



Trimble Second Quarter 2021 Results Summary

Second quarter 2021 highlights

Key Messages

- Outperformed expectations in the quarter
- Strength in end markets
- Focused on executing Connect & Scale 2025 strategy

Financial Highlights

- Record Q2 revenue: \$945 million, +29% overall, +27% organic
- Record ARR: \$1.35B, +11% overall, +10% organic
- Record TTM operating cash flow: \$798M, up 42%
- Adjusted EBITDA margin: 26.4%
- Non-GAAP EPS growth: +38%

ARR refers to annualized recurring revenue, and 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.

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

Figures may vary due to rounding.

Trimble Operating System highlights

Trimble Operating System	Proof Points
Strategy	<ul style="list-style-type: none">▪ Subscription transitions expanding addressable market in Buildings & Infrastructure and Transportation▪ Investing in digital transformation▪ Divestitures of Manhattan Software in Q2 and Iron Solutions in early Q3▪ Launch of Trimble Ventures
People	<ul style="list-style-type: none">▪ Ranked as Top Leadership Team, including top performing company for women and diversity, in Global Culture survey▪ Employees ranked us #7 in the top 50 companies for best engineering teams▪ Ann Fandozzi appointed to Trimble Board of Directors, effective August 16, 2021▪ Hosted employee resource network sponsored events for Pride and Asian Pacific American Heritage Month; culturally sensitive mental health workshops and education for all employees.▪ Added new DEI recruiting partnerships with organizations such as Pathforward.org, NSBE.org and Blackfacts.com
Execution	<ul style="list-style-type: none">▪ Cross selling in construction software delivering incremental ACV growth▪ Collaboration with HORSCH to enable autonomy in agriculture▪ Transportation bookings up significantly and stable ARR▪ Availability of Quadri infrastructure BIM collaboration software for North America▪ Announced Trimble Earthworks for soil compactors

Trimble Ventures Launch

Accelerating the growth of innovative companies that are valuable to our customers and complimentary to our partners, products and platforms

- Accelerates Trimble's platform and technology ecosystem strategy and supports Connect and Scale
- A commitment of \$200M, focused on series A through series D investments
- Fills gap between partner programs and M&A
- Provides enhanced view of emerging technologies

ventures.Trimble.com

Second quarter 2021 financial summary

\$M, Except Per Share	Second Quarter of		
Non-GAAP Highlights	2020	2021	Y/Y Change
Revenue	\$735.2	\$945.3	+29%
Gross Margin % of Revenue	58.9%	58.2%	-70bps
Adjusted EBITDA	\$189.3	\$249.3	+32%
Adjusted EBITDA % of Revenue	25.7%	26.4%	+70bps
Operating Income	\$169.9	\$228.6	+35%
Operating Income % of Revenue	23.1%	24.2%	+110bps
Tax Rate	17.1%	17.5%	+40bps
Net Income	\$131.5	\$183.8	+40%
Diluted Earnings Per Share	\$0.52	\$0.72	+38%
Balance Sheet & Cash Flow Highlights			
Net Debt	\$1,636.3	\$897.0	-45%
Deferred Revenue	\$531.0	\$606.1	+14%
Cash Flow from Operations	\$147.5	\$200.6	+36%
Free Cash Flow	\$134.6	\$189.8	+41%

- Revenue: +29% y/y;
 - Organic +27%
 - Currency translation +3%
 - Acquisitions/divestitures -1%
- Gross margin down due to revenue mix and increased product costs, partially offset by lower discounting
- EPS up \$0.20/share, driven primarily by higher revenue
- Cash flow growth driven by Adjusted EBITDA growth and improved working capital

Second quarter revenue trends by type and geography

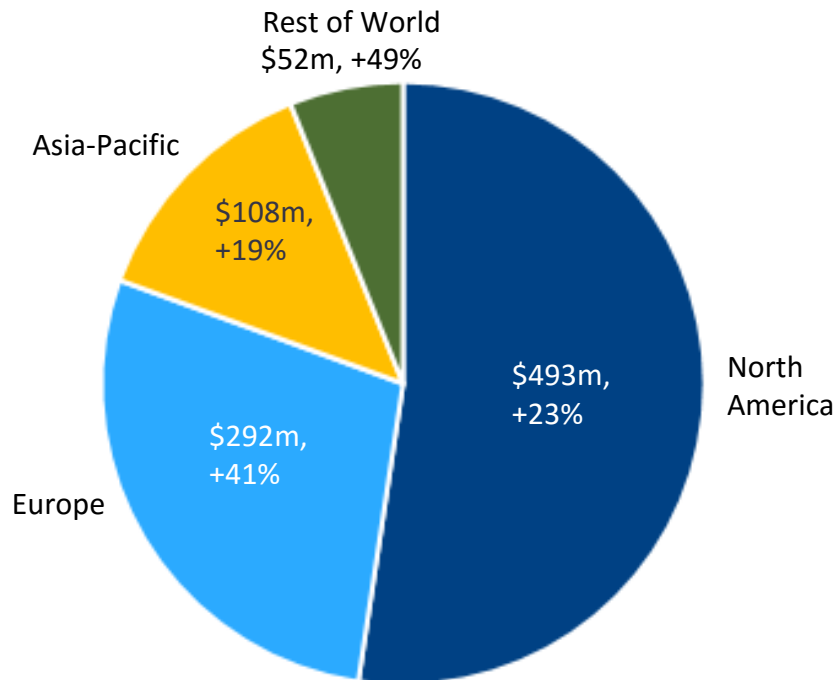
Recurring Revenue Streams

\$ Billions	Second Quarter of		
	2020	2021	Y/Y Change
Annualized Recurring Revenue (ARR)	\$1.21	\$1.35	+11%

Non-Recurring Non-GAAP Revenue Streams

\$ Millions	Second Quarter of		
	2020	2021	Y/Y Change
Hardware	\$299.5	\$441.7	+47%
Perpetual Software	\$91.2	\$127.9	+40%
Professional Services	\$38.6	\$39.2	+2%

Q2'2021 Non-GAAP Revenue by Geography



Financial metric highlights

**Annualized recurring revenue
≈\$1.35B (+11% growth)**

**\$1.94B in TTM software, services
and recurring non-GAAP revenue**

**Net working capital
<0% of TTM non-GAAP revenue**

**TTM Adjusted EBITDA Margin
26.3%**

Approx. \$1.5B backlog

**TTM research & development
14.8% of TTM non-GAAP revenue
(>65% of R&D in software)**

+14% Deferred Revenue growth

**TTM Operating Cash Flow \$798 million
(1.21x non-GAAP net income)**

Backlog represents contracted revenue for which goods or services have not been delivered and includes both invoiced amounts in deferred revenue as well as amounts that are not yet invoiced. The backlog excludes recurring billings for a portion of the existing customer base that are billed monthly as services are incurred.

Net working capital refers to Accounts Receivable plus Inventory minus Accounts Payable minus Accrued Compensation and Benefits minus Deferred Revenue (current and non-current).

Software, Services, Recurring refers to software, services and recurring revenues. Recurring revenue includes subscription, maintenance and support revenues. Software includes perpetual and term licenses. Services includes professional and other services.

Second quarter 2021 segment results

\$M	Q2'21 Non-GAAP Revenue & Y/Y Growth	Q2'21 Non-GAAP Operating Income \$ / %	Q2'21 Commentary
Buildings & Infrastructure	\$364.8, +24% (+22% organic, +3% FX, -2% M&A/Divestiture)	\$104.1 28.5%	<ul style="list-style-type: none"> Revenue growth strong in both building and civil construction businesses, with particularly strong growth in civil hardware and related software Recurring software bookings up approximately 25% year over year ARR up in high-teens, driven by organic growth and business model conversion
Geospatial	\$219.7, +51% (+48% organic, +3% FX, 0% M&A)	\$66.1 30.1%	<ul style="list-style-type: none"> Continued strong demand across all major regions and end markets Product innovation continuing to drive revenue
Resources & Utilities	\$197.5, +37% (+32% organic, +5% FX, 0% M&A)	\$70.5 35.7%	<ul style="list-style-type: none"> Robust market conditions in all major regions Both aftermarket and OEM sales strong Positioning services growth continuing
Transportation	\$163.3, 8% (+9% organic, +2% FX, -2% M&A/Divestiture)	\$12.8 7.8%	<ul style="list-style-type: none"> Segment revenue grew year over year for the first time since Q4'19 Sequential profit improvement Significant growth in bookings and stable ARR
Trimble Total	\$945.3, +29% (+27% organic, +3% FX, -1% M&A/Divestiture)	\$228.6 24.2%	

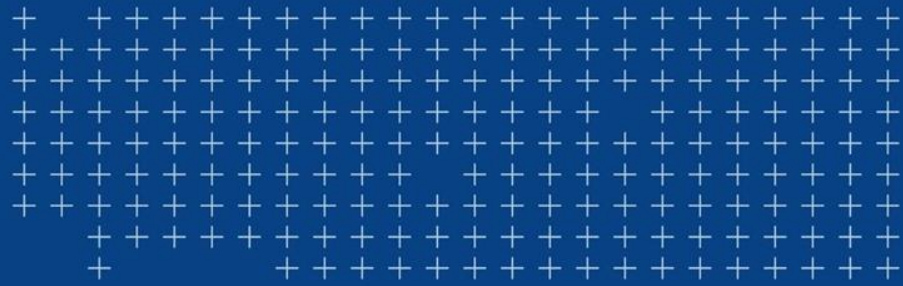
2021 updated outlook

- **Key planning assumptions**
 - Demand continues to rebound across nearly all of our end markets
 - Supply environment challenged; significant cost inflation due to supply imbalances impacting gross margins
 - Outlook excludes impact of future acquisitions and divestitures
- **2021 non-GAAP Revenue \$3.55B-\$3.65B**
 - Organic revenue growth low to mid teens, plus $\approx 1.5\%$ currency, minus $\approx 1\%$ completed divestitures
 - Organic ARR growth of approximately 10% for the full year
- **2021 non-GAAP EPS \$2.45-\$2.65**
 - 2H21 gross margin down about 50-100 bps vs 2H20, lowest in Q3'21
 - Adjusted EBITDA and operating margins comparable to 2020 for full year
 - Model transitions to subscription adversely impact revenue growth and margins by ≈ 150 basis points
 - Income from equity method investments \$30-\$35M
 - Net interest expense \$65-\$68M
 - Non-GAAP tax rate of 17.5%, 254M shares outstanding
- **Cash flow from operations > 1.1X non-GAAP net income; free cash flow >1X non-GAAP net income**

Forward-looking statements

Certain statements made in this presentation and any subsequent Q&A period are forward-looking statements, within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and are made pursuant to the safe harbor provisions of the Securities Litigation Reform Act of 1995. These statements include expectations about our future financial and operational results. These forward-looking statements are subject to change, and actual results may materially differ due to certain risks and uncertainties. The Company's results may be adversely affected if the Company is unable to market, manufacture and ship new products, obtain new customers, or effectively integrate new acquisitions. The Company's results would also be negatively impacted by deterioration in economic conditions as a result of the COVID-19 pandemic, supply chain shortages and disruptions, resulting in increases in costs and reduced revenue, adverse geopolitical developments, weakening in the macro environment, foreign exchange fluctuations, the pace we transition our business model towards a subscription model, and the imposition of barriers to international trade. Any failure to achieve predicted results could negatively impact the Company's revenue, cash flow from operations, and other financial results. The Company's financial results will also depend on a number of other factors and risks detailed from time to time in reports filed with the SEC, including its quarterly reports on Form 10-Q and its annual report on Form 10-K. Undue reliance should not be placed on any forward-looking statement contained herein. These statements reflect the Company's position as of the date of this presentation. The Company expressly disclaims any undertaking to release publicly any updates or revisions to any statements to reflect any change in the Company's expectations or any change of events, conditions, or circumstances on which any such statement is based.

To help our investors understand our past financial performance and our future results, as well as our performance relative to competitors, we supplement the financial results that we provide in accordance with generally accepted accounting principles, or GAAP, with non-GAAP financial measures. The previous pages contain non-GAAP measures including non-GAAP revenue, Adjusted EBITDA, free cash flow, non-GAAP operating income, non-GAAP gross margins, non-GAAP tax rate, non-GAAP net income, and non-GAAP diluted earnings per share. The specific non-GAAP measures, which we use along with a reconciliation to the nearest comparable GAAP measures can be found on our website at <http://investor.trimble.com>.



Q&A

