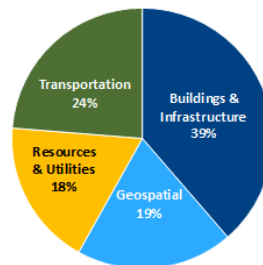
2008



2013



TTM Q1-2020



Buildings & Infrastructure

- Transformed to include building construction software

Resources & Utilities

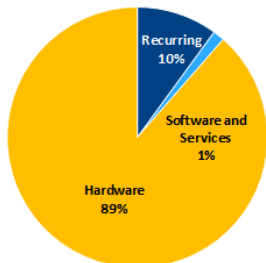
- Diversified ag geographic end markets
- Grew utilities and forestry

Transportation

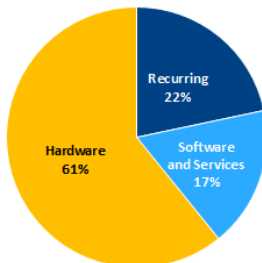
- Grew software-centric transportation businesses

Revenue by Type - \$1.15 billion in Annualized Recurring Revenue, Up 7% YoY

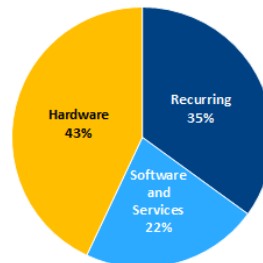
2008



2013



TTM Q1-2020



From 2008 to 2020


- Recurring revenue grew from 10% of total revenue to 35%
- Overall software, services and recurring grew from 11% to 57% of revenue

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We have taken capital, cost, and supply chain actions to fortify the business

Capital allocation


- Suspended share repurchases
- Suspended significant acquisitions
- Term loan maturity extended to July 2022



Priority is cash management

Cost management


- Pay and hours reduction
- Reduced variable and discretionary spending
- Forgoing annual merit increases
- Reduced bonus accruals



Opex savings \$30M/quarter vs Q120 run rate; \$50M/quarter vs 2020 plan

Supply chain

- Recovered from disruption to our Chinese suppliers
- Daily interaction with key component suppliers has enhanced ability to meet evolving end customer demand



Flexibility and responsiveness in the supply chain

6

While we have visibility into aspects of the business, we are suspending guidance until economies further open and end-markets stabilize

Visibility - Second Quarter 2020

P&L Visibility

- Supply
 - Supply chain visibility to service demand
- Revenue
 - Overall Y/Y revenue expected to be down in all segments
 - ARR and term software: expect continued growth year over year
 - Hardware, perpetual software, professional services: short term decline, activity expected to return as economies re-open
- Gross margin
 - Y/Y expansion due to increased software mix
- Operating expenses
 - Y/Y decline due to cost management actions
- Net interest expense: ~\$20M
- Shares outstanding: 252M
- Non-GAAP tax rate 17-18%

Industry Dynamics

Reporting segment	Positive dynamics	Points of Uncertainty
Buildings & Infrastructure (Construction)	<ul style="list-style-type: none"> ▪ Current construction backlog ▪ Potential for infrastructure spending ▪ Expansion of recurring revenue business models 	<ul style="list-style-type: none"> ▪ Temporary stops to construction projects ▪ Timing and funding of infrastructure spend ▪ Uncertain 2021 project backlog ▪ OEM shut-downs and new unit sales
Geospatial	<ul style="list-style-type: none"> ▪ Potential for infrastructure spend ▪ New product innovations ▪ Mobile and aerial mapping 	<ul style="list-style-type: none"> ▪ Oil & gas work, dealer inventory reductions ▪ Timing and funding of infrastructure spend ▪ OEM shut-downs
Resources & Utilities	<ul style="list-style-type: none"> ▪ Ag: New product platforms ▪ Utilities & local government: stability of demand ▪ Correction services: continued growth 	<ul style="list-style-type: none"> ▪ Ag: Ethanol pricing ▪ Ag: OEM shut-downs and new unit sales ▪ Ag: US:China trade resolution
Transportation (Trucking)	<ul style="list-style-type: none"> ▪ Sub-sectors such as food ▪ Expect mid to large size carriers to perform better than small size carriers 	<ul style="list-style-type: none"> ▪ Sub-sectors such as energy and capital goods ▪ Inventory levels and spot market rates ▪ OEM shut-downs

7

We have positioned ourselves to remain focused on executing core elements of our long term strategy - Connect & Scale 2025

Strategy

- Accelerate business model transformation
- Connect industry lifecycles
- Breakout innovation
- Focused capital allocation

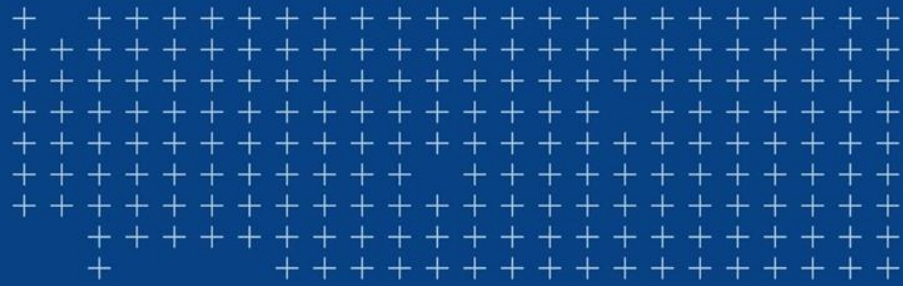
Execution

- Civil construction launched Trimble Platform as a Service - technology assurance offering that blends machine control, survey and Trimble's new Works OS cloud software into a subscription offering
- Bundled offering of agriculture guidance hardware + software + correction services
- Launch of Transportation Management System (TMS) subscription offering
- Trimble Connect: approaching 10 million users and 80,000 active multi-user projects
- Viewpoint's workflow and data integration connects a quarter of a million job site managers and employees with the back office and accumulates financial data for visibility into 2.9M projects.
- Over 5 million square miles of CenterPoint RTX Fast network coverage
- Earthworks 2.0 platform in civil construction enables extensibility: augmented reality, machine steering, integrated payload and autonomous applications
- Business model acceleration and digital systems enablement
- Real estate consolidation
- Portfolio review

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 the impact of the COVID-19 pandemic, including impacts upon our financial or operational results, for future financial market and global or local economic conditions, the Company's ongoing transition to recurring revenue business models, the ability to deliver revenue, earnings per share and other financial projections, including the expected tax rate, anticipated impact of stock-based compensation expense, amortization of intangibles related to previous acquisitions, anticipated acquisition costs, debt issuance costs, restructuring charges, the anticipated number of diluted shares outstanding, and the Company's long-term growth targets and operating margins. These forward-looking statements are subject to change, and actual results may materially differ due to certain risks and uncertainties. Trimble's expected tax rate and current expected income are based on the Company's current tax structure, including where the Company's assets are deemed to reside for tax purposes, and current tax law, including current interpretations of recent US tax reform legislation, and may be affected by evolving interpretations of these laws, the resolution of issues arising from tax audits with various tax authorities, and the ability to realize deferred tax assets. The Company's results may be adversely affected if the Company is unable to market, manufacture and ship new products, obtain new customers, or effectively integrate new acquisitions. The Company's results would also be negatively impacted by further deterioration in economic conditions as a result of the Covid-19 pandemic, adverse geopolitical developments, further weakening in the macro environment, foreign exchange fluctuations, critical part supply chain shortages, the imposition of barriers to international trade, and a further softening in the agricultural or oil & gas sectors. 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 release. 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 following pages contain non-GAAP measures including non-GAAP revenue, Adjusted EBITDA, 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>.



Q&A

