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

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED July 2, 2021**

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)

Telephone Number (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 August 4, 2021, there were 251,619,889 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 the COVID-19 pandemic, including upon global or local macroeconomic conditions, our results of operations, and estimates or judgments;
- supply chain shortages and disruptions, resulting in increases in costs and reduced revenue;
- seasonal fluctuations in our hardware revenue, sales to U.S. governmental agencies, and expectations that we will experience less seasonality in the future;
- changes in global macroeconomic conditions;
- the portion of our revenue expected to come from sales to customers located in countries outside of the U.S.;
- our plans to continue to invest in research and development to actively develop and introduce new products and to deliver targeted solutions to the markets we serve;
- 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 to meet our anticipated operating cash needs, debt service, and planned capital expenditures for at least the next twelve months;
- 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 belief that our gross unrecognized tax benefits will not materially change in the next twelve months;
- 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; and
- our ability to convert backlog to revenue.

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 fiscal 2020 (the "2020 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 July 2, 2021
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PART I – FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TRIMBLE INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

As of	Second Quarter of 2021	Fiscal Year End 2020
(In millions, except par value)		
ASSETS		
Current assets:		
Cash and cash equivalents	$ 484.4	$ 237.7
Accounts receivable, net	583.2	620.5
Inventories	298.5	301.7
Other current assets	128.4	121.5
Total current assets	1,494.5	1,281.4
Property and equipment, net	229.3	251.8
Operating lease right-of-use assets	114.4	128.9
Goodwill	3,846.8	3,876.5
Other purchased intangible assets, net	508.3	580.1
Deferred income tax assets	504.7	510.2
Other non-current assets	264.2	248.0
Total assets	$ 6,962.2	$ 6,876.9
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	$ 89.1	$ 255.8
Accounts payable	181.4	143.2
Accrued compensation and benefits	180.2	166.8
Deferred revenue	536.5	560.5
Other current liabilities	181.3	185.0
Total current liabilities	1,168.5	1,311.3
Long-term debt	1,292.3	1,291.4
Deferred revenue, non-current	69.6	53.3
Deferred income tax liabilities	288.8	300.3
Income taxes payable	54.5	62.2
Operating lease liabilities	96.8	109.2
Other non-current liabilities	153.1	150.6
Total liabilities	3,123.6	3,278.3
Commitments and contingencies (Note 13)		
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; 251.6 and 250.8 shares issued and outstanding at the end of the second quarter of 2021 and fiscal year end 2020, respectively	0.3	0.3
Additional paid-in-capital	1,873.0	1,801.7
Retained earnings	2,077.2	1,893.4
Accumulated other comprehensive loss	(111.9)	(98.5)
Total Trimble Inc. stockholders' equity	3,838.6	3,596.9
Noncontrolling interests	—	1.7
Total stockholders' equity	3,838.6	3,598.6
Total liabilities and stockholders' equity	$ 6,962.2	$ 6,876.9

See accompanying Notes to the Condensed Consolidated Financial Statements.

TRIMBLE INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

(In millions, except per share amounts)	Second Quarter of 2021	Second Quarter of 2020	First Two Quarters of 2021	First Two Quarters of 2020
Revenue:				
Product	$ 594.9	$ 412.4	$ 1,134.3	$ 876.2
Service	162.1	156.6	324.4	319.0
Subscription	188.2	164.6	373.0	330.7
Total revenue	945.2	733.6	1,831.7	1,525.9
Cost of sales:				
Product	286.0	199.4	541.7	409.5
Service	58.0	56.0	117.6	119.6
Subscription	53.8	49.3	109.6	103.4
Amortization of purchased intangible assets	22.0	23.2	44.1	46.7
Total cost of sales	419.8	327.9	813.0	679.2
Gross margin	525.4	405.7	1,018.7	846.7
Operating expense:				
Research and development	138.3	114.0	267.7	232.2
Sales and marketing	125.2	103.6	247.6	235.3
General and administrative	99.6	68.8	185.0	141.8
Restructuring	4.5	5.1	6.0	8.0
Amortization of purchased intangible assets	13.0	16.6	26.7	33.5
Total operating expense	380.6	308.1	733.0	650.8
Operating income	144.8	97.6	285.7	195.9
Non-operating income (expense), net:				
Interest expense, net	(16.6)	(19.6)	(33.5)	(40.1)
Income from equity method investments, net	10.0	9.7	21.8	19.1
Other income (expense), net	24.2	3.2	25.8	(4.6)
Total non-operating income (expense), net	17.6	(6.7)	14.1	(25.6)
Income before taxes	162.4	90.9	299.8	170.3
Income tax provision	23.5	27.7	46.3	45.2
Net income	138.9	63.2	253.5	125.1
Net income attributable to noncontrolling interests	—	0.2	0.1	0.2
Net income attributable to Trimble Inc.	$ 138.9	$ 63.0	$ 253.4	$ 124.9
Earnings per share attributable to Trimble Inc.:				
Basic	$ 0.55	$ 0.25	$ 1.01	$ 0.50
Diluted	$ 0.55	$ 0.25	$ 1.00	$ 0.50
Shares used in calculating earnings per share:				
Basic	251.5	250.0	251.3	250.0
Diluted	254.2	251.2	254.2	251.5

See accompanying Notes to the Condensed Consolidated Financial Statements.

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

	Second Quarter of		First Two Quarters of	
	2021	**2020**	**2021**	**2020**
(In millions)				
Net income	$ 138.9	$ 63.2	$ 253.5	$ 125.1
Foreign currency translation adjustments, net of tax	18.1	32.6	(13.4)	(21.7)
Net unrealized gain, net of tax	—	—	—	0.2
Comprehensive income	157.0	95.8	240.1	103.6
Comprehensive income attributable to noncontrolling interests	—	0.2	0.1	0.2
Comprehensive income attributable to Trimble Inc.	$ 157.0	$ 95.6	$ 240.0	$ 103.4

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 fiscal 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 fiscal 2021	**250.9**	**$ 0.3**	**$ 1,841.5**	**$ 1,961.8**	**$ (130.0)**	**$ 3,673.6**	**$ —**	**$ 3,673.6**
Net income	—	—	—	138.9	—	138.9	—	138.9
Other comprehensive income	—	—	—	—	18.1	18.1	—	18.1
Comprehensive income						157.0		157.0
Issuance of common stock under employee plans, net of tax withholdings	0.7	—	(1.8)	(23.5)	—	(25.3)	—	(25.3)
Stock-based compensation	—	—	33.3	—	—	33.3	—	33.3
Balance at the end of the second quarter of fiscal 2021	**251.6**	**$ 0.3**	**$ 1,873.0**	**$ 2,077.2**	**$ (111.9)**	**$ 3,838.6**	**$ —**	**$ 3,838.6**

(In millions)	Common stock: Shares	Common stock: Amount		Additional Paid-In Capital		Retained Earnings		Accumulated Other Comprehensive Loss		Total Stockholders' Equity		Noncontrolling Interest		Total
Balance at the end of fiscal 2019	249.9	$	0.2	$	1,692.8	$	1,602.8	$	(176.8)	$	3,119.0	$	1.4	$ 3,120.4
Net income	—		—		—		61.9		—		61.9		—	61.9
Other comprehensive loss	—		—		—		—		(54.1)		(54.1)		—	(54.1)
Comprehensive income											7.8			7.8
Issuance of common stock under employee plans, net of tax withholdings	1.0		—		20.4		(7.7)		—		12.7		—	12.7
Stock repurchases	(1.2)		—		(8.4)		(41.6)		—		(50.0)		—	(50.0)
Stock-based compensation	—		—		11.8		—		—		11.8		—	11.8
Noncontrolling interest investment	—		—		—		—		—		—		(0.4)	(0.4)
Balance at the end of the first quarter of fiscal 2020	**249.7**	**$**	**0.2**	**$**	**1,716.6**	**$**	**1,615.4**	**$**	**(230.9)**	**$**	**3,101.3**	**$**	**1.0**	**$ 3,102.3**
Net income	—		—		—		63.0		—		63.0		0.2	63.2
Other comprehensive income	—		—		—		—		32.6		32.6		—	32.6
Comprehensive income											95.6			95.8
Issuance of common stock under employee plans, net of tax withholdings	0.5		—		1.9		(6.0)		—		(4.1)		—	(4.1)
Stock-based compensation	—		—		19.1		—		—		19.1		—	19.1
Balance at the end of the second quarter of fiscal 2020	**250.2**	**$**	**0.2**	**$**	**1,737.6**	**$**	**1,672.4**	**$**	**(198.3)**	**$**	**3,211.9**	**$**	**1.2**	**$ 3,213.1**

See accompanying Notes to the Condensed Consolidated Financial Statements.

TRIMBLE INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(UNAUDITED)

	First Two Quarters of	
(In millions)	**2021**	**2020**
Cash flow from operating activities:		
Net income	$ 253.5	$ 125.1
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense	20.8	19.5
Amortization expense	70.8	80.2
Deferred income taxes	(4.9)	14.9
Stock-based compensation	62.8	29.3
Divestitures (gain) loss, net	(24.0)	2.4
Other, net	3.6	11.3
(Increase) decrease in assets:		
Accounts receivable, net	35.2	115.7
Inventories	(0.3)	(33.2)
Other current and non-current assets	(22.4)	9.7
Increase (decrease) in liabilities:		
Accounts payable	39.2	(31.1)
Accrued compensation and benefits	6.3	9.1
Deferred revenue	3.9	(8.4)
Other current and non-current liabilities	(15.7)	(41.3)
Net cash provided by operating activities	428.8	303.2
Cash flow from investing activities:		
Acquisitions of businesses, net of cash acquired	(1.2)	(198.0)
Purchases of property and equipment	(21.4)	(29.6)
Net proceeds from sale of businesses	46.0	—
Net proceeds from sale of property and equipment	20.7	0.3
Other, net	(1.2)	(0.1)
Net cash provided by (used in) investing activities	42.9	(227.4)
Cash flow from financing activities:		
Issuance of common stock, net of tax withholdings	(17.3)	8.7
Repurchases of common stock	(40.0)	(50.0)
Proceeds from debt and revolving credit lines	198.9	857.5
Payments on debt and revolving credit lines	(363.3)	(866.3)
Other, net	(1.4)	(10.8)
Net cash used in financing activities	(223.1)	(60.9)
Effect of exchange rate changes on cash and cash equivalents	(1.9)	(7.7)
Net increase in cash and cash equivalents	246.7	7.2
Cash and cash equivalents - beginning of period	237.7	189.2
Cash and cash equivalents - end of period	$ 484.4	$ 196.4

See accompanying Notes to the Condensed Consolidated Financial Statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – UNAUDITED

NOTE 1. OVERVIEW AND ACCOUNTING POLICIES

Company and Background

Trimble Inc., ("we" or "our" or "us") is incorporated in the State of Delaware since October 2016.

Basis of Presentation

The Condensed Consolidated Financial Statements include our results and 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 prepared our interim Condensed Consolidated Financial Statements that accompany these notes in conformity with U.S. generally accepted accounting principles ("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 26, 2021 (the "2020 Form 10-K").

We have made estimates and judgments affecting the amounts reported in our Condensed Consolidated Financial Statements and the accompanying notes. The actual results that we experience may differ materially from our estimates. 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 2020 Form 10-K where we include additional information about our significant accounting policies and the methods and assumptions used in our estimates.

We use a 52- to 53-week fiscal year ending on the Friday nearest to December 31. The second quarter of fiscal 2021 and 2020 ended on July 2, 2021 and July 3, 2020, respectively. Both fiscal 2021 and 2020 are 52-week years. Unless otherwise stated, all dates refer to our fiscal year and fiscal periods.

Recently Adopted Accounting Pronouncements

Income Taxes - Simplifying the Accounting for Income Taxes

In December 2019, the Financial Accounting Standards Board (FASB) issued amendments to the accounting for Income Taxes to reduce complexity by removing certain exceptions and implementing targeted simplifications. We adopted the new standard on a prospective basis at the beginning of fiscal year 2021. The adoption did not have a material impact on our Condensed Consolidated Financial Statements.

NOTE 2. STOCKHOLDERS' EQUITY

Stock Repurchase Activities

In November 2017, our Board of Directors approved a stock repurchase program ("2017 Stock Repurchase Program") authorizing the Company to repurchase up to $600.0 million of Trimble's common stock.

Under the 2017 Stock Repurchase Program, we may repurchase shares from time to time in open market transactions, privately negotiated transactions, accelerated share buyback programs, tender offers, or by other means. The timing and amount of repurchase transactions are determined by management based on an evaluation of market conditions, share price, legal requirements, and other factors. The 2017 Stock Repurchase Program may be suspended, modified, or discontinued at any time without prior notice.

There were no stock repurchases during the second quarter of fiscal 2021. During the first two quarters of fiscal 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. At the end of the second quarter of fiscal 2021, the 2017 Stock Repurchase Program had remaining authorized funds of $50.7 million.

Stock repurchases are reflected as a decrease to common stock 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 is charged to retained earnings. Common stock repurchases under the program are 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 total intangible assets:

As of	Second Quarter of Fiscal 2021			Fiscal Year End 2020		
(In millions)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Developed product technology	$ 1,057.4	$ (798.3)	$ 259.1	$ 1,118.2	$ (811.1)	$ 307.1
Customer relationships	660.3	(419.1)	241.2	681.1	(419.3)	261.8
Trade names and trademarks	48.1	(45.5)	2.6	58.3	(51.9)	6.4
Distribution rights and other intellectual property	42.7	(37.3)	5.4	45.8	(41.0)	4.8
	$ 1,808.5	$ (1,300.2)	$ 508.3	$ 1,903.4	$ (1,323.3)	$ 580.1

The estimated future amortization expense of purchased intangible assets as of the end of the second quarter of fiscal 2021 was as follows:

(In millions)	
2021 (Remaining)	$ 68.2
2022	119.0
2023	106.8
2024	81.2
2025	46.8
Thereafter	86.3
Total	$ 508.3

Goodwill

The changes in the carrying amount of goodwill by segment for the first two quarters of fiscal 2021 were as follows:

(In millions)	Buildings and Infrastructure	Geospatial	Resources and Utilities	Transportation	Total
Balance as of fiscal year end 2020	$ 1,997.4	$ 415.7	$ 453.8	$ 1,009.6	$ 3,876.5
Foreign currency translation and other adjustments	(13.8)	(4.2)	(2.3)	(9.4)	(29.7)
Balance as of the end of the second quarter of fiscal 2021	$ 1,983.6	$ 411.5	$ 451.5	$ 1,000.2	$ 3,846.8

NOTE 4. INVENTORIES

Inventories consisted of the following:

As of	Second Quarter of 2021	Fiscal Year End 2020
(In millions)		
Raw materials	$ 101.0	$ 95.6
Work-in-process	13.4	16.0
Finished goods	184.1	190.1
Total inventories	$ 298.5	$ 301.7

NOTE 5. SEGMENT INFORMATION

Our operating segments are determined 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				
(In millions)	Buildings and Infrastructure	Geospatial	Resources and Utilities	Transportation	Total
Second Quarter of Fiscal 2021					
Revenue	$ 364.7	$ 219.7	$ 197.5	$ 163.3	$ 945.2
Acquired deferred revenue adjustment	0.1	—	—	—	0.1
Segment revenue	$ 364.8	$ 219.7	$ 197.5	$ 163.3	$ 945.3
Operating income	$ 105.1	$ 66.1	$ 70.5	$ 12.8	$ 254.5
Acquired deferred revenue adjustment	0.1	—	—	—	0.1
Amortization of acquired capitalized commissions	(1.1)	—	—	—	(1.1)
Segment operating income	$ 104.1	$ 66.1	$ 70.5	$ 12.8	$ 253.5
Depreciation expense	$ 1.8	$ 1.8	$ 1.5	$ 1.1	$ 6.2
Second Quarter of Fiscal 2020					
Revenue	$ 295.2	$ 145.2	$ 142.9	$ 150.3	$ 733.6
Acquired deferred revenue adjustment	0.1	—	0.9	0.6	1.6
Segment revenue	$ 295.3	$ 145.2	$ 143.8	$ 150.9	$ 735.2
Operating income	$ 86.6	$ 37.4	$ 48.3	$ 13.8	$ 186.1
Acquired deferred revenue adjustment	0.1	—	0.9	0.6	1.6
Amortization of acquired capitalized commissions	(1.3)	—	(0.1)	—	(1.4)
Segment operating income	$ 85.4	$ 37.4	$ 49.1	$ 14.4	$ 186.3
Depreciation expense	$ 2.0	$ 1.5	$ 1.3	$ 1.1	$ 5.9

First Two Quarters of Fiscal 2021					
Revenue	$ 707.7	$ 401.4	$ 402.7	$ 319.9	$ 1,831.7
Acquired deferred revenue adjustment	0.2	—	—	0.1	0.3
Segment revenue	$ 707.9	$ 401.4	$ 402.7	$ 320.0	$ 1,832.0
Operating income	$ 202.5	$ 114.8	$ 150.6	$ 21.2	$ 489.1
Acquired deferred revenue adjustment	0.2	—	—	0.1	0.3
Amortization of acquired capitalized commissions	(2.2)	—	—	(0.1)	(2.3)
Segment operating income	$ 200.5	$ 114.8	$ 150.6	$ 21.2	$ 487.1
Depreciation expense	$ 3.6	$ 3.5	$ 3.0	$ 2.0	$ 12.1
First Two Quarters of Fiscal 2020					
Revenue	$ 592.0	$ 291.4	$ 321.9	$ 320.6	$ 1,525.9
Acquired deferred revenue adjustment	0.2	—	2.2	0.9	$ 3.3
Segment revenue	$ 592.2	$ 291.4	$ 324.1	$ 321.5	$ 1,529.2
Operating income	$ 148.7	$ 67.9	$ 113.9	$ 30.5	361.0
Acquired deferred revenue adjustment	0.2	—	2.2	0.9	3.3
Amortization of acquired capitalized commissions	(2.7)	—	(0.1)	(0.1)	(2.9)
Segment operating income	$ 146.2	$ 67.9	$ 116.0	$ 31.3	$ 361.4
Depreciation expense	$ 4.1	$ 2.9	$ 2.6	$ 2.2	$ 11.8

	Reporting Segments				
(In millions)	Buildings and Infrastructure	Geospatial	Resources and Utilities	Transportation	Total
As of the end of the Second Quarter of Fiscal 2021					
Accounts receivable, net	$ 206.3	$ 123.0	$ 101.0	$ 152.9	$ 583.2
Inventories	58.9	121.8	54.5	63.3	298.5
Goodwill	1,983.6	411.5	451.5	1,000.2	3,846.8
As of Fiscal Year End 2020					
Accounts receivable, net	$ 260.1	$ 117.5	$ 91.2	$ 151.7	$ 620.5
Inventories	59.1	120.1	49.0	73.5	301.7
Goodwill	1,997.4	415.7	453.8	1,009.6	3,876.5

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

	Second Quarter of		First Two Quarters of	
	2021	2020	2021	2020
(In millions)				
Consolidated segment operating income	$ 253.5	$ 186.3	$ 487.1	$ 361.4
Unallocated general corporate expenses	(24.9)	(16.4)	(49.3)	(30.3)
Acquired deferred revenue adjustment	(0.1)	(1.6)	(0.3)	(3.3)
Amortization of acquired capitalized commissions	1.1	1.4	2.3	2.9
Amortization of purchased intangible assets	(35.0)	(39.8)	(70.8)	(80.2)
Acquisition / divestiture items	(6.6)	(1.9)	(10.1)	(12.7)
Stock-based compensation / deferred compensation	(38.3)	(25.4)	(67.0)	(29.9)
Restructuring and other costs	(4.9)	(5.0)	(6.2)	(12.0)
Consolidated operating income	144.8	97.6	285.7	195.9
Total non-operating income (expense), net	17.6	(6.7)	14.1	(25.6)
Consolidated income before taxes	$ 162.4	$ 90.9	$ 299.8	$ 170.3

On a total Company basis, 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 excludes the effects of certain acquired deferred revenue that was written down to fair value in purchase accounting, consistent with the Reporting Segment tables above.

	Reporting Segments				
	Buildings and Infrastructure	Geospatial	Resources and Utilities	Transportation	Total
(In millions)					
Second Quarter of Fiscal 2021					
North America	$ 212.2	$ 97.2	$ 60.4	$ 123.3	$ 493.1
Europe	101.0	72.2	93.6	25.1	291.9
Asia Pacific	45.8	39.5	15.1	7.6	108.0
Rest of World	5.8	10.8	28.4	7.3	52.3
Total segment revenue	$ 364.8	$ 219.7	$ 197.5	$ 163.3	$ 945.3
Second Quarter of Fiscal 2020					
North America	$ 175.6	$ 57.7	$ 51.8	$ 117.0	$ 402.1
Europe	78.0	45.1	63.3	20.7	207.1
Asia Pacific	36.4	33.4	14.0	7.0	90.8
Rest of World	5.3	9.0	14.7	6.2	35.2
Total segment revenue	$ 295.3	$ 145.2	$ 143.8	$ 150.9	$ 735.2
First Two Quarters of Fiscal 2021					
North America	$ 412.0	$ 169.7	$ 114.0	$ 247.8	$ 943.5
Europe	195.3	132.6	199.4	44.8	572.1
Asia Pacific	89.4	77.0	36.1	15.3	217.8
Rest of World	11.2	22.1	53.2	12.1	98.6
Total segment revenue	$ 707.9	$ 401.4	$ 402.7	$ 320.0	$ 1,832.0
First Two Quarters of Fiscal 2020					
North America	$ 347.7	$ 114.5	$ 105.5	$ 248.8	$ 816.5
Europe	159.6	95.8	153.7	39.8	448.9
Asia Pacific	73.5	62.1	31.5	17.5	184.6
Rest of World	11.4	19.0	33.4	15.4	79.2
Total segment revenue	$ 592.2	$ 291.4	$ 324.1	$ 321.5	$ 1,529.2

Total revenue in the United States as included in the Condensed Consolidated Statements of Income was $443.3 million and $850.1 million and $368.7 million and $747.5 million for the second quarter and first two quarters of fiscal 2021 and 2020, respectively. No single customer or country other than the United States accounted for 10% or more of Trimble's total revenue.

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NOTE 6. DEBT

Debt consisted of the following:

As of Instrument	Date of Issuance	Second Quarter of 2021		Fiscal Year End 2020
(In millions)		Effective interest rate		
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
Credit Facilities:				
Uncommitted facilities, floating rate		0.72%	89.1	255.8
Promissory notes and other debt			0.1	0.1
Unamortized discount and issuance costs			(7.8)	(8.7)
Total debt			1,381.4	1,547.2
Less: Short-term debt			89.1	255.8
Long-term debt			$ 1,292.3	$ 1,291.4

Each of our debt agreements requires us to maintain compliance with certain debt covenants, all of which we complied with at the end of the second quarter of fiscal 2021.

Debt Maturities

At the end of the second quarter of fiscal 2021, our debt maturities based on outstanding principal were as follows (in millions):

Year Payable	
2021 (Remaining)	$ 89.1
2022	—
2023	300.1
2024	400.0
2025	—
Thereafter	600.0
Total	$ 1,389.2

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 2020 Form 10-K.

2018 Credit Facilities

At the end of the second quarter of fiscal 2021, we had access to a $1.25 billion unsecured revolving credit facility maturing in May 2023, which may be used for working capital and general corporate purposes, including permitted acquisitions. As part of the credit facility, we may request an additional term loan facility up to $500.0 million prior to the maturity of the credit facility and subject to approval.

Uncommitted Facilities

At the end of the second quarter of fiscal 2021, 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.

For further information, refer to Note 6 “Debt” of the 2020 Form 10-K.

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 Second Quarter of Fiscal 2021				Fair Values at the end of Fiscal 2020			
(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]	$ 45.1	$ —	$ —	$ 45.1	$ 41.9	$ —	$ —	$ 41.9
Derivatives [2]	—	0.3	—	0.3	—	0.9	—	0.9
Total assets measured at fair value	$ 45.1	$ 0.3	$ —	$ 45.4	$ 41.9	$ 0.9	$ —	$ 42.8
Liabilities								
Deferred compensation plan [1]	$ 45.1	$ —	$ —	$ 45.1	$ 41.9	$ —	$ —	$ 41.9
Derivatives [2]	—	0.2	—	0.2	—	0.5	—	0.5
Contingent consideration [3]	—	—	14.1	14.1	—	—	12.3	12.3
Total liabilities measured at fair value	$ 45.1	$ 0.2	$ 14.1	$ 59.4	$ 41.9	$ 0.5	$ 12.3	$ 54.7

[1] Represents a self-directed, non-qualified deferred compensation plan for certain executives and other highly compensated employees that are 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 $1.6 billion and $1.8 billion at the end of the second quarter of fiscal 2021 and at the end of fiscal 2020.

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 uncommitted facilities, promissory notes, and other debt are all short-term in nature; therefore, the amounts reported in our Condensed Consolidated Balance Sheet approximate their fair value. The fair values do not indicate the amount we would currently have to pay to extinguish any of this debt.

NOTE 8. DEFERRED COSTS TO OBTAIN CUSTOMER CONTRACTS

Deferred costs to obtain customer contracts at the end of the second quarter of fiscal 2021 and fiscal year end 2020 were $54.0 million and $51.3 million. These costs are included in Other non-current assets in the Condensed Consolidated Balance Sheets.

Amortization expense related to deferred costs to obtain customer contracts for the second quarter and the first two quarters of fiscal 2021 and 2020 was $6.3 million and $12.4 million and $5.6 million and $11.1 million, respectively. This expense is included in Sales and marketing expenses in the Condensed Consolidated Statements of Income.

NOTE 9. 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 second quarter of fiscal 2021 and fiscal year end 2020 was $18.4 million and $13.8 million, and is included in Other current liabilities in our Condensed Consolidated Balance Sheet.

NOTE 10. DEFERRED REVENUE AND REMAINING PERFORMANCE OBLIGATIONS

Deferred Revenue

Changes to our deferred revenue during the second quarter and first two quarters of fiscal 2021 and 2020 were as follows:

	Second Quarter of		First Two Quarters of	
(In millions)	2021	2020	2021	2020
Beginning balance of the period	$ 618.9	$ 551.5	$ 613.8	$ 541.9
Revenue recognized	(132.4)	(130.1)	(379.6)	(331.9)
Net deferred revenue activity	119.6	109.6	371.9	321.0
Ending balance of the period	$ 606.1	$ 531.0	$ 606.1	$ 531.0

Remaining Performance Obligations

As of the end of the second quarter of fiscal 2021, approximately $1.5 billion of revenue is expected to be recognized from remaining performance obligations for which goods or services have not been delivered, primarily subscription and software maintenance, and to a lesser extent, hardware and professional services contracts. We expect to recognize $1.2 billion or 75% of our remaining performance obligations as revenue during the next 12 months, and the remainder thereafter.

NOTE 11. EARNINGS PER SHARE

Basic earnings per share is computed by dividing net income attributable to Trimble Inc. by the weighted-average number of shares of common stock outstanding during the period. Diluted earnings per share is computed by dividing net income attributable to Trimble Inc. by the weighted-average number of shares of common stock outstanding during the period, increased to include the number of additional shares of common stock that would have been outstanding if the potentially dilutive securities had been issued. Potentially dilutive securities include outstanding stock options, shares to be purchased under the Company's employee stock purchase plan, restricted stock units, and contingently issuable shares.

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

	Second Quarter of		First Two Quarters of	
	2021	2020	2021	2020
(In millions, except per share amounts)				
Numerator:				
Net income attributable to Trimble Inc.	$ 138.9	$ 63.0	$ 253.4	$ 124.9
Denominator:				
Weighted average number of common shares used in basic earnings per share	251.5	250.0	251.3	250.0
Effect of dilutive securities	2.7	1.2	2.9	1.5
Weighted average number of common shares and dilutive potential common shares used in diluted earnings per share	254.2	251.2	254.2	251.5
Basic earnings per share	$ 0.55	$ 0.25	$ 1.01	$ 0.50
Diluted earnings per share	$ 0.55	$ 0.25	$ 1.00	$ 0.50
Antidilutive weighted average shares [1]	0.1	2.1	0.2	1.8

[1] Antidilutive shares are excluded from the calculation of diluted shares and diluted earnings per share because their impact would increase the diluted earnings per share.

NOTE 12. INCOME TAXES

Our effective income tax rate for the second quarter of fiscal 2021 was 14.5%, as compared to 30.5% in the corresponding period in fiscal 2020. The decrease was primarily due to a one-time tax charge related to increased valuation allowance arising from California tax legislation in the second quarter of fiscal 2020 and a one-time tax benefit from a foreign deferred tax asset in the second quarter of fiscal 2021. For the first two quarters of fiscal 2021, our effective income tax rate was 15.4%, as compared to 26.5% in the corresponding period in fiscal 2020 due to the same reasons above as well as a one-time tax benefit from foreign income tax refunds in the first quarter of fiscal 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 $48.1 million and $47.8 million as of the end of the second quarter of fiscal 2021 and fiscal year end 2020, if recognized, would favorably affect the effective income tax rate in future periods. As of the end of the second quarter of fiscal 2021 and fiscal year end 2020, we accrued interest and penalties of $10.6 million and $9.6 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.

NOTE 13. COMMITMENTS AND CONTINGENCIES

Commitments

As of the end of the second quarter of fiscal 2021, we had unconditional purchase obligations of approximately $355.3 million. These unconditional purchase obligations primarily represent open non-cancellable purchase orders for material purchases with our vendors.

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 two quarters of fiscal 2021. 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 2020 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 2025 strategy;
- Focus on attractive markets with significant growth and profitability potential;
- Domain knowledge and technological innovation that benefit a diverse customer base;
- Increasing focus on software and services;
- Geographic expansion with localization strategy;
- Optimized go-to-market strategies to best access our markets;
- Strategic acquisitions; and
- Venture fund investments.

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. Our success in driving annualized recurring revenue ("ARR")[(1)] growth of 11% year-over-year, as of the end of the second quarter of fiscal 2021, has positively impacted our revenue mix and growth over time and is leading to improved visibility in our businesses. Additionally, our software, recurring revenue, and services represented 55% of total revenue for the first two quarters of fiscal 2021. 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. Additionally, on August 4, 2021, we announced a newly formed strategic venture fund. Our $200.0 million fund will invest in early to growth-stage companies that can accelerate innovation and effectively bring new solutions to our customers and industry.

As economic activity continues to recover toward pre-pandemic levels, we have experienced strong demand for our hardware and associated software offerings. However, due to global supply chain issues, including part shortages, increased freight costs, and labor constraints caused by the lingering impacts of the COVID-19 pandemic, we continue to experience extended delivery times for key components of our hardware products and increased costs. To the extent that these supply chain issues continue to exist, our costs will increase, and we may experience delays in shipping our products, which may reduce our revenue and increase our backlog.

In addition, the variant strains of COVID-19 could impact our operations and the operations of our suppliers and vendors. As the impacts of these variant strains on the global economy unfold, we are uncertain of the nature and extent of the impact on our business, condensed consolidated results of operations, and financial condition.

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

COVID-19 UPDATE

For a discussion of the impacts on and risks to our business from COVID-19, refer to “Risk Factors” section of the 2020 Form 10-K.

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:

	Second Quarter of			First Two Quarters of		
	2021	2020	Change	2021	2020	Change
(In millions, except per share amounts)						
Revenue:						
Product	$ 594.9	$ 412.4	44%	$ 1,134.3	$ 876.2	29%
Service	162.1	156.6	4%	324.4	319.0	2%
Subscription	188.2	164.6	14%	373.0	330.7	13%
Total revenue	$ 945.2	$ 733.6	29%	1,831.7	1,525.9	20%
Gross margin	$ 525.4	$ 405.7	30%	$ 1,018.7	$ 846.7	20%
Gross margin as a % of revenue	55.6 %	55.3 %		55.6 %	55.5 %	
Operating income	$ 144.8	$ 97.6	48%	$ 285.7	$ 195.9	46%
Operating income as a % of revenue	15.3 %	13.3 %		15.6 %	12.8 %	
Diluted earnings per share	$ 0.55	$ 0.25	120%	$ 1.00	$ 0.50	100%
Non-GAAP revenue [(1)]	$ 945.3	$ 735.2	29%	$ 1,832.0	$ 1,529.2	20%
Non-GAAP operating income [(1)]	$ 228.6	$ 169.9	35%	$ 437.8	$ 331.1	32%
Non-GAAP operating income as a % of Non-GAAP Revenue[(1)]	24.2 %	23.1 %		23.9 %	21.7 %	
Non-GAAP diluted earnings per share [(1)]	$ 0.72	$ 0.52	38%	$ 1.38	$ 1.01	37%
Annualized Recurring Revenue (“ARR”) [(1)]	$ 1,348.9	$ 1,213.4	11%	N/A	N/A	N/A

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

Second Quarter and First Two Quarters of Fiscal Year 2021 Compared with Second Quarter and First Two Quarters of Fiscal Year 2020

Revenue

During the second quarter and first two quarters of fiscal 2021, total revenue increased $211.6 million or 29% and increased $305.8 million or 20%. The increases were due to high demand for our hardware and related software from the impacts of COVID-19 lockdowns in the second quarter of fiscal 2020 and strong recovery in fiscal 2021 in markets across major regions. Growth in subscription sales in many of our software businesses continued to remain strong.

During the second quarter and first two quarters, product revenue increased $182.5 million or 44%, and $258.1 million or 29%, service revenue increased $5.5 million or 4%, and $5.4 million or 2%, and subscription revenue increased $23.6 million or 14% and $42.3 million or 13%.

Product revenue increased primarily due to strong hardware and related software sales in Geospatial, Buildings and Infrastructure, and Resources and Utilities. To a lesser extent, Transportation hardware sales also contributed to growth. Service revenue was up slightly, and subscription revenue increased primarily due to strong growth in Buildings and Infrastructure, and to a lesser extent, Resources and Utilities, slightly offset by a decrease in Transportation.

Gross Margin

During the second quarter of fiscal 2021, gross margin increased $119.7 million or 30% and, as a percentage of total revenue, was 55.6% compared to 55.3%. During the first two quarters of fiscal 2021, gross margin increased $172.0 million or 20% and, as a percentage of total revenue, was 55.6% compared to 55.5%.

Although gross margin increased due to revenue growth, gross margin as a percentage of revenue was relatively flat. Lower intangibles amortization was largely offset by product mix, including an increase in lower margin hardware sales. Overall, hardware margins were relatively consistent with the prior year - increased supply chain costs for hardware products were mitigated by less discounting and favorable hardware product mix.

Operating Income

During the second quarter of fiscal 2021, operating income increased $47.2 million or 48% and, as a percentage of total revenue, was 15.3% compared to 13.3%. During the first two quarters of fiscal 2021, operating income increased $89.8 million or 46% and, as a percentage of total revenue, was 15.6% compared to 12.8%.

Despite increased costs, primarily for incentive compensation, operating income and operating income as a percentage of revenue increased primarily due to strong revenue growth in Geospatial, Building and Infrastructure, and Resources and Utilities.

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 and expense as a percentage of revenue compared for the periods indicated:

	Second Quarter of			First Two Quarters of		
	2021	**2020**	**Change**	**2021**	**2020**	**Change**
(In millions)						
Research and development	$ 138.3	$ 114.0	21%	$ 267.7	$ 232.2	15%
Percentage of revenue	14.6 %	15.5 %		14.6 %	15.2 %	
Sales and marketing	$ 125.2	$ 103.6	21%	$ 247.6	$ 235.3	5%
Percentage of revenue	13.2 %	14.1 %		13.5 %	15.4 %	
General and administrative	$ 99.6	$ 68.8	45%	$ 185.0	$ 141.8	30%
Percentage of revenue	10.5 %	9.4 %		10.1 %	9.3 %	
Total	$ 363.1	$ 286.4	27%	$ 700.3	$ 609.3	15%

During the second quarter and first two quarters of fiscal 2021, R&D expense increased $24.3 million or 21% and $35.5 million or 15%, primarily due to higher compensation expense, including incentive compensation, and to a lesser extent, unfavorable impacts from foreign currency exchange rates.

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.

During the second quarter and first two quarters of fiscal 2021, S&M expense increased $21.6 million or 21% and $12.3 million or 5%, primarily due to higher compensation expense, including incentive compensation and commissions, and to a lesser extent, unfavorable impacts from foreign currency exchange rates.

During the second quarter and first two quarters of fiscal 2021, G&A expense increased $30.8 million or 45% and $43.2 million or 30%, primarily due to higher compensation expense, including incentive compensation, and to a lesser extent, higher consulting and legal fees, and unfavorable impacts from foreign currency exchange rates. The increases were partially offset by the impact of higher bad debt expense in the first quarter of fiscal 2020.

Amortization of Purchased Intangible Assets

	Second Quarter of			First Two Quarters of		
	2021	2020	Change	2021	2020	Change
(In millions)						
Cost of sales	$ 22.0	$ 23.2	(5)%	$ 44.1	$ 46.7	(6)%
Operating expenses	13.0	16.6	(22)%	26.7	33.5	(20)%
Total amortization expense of purchased intangibles	$ 35.0	$ 39.8	(12)%	$ 70.8	$ 80.2	(12)%
Total amortization expense of purchased intangibles as a percentage of revenue	4 %	5 %		4 %	5 %	

During the second quarter and first two quarters of fiscal 2021, total amortization expense of purchased intangibles decreased due to the expiration of prior year acquisitions' amortization.

Non-operating Income (Expense), Net

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

	Second Quarter of			First Two Quarters of		
	2021	2020	Change	2021	2020	Change
(In millions)						
Interest expense, net	$ (16.6)	$ (19.6)	(15)%	$ (33.5)	$ (40.1)	(16)%
Income from equity method investments, net	10.0	9.7	3%	21.8	19.1	14%
Other income (expense), net	24.2	3.2	656%	25.8	(4.6)	(661)%
Total non-operating income (expense), net	$ 17.6	$ (6.7)	(363)%	$ 14.1	$ (25.6)	(155)%

During the second quarter and first two quarters of fiscal 2021, non-operating income increased $24.3 million or 363% and increased $39.7 million or 155%, respectively, primarily due to the recognition of a gain from the sale of a business included in other income (expense), net, and to a lesser extent, lower interest costs associated with a decrease in our outstanding debt.

Income Tax Provision

Our effective income tax rate for the second quarter of fiscal 2021 was 14.5%, as compared to 30.5% in the corresponding period in fiscal 2020. The decrease was primarily due to a one-time tax charge related to increased valuation allowance arising from California tax legislation in the second quarter of fiscal 2020 and a one-time tax benefit from a foreign deferred tax asset in the second quarter of fiscal 2021. For the first two quarters of fiscal 2021, our effective income tax rate was 15.4%, as compared to 26.5% in the corresponding period in fiscal 2020, due to the same reasons above as well as a one-time tax benefit from foreign income tax refunds in the first quarter of fiscal 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:

	Second Quarter of			First Two Quarters of		
	2021	2020	Change	2021	2020	Change
(In millions)						
Buildings and Infrastructure						
Segment revenue	$ 364.8	$ 295.3	24%	$ 707.9	$ 592.2	20%
Segment revenue as a percent of total revenue	39 %	40 %		39 %	39 %	
Segment operating income	$ 104.1	$ 85.4	22%	$ 200.5	$ 146.2	37%
Segment operating income as a percent of segment revenue	28.5 %	28.9 %		28.3 %	24.7 %	
Geospatial						
Segment revenue	$ 219.7	$ 145.2	51%	$ 401.4	$ 291.4	38%
Segment revenue as a percent of total revenue	23 %	20 %		22 %	19 %	
Segment operating income	$ 66.1	$ 37.4	77%	$ 114.8	$ 67.9	69%
Segment operating income as a percent of segment revenue	30.1 %	25.8 %		28.6 %	23.3 %	
Resources and Utilities						
Segment revenue	$ 197.5	$ 143.8	37%	$ 402.7	$ 324.1	24%
Segment revenue as a percent of total revenue	21 %	20 %		22 %	21 %	
Segment operating income	$ 70.5	$ 49.1	44%	$ 150.6	$ 116.0	30%
Segment operating income as a percent of segment revenue	35.7 %	34.1 %		37.4 %	35.8 %	
Transportation						
Segment revenue	$ 163.3	$ 150.9	8%	$ 320.0	$ 321.5	—%
Segment revenue as a percent of total revenue	17 %	21 %		17 %	21 %	
Segment operating income	$ 12.8	$ 14.4	(11)%	$ 21.2	$ 31.3	(32)%
Segment operating income as a percent of segment revenue	7.8 %	9.5 %		6.6 %	9.7 %	

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

	Second Quarter of		First Two Quarters of	
	2021	2020	2021	2020
(In millions)				
Consolidated segment operating income	$ 253.5	$ 186.3	$ 487.1	$ 361.4
Unallocated general corporate expenses	(24.9)	(16.4)	(49.3)	(30.3)
Acquired deferred revenue adjustment	(0.1)	(1.6)	(0.3)	(3.3)
Amortization of acquired capitalized commissions	1.1	1.4	2.3	2.9
Amortization of purchased intangible assets	(35.0)	(39.8)	(70.8)	(80.2)
Acquisition / divestiture items	(6.6)	(1.9)	(10.1)	(12.7)
Stock-based compensation / deferred compensation	(38.3)	(25.4)	(67.0)	(29.9)
Restructuring and other costs	(4.9)	(5.0)	(6.2)	(12.0)
Consolidated operating income	144.8	97.6	285.7	195.9
Total non-operating income (expense), net	17.6	(6.7)	14.1	(25.6)
Consolidated income before taxes	$ 162.4	$ 90.9	$ 299.8	$ 170.3

Buildings and Infrastructure

During the second quarter and first two quarters of fiscal 2021, Buildings and Infrastructure revenue increased $69.5 million or 24% and increased $115.7 million or 20%. Segment operating income increased $18.7 million or 22% and increased $54.3 million or 37%.

Revenue increased due to strong demand for our civil engineering and construction hardware and related software sales because of strong recovery in markets across major regions, including strong residential construction and infrastructure spend. Additionally, higher subscription revenue in our software businesses benefited from the continued cumulative effect of conversions from perpetual licenses to subscription offerings for existing and new customers.

For the second quarter and first two quarters, segment operating income increased primarily due to increased revenue and consistent gross margin expansion. During the second quarter of fiscal 2021, segment operating income as a percentage of revenue was relatively flat due to slightly lower gross margin from product mix related to an increase in lower margin hardware sales. Increased supply chain costs for hardware products was mitigated by less discounting and favorable hardware product mix. During the first two quarters of fiscal 2021, segment operating income as a percentage of revenue increased due to higher revenue and gross margin expansion, including favorable mix of higher margin software and subscription revenue in the first quarter.

Geospatial

During the second quarter and first two quarters of fiscal 2021, Geospatial revenue increased $74.5 million or 51% and increased $110.0 million or 38%. Segment operating income increased $28.7 million or 77% and increased $46.9 million or 69%.

Revenue increased primarily due to strong demand for geospatial survey products, with strong recovery in markets across major regions, including strong residential construction, infrastructure, and utilities spend. New product introductions, including the R12i, helped win business.

Despite higher supply chain costs, favorable product mix largely neutralized the impacts, and both segment operating income and segment operating income as a percentage of revenue increased due to strong revenue expansion and relative operating expense containment.

Resources and Utilities

During the second quarter and first two quarters of fiscal 2021, Resources and Utilities revenue increased $53.7 million or 37% and $78.6 million or 24%. Segment operating income increased $21.4 million or 44% and increased $34.6 million or 30%.

Revenue increased primarily due to continued agriculture business strength in the reseller and OEM channels in markets across major regions. Strong market fundamentals, including favorable commodity prices and government stimulus programs fueled growth.

Despite higher supply chain costs, less discounting and richer product mix neutralized the impacts, and both segment operating income and segment operating income as a percentage of revenue increased primarily due to strong agriculture revenue expansion and relative operating expense containment.

Transportation

During the second quarter and the first two quarters of fiscal 2021, Transportation revenue increased $12.4 million or 8% and decreased $1.5 million or less than 1%. Segment operating income decreased $1.6 million or 11% and decreased $10.1 million or 32%.

For the second quarter, revenue increased due to improved trends in both our mobility and enterprise software business. Mobility revenue was driven by some recovery in hardware sales. Enterprise revenue continued to experience good subscription revenue growth as the business transitioned from a perpetual software license model. For the first two quarters, revenue was impacted by first quarter revenue declines in our mobility business including reduced hardware shipments and subscriber counts.

Despite a revenue increase of $12.4 million, second quarter segment operating income and operating income as a percentage of revenue decreased due to gross margin compression from product mix related to an increase in lower margin hardware sales and increased operating expense. For the first two quarters, segment operating income and operating income as a percentage of revenue decreased due to revenue and gross margin declines, including the impact of product mix, as well as increased operating expense.

LIQUIDITY AND CAPITAL RESOURCES

As of	Second Quarter of 2021	Fiscal Year End 2020	Change
(In millions, except percentages)			
Cash and cash equivalents	$ 484.4	$ 237.7	$ 246.7
As a percentage of total assets	7.0 %	3.5 %	
Principal balance of outstanding debt	$ 1,389.2	$ 1,555.9	$ (166.7)

	First Two Quarters of		
	2021	2020	Change
(In millions)			
Net cash provided by operating activities	$ 428.8	$ 303.2	$ 125.6
Net cash provided by (used in) investing activities	42.9	(227.4)	$ 270.3
Net cash used in financing activities	(223.1)	(60.9)	$ (162.2)
Effect of exchange rate changes on cash and cash equivalents	(1.9)	(7.7)	$ 5.8
Net increase in cash and cash equivalents	$ 246.7	$ 7.2	$ 239.5

Cash and Cash Equivalents

Our ability to continue to generate cash from operations will depend in large part on profitability, the rate of collections of accounts receivable, our inventory turns, and our ability to manage other areas of working capital. Our cash and cash equivalents are maintained with several financial institutions. Deposits held with banks may exceed the amount of insurance provided on such deposits. Generally, these deposits may be redeemed upon demand and are maintained with financial institutions considered to be of reputable credit and to present little credit risk.

We believe that our cash and cash equivalents and borrowings, as described below under the heading “Debt”, along with cash provided by operations will be sufficient to meet our anticipated operating cash needs, debt service, any stock repurchases under the stock repurchase program, and planned capital expenditures in the next twelve months.

Operating Activities

The increase in cash provided by operating activities of $125.6 million was primarily driven by higher net income adjusted for non-cash items, and to a lesser extent, positive working capital changes associated with increased revenue, including higher accounts payable balances, partially offset by an increase in accounts receivable.

Investing Activities

The increase in cash provided by investing activities of $270.3 million was primarily due to the Kuebix acquisition included in the prior year, and net proceeds from the sale of a business and the sale of property and equipment during the second quarter of fiscal 2021.

Financing Activities

The increase in cash used in financing activities of $162.2 million was primarily driven by a decrease in debt proceeds, net of debt repayments, an increase in withholding tax payment on vesting of restricted stock awards, partially offset by a decrease in repurchases of common stock.

Debt

During the first two quarters of fiscal 2021, we repaid $164.4 million of debt, net of debt proceeds. Each of our debt agreements requires us to maintain compliance with certain debt covenants, all of which we were in compliance with at the end of the second quarter of fiscal 2021. Refer to Note 6 “Debt” of this Form 10-Q for more information regarding our debt.

Off Balance Sheet Financing and Liabilities

As of the end of the second quarter of 2021, other than inventory purchases and other commitments incurred in the normal course of business, we did not have any off-balance sheet financing arrangements or liabilities.

In the normal course of business to facilitate sales of our products, we indemnify other parties, including customers, lessors and parties to other transactions with us, with respect to certain matters. We may agree to hold the other party harmless against losses arising from a breach of representations or covenants, or out of intellectual property infringement or other claims made against certain parties. These agreements may limit the time within which an indemnification claim can be made and the amount of the claim. In connection with divesting some of our businesses or assets, we may also indemnify purchasers for certain matters in the normal course of business, such as breaches of representations, covenants, or excluded liabilities. In addition, we entered into indemnification agreements with our officers and directors, and our bylaws contain similar indemnification obligations to our agents.

It is not possible to determine the maximum potential amount under these indemnification agreements due to the limited history of prior indemnification claims and the unique facts and circumstances involved in each particular agreement. Historically, payments made by us under these agreements were not material, and no liabilities have been recorded for these obligations on the Condensed Consolidated Balance Sheets at the end of the second quarter of fiscal 2021 and fiscal 2020.

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

To supplement our condensed consolidated financial information, we believe that the following information is helpful to gain an overall understanding of our past financial performance and prospects for the future. Our non-GAAP measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures. The non-GAAP financial measures and detailed explanations to the adjustments to comparable GAAP measures are below.

		Second Quarter of				First Two Quarters of			
		2021		2020		2021		2020	
(In millions, except per share amounts)		Dollar Amount	% of Revenue	Dollar Amount	% of Revenue	Dollar Amount	% of Revenue	Dollar Amount	% of Revenue
REVENUE:									
GAAP revenue:		$ 945.2		$ 733.6		$ 1,831.7		$ 1,525.9	
Acquired deferred revenue adjustment	(A)	0.1		1.6		0.3		3.3	
Non-GAAP revenue:		$ 945.3		$ 735.2		$ 1,832.0		$ 1,529.2	
GROSS MARGIN:									
GAAP gross margin:		$ 525.4	55.6 %	$ 405.7	55.3 %	$ 1,018.7	55.6 %	$ 846.7	55.5 %
Acquired deferred revenue adjustment	(A)	0.1		1.6		0.3		3.3	
Amortization of purchased intangible assets	(C)	22.0		23.2		44.1		46.7	
Acquisition / divestiture items	(D)	—		—		—		1.7	
Stock-based compensation / deferred compensation	(E)	2.6		2.0		4.6		2.7	
Restructuring and other costs	(F)	0.2		0.4		0.2		0.7	
Non-GAAP gross margin:		$ 550.3	58.2 %	$ 432.9	58.9 %	$ 1,067.9	58.3 %	$ 901.8	59.0 %
OPERATING EXPENSES:									
GAAP operating expenses:		$ 380.6	40.3 %	$ 308.1	42.0 %	$ 733.0	40.0 %	$ 650.8	42.7 %
Amortization of acquired capitalized commissions	(B)	1.1		1.4		2.3		2.9	
Amortization of purchased intangible assets	(C)	(13.0)		(16.6)		(26.7)		(33.5)	
Acquisition / divestiture items	(D)	(6.6)		(1.9)		(10.1)		(11.0)	
Stock-based compensation / deferred compensation	(E)	(35.7)		(23.4)		(62.4)		(27.2)	
Restructuring and other costs	(F)	(4.7)		(4.6)		(6.0)		(11.3)	
Non-GAAP operating expenses:		$ 321.7	34.0 %	$ 263.0	35.8 %	$ 630.1	34.4 %	$ 570.7	37.3 %
OPERATING INCOME:									
GAAP operating income:		$ 144.8	15.3 %	$ 97.6	13.3 %	$ 285.7	15.6 %	$ 195.9	12.8 %
Acquired deferred revenue adjustment	(A)	0.1		1.6		0.3		3.3	
Amortization of acquired capitalized commissions	(B)	(1.1)		(1.4)		(2.3)		(2.9)	
Amortization of purchased intangible assets	(C)	35.0		39.8		70.8		80.2	
Acquisition / divestiture items	(D)	6.6		1.9		10.1		12.7	
Stock-based compensation / deferred compensation	(E)	38.3		25.4		67.0		29.9	
Restructuring and other costs	(F)	4.9		5.0		6.2		12.0	
Non-GAAP operating income:		$ 228.6	24.2 %	$ 169.9	23.1 %	$ 437.8	23.9 %	$ 331.1	21.7 %
NON-OPERATING INCOME (EXPENSE), NET:									
GAAP non-operating income (expense), net:		$ 17.6		$ (6.7)		$ 14.1		$ (25.6)	
Acquisition / divestiture items	(D)	(20.7)		2.4		(22.8)		2.4	
Deferred compensation	(E)	(2.7)		(6.8)		(4.2)		(0.6)	
Non-GAAP non-operating expense, net:		$ (5.8)		$ (11.1)		$ (12.9)		$ (23.8)	
			GAAP and Non-GAAP Tax Rate %		GAAP and Non-GAAP Tax Rate %		GAAP and Non-GAAP Tax Rate %		GAAP and Non-GAAP Tax Rate %
			(I)		(I)		(I)		(I)
INCOME TAX PROVISION:									
GAAP income tax provision:		$ 23.5	14.5 %	$ 27.7	30.5 %	$ 46.3	15.4 %	$ 45.2	26.5 %
Non-GAAP items tax effected	(G)	8.8		20.7		19.5		35.9	
Difference in GAAP and Non-GAAP tax rate	(H)	6.7		(21.3)		8.2		(28.0)	

Non-GAAP income tax provision:		$	39.0	17.5 %	$	27.1	17.1 %	$	74.0	17.4 %	$	53.1	17.3 %
NET INCOME:													
GAAP net income attributable to Trimble Inc.:		$	138.9		$	63.0		$	253.4		$	124.9	
Acquired deferred revenue adjustment	(A)		0.1			1.6			0.3			3.3	
Amortization of acquired capitalized commissions	(B)		(1.1)			(1.4)			(2.3)			(2.9)	
Amortization of purchased intangible assets	(C)		35.0			39.8			70.8			80.2	
Acquisition / divestiture items	(D)		(14.1)			4.3			(12.7)			15.1	
Stock-based compensation / deferred compensation	(E)		35.6			18.6			62.8			29.3	
Restructuring and other costs	(F)		4.9			5.0			6.2			12.0	
Non-GAAP tax adjustments	(G) - (H)		(15.5)			0.6			(27.7)			(7.9)	
Non-GAAP net income attributable to Trimble Inc.:		$	183.8		$	131.5		$	350.8		$	254.0	
DILUTED NET INCOME PER SHARE:													
GAAP diluted net income per share attributable to Trimble Inc.:		$	0.55		$	0.25		$	1.00		$	0.50	
Acquired deferred revenue adjustment	(A)		—			0.01			—			0.01	
Amortization of acquired capitalized commissions	(B)		—			(0.01)			(0.01)			(0.01)	
Amortization of purchased intangible assets	(C)		0.13			0.16			0.28			0.32	
Acquisition / divestiture items	(D)		(0.06)			0.02			(0.05)			0.06	
Stock-based compensation / deferred compensation	(E)		0.14			0.07			0.25			0.12	
Restructuring and other costs	(F)		0.02			0.02			0.02			0.04	
Non-GAAP tax adjustments	(G) - (H)		(0.06)			—			(0.11)			(0.03)	
Non-GAAP diluted net income per share attributable to Trimble Inc.:		$	0.72		$	0.52		$	1.38		$	1.01	
ADJUSTED EBITDA:													
GAAP net income attributable to Trimble Inc.:		$	138.9		$	63.0		$	253.4		$	124.9	
Non-operating income (expense), net, income tax provision, and net gain attributable to noncontrolling interests			5.9			34.6			32.3			71.0	
GAAP operating income:			144.8			97.6			285.7			195.9	
Acquired deferred revenue adjustment	(A)		0.1			1.6			0.3			3.3	
Amortization of acquired capitalized commissions	(B)		(1.1)			(1.4)			(2.3)			(2.9)	
Amortization of purchased intangible assets	(C)		35.0			39.8			70.8			80.2	
Acquisition / divestiture items	(D)		6.6			1.9			10.1			12.7	
Stock-based compensation / deferred compensation	(E)		38.3			25.4			67.0			29.9	
Restructuring and other costs	(F)		4.9			5.0			6.2			12.0	
Non-GAAP operating income:			228.6			169.9			437.8			331.1	
Depreciation expense			10.7			9.7			21.0			19.5	
Income from equity method investments, net			10.0			9.7			21.8			19.1	
Adjusted EBITDA		$	249.3	26.4 %	$	189.3	25.7 %	$	480.6	26.2 %	$	369.7	24.2 %

Annualized Recurring Revenue Explanation

In addition to providing non-GAAP financial measures, we provide an annualized recurring revenue (“ARR”) performance measure in order to provide investors with a supplementary indicator of the value of the Company's current recurring revenue contracts. ARR 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. 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.

Non-GAAP Explanations

Non-GAAP revenue

We believe this measure helps investors understand the performance of our business, 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 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 gross margin excludes the effects of certain acquired deferred revenue, amortization of purchased intangible assets, acquisition/divestiture items, stock-based compensation, deferred compensation, and restructuring and other costs. We believe that these adjustments offer investors additional information that may be useful to view trends in our gross margin performance.

Non-GAAP operating expenses

We believe this measure is important to investors evaluating our non-GAAP spending in relation to revenue. Non-GAAP operating expenses exclude the effects of certain acquired capitalized commissions that were eliminated in purchase accounting, amortization of purchased intangible assets, acquisition/divestiture items, stock-based compensation, deferred compensation, and restructuring and other costs. We believe that these adjustments offer investors supplemental information to facilitate comparison of our operating expenses to our prior results and trends.

Non-GAAP operating income

We believe our investors benefit by understanding our non-GAAP operating income trends, which are driven by revenue, gross margin, and spending. Non-GAAP operating income excludes the effects of purchase accounting adjustments to certain acquired deferred revenue and acquired capitalized commissions, amortization of purchased intangible assets, acquisition/divestiture items, stock-based compensation, deferred compensation, and restructuring and other costs. We believe that these adjustments offer a supplemental means for our investors to evaluate current operating performance compared to prior results and trends.

Non-GAAP non-operating expense, net

We believe this measure helps investors evaluate our non-operating income trends. Non-GAAP non-operating expense, net, excludes acquisition/divestiture items, and deferred compensation. We believe that these exclusions provide investors with a supplemental view of our ongoing financial results.

Non-GAAP income tax provision

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. The non-GAAP tax rate excludes charges and benefits such as net deferred tax impacts results from the non-U.S. intercompany transfer of intellectual property, tax law changes, and significant one-time reserve releases upon statute of limitations expirations.

Non-GAAP net income

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 net income excludes the effects of purchase accounting adjustments to certain acquired deferred revenue and acquired capitalized commissions, amortization of purchased intangible assets, acquisition/divestiture items, stock-based compensation, restructuring and other costs, and non-GAAP tax adjustments. We believe our investors benefit from understanding these adjustments and from an alternative view of our net income performance as compared to prior periods and trends.

Non-GAAP diluted net income per share

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. Non-GAAP diluted net income per share excludes the effects of purchase accounting adjustments to certain acquired deferred revenue and acquired capitalized commissions, amortization of purchased intangible assets, acquisition/divestiture items, stock-based compensation, restructuring and other costs, and non-GAAP tax adjustments. We believe that these adjustments offer investors a useful view of our diluted net income per share as compared to our prior periods and trends.

Adjusted EBITDA

Adjusted EBITDA is a performance measure that we believe offers a useful view of the overall operations of our business by removing potential differences caused by variations unrelated to operating performance, such as capital structures (interest expense), income taxes, depreciation and amortization expenses. 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 to cash flow from operating activities as a measure of liquidity.

These non-GAAP measures can be used to evaluate our historical and prospective financial performance, as well as our performance relative to competitors. We believe some of our investors track our "core operating performance" as a means of evaluating our performance in the ordinary, ongoing, and customary course of our operations. Core operating performance excludes items that are non-cash, not expected to recur, or not reflective of ongoing financial results. Management also believes that looking at our core operating performance provides a supplemental way to provide consistency in period to period comparisons. Accordingly, management excludes from non-GAAP the effects of purchase accounting adjustments to certain acquired deferred revenue and acquired capitalized commissions, amortization of purchased intangible assets, acquisition/divestiture items, stock-based compensation, deferred compensation, restructuring and other costs, and non-GAAP tax adjustments.

(A). *Acquired deferred revenue adjustment*. Purchase accounting generally requires us to write-down acquired deferred revenue to fair value. Our GAAP revenue includes the fair value impact from purchase accounting for post-contract support and subscriptions contracts assumed in connection with our acquisitions. The non-GAAP adjustment to our revenue is intended to reflect the full amount of such revenue. We believe this adjustment is useful to investors as a measure of the ongoing performance of our business and facilitates analysis of revenue growth and business trends.

(B). *Amortization of acquired capitalized commissions*. Purchase accounting generally requires us to eliminate capitalized sales commissions balances as of the acquisition date. Our GAAP sales and marketing expenses generally do not reflect the amortization of these capitalized sales commissions balances. The non-GAAP adjustment to increase our sales and marketing expenses is intended to reflect the full amount of amortization related to such balances as though the acquired companies operated independently in the periods presented. We believe this adjustment to sales and marketing expenses is useful to investors as a measure of the ongoing performance of our business.

(C). *Amortization of purchased intangible assets*. Included in our GAAP presentation of cost of sales and operating expenses is amortization of purchased intangible assets. We believe that by excluding the amortization of purchased intangible assets, which primarily represents technology and/or customer relationships already developed, this provides an alternative way for investors to compare our operations pre-acquisition to those post-acquisition and to those of our competitors that have pursued internal growth strategies. However, we note that companies that grow internally will incur costs to develop intangible assets that will be expensed in the period incurred, which may make a direct comparison more difficult.

(D). *Acquisition / divestiture items*. Included in our GAAP presentation of cost of sales and operating expenses are acquisition costs comprised 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. Included in our GAAP presentation of non-operating expense, net, acquisition/divestiture items includes unusual acquisition, investment, and/or divestiture gains/losses. Although we do numerous acquisitions, the costs that have been excluded from the non-GAAP measures are costs specific to particular acquisitions. These are one-time costs that vary significantly in amount and timing and are not indicative of our core operating performance.

(E). *Stock-based compensation / deferred compensation*. Included in our GAAP presentation of cost of sales and operating expenses are stock-based compensation consists of expenses for employee stock options and awards and purchase rights under our employee stock purchase plan. Additionally, included in our GAAP presentation of cost of sales and operating expenses are 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. We exclude them from our non-GAAP measures because some investors may view it as not reflective of our core operating performance as they are a non-cash item.

(F). *Restructuring and other costs.* Included in our GAAP presentation of cost of sales and operating expenses are 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 COVID-19 expenses incurred as a direct impact from the COVID-19 virus pandemic, such as cancellation fees of trade shows due to public safety issues, additional costs for disinfecting facilities, and personal protective equipment. We exclude restructuring and other exit costs and COVID-19 expenses from our non-GAAP measures because we believe they do not reflect expected future operating expenses, they are not indicative of our core operating performance, and they are not meaningful in comparison to our past operating performance. Furthermore, these costs can vary significantly, thus exclusion from our non-GAAP results is useful to investors because it allows for period-over-period comparability.

(G). *Non-GAAP items tax effected*. This amount adjusts the provision for income taxes to reflect the effect of the non-GAAP items (A) - (F) on non-GAAP net income. We believe this information is useful to investors because it provides for consistent treatment of the excluded items in this non-GAAP presentation.

(H). *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. We believe that investors benefit from excluding this amount from our non-GAAP income tax provision because it facilitates a comparison of the non-GAAP tax provision in the current and prior periods.

(I). *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. We believe that investors benefit from a presentation of non-GAAP tax rate percentage as a way of facilitating a comparison to non-GAAP tax rates in prior periods.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE 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 January 1, 2021. For discussion of financial markets risks related to changes in interest rate, refer to “Quantitative and Qualitative Disclosure about Market Risk” section of the 2020 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 second quarter and the first two quarters of fiscal 2021, revenue was favorably impacted by foreign currency exchange rates by $23.1 million and $46.0 million; operating income was favorably impacted by $2.5 million and $6.0 million.

We enter into foreign currency forward contracts to minimize the short-term impact of foreign currency exchange rate fluctuations on cash, debt, certain trade and intercompany receivables and payables, primarily denominated in British Pound, New Zealand Dollars, Brazilian Real, Canadian Dollars, Euro, and Norwegian Krone. 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 as of the end of the second quarter of fiscal 2021 and fiscal year end 2020 are summarized as follows (in millions):

	Second Quarter of Fiscal 2021		Fiscal Year End 2020	
	Nominal Amount	Fair Value	Nominal Amount	Fair Value
Forward contracts:				
Purchased	$ (136.0)	$ 0.1	$ (99.4)	$ 0.9
Sold	$ 76.0	$ (0.2)	$ 52.0	$ (0.5)

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 fiscal 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

There have been no material changes to the Company’s risk factors since the 2020 Form 10-K. The risk factors described in the 2020 Form 10-K are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition, or operating results.

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

(a) None.

(b) None.

(c) None.

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

3.1	Certificate of Incorporation of the Company. (1)
3.2	Bylaws of the Company. (2)
4.1	Specimen copy of certificate for shares of Common Stock of the Company. (3)
10.1	2002 Stock Plan - Form of performance stock unit award agreement (ARR-based) (4) (+)
10.2	2002 Stock Plan - Form of performance stock unit award agreement (TSR-based) (4) (+)
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (4)
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (4)
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (4)
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (4)
101	The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended July 2, 2021, formatted in Inline XBRL: (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, tagged as blocks of text and including detailed tags.
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended July 2, 2021, formatted in Inline XBRL.

(1) Incorporated by reference to exhibit 3.1 to the Company's Current Report on Form 8-K filed October 3, 2016.
(2) Incorporated by reference to exhibit 3.1 to the Company's Current Report on Form 8-K filed September 30, 2020.
(3) Incorporated by reference to exhibit 4.1 to the Company's Current Report on Form 8-K filed October 3, 2016.
(4) Furnished or filed herewith.
(+) 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: August 6, 2021

TRIMBLE INC.
AMENDED AND RESTATED 2002 STOCK PLAN

PERFORMANCE STOCK UNIT
AWARD AGREEMENT
(ARR 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 <u>Schedule A</u>), but only (i) to the extent the Performance Goals (as set forth in <u>Schedule A</u>) 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) during the first 74 days of the calendar year immediately following the end of the Performance Period (including Performance Stock Units that vest in connection with the vesting events described under paragraphs (1), (2)(a) and 2(b)(iii) (i.e., the Time-Based RSUs vesting upon attainment of the service vesting requirement) under the "Vesting Schedule" section above; 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;

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, 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.

Code Section 409A

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.

<u>No Advice Regarding Award</u>

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.

<u>No Stockholder Rights Prior to Settlement</u>

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.

<u>Compliance with Law</u>

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.

<u>Clawback Provision</u>

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.

<u>Insider Trading Restrictions / Market Abuse Laws</u>

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.

<u>Data Privacy Information and Consent</u>

The Company is located at [Company Address] 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) <u>Data Collection and Usage</u>. 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) <u>Stock Plan Administration Service Providers</u>. 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) <u>International Data Transfers</u>. 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) <u>Data Retention</u>. 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) <u>Voluntariness and Consequences of Consent Denial or Withdrawal</u>. 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) <u>Data Subject Rights</u>. 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 admin email address].

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.

<u>Entire Agreement</u>

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.

<u>Governing Law/Venue</u>

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

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:

§ The product of Target Units, multiplied by the ARR Factor (defined below).

2. Performance Period:

The "Performance Period" covers [three fiscal years, ending ____], with the Performance Goals scored in one "Scoring Window" equal to and covering the entire Performance Period.

3. Performance Goals:

The "**ARR Factor**" is based on the increase in the Company's year-end ARR (as defined below) during the Performance Period and shall be determined by reference to the Company's actual ARR for [the final fiscal year] 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.

ARR (baseline) ($M)	3-year CAGR needed to achieve goal	[Final year] ARR, actual ($M)	ARR Factor	
			0	
			.50x	
			1.00x	
			1.50x	
			2.00x	*(maximum)*

The financial metrics used herein refer to amounts for the final fiscal year of the Performance Period, 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.

As used herein, the Company's year-end ARR is based on the following definition, where "current quarter" means the last quarter of the applicable fiscal year:

"**ARR**" or "**Annual 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.

4. Adjustments:

The calculation of the ARR Factor shall be subject to the following adjustments:

(a) Acquisitions, Divestitures, and Currency Translation. In the case of:

(i) any individual acquisitions or divestitures by the Company completed during the Performance 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 Performance 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 and/or the Actual ARR used to determine the ARR Factor, to provide approximately similar attainment as if such event(s) had not occurred.

(b) Other Adjustments. 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.

TRIMBLE INC.
AMENDED AND RESTATED 2002 STOCK PLAN

PERFORMANCE STOCK UNIT
AWARD AGREEMENT
(TSR Awards, revised version)

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**

Vesting Schedule

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) during the first 74 days of the calendar year immediately following the end of the Performance Period (including Performance Stock Units that vest in connection with the vesting events described under paragraphs (1), (2)(a) and 2(b)(iii) (i.e., the Time-Based RSUs vesting upon attainment of the service vesting requirement) under the “Vesting Schedule” section above; 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;

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, 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.

Code Section 409A

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.

<u>No Advice Regarding Award</u>

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.

<u>No Stockholder Rights Prior to Settlement</u>

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.

<u>Compliance with Law</u>

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.

<u>Clawback Provision</u>

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.

<u>Insider Trading Restrictions / Market Abuse Laws</u>

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.

<u>Data Privacy Information and Consent</u>

The Company is located at [Company Address] 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) <u>Data Collection and Usage</u>. 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) <u>Stock Plan Administration Service Providers</u>. 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) <u>International Data Transfers</u>. 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) <u>Data Retention</u>. 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) <u>Voluntariness and Consequences of Consent Denial or Withdrawal</u>. 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) <u>Data Subject Rights</u>. 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 admin email address].

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.

<u>Entire Agreement</u>

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.

<u>Governing Law/Venue</u>

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.

<u>Language</u>

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.

<u>Electronic Delivery and Participation</u>

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.

<u>Severability</u>

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.

<u>Imposition of Other Requirements</u>

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.

<u>Foreign Asset/Account Reporting Requirements; Exchange Controls</u>

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.

<u>Waiver</u>

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 –

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:

the product of:

(a) the Target Units, multiplied by

(b) the TSR Multiplier (as set forth in Section 4 below).

2. Performance Period: The period beginning May 15, 20__ and ending May 15, 20__.

3. Annual Scoring:

The Performance Stock Units are scored in three (3) "Scoring Windows," as follows.

"Scoring Window"	Time Period	"Installment Portion"
Window 1 (one year)	[first year]	1/3
Window 2 (two year)	[first two years]	1/3
Window 3 (three year)	[all three years]	1/3

The attainment level of the Performance Goals (set forth below) shall be calculated for each Scoring Window to determine the number of Performance Stock Units that become eligible to vest within the Installment Portion represented by each Scoring Window. Although the attainment level of the Performance Goals for a particular Scoring Window may be achieved, you will not vest in any of the Performance Stock Units unless you continue to be a Service Provider through the last day of the Performance Period, except as otherwise provided in the Vesting Schedule section of the Agreement.

4. Performance Goals:

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

TSR Percentile Ranking	"TSR Multiplier"
Below threshold	0%
Threshold: 2^{5th} percentile	50%
Target: ^{50th} percentile	100%
Maximum: ^{75th} percentile	200%

where:

"**TSR Percentile Ranking**" is the comparison of Total Shareholder Return of the Company against the Total Shareholder Return of all companies included in the S&P 500 Index (the "**S&P 500**") during the entire Scoring Window (excluding companies that are added to the S&P 500 during the Scoring Window and excluding companies that are not members of the S&P 500 at the end of the Scoring Window);

"**Total Shareholder Return**" means the quotient of:

(i) the Trailing Average Price of the applicable issuer's shares at the end of the Scoring Window minus the Trailing Average Price of such issuer's shares at the beginning of the Scoring Window, plus assumed reinvestment as of the ex-dividend date of ordinary and extraordinary cash dividends, if any, paid by such issuer during the Scoring Window, divided by

(ii) the Trailing Average Price of such issuer’s shares at the beginning of the Scoring Window; and

“**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;

with adjustments to share prices and dividend payments to reflect stock splits during the Scoring Window.

5. Adjustments: At all times, the Administrator retains the right to make 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: August 6, 2021

/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: August 6, 2021

/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 July 2, 2021 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

August 6, 2021

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 July 2, 2021 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
August 6, 2021