

# Trimble Second Quarter 2017 Results Summary

# Forward-looking statements

Certain statements made in this presentation and any subsequent Q&A period are forward-looking statements, within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and are made pursuant to the safe harbor provisions of the Securities Litigation Reform Act of 1995. These statements include expectations for future financial market and economic conditions, the impact of acquisitions, the ability to deliver revenue, earnings per share and other financial projections. These forward-looking statements are subject to change, and actual results may materially differ from those set forth in this presentation 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 integrate new acquisitions. The Company's results could be negatively impacted by weakening in the macro economic environment, or foreign exchange fluctuations or the imposition of barriers to international trade. Any failure to achieve predicted results could negatively impact the Company's revenues, cash flow from operations, and other financial results. The Company's financial results will also depend on a number of other factors and risks detailed from time to time in reports filed with the SEC, including its quarterly reports on Form 10-Q and its annual report on Form 10-K, such as changes in economic conditions, further worsening in the geospatial market, critical part supply chain shortages, and possible write-offs of goodwill. Undue reliance should not be placed on any forward-looking statement contained herein, especially in light of greater uncertainty than normal in the economy in general. These statements reflect the Company's position as of the date of this presentation. The Company expressly disclaims any undertaking to release publicly any updates or revisions to any statements to reflect any change in the Company's expectations or any change of events, conditions, or circumstances on which any such statement is based.

To help our investors understand our past financial performance and our future results, as well as our performance relative to competitors, we supplement the financial results that we provide in accordance with generally accepted accounting principles, or GAAP, with non-GAAP financial measures. The specific non-GAAP measures, which we use along with a reconciliation to the nearest comparable GAAP measures can be found on our website at <http://investor.trimble.com>.



# Agenda



- CEO Overview
- CFO Review of Results
- Guidance
- Q&A

# Second Quarter 2017 Overview

- Accelerating revenue growth and continued operating margin expansion
- Growth in North American markets in all reporting segments
- Expect continued organic revenue growth and margin expansion in 2H'17
- Technological innovation and customer wins strengthening competitive position
- Three acquisitions (NM Group, ISE, BOS Forestry) closed in Q2. Müller acquisition signed & subsequently closed in early Q3'17.

# Second Quarter Fiscal 2017 Financial Summary

\$M, Except Per Share	Second Quarter of	
	2016	2017
Revenue	\$609.6	\$661.9
Non-GAAP Gross Margin % of Revenue	55.9%	55.7%
Non-GAAP Operating Income	\$99.0	\$121.2
Non-GAAP Operating Income % of Revenue	16.2%	18.3%
Non-GAAP Net Income	\$74.1	\$96.5
Non-GAAP Diluted Earnings Per Share	\$0.29	\$0.38

- Revenue: +8.6% yr:yr
  - Currency translation ≈ -1%
  - Acquisitions/divestitures ≈ 0%
- Non-GAAP Operating Income % up 210 bps yr:yr, driven by revenue growth and cost control
- Non-GAAP EPS of \$0.38, up 31% yr:yr
- Deferred Revenue at \$341M, up 8% yr:yr
- Operating Cash Flow of \$146M, up 80% yr:yr (up 27% YTD yr:yr)

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

# Financial Position

\$M	Second Quarter of	
	2016	2017
<b>Balance Sheet Highlights:</b>		
Cash and Short-Term Investments	\$231.9	\$486.1
Total Assets	\$3,751.6	\$4,038.3
Deferred Revenue	\$315.2	\$341.0
Total Debt	\$725.0	\$612.3
Stockholders Equity	\$2,244.7	\$2,517.7
Diluted Shares Outstanding	253.7	257.1
<b>Cash Flow Highlights:</b>		
Cash Flow from Operations	\$81.2	\$145.8
Share Repurchases <sup>[1]</sup>	\$76.1	\$6.2

- Cash at \$486M, up \$254M yr:yr, up \$64M qtr:qtr, with greater than 90% held by foreign subsidiaries
- Deferred Revenue up 8% yr:yr, driven by growth in software and recurring revenue streams
- Cash Flow from Operations up 80% yr:yr driven by increased net income and working capital requirements
- 0.4 million shares repurchased for \$13M during quarter with \$103M remaining capacity under existing program as of the end of Q2'17<sup>[1]</sup>
- Total Debt to TTM EBITDA<sup>[2]</sup> of 1.26x, providing flexibility

1. \$7M of the \$13M of share repurchases were settled cash after the end of the second quarter.
2. TTM EBITDA refers to the sum of trailing twelve months non-GAAP operating income plus depreciation.

# Buildings and Infrastructure Segment Results

	Q2'16	Q2'17
Revenue	\$203	\$223
% Growth		10%
Operating Income	\$39	\$50
% of Revenue	19.2%	22.6%
Delta		+340bps
% Growth		29%



## Q2'17 commentary

- Revenue: +10%
  - Currency translation:  $\approx -1\%$ ; acquisitions/divestitures:  $\approx +1\%$
  - Double digit growth in civil engineering & construction, single digit growth in building construction
- Operating margins
  - Up  $\approx 340$  bps yr:yr, due to cost reduction and operating leverage on revenue growth
- Selected highlights
  - Revenue growth in all major regions (North America, Europe, Asia Pacific, ROW)
  - Continued recent expansion of OEM relationships in civil business, including Sumitomo (factory-fit) and Komatsu (data interoperability with Trimble Connect)
  - Expanding machine type in civil business:
    - Recently released Earthworks Excavators automatics driving demand
    - Growth in paving & compaction
  - Revenue growth in building construction with strong operating leverage

# Geospatial Segment Results

	Q2'16	Q2'17
Revenue	\$164	\$165
% Growth		1%
Operating Income	\$28	\$30
% of Revenue	17.4%	18.3%
Delta		+90bps
% Growth		6%



## Q2'17 commentary

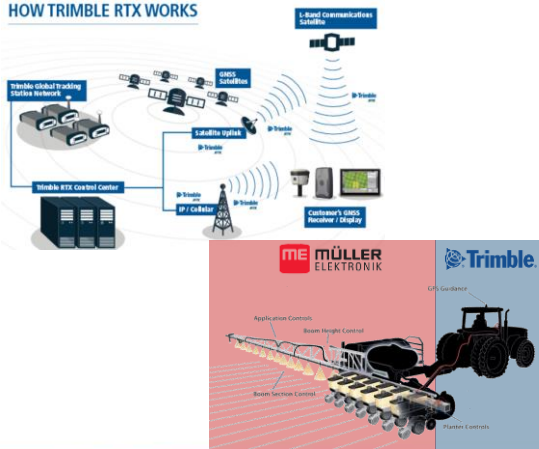
- Revenue: +1%
  - Currency translation:  $\approx 0\%$ ; acquisitions/divestitures:  $\approx -3\%$
  - Revenue growth in Trimble branded survey and geospatial, as well as inertial and OEM businesses
- Operating margins
  - Up  $\approx 90$  basis points yr:yr, driven by improved gross margins and cost control
- Selected highlights
  - Strong backlog continues for SX10, which combines imaging, survey & 3D scanning into single unit for the geospatial market
  - Improved North American revenue
  - Growth in inertial technologies used in georeferencing applications such as autonomy and mobile mapping



# Resources and Utilities Segment Results

	Q2'16	Q2'17
Revenue	\$99	\$111
% Growth		12%
Operating Income	\$30	\$35
% of Revenue	30.2%	31.4%
Delta		+120bps
% Growth		16%

## HOW TRIMBLE RTX WORKS

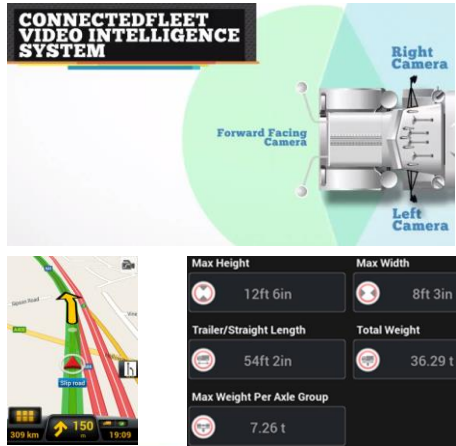


## Q2'17 commentary

- Revenue: +12%
  - Currency translation:  $\approx$  -1%; acquisitions/divestitures:  $\approx$  +2%
  - Revenue growth in agriculture, correction services, and forestry
- Operating margins
  - Up  $\approx$ 120 bps, driven primarily by gross margin expansion
- Selected highlights
  - Growth in North American agriculture business
  - Growth outside of North American agriculture markets continues to provide attractive market penetration opportunity
  - Growth in correction services business, which leverages unique Trimble IP to provide precision location services
  - Closed previously announced Müller acquisition, expanding capabilities in variable rate applications
  - Acquisition of NM Group and BOS Forestry

# Transportation Segment Results

	Q2'16	Q2'17
Revenue	\$144	\$163
% Growth		13%
Operating Income	\$20	\$26
% of Revenue	14.2%	16.1%
Delta		+190bps
% Growth		28%



## Q2'17 commentary

- Revenue: +13%
  - Currency translation:  $\approx$  -1%; acquisitions/divestitures:  $\approx$  +1%
  - Double digit growth in transportation and logistics business
- Operating margins
  - Up  $\approx$ 190bps, driven by cost control and operating leverage
- Selected highlights
  - Electronic Logging Device (ELD) mandate continues to provide growth tailwinds
  - Growth in Europe and adjacent opportunities such as video contribute to top-line growth
  - Mapping and navigation software business (ALK) continues multi-year growth trajectory
  - Growth in analytics offerings that provide trucking companies both business intelligence and market intelligence
  - Acquisition of ISE

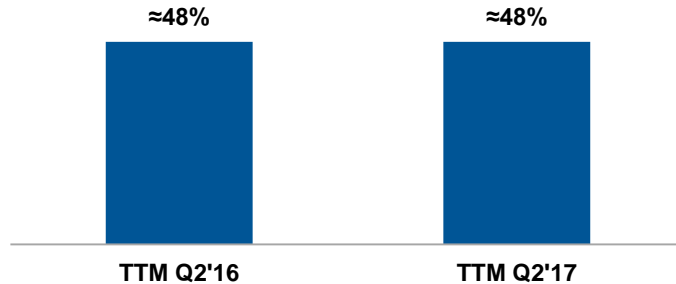
# Revenue by Region

	% of Total		Yr:Yr Quarterly % Change
	Q2'16	Q2'17	
North America	54%	55%	10%
Europe	25%	24%	6%
Asia-Pacific	14%	14%	2%
Rest of World	7%	7%	19%
Total	100%	100%	9%

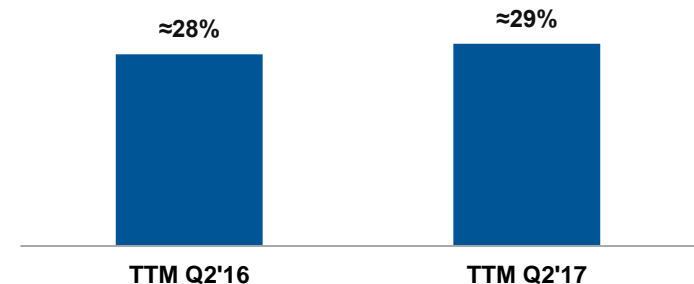
Note: Figures may vary due to rounding.

# Software/Recurring Revenue Mix

Software/Services/Recurring % of Total



Recurring Revenue % of Total










- Software/services/recurring revenue greater than \$1.1B over trailing twelve months
- Steady revenue mix percentages reflect growth in both hardware and software/services/recurring revenues
- Recurring revenues grew at high single digit rate on a trailing twelve month year over year basis
- Subscription revenue grew at 14.4% in Q2'17, reflecting an ongoing evolution toward SaaS offerings

TTM refers to trailing twelve months

Note: Recurring revenue includes subscription, maintenance, and support revenue

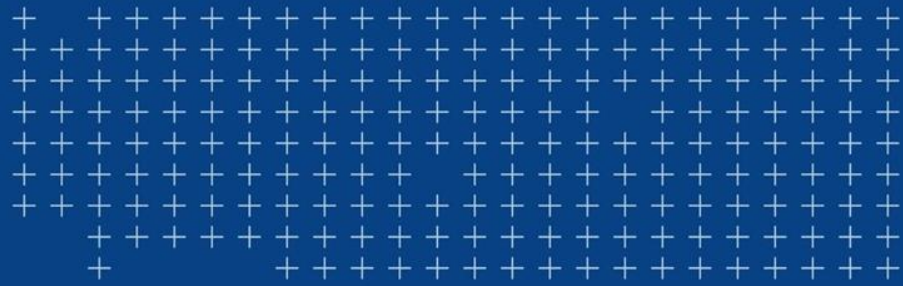
# Recent Acquisitions

Company	Date	Segment	Description	Rationale
 <b>MÜLLER ELEKTRONIK</b>	Jul-17	Resources & Utilities	<ul style="list-style-type: none"> <li>Provides implement control and precision farming solutions, including electronic control units that enable variable-rate technology in precision agriculture</li> </ul>	<ul style="list-style-type: none"> <li>Build upon strategy to expand our role in the growing market for variable rate applications and precision agriculture</li> </ul>
 <b>i&gt;se INNOVATIVE SOFTWARE ENGINEERING</b>	Jun-17	Transportation	<ul style="list-style-type: none"> <li>Provides ELD as a service technology to end users and partners</li> </ul>	<ul style="list-style-type: none"> <li>Capture smaller-end of trucking fleet market and add domain rich developers to transport franchise</li> </ul>
 <b>NM Group</b> Innovation In Infrastructure	May-17	Resources & Utilities	<ul style="list-style-type: none"> <li>Provides data capture, modeling, engineering and analytical services and 3D visualization solutions provider for electricity network operators</li> </ul>	<ul style="list-style-type: none"> <li>Expands Trimble's energy solutions portfolio to provide high-value data modeling and 3D visualization services for the utilities industry</li> </ul>
 <b>BOS Forestry</b>	Apr-17	Resources & Utilities	<ul style="list-style-type: none"> <li>Provides collaboration, harvesting, production and lumber sale solutions for small- and medium-sized forestry companies</li> </ul>	<ul style="list-style-type: none"> <li>Build upon strategy to provide global customers with complete end-to-end ecosystem for forest management, traceability and timber processing</li> </ul>
 <b>SILVADATA</b>	Feb-17	Resources & Utilities	<ul style="list-style-type: none"> <li>Provides cloud-based data, collaboration &amp; workflow automation services to small- and medium-sized forestry companies for lifecycle enterprise management</li> </ul>	<ul style="list-style-type: none"> <li>Build upon strategy to provide global customers with complete end-to-end ecosystem for forest management, traceability and timber processing</li> </ul>
 <b>SAVCOR</b>	Mar-17	Resources & Utilities	<ul style="list-style-type: none"> <li>Provides information and online process diagnostic solutions for forestry processing and production planning</li> </ul>	<ul style="list-style-type: none"> <li>Build upon strategy to provide global customers with complete end-to-end ecosystem for forest management, traceability and timber processing</li> </ul>
 <b>BeenaVision</b>	Feb-17	Transportation	<ul style="list-style-type: none"> <li>Manufactures vision-based automatic wayside inspection systems for railroad industry, providing detailed condition assessment of train components</li> </ul>	<ul style="list-style-type: none"> <li>Extends ability to deliver more powerful and robust rail solutions as well as leverage Trimble's technology portfolio to strengthen solutions</li> </ul>

# Q3'17 Guidance and Outlook

- Q3'17 guidance:
  - Revenue: \$645M to \$675M
  - Non-GAAP EPS: \$0.34 to \$0.38
- Non-GAAP EPS guidance excludes the following estimates:
  - \$37M of intangibles amortization related to prior acquisitions
  - \$3M of estimated acquisition costs
  - \$15M of estimated stock-based compensation
  - \$3M of estimated restructuring expenses
- Non-GAAP EPS guidance assumes:
  - Approx. 258M shares outstanding
  - 23% non-GAAP tax rate

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



# Q&A

