

Trimble Inc.

Fourth Quarter and Full Year 2022 Results Summary

Fourth quarter and full year 2022 highlights

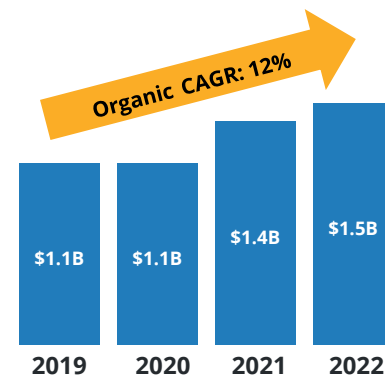
Key Messages

- Continued focus and execution on Connect & Scale platform strategy - people, process & systems.
- Strong ARR and gross margin performance, despite economic uncertainty, reflecting progression against the Connect & Scale strategy.
- Targeted capital allocation - acquired Bid2Win and Bilberry in 2022, announced Transporeon acquisition in December 2022. Divested 15 businesses since 2020. Continue to invest in digital transformation.

Financial Highlights Q4'22 & Full Year 2022

\$ Millions	Q4 2022	2022	2019	Q4 growth (organic)	2022 growth (organic)	3 year growth (organic)
ARR	\$1.60B	\$1.60B	\$1.19B	+14% (+16%)	+14% (+16%)	+10% (+12%)
Total Revenue	\$857	\$3,676	\$3,271	-8% (+0%)	+0% (+7%)	+4% (+6%)
Gross Margin %	61.8%	60.0%	57.7%	+400 bps	+170 bps	+230 bps
Adjusted EBITDA margin %	24.3%	25.0%	22.9%	+20 bps	-60 bps	+210 bps

Hardware & Related Software Revenue Growth Civil, Ag, Survey



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

Organic revenue refers to revenue excluding the impacts of (i) foreign currency translation (FX), and (ii) acquisitions and divestitures.

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

CAGR refers to compound annual growth rate.

Figures may vary due to rounding.



Connect & Scale: fourth quarter highlights



TRIMBLE TO ACQUIRE BILBERRY TO EXTEND ITS SELECTIVE SPRAYING CAPABILITIES FOR SUSTAINABLE FARMING

SUNNYVALE, Calif., Aug. 30, 2022 /PRNewswire/ -- Trimble (NASDAQ: TRMB) announced today that it has signed a definitive agreement to acquire privately-held Bilberry, a French technology company specializing in selective spraying systems for sustainable farming. The transaction is expected to close in the fourth quarter of 2022, subject to certain closing conditions and regulatory approval. Financial terms were not disclosed.



TRANSPOREON

transforming transportation

Financial Release

Dec 12, 2022

TRIMBLE TO ACQUIRE TRANSPOREON TO STRENGTHEN AND ACCELERATE CONNECT & SCALE STRATEGY

Scaled Cloud-Based Transportation Management Platform

High Growth & Profitable Software Leader Expands Trimble's Addressable Market

Expected to be Immediately Accretive to Pro Forma Revenue Growth and Non-GAAP Operating Margin

WESTMINSTER, Colo., Dec. 12, 2022 /PRNewswire/ -- Trimble (NASDAQ: TRMB) announced today that it has agreed to acquire Transporeon, a leading cloud-based transportation management software platform, in an all-cash transaction valued at €1.88 billion. Transporeon's software platform provides modular applications that power a global network for 145,000 carriers and 1,400 shippers and load recipients with an integrated suite of best-in-class sourcing, planning, execution, monitoring and settlement tools. Trimble will acquire Transporeon from Hg, a leading software and services investor and current majority shareholder in the business.

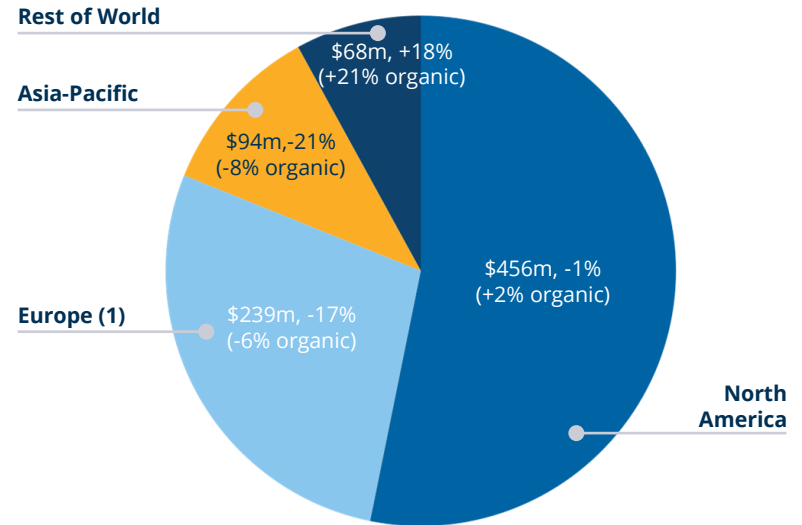


Fourth quarter revenue by type & geography

Recurring Revenue Streams				
\$ Billions	Fourth Quarter of			
	2021	2022	Y/Y Change	Y/Y Organic Change
Annualized Recurring Revenue	\$1.41	\$1.60	+14%	+16%

Non-Recurring Revenue Streams				
\$ Millions	Fourth Quarter of			
	2021	2022	Y/Y Change	Y/Y Organic Change
Hardware	\$418.4	\$307.1	-27%	-13%
Perpetual Software	\$114.1	\$108.7	-5%	-3%
Professional Services	\$41.6	\$36.2	-13%	-11%

Q4'22 Revenue by Geography



(1) Excluding the impact of Russia/Ukraine, Europe organic growth was +1% year over year.

Organic Annualized Recurring Revenue refers to Annualized Recurring Revenue excluding the impacts of (i) foreign currency translation, and (ii) acquisitions and divestitures. Figures may vary due to rounding.



Fourth quarter 2022 financial summary

\$M, Except Per Share	Fourth Quarter of		
Non-GAAP Highlights	2021	2022	Y/Y Change
Revenue	\$926.0	\$856.5	-8%
Gross Margin % of Revenue	57.8%	61.8%	+400 bps
Adjusted EBITDA	\$222.9	\$208.4	-7%
Adjusted EBITDA % of Revenue	24.1%	24.3%	+20 bps
Operating Income	\$204.5	\$187.8	-8%
Operating Income % of Revenue	22.1%	21.9%	-20 bps
Tax Rate	18.0%	17.5%	-50 bps
Net Income	\$157.8	\$149.9	-5%
Diluted Earnings Per Share	\$0.62	\$0.60	-3%
Balance Sheet & Cash Flow Highlights			
Net Debt	\$967.5	\$1,249.0	+29%
Deferred Revenue	\$631.8	\$737.6	+17%
Cash Flow from Operations	\$155.3	\$106.1	-32%
Free Cash Flow	\$140.6	\$99.5	-29%
Share Repurchases	\$40.0	\$0.0	-100%

- Organic revenue: 0% y/y
 - Total revenue: -8%
 - Currency translation: -4%
 - Acquisitions: +2%
 - Divestitures: -5%
- Gross margin improved due to increased software / subscription mix and the favorable impact of price increases and moderating cost inflation
- Operating margins stable, as gross margin improvements and lower incentive compensation expense offset spending on Connect & Scale investments
- Cash flow down as expected impacted by Section 174 cash taxes
- No share repurchases in Q4

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

Fiscal 2022 financial summary

\$M, Except Per Share	Fiscal Year		
	2021	2022	Y/Y Change
Non-GAAP Highlights			
Revenue	\$3,659.4	\$3,676.3	0%
Gross Margin % of Revenue	58.3%	60.0%	+170 bps
Adjusted EBITDA	\$936.9	\$917.3	-2%
Adjusted EBITDA % of Revenue	25.6%	25.0%	-60 bps
Operating Income	\$857.0	\$841.5	-2%
Operating Income % of Revenue	23.4%	22.9%	-50 bps
Tax Rate	17.6%	18.2%	+60 bps
Net Income	\$677.2	\$660.3	-2%
Diluted Earnings Per Share	\$2.66	\$2.64	-1%
Balance Sheet & Cash Flow Highlights			
Cash Flow from Operations	\$750.5	\$391.2	-48%
Free Cash Flow	\$704.4	\$348.0	-51%
Share Repurchases	\$180.0	\$394.7	+119%

- Organic revenue: +7% y/y
 - Total revenue: 0%
 - Currency translation: -3%
 - Acquisitions: +1%
 - Divestitures: -4%
- Gross margin improved due to increased software / subscription mix
- Operating margins stable, as gross margin improvements and lower incentive compensation expense offset spending on Connect & Scale investments
- Cash flow unusually low due primarily to inventory/payables and the timing of cash taxes (Section 174)
- 1.4X Net Debt:EBITDA; negative working capital
- Share repurchases of \$395m



Q4'22 and full year 2022 segment results

\$M	Fiscal Year 2022		Fourth Quarter 2022		Q4'22 Commentary
	Revenue & Y/Y Growth	Non-GAAP Operating Income \$ / %	Revenue & Y/Y Growth	Non-GAAP Operating Income \$ / %	
Buildings & Infrastructure	\$1,494.0, +5% (+11% organic, -3% FX, +2% Acq., -6% Divestiture)	\$406.3 27.2%	\$350.2, -4% (+2% organic, -3% FX, +4% Acq., -6% Divestiture)	\$87.5 25.0%	<ul style="list-style-type: none"> Organic ARR growth >20% driven by strong bookings and net retention Double digit revenue growth at e-Builder, Viewpoint, SketchUp; partially offset by subscription transition impact in Structures and MEP Civil Construction HW and related SW revenue slowed in Q4, due to dealers moderating inventory levels Strong start for B2W acquisition
Geospatial	\$765.5, -9% (-1% organic, -3% FX, -5% Divestiture)	\$221.4 29.3%	\$171.1, -23% (-12% organic, -4% FX, -7% Divestiture)	\$44.2 25.8%	<ul style="list-style-type: none"> Survey HW & related SW revenue slowed in Q4 versus a strong Q4'21, due to dealers moderating inventory levels, lower end customer demand, and timing of orders by US Federal customers
Resources & Utilities	\$821.6, +7% (+12% organic, -5% FX, -1% Divestiture)	\$278.3 33.9%	\$185.2, +1% (+6% organic, -5% FX)	\$66.0 35.6%	<ul style="list-style-type: none"> Flat agriculture organic revenue despite loss of Russia/Ukraine markets and softening demand in Europe Organic ARR growth mid-teens, driven by Positioning Services and Utilities
Transportation	\$604.2, -5% (-1% organic, -1% FX, -3% Divestiture)	\$58.8 9.7%	\$150.0, -3% (+5% organic, -2% FX, -6% Divestiture)	\$21.8 14.5%	<ul style="list-style-type: none"> Organic ARR growth up mid single digits Organic revenue grew 5% due to growth in Enterprise and MAPS SW solutions Double digit operating margin in Q4 with progression through the year due to subscription product mix and cost reductions
Trimble Total	\$3,676.3, 0% (+7% organic, -3% FX, +1% Acq., -4% Divestiture)	\$841.5 22.9%	\$856.5, -8% (0% organic, -4% FX, +2% Acq., -5% Divestiture)	\$187.8 21.9%	<ul style="list-style-type: none"> Organic ARR up 16%, record non-GAAP gross margin 61.8%

Figures may vary due to rounding.



2023 Outlook

- **Key planning assumptions**

- Continued mid-teens ARR growth with improved cash flow
- Outlook excludes the impact of future acquisitions and divestitures including Transporeon. Transporeon is expected to close in 1H23 following regulatory approvals.

\$M	2022 Actual	2023 Guidance	Commentary
Organic ARR growth	+16%	+Mid-teens %	<ul style="list-style-type: none"> • Organic growth rate low to mid-teens in 1H, mid-teens in 2H
Revenue	\$3.68B	\$3.7B - \$3.8B	<ul style="list-style-type: none"> • Full year organic revenue growth of 2-5% (Q1 -LSD, 1H relatively flat, 2H +HSD), overall revenue growth 0.5-3.5% <ul style="list-style-type: none"> ○ Full year M&A/divestiture growth impact -1% (Q1 -4%, Q2 -1%, Q3 +1%, Q4 flat) ○ Full year FX impact on growth slightly negative; (Q1 -2%, Q2 -1% Q3 +1%, Q4 +1%) ○ Organic growth in B&I, R&U, Transportation, Geospatial decline
Non-GAAP operating margins	22.9%	23-24%	<ul style="list-style-type: none"> • Full year gross margin expansion of 200-250 bps, partially offset by operating expense growth driven by Connect & Scale investments.
Non-GAAP EPS	\$2.64	\$2.66 - \$2.86	<ul style="list-style-type: none"> • M&A/divestitures have a -1% impact on EPS growth • 249M shares outstanding
Equity Method Income	\$31M	Approx. \$30M	
Net interest expense	\$65M	Approx. \$70M	
Non-GAAP tax rate	18.2%	18%	
Free cash flow	\$348M	Approximately 1X non-GAAP net income	<ul style="list-style-type: none"> • 2023 cash flow benefits from reduced inventory, but assumes no change to Section 174

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, effectively integrate new acquisitions or consummate divestitures in a timely manner. The Company's results would also be negatively impacted due to weakness and deterioration in the US and global macroeconomic outlook, including slowing growth, inflationary pressures and increases in interest rates, which may affect demand for our products and services and increase our costs, adversely affecting our revenues and profitability, adverse effects of the COVID 19 pandemic, supply chain shortages and disruptions, the pace at which our dealers work through their inventory, adverse geopolitical developments and the potential impact of volatility and conflict in the political and economic environment, including the Russian conflict with Ukraine and its direct and indirect impact on our business, 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>.