

Trimble Inc.

Third Quarter 2021 Results Summary

Third quarter 2021 highlights

Key Messages

- Outperformed expectations in the quarter
- Strong demand, revenue and profit growth despite supply chain challenges
- Focused on executing Connect & Scale 2025 strategy

Financial Highlights

- Q3 revenue: \$901 million, +14% overall, +15% organic
- Record ARR: \$1.36B, +8% overall, +11% organic
- TTM operating cash flow: \$784 million, +29%
- Adjusted EBITDA margin: 25.9%
- Non-GAAP EPS growth: +10%
- Q3 share repurchases of \$100 million

ARR refers to annualized recurring revenue, and is calculated by adding the portion of the contract value of all of our term licenses attributable to the current quarter to our non-GAAP recurring revenue for the current quarter and dividing that sum by the number of days in the quarter and then multiplying that quotient by 365.

Adjusted EBITDA refers to non-GAAP operating income plus depreciation plus income from equity method investments, net.

Figures may vary due to rounding.



Trimble Operating System highlights

Trimble Operating System	Proof Points
Strategy	<ul style="list-style-type: none">▪ Microsoft - strategic partnership to advance technology adoption and accelerate the digital transformation of the construction, agriculture and transportation industries▪ P&G - strategic partnership to shape the development of an agile transportation procurement collaboration platform▪ Announced rebranding of Viewpoint to Trimble and launched Trimble Construction One bundled offering▪ Subscription transitions expanding addressable market in Buildings & Infrastructure and Transportation▪ Led legislative efforts for Advanced Digital Construction Management Systems and Precision Ag Loan Program Act
People	<ul style="list-style-type: none">▪ Ranked as top company for employee happiness and work-life balance in Global Culture survey▪ Ranked as a best workplace for innovators - FastCompany▪ Hired Jennifer Lin as Chief Platform Officer▪ Hired Poppy Crum as Chief Technology Officer
Execution	<ul style="list-style-type: none">▪ Launched enhancements for industry leading Trimble RTX® correction services▪ Launched MX50 mobile mapping system for asset management and mapping▪ Achieved Canada ELD certification in Transportation business▪ Launched beta version of SketchUp for iPad - extending technology reach▪ Delivered incremental ACV growth in bundling construction software offerings▪ Continued investment and progress in digital transformation efforts

Trimble Construction One: Delivering a Persona Based Growth Platform for Connected Construction

Strong Trimble **Synergies** Enabling
Strategy & Platform Acceleration:

- 1 Viewpoint persona-based offerings for back office
- 2 Addition of Trimble advanced operational capabilities extends to project workflows
- 3 Addition of Trimble preconstruction suite connects detail design to project & business outcomes
- 4 Additional preconstruction and operational capabilities coming



Trimble Construction One is now the default go to market platform for multiple Trimble divisions. Go to market expansion grows with platform expansion.

Third quarter 2021 financial summary

\$M, Except Per Share	Third Quarter of		
Non-GAAP Highlights	2020	2021	Y/Y Change
Revenue	\$792.8	\$901.4	+14%
Gross Margin % of Revenue	58.8%	58.7%	-10bps
Adjusted EBITDA	\$212.5	\$233.4	+10%
Adjusted EBITDA % of Revenue	26.8%	25.9%	-90bps
Operating Income	\$191.8	\$214.7	+12%
Operating Income % of Revenue	24.2%	23.8%	-40bps
Tax Rate	16.0%	17.8%	+180bps
Net Income	\$152.8	\$168.6	+10%
Diluted Earnings Per Share	\$0.60	\$0.66	+10%
Balance Sheet & Cash Flow Highlights			
Net Debt	\$1,486.2	\$808.7	-46%
Deferred Revenue	\$501.6	\$589.0	+17%
Cash Flow from Operations	\$180.5	\$166.4	-8%
Free Cash Flow	\$165.0	\$156.4	-5%
Share Repurchases	\$28.0	\$100.0	+\$72.0

- Revenue: +14% y/y;
 - Organic +15%
 - Currency translation +1%
 - Divestitures -2%
- Gross margin flat, increased pricing/lower discounting offset by higher product costs
- EPS up \$0.06/share, driven primarily by higher revenue
- Year-to-date operating cash flow up 23% driven by Adjusted EBITDA growth, partially offset by higher purchases of component inventory

Third quarter revenue trends by type and geography

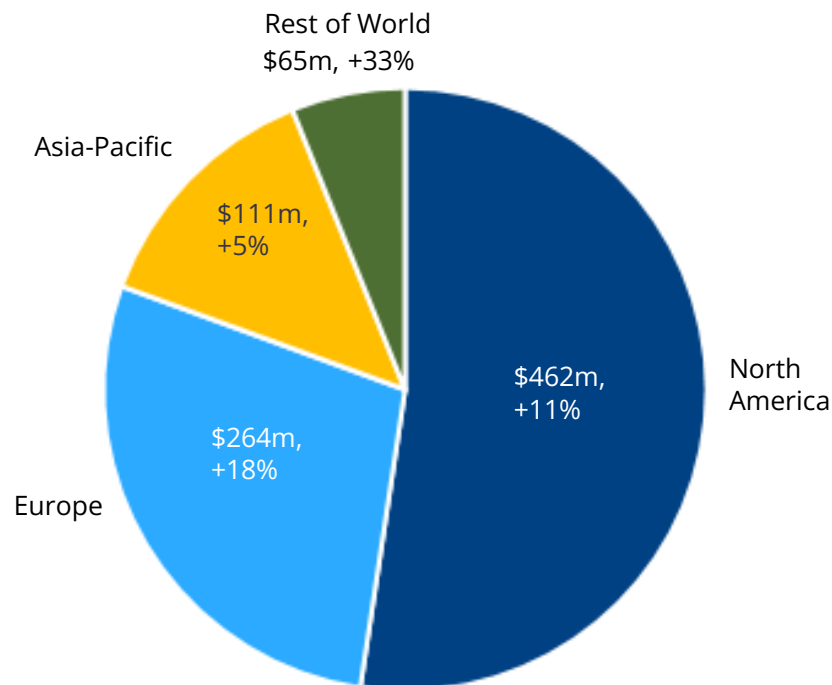
Recurring Revenue Streams

\$ Billions	Third Quarter of		
	2020	2021	Y/Y Change
Annualized Recurring Revenue (ARR)	\$1.26	\$1.36	+8%
Organic ARR Growth			+11%

Non-Recurring Non-GAAP Revenue Streams

\$ Millions	Third Quarter of		
	2020	2021	Y/Y Change
Hardware	\$337.4	\$397.6	+18%
Perpetual Software	\$103.3	\$122.7	+19%
Professional Services	\$37.6	\$36.7	-2%

Q3'2021 Non-GAAP Revenue by Geography



Financial metric highlights

Annualized recurring revenue
≈\$1.36B (+8% growth)

Approx. \$1.6B backlog

**\$1.99B in TTM software, services
and recurring non-GAAP revenue**

TTM research & development
14.8% of TTM non-GAAP revenue
(>65% of R&D in software)

Net working capital
<0% of TTM non-GAAP revenue

+17% Deferred Revenue growth

TTM Adjusted EBITDA Margin
26.1%

TTM Operating Cash Flow \$784 million
(1.16x non-GAAP net income)

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.

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, Recurring refers to software, services and recurring revenues. Recurring revenue includes subscription, maintenance and support revenues. Software includes perpetual and term licenses. Services includes professional and other services.



Third quarter 2021 segment results

\$M	Q3'21 Non-GAAP Revenue & Y/Y Growth	Q3'21 Non-GAAP Operating Income \$ / %	Q3'21 Commentary
Buildings & Infrastructure	\$349.7, +10% (+12% organic, +1% FX, -2% Divestiture)	\$100.6 28.8%	<ul style="list-style-type: none"> Revenue growth strong in both building and civil construction businesses Recurring software bookings up significantly Organic ARR up in high-teens, driven by organic growth and business model conversion Revenue constrained by supply chain challenges
Geospatial	\$205.4, +24% (+23% organic, +1% FX)	\$64.9 31.6%	<ul style="list-style-type: none"> Continued strong demand across all major regions and end markets Product innovation continuing to drive revenue Revenue constrained by supply chain challenges
Resources & Utilities	\$184.8, +23% (+23% organic, +1% FX, -1% Divestiture)	\$60.6 32.8%	<ul style="list-style-type: none"> Continued healthy agriculture market across all regions and channels Strong growth in positioning services and local government software Revenue constrained by supply chain challenges
Transportation	\$161.5, +1% (+3% organic, +0% FX, -2% Divestiture)	\$15.3 9.5%	<ul style="list-style-type: none"> Revenue growth in enterprise software; growth challenged in mobility due to fleets pushing out upgrades and delays in OEM channel Sequential profit improvement Significant growth in bookings and net retention > 100% Revenue constrained by supply chain challenges
Trimble Total	\$901.4, +14% (+15% organic, +1% FX, -2% Divestiture)	\$214.7 23.8%	

2021 updated outlook

- **Key planning assumptions**
 - Demand is broadly stronger across our end markets than a quarter ago
 - Supply constraints and cost inflation will continue well into 2022
- **2021 non-GAAP Revenue \$3.59B-\$3.64B**
 - Organic revenue growth + mid teens, plus $\approx 1.5\%$ currency, minus $\approx 1\%$ completed divestitures
 - Organic ARR growth $>10\%$ for the full year
- **2021 non-GAAP EPS \$2.61-\$2.69**
 - Adjusted EBITDA and operating margins growing vs. 2020
 - Income from equity method investments \$35-\$40M
 - Net interest expense \approx \$65M
 - Non-GAAP tax rate of 17.5%-18.0%, 254M shares outstanding
- **Cash flow from operations $> 1.1X$ non-GAAP net income; free cash flow $>1X$ non-GAAP net income**

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, or effectively integrate new acquisitions. The Company's results would also be negatively impacted by deterioration in economic conditions as a result of the COVID-19 pandemic, supply chain shortages and disruptions, resulting in increases in costs and reduced revenue, adverse geopolitical developments, weakening in the macro environment, foreign exchange fluctuations, the pace we transition our business model towards a subscription model, and the imposition of barriers to international trade. 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>.