

TRIMBLE INC.
Form 10-Q
November 05, 2018
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED September 28, 2018

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM TO

Commission file number: 001-14845

TRIMBLE INC.

(Exact name of registrant as specified in its charter)

Delaware

94-2802192

(State or other jurisdiction of (I.R.S. Employer Identification Number) incorporation or organization)

935 Stewart Drive, Sunnyvale, CA 94085

(Address of principal executive offices) (Zip Code)

Telephone Number (408) 481-8000

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer Accelerated Filer

Non-accelerated Filer Smaller Reporting Company

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

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As of November 2, 2018, there were 251,146,789 shares of Common Stock, par value \$0.001 per share, outstanding.

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PART I – FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TRIMBLE INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(UNAUDITED)

As of	Third Quarter of 2018	Fiscal Year End 2017 *As Adjusted
(In millions, except par value)		
ASSETS		
Current assets:		
Cash and cash equivalents	\$205.4	\$ 358.5
Short-term investments	—	178.9
Accounts receivable, net	476.0	427.7
Other receivables	27.2	42.8
Inventories	286.3	264.6
Other current assets	66.3	39.2
Total current assets	1,061.2	1,311.7
Property and equipment, net	206.1	174.0
Goodwill	3,548.6	2,287.1
Other purchased intangible assets, net	780.0	364.8
Deferred costs, non-current	37.2	35.0
Other non-current assets	149.1	143.7
Total assets	\$5,782.2	\$ 4,316.3
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	\$226.1	\$ 128.4
Accounts payable	155.7	146.0
Accrued compensation and benefits	137.5	143.9
Deferred revenue	326.1	237.6
Accrued warranty expense	16.4	18.3
Other current liabilities	117.5	99.2
Total current liabilities	979.3	773.4
Long-term debt	1,786.6	785.5
Non-current deferred revenue	38.2	39.0
Deferred income tax liabilities	88.5	47.8
Income taxes payable	72.4	94.1
Other non-current liabilities	168.6	162.0
Total liabilities	3,133.6	1,901.8
Commitments and contingencies (Note 15)		
Stockholders' equity:		
Preferred stock, \$0.001 par value; 3.0 shares authorized; none issued and outstanding	—	—
Common stock, \$0.001 par value; 360.0 shares authorized; 251.1 and 248.9 shares issued and outstanding as of the end of the third quarter of fiscal 2018 and fiscal year end 2017, respectively	0.3	0.2
Additional paid-in-capital	1,574.8	1,461.1

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Retained earnings	1,227.2	1,084.6	
Accumulated other comprehensive loss	(153.9) (131.4)
Total Trimble Inc. stockholders' equity	2,648.4	2,414.5	
Noncontrolling interests	0.2	—	
Total stockholders' equity	2,648.6	2,414.5	
Total liabilities and stockholders' equity	\$5,782.2	\$ 4,316.3	

* See Note 2 for a summary of adjustments

See accompanying Notes to the Condensed Consolidated Financial Statements.

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TRIMBLE INC.
 CONDENSED CONSOLIDATED STATEMENTS OF INCOME
 (UNAUDITED)

(In millions, except per share amounts)	Third Quarter of		First Three Quarters of	
	2018	2017	2018	2017
		*As Adjusted		*As Adjusted
Revenue:				
Product	\$499.7	\$ 449.4	\$1,528.5	\$ 1,304.4
Service	156.5	124.3	421.4	342.8
Subscription	139.0	102.5	373.0	299.5
Total revenue	795.2	676.2	2,322.9	1,946.7
Cost of sales:				
Product	237.5	226.8	723.1	642.6
Service				