

TRIMBLE INC.

FORM 8-K (Current report filing)

Filed 04/13/17 for the Period Ending 04/13/17

Address	935 STEWART DRIVE SUNNYVALE, CA 94085
Telephone	4084818000
CIK	0000864749
Symbol	TRMB
SIC Code	3829 - Measuring and Controlling Devices, Not Elsewhere Classified
Industry	Software
Sector	Technology
Fiscal Year	01/01

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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d)
of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 13, 2017

Trimble Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-14845
(Commission
File Number)

94-2802192
(IRS Employer
I.D. No.)

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

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 2.02. Results of Operations and Financial Condition

In March 2017, Trimble Inc. (the “Company”) effected a change in its financial reporting segments to better align with the Company’s customer base and end markets. Over time, the Company has experienced significant growth both organically and through strategic business acquisitions. Trimble’s strategy has been to address attractive markets with significant growth and profit potential, including an increased focus on software and service offerings, international expansion, vertically-focused distribution channels and optimization of our domain knowledge to provide innovative technological solutions to a more diverse customer base. Trimble’s focus on these growth drivers has led over time to growth in revenue and profitability as well as an increasingly diversified business model. As a result of the Company’s evolution, Trimble’s chief operating decision maker (its Chief Executive Officer) changed the information he regularly reviews to allocate resources and assess performance. Beginning with the first fiscal quarter of 2017, the Company will report its financial performance, including revenues and operating income, based on four new reportable segments – Buildings and Infrastructure, Geospatial, Resources and Utilities and Transportation.

See Exhibit 99.1 for more details about the new segment structure and Exhibit 99.2 for a recast of historical quarterly financial results by segment under the new structure.

We are furnishing this Form 8-K to provide a description of our new reporting structure and present summary financial information and historical data on a basis consistent with the new structure. Beginning with the quarter ending March 31, 2017, our financial statements will reflect the new reporting structure with prior periods adjusted accordingly.

In accordance with General Instruction B.2 of Form 8-K, the information in this Current Report on Form 8-K, shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits

(d) *Exhibits* .

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated April 13, 2017 relating to Trimble’s announcement of its new reporting segments.
99.2	Recast of historical quarterly and fiscal year financial results by segment.

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 hereunto duly authorized.

TRIMBLE INC.
a Delaware corporation

Dated: April 13, 2017

By: /s/ Robert G. Painter
Robert G. Painter
Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated April 13, 2017 relating to Trimble's announcement of its new reporting segments.
99.2	Recast of historical quarterly and fiscal year financial results by segment.

Trimble Announces New Reporting Segments

SUNNYVALE, Calif., April 13, 2017— Trimble (NASDAQ: TRMB) today announced that it will change the reporting of its segment financial results to better reflect the Company's customer base and end markets. Starting with first quarter results, which will be announced on April 27, 2017, Trimble will report revenue and operating income based on four operating segments: Buildings and Infrastructure, Geospatial, Resources and Utilities, and Transportation.

The Buildings and Infrastructure segment primarily serves customers working in architecture, engineering, construction, and operations and maintenance. Under the new structure, the segment had 2016 full-year revenue of \$743 million.

The Geospatial segment primarily serves customers working in surveying, engineering, and government. Under the new structure, the segment had 2016 full-year revenue of \$635 million.

The Resources and Utilities segment primarily serves customers working in agriculture, forestry, and utilities. Under the new structure, the segment had 2016 full-year revenue of \$396 million.

The Transportation segment primarily serves customers working in transportation, including transportation and logistics, automotive, rail, and the military. Under the new structure, the segment had 2016 full-year revenue of \$588 million.

The following tables illustrate the placement of key businesses in the new reporting segments compared to the prior reporting structure:

New Reporting Segments
Buildings & Infrastructure Includes: building construction, civil engineering & construction
Geospatial Includes: surveying & geospatial, geographic information systems (GIS), timing, Applanix (inertial)
Resources & Utilities Includes: agriculture, water and electric utilities, forestry, mining
Transportation Includes: transportation and logistics, field service management, embedded technologies, rail, military

Prior Reporting Segments
Engineering and Construction Includes: surveying & geospatial, civil engineering & construction, building construction, mining, rail
Field Solutions Includes: agriculture, geographic information systems (GIS), water and electric utilities
Mobile Solutions Includes: transportation and logistics, field service management, forestry
Advanced Devices Includes: embedded technologies, timing, Applanix (inertial), military

Financial segment information for the four quarters and the full year for fiscal years 2014, 2015 and 2016, as if reported under the new structure, will be available in an 8-K filed today and is posted in the Investor Relations section of the Company's web site at: <http://investor.trimble.com>.

The Company will announce its financial results for the first quarter on April 27, 2017, and will report financial performance based on these revised segments. For the first quarter results only, revenue will also be provided for the operating segments that Trimble reported during fiscal year 2016.

About Trimble

Trimble is transforming the way the world works by delivering products and services that connect the physical and digital worlds. Core technologies in positioning, modeling, connectivity and data analytics enable customers to improve productivity, quality, safety and sustainability. From purpose built products to enterprise lifecycle solutions, Trimble software, hardware and services are transforming a broad range of industries such as agriculture, construction, geospatial and transportation and logistics. For more information about Trimble (NASDAQ:TRMB), visit: www.trimble.com.

FTRMB



REPORTING SEGMENTS
(Dollars in millions)
(Unaudited)

	Three Months Ended				Fiscal Year 2016
	Q1 2016	Q2 2016	Q3 2016	Q4 2016	
BUILDINGS AND INFRASTRUCTURE					
Revenues	\$ 173.7	\$ 202.8	\$ 189.3	\$ 177.7	\$ 743.5
Operating income	\$ 22.4	\$ 38.9	\$ 40.9	\$ 31.7	\$ 133.9
Operating margin (% of segment external net revenues)	12.9%	19.2%	21.6%	17.8%	18.0%
GEOSPATIAL					
Revenues	\$ 152.2	\$ 163.9	\$ 159.9	\$ 158.7	\$ 634.7
Operating income	\$ 26.1	\$ 28.5	\$ 35.3	\$ 30.9	\$ 120.8
Operating margin (% of segment external net revenues)	17.1%	17.4%	22.1%	19.5%	19.0%
RESOURCES AND UTILITIES					
Revenues	\$ 113.8	\$ 99.0	\$ 87.5	\$ 95.4	\$ 395.7
Operating income	\$ 34.9	\$ 29.9	\$ 25.2	\$ 28.4	\$ 118.4
Operating margin (% of segment external net revenues)	30.7%	30.2%	28.8%	29.8%	29.9%
TRANSPORTATION					
Revenues	\$ 143.3	\$ 143.9	\$ 147.4	\$ 153.7	\$ 588.3
Operating income	\$ 23.8	\$ 20.4	\$ 26.5	\$ 32.2	\$ 102.9
Operating margin (% of segment external net revenues)	16.6%	14.2%	18.0%	20.9%	17.5%
CORPORATE SUMMARY					
REVENUES:					
Buildings and Infrastructure	\$ 173.7	\$ 202.8	\$ 189.3	\$ 177.7	\$ 743.5
Geospatial	152.2	163.9	159.9	158.7	634.7
Resources and Utilities	113.8	99.0	87.5	95.4	395.7
Transportation	143.3	143.9	147.4	153.7	588.3
Total revenue	<u>\$ 583.0</u>	<u>\$ 609.6</u>	<u>\$ 584.1</u>	<u>\$ 585.5</u>	<u>\$ 2,362.2</u>
SEGMENT OPERATING INCOME:					
Buildings and Infrastructure	\$ 22.4	\$ 38.9	\$ 40.9	\$ 31.7	\$ 133.9
Geospatial	26.1	28.5	35.3	30.9	120.8
Resources and Utilities	34.9	29.9	25.2	28.4	118.4
Transportation	23.8	20.4	26.5	32.2	102.9
Total segment operating income before corporate allocations	<u>\$ 107.2</u>	<u>\$ 117.7</u>	<u>\$ 127.9</u>	<u>\$ 123.2</u>	<u>\$ 476.0</u>
CORPORATE AND OTHER CHARGES:					
Unallocated Corporate Expense	\$ (18.7)	\$ (18.7)	\$ (17.1)	\$ (16.0)	\$ (70.5)
Restructuring Charges	(2.1)	(4.9)	(4.0)	(2.3)	(13.3)
Amortization of Purchased Intangible Assets	(40.3)	(39.6)	(37.3)	(33.6)	(150.8)
Stock-based Compensation	(13.7)	(13.0)	(13.3)	(12.6)	(52.6)
Acquisition / divestiture items	(1.6)	(0.9)	(0.9)	(3.4)	(6.8)
Executive transition costs	(0.9)	(0.1)	—	—	(1.0)
CONSOLIDATED OPERATING INCOME	<u>\$ 29.9</u>	<u>\$ 40.5</u>	<u>\$ 55.3</u>	<u>\$ 55.3</u>	<u>\$ 181.0</u>
NON-OPERATING INCOME (EXPENSE) AND INCOME TAXES	<u>\$ (10.1)</u>	<u>\$ (4.8)</u>	<u>\$ (16.1)</u>	<u>\$ (17.6)</u>	<u>\$ (48.6)</u>
NET INCOME ATTRIBUTABLE TO TRIMBLE INC.	<u>\$ 19.8</u>	<u>\$ 35.7</u>	<u>\$ 39.2</u>	<u>\$ 37.7</u>	<u>\$ 132.4</u>



REPORTING SEGMENTS

(Dollars in millions)

(Unaudited)

	Three Months Ended				Fiscal Year 2015
	Q1 2015	Q2 2015	Q3 2015	Q4 2015	
BUILDINGS AND INFRASTRUCTURE					
Revenues	\$ 160.9	\$ 181.9	\$ 176.7	\$ 169.1	\$ 688.6
Operating income	\$ 16.8	\$ 29.3	\$ 36.0	\$ 26.1	\$ 108.2
Operating margin (% of segment external net revenues)	10.4%	16.1%	20.4%	15.4%	15.7%
GEOSPATIAL					
Revenues	\$ 163.5	\$ 174.4	\$ 168.8	\$ 166.1	\$ 672.8
Operating income	\$ 29.6	\$ 36.0	\$ 38.5	\$ 31.2	\$ 135.3
Operating margin (% of segment external net revenues)	18.1%	20.6%	22.8%	18.8%	20.1%
RESOURCES AND UTILITIES					
Revenues	\$ 120.9	\$ 96.4	\$ 78.9	\$ 85.6	\$ 381.8
Operating income	\$ 40.5	\$ 26.8	\$ 19.6	\$ 23.0	\$ 109.9
Operating margin (% of segment external net revenues)	33.5%	27.8%	24.8%	26.9%	28.8%
TRANSPORTATION					
Revenues	\$ 137.3	\$ 133.1	\$ 137.9	\$ 138.9	\$ 547.2
Operating income	\$ 26.4	\$ 23.3	\$ 28.1	\$ 28.7	\$ 106.5
Operating margin (% of segment external net revenues)	19.2%	17.5%	20.4%	20.7%	19.5%
CORPORATE SUMMARY					
REVENUES:					
Buildings and Infrastructure	\$ 160.9	\$ 181.9	\$ 176.7	\$ 169.1	\$ 688.6
Geospatial	163.5	174.4	168.8	166.1	672.8
Resources and Utilities	120.9	96.4	78.9	85.6	381.8
Transportation	137.3	133.1	137.9	138.9	547.2
Total revenue	<u>\$582.6</u>	<u>\$585.8</u>	<u>\$562.3</u>	<u>\$559.7</u>	<u>\$2,290.4</u>
SEGMENT OPERATING INCOME:					
Buildings and Infrastructure	\$ 16.8	\$ 29.3	\$ 36.0	\$ 26.1	\$ 108.2
Geospatial	29.6	36.0	38.5	31.2	135.3
Resources and Utilities	40.5	26.8	19.6	23.0	109.9
Transportation	26.4	23.3	28.1	28.7	106.5
Total segment operating income before corporate allocations	<u>\$113.3</u>	<u>\$115.4</u>	<u>\$122.2</u>	<u>\$109.0</u>	<u>\$ 459.9</u>
CORPORATE AND OTHER CHARGES:					
Unallocated Corporate Expense	\$ (16.5)	\$ (18.3)	\$ (17.3)	\$ (17.9)	\$ (70.0)
Restructuring Charges	(1.3)	(5.5)	(3.0)	(3.0)	(12.8)
Amortization of Purchased Intangible Assets	(40.7)	(40.8)	(40.7)	(40.2)	(162.4)
Stock-based Compensation	(12.5)	(12.0)	(12.8)	(12.8)	(50.1)
Acquisition / divestiture items	(2.8)	(2.8)	(2.4)	(1.9)	(9.9)
Litigation	—	—	—	(0.3)	(0.3)
CONSOLIDATED OPERATING INCOME	<u>\$ 39.5</u>	<u>\$ 36.0</u>	<u>\$ 46.0</u>	<u>\$ 32.9</u>	<u>\$ 154.4</u>
NON-OPERATING INCOME (EXPENSE) AND INCOME TAXES	<u>\$ (5.4)</u>	<u>\$ (10.1)</u>	<u>\$ (8.9)</u>	<u>\$ (8.9)</u>	<u>\$ (33.3)</u>
NET INCOME ATTRIBUTABLE TO TRIMBLE INC.	<u>\$ 34.1</u>	<u>\$ 25.9</u>	<u>\$ 37.1</u>	<u>\$ 24.0</u>	<u>\$ 121.1</u>



REPORTING SEGMENTS

(Dollars in millions)

(Unaudited)

	Three Months Ended				Fiscal Year 2014
	Q1 2014	Q2 2014	Q3 2014	Q4 2014	
BUILDINGS AND INFRASTRUCTURE					
Revenues	\$ 153.9	\$ 179.2	\$ 169.1	\$ 160.5	\$ 662.7
Operating income	\$ 28.8	\$ 42.8	\$ 32.0	\$ 15.8	\$ 119.4
Operating margin (% of segment external net revenues)	18.7%	23.9%	18.9%	9.8%	18.0%
GEOSPATIAL					
Revenues	\$ 189.9	\$ 218.1	\$ 200.9	\$ 187.9	\$ 796.8
Operating income	\$ 43.5	\$ 58.6	\$ 48.4	\$ 39.7	\$ 190.2
Operating margin (% of segment external net revenues)	22.9%	26.9%	24.1%	21.1%	23.9%
RESOURCES AND UTILITIES					
Revenues	\$ 134.1	\$ 114.2	\$ 87.4	\$ 85.7	\$ 421.4
Operating income	\$ 49.8	\$ 39.7	\$ 24.2	\$ 20.6	\$ 134.3
Operating margin (% of segment external net revenues)	37.1%	34.8%	27.7%	24.0%	31.9%
TRANSPORTATION					
Revenues	\$ 126.8	\$ 130.7	\$ 127.4	\$ 129.7	\$ 514.6
Operating income	\$ 22.2	\$ 28.5	\$ 24.8	\$ 24.8	\$ 100.3
Operating margin (% of segment external net revenues)	17.5%	21.8%	19.5%	19.1%	19.5%
CORPORATE SUMMARY					
REVENUES:					
Buildings and Infrastructure	\$ 153.9	\$ 179.2	\$ 169.1	\$ 160.5	\$ 662.7
Geospatial	189.9	218.1	200.9	187.9	796.8
Resources and Utilities	134.1	114.2	87.4	85.7	421.4
Transportation	126.8	130.7	127.4	129.7	514.6
Total revenue	<u>\$604.7</u>	<u>\$642.2</u>	<u>\$584.8</u>	<u>\$563.8</u>	<u>\$2,395.5</u>
SEGMENT OPERATING INCOME:					
Buildings and Infrastructure	\$ 28.8	\$ 42.8	\$ 32.0	\$ 15.8	\$ 119.4
Geospatial	43.5	58.6	48.4	39.7	190.2
Resources and Utilities	49.8	39.7	24.2	20.6	134.3
Transportation	22.2	28.5	24.8	24.8	100.3
Total segment operating income before corporate allocations	<u>\$144.3</u>	<u>\$169.6</u>	<u>\$129.4</u>	<u>\$100.9</u>	<u>\$ 544.2</u>
CORPORATE AND OTHER CHARGES:					
Unallocated Corporate Expense	\$ (16.1)	\$ (20.6)	\$ (11.0)	\$ (16.7)	\$ (64.4)
Restructuring Charges	(0.4)	(0.9)	(0.3)	(0.5)	(2.1)
Amortization of Purchased Intangible Assets	(40.6)	(37.8)	(39.4)	(40.7)	(158.5)
Stock-based Compensation	(10.1)	(11.0)	(11.0)	(11.3)	(43.4)
Amortization of acquisition-related inventory step-up	—	(0.1)	(0.5)	(0.2)	(0.8)
Acquisition / divestiture items	(1.4)	(2.0)	(4.1)	(6.0)	(13.5)
Litigation	—	—	(52.0)	51.3	(0.7)
CONSOLIDATED OPERATING INCOME	<u>\$ 75.7</u>	<u>\$ 97.2</u>	<u>\$ 11.1</u>	<u>\$ 76.8</u>	<u>\$ 260.8</u>
NON-OPERATING INCOME (EXPENSE) AND INCOME TAXES	<u>\$ (7.1)</u>	<u>\$ (19.3)</u>	<u>\$ 0.7</u>	<u>\$ (21.0)</u>	<u>\$ (46.7)</u>
NET INCOME ATTRIBUTABLE TO TRIMBLE INC.	<u>\$ 68.6</u>	<u>\$ 77.9</u>	<u>\$ 11.8</u>	<u>\$ 55.8</u>	<u>\$ 214.1</u>