

Trimble Second Quarter 2018 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 2018, the impact of acquisitions, including e-Builder and Viewpoint, the ability to deliver revenue, earnings per share and other financial projections that Trimble has guided for the third quarter of 2018, and fiscal 2018, 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, 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, including our recent acquisition of Viewpoint. 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 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



- Trimble strategy and context
- Q2'18 summary results
- Q2'18 financial details
- Q3'18 guidance and outlook
- Q&A

Trimble strategy and business model is unique

Context

- Central role in the digitization of mature industries that delivers transformative benefits
- Technology penetration within a large addressable market in historically unserved end-markets

Strategy

- Connecting the digital and physical worlds
- Vertical market focus with an approach to drive task and system productivity across industry lifecycles
- Mixed fleet and end-user focus (>85% of revenue is end-user focused)
- Domain and innovation in vertical market contexts

Long-term business model targets

- Organic growth of 9-12% (6-9% organic) with 25%+ incremental margins
- Balanced end-market exposure with secular growth drivers
- Software growth and migration to subscription models (~55% SW/svcs/recurring in 2021)
- Asset light business model (targeted NWC <5% of revenue and capex <2% of revenue)

Strategic execution drives “performance to potential”

Increasing
competitive
strength and
market focus

- Construction: new product innovation in civil and building construction, with acquisitions (e-Builder, Stabiplan) performing ahead of plan
- Transportation: enterprise software and shipper visibility
- Agriculture: variable rate technology and emerging market growth
- Geospatial: new product innovation and autonomous technologies
- Pruning portfolio for under-performing or non-core activities
- M&A leverage

Common
initiatives create
leverage across
the company

- Technology: Trimble cloud, automation to autonomy, blockchain, IoT, augmented reality
- Execution: Hoshin strategic planning systems increasing strategic execution pace
- Business model: subscription transition
- Culture: innovation-driven collaboration

Technology innovation drives market transformation

≈14% TTM R&D spend

Trimble Cloud with >1M users

Automation to autonomy
across multiple end markets

Earthworks for excavators
in civil construction

Blockchain development
in transportation and
agriculture

Variable rate in
agriculture

Freight cloud in
transportation

Second quarter fiscal 2018 financial summary

\$M, Except Per Share	Second Quarter of		
	2017	2018	Yr:Yr Change
Non-GAAP Income Statement Highlights			
Revenue	\$659.9	\$785.5	+19%
Gross Margin % of Revenue	55.3%	57.1%	+180bps
Adjusted EBITDA	\$136.3	\$178.1	+31%
Adjusted EBITDA % of Revenue	20.7%	22.7%	+200bps
Operating Income	\$117.6	\$159.9	+36%
Operating Income % of Revenue	17.8%	20.4%	+260bps
Tax Rate	23.0%	19.0%	-400bps
Net Income	\$93.8	\$127.2	+36%
Diluted Earnings Per Share	\$0.36	\$0.50	+39%
Balance Sheet & Cash Flow Highlights			
Net Debt	\$126.2	\$715.6	+\$589
Deferred Revenue	\$307.3	\$356.2	+16%
Cash Flow from Operations	\$149.4	\$184.9	+24%

- Revenue: +19.0% yr:yr;
 - Organic ≈ +12%
 - Currency translation ≈ +2%
 - Acquisitions/divestitures ≈ +5%
- Non-GAAP gross margin expansion driven by revenue mix and pricing
- Non-GAAP EPS expansion driven by revenue growth, gross margin expansion, tax rate reduction; slightly offset by higher interest expense

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

Note: Investors are encouraged to review the reconciliation of our non-GAAP financial measures to the comparable GAAP results, which is attached to the earnings release. Additional financial information about our use of non-GAAP results can be found on the investor relations page of our Web site at: <http://investor.trimble.com>.

Revenue by reporting segment

\$M	Q2'18	Q2'18 vs. Q2'17 Growth %				TTM Growth CAGR %		Key Factors
		Revenue	Organic	M&A	FX	Total	1 Year	
Buildings & Infrastructure	\$274.3	≈+15%	≈+7%	≈+2%	+24%	+19%	+11%	<ul style="list-style-type: none"> Strength in civil and building construction E-Builder and Stabiplan acquisitions performing ahead of expectations
Geospatial	\$184.4	≈+10%	≈+0%	≈+2%	+12%	+11%	-1%	<ul style="list-style-type: none"> End-market diversification Continued growth in autonomy
Resources & Utilities	\$145.0	≈+10%	≈+18%	≈+2%	+30%	+33%	+12%	<ul style="list-style-type: none"> International growth Müller acquisition performing ahead of expectations
Transportation	\$181.8	≈+10%	≈+0%	≈+1%	+11%	+18%	+11%	<ul style="list-style-type: none"> Enterprise software/subscription growth Subscription activation on ELD hardware implementations
Trimble Total	\$785.5	≈+12%	≈+5%	≈+2%	+19%	+19%	+8%	<ul style="list-style-type: none"> Growth in all reporting segments and major geographies reflects growing competitive advantage and strong execution Recent acquisitions exceeding expectations

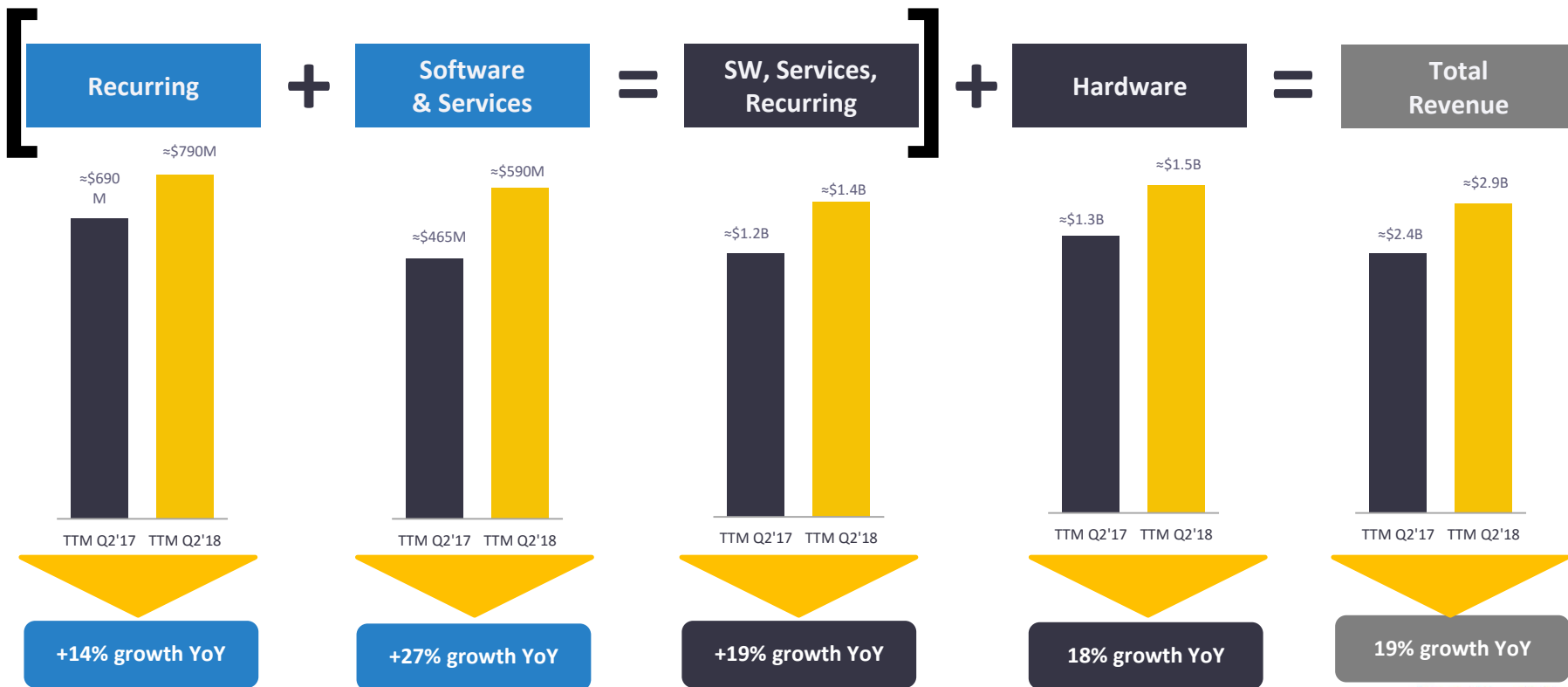
Growth rates reflect values rounded to the nearest percentage point.

FY16 and FY17 reflect the retrospective adoption of ASC 606, Revenue from Contracts with Customers. FY15 was accounted for under the prior revenue recognition standard.

Revenue by region

	% of Total		% Change	
	Q2'17	Q2'18	Yr:Yr Quarterly	Yr:Yr TTM
North America	55%	52%	13%	15%
Europe	25%	28%	37%	34%
Asia-Pacific	14%	14%	19%	14%
Rest of World	6%	6%	2%	5%
Total	100%	100%	19%	19%

Revenue mix, trailing 12 month growth



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

Non-GAAP operating income by reporting segment

\$M, Non-GAAP	Q2'18			TTM Q2'18		TTM Growth CAGR %		Q2'18 Yr:Yr Key Factors
	Operating income \$	Operating income %	Growth vs. Q2'17	Operating income \$	Operating income %	1 Year	3 Year	
Buildings & Infrastructure	\$67.4	24.6%	+41%	\$207.4	22.5%	+38%	+30%	<ul style="list-style-type: none"> SW/services/recurring growth Gross margin expansion, pricing and product mix Operating expense management Product line rationalization
Geospatial	\$41.6	22.6%	+40%	\$150.6	21.4%	+22%	-1%	
Resources & Utilities	\$42.3	29.2%	+21%	\$153.4	27.7%	+17%	+11%	
Transportation	\$31.1	17.1%	+22%	\$127.0	17.5%	+18%	+9%	
Corporate ¹	-\$22.5	--	--	-\$93.9	--	--	--	
Trimble Total	\$159.9	20.4%	+36%	\$544.5	18.8%	+23%	+11%	

FY16 and FY17 reflect the retrospective adoption of ASC 606, Revenue from Contracts with Customers. FY15 was accounted for under the prior revenue recognition standard.

1. Represents unallocated corporate expense.

Financial metric highlights for Q2'18

Cash flow from operations up 24%

≈\$1.4B in TTM SW, services
and recurring revenue
(19% Y/Y growth)

Approx. \$1B backlog (Q2'18)

≈\$790M in TTM recurring revenue
(14% Y/Y growth)

Net working capital
<3% of TTM revenue

\$356M deferred
revenue (≈16% growth)

15% subscription
revenue growth

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).

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

Note: a reconciliation of non-GAAP financial measures to the comparable GAAP results can be found on the investor relations website at www.trimble.com.

M&A performance



- Acquisition closed February, 2018
- Subscription bookings growth of >30% YTD
- Revenue and profitability have exceeded plan to date
- Approx. 65% subscription revenue



- Acquisition closed July 2, 2018
- Approx. 70% subscription bookings growth YTD
- >70% of new bookings are subscription
- Revenue and profitability expectations entering Q3 ahead of plan
- >70% recurring revenue

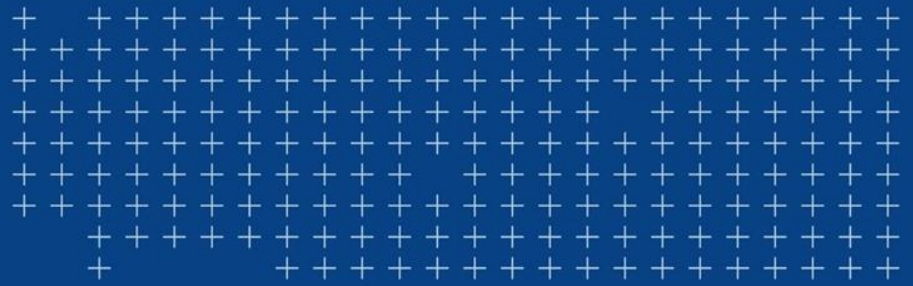


- Acquisition closed July 2017
- Revenue growth and profitability in line with plan
- Integration plans on track

Guidance and outlook

Figures in \$M (except per share)	Q3'18	FY'18
Non-GAAP Revenue	\$795M to \$825M	\$3.14B to \$3.19B
Yr:Yr Growth %	≈18% to ≈22%	≈19% to ≈21%
Non-GAAP EPS	\$0.43 to \$0.47	\$1.81 to \$1.89
Assumptions		
Income from Equity Method Investments, Net	≈\$7M	≈\$27M
Interest Expense, Net	≈\$24M	≈\$69M
Tax Rate	≈19%	≈19%
Shares Outstanding	≈253M	≈253M

Non-GAAP revenue and EPS guidance exclude purchase accounting adjustments to acquired deferred revenue as well as the purchase accounting adjustments for commission expense, in addition to the adjustments described in the section on non-GAAP metrics located at the end of the press release accompanying this presentation. Trimble is unable to provide a quantitative reconciliation of these measures to GAAP with a reasonable degree of accuracy because Trimble has not estimated the fair value of the assets and liabilities, including intangible assets and related amortization expense, associated with the Viewpoint acquisition. Additional financial information about our use of non-GAAP results can be found on the investor relations page of our Web site at: <http://investor.trimble.com>.



Q&A

