

Trimble Third 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 fourth 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 our current tax structure, including where our assets are deemed to reside for tax purposes, and 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 Introduction
- CFO Review of Results
- Guidance
- Q&A

Third quarter 2019 highlights

Financial Highlights

- Third quarter non-GAAP revenue of \$784 million, down 2.5% total, -2.5% organic, +1% M&A, -1% FX
- Annualized recurring revenue of ≈\$1.1 billion, up 8%
- Adjusted EBITDA margins of 23.0%, flat year over year
- Free cash flow \$408 million YTD, up 23%
- Deferred revenue of \$419 million, up 15%
- Viewpoint and e-Builder performing to expectations

Operational Highlights

- Software acquisition of Cityworks provides company-wide platform for enterprise asset management with initial focus in utilities within Resources & Utilities reporting segment (closed Oct. 2019)
- Software acquisition of 3LOG to pursue connected forest strategy in Resources & Utilities reporting segment
- Agriculture innovation: Weedseeker 2 delivers up to 90 percent savings in input costs when targeting and treating herbicide resistant weeds
- Geospatial innovation: X7 3D laser scanner delivers improved and intuitive workflows and technologies that automate critical steps, improving efficiency and productivity
- Customer user conferences with over 3,500 attendees demonstrated loyalty to Trimble solutions from e-Builder, Viewpoint and Transportation
- Cost containment and reduction, in addition to portfolio pruning



Third quarter 2019 financial summary

\$M, Except Per Share	Third Quarter of		
	2018	2019	Y/Y Change
Non-GAAP Income Statement Highlights			
Revenue	\$804.7	\$784.3	-2.5%
Gross Margin % of Revenue	57.9%	57.0%	-90bps
Adjusted EBITDA	\$184.8	\$180.2	-2%
Adjusted EBITDA % of Revenue	23.0%	23.0%	+0bps
Operating Income	\$167.0	\$162.0	-3%
Operating Income % of Revenue	20.8%	20.7%	-10bps
Tax Rate	19.0%	19.0%	+0bps
Net Income	\$125.2	\$121.1	-3%
Diluted Earnings Per Share	\$0.49	\$0.48	-2%
Balance Sheet & Cash Flow Highlights			
Net Debt	\$1,807.3	\$1,565.7	-13%
Deferred Revenue	\$364.3	\$419.0	+15%
Cash Flow from Operations	\$117.0	\$137.3	+17%
Free Cash Flow	\$99.9	\$121.1	+21%

- Non-GAAP Revenue: -2.5% y/y;
 - Organic -2.5%
 - Currency translation -1%
 - Acquisitions/divestitures +1%
- Non-GAAP gross margin down due to revenue mix
- Non-GAAP EPS down \$0.01/share, driven by lower revenue, offset by lower operating expenses and lower interest expense
- Free cash flow growth driven by reduced working capital requirements, and lower M&A expenses

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 (+8% growth)

YTD free cash flow up +23%

\$1.8B in TTM software, services and recurring revenue (+20% growth)

Approx. \$1.1B backlog

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

Net working capital 3% of TTM revenue

\$419M deferred revenue balance (+15% growth)

+28% TTM subscription revenue growth

TTM refers to trailing twelve months.

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.

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	Q3'19	Q3'19 vs. Q3'18 Growth %				TTM Growth CAGR %		Key Factors
		Revenue	Organic	M&A/ Divestiture	FX	Total	1 Year	
Buildings & Infrastructure	\$309.8	+6%	+0%	-1%	+5%	+22%	+19%	<ul style="list-style-type: none"> ▪ Growth in buildings and civil construction ▪ Subscription conversion exceeding expectations but impacting revenue year over year ▪ Viewpoint and e-Builder acquisitions continue to perform
Geospatial	\$155.1	-16%	+0%	-1%	-16%	-8%	+1%	<ul style="list-style-type: none"> ▪ Year over year decline in OEM sales, primarily due to softness in China ▪ Survey revenue was down, impacted by government orders
Resources & Utilities	\$121.1	-8%	+0%	-2%	-9%	-1%	+13%	<ul style="list-style-type: none"> ▪ Growth in positioning services and utilities businesses ▪ Agriculture down as expected with mixed results across regions
Transportation	\$198.3	+1%	+4%	-0%	+4%	+5%	+11%	<ul style="list-style-type: none"> ▪ Growth in mobility and mapping/routing business
Trimble Total	\$784.3	-2.5%	+1%	-1%	-2.5%	+6%	+11%	

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.

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 operating income by reporting segment

\$M, Non-GAAP	Q3'19			TTM Q3'19		TTM Growth CAGR %		Q3'19 Y/Y Key Factors
	Operating income \$	Operating income %	Growth vs. Q3'18	Operating income \$	Operating income %	1 Year	3 Year	
Buildings & Infrastructure	\$81.7	26.4%	+20%	\$301.3	24.5%	+33%	+33%	<ul style="list-style-type: none"> Software revenue mix driving margins
Geospatial	\$30.6	19.7%	-35%	\$131.2	19.9%	-19%	+3%	<ul style="list-style-type: none"> Negative impact from OEM revenue shortfall
Resources & Utilities	\$34.5	28.5%	-10%	\$166.4	29.5%	+1%	+14%	<ul style="list-style-type: none"> Maintaining strong margin profile
Transportation	\$31.2	15.7%	-16%	\$139.8	17.8%	+4%	+12%	<ul style="list-style-type: none"> ELD support costs and R&D investment impacting margins
Corporate ⁽¹⁾	-\$16.0	--	--	-\$77.2	--	--	--	
Trimble Total	\$162.0	20.7%	-3%	\$661.5	20.4%	+12%	+19%	<ul style="list-style-type: none"> Revenue shortfall offset by cost containment and lower incentive compensation expense

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

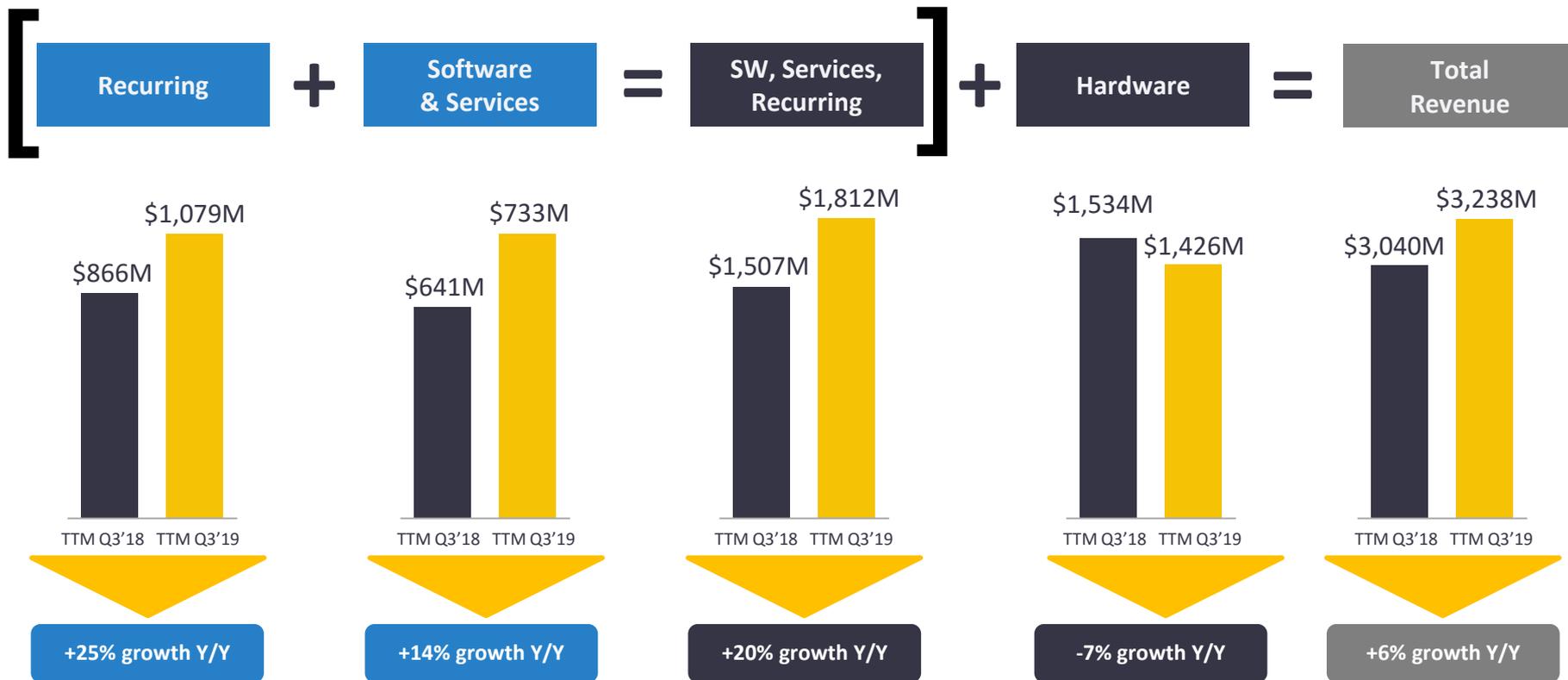
1. Represents unallocated corporate expense.

Figures may vary due to rounding.

Non-GAAP revenue by region

	% of Total		% Change	
	Q3'18	Q3'19	Y/Y Quarterly	Y/Y TTM
North America	56%	56%	-3%	+9%
Europe	25%	26%	+1%	+8%
Asia-Pacific	14%	12%	-18%	-9%
Rest of World	5%	6%	+27%	+10%
Total	100%	100%	-3%	+6%

Non-GAAP revenue mix, trailing 12 month growth



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

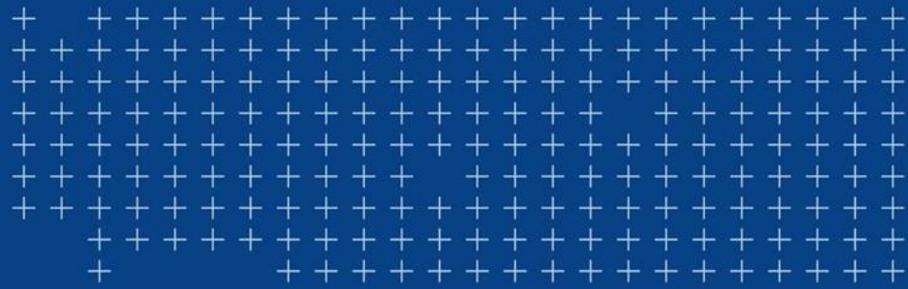
Guidance and outlook

Fourth Quarter 2019

- Non-GAAP revenue of \$770 to \$800 million
- -3% to +1% total growth; -3% to +1% organic, +1% M&A, -1% FX
- Non-GAAP EPS of \$0.46 to \$0.50 per share
- Income from equity method investments ≈\$6M
- Net interest expense ≈\$20M
- Non-GAAP tax rate of 19%, 252M shares outstanding

Fiscal Year 2019

- Non-GAAP revenue of \$3.215 to \$3.245 billion
- Non-GAAP EPS of \$1.91 to \$1.95 per share
- Income from equity method investments ≈\$37M
- Net interest expense ≈\$82M
- Non-GAAP tax rate of 19.5%, 253M shares outstanding
- Cash flow from operations approximately \$560 million, and free cash flow approximately \$490 million



Q&A

