UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended **April 1, 2022**

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number: **001-14845**

TRIMBLE INC.
(Exact name of registrant as specified in its charter)

Delaware	**94-2802192**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**

935 Stewart Drive, Sunnyvale, CA 94085
(Address of principal executive offices) (Zip Code)

(408) 481-8000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definition of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer	☒	Accelerated Filer	☐
Non-accelerated Filer	☐	Smaller Reporting Company	☐
		Emerging Growth Company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.001 par value per share	**TRMB**	**NASDAQ Global Select Market**

As of May 2, 2022, there were 250,142,472 shares of Common Stock, par value $0.001 per share, outstanding.

SPECIAL NOTE ON FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, which are subject to the "safe harbor" created by those sections. These statements include, among other things:

- impact of supply chain shortages and disruptions, as well as general inflationary pressures, on our costs and operations;
- potential impact of volatility and conflict in the political and economic environment, including the Russian invasion of Ukraine and its direct and indirect impact on our business;
- impact of the COVID-19 pandemic, including upon global or local macroeconomic conditions, our supply chain, our results of operations, and estimates or judgments;
- the portion of our revenue expected to come from sales to customers located in countries outside of the U.S.;
- a continued shift in revenue towards a more significant mix of software and recurring revenue, including subscription, maintenance and support, and service revenue;
- our belief that increases in recurring revenue, including from our software and subscription solutions, will provide us with enhanced business visibility over time;
- our belief that our cash and cash equivalents, together with borrowings under the commitments for our credit facilities and senior notes, will be sufficient in the foreseeable future to meet our anticipated operating cash needs, debt service, and planned capital expenditures;
- any anticipated benefits to us from our acquisitions and our ability to successfully integrate the acquired businesses;
- fluctuations in interest rates and foreign currency exchange rates;
- our growth strategy, including our focus on historically underserved large markets, the relative importance of organic growth versus strategic acquisitions, and the reasons that we acquire businesses;
- our discretion to conduct, suspend, or discontinue our stock repurchase program subject to the discretion of our management; and
- related to Russia's invasion of Ukraine, our belief that impairments of long-lived assets or accounts receivable write-off will not have a material impact on our business.

The forward-looking statements regarding future events and the future results of Trimble Inc. ("the Company" or "we" or "our" or "us") are based on current expectations, estimates, forecasts, and projections about the industries in which we operate, our current tax structure, including where our assets are deemed to reside for tax purposes, and the beliefs and assumptions of our management. Discussions containing such forward-looking statements may be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of this Form 10-Q. In some cases, forward-looking statements can be identified by terminology such as "may," "will," "should," "could," "predicts," "potential," "continue," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates," and similar expressions. These forward-looking statements involve certain risks and uncertainties that could cause actual results, levels of activity, performance, achievements, and events to differ materially from those implied by such forward-looking statements, including but not limited to those discussed in this report under the section entitled "Risk Factors" and elsewhere, and in other reports we file with the Securities and Exchange Commission ("SEC"), specifically the most recent Form 10-K for 2021 (the "2021 Form 10-K") and in other reports we file with the SEC, each as it may be amended from time to time. These forward-looking statements are made as of the date of this Quarterly Report on Form 10-Q. We reserve the right to update these forward-looking statements for any reason, including the occurrence of material events, but assume no duty to update these statements to reflect subsequent events.

TRIMBLE INC.
FORM 10-Q for the Quarter Ended April 1, 2022
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PART I – FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TRIMBLE INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

As of	First Quarter of 2022	Year End 2021
(In millions, except par value)		
ASSETS		
Current assets:		
Cash and cash equivalents	$ 357.2	$ 325.7
Accounts receivable, net	655.7	624.8
Inventories	401.0	363.3
Other current assets	151.6	136.8
Total current assets	1,565.5	1,450.6
Property and equipment, net	235.0	233.2
Operating lease right-of-use assets	146.9	141.0
Goodwill	3,971.0	3,981.5
Other purchased intangible assets, net	468.7	506.6
Deferred income tax assets	494.9	502.0
Other non-current assets	295.4	284.7
Total assets	$ 7,177.4	$ 7,099.6
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 213.3	$ 207.3
Accrued compensation and benefits	144.6	231.0
Deferred revenue	622.7	548.8
Other current liabilities	266.4	201.5
Total current liabilities	1,247.0	1,188.6
Long-term debt	1,293.7	1,293.2
Deferred revenue, non-current	81.2	83.0
Deferred income tax liabilities	237.6	263.1
Income taxes payable	54.5	54.5
Operating lease liabilities	127.8	121.4
Other non-current liabilities	147.7	151.1
Total liabilities	3,189.5	3,154.9
Commitments and contingencies (Note 12)		
Stockholders' equity:		
Preferred stock, $0.001 par value; 3.0 shares authorized; none issued and outstanding	—	—
Common stock, $0.001 par value; 360.0 shares authorized; 250.1 and 250.9 shares issued and outstanding at the end of the first quarter of 2022 and year end 2021	0.3	0.3
Additional paid-in-capital	1,981.2	1,935.6
Retained earnings	2,170.3	2,170.5
Accumulated other comprehensive loss	(163.9)	(161.7)
Total stockholders' equity	3,987.9	3,944.7
Total liabilities and stockholders' equity	$ 7,177.4	$ 7,099.6

See accompanying Notes to the Condensed Consolidated Financial Statements.

TRIMBLE INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

(In millions, except per share amounts)	First Quarter of 2022	First Quarter of 2021
Revenue:		
Product	$ 621.6	$ 539.4
Service	161.1	162.3
Subscription	211.0	184.8
Total revenue	993.7	886.5
Cost of sales:		
Product	308.4	255.7
Service	63.3	59.6
Subscription	49.9	55.8
Amortization of purchased intangible assets	22.5	22.1
Total cost of sales	444.1	393.2
Gross margin	549.6	493.3
Operating expense:		
Research and development	140.3	129.4
Sales and marketing	131.9	122.4
General and administrative	101.5	85.4
Restructuring	6.9	1.5
Amortization of purchased intangible assets	12.1	13.7
Total operating expense	392.7	352.4
Operating income	156.9	140.9
Non-operating expense, net:		
Interest expense, net	(16.0)	(16.9)
Income from equity method investments, net	9.7	11.8
Other income (expense), net	(12.1)	1.6
Total non-operating expense, net	(18.4)	(3.5)
Income before taxes	138.5	137.4
Income tax provision	28.2	22.8
Net income	110.3	114.6
Net income attributable to noncontrolling interests	—	0.1
Net income attributable to Trimble Inc.	$ 110.3	$ 114.5
Earnings per share attributable to Trimble Inc.:		
Basic	$ 0.44	$ 0.46
Diluted	$ 0.44	$ 0.45
Shares used in calculating earnings per share:		
Basic	250.8	251.1
Diluted	252.8	254.3

See accompanying Notes to the Condensed Consolidated Financial Statements.

TRIMBLE INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)

	First Quarter of	
(In millions)	**2022**	**2021**
Net income	$ 110.3	$ 114.6
Foreign currency translation adjustments, net of tax	(2.2)	(31.5)
Comprehensive income	108.1	83.1
Comprehensive income attributable to noncontrolling interests	—	0.1
Comprehensive income attributable to Trimble Inc.	$ 108.1	$ 83.0

See accompanying Notes to the Condensed Consolidated Financial Statements.

TRIMBLE INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(UNAUDITED)

	Common stock							
(In millions)	**Shares**	**Amount**	**Additional Paid-In Capital**	**Retained Earnings**	**Accumulated Other Comprehensive Loss**	**Total Stockholders' Equity**	**Noncontrolling Interest**	**Total**
Balance at the end of 2021	250.9	$ 0.3	$ 1,935.6	$ 2,170.5	$ (161.7)	$ 3,944.7	$ —	$ 3,944.7
Net income	—	—	—	110.3	—	110.3	—	110.3
Other comprehensive loss	—	—	—	—	(2.2)	(2.2)	—	(2.2)
Comprehensive income						108.1		108.1
Issuance of common stock under employee plans, net of tax withholdings	0.7	—	15.2	(17.6)	—	(2.4)	—	(2.4)
Stock repurchases	(1.5)	—	(11.8)	(92.9)	—	(104.7)	—	(104.7)
Stock-based compensation	—	—	42.2	—	—	42.2	—	42.2
Balance at the end of the first quarter of 2022	**250.1**	**$ 0.3**	**$ 1,981.2**	**$ 2,170.3**	**$ (163.9)**	**$ 3,987.9**	**$ —**	**$ 3,987.9**

	Common stock							
(In millions)	**Shares**	**Amount**	**Additional Paid-In Capital**	**Retained Earnings**	**Accumulated Other Comprehensive Loss**	**Total Stockholders' Equity**	**Noncontrolling Interest**	**Total**
Balance at the end of 2020	250.8	$ 0.3	$ 1,801.7	$ 1,893.4	$ (98.5)	$ 3,596.9	$ 1.7	$ 3,598.6
Net income	—	—	—	114.5	—	114.5	0.1	114.6
Other comprehensive loss	—	—	—	—	(31.5)	(31.5)	—	(31.5)
Comprehensive income						83.0		83.1
Issuance of common stock under employee plans, net of tax withholdings	0.7	—	18.2	(10.2)	—	8.0	—	8.0
Stock repurchases	(0.6)	—	(4.1)	(35.9)	—	(40.0)	—	(40.0)
Stock-based compensation	—	—	25.1	—	—	25.1	—	25.1
Noncontrolling interest investment	—	—	0.6	—	—	0.6	(1.8)	(1.2)
Balance at the end of the first quarter of 2021	**250.9**	**$ 0.3**	**$ 1,841.5**	**$ 1,961.8**	**$ (130.0)**	**$ 3,673.6**	**$ —**	**$ 3,673.6**

See accompanying Notes to the Condensed Consolidated Financial Statements.

TRIMBLE INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(UNAUDITED)

(In millions)	First Quarter of 2022	First Quarter of 2021
Cash flow from operating activities:		
Net income	$ 110.3	$ 114.6
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense	10.0	10.3
Amortization expense	34.6	35.8
Deferred income taxes	(16.8)	0.4
Stock-based compensation	28.3	27.2
Other, net	16.7	(3.8)
(Increase) decrease in assets:		
Accounts receivable, net	(34.6)	40.0
Inventories	(42.7)	(0.9)
Other current and non-current assets	(14.6)	2.8
Increase (decrease) in liabilities:		
Accounts payable	7.8	14.5
Accrued compensation and benefits	(75.6)	(25.0)
Deferred revenue	73.3	9.2
Other current and non-current liabilities	56.3	3.1
Net cash provided by operating activities	153.0	228.2
Cash flow from investing activities:		
Purchases of property and equipment	(14.5)	(10.6)
Other, net	1.1	1.4
Net cash used in investing activities	(13.4)	(9.2)
Cash flow from financing activities:		
Issuance of common stock, net of tax withholdings	(2.4)	8.0
Repurchases of common stock	(104.7)	(40.0)
Proceeds from debt and revolving credit lines	118.8	180.8
Payments on debt and revolving credit lines	(118.8)	(335.7)
Other, net	(2.6)	—
Net cash used in financing activities	(109.7)	(186.9)
Effect of exchange rate changes on cash and cash equivalents	1.6	(5.2)
Net increase in cash and cash equivalents	31.5	26.9
Cash and cash equivalents - beginning of period	325.7	237.7
Cash and cash equivalents - end of period	$ 357.2	$ 264.6

See accompanying Notes to the Condensed Consolidated Financial Statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – UNAUDITED

NOTE 1. OVERVIEW AND ACCOUNTING POLICIES

Basis of Presentation

The Condensed Consolidated Financial Statements include our results of our consolidated subsidiaries. Intercompany accounts and transactions have been eliminated. Noncontrolling interests represent the noncontrolling stockholders' proportionate share of the net assets and results of operations of our consolidated subsidiaries.

We use a 52- to 53-week year ending on the Friday nearest to December 31. Both 2022 and 2021 are 52-week years. The first quarter of 2022 and 2021 ended on April 1, 2022 and April 2, 2021. Unless otherwise stated, all dates refer to these periods.

Use of Estimates

We prepared our interim Condensed Consolidated Financial Statements that accompany these notes in conformity with U.S. GAAP, consistent in all material respects with those applied in our Form 10-K filed with the U.S. Securities and Exchange Commission on February 23, 2022 (the "2021 Form 10-K").

The interim financial information is unaudited, and reflects all normal adjustments that are, in our opinion, necessary to provide a fair statement of results for the interim periods presented. This report should be read in conjunction with our 2021 Form 10-K that includes additional information about our significant accounting policies and the methods and assumptions used in our estimates.

The preparation of financial statements in accordance with U.S. generally accepted accounting principles ("GAAP") requires us to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Estimates and assumptions are used for revenue recognition, including determining the nature and timing of satisfaction of performance obligations and determining standalone selling price ("SSP") of performance obligations, provision for credit losses, sales returns reserve, inventory valuation, warranty costs, investments, acquired intangibles, goodwill and intangible asset impairment analysis, other long-lived asset impairment analysis, stock-based compensation, and income taxes. We base our estimates on historical experience and various other assumptions we believe to be reasonable. Actual results that we experience may differ materially from our estimates.

Recently issued Accounting Pronouncements not yet Adopted

There are no recently issued accounting pronouncements applicable to us not yet adopted.

Recently Adopted Accounting Pronouncements

There are no recently adopted accounting pronouncements.

NOTE 2. STOCKHOLDERS' EQUITY

Stock Repurchase Activities

In August 2021, our Board of Directors approved a new share repurchase program ("2021 Stock Repurchase Program") authorizing up to $750.0 million in repurchases of our common stock. Under the 2021 Stock Repurchase Program, the share repurchase authorization does not have an expiration date and supersedes and replaces the $600.0 million share repurchase authorization approved by our Board of Directors in November 2017 ("2017 Stock Repurchase Program"), of which $50.7 million was remaining and has been cancelled.

Under the 2021 Stock Repurchase Program, we may repurchase shares from time to time, subject to business and market conditions and other investment opportunities, through open market transactions, privately-negotiated transactions, accelerated stock repurchase plans, or by other means. The timing and actual number of any shares repurchased will depend on a variety of factors, including market conditions, our share price, other available uses of capital, applicable legal requirements, and other factors. The 2021 Stock Repurchase Program may be suspended, modified, or discontinued at any time at the Company's discretion without notice.

During the first quarter of 2022, we repurchased approximately 1.5 million shares of common stock in open market purchases at an average price of $68.49 per share for a total of $104.7 million under the 2021 Stock Repurchase Program. At the end of the first quarter of 2022, the 2021 Stock Repurchase Program had remaining authorized funds of $505.3 million.

During the first quarter of 2021, we repurchased approximately 0.6 million shares of common stock in open market purchases at an average price of $71.24 per share for a total of $40.0 million under the 2017 Stock Repurchase Program.

Stock repurchases are reflected as a decrease to common stock based on par value and additional-paid-in-capital, based on the average book value per share for all outstanding shares calculated at the time of each individual repurchase transaction. The excess of the purchase price over this average for each repurchase was charged to retained earnings. Common stock repurchases under the program were recorded based upon the trade date for accounting purposes.

NOTE 3. INTANGIBLE ASSETS AND GOODWILL

Intangible Assets

The following table presents a summary of our intangible assets:

	First Quarter of 2022			Year End 2021		
(In millions)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Developed product technology	$ 1,009.1	$ (767.6)	$ 241.5	$ 1,011.9	$ (748.2)	$ 263.7
Customer relationships	649.5	(431.9)	217.6	667.8	(428.9)	238.9
Trade names and trademarks	47.9	(39.3)	8.6	48.0	(45.0)	3.0
Distribution rights and other intellectual property	10.0	(9.0)	1.0	10.0	(9.0)	1.0
	$ 1,716.5	$ (1,247.8)	$ 468.7	$ 1,737.7	$ (1,231.1)	$ 506.6

The estimated future amortization expense of intangible assets at the end of the first quarter of 2022 was as follows:

(In millions)	
2022 (Remaining)	$ 91.4
2023	113.4
2024	89.8
2025	56.0
2026	49.7
Thereafter	68.4
Total	$ 468.7

Goodwill

The changes in the carrying amount of goodwill by segment for the first quarter of 2022 were as follows:

(In millions)	Buildings and Infrastructure	Geospatial	Resources and Utilities	Transportation	Total
Balance as of year end 2021	$ 2,141.4	$ 403.6	$ 440.8	$ 995.7	$ 3,981.5
Foreign currency translation and other adjustments	(6.5)	(1.5)	0.6	(3.1)	(10.5)
Balance as of the end of the first quarter of 2022	$ 2,134.9	$ 402.1	$ 441.4	$ 992.6	$ 3,971.0

NOTE 4. INVENTORIES

The components of inventory, net were as follows:

As of	First Quarter of 2022	Year End 2021
(In millions)		
Raw materials	$ 145.4	$ 129.6
Work-in-process	13.5	12.4
Finished goods	242.1	221.3
Total inventories	$ 401.0	$ 363.3

NOTE 5. SEGMENT INFORMATION

We determined our operating segments based on how our Chief Operating Decision Maker ("CODM") views and evaluates operations. Our reportable segments are described below:

- ***Buildings and Infrastructure***. This segment primarily serves customers working in architecture, engineering, construction, and operations and maintenance.
- ***Geospatial***. This segment primarily serves customers working in surveying, engineering, and government.
- ***Resources and Utilities***. This segment primarily serves customers working in agriculture, forestry, and utilities.
- ***Transportation***. This segment primarily serves customers working in long haul trucking and freight shipper markets.

The following Reporting Segment tables reflect the results of our reportable operating segments under our management reporting system. These results are not necessarily in conformity with U.S. GAAP. This is consistent with the way the CODM evaluates each of the segment's performance and allocates resources.

	Reporting Segments				
	Buildings and Infrastructure	Geospatial	Resources and Utilities	Transportation	Total
(In millions)					
First Quarter of 2022					
Segment revenue	$ 397.6	$ 207.5	$ 229.9	$ 158.7	$ 993.7
Segment operating income	$ 120.7	$ 57.9	$ 75.1	$ 9.2	$ 262.9
Depreciation expense	$ 1.6	$ 1.6	$ 1.5	$ 1.0	$ 5.7
First Quarter of 2021					
Segment revenue	$ 343.1	$ 181.7	$ 205.2	$ 156.7	$ 886.7
Segment operating income	$ 96.4	$ 48.7	$ 80.1	$ 8.4	$ 233.6
Depreciation expense	$ 1.8	$ 1.7	$ 1.5	$ 0.9	$ 5.9

	Reporting Segments				
	Buildings and Infrastructure	Geospatial	Resources and Utilities	Transportation	Total
(In millions)					
As of the end of the First Quarter of 2022					
Accounts receivable, net	$ 228.0	$ 140.2	$ 137.0	$ 150.5	$ 655.7
Inventories	93.9	140.6	87.9	78.6	401.0
Goodwill	2,134.9	402.1	441.4	992.6	3,971.0
As of Year End 2021					
Accounts receivable, net	$ 246.8	$ 134.0	$ 112.9	$ 131.1	$ 624.8
Inventories	79.3	136.4	67.4	80.2	363.3
Goodwill	2,141.4	403.6	440.8	995.7	3,981.5

A reconciliation of our condensed consolidated segment operating income to condensed consolidated income before income taxes was as follows:

	First Quarter of	
(In millions)	2022	2021
Consolidated segment operating income	$ 262.9	$ 233.6
Unallocated general corporate expenses	(29.8)	(24.4)
Purchase accounting adjustments	(34.6)	(34.8)
Acquisition / divestiture items	(3.9)	(3.5)
Stock-based compensation / deferred compensation	(25.0)	(28.7)
Restructuring and other costs	(12.7)	(1.3)
Consolidated operating income	156.9	140.9
Total non-operating expense, net	(18.4)	(3.5)
Consolidated income before taxes	$ 138.5	$ 137.4

The disaggregation of revenue by geography is summarized in the tables below. Revenue is defined as revenue from external customers attributed to countries based on the location of the customer and is consistent with the Reporting Segment tables above.

	Reporting Segments				
(In millions)	Buildings and Infrastructure	Geospatial	Resources and Utilities	Transportation	Total
First Quarter of 2022					
North America	$ 231.9	$ 83.4	$ 59.0	$ 124.1	$ 498.4
Europe	112.3	71.2	114.0	21.7	319.2
Asia Pacific	46.9	42.0	19.2	7.4	115.5
Rest of World	6.5	10.9	37.7	5.5	60.6
Total segment revenue	$ 397.6	$ 207.5	$ 229.9	$ 158.7	$ 993.7
First Quarter of 2021					
North America	$ 199.8	$ 72.5	$ 53.6	$ 124.5	$ 450.4
Europe	94.3	60.4	105.8	19.7	280.2
Asia Pacific	43.6	37.5	21.0	7.7	109.8
Rest of World	5.4	11.3	24.8	4.8	46.3
Total segment revenue	$ 343.1	$ 181.7	$ 205.2	$ 156.7	$ 886.7

Total revenue in the United States as included in the Condensed Consolidated Statements of Income was $447.0 million and $406.8 million for the first quarter of 2022 and 2021. No single customer or country other than the United States accounted for 10% or more of Trimble's total revenue.

NOTE 6. DEBT

Debt consisted of the following:

Instrument	Date of Issuance	Effective interest rate	First Quarter of 2022	Year End 2021
(In millions)				
Senior Notes:				
2023 Senior Notes, 4.15%, due June 2023	June 2018	4.36%	$ 300.0	$ 300.0
2028 Senior Notes, 4.90%, due June 2028	June 2018	5.04%	600.0	600.0
2024 Senior Notes, 4.75%, due December 2024	November 2014	4.95%	400.0	400.0
Unamortized discount and issuance costs			(6.3)	(6.8)
Total long-term debt			$ 1,293.7	$ 1,293.2

Each of our debt agreements, including our credit facilities, requires us to maintain compliance with certain debt covenants, all of which we complied with at the end of the first quarter of 2022.

Debt Maturities

At the end of the first quarter of 2022, our debt maturities based on outstanding principal were as follows (in millions):

Year Payable	
2022 (Remaining)	$ —
2023	300.0
2024	400.0
2025	—
2026	—
Thereafter	600.0
Total	$ 1,300.0

Senior Notes

All of our senior notes are unsecured obligations. Interest on the senior notes is payable semi-annually in June and December of each year. Additional details are unchanged from the information disclosed in Note 6, “Debt” of the 2021 Form 10-K.

Credit Facilities

On March 24, 2022, we entered into a new credit agreement with a group of lenders (the “2022 Credit Facility”). The 2022 Credit Facility replaces the prior credit facility (the “2018 Credit Facility”), maturing in May 2023, which was terminated concurrently with entering into the 2022 Credit Facility. The 2022 Credit Facility provides for a five-year, unsecured revolving credit facility in the aggregate principal amount of $1.25 billion, and permits us, subject to the satisfaction of certain conditions, to increase the commitments for revolving loans by an aggregate principal amount of up to $500.0 million. The funds available under the 2022 Credit Facility may be used for working capital and general corporate purposes, including the financing of acquisitions. We may borrow, repay, and reborrow funds under the revolving facility until its maturity on March 24, 2027.

The interest rate and commitment fees are based on our current long-term, senior unsecured debt ratings and our leverage ratio. At the end of the first quarter of 2022, the interest rate charged on any outstanding borrowings was the prevailing term secured overnight financing rate for the applicable interest period plus 1.125%, and the commitment fee was 0.125% of the total undrawn commitment. As of April 1, 2022, no amounts were outstanding under the 2022 Credit Facility.

The commitment fee and interest rates are subject to upward or downward adjustments if we achieve, or fail to achieve, certain specified sustainability targets concerning greenhouse gas emission reductions and gender diversity. Such upward or downward adjustments may be up to 0.01% per annum for the commitment fee and up to 0.05% per annum for the interest rate.

Uncommitted Facilities

At the end of the first quarter of 2022, we had two $75.0 million, one €100.0 million, and one £55.0 million revolving credit facilities, which are uncommitted (the “uncommitted facilities”). Generally, these uncommitted facilities may be redeemed upon demand. Borrowings under uncommitted facilities are classified as short-term debt in the Condensed Consolidated Balance Sheet.

NOTE 7. FAIR VALUE MEASUREMENTS

The following table summarizes the fair values of financial instruments at fair value on a recurring basis for the periods indicated and determined using the following inputs:

	Fair Values as of the end of the First Quarter of 2022				Fair Values at the end of 2021			
(In millions)	Quoted prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)	Total	Quoted prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)	Total
Assets								
Deferred compensation plan [1]	$ 40.4	$ —	$ —	$ 40.4	$ 44.7	$ —	$ —	$ 44.7
Derivatives [2]	—	0.4	—	0.4	—	0.1	—	0.1
Total assets measured at fair value	$ 40.4	$ 0.4	$ —	$ 40.8	$ 44.7	$ 0.1	$ —	$ 44.8
Liabilities								
Deferred compensation plan [1]	$ 40.4	$ —	$ —	$ 40.4	$ 44.7	$ —	$ —	$ 44.7
Derivatives [2]	—	0.4	—	0.4	—	0.2	—	0.2
Contingent consideration [3]	—	—	13.2	13.2	—	—	12.8	12.8
Total liabilities measured at fair value	$ 40.4	$ 0.4	$ 13.2	$ 54.0	$ 44.7	$ 0.2	$ 12.8	$ 57.7

(1) Represents a self-directed, non-qualified deferred compensation plan for certain executives and other highly compensated employees included in Other non-current assets and Other non-current liabilities on our Condensed Consolidated Balance Sheets. The plan is invested in actively traded mutual funds and individual stocks valued using observable quoted prices in active markets.

(2) Represents forward currency exchange contracts that are included in Other current assets and Other current liabilities on our Condensed Consolidated Balance Sheets.

(3) Represents arrangements to pay the former owners of certain companies that we acquired that are included in Other current liabilities on our Condensed Consolidated Balance Sheets. The fair values are estimated using scenario-based methods or option pricing methods based upon estimated future revenues, gross margins, or other milestones.

Additional Fair Value Information

The total estimated fair value of all outstanding financial instruments that are not recorded at fair value on a recurring basis (debt) was approximately $1.3 billion and $1.4 billion at the end of the first quarter of 2022 and at the end of 2021.

The fair value of the senior notes was determined based on observable market prices in less active markets and is categorized accordingly as Level II. The fair values do not indicate the amount we would currently have to pay to extinguish the debt.

NOTE 8. PRODUCT WARRANTIES

We accrue for warranty costs as part of our cost of sales based on associated material product costs, technical support, labor costs, and costs incurred by third parties performing work on our behalf. Our expected future costs are primarily estimated based upon historical trends in the volume of product returns within the warranty period and the costs to repair or replace the equipment. When products sold include warranty provisions, they are covered by a warranty for periods ranging generally from one year to two years.

Accrued warranty expense at the end of the first quarter of 2022 and at the end of 2021 was $16.7 million and $17.1 million, and is included in Other current liabilities in our Condensed Consolidated Balance Sheet.

NOTE 9. DEFERRED REVENUE AND REMAINING PERFORMANCE OBLIGATIONS

Deferred Revenue

Changes in our deferred revenue during the first quarter of 2022 and 2021 were as follows:

	First Quarter of	
(In millions)	2022	2021
Beginning balance of the period	$ 631.8	$ 613.8
Revenue recognized	(234.6)	(247.3)
Billing and other net activities	306.7	252.4
Ending balance of the period	$ 703.9	$ 618.9

Remaining Performance Obligations

At the end of the first quarter of 2022, approximately $1.7 billion of revenue is expected to be recognized from remaining performance obligations for which goods or services have not been delivered, primarily subscription, software, and software maintenance, and to a lesser extent, hardware and professional services contracts. We expect to recognize $1.3 billion or 75% of our remaining performance obligations as revenue during the next 12 months and the remainder thereafter.

NOTE 10. EARNINGS PER SHARE

Basic earnings per share is computed based on the weighted-average number of shares of common stock outstanding during the period. Diluted earnings per share is computed based on the weighted-average number of shares of common stock outstanding during the period plus additional shares of common stock that would have been outstanding if potentially dilutive securities had been issued. Potentially dilutive common shares include outstanding stock options, restricted stock units, contingently issuable shares, and shares to be purchased under our employee stock purchase plan.

The following table shows the computation of basic and diluted earnings per share:

	First Quarter of	
	2022	2021
(In millions, except per share amounts)		
Numerator:		
Net income attributable to Trimble Inc.	$ 110.3	$ 114.5
Denominator:		
Weighted average number of common shares used in basic earnings per share	250.8	251.1
Effect of dilutive securities	2.0	3.2
Weighted average number of common shares and dilutive potential common shares used in diluted earnings per share	252.8	254.3
Basic earnings per share	$ 0.44	$ 0.46
Diluted earnings per share	$ 0.44	$ 0.45

Anti-dilutive stock-based awards excluded from the calculations of diluted earnings per share were immaterial during the periods presented.

NOTE 11. INCOME TAXES

Our effective income tax rate for the first quarter of 2022 was 20.4%, as compared to 16.6% in the corresponding period in 2021. The increase was primarily due to a one-time tax benefit from foreign income tax refunds in 2021.

We and our subsidiaries are subject to U.S. federal, state, and foreign income taxes. Currently, we are in different stages of multiple year examinations by various state and foreign taxing authorities. While we believe our reserves are more likely than not to be adequate to cover final resolution of all open tax matters, it is reasonably possible that future obligations related to these matters could arise.

Unrecognized tax benefits of $49.9 million and $42.3 million at the end of the first quarter of 2022 and at the end of 2021, if recognized, would favorably affect the effective income tax rate in future periods. At the end of the first quarter of 2022 and at the end of 2021, we accrued interest and penalties of $10.5 million and $9.2 million. Although timing of the resolution and/or closure of audits is not certain, we do not believe that our gross unrecognized tax benefits would materially change in the next twelve months.

Income tax payable at the end of the first quarter of 2022 and at the end of 2021 was $63.4 million and $47.1 million, and is included in Other current liabilities in our Condensed Consolidated Balance Sheet.

NOTE 12. COMMITMENTS AND CONTINGENCIES

Commitments

At the end of the first quarter of 2022, we had unconditional purchase obligations of approximately $752.2 million. These unconditional purchase obligations primarily represent open non-cancellable purchase orders for material purchases with our vendors and investments in our platform associated with our Connect and Scale strategy.

Litigation

From time to time, we are involved in litigation arising in the ordinary course of our business. There are no material legal proceedings, other than ordinary routine litigation incidental to the business, that we or any of our subsidiaries is a party, or that any of our or our subsidiaries' property is subject.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

There have been no material changes to our critical accounting policies and estimates during the first quarter of 2022. For a complete discussion of our critical accounting policies and estimates, refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of the 2021 Form 10-K.

RECENT ACCOUNTING PRONOUNCEMENTS

For a summary of recent accounting pronouncements applicable to our Condensed Consolidated Financial Statements, refer to Note 1 "Overview and Accounting Policies" of this Form 10-Q.

EXECUTIVE LEVEL OVERVIEW

We are a leading provider of technology solutions that enable professionals and field mobile workers to improve or transform their work processes. Our comprehensive work process solutions are used across a range of industries including architecture, building construction, civil engineering, geospatial, survey and mapping, agriculture, natural resources, utilities, transportation, and government. Our representative customers include construction owners, contractors, engineering and construction firms, surveying companies, farmers and agricultural companies, energy and utility companies, trucking companies, and state, federal, and municipal governments.

Our growth strategy is centered on multiple elements:

- Executing on our Connect and Scale strategy;
- Increasing focus on software and services;
- Focus on attractive markets with significant growth and profitability potential;
- Domain knowledge and technological innovation that benefit a diverse customer base;
- Geographic expansion with localization strategy;
- Optimized go-to-market strategies to best access our markets;
- Strategic acquisitions;
- Venture fund investments; and
- Sustainability.

Our focus on these growth drivers has led over time to growth in revenue and profitability and an increasingly diversified business model. We continue to experience a shift toward a more significant mix of recurring revenue contracts, as demonstrated by our success in driving annualized recurring revenue ("ARR") growth of 12% year-over-year at the end of the first quarter of 2022. Excluding the impact of foreign currency and acquisitions and divestitures, ARR organic growth was 14%. This shift has positively impacted our revenue mix and growth over time and is leading to improved visibility in our businesses. Our software, maintenance, subscriptions, and services represented 56% of total revenue for the first quarter of 2022. As our solutions have expanded, our go-to-market model has also evolved with a balanced mix between direct, distribution, and OEM customers as well as an increasing number of enterprise level customer relationships.

For a full definition of ARR as used in this discussion and analysis, refer to the "Supplemental Disclosure of Non-GAAP Financial Measures and Annualized Recurring Revenue" later in this Item 2.

Impact of Recent Events on Our Business

Inflationary Cost Increases, Disruption in Our Supply Chain, and Russia's Invasion of Ukraine

In 2021 and into the first quarter of 2022, we continued to experience inflationary cost increases in certain components of our hardware products and increased freight expenses due to supply chain disruptions resulting from strained transportation capacity, parts and labor shortages, and an increase in worldwide demand for components. Additionally, Russia's invasion of Ukraine and the current lockdowns in China as a result of rising COVID-19 cases may further impact the supply chain, both directly and indirectly. In response to these supply chain disruptions, we continue to make binding commitments with longer lead times, which may negatively impact our working capital in the short term and our flexibility to adapt to changing market conditions and product demand. Although we have initiated customer price increases to offset inflationary pressures, we continue to experience delays in shipping our products and increased costs, which may reduce our revenue and gross margin and continue to increase our backlog.

As the Russian invasion of Ukraine continues to evolve, we are monitoring the current and potential impact on our business, our people, and our customers. We stopped selling to Russia and Belarus customers in the first quarter and wrote off uncollected customer receivables and inventory located in these countries, totaling $5.7 million. Any future impairments of other assets, including long-lived assets, would not have a material impact on our financial results. Total revenue associated with Russia and Belarus customers, either sold directly or indirectly through resellers or OEMs, was less than 2% of our total Company revenue for 2021. For 2022, we expect that our current overall demand and backlog position will offset the majority of the revenue loss from these countries. While neither Russia nor Belarus constitutes a material portion of our business, a significant escalation of the conflict could add more pressure on supply chain issues or increase inflationary costs, and therefore, may have a negative impact on our operations.

See “Item 1A. Risk Factors” below for further discussion of the impacts on and risks to our business from Russia’s invasion of Ukraine.

Business Divestitures

On April 13, 2022, we announced that we entered into a definitive agreement to sell our Time and Frequency, LOADRITE, Spectra Precision Tools, and SECO accessories businesses to Precisional LLC, an affiliate of The Jordan Company. These businesses are reported as part of our Buildings and Infrastructure and Geospatial segments. On April 20, we announced that we entered into a definitive agreement to sell our BeenaVision business to Wabtec Corporation. The BeenaVision business is reported as part of our Transportation segment.

Both of these divestitures are in line with our strategy to focus on core areas of our long-term growth and strategic product roadmap. The transactions are subject to a number of customary closing conditions and are expected to close in the second quarter of 2022. The combined proceeds of both transactions are expected to be approximately $216.5 million, subject to working capital adjustments. For fiscal 2021, the revenue and operating income for these businesses was approximately $185.0 million and $37.0 million.

RESULTS OF OPERATIONS

Overview

The following table shows revenue by category, gross margin and gross margin as a percentage of revenue, operating income and operating income as a percentage of revenue, diluted earnings per share, and annualized recurring revenue compared for the periods indicated:

	First Quarter of			
(In millions, except per share amounts)	2022	2021	Dollar Change	% Change
Revenue:				
Product	$ 621.6	$ 539.4	$ 82.2	15%
Service	161.1	162.3	(1.2)	(1)%
Subscription	211.0	184.8	26.2	14%
Total revenue	$ 993.7	$ 886.5	$ 107.2	12%
Gross margin	$ 549.6	$ 493.3	$ 56.3	11%
Gross margin as a % of revenue	55.3 %	55.6 %		
Operating income	$ 156.9	$ 140.9	$ 16.0	11%
Operating income as a % of revenue	15.8 %	15.9 %		
Diluted earnings per share	$ 0.44	$ 0.45	$ (0.01)	(2)%
Non-GAAP revenue [(1)]	$ 993.7	$ 886.7	$ 107.0	12%
Non-GAAP operating income [(1)]	$ 233.1	$ 209.2	$ 23.9	11%
Non-GAAP operating income as a % of Non-GAAP Revenue[(1)]	23.5 %	23.6 %		
Non-GAAP diluted earnings per share [(1)]	$ 0.73	$ 0.66	$ 0.07	11%
Annualized Recurring Revenue (“ARR”) [(1)]	$ 1,472.4	$ 1,319.2	$ 153.2	12%

[(1)] Refer to “Supplemental Disclosure of Non-GAAP Financial Measures and Annualized Recurring Revenue ” of this Form 10-Q for definitions.

First Quarter of 2022 Compared with First Quarter of 2021

Revenue

Despite supply constraints and increases in our backlog, revenue increased due to strong demand for our hardware and related software and higher term license and subscription sales and, to a lesser extent, the impact of customer price increases, slightly offset by unfavorable foreign currency exchange rates.

Product revenue increased primarily due to strong hardware and related perpetual software sales across Buildings and Infrastructure, Geospatial, and Resources and Utilities. Buildings and Infrastructure term license sales also contributed to product revenue growth. Service revenue was relatively flat. Subscription revenue increased primarily due to strong growth in Buildings and Infrastructure and, to a lesser extent, in Resources and Utilities.

Gross Margin

Gross margin increased primarily due to strong revenue growth. Gross margin as a percentage of revenue was relatively flat; gross margin compression in Resources and Utilities caused by hardware supply chain impacts was largely offset by Buildings and Infrastructure software and subscription service margin expansion.

Operating Income

Operating income increased primarily due to revenue growth in Buildings and Infrastructure, Geospatial, and Resources and Utilities, partially offset by gross margin compression in Resources and Utilities, higher restructuring expense, and Russia and Belarus write-offs. Operating income as a percentage of revenue was flat.

Research and Development, Sales and Marketing, and General and Administrative Expense

The following table shows research and development ("R&D"), sales and marketing ("S&M"), and general and administrative ("G&A") expense along with these expenses as a percentage of revenue for the periods indicated:

	First Quarter of			
	2022	2021	Dollar Change	% Change
(In millions)				
Research and development	$ 140.3	$ 129.4	$ 10.9	8%
Percentage of revenue	14.1 %	14.6 %		
Sales and marketing	$ 131.9	$ 122.4	$ 9.5	8%
Percentage of revenue	13.3 %	13.8 %		
General and administrative	$ 101.5	$ 85.4	$ 16.1	19%
Percentage of revenue	10.2 %	9.6 %		
Total	$ 373.7	$ 337.2	$ 36.5	11%

R&D expense increased primarily due to higher compensation expense, including incentive compensation. We believe that the development and introduction of new solutions are critical to our future success, and we expect to continue the active development of new products.

S&M expense increased primarily due to higher compensation expense, including incentive compensation and commissions, and, to a lesser extent, higher travel expense.

G&A expense increased primarily due to higher bad debt expense associated with Russia and Belarus customers, higher compensation expense, including incentive compensation, and higher consulting expense.

Amortization of Purchased Intangible Assets

	First Quarter of			
	2022	2021	Dollar Change	% Change
(In millions)				
Cost of sales	$ 22.5	$ 22.1	$ 0.4	2%
Operating expenses	12.1	13.7	(1.6)	(12)%
Total amortization expense of purchased intangibles	$ 34.6	$ 35.8	$ (1.2)	(3)%
Total amortization expense of purchased intangibles as a percentage of revenue	3 %	4 %		

Total amortization expense of purchased intangibles decreased due to the expiration of prior year acquisitions' amortization.

Non-operating Expense, Net

The components of non-operating expense, net, were as follows:

	First Quarter of			
	2022	2021	Dollar Change	% Change
(In millions)				
Interest expense, net	$ (16.0)	$ (16.9)	$ 0.9	(5)%
Income from equity method investments, net	9.7	11.8	(2.1)	(18)%
Other income (expense), net	(12.1)	1.6	(13.7)	(856)%
Total non-operating expense, net	$ (18.4)	$ (3.5)	$ (14.9)	426%

Non-operating expense, net increased primarily due to a divestiture-related loss and fluctuations in deferred compensation plan assets, both included in Other income (expense), net, and, to a lesser extent, lower joint venture profitability.

Income Tax Provision

For the first quarter, our effective income tax rate was 20.4%, as compared to 16.6%. The increase was primarily due to a one-time tax benefit from foreign income tax refunds in 2021.

Results by Segment

We report our financial performance, including revenue and operating income, based on four reportable segments: Buildings and Infrastructure, Geospatial, Resources and Utilities, and Transportation.

Our Chief Executive Officer (chief operating decision maker) views and evaluates operations based on the results of our reportable operating segments under our management reporting system. For additional discussion of our segments, refer to Note 5 “Segment Information” of this Form 10-Q.

The following table is a summary of revenue and operating income by segment compared for the periods indicated:

	First Quarter of			
	2022	2021	Dollar Change	% Change
(In millions)				
Buildings and Infrastructure				
Segment revenue	$ 397.6	$ 343.1	$ 54.5	16%
Segment revenue as a percent of total revenue	40 %	39 %		
Segment operating income	$ 120.7	$ 96.4	24.3	25%
Segment operating income as a percent of segment revenue	30.4 %	28.1 %		
Geospatial				
Segment revenue	$ 207.5	$ 181.7	25.8	14%
Segment revenue as a percent of total revenue	21 %	20 %		
Segment operating income	$ 57.9	$ 48.7	9.2	19%
Segment operating income as a percent of segment revenue	27.9 %	26.8 %		
Resources and Utilities				
Segment revenue	$ 229.9	$ 205.2	24.7	12%
Segment revenue as a percent of total revenue	23 %	23 %		
Segment operating income	$ 75.1	$ 80.1	(5.0)	(6)%
Segment operating income as a percent of segment revenue	32.7 %	39.0 %		
Transportation				
Segment revenue	$ 158.7	$ 156.7	2.0	1%
Segment revenue as a percent of total revenue	16 %	18 %		
Segment operating income	$ 9.2	$ 8.4	0.8	10%
Segment operating income as a percent of segment revenue	5.8 %	5.4 %		

The following table is a reconciliation of our consolidated segment operating income to consolidated income before taxes:

	First Quarter of	
	2022	2021
(In millions)		
Consolidated segment operating income	$ 262.9	$ 233.6
Unallocated general corporate expenses	(29.8)	(24.4)
Purchase accounting adjustments	(34.6)	(34.8)
Acquisition / divestiture items	(3.9)	(3.5)
Stock-based compensation / deferred compensation	(25.0)	(28.7)
Restructuring and other costs	(12.7)	(1.3)
Consolidated operating income	156.9	140.9
Total non-operating expense, net	(18.4)	(3.5)
Consolidated income before taxes	$ 138.5	$ 137.4

Buildings and Infrastructure

Revenue increased primarily due to strong demand for our civil construction hardware and related software across major regions, resulting from strong residential construction spend and higher term license and subscription revenue in our software businesses. The increase in subscription revenue resulted from higher sales to new and existing customers as well as conversions from perpetual licenses to recurring offerings. To a lesser extent, revenue was impacted by customer price increases, partially offset by unfavorable foreign currency exchange rates.

Operating income and operating income as a percentage of revenue increased primarily due to revenue and gross margin expansion and relative operating expense containment. Increased supply chain costs for hardware products were mitigated by customer price increases.

Geospatial

Revenue increased primarily due to strong demand for geospatial survey products and related software sales across major regions. North America was particularly robust. To a lesser extent, revenue was impacted by customer price increases, partially offset by unfavorable foreign currency exchange rates.

Operating income and operating income as a percentage of revenue increased primarily due to revenue growth and relative operating expense containment. Increased supply chain costs for hardware products were mitigated by customer price increases and favorable product mix, including higher margin GNSS sales.

Resources and Utilities

Revenue increased primarily due to continued agriculture business strength in the reseller and OEM channels in markets across major regions. Market fundamentals, including favorable commodity prices, continued to fuel growth. To a lesser extent, revenue was impacted by customer price increases, partially offset by unfavorable foreign currency exchange rates.

Operating income and operating income as a percentage of revenue decreased primarily due to gross margin compression associated with increased supply chain costs for hardware products, partially offset by customer price increases.

Transportation

Revenue increased primarily due to continued growth in enterprise software sales. Enterprise revenue continued to experience term license and subscription revenue growth as the business transitions from a perpetual software license model. Mobility sales were down due to reduced subscriber counts in North America, partially offset by higher sales in Latin America.

Operating income and operating income as a percentage of revenue increased due to slightly higher revenue and gross margin expansion due to product mix and cost reductions.

LIQUIDITY AND CAPITAL RESOURCES

As of	First Quarter of 2022	Year End 2021	Dollar Change	% Change
(In millions, except percentages)				
Cash and cash equivalents	$ 357.2	$ 325.7	$ 31.5	10 %
As a percentage of total assets	5.0 %	4.6 %		
Principal balance of outstanding debt	$ 1,300.0	$ 1,300.0	$ —	— %

	First Quarter of			
	2022	2021	Dollar Change	% Change
(In millions)				
Net cash provided by operating activities	$ 153.0	$ 228.2	$ (75.2)	(33)%
Net cash used in investing activities	(13.4)	(9.2)	(4.2)	46 %
Net cash used in financing activities	(109.7)	(186.9)	77.2	(41)%
Effect of exchange rate changes on cash and cash equivalents	1.6	(5.2)	6.8	(131)%
Net increase in cash and cash equivalents	$ 31.5	$ 26.9		

Operating Activities

The decrease in cash provided by operating activities was primarily driven by higher accounts receivable, higher inventory purchases, and lower accrued compensation, partially offset by higher deferred revenue.

Investing Activities

The increase in cash used in investing activities was primarily due to higher capital expenditures,

Financing Activities

The decrease in cash used in financing activities was primarily driven by a decrease in debt repayments, net of debt proceeds, partially offset by an increase in common stock repurchases.

Cash and Cash Equivalents

We believe that our cash and cash equivalents and borrowings, along with cash provided by operations will be sufficient in the foreseeable future to meet our anticipated operating cash needs, expenditures related to our Connect and Scale strategy, debt service, and any stock repurchases under the stock repurchase program. In addition, on March 24, 2022, we entered into a new five-year, unsecured revolving loan facility for borrowings up to $1.25 billion, which replaced the 2018 Credit Facility. The 2022 Credit Facility contains an option to increase the borrowings up to $1.75 billion with lender approval. As of April 1, 2022, no amounts were outstanding under the 2022 Credit Facility.

We anticipate refinancing some or all of our outstanding indebtedness at or prior to its maturity, which could involve us accessing the capital markets.

A provision enacted in the Tax Cuts and Jobs Act of 2017 related to the capitalization of research and development costs for tax purposes became effective on January 1, 2022. If this provision is not deferred, our full year 2022 tax payments are expected to increase by an estimated $70 million.

Our cash requirements have not otherwise materially changed since the 2021 Form 10-K.

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SUPPLEMENTAL DISCLOSURE OF NON-GAAP FINANCIAL MEASURES AND ANNUALIZED RECURRING REVENUE

To supplement our consolidated financial information, we included non-GAAP financial measures, which are not meant to be considered in isolation or as a substitute for comparable GAAP. We believe non-GAAP financial measures provide useful information to investors and others in understanding our "core operating performance", which excludes (i) the effect of non-cash items and certain variable charges not expected to recur; and (ii) transactions that are not meaningful in comparison to our past operating performance or not reflective of ongoing financial results. Lastly, we believe that our core operating performance offers a supplemental measure for period-to-period comparisons and can be used to evaluate our historical and prospective financial performance, as well as our performance relative to competitors. In addition to providing non-GAAP financial measures, we disclose Annualized Recurring Revenue ("ARR") to give the investors supplementary indicators of the value of our current recurring revenue contracts.

ARR represents the estimated annualized value of recurring revenue, including subscription, maintenance and support revenue, and term license contracts for the quarter. ARR 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. ARR should be viewed independently of revenue and deferred revenue, as it is a performance measure and is not intended to be combined with or to replace either of those items.

The non-GAAP financial measures, definitions, and explanations to the adjustments to comparable GAAP measures are included below:

		First Quarter of			
		2022		2021	
(In millions, except per share amounts)		Dollar Amount	% of Revenue	Dollar Amount	% of Revenue
REVENUE:					
GAAP revenue:		$ 993.7		$ 886.5	
Purchase accounting adjustments	(A)	—		0.2	
Non-GAAP revenue:		$ 993.7		$ 886.7	
GROSS MARGIN:					
GAAP gross margin:		$ 549.6	55.3 %	$ 493.3	55.6 %
Purchase accounting adjustments	(A)	22.5		22.3	
Stock-based compensation / deferred compensation	(C)	2.2		2.0	
Restructuring and other costs	(D)	1.1		—	
Non-GAAP gross margin:		$ 575.4	57.9 %	$ 517.6	58.4 %
OPERATING EXPENSES:					
GAAP operating expenses:		$ 392.7	39.5 %	$ 352.4	39.8 %
Purchase accounting adjustments	(A)	(12.1)		(12.5)	
Acquisition / divestiture items	(B)	(3.9)		(3.5)	
Stock-based compensation / deferred compensation	(C)	(22.8)		(26.7)	
Restructuring and other costs	(D)	(11.6)		(1.3)	
Non-GAAP operating expenses:		$ 342.3	34.4 %	$ 308.4	34.8 %
OPERATING INCOME:					
GAAP operating income:		$ 156.9	15.8 %	$ 140.9	15.9 %
Purchase accounting adjustments	(A)	34.6		34.8	
Acquisition / divestiture items	(B)	3.9		3.5	
Stock-based compensation / deferred compensation	(C)	25.0		28.7	
Restructuring and other costs	(D)	12.7		1.3	
Non-GAAP operating income:		$ 233.1	23.5 %	$ 209.2	23.6 %
NON-OPERATING EXPENSE, NET:					
GAAP non-operating expense, net:		$ (18.4)		$ (3.5)	
Acquisition / divestiture items	(B)	8.9		(2.1)	
Deferred compensation	(C)	3.3		(1.5)	
Restructuring and other costs	(D)	0.1		—	
Non-GAAP non-operating expense, net:		$ (6.1)		$ (7.1)	

				GAAP and Non-GAAP Tax Rate % (G)			GAAP and Non-GAAP Tax Rate % (G)
INCOME TAX PROVISION:							
GAAP income tax provision:		$	28.2	20.4 %	$	22.8	16.6 %
Non-GAAP items tax effected	(E)		18.1			10.7	
Difference in GAAP and Non-GAAP tax rate	(F)		(4.1)			1.5	
Non-GAAP income tax provision:		$	42.2	18.6 %	$	35.0	17.3 %
NET INCOME:							
GAAP net income attributable to Trimble Inc.:		$	110.3		$	114.5	
Purchase accounting adjustments	(A)		34.6			34.8	
Acquisition / divestiture items	(B)		12.8			1.4	
Stock-based compensation / deferred compensation	(C)		28.3			27.2	
Restructuring and other costs	(D)		12.8			1.3	
Non-GAAP tax adjustments	(E) - (F)		(14.0)			(12.2)	
Non-GAAP net income attributable to Trimble Inc.:		$	184.8		$	167.0	
DILUTED NET INCOME PER SHARE:							
GAAP diluted net income per share attributable to Trimble Inc.:		$	0.44		$	0.45	
Purchase accounting adjustments	(A)		0.14			0.14	
Acquisition / divestiture items	(B)		0.05			—	
Stock-based compensation / deferred compensation	(C)		0.11			0.11	
Restructuring and other costs	(D)		0.05			0.01	
Non-GAAP tax adjustments	(E) - (F)		(0.06)			(0.05)	
Non-GAAP diluted net income per share attributable to Trimble Inc.:		$	0.73		$	0.66	
ADJUSTED EBITDA:							
GAAP net income attributable to Trimble Inc.:		$	110.3		$	114.5	
Non-operating expense, net, income tax provision, and net gain attributable to noncontrolling interests			46.6			26.4	
GAAP operating income:			156.9			140.9	
Purchase accounting adjustments	(A)		34.6			34.8	
Acquisition / divestiture items	(B)		3.9			3.5	
Stock-based compensation / deferred compensation	(C)		25.0			28.7	
Restructuring and other costs	(D)		12.7			1.3	
Non-GAAP operating income:			233.1			209.2	
Depreciation expense			10.5			10.3	
Income from equity method investments, net			9.7			11.8	
Adjusted EBITDA		$	253.3	25.5 %	$	231.3	26.1 %

Non-GAAP Definitions

Non-GAAP revenue

We define Non-GAAP revenue as GAAP revenue, excluding the effects of purchase accounting adjustments for acquisitions occurring prior to 2021. We believe this measure helps investors understand the performance of our business including acquisitions, as non-GAAP revenue excludes the effects of certain acquired deferred revenue that was written down to fair value in purchase accounting. Management believes that excluding fair value purchase accounting adjustments more closely correlates with the ordinary and ongoing course of the acquired company's operations and facilitates analysis of revenue growth and trends.

Non-GAAP gross margin

We define Non-GAAP gross margin as GAAP gross margin, excluding the effects of purchase accounting adjustments, stock-based compensation, deferred compensation, and restructuring and other costs. We believe our investors benefit by understanding our non-GAAP gross margin as a way of understanding how product mix, pricing decisions, and manufacturing costs influence our business.

Non-GAAP operating expenses

We define Non-GAAP operating expenses as GAAP operating expenses, excluding the effects of purchase accounting adjustments, acquisition/divestiture items, stock-based compensation, deferred compensation, and restructuring and other costs. We believe this measure is important to investors evaluating our non-GAAP spending in relation to revenue.

Non-GAAP operating income

We define Non-GAAP operating income as GAAP operating income, excluding the effects of purchase accounting adjustments, acquisition/divestiture items, stock-based compensation, deferred compensation, and restructuring and other costs. We believe our investors benefit by understanding our non-GAAP operating income trends, which are driven by revenue, gross margin, and spending.

Non-GAAP non-operating expense, net

We define Non-GAAP non-operating expenses, net as GAAP non-operating expenses, net, excluding acquisition/divestiture items, deferred compensation, and restructuring and other costs. We believe this measure helps investors evaluate our non-operating expense trends.

Non-GAAP income tax provision

We define Non-GAAP income tax provision as GAAP income tax provision, excluding charges and benefits such as net deferred tax impacts resulting from the non-U.S. intercompany transfer of intellectual property, tax law changes, and significant one-time reserve releases upon the statute of limitations expirations. We believe this measure helps investors because it provides for consistent treatment of excluded items in our non-GAAP presentation and a difference in the GAAP and non-GAAP tax rates.

Non-GAAP net income

We define Non-GAAP net income as GAAP net income, excluding the effects of purchase accounting adjustments, acquisition/divestiture items, stock-based compensation, restructuring and other costs, and non-GAAP tax adjustments. This measure provides a supplemental view of net income trends, which are driven by non-GAAP income before taxes and our non-GAAP tax rate.

Non-GAAP diluted net income per share

We define Non-GAAP diluted net income per share as GAAP diluted net income per share, excluding the effects of purchase accounting adjustments, acquisition/divestiture items, stock-based compensation, restructuring and other costs, and non-GAAP tax adjustments. We believe our investors benefit by understanding our non-GAAP operating performance as reflected in a per share calculation as a way of measuring non-GAAP operating performance by ownership in the company.

Adjusted EBITDA

We define Adjusted EBITDA as non-GAAP operating income plus depreciation expense and income from equity method investments, net. Other companies may define Adjusted EBITDA differently. Adjusted EBITDA is not intended to purport to be an alternative to net income or operating income as a measure of operating performance or cash flow from operating activities as a measure of liquidity. Adjusted EBITDA is a performance measure that we believe offers a useful view of the overall operations of our business because it facilitates operating performance comparisons by removing potential differences caused by variations unrelated to operating performance, such as capital structures (interest expense), income taxes, depreciation and amortization expenses.

Explanations of Non-GAAP adjustments

(A). ***Purchase accounting adjustments.*** Purchase accounting adjustments consist of the following:

i. *Acquired deferred revenue adjustment*. We adopted ASU 2021-08 in the fourth quarter of 2021 for all acquisitions occurring in 2021, which requires the application of ASC 606, Revenue from Contracts with Customers, to recognize and measure contract assets and contract liabilities on the acquisition date. For acquisitions occurring prior to 2021, non-GAAP revenue excludes the adjustment to our revenue as a result of measuring the contract liability at fair value on the acquisition date.

ii. *Amortization of acquired capitalized commissions*. Purchase accounting generally requires entities to eliminate capitalized sales commissions balances as of the acquisition date. Non-GAAP operating expenses exclude the adjustments that eliminate the capitalized sales commissions. For acquisitions occurring prior to 2021, non-GAAP operating expenses exclude the adjustment of acquired capitalized commissions amortization.

iii. *Amortization of purchased intangible assets*. Non-GAAP gross margin and operating expenses exclude the amortization of purchased intangible assets, which primarily represents technology and/or customer relationships already developed.

(B). ***Acquisition / divestiture items.*** Non-GAAP gross margin and operating expenses exclude acquisition costs consisting of external and incremental costs resulting directly from merger and acquisition and strategic investment activities such as legal, due diligence, integration, and other closing costs, including the acceleration of acquisition stock options and adjustments to the fair value of earn-out liabilities. Non-GAAP non-operating expense, net, exclude unusual one-time acquisition/divestiture charges and/or divestiture gains/losses. The costs that have been excluded from the non-GAAP measures are costs specific to particular acquisitions. As a result, these are one-time costs that vary significantly in amount and timing and are not indicative of our core operating performance.

(C). ***Stock-based compensation / deferred compensation.*** Non-GAAP gross margin and operating expenses exclude stock-based compensation and income or expense associated with movement in our non-qualified deferred compensation plan liabilities. Changes in non-qualified deferred compensation plan assets, included in non-operating expense, net, offset the income or expense in the plan liabilities.

(D). ***Restructuring and other costs.*** Non-GAAP gross margin and operating expenses exclude restructuring and other exit costs comprised of termination benefits related to reductions in employee headcount, including executive severance agreements, the closure or exit of facilities, and cancellation of certain contracts. In addition, other costs include a one-time charge for Russia and Belarus customer receivables and inventory.

(E). ***Non-GAAP items tax effected.*** This amount adjusts the provision for income taxes to reflect the effect of the non-GAAP items (A) - (D) on non-GAAP net income.

(F). ***Difference in GAAP and Non-GAAP tax rate.*** This amount represents the difference between the GAAP and non-GAAP tax rates applied to the non-GAAP operating income plus the non-GAAP non-operating expense, net. The non-GAAP tax rate excludes charges and benefits such as net deferred tax impacts resulting from a non-U.S. intercompany transfer of intellectual property and significant one-time reserve releases upon statute of limitations expirations.

(G). ***GAAP and non-GAAP tax rate percentages.*** These percentages are defined as GAAP income tax provision as a percentage of GAAP income before taxes and non-GAAP income tax provision as a percentage of non-GAAP income before taxes.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk related to changes in interest rates and foreign currency exchange rates. We use certain derivative financial instruments to manage these risks. We do not use derivative financial instruments for speculative purposes. All financial instruments are used in accordance with policies approved by our board of directors.

Market Interest Rate Risk

There have been no significant changes to our market interest rate risk assessment since December 31, 2021. For discussion of financial markets risks related to changes in interest rate, refer to “Quantitative and Qualitative Disclosures about Market Risk” section of the 2021 Form 10-K.

Foreign Currency Exchange Rate Risk

We operate in international markets, which expose us to market risk associated with foreign currency exchange rate fluctuations between the U.S. Dollar and various foreign currencies, the most significant of which is the Euro. In addition, volatile market conditions could result in changes in exchange rates.

Historically, the majority of our revenue contracts are denominated in U.S. Dollars, with the most significant exception being Europe, where we invoice primarily in Euro. Additionally, a portion of our expenses, primarily the cost to manufacture, cost of personnel to deliver technical support on our products and professional services, sales and sales support, and research and development are denominated in foreign currencies, primarily the Euro.

Revenue resulting from selling in local currencies and costs incurred in local currencies are exposed to foreign currency exchange rate fluctuations, which can affect our operating income. As exchange rates vary, operating income may differ from expectations. In the first quarter of 2022, unfavorable impacts from foreign currency exchange rates were $19.3 million on revenue and $4.8 million on operating income.

We enter into foreign currency forward contracts to minimize the short-term impact of foreign currency exchange rate fluctuations on cash, debt, and certain trade and intercompany receivables and payables, primarily denominated in Euro, New Zealand Dollars, Canadian Dollars, Brazilian Real, and British Pound. These contracts reduce the exposure to fluctuations in foreign currency exchange rate movements, as the gains and losses associated with foreign currency balances are generally offset with the gains and losses on the forward contracts. These instruments are marked-to-market through earnings every period and generally range from one to two months in maturity. We do not enter into foreign currency forward contracts for trading purposes. We occasionally enter into foreign currency forward contracts to hedge the purchase price of some of our larger business acquisitions. Foreign currency forward contracts outstanding at the end of the first quarter of 2022 and at the end of 2021 are summarized as follows (in millions):

	First Quarter of 2022		Year End 2021	
	Nominal Amount	Fair Value	Nominal Amount	Fair Value
Forward contracts:				
Purchased	$ (111.4)	$ 0.4	$ (107.5)	$ 0.1
Sold	$ 148.0	$ (0.4)	$ 183.6	$ (0.2)

ITEM 4. CONTROLS AND PROCEDURES

(a) Disclosure Controls and Procedures.

The management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) as of the end of the period covered by this report. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, our disclosure controls and procedures are effective.

(b) Internal Control Over Financial Reporting.

There have not been any changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter to which this report relates that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we are involved in litigation arising out of the ordinary course of our business. There are no material legal proceedings, other than ordinary routine litigation incidental to the business, to which we or any of our subsidiaries is a party or of which any of our or our subsidiaries' property is subject.

ITEM 1A. RISK FACTORS

The following risk factors update and refine previously disclosed risk factors included under "Risk and Uncertainties" in Item 1A of Part I of our 2021 Form 10-K incorporated herein by reference. Our risk factors may materially affect our business, financial condition, or results of operations. They should be considered carefully, in addition to the information set forth elsewhere in this Form 10-Q. Additional risks or uncertainties that are not currently known to us, that we currently deem to be immaterial, or that could apply to any company could also materially and adversely affect our business, financial condition, or results of operations.

Any of these events could amplify the other risks and uncertainties described in the section entitled “Risk Factors” of and elsewhere in our 2021 Form 10-K and in other reports we file with the SEC, specifically the most recent reports on Form 8-K and Form 10-Q, each as it may be amended from time to time, and could adversely affect our business, financial condition, results of operations, and/or stock price.

Geopolitical risks, such as those associated with Russia’s recent invasion of Ukraine, could result in increased market volatility and uncertainty, which could negatively impact the Company’s business, financial condition, and results of operations.

The uncertain nature, magnitude, and duration of hostilities stemming from Russia’s recent military invasion of Ukraine, including potential effects of sanctions on the world economy and markets, possible retaliatory cyber-attacks, and potential supply chain disruptions, have contributed to increased market volatility and uncertainty, and could have an adverse impact on our business and could amplify the existing supply chain challenges we faced. As a result of Russia’s invasion of Ukraine, the United States, the United Kingdom, and the European Union governments, among others, have developed coordinated economic and financial sanctions packages. We are no longer selling our products in Russia and Belarus. As the invasion of Ukraine continues, there can be no certainty regarding whether governments will impose additional sanctions or other economic or military measures against Russia, or with respect to the potential responses to such actions by Russia. It is not possible to predict the broader consequences of this conflict, which could include further sanctions; embargoes; regional instability; geopolitical shifts and adverse effects on macroeconomic conditions; the availability and cost of raw materials, supplies, freight, and labor; currency exchange rates; our suppliers, customers, and potential consumer demand for our products; and financial markets, all of which could impact our business, financial condition, and results of operations.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

(a) None.

(b) None.

(c) The following table provides information relating to our purchases of equity securities for the first quarter of 2022:

	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program
January 1, 2022 – February 4, 2022	122,973	$ 81.32	122,973	$ 600,000,153
February 5, 2022 – March 4, 2022	1,175,229	$ 68.07	1,175,229	$ 520,000,225
March 5, 2022 – April 1, 2022	231,084	$ 63.81	231,084	$ 505,254,982
Total	1,529,286		1,529,286	

On August 19, 2021, our Board of Directors approved a new share repurchase program (“2021 Stock Repurchase Program”) authorizing up to $750.0 million in repurchases of our common stock. The 2021 Stock Repurchase Program went into effect immediately after being announced, does not have an expiration date, and replaces and supersedes the $600.0 million share repurchase authorization approved by our Board of Directors in November 2017, of which $50.7 million was remaining and has been cancelled.

Under the 2021 Stock Repurchase Program, we may repurchase shares from time to time, subject to business and market conditions and other investment opportunities, through open market transactions, privately-negotiated transactions, accelerated stock repurchase plans, or by other means. The timing and actual number of any shares repurchased will depend on a variety of factors, including market conditions, our share price, other available uses of capital, applicable legal requirements, and other factors. The 2021 Stock Repurchase Program may be suspended, modified or discontinued at any time at the Company’s discretion without notice.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

We have filed, or incorporated into the Report by reference, the exhibits listed on the accompanying Index to Exhibits immediately preceding the signature page of this Form 10-Q.

EXHIBIT INDEX

Exh. No.	Description of Exhibit	Filed or furnished herewith or incorporated by reference to:
3.1	Certificate of Incorporation of Trimble Inc.	Exhibit 3.1 to Form 8-K filed October 3, 2016
3.2	Amended and Restated By-Laws of Trimble Inc. (effective October 1, 2020)	Exhibit 3.1 to Form 8-K filed September 30, 2020
4.1	Form of Common Stock Certificate of Trimble Inc.	Exhibit 4.1 to Form 8-K filed October 3, 2016
10.1 +	2002 Stock Plan - Form of performance stock unit award agreement (TSR-ARR-ESG)	Filed herewith
31.1	Certification of CEO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.2	Certification of CFO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
32.1	Certification of CEO pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Furnished herewith
32.2	Certification of CFO pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Furnished herewith
101	The following financial statements from the Company’s Quarterly Report on Form 10-Q for the quarter ended April 1, 2022, formatted in Inline XBRL, tagged as blocks of text and including detailed tags: (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Income, (iii) Condensed Consolidated Statements of Comprehensive Income, (iv) Condensed Consolidated Statements of Stockholders' Equity, (v) Condensed Consolidated Statements of Cash Flows, and (vi) Notes to Condensed Consolidated Financial Statements.	
104	The cover page from this Report on Form 10-Q, formatted in Inline XBRL.	

(+) Indicates management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TRIMBLE INC.
(Registrant)

By: /s/ David G. Barnes
David G. Barnes
Chief Financial Officer
(Authorized Officer and Principal Financial Officer)

DATE: May 5, 2022

TRIMBLE INC.
AMENDED AND RESTATED 2002 STOCK PLAN

PERFORMANCE STOCK UNIT
AWARD AGREEMENT
(Combined Performance Goal Awards)

Unless otherwise defined herein, the capitalized terms used in this Performance Stock Unit Award Agreement shall have the same defined meanings as set forth in the Trimble Inc. Amended and Restated 2002 Stock Plan (the "Plan").

Name: [Participant Name]

Employee ID: [Employee ID]

You have been awarded the right to receive Common Stock of the Company or a cash equivalent, subject to the terms and conditions of the Plan and this Performance Stock Unit Award Agreement, including any special terms and conditions for your country as may be set forth in an appendix attached hereto (the "Award Agreement"), as follows:

Date of Grant: [Grant Date]

Target Number of Performance Stock Units ("Target Units"): **[# of Shares] PSUs**

<u>Vesting Schedule</u>

Subject to the terms of the Plan and this Award Agreement, the Performance Stock Units granted under this Award Agreement vest on the last date of the Performance Period (as set forth in Schedule A), but only (i) to the extent the Performance Goals (as set forth in Schedule A) are attained, as determined in accordance with the paragraph below and (ii) as long as you continue to be a Service Provider, as further described in the "Nature of Award" section below (see paragraph 11 thereunder), from the date of grant of the Performance Stock Units through the last date of the Performance Period.

As soon as reasonably practicable after the completion of the Performance Period, the Administrator shall determine the actual level of attainment of the Performance Goals. On the basis of the determination of attainment of the Performance Goals, the number of Performance Stock Units that are eligible to vest shall be calculated.

Anything in the foregoing to the contrary notwithstanding:

(1) In the event that you cease to be a Service Provider as a result of your death prior to the last day of the Performance Period, you shall vest, with respect to each Scoring Window, in a number of Performance Stock Units equal to the product of the number of Performance Stock Units that become eligible to vest with respect to the applicable Scoring Window based on the attainment level of the Performance Goals calculated as of the end of the corresponding Scoring Window, multiplied by the Pro Rata Factor, rounded up to the nearest whole number of Performance Stock Units. "Pro Rata Factor" means a fraction, the numerator of which is the number of days that you have completed as a Service Provider during the period commencing on the date of grant of the Performance Stock Units and ending on the date that is the earliest of your death or the Shortened Performance Attainment Date (as defined below), and the denominator of which is the number of total days contained in the period commencing on the date of

grant of the Performance Stock Units and ending on the last day of the corresponding Scoring Window.

(2) In the event of a Change in Control, (a) if the last day of a Scoring Window precedes the Change in Control, the Performance Stock Units subject to any such Scoring Window that became eligible to vest based on the attainment of the Performance Goals shall vest as of the date that the attainment level has been determined in accordance with the procedures described under the "Vesting Schedule" section and (b) if the last day of a Scoring Window postdates the Change in Control, (i) each such Scoring Window shall be shortened to end on a date preceding the consummation of the Change in Control to be selected by the Administrator (the "Shortened Performance Attainment Date"), (ii) with respect to each such Scoring Window, a number of Performance Stock Units shall vest immediately prior to the Change in Control equal to the product of the number of Performance Stock Units that become eligible to vest with respect to the applicable Scoring Window based on the attainment level of the Performance Goals calculated as of the Shortened Performance Attainment Date, multiplied by the Pro Rata Factor (the "Pro Rata Portion"), rounded up to the nearest whole number of Performance Stock Units, and (iii) a number of Performance Stock Units equal to the difference between the number of Performance Stock Units that became eligible to vest based on attainment of the Performance Goals and the Pro Rata Portion shall vest on the last day of the Performance Period, as long as you continue to be a Service Provider, as further described in paragraph 11 of the "Nature of Award" section below, through the last date of the Performance Period (the "Time-Based RSUs"). Notwithstanding the foregoing, if you cease to be a Service Provider as a result of your involuntary termination by the Company (or an Affiliate) within one year following the Change in Control and prior to the last day of the Performance Period, your Time-Based RSUs shall vest automatically as of the date you cease to be a Service Provider. For purposes of this Award Agreement, "Cause" shall mean, as determined by the Company: (AA) your performance of any act or omission which, if you were prosecuted, would constitute a felony or misdemeanor; (BB) your failure to carry out your material duties; (CC) your dishonesty towards or fraud upon the Company or any Affiliate which is injurious to the Company or any Affiliate; (DD) your violation of any Company or Affiliate practice or agreement or confidentiality obligations to the Company, any Affiliate, or any customers of the Company or any Affiliate, or misappropriation of assets of the Company or any Affiliate; (EE) your death or inability to carry out your essential duties with reasonable accommodation, if any, unless prohibited by law. Notwithstanding the foregoing, if you are a party to a Change in Control Severance Agreement, then this paragraph (2) shall not apply; provided, however, that if such agreement does not address accelerated vesting with respect to Scoring Windows, as contemplated under this paragraph (2), then this paragraph (2) shall apply. For the avoidance of any doubt, the Time-Based RSUs shall be subject to Section 14(c) of the Plan.

(3) In the event that you have been selected to participate in the Company Age and Service Equity Vesting Program (the "Vesting Program") on or before the date of grant of the Performance Stock Units, this Award Agreement shall also be subject to the terms of the Vesting Program.

(4) If you are a party to an Executive Severance Agreement with the Company, this Award Agreement shall also be subject to the terms of such Executive Severance Agreement.

Settlement

For each vested Performance Stock Unit, you shall be entitled to receive:

(1) a number of whole Shares equal to the number of Performance Stock Units vesting on such vesting date, or

(2) a cash payment equal to the product of the number of Performance Stock Units vesting on such vesting date and the Fair Market Value of one Share on such vesting date or

(3) a combination of the foregoing at the Company's discretion under the terms of the Plan.

The vested Performance Stock Units shall be paid as follows:

(i) within 30 days of the end of the Performance Period (including Performance Stock Units that vest in connection with the vesting events described under the "Vesting Schedule" section above under paragraphs (1), (2)(a) and 2(b)(iii), i.e., the Time-Based RSUs vesting upon attainment of the service vesting requirement); or

(ii) with respect to the (A) Pro Rata Portion, described in paragraph (2)(b)(ii) under the "Vesting Schedule" section above, such Pro Rata Portion shall be paid within 30 days following a Change in Control, or if the Performance Stock Units constitute non-qualified deferred compensation subject to Section 409A of the Code, a "change in control event" within the meaning of US. Treas. Reg. §1.409A-3(i)(5), and (B) Time-Based RSUs payable upon a cessation of service as a result of your involuntary termination, described in paragraph (2)(b)(iii) under the "Vesting Schedule" section above, such Time-Based RSUs shall be paid within 30 days following the date you cease to be a Service Provider.

Notwithstanding the foregoing, to the extent this Award Agreement is subject to a Change in Control Severance Agreement, an Executive Severance Agreement or the Vesting Program, the settlement terms of such agreement or program shall control with respect to the Performance Stock Units to the extent necessary to comply with Section 409A of the Code.

Forfeiture

Except as provided above under the heading "Vesting Schedule," upon the date that you cease to be a Service Provider for any reason, all unvested Performance Stock Units shall be forfeited. The date you cease to be a Service Provider for purposes of the Award will be the date described in paragraph (11) of the "Nature of Award" section below.

Tax Obligations

You acknowledge that, regardless of any action taken by the Company or, if different, your employer (the "Employer"), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you ("Tax-Related Items") is and remains your responsibility and may exceed the amount actually withheld by the Company or the Employer, if any. You further acknowledge that the Company and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Performance Stock Units, including, but not limited to, the grant, vesting or settlement of the Performance Stock Units, the issuance of Shares (or the cash equivalent) upon settlement of the Performance Stock Units, the subsequent sale of Shares acquired pursuant to such issuance and the receipt of any dividends and/or any dividend equivalents; and (2) do not commit to and are under no obligation to structure the terms of this Award or any aspect of the Performance Stock Units to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you are subject to Tax-Related Items in more than one jurisdiction, you acknowledge that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, you agree to make arrangements satisfactory to the Company and/or the Employer to fulfill all Tax-Related Items.

In this regard, you authorize the Company and/or the Employer, or their respective agents, at their discretion, to satisfy any withholding obligations for Tax-Related Items by one or a combination of the following:

(1) withholding from your wages or other cash compensation paid to you by the Company and/or the Employer or any Subsidiary or Affiliate; or

(2) withholding from proceeds of the sale of the Shares acquired upon vesting/settlement of the Performance Stock Units either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf pursuant to this authorization and without further consent); or

(3) withholding in Shares to be issued upon vesting/settlement or from the cash payment received at settlement (if any) of the Performance Stock Units;

(4) any other method of withholding determined by the Company and, to the extent required by Applicable Laws or the Plan, approved by the Administrator

provided, however, that if you are a Section 16 officer of the Company under the Exchange Act, then the Company will withhold in Shares upon the relevant taxable or tax withholding event, as applicable (other than U.S. Federal Insurance Contribution Act taxes or other Tax-Related Items that become payable in a year prior to the year in which Shares are issued upon settlement of the Performance Stock Units), unless the use of such withholding method is problematic under applicable tax or securities law or has materially adverse accounting consequences, in which case, any applicable obligations for Tax-Related Items may be satisfied by one or a combination of methods (1) – (2) above.

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable statutory withholding rates or other applicable withholding rates, including up to the maximum applicable permissible statutory rate for your tax jurisdiction(s), in which case you will have no entitlement to the equivalent amount in Shares and may receive a refund of any over-withheld amount in cash in accordance with applicable law. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, you are deemed to have been issued the full number of Shares subject to the vested Performance Stock Units, notwithstanding that a number of Shares are held back solely for the purpose of satisfying the withholding obligation for the Tax-Related Items.

Finally, you agree to pay the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares (or the cash equivalent) or the proceeds of the sale of Shares if you fail to comply with your obligations in connection with the Tax-Related Items.

<u>Code Section 409A</u>

The vesting and settlement of Performance Stock Units awarded pursuant to this Award Agreement are intended to qualify for the “short-term deferral” exemption from Section 409A of the Code or comply with Section 409A of the Code. In furtherance of this intent, the provisions of this Award Agreement shall be interpreted, operated, and administered in a manner consistent with these intentions. The Administrator reserves the right, to the extent the Administrator deems necessary or advisable in its sole discretion, to unilaterally amend or modify the Plan and/or this Award Agreement to ensure that the Performance Stock Units qualify for exemption from or comply with Section 409A of the Code or to mitigate any additional tax, interest and/or penalties or other adverse tax consequences that may apply under Section 409A of the Code if compliance is not practical; provided, however, that the Company makes no representations that the Performance Stock Units will be exempt from Section 409A of the Code and makes no undertaking to preclude Section 409A of the Code from applying to these Performance Stock Units. Nothing in this Award Agreement shall provide a basis for any person to take any action against the Company or any of its Subsidiaries or Affiliates based on matters covered by Section 409A of the Code, including the tax treatment of this Award Agreement, and neither the Company nor any of its Subsidiaries or Affiliates will have any liability under any circumstances to you or any other party if the Performance Stock Units that is intended to be exempt from, or compliant with, Section 409A of the Code, is not so exempt or compliant or for any action taken by the Administrator with respect thereto.

Nature of Award

In accepting this Award, you acknowledge, understand and agree that:

(1) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(2) this Award is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of restricted stock units, or benefits in lieu of restricted stock units, even if restricted stock units have been granted in the past;

(3) all decisions with respect to future restricted stock unit grants, if any, will be at the sole discretion of the Company;

(4) you are voluntarily participating in the Plan;

(5) this Award and your participation in the Plan shall not create a right to employment or be interpreted as forming or amending an employment or service contract with the Company, the Employer or any Affiliate, and shall not interfere with the ability of the Company, the Employer or any Affiliate, as applicable, to terminate your Service Provider relationship at any time;

(6) the Performance Stock Units and the Shares subject to the Performance Stock Units, and the income and value of same, are not intended to replace any pension rights or compensation;

(7) unless otherwise agreed with the Company, the Performance Stock Units and the Shares subject to the Performance Stock Units, and the income and value of same, are not granted as consideration for, or in connection with, the service you may provide as a director of a Subsidiary or Affiliate of the Company;

(8) the Performance Stock Units and the Shares subject to the Performance Stock Units, and the income and value of same, are not part of normal or expected compensation or salary for any purpose, including but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, leave-related payments, holiday pay, pension or retirement or welfare benefits or similar mandatory payments;

(9) the future value of the underlying Shares is unknown, indeterminable, and cannot be predicted with certainty;

(10) no claim or entitlement to compensation or damages shall arise from forfeiture of the Performance Stock Units resulting from termination of your relationship as a Service Provider (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are engaged as a Service Provider or the terms of your employment or service agreement, if any);

(11) for purposes of the Award, your relationship as a Service Provider will be considered terminated as of the date you are no longer actively providing services to the Company or one of its Subsidiaries or Affiliates (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are engaged as a Service Provider or the terms of your employment or service agreement, if any); unless otherwise expressly provided in this Award Agreement or determined by the Company, your right to vest in the Performance Stock Units under the Plan, if any, will terminate as of such date and will not be extended by any notice period (*e.g.*, the period during which you are considered a Service Provider would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where you are engaged as a Service Provider or the terms of your employment or service agreement, if any); the Administrator shall have the exclusive discretion to determine when you are no longer actively providing services for purposes of your Award (including whether you may still be considered to be actively providing services while on a leave of absence);

(12) unless otherwise provided in the Plan or by the Company in its discretion, the Performance Stock Units and the benefits evidenced by this Award Agreement do not create any entitlement to have the Performance Stock Units or any such benefits transferred to, or assumed by, another company nor be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares; and

(13) neither the Company, the Employer nor any Subsidiary or Affiliate shall be liable for any foreign exchange rate fluctuation between the United States Dollar and your local currency (if different) that may affect the value of the Performance Stock Units or of any amounts due to you pursuant to the settlement of the Performance Stock Units or the subsequent sale of any Shares acquired upon settlement.

No Advice Regarding Award

The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying Shares. You acknowledge, understand and agree you should consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

No Stockholder Rights Prior to Settlement

You shall have no rights of a stockholder (including the right to distributions or dividends or to vote) unless and until Shares are issued pursuant to the terms of this Award Agreement.

Compliance with Law

Notwithstanding anything to the contrary contained herein, no Shares will be issued to you upon vesting of the Performance Stock Units unless the Shares subject to the Performance Stock Units are then registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or, if such Shares are not so registered, the Company has determined that such vesting and issuance would be exempt from the registration requirements of the Securities Act. Further, no Shares will be issued until completion of any other applicable registration or qualification of the Shares under any local, state, federal or foreign securities or exchange control law or under rulings or regulations of any applicable governmental regulatory body, or prior to obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. By accepting the Performance Stock Units, you agree not to sell any of the Shares received under this Award at a time when Applicable Laws or Company policies prohibit a sale.

Clawback Provision

The Performance Stock Units and any financial gain thereof will be subject to recoupment in accordance with the Company's Incentive Compensation Recoupment Policy, effective as of May 2, 2017, and as may be amended from time to time, and any clawback policy that is required to be adopted pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other Applicable Laws.

Insider Trading Restrictions / Market Abuse Laws

You acknowledge that you may be subject to insider trading restrictions and/or market abuse laws in applicable jurisdictions including, but not limited to, the United States and your country, which may affect your ability to acquire, sell or otherwise dispose of Shares or rights to Shares (*e.g.*, Performance Stock Units) under the Plan during such time as you are considered to have "inside information" regarding the Company (as defined by the laws in applicable jurisdictions). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable insider trading policy of the Company. You are responsible for ensuring compliance with any applicable restrictions and should consult your personal legal advisor on such matters.

Data Privacy Information and Consent

The Company is located at 935 Stewart Drive, Sunnyvale California and grants Performance Stock Units to employees of the Company and its Subsidiaries, at the Company's sole discretion. If you would like to participate in the Plan, you should review the following information about the Company's data processing practices and declare your consent.

(a) Data Collection and Usage. The Company collects, processes and uses your personal data, including your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, citizenship, job title, any Shares or directorships held in the Company, and details of all Performance Stock Units canceled, vested, or outstanding in your favor, which the Company receives from you or the Employer. If the Company offers you a grant of Performance Stock Units under the Plan, then the Company will collect your personal data for purposes of allocating stock and implementing, administering and managing the Plan. The Company's legal basis for the processing of your personal data would be your consent.

***(b) Stock Plan Administration Service Providers**. The Company transfers participant data to Fidelity Stock Plan Services, LLC ("Fidelity"), an independent service provider based in the United States, which assists the Company with the implementation, administration and management of the Plan. In the future, the Company may select a different service provider and share your data with another company that serves in a similar manner. The Company's service provider will open an account for you to receive and trade Shares. You will be asked to agree on separate terms and data processing practices with the service provider, which is a condition to your ability to participate in the Plan.*

***(c) International Data Transfers**. The Company and its service providers are based in the United States. You should note that your country may have enacted data privacy laws that are different from the United States. For example, the European Commission has issued a limited adequacy finding with respect to the United States that applies only to the extent companies register for the EU-U.S. Privacy Shield program, which is open to companies subject to Federal Trade Commission jurisdiction and in which the Company does participate with respect to employee data. The Company's legal basis for the transfer of your personal data is your consent.*

***(d) Data Retention**. The Company will use your personal data only as long as is necessary to implement, administer and manage your participation in the Plan or as required to comply with legal or regulatory obligations, including under tax and security laws. When the Company no longer needs your personal data, the Company will remove it from it from its systems. If the Company keeps data longer, it would be to satisfy legal or regulatory obligations and the Company's legal basis would be relevant laws or regulations.*

***(e) Voluntariness and Consequences of Consent Denial or Withdrawal**. Your participation in the Plan and your grant of consent is purely voluntary. You may deny or withdraw your consent at any time. If you do not consent, or if you withdraw your consent, you cannot participate in the Plan. This would not affect your salary as an employee or your career; you would merely forfeit the opportunities associated with the Plan.*

***(f) Data Subject Rights**. You may have a number of rights under data privacy laws in your country. For example, in the European Union, your rights include the right to (a) request access or copies of personal data the Company processes, (b) rectification of incorrect data, (c) deletion of data, (d) restrictions on processing, (e) to lodge complaints with competent authorities in your country, and/or (f) request a list with the names and addresses of any potential recipients of your personal data. To receive clarification regarding your rights or to exercise your rights please contact the Company at* stock_administration@trimble.com**.**

By clicking on the data privacy acceptance box in the Company's electronic procedures, you am declaring that you agree with the data processing practices described herein and consent to the collection, processing and use of your personal data by the Company and the transfer of personal data to the recipients mentioned above, including recipients located in countries which do not adduce an adequate level of protection from a European (or other non-U.S.) data protection law perspective, for the purposes described above.

Entire Agreement

The Plan is incorporated herein by reference. The Plan and this Award Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of you and the Company with respect to the subject matter hereof, and may not be modified adversely to your interest except by means of a writing signed by you and the Company. Notwithstanding the foregoing, if the Award

Agreement is subject to the Vesting Program, an Executive Severance Agreement or a Change in Control Severance Agreement with the Company, the terms of such applicable Vesting Program, Executive Severance Agreement, or Change in Control Severance Agreement shall also apply to this Award Agreement.

Governing Law/Venue

This Award of Performance Stock Units and this Award Agreement are governed by, and subject to, the internal substantive laws, but not the choice of law rules, of the State of Delaware, U.S.A.

For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this Award or this Award Agreement, the parties hereby submit to and consent to the sole and exclusive jurisdiction of the State of California, U.S.A., and agree that such litigation shall be conducted only in the courts of Santa Clara County, California, U.S.A., or the federal courts for the United States for the Northern District of California, and no other courts, where this Award is made and/or to be performed.

Language

You acknowledge that you are sufficiently proficient in English, or have consulted with an advisor who is sufficiently proficient in English so as to allow you, to understand the terms and conditions of this Award Agreement. If you have received this Award Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

Electronic Delivery and Participation

The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

Severability

The provisions of this Award Agreement are severable, and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

Imposition of Other Requirements

The Company reserves the right to impose other requirements on your participation in the Plan, on the Performance Stock Units and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

Foreign Asset/Account Reporting Requirements; Exchange Controls

You acknowledge that your country may have certain foreign asset and/or foreign account reporting requirements and exchange controls which may affect your ability to acquire or hold Shares acquired under the Plan or cash received from participating in the Plan (including from any dividends paid on Shares acquired under the Plan) in a brokerage or bank account outside your country. You may be required to report such accounts, assets or transactions to the tax or other authorities in your country. You also may be required to repatriate sale proceeds or other funds received as a result of your participation in the Plan to your country through a designated bank or broker and/or within a certain time after receipt. You acknowledge that it is your responsibility to be compliant with such regulations, and you understand and agree to consult your personal legal advisor for any details.

Waiver

You acknowledge that a waiver by the Company of breach of any provision of this Award Agreement shall not operate or be construed as a waiver of any other provision of this Award Agreement or of any subsequent breach by you or any other participant in the Plan.

BY YOUR SIGNATURE AND THE SIGNATURE OF THE COMPANY'S REPRESENTATIVE BELOW OR BY YOUR ACCEPTANCE OF THIS AWARD THROUGH THE COMPANY'S ONLINE ACCEPTANCE PROCEDURE, YOU AND THE COMPANY AGREE THAT THIS AWARD IS GOVERNED BY THE TERMS AND CONDITIONS OF THE PLAN AND THIS AWARD AGREEMENT. YOU HAVE REVIEWED THE PLAN AND THIS AWARD AGREEMENT IN THEIR ENTIRETY, HAVE HAD AN OPPORTUNITY TO OBTAIN THE ADVICE OF COUNSEL PRIOR TO EXECUTING THIS AWARD AGREEMENT, AND FULLY UNDERSTAND ALL PROVISIONS OF THE PLAN AND AWARD AGREEMENT. YOU HEREBY AGREE TO ACCEPT AS BINDING, CONCLUSIVE AND FINAL ALL DECISIONS OR INTERPRETATIONS OF THE ADMINISTRATOR UPON ANY QUESTIONS RELATING TO THE PLAN AND AWARD AGREEMENT. YOU FURTHER AGREE TO NOTIFY THE COMPANY UPON ANY CHANGE IN YOUR RESIDENCE ADDRESS.

SERVICE PROVIDER: Trimble Inc.

_________________________ ____________________________
Signature By

________ ____________________________
Print Name Print Name

________ General Counsel
Residence Address Title

SCHEDULE A
20__ PERFORMANCE GOAL SCHEDULE

1. Eligible Number of Performance Stock Units

The actual number of Performance Stock Units that are eligible to vest in accordance with the Vesting Schedule of the Award Agreement shall be based on the attainment level of the Performance Goals set forth below, in accordance with the following formula:

Target Units * the Combined Attainment Factor,

where the "**Combined Attainment Factor**," which is to be measured as of the end of the Performance Period, shall be determined by the following formula:

((50% * the TSR Factor) + (50% * the ARR Factor)) * the Sustainability Modifier,

provided that:

(a) unless the TSR Percentile Ranking is at or above the 75^{th} percentile, the Combined Attainment Factor shall be capped at, and shall not exceed, 2.0 (i.e., 200%), and

(b) the Combined Attainment Factor shall in no event exceed 2.2 (i.e., 220%).

2. Performance Period:

The "**Performance Period**" is the three-year period beginning April 1, ____ and ending March 31, ____, with the Performance Goals scored in one "**Scoring Window**" equal to and covering the entire Performance Period.

3. Performance Goals

(a) TSR Factor

The **"TSR Factor"** shall be determined by reference to the following table. For a TSR Percentile Ranking below the 25^{th} percentile, the TSR Factor will be 0%. For a TSR Percentile Ranking between the threshold and target percentiles, or between the target and maximum percentiles, the TSR Factor will be determined by linear interpolation toward the next level. In no event shall the TSR Factor exceed 200%.

TSR Percentile Ranking		**"TSR Factor"**
Below threshold		0%
Threshold:	25^{th} percentile	50%
Target:	50^{th} percentile	100%
Maximum:	75^{th} percentile	200%

where:

"**TSR Percentile Ranking**" is the comparison of Total Shareholder Return of the Company against the Total Shareholder Return of all issuers included in the S&P 500 Index (the "**S&P 500**") during the entire Performance Period (excluding any companies that are not members of the S&P 500 for the entire Performance Period), with adjustments to share prices to reflect stock splits and dividends (with assumed reinvestment) ocurring during the Performance Period.

“**Total Shareholder Return**” means the result of the following formula:

$$\frac{\text{Trailing Average Price of an issuer's shares at the } \textbf{end} \text{ of the Performance Period} - \text{Trailing Average Price of an issuer's shares at the } \textbf{beginning} \text{ of the Performance Period}}{\text{Trailing Average Price of an issuer's shares at the } \textbf{beginning} \text{ of the Performance Period}}$$

“**Trailing Average Price**” means the average of the closing prices of the applicable shares for the 90 trading days ending on the applicable measurement date.

(b) <u>ARR Factor</u>

The “**ARR Factor**” is based on the growth in the Company’s year-end ARR (as defined below) from fiscal ____ to fiscal ____ and shall be determined by reference to the Company’s actual ARR for fiscal ____ set forth in the following table, with performance in between the actual attainment levels determined by interpolation on a linear basis. The first and second columns are not used for purposes of determining the attainment level and factor but show the baseline ARR and the 3-year cumulative annual growth rate needed to achieve the respective goals. In no event shall the ARR Factor exceed 200%.

____ ARR (baseline) ($M)	3-year CAGR needed to achieve goal	____ ARR, actual ($M)	“ARR Factor”	
			0%	
			50%	
			100%	
			150%	
			200%	*(maximum)*

The Company’s “**ARR**” is as defined in the Company’s Annual Report on Form 10-K, where “current quarter” means the fourth quarter of fiscal ____:

“**ARR**” or “**Annualized Recurring Revenue**” represents the estimated annualized value of recurring revenue, including subscription, maintenance and software revenue, and term license contracts for the quarter. ARR 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.

Adjustment to ARR Factor for acquisitions, divestitures, and currency translation: The calculation of the ARR Factor shall be subject to adjustment, as follows. In the case of:

(i) any individual acquisitions or divestitures by the Company completed during the applicable measurement period where the ARR attributable to the acquired business or of the divested business or portion of a business, computed for the most recently completed quarter prior to the consummation of the transaction, is greater than five million dollars ($5,000,000), and/or

(ii) changes in foreign exchange (FX) rates affecting currency translations during the applicable measurement period that have a cumulative effect on the Company’s ARR (i.e., at the Trimble company level), relative to the baseline ARR, of more than five million dollars ($5,000,000) (positive or negative), then the calculations hereunder will be made with appropriate adjustments to the Performance Goal attainment levels or baseline and/or the Actual ARR used to determine the ARR Factor, in order to provide approximately similar attainment as if such event(s) had not occurred.

(c) Sustainability Modifier

The "**Sustainability Modifier**" is based on achievement of three goals within the Company's sustainability strategy, and is calculated by the sum of the multiplier percentages achieved for each goal (calculated independently) as set forth below each min/target/max attainment level, by December 31, ____, with performance in between the actual attainment levels determined by interpolation on a linear basis. In no event shall the Sustainability Modifier exceed 10%.

Goals	Baseline	Min	Target	Max	Min/Max
Science-based Target Reduce absolute Scopes 1, 2, 3 emissions	**______ MT CO2e** (CQ4 ____)	no change or an increase -5%	__% decrease (____ MT CO2e/yr) 0%	__% decrease (____ MT CO2e/yr) +5%	-5%/+5%
Diversity Goal A % Females in Workforce (incl. other underrepresented gender identities)	**__ percent** (CQ4 ____)	no change or a decrease -2.5%	increase to __ percent (+___ bps) 0%	increase to __ percent (+___ bps) +2.5%	-2.5%/+2.5%
Diversity Goal B % of Underrepresented BIPOC in US Workforce	**__ percent** (CQ4 ____)	no change or a decrease -2.5%	increase to __ percent (+___ bps) 0%	increase to __ percent (+___ bps) +2.5%	-2.5%/+2.5%
Sum (**Sustainability Modifier**):					-10%/+10%

For purposes of calculating the Sustainability Modifier:

The goals for the Science-based Target are absolute emissions reductions in fuel and energy related activities, business travel, and upstream transportation and distribution. *Note: in the event Trimble is required to adjust/reset the baseline carbon footprint, then the stated amounts of total MT CO2e may change, but the percentage decrease for achievement will remain the same.*

Baselines for the Diversity Goals are the percentage of total full time employees as of the end of calendar Q4 of ____ (December 31, ____) represented by the employee group described for the particular goal.

Ending representation will be determined, with respect to the applicable employee group, as the highest percentage of the workforce represented by such employee group in any of the final three (3) months of calendar ____.

Underrepresented BIPOC (black, indigenous, and people of color) includes all members of the following groups: (i) Black or African American, (ii) Hispanic or Latinx, (iii) multi-racial, (iv) Native American or Alaskan native, and (v) native Hawaiian or other Pacific Islander, based on information reasonably available.

Adjustment to Sustainability Goals for acquisitions and divestitures: The calculation of the Sustainability Modifier shall be subject to adjustment, in order to provide approximately similar attainment as if such event(s) had not occurred, in the case of any individual acquisitions or divestitures by the Company completed during the applicable measurement period, where the changes to the baselines attributable to the acquired business or of the divested business or portion of a business, computed for the most recently completed quarter prior to the consummation of the transaction, is greater than five percent of total emissions or full time employees.

4. GAAP and non-GAAP adjustments

The financial metrics used herein are to be calculated in accordance with U.S. GAAP and the Company's accounting policies (including its revenue recognition and deferred revenue policies), applied on a basis consistent with the principles, practices and procedures generally applied by the Company, with the non-GAAP adjustments described in the Company's Annual Report on Form 10-K for reconciliation of GAAP to non-GAAP financial measures.

5. Other adjustment

At all times, the Administrator retains the right to make other adjustments, at its sole discretion, to the Performance Goals or the definition of or methods of determining the financial metrics hereunder, provided that such adjustments do not increase the maximum number of Performance Stock Units that would otherwise vest under this Award Agreement.

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert G. Painter, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Trimble Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2022

/s/ Robert G. Painter

Robert G.Painter

Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, David G. Barnes, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Trimble Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2022

/s/ David G. Barnes

David G. Barnes

Chief Financial Officer

Exhibit 32.1

**CERTIFICATION OF CEO PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Trimble Inc. (the "Company") for the period ended April 1, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Robert G.Painter, as Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of his knowledge, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Robert G.Painter

Robert G.Painter
Chief Executive Officer

May 5, 2022

Exhibit 32.2

**CERTIFICATION OF CFO PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Trimble Inc. (the “Company”) for the period ended April 1, 2022 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), David G. Barnes, as Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of his knowledge, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ David G. Barnes

David G. Barnes

Chief Financial Officer

May 5, 2022