

# Trimble Prepared Remarks First Quarter 2026



## Rob Painter, President and Chief Executive Officer

Welcome, everyone. Before I get started, our presentation and Safe Harbor statements are available on our website. Our financial review will focus on year-over-year non-GAAP performance metrics on an organic basis. In addition, we will focus on adjusted numbers that we believe more accurately portray the underlying performance of our business. This means we will exclude the impact from the mobility business which we divested during the first quarter of 2025. As-reported numbers, along with a reconciliation, are provided in the appendix of our slide presentation.

The Trimble team furthered the momentum of the last couple of years and delivered a great start to the year with top and bottom line results ahead of expectations. Revenue at \$940 million, up 12%. ARR at \$2.435 billion, up 13%, and earnings per share above the high-end of our range at \$0.79. We are raising our guidance for the year.

Financial performance is the scoreboard. It's the output. The game on the field, or the input, is delivering unique value to customers. On slide 4, I want to highlight how we are partnering with our customer George Leslie, a Scottish based Civil Engineering Contractor that has embraced the Trimble ecosystem to connect the physical and digital worlds. With our platform, Trimble Connect acts as the orchestration layer of complex workflows that include marine & pier works, water & wastewater treatment, bridges & infrastructure, and energy & power.

When performing earthmoving, our laser scanners are deployed for capturing the jobsite in high fidelity 3D to create a digital twin of the physical earth, while our tools back in the office power the design of the terrain model into a constructible model. Enabled by the Trimble ecosystem, this model is seamlessly deployed to our Trimble survey and machine control systems in the field to execute the work in the physical world, while our project management and scheduling capabilities are managing the work. Physical to Digital to Physical!

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When performing complex steel and bridge work, they take the structural and design model that is managed within the Trimble ecosystem and then use our robotic total stations to precisely orient the digital model on the physical jobsite. Trimble is the data platform through which our customers' data flows and remains in sync as the work moves from physical to digital to physical to digital, and so on. Through the power of the Trimble ecosystem, George Leslie is realizing significant productivity, quality and efficiency in ways that Trimble uniquely delivers.

Only Trimble can connect and optimize work like this. That's our Connect & Scale strategy in action.

Connecting work in the office and the field. Connecting our hardware and software. Connecting the physical and digital worlds.

We see tremendous opportunity as we bring AI to industry workflows and further establish Trimble as the intelligence and execution layer that reconciles our customers' digital and physical realities. Slide 5 shows four examples of Trimble AI delivering actionable outcomes and breakthrough levels of productivity by connecting our hardware and software capabilities across projects in airports, rail, tunnels and roads, for some of the largest and most influential companies and organizations in the industry. Only Trimble.

Speaking of AI, we believe customers will adopt AI from trusted platforms like ours, where we deliver the support, cybersecurity, governance, and sustaining engineering that our customers expect and require.

Integrated workflows with deep domain knowledge, at scale, is a differentiator and a moat. Our ecosystem of third-party connectivity and platform extensibility compounds value delivery and drives network effects - where every connection point and transaction improves the next autonomous decision, making the data not peripheral to the product, but the product itself.

In short, we see a world where AI increases the size of the addressable market, and we believe we have a compelling right to win, thus capturing additional avenues of growth. While we monetize our software and AI

today primarily through named user licenses, we are architecting ourselves to scale hybrid value delivery at the intersection of licenses and consumption. This isn't just a hypothetical thought experiment. We already deliver consumption models today. For example, Trimble Transporeon transacts well over \$100 million of revenue through tens of millions of annual transactions on our platform, and our recent native AI products deliver Autonomous Procurement and Autonomous Quotation on a consumption basis. In the fourth quarter of 2025, Trimble SketchUp released SketchUp AI as an add-on that is available to our subscriber base. The hybrid add-on is an additional subscription that makes a fixed number of AI credits available to users each month. We will continue to track market adoption of our AI capabilities along with market readiness for emerging consumption and outcome-based models as our monetization strategy evolves.

Let's turn to some segment level highlights, starting with AECO. The team delivered another outstanding quarter. Both ARR and revenue were up 14 percent. Cross-sell and upsell performed well, and we extended the reach of Trimble Construction One into the Asia-Pacific region. While North America remains our largest market, we are pleased with our performance in Europe as well as the APAC region. Last week, we launched an integration with SketchUp and Anthropic's Claude. This makes it easy for Claude users to create Trimble SketchUp 3D models directly from conversational text, image or speech prompts enabled by a SketchUp MCP service that allows Claude to create and modify SketchUp files. The immediate monetization is downstream in our SketchUp subscriptions. After starting in Claude, users will then bring their files into SketchUp to further iterate on the design, leverage SketchUp's real-time collaboration features to engage project stakeholders, create visualizations, perform daylight analysis, and more. The mid-term revenue opportunity is expanding the addressable market by converting Claude users into Trimble customers. This is just one of many examples you are going to see from us throughout 2026.

Turning to slide 6, on April 2nd, we announced the acquisition of Document Crunch. For context, construction is a relatively low margin industry, yet remains one of the most risk-exposed industries in the world — more than 80% of projects exceed budget, and when disputes arise, the average claim in North America tops \$60

million. The root cause is consistent: errors in project documents and stakeholders failing to understand their obligations. With Document Crunch, we're addressing this directly. We're establishing a new AI-powered risk management category within Trimble — bringing contract intelligence and compliance automation into the project management, estimating, and ERP workflows our customers already rely on, and that's just the beginning. Think about what that means at scale: layering these intelligence tools across tens of millions of projects in Trimble Connect, billions in construction managed through our ERPs, and field workflows that have never before been connected to the contract. We're connecting the field to the office, to the risk, to the execution — and embedding it all into Trimble Construction One. This isn't just simply AI document review. We are linking the contract and risk elements to the execution in the field and to multiple stakeholders throughout the ecosystem, thereby addressing the core reason for disputes. Early customer feedback has been exceptional, and we're moving quickly to expand reach, and to leverage this AI-first development team to organically address new categories.

Moving to Field Systems, the physical side of Trimble outperformed in the quarter, with particular strength once again in civil construction. Both ARR and revenue were up 12 percent. We continue to innovate and execute, with end market strength in infrastructure and data centers supporting our growth. The strategic highlight of the quarter was seeing our team in action at the ConExpo construction industry tradeshow in Las Vegas in February, where the 140,000 plus construction professional attendees were able to see Trimble showcased in the booths of 24 leading construction OEMs from North America, Europe and Asia, thus demonstrating the site technology leadership position we hold in the market. Extensibility is core to our Connect & Scale strategy, and crucial to extending our leadership position. At our booth, we were able to showcase support for more machine categories, such as compact machines, along with new functionality for excavators equipped with dynamic swing booms. We also introduced an integration with ground penetrating radar for real-time asphalt compaction quality control. Combined with our expansion of points of distribution in the market, and the linkage with workflow as described in the customer example in my opening remarks, we are as confident as ever that we have the right strategy, at the right time, executed by the right team.

Moving to Transportation, ARR was up 9 percent and revenue was up 7 percent. Our bookings strength in the quarter gives us confidence in our growth plan for the year. The AI ambitions of this team are inspiring and cutting edge. To unlock the potential of AI for product development requires a systemic paradigm shift across the entire product development lifecycle. Today, the vast majority of new code is generated with AI tools, and our product development organization is fundamentally rewiring how we work, which, in turn, is increasing our velocity. In addition, we are approaching our target to dedicate 10% of our development resources to an applied AI organization that is tasked with agentic development as well as safe AI deployment. With a couple of recent customer wins in selling autonomous procurement and autonomous quotation in North America, we are building momentum, and demonstrating that we can bring Transporeon capabilities to North America and that we can cross-sell into our carrier base. While the macro environment remains challenged, the North American market is beginning to show some signs of market recovery. In Europe, we continue to hold our competitive win ratios and grow our network density. In the first quarter, our new logo growth increased by more than 50% year over year, demonstrating the quality of our solutions, the available market to penetrate, and the solid execution of the team.

Phil, I'll turn it over to you now.

## **Phil Sawarynski, Chief Financial Officer**

Thanks Rob. Let me start with capital allocation which remains disciplined and consistent. During the first quarter, we repurchased approximately \$317 million of common stock, a direct reflection of our balance sheet and cash flow strength, our confidence in the long-term value of our business, and our commitment to delivering shareholder returns. We retain a substantial \$608 million under our current repurchase authorization which continues to give us flexibility for opportunistic buybacks. Longer term, we continue to expect at least a third of our free cash flow to be used for repurchasing shares as we look to provide returns for our

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shareholders. Our M&A strategy remains focused on strengthening our core market positions and adding capabilities that allow us to run the cross sell motions and provide high ROI for our customers, such as our recent acquisition of Document Crunch. In the first quarter, we also divested a small business in Field Systems as we continue to sharpen our focus on core competencies and allocate capital and resources to the highest returns.

Let's review the first quarter, starting on slide 7. We delivered organic revenue growth of 12% which exceeded our outlook. This performance was driven by the strength of AECO and Field Systems, while Transportation and Logistics delivered positive growth despite a constrained freight market. ARR was in line with our outlook at 13% to a record \$2.435 billion. The continued growth in our recurring revenue base provides a predictable and resilient foundation for our business.

Gross margins expanded to 71% and we achieved EBITDA margins of 27.4% which is a 150 basis point expansion compared to the prior year. Reported earnings per share was \$0.79 for the quarter, 7 cents better than the midpoint and above the high end of our guidance.

Moving to the balance sheet and cash flow items on slide 8, our first quarter reported free cash flow remained strong at \$275 million. Our sound balance sheet provides financial flexibility with \$234 million of cash and a leverage ratio of 1.1 times, which is well below our long term target ratio of 2.5 times.

Next is our segment review, starting with AECO on slide 9. AECO delivered a strong quarter, performing in line with expectations. It achieved a record \$1.51 billion of ARR, posting 14% ARR growth and 14% revenue growth for the quarter. Operating margin was 31.5%, a 420 basis point expansion over the prior year.

Turning to Field Systems on slide 10. Revenue was up 12% in the first quarter, while absorbing headwinds due to the continued model conversions to recurring revenue. The execution by the team resulted in another

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strong quarter of ARR growth at 12%. Operating margin was 28.8% which is slightly down primarily due to timing of opex and growth initiatives in the quarter.

Finally, Transportation & Logistics on slide 11. The segment delivered revenue growth of 7% and ARR growth of 9% for the quarter. This represents a sequential improvement from the previous quarter. Operating margins were at 24.2% which is a 300 basis point expansion from the previous year.

Turning to slide 12, let's review our updated outlook for the year. The midpoint of our 2026 full year guidance for revenue is \$3.875 billion, a \$15 million increase from the prior guidance and represents approximately 8% growth. We are also increasing our EPS guidance to \$3.55. We expect the midpoint of ARR growth at 13% and EBITDA margins at 29.7% as our model delivers strong operating leverage while allowing us to reinvest for future growth. Regarding cash flow, we expect free cash flow to be approximately 1 times non-GAAP net income, and that we deliver free cash flow greater than non-GAAP net income over the long-term.

Slide 13 breaks down the full year metrics by segment. The trajectory across all three segments is consistent with our prior guidance and remains fully aligned to deliver the investor day company targets for 2027. \$3 billion in ARR, \$4 billion in revenue, and 30% EBITDA margins

Finally, regarding our second quarter outlook on slide 14. We are setting the midpoints of our guidance at \$950 million for revenue, which is approximately 7.5% growth, earnings per share at 80 cents and ARR growth at 13%. We expect EBITDA margins at 27.7%, a 30 basis points expansion year over year.

Back to you Rob.

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**Rob Painter, President and Chief Executive Officer**

Thanks, Phil. I'll end by summarizing three key takeaways from the quarter. First, our Connect & Scale strategy differentiates at the intersection of physical and digital. There's no other company as uniquely positioned as Trimble. Second, we are leveraging AI to transform how we work, so that we can transform how our customers work. We believe customers will gravitate towards leveraging our platform for their own AI ambitions - because we are connecting their data, their workflow and their industry ecosystems. We believe AI will expand the size of the addressable market and we are ready to adapt our business models to meet the market where it is. Third, the quality of our strategy is driving financial performance that enables us to differentially invest back into our product and go to market motions to ensure the strength of our future. My gratitude to the Trimble team and partners, as well as our investors who continue to support our strategy.

Operator, let's open the line to questions.