

Trimble Inc.

Second Quarter 2022 Results Summary

Second quarter 2022 highlights

Key Messages

- Outperformed expectations in the quarter
- Strong ARR and gross margin performance, despite supply chain challenges
- Continued focus and execution on Connect & Scale strategy - Trimble Construction One as a proof point
- Divested 5 businesses and exited Russia business

Financial Highlights

- 6% organic revenue growth
- Recurring revenue strength with ARR of \$1.51B (+12% overall, +15% organic)
- Record gross margin of 59.7%
- Operating margin above pre-COVID levels, but down as expected due to subscription transition and investments
- Share repurchases of \$200M in Q2, and \$305M year-to-date

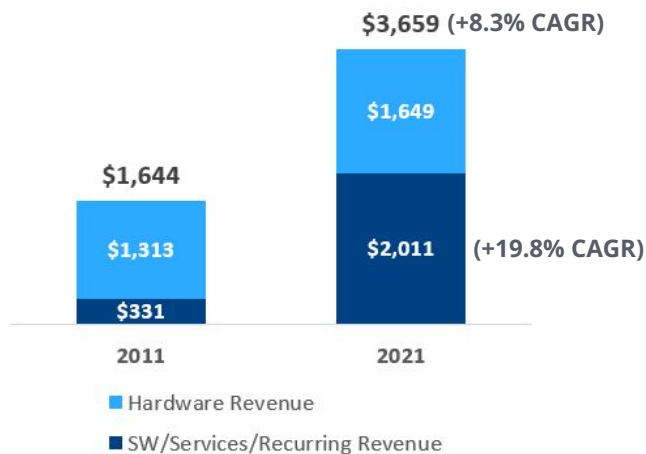
ARR refers to annualized recurring revenue, and is calculated by adding the portion of the contract value of all of our term licenses attributable to the current quarter to our non GAAP recurring revenue for the current quarter and dividing that sum by the number of days in the quarter and then multiplying that quotient by 365.
Organic revenue refers to revenue excluding the impacts of (i) foreign currency translation (FX), and (ii) acquisitions and divestitures.
Figures may vary due to rounding.



Increasing business model resilience, by design

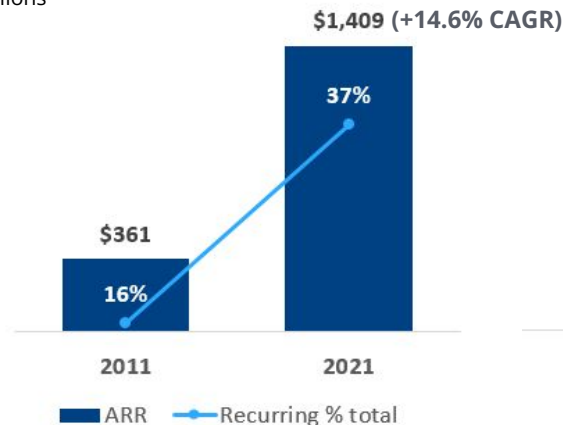
Revenue

\$ Millions



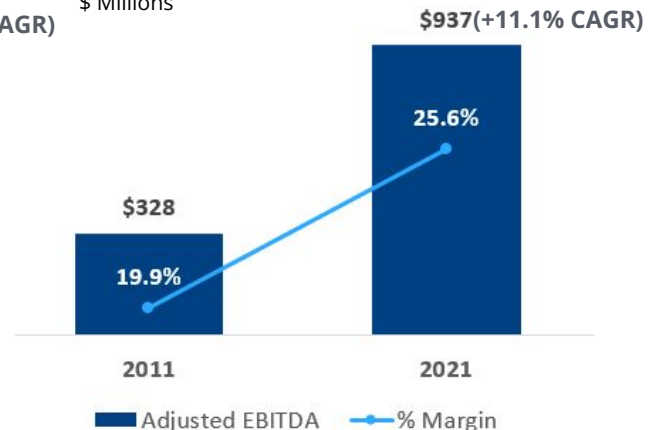
Annualized Recurring Revenue

\$ Millions



Adjusted EBITDA

\$ Millions



55% Software/Services/Recurring representing over \$2 billion in revenue

Currently \$1.51 billion in ARR growing at double-digit rates

Expanding margins and an asset light business model



Second quarter 2022 financial summary

\$M, Except Per Share	Second Quarter of		
Non-GAAP Highlights	2021	2022	Y/Y Change
Revenue	\$945.3	\$941.2	-0%
Gross Margin % of Revenue	58.2%	59.7%	+150 bps
Adjusted EBITDA	\$249.3	\$227.5	-9%
Adjusted EBITDA % of Revenue	26.4%	24.2%	-220 bps
Operating Income	\$228.6	\$210.7	-8%
Operating Income % of Revenue	24.2%	22.4%	-180 bps
Tax Rate	17.5%	18.4%	+90 bps
Net Income	\$183.8	\$161.6	-12%
Diluted Earnings Per Share	\$0.72	\$0.64	-11%
Balance Sheet & Cash Flow Highlights			
Net Debt	\$897.0	\$944.0	+5%
Deferred Revenue	\$606.1	\$685.2	+13%
Trailing 12-Month Cash Flow from Operations	\$797.6	\$523.5	-34%
Trailing 12-Month Free Cash Flow	\$749.0	\$470.3	-37%
Trailing 12-Month Share Repurchases	\$71.6	\$444.7	+521%

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

- Organic revenue: +6% y/y
 - Total revenue: 0% y/y
 - Currency translation: -3%
 - Acquisitions: +1%
 - Divestitures: -4%
- Gross margin higher due to increased software and recurring revenue mix
- Operating income dollars & EPS down as expected due to divestitures and FX, as well as subscription transition and Connect & Scale investments
- TTM cash flow unusually low due to timing of cash taxes (Section 174 payment) as well as inventory purchases and payment timing
- Q2 share repurchases of \$200m

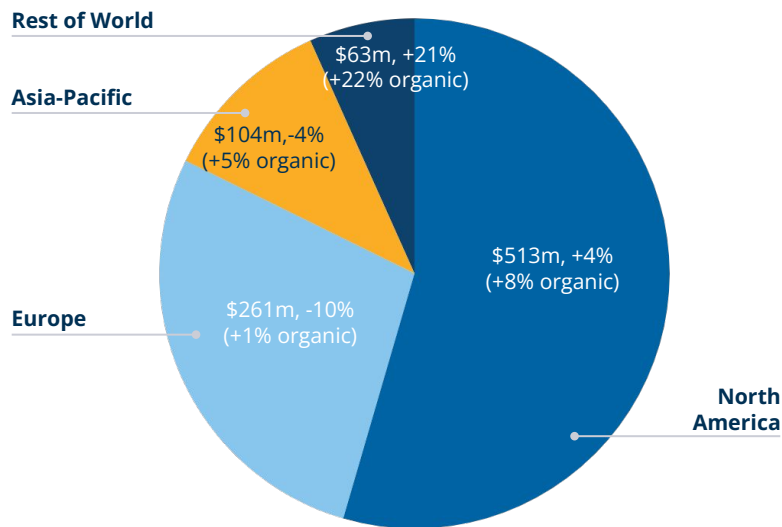


Second quarter revenue by type and geography

Recurring Revenue Streams				
\$ Billions	Second Quarter of			
	2021	2022	Y/Y Change	Y/Y Organic Change
Annualized Recurring Revenue	\$1.35	\$1.51	+12%	+15%

Non-Recurring Revenue Streams				
\$ Millions	Second Quarter of			
	2021	2022	Y/Y Change	Y/Y Organic Change
Hardware	\$441.7	\$410.3	-7%	+3%
Perpetual Software	\$127.9	\$120.8	-6%	-3%
Professional Services	\$39.2	\$34.6	-12%	-10%

Q2'2022 Revenue by Geography



Financial metric highlights

Annualized recurring revenue ~\$1.51B (+12% growth, +15% organic)	Approx. \$1.6B backlog
\$2.1B in TTM software, services and recurring revenue	TTM research & development 14.6% of TTM revenue (>65% of R&D in software)
Net working capital <0% of TTM revenue	+13% Deferred Revenue growth
TTM Adjusted EBITDA Margin 24.9%	TTM share repurchases of \$445M

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 2022 segment results

\$M	Q'22 Revenue & Y/Y Growth	Q'22 Non-GAAP Operating Income \$ / %	Q'22 Commentary
Buildings & Infrastructure	\$382.6, +5% (+13% organic, -3% FX, +1% Acq., -6% Divestiture)	\$101.4 26.5%	<ul style="list-style-type: none"> Broad based organic revenue growth in all major businesses Organic ARR growth >20% driven by organic growth and business model conversion
Geospatial	\$193.7, -12% (-5% organic, -3% FX, -4% Divestiture)	\$57.8 29.8%	<ul style="list-style-type: none"> Organic revenue down as expected, impacted by unusually strong hardware sales in prior year and supply constraints Recurring offerings continuing to grow
Resources & Utilities	\$214.8, +9% (+15% organic, -5% FX, -1% Divestiture)	\$73.0 34.0%	<ul style="list-style-type: none"> Improved product supply Market fundamentals continue to support agriculture revenue growth Positioning Services driving consistent organic ARR growth
Transportation	\$150.1, -8% (-5% organic, -1% FX, -2% Divestiture)	\$11.8 7.9%	<ul style="list-style-type: none"> Organic ARR growth up mid-single digit and up sequentially Organic revenue down primarily due to reduced hardware sales in North America
Trimble Total	\$941.2, 0% (+6% organic, -3% FX, +1% Acq., -4% Divestiture)	\$210.7 22.4%	<ul style="list-style-type: none"> Organic ARR up 15%, record gross margin 59.7% Operating margin above pre-COVID levels, but down as expected due to subscription transition and investments

2022 Outlook

- **Key planning assumptions**
 - Healthy absolute demand across end markets
 - Revenue and profit outlook adjusted due to FX, supply chain and moderating demand in several end markets
 - Outlook includes impact of recently announced divestitures, excludes impact of future acquisitions and divestitures

\$M	Guidance at May 2022	Guidance at August 2022	Q2'22 Commentary
Organic ARR growth	≥15%	16%	<ul style="list-style-type: none"> • Driven by growth in bookings and net retention
Revenue	\$3.80B - \$3.88B	\$3.76B - \$3.82B	<ul style="list-style-type: none"> • Full year organic revenue growth of 9-11%, improving sequentially Q2-Q3-Q4 • Full year divestiture growth impact -4%, full year FX growth impact -3%.
Non-GAAP operating margins	Approx. 23.0% - 23.5%	Approx 23.0% - 23.5%	<ul style="list-style-type: none"> • Full year gross margin % up 100-150 bps year over year • Fourth quarter expected to be high point of year for gross margin and operating margin
Non-GAAP EPS	\$2.71 - \$2.86	\$2.70 - \$2.80	<ul style="list-style-type: none"> • 251 million shares outstanding
Equity Method Income	Approx. \$30M	Approx. \$30M	
Net interest expense	Approx. \$65M	Approx. \$63M	
Non-GAAP tax rate	18.5% - 19.0%	Approx. 18.5%	
Free cash flow	Approx. 1.0x non-GAAP net income	Approx. 0.7x non-GAAP net income	<ul style="list-style-type: none"> • 2022 cash flow impacted by Section 174 tax payment and inventory build • 2023 cash flow expected to be well greater than 1X Non-GAAP net income as tax and inventory patterns reverse

Forward-looking statements

Certain statements made in this presentation, and any subsequent Q&A period, are forward-looking statements, within the meaning of Section 21E of the Securities Exchange Act of 1934 as amended, and are made pursuant to the safe harbor provisions of the Securities Litigation Reform Act of 1995. These statements include expectations about our future financial and operational results. These forward-looking statements are subject to change, and actual results may materially differ due to certain risks and uncertainties. The Company's results may be adversely affected if the Company is unable to market, manufacture and ship new products, obtain new customers, effectively integrate new acquisitions or consummate the recently announced divestitures in a timely manner. 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 as well as general inflationary pressures, resulting in increases in costs and reduced revenue, adverse geopolitical developments and the potential impact of volatility and conflict in the political and economic environment, including the Russian invasion of Ukraine and its direct and indirect impact on our business, weakening in the macroeconomic 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>.