

The TORO logo is a red rounded rectangle with the word "TORO" in white, bold, serif font.

THE TORO
COMPANY

THE TORO COMPANY

November 7, 2023

Richard Olson, Chairman and Chief Executive Officer
Angie Drake, Chief Financial Officer



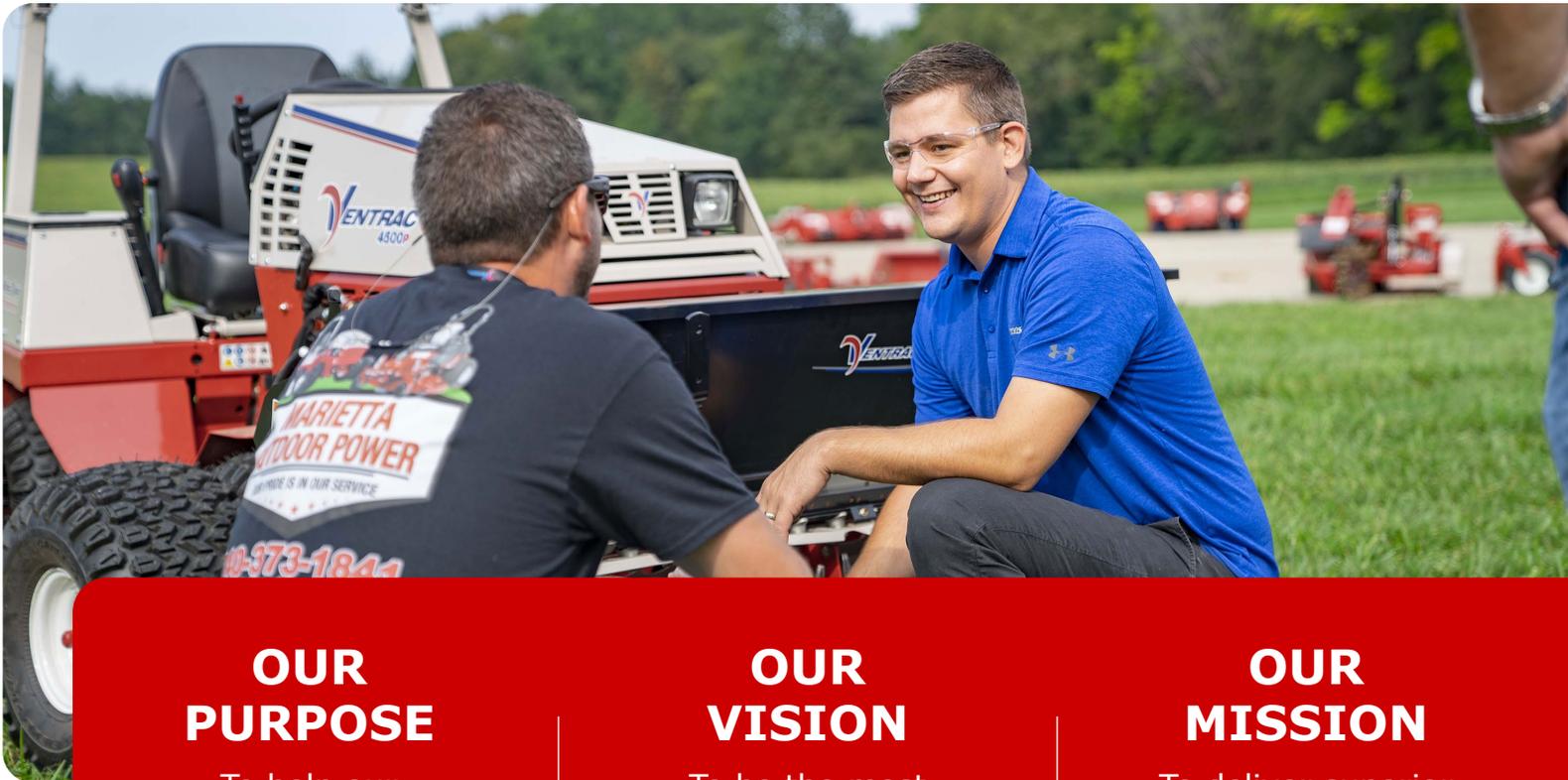


Safe Harbor

This presentation contains forward-looking statements, which are being made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on management's current assumptions and expectations of future events and often can be identified by words such as "believe," "forward," "future," "goal," "guidance," "improve," "may," "outlook," "plan," "should," "target" and "would," variations of such words or the negative thereof, and similar expressions or future dates. Forward-looking statements involve risks and uncertainties that could cause actual events and results to differ materially from those projected or implied. Such risks and uncertainties include: adverse worldwide economic conditions, including inflationary pressures; disruption at or in proximity to our facilities, those of our distribution channel customers, mass retailers or home centers where our products are sold, or suppliers; fluctuations in the cost or availability of commodities, components, parts and accessories; the effect of abnormal weather patterns; the level of growth or contraction in our key markets; and other risks and uncertainties described in our most recent annual report on Form 10-K, subsequent quarterly reports on Form 10-Q or current reports on Form 8-K, and other filings with the Securities and Exchange Commission. We make no commitment to revise or update any forward-looking statements in order to reflect events or circumstances occurring or existing after the date of this presentation.

This presentation also contains non-GAAP financial measures and more information about our use of such non-GAAP financial measures, as well as a reconciliation of the most directly comparable historical U.S. GAAP financial measures to the corresponding historical non-GAAP financial measures, which can be found in our related financial filings in the section titled "Non-GAAP Financial Measures".

All financial results contained within this presentation are based on fiscal year ending October 31 figures



The Toro Company:

Built on Strong Relationships and Our Legacy of Excellence

OUR PURPOSE

To help our customers enrich the beauty, productivity and sustainability of the land.



OUR VISION

To be the most trusted leader in solutions for the outdoor environment. Every day. Everywhere.



OUR MISSION

To deliver superior innovation and to deliver superior customer care.



Supported on a Foundation of Delivering Consistent Financial Results



+8.7%
**NET SALES
CAGR***

+14.7%
**ADJUSTED
EPS CAGR*,****

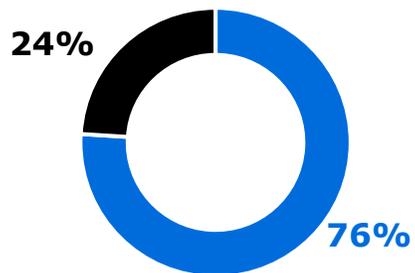
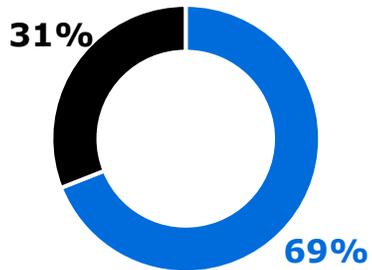
+24.4%
**AVERAGE
ROIC*,****

Diversified and Complementary Portfolio Enables Scale While Reducing Seasonality...

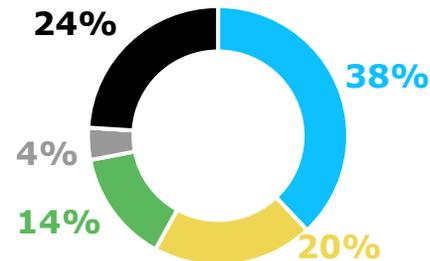
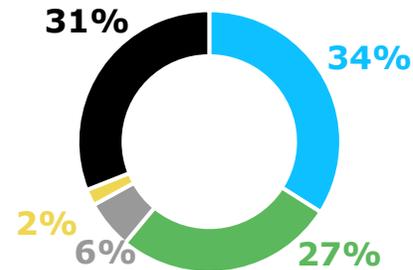
**2012
NET SALES
\$1.96B**

**2022
NET SALES
\$4.51B**

By Segment



By End Market



■ Professional
 ■ Residential
 ■ Landscape and Grounds
 ■ Underground & Specialty Construction
 ■ Golf
 ■ Agricultural Micro Irrigation

While both segments have grown, higher-margin Professional segment has become a larger portion of net sales

Together, These Key Differentiators Make Our Company Strong

Grass grows, snow falls, & infrastructure ages

creates demand for our products

Regular product replacement

creates recurring revenue tailwind

Extensive distribution, service and support network

creates competitive advantage across both segments

Significant innovation

creates synergies across all product categories

Durable & steady free cash flow generation

creates funding for profitable growth investments

All-season capability & sector exposure

creates stable and sustainable earnings

TTC is well-positioned in attractive end markets

Q&A





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APPENDIX

Non-GAAP Financial Measures

This presentation contains certain non-GAAP financial measures, which are not calculated or presented in accordance with U.S. GAAP, as information supplemental and in addition to the most directly comparable financial measures calculated and presented in accordance with U.S. GAAP. The non-GAAP financial measures included within this presentation, as applicable, consist of operating earnings, earnings before income taxes, effective tax rate, each as adjusted, as well as scottreturn on average invested capital and return on average equity.

Management believes that the presentation of these non-GAAP measures provides useful information to investors and that these measures may assist investors in evaluating our core operational performance and cash flows, as a measure of our liquidity.

This Appendix includes a reconciliation of the historical non-GAAP financial measures used in the presentation to the most directly historical comparable GAAP financial measures.

Reconciliations of forward-looking non-GAAP guidance to projected U.S. GAAP guidance is not provided because it would require an unreasonable effort to do so.

Non-GAAP financial measures have limitations as analytical tools, and should not be considered in isolation, or as a substitute for, our financial measures prepared in accordance with U.S. GAAP.

Investors should note that any non-GAAP financial measure we use may not be the same non-GAAP financial measure, and may not be calculated in the same manner, as that of other companies.

Adjusted EPS

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
EPS, diluted - GAAP	\$1.07	\$1.31	\$1.51	\$1.78	\$2.06	\$2.41	\$2.50	\$2.53	\$3.03	\$3.78	\$4.20
Acquisition-related costs	-	-	-	-	-	-	-	\$0.47	\$0.05	-	\$0.03
Management actions	-	-	-	-	-	-	-	\$0.13	\$0.01	-	-
Tax impact of stock-based compensation	-	-	-	-	-	(\$0.18)	(\$0.13)	(\$0.12)	(\$0.07)	(\$0.08)	(\$0.03)
Other*	-	-	-	-	-	-	\$0.30	(\$0.01)	-	(\$0.08)	-
EPS, diluted - Adjusted	\$1.07	\$1.31	\$1.51	\$1.78	\$2.06	\$2.23	\$2.67	\$3.00	\$3.02	\$3.62	\$4.20

Return on Average Invested Capital (%)*

(\$ in millions)	2012	2013	2014	2015	2016	2017*	2018*	2019*	2020*	2021*	2022*
Adj. Op. Earnings* (1-Adj. Tax Rate)	\$135.7	\$157.5	\$178.4	\$207.2	\$233.7	\$249.3	\$290.6	\$325.8	\$343.3	\$407.6	\$462.6
Avg. Quarterly Capital Utilized	\$544.1	\$579.5	\$649.1	\$852.7	\$910.1	\$935.4	\$944.0	\$1,437.0	\$1,910.3	\$1,962.6	\$2,367.5
ROIC	24.9%	27.2%	27.5%	24.3%	25.7%	26.7%	30.8%	22.7%	18.0%	20.8%	19.5%

$$\frac{\text{Adjusted Operating Earnings}^*(1-\text{Adjusted Effective Tax Rate})}{\text{Avg. Quarterly Capital Utilized}} = \text{ROIC}$$

*Non-GAAP Measure: F'17 through F'22 ROIC are calculated with Adjusted Operating Earnings, Adjusted Effective Tax Rate and Adjusted Net Earnings

Full-Year Fiscal 2022 and 2021 Reconciliation of Non-GAAP Performance Measures

The following table provides a reconciliation of financial performance measures calculated and reported in accordance with U.S. GAAP to the most directly comparable non-GAAP financial performance measures for the fiscal years ended October 31, 2022 and 2021 (In thousands, except per share and percentage data):

Fiscal Years Ended	October 31, 2022	October 31, 2021
Gross profit	\$ 1,504,596	\$ 1,338,492
Acquisition-related costs ¹	1,650	—
Adjusted gross profit	\$ 1,506,246	\$ 1,338,492
Gross margin	33.3 %	33.8 %
Acquisition-related costs ¹	0.1 %	— %
Adjusted gross margin	33.4 %	33.8 %
Operating earnings	\$ 575,663	\$ 518,280
Acquisition-related costs ¹	4,000	—
Litigation settlements, net ²	—	(11,325)
Adjusted operating earnings	\$ 579,663	\$ 506,955
Earnings before income taxes	\$ 552,546	\$ 499,818
Acquisition-related costs ¹	4,000	—
Litigation settlements, net ²	—	(11,325)
Adjusted earnings before income taxes	\$ 556,546	\$ 488,493
Net earnings	\$ 443,342	\$ 409,880
Acquisition-related costs ¹	3,177	—
Litigation settlements, net ²	—	(9,022)
Tax impact of stock-based compensation ³	(2,303)	(8,185)
Adjusted net earnings	\$ 444,216	\$ 392,673
Net earnings per diluted share	\$ 4.20	\$ 3.78
Acquisition-related costs ¹	0.03	—
Litigation settlements, net ²	—	(0.08)
Tax impact of stock-based compensation ³	(0.03)	(0.08)
Adjusted net earnings per diluted share	\$ 4.20	\$ 3.62
Effective tax rate	19.8 %	18.0 %
Tax impact of stock-based compensation ³	0.4 %	1.6 %
Adjusted effective tax rate	20.2 %	19.6 %

¹ On January 13, 2022, we completed our acquisition of Intimidator. Acquisition-related costs for the fiscal year ended October 31, 2022 represent transaction and integration costs incurred in connection with the acquisition. No acquisition-related costs were incurred for the fiscal year ended October 31, 2021. For additional information regarding this acquisition, refer to Note 2, *Business Combinations and Asset Acquisitions*, of the Notes to Consolidated Financial Statements.

² On November 19, 2020, Exmark Manufacturing Company Incorporated ("Exmark"), a wholly-owned subsidiary of TTC, and Briggs & Stratton Corporation ("BGG") entered into a settlement agreement ("Settlement Agreement") relating to the decade-long patent infringement litigation that Exmark originally filed in May 2010 against Briggs & Stratton Power Products Group, LLC ("BSPPG"), a former wholly-owned subsidiary of BGG (Case No.