

Trimble Inc.

Fourth Quarter and Full Year 2021 Results Summary

Fourth quarter and full year 2021 highlights

Key Messages

- Outperformed expectations in the quarter
- Strong demand, revenue, ARR and EBITDA growth despite supply chain challenges
- Focused and well positioned to execute on Connect & Scale 2025 strategy
- Market conditions remain net positive
- Capital allocation aligned with strategic priorities

Financial Highlights

- Q4 revenue +12%, +14% organic; recurring revenue resilient with ARR of \$1.41B (+9% overall, +12% organic)
- Strong adjusted EBITDA margin of 25.6% in 2021, despite cost pressures. Full year revenue growth of 16% and full year EBITDA growth of 17%.
- Business producing strong cash flow (FY21 operating cash flow of \$751M, free cash flow of \$704M) in excess of net income

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.

Free cash flow refers to cash from operating activities minus capital expenditures.

Figures may vary due to rounding.



Trimble Operating System highlights

Trimble Operating System	Proof Points
Strategy	<ul style="list-style-type: none">▪ Acquisition of AgileAssets - aligned with Infrastructure bill opportunity in USA▪ Increasing our ambitions in sustainability: committed to science-based emissions reduction targets in line with Paris Agreement and to helping customers meet their emissions reduction goals through the use of our solutions▪ Business model conversions continue to progress; including expansion of machine control as a service offering outside North America
People	<ul style="list-style-type: none">▪ Global culture survey awards for diversity and company culture▪ Employee engagement in local communities - day of service, Trimble Foundation▪ Appointed Tom Sweet, Dell CFO, to Board of Directors
Execution	<ul style="list-style-type: none">▪ 1 million monthly active Trimble Connect users▪ Launched new Trimble.com website▪ Divested 3 businesses in 2021 and 4 businesses in 2020

Fourth quarter 2021 financial summary

\$M, Except Per Share	Fourth Quarter of		
Non-GAAP Highlights	2020	2021	Y/Y Change
Revenue	\$830.0	\$926.0	+12%
Gross Margin % of Revenue	59.4%	57.8%	-160bps
Adjusted EBITDA	\$216.5	\$222.9	+3%
Adjusted EBITDA % of Revenue	26.1%	24.1%	-200bps
Operating Income	\$196.7	\$204.5	+4%
Operating Income % of Revenue	23.7%	22.1%	-160bps
Tax Rate	16.0%	18.0%	+200bps
Net Income	\$155.6	\$157.8	+1%
Diluted Earnings Per Share	\$0.61	\$0.62	+2%
Balance Sheet & Cash Flow Highlights			
Net Debt	\$1,309.5	\$967.5	-26%
Deferred Revenue	\$613.8	\$631.8	+3%
Cash Flow from Operations	\$188.3	\$155.3	-18%
Free Cash Flow	\$176.6	\$140.6	-20%
Share Repurchases	\$3.6	\$40.0	+1,011%

- Revenue: +12% y/y;
 - Organic +14%
 - Currency translation -1%
 - Divestitures -1%
- Gross margin lower due to revenue mix and increased product costs
- Q4 cash flow down due to inventory purchases

Fiscal year 2021 financial summary

\$M, Except Per Share	Fiscal Year		
	2020	2021	Y/Y Change
Non-GAAP Highlights			
Revenue	\$3,152.0	\$3,659.4	+16%
Gross Margin % of Revenue	59.1%	58.3%	-80bps
Adjusted EBITDA	\$798.7	\$936.9	+17%
Adjusted EBITDA % of Revenue	25.3%	25.6%	+30bps
Operating Income	\$719.6	\$857.0	+19%
Operating Income % of Revenue	22.8%	23.4%	+60bps
Tax Rate	16.6%	17.6%	+100bps
Net Income	\$562.4	\$677.2	+20%
Diluted Earnings Per Share	\$2.23	\$2.66	+19%
Cash Flow Highlights			
Share Repurchases	\$81.6	\$180.0	+121%
Cash Flow from Operations	\$672.0	\$750.5	+12%
Free Cash Flow	\$615.2	\$704.4	+14%

- Revenue: +16% y/y;
 - Organic +16%
 - Currency translation +1%
 - Divestitures -1%
- Gross margin lower due to revenue mix and increased product costs
- EPS up \$0.43/share, driven primarily by higher revenue
- Operating cash flow up 12% driven by Adjusted EBITDA growth, partially offset by increased inventory purchases

Fourth quarter revenue trends by type and geography

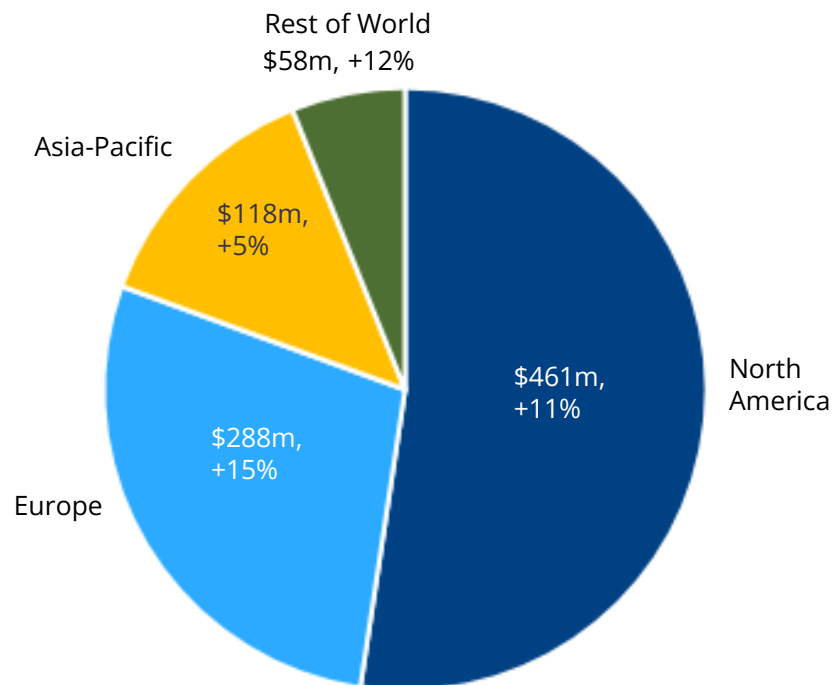
Recurring Revenue Streams

\$ Billions	Fourth Quarter of		
	2020	2021	Y/Y Change
Annualized Recurring Revenue (ARR)	\$1.30	\$1.41	+9%
Organic ARR Growth			+12%

Non-Recurring Non-GAAP Revenue Streams

\$ Millions	Fourth Quarter of		
	2020	2021	Y/Y Change
Hardware	\$348.0	\$418.4	+20%
Perpetual Software	\$112.1	\$114.1	+2%
Professional Services	\$39.1	\$41.6	+6%

Q4'2021 Non-GAAP Revenue by Geography



Financial metric highlights

**Annualized recurring revenue
≈\$1.41B (+9% growth, +12% organic)**

Approx. \$1.8B backlog

**\$2.01B in TTM software, services
and recurring non-GAAP revenue**

**TTM research & development
14.7% of TTM non-GAAP revenue
(>65% of R&D in software)**

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

**+3% Deferred Revenue growth
(+high teens adjusted for fiscal year timing)**

**TTM Adjusted EBITDA Margin
25.6%**

**TTM Operating Cash Flow \$751 million
(1.11x 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.



Fourth quarter 2021 segment results

\$M	Q4'21 Non-GAAP Revenue & Y/Y Growth	Q4'21 Non-GAAP Operating Income \$ / %	Q4'21 Commentary
Buildings & Infrastructure	\$365.1, +14% (+16% organic, -1% FX, -2% Divestiture)	\$110.6 30.3%	<ul style="list-style-type: none"> Revenue growth strong in all regions in civil construction, despite continued supply chain challenges Recurring software bookings up significantly in software businesses Organic ARR up in high-teens, driven by organic growth and business model conversion
Geospatial	\$222.1, +15% (+16% organic, -1% FX)	\$64.4 29.0%	<ul style="list-style-type: none"> Continued strong demand across all major regions and end markets Revenue constrained by supply chain challenges Lower margins in near term due primarily to product costs and mix
Resources & Utilities	\$183.8, +18% (+21% organic, -1% FX, -1% Divestiture)	\$52.8 28.7%	<ul style="list-style-type: none"> Continued healthy agriculture markets Strong growth in positioning services Revenue constrained by supply chain challenges Lower margins in near term due primarily to product costs and mix
Transportation	\$155.0, -3% (-2% organic, -1% FX, -1% Divestiture)	\$6.9 4.5%	<ul style="list-style-type: none"> Leading indicators for the segment remain solid Revenue and margins adversely impacted by supply chain challenges; enterprise revenue up due to subscription growth
Trimble Total	\$926.0, +12% (+14% organic, -1% FX, -1% Divestiture)	\$204.5 22.1%	

2022 Outlook

Key planning assumptions

- Expecting continued strong demand across our end markets
- Supply environment to remain challenged with cost inflation impacting gross margins through at least 1H22
- Outlook excludes impact of future acquisitions and divestitures

\$M	2021	2022	Commentary
Non-GAAP Revenue	\$3.66B	\$3.95B - \$4.05B	<ul style="list-style-type: none"> ▪ Organic revenue growth high single digits to low teens, minus ≈1% Fx ▪ Revenue growth adversely impacted ~100 basis points by model transitions ▪ Organic ARR growth mid teens by year end, with growth increasing through the year
Non-GAAP operating margins	23.4%	≈23%	<ul style="list-style-type: none"> ▪ Gross margins flat to up slightly for the full year -1H flat sequentially with Q4 2021; higher in 2H ▪ 2H operating margins likely to be ~150 basis points better than 1H margins ▪ Operating margins adversely impacted by subscription model transitions (~100 basis points) and strategic investments (~100 basis points)
Non-GAAP EPS	\$2.66	\$2.75 - \$2.95	<ul style="list-style-type: none"> ▪ 254 million shares outstanding
Income from equity method investments	\$37.7M	≈\$30M	<ul style="list-style-type: none"> ▪ JV cost inflation
Net interest expense	\$65.4M	≈\$65M	
Non-GAAP tax rate	17.6%	18%	
Free cash flow	1.04x NG net Income	>1.0x NG 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>.