

Trimble Second Quarter 2019 Results Summary

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 for future financial market and economic conditions, whether the positive trend in financial results will continue through 2019, the impact of acquisitions, the ability to achieve long-term business model targets, including with respect to organic growth, software growth and target net working capital and capital expenditures, expectations for future R&D spend, the ability to deliver revenue, earnings per share and other financial projections that Trimble has guided for the third quarter of 2019 and beyond, including the expected tax rate, anticipated impact of stock-based compensation expense, amortization of intangibles related to previous acquisitions, anticipated acquisition costs, restructuring charges, the anticipated number of diluted shares outstanding, and our 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 current tax law, including current interpretations of the Tax Cuts and Jobs Act of 2017 ("TCJA"), and may be affected by evolving interpretations of TCJA, the jurisdictions in which profits are determined to be earned and taxed, changes in the estimates of credits, benefits and deductions, the resolution of issues arising from tax audits with various tax authorities, including payment of interest and penalties, 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 adverse geopolitical developments, weakening in the macro environment, foreign exchange fluctuations, critical part supply chain shortages, and the imposition of barriers to international trade. Any failure to achieve predicted results could negatively impact the company's revenues, 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 following pages contain non-GAAP measures including non-GAAP revenue, non-GAAP annualized recurring 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>.



Agenda



- CEO Overview
- CFO Review of Results
- Guidance
- Q&A

Second quarter 2019 overview

Financial Highlights

- Second quarter non-GAAP revenue of \$856 million, up 8% total, +3% organic, -2% FX
- Annualized recurring revenue of ≈\$1.1 billion, up 28%
- Adjusted EBITDA margins of 23.1%, up 10 basis points
- Free cash flow \$287 million YTD, up 24%
- Deferred revenue of \$452 million, up 27%
- Acquisitions continuing to perform

Operational Highlights

- 3-4-3 operational model balances short term and long term
- R&D initiatives in autonomy and cloud further consolidated to drive velocity
- Subscription transition for SketchUp exceeded plan
- Strength in civil and building end-user construction sales
- Strength in correction services, fueled by autonomy and agricultural demand
- Product innovation: e-Builder achieved FedRAMP ready status, tilt compensation for construction surveying, autosync and worker order functionality released in agriculture, subscription offering released in Transportation enterprise offering

Second quarter 2019 financial summary

\$M, Except Per Share	Second Quarter of		
Non-GAAP Income Statement Highlights	2018	2019	Y/Y Change
Revenue	\$789.3	\$855.8	+8%
Gross Margin % of Revenue	57.3%	56.9%	-40bps
Adjusted EBITDA	\$181.3	\$197.7	+9%
Adjusted EBITDA % of Revenue	23.0%	23.1%	+10bps
Operating Income	\$163.1	\$174.7	+7%
Operating Income % of Revenue	20.7%	20.4%	-30bps
Tax Rate	19.0%	20.0%	+100bps
Net Income	\$129.7	\$133.8	+3%
Diluted Earnings Per Share	\$0.51	\$0.53	+4%
Balance Sheet & Cash Flow Highlights			
Net Debt	\$715.6	\$1,543.3	+116%
Deferred Revenue	\$356.2	\$452.4	+27%
YTD Cash Flow from Operations	\$267.8	\$325.5	+22%
YTD Free Cash Flow	\$231.8	\$287.0	+24%

- Non-GAAP Revenue: +8% y/y;
 - Organic +3%
 - Currency translation -2%
 - Acquisitions/divestitures +7%
- Non-GAAP gross margin down slightly due to revenue mix
- Non-GAAP EPS up \$0.02/share, driven by revenue growth, offset by higher interest expense and tax rate
- Free cash flow growth driven by EBITDA growth and lower M&A expenses, partially offset by higher interest expense

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

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.

Financial metric highlights

**Annualized recurring
revenue ≈\$1.1B
(+28% growth)**

**YTD free cash
flow up +24%**

**\$1.8B in TTM software, services
and recurring revenue
(+27% growth)**

Approx. \$1.1B backlog

**TTM research & development
14.3% of revenue
(>65% of R&D in software)**

**Net working capital
2% of TTM revenue**

**\$452M deferred
revenue balance
(+27% growth)**

**+35% TTM subscription
revenue growth**

TTM refers to trailing twelve months.

SW, Services, Recurring refers to software, services and recurring revenues. Recurring revenue includes subscription, maintenance and support revenues. Software & services includes software licenses and professional services.

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 (short-term and long-term).

Figures may vary due to rounding.

Non-GAAP revenue by reporting segment

\$M	Q2'19	Q2'19 vs. Q2'18 Growth %				TTM Growth CAGR %		Key Factors
		Revenue	Organic	M&A/ Divestiture	FX	Total	1 Year	
Buildings & Infrastructure	\$339.9	+7%	+17%	-2%	+22%	+31%	+19%	<ul style="list-style-type: none"> Strong organic growth in civil construction Subscription conversion in SketchUp exceeding expectations but impacting building construction revenue year over year Viewpoint and e-Builder acquisitions continue to perform
Geospatial	\$164.4	-10%	+0%	-1%	-11%	-2%	+2%	<ul style="list-style-type: none"> Year over year decline in OEM sales, primarily due to softness in China Organic survey revenues were flat
Resources & Utilities	\$152.7	+7%	+0%	-2%	+5%	+4%	+15%	<ul style="list-style-type: none"> Solid growth in positioning services and utilities businesses Agriculture down slightly with mixed results across regions
Transportation	\$198.8	+8%	+2%	-1%	+9%	+7%	+11%	<ul style="list-style-type: none"> Strong sales in ELD hardware and continued subscription growth
Trimble Total	\$855.8	+3%	+7%	-2%	+8%	+12%	+12%	

CAGR refers to compound annual growth rate.

Organic growth is approximate and includes revenue from acquisitions completed in, or before, the corresponding prior year quarter.

Growth rates reflect values rounded to the nearest percentage point.

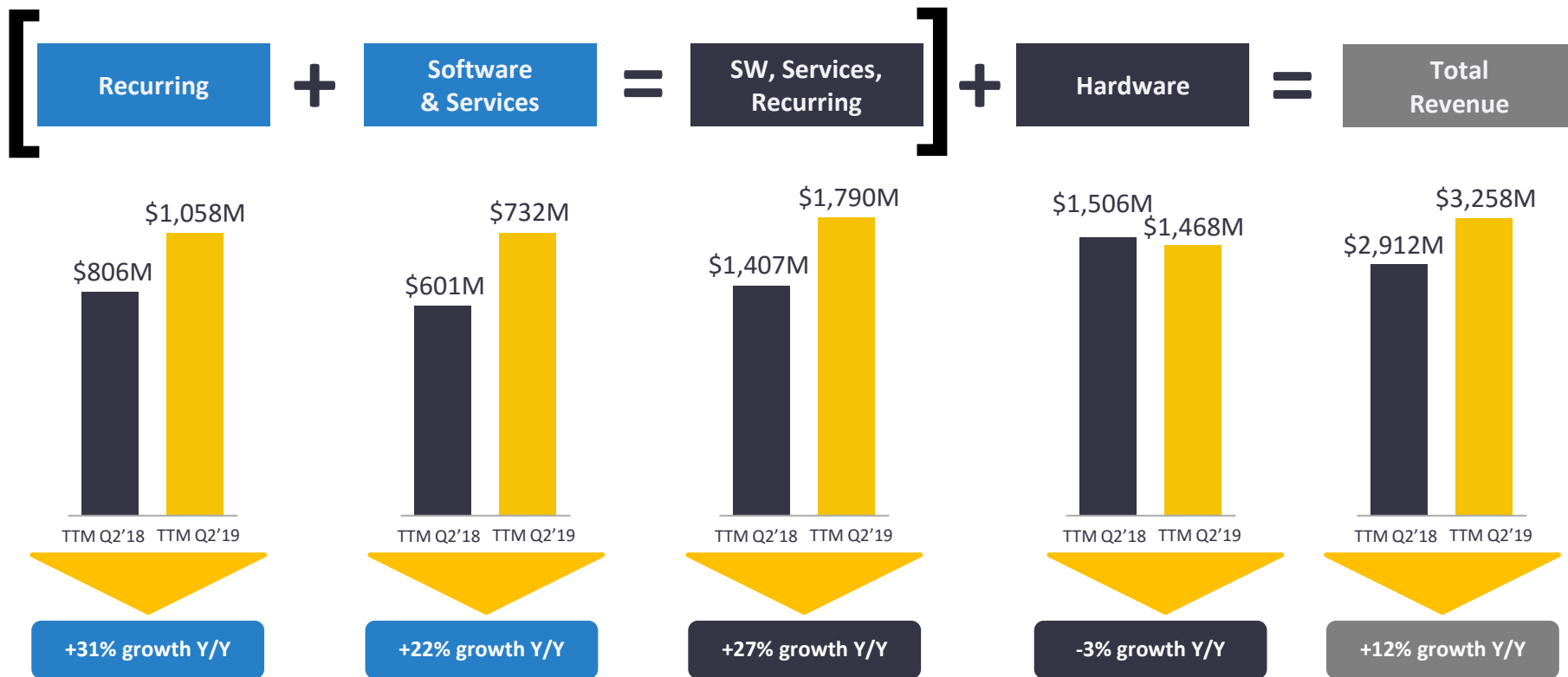
Fiscal 2015, used in the 3 year TTM growth metric, was accounted for under the prior revenue recognition standard.

Figures may vary due to rounding.

Non-GAAP revenue by region

	% of Total		% Change	
	Q2'18	Q2'19	Y/Y Quarterly	Y/Y TTM
North America	53%	57%	+17%	+16%
Europe	28%	28%	+6%	+12%
Asia-Pacific	14%	10%	-16%	-2%
Rest of World	5%	5%	-0%	+1%
Total	100%	100%	+8%	+12%

Non-GAAP revenue mix, trailing 12 month growth



Recurring revenue includes subscription, maintenance and support revenues.
 Figures may vary due to rounding.

Non-GAAP operating income by reporting segment

\$M, Non-GAAP	Q2'19			TTM Q2'19		TTM Growth CAGR %		Q2'19 Y/Y Key Factors
	Operating income \$	Operating income %	Growth vs. Q2'18	Operating income \$	Operating income %	1 Year	3 Year	
Buildings & Infrastructure	\$84.6	24.9%	+20%	\$287.9	23.6%	+35%	+33%	<ul style="list-style-type: none"> Revenue mix and acquisitions driving margins
Geospatial	\$31.1	18.9%	-25%	\$148.0	21.5%	-2%	+6%	<ul style="list-style-type: none"> Negative impact from OEM revenue shortfall
Resources & Utilities	\$45.5	29.8%	+7%	\$170.4	29.6%	+10%	+17%	<ul style="list-style-type: none"> Maintaining strong margin profile
Transportation	\$32.9	16.5%	+5%	\$145.7	18.8%	+14%	+13%	<ul style="list-style-type: none"> ELD hardware and R&D investment impacting margins
Corporate ¹	-\$19.4	--	--	-\$85.5	--	--	--	
Trimble Total	\$174.7	20.4%	+7%	\$666.5	20.5%	+21%	+20%	

Fiscal 2015, used in the 3 year TTM growth metric, was accounted for under the prior revenue recognition standard.

1. Represents unallocated corporate expense.

Figures may vary due to rounding.

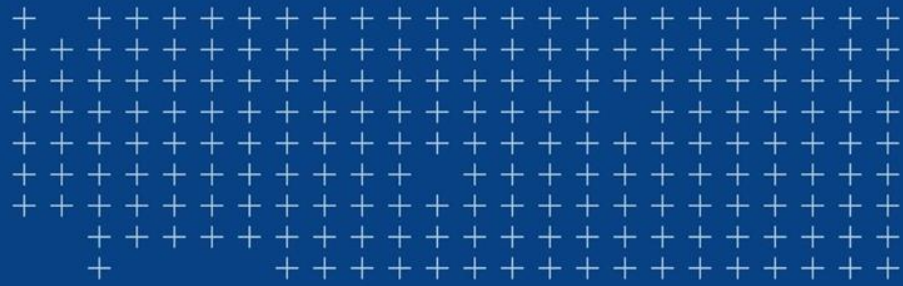
Guidance and outlook

Third Quarter 2019

- Non-GAAP revenue of \$789 to \$819 million
- -2% to +2% total growth; -2% to +2% organic, +1% M&A, -1% FX
- Non-GAAP EPS of \$0.45 to \$0.49 per share
- Income from equity method investments ≈\$9M
- Net interest expense ≈\$19M
- Non-GAAP tax rate of 20%, 254M shares outstanding

Fiscal Year 2019

- Non-GAAP revenue of \$3.255 to \$3.315 billion
- +4% to +6% total growth; +2% to +4% organic, +3.5% M&A, -1.5% FX
- Non-GAAP EPS of \$1.91 to \$1.99 per share
- Income from equity method investments ≈\$38M
- Net interest expense ≈\$80M; decreasing through the year
- Cash flow from operations > non-GAAP net income
- Non-GAAP tax rate of 20%, 254M shares outstanding



Q&A

