



THE TORO  
COMPANY

# Investor Presentation

December 17, 2025  
Q4 Fiscal 2025





# Note on Forward-looking Statements and Non-GAAP Financial Measures

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," "expect," "intend," "forward," "future," "goal," "guidance," "improve," "may," "outlook," "should," "target" and "would," variations of such words or the negative thereof, and similar expressions or future dates. Forward-looking statements in this presentation include our fiscal 2026 financial guidance and expectations regarding demand trends, our ability to mitigate tariff headwinds, timing of operating cash flow generation, and AMP. 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; the effect of abnormal weather patterns; customer, government and municipal revenue, budget spending levels and cash conservation efforts; loss of any substantial customer; inventory adjustments or changes in purchasing patterns by customers; fluctuations in the cost and availability of commodities, components, parts, and accessories; disruption at or in proximity to our facilities or certain third parties; risks associated with acquisitions and dispositions; impacts of our AMP initiative and any future restructuring activities or productivity or cost savings initiatives; geopolitical factors and government policies and actions with respect to global trade, tariffs, U.S. trade policy and trade agreements; 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 most recent fiscal quarter and fiscal year-end figures.**

# The Toro Company

Built on Strong Relationships  
and Our Legacy of Excellence



# Overview

## Industries We Serve

**Golf, Sports Fields & Grounds:** Specialized/precision equipment, large-area turf maintenance, smart irrigation systems, lighting

**Landscape Contractors:** Turf maintenance, snow and ice management, irrigation, lighting, AI-powered software

**Homeowners:** Turf maintenance for homeowners with urban, suburban & large acreage properties, battery-powered equipment, snow removal, irrigation

**Underground Construction:** Infrastructure construction, trenchless rehab & replacement, locating & guiding

**Specialty Construction:** Versatile equipment for contractors, rental equipment, electric indoor construction

**Agriculture:** Micro irrigation systems, irrigation automation



### PURPOSE

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



### VISION

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



### MISSION

To deliver superior innovation and to deliver superior customer care.



THE TORO  
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# Innovative Solutions & Brand Portfolio

- Over 110 years of innovation and deep customer relationships in 125+ countries.
- Wide range of innovative solutions for professional and residential markets.
- Innovations in gas, battery, electric, hybrid, smart-connected, and autonomous solutions.



**Robust balance sheet**  
enables continued  
investments

## Brand Leadership #1 or #2 in Our Key Markets



# Investment Thesis

We have a **proven track record** of executing on targets and are well positioned to create meaningful shareholder value over the next five years.

- ✓ **Attractive end markets** and customer-driven innovation.
- ✓ **Deep expertise**, leading market share, and best-in-class distribution & service networks create high barriers to entry.
- ✓ **Steady replacement cycles** drive future organic growth.
- ✓ Consistent **financial performance** and cash flow generation.
- ✓ **Strategic investments** and disciplined capital allocation.
- ✓ **Expanded portfolio** and reach in fast-growing industries, providing significant runway for future growth.



# A Foundation of Consistent Financial Results

**+22.8%**  
AVERAGE  
ROIC<sup>\*,\*\*</sup>

**+7.8%**  
NET SALES  
CAGR<sup>\*</sup>

**+10.7%**  
ADJUSTED  
EPS CAGR<sup>\*,\*\*</sup>

# Results

## Our Enterprise Strategic Priorities



**ACCELERATING  
PROFITABLE  
GROWTH**



**DRIVING  
PRODUCTIVITY  
AND OPERATIONAL  
EXCELLENCE**



**EMPOWERING  
PEOPLE**

\*Calculation and statements refer to TTC results from F15 to F25; CAGR = Compound Annual Growth Rate

\*\*Non-GAAP Measures: refer to the Appendix of this presentation for additional information and reconciliation

# F25 Financial Highlights

## Professional Strength

- Continued strength in the professional segment, driven by underground construction and golf
- Professional segment net sales of \$3,624M, up 1.9% from \$3,557M in F24
- Professional segment earnings margin of 19.4% up from 18.0% in F24

## Free Cash Flow

- Record \*free cash flow of \$578M, up from \$471M in F24
- \*Free cash flow conversion of 146%, up from 112%

## Capital Allocation

- Dividends per share increased 6% year-over-year
- Share repurchases of \$290M, up from \$246M in F24
- Total of \$441M returned to shareholders in F25

## Return on Invested Capital

- ROIC\* of 17.0%, up from 16.6% in F24



\* Non-GAAP Measures: refer to the Appendix of this presentation for additional information and reconciliation



# Productivity Initiatives

## Annualized Savings Implemented

**\$86M**

Program-to-Date

**\$125M+**

\$100M  
Original  
Goal

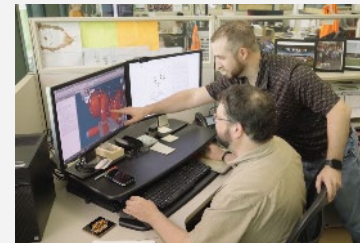
F26 Goal

} F26 Goal  
Increased

## Focus Areas for Transformation



Supply Base



Design-to-Value



Route-to-Market



Operational Efficiency

# Long-Term Performance Expectations

Annual Net Sales Growth (%)	<b>3% to 5%</b>
Adjusted Operating Earnings Margin* (%)	<b>13% to 15%</b>
Annual Adjusted Diluted EPS* Growth (%)	<b>8% to 10%</b>
Free Cash Flow (FCF) Conversion* (%)	<b>Over 100%</b>

\* Non-GAAP Measures: refer to the Appendix of this presentation for additional information and reconciliation



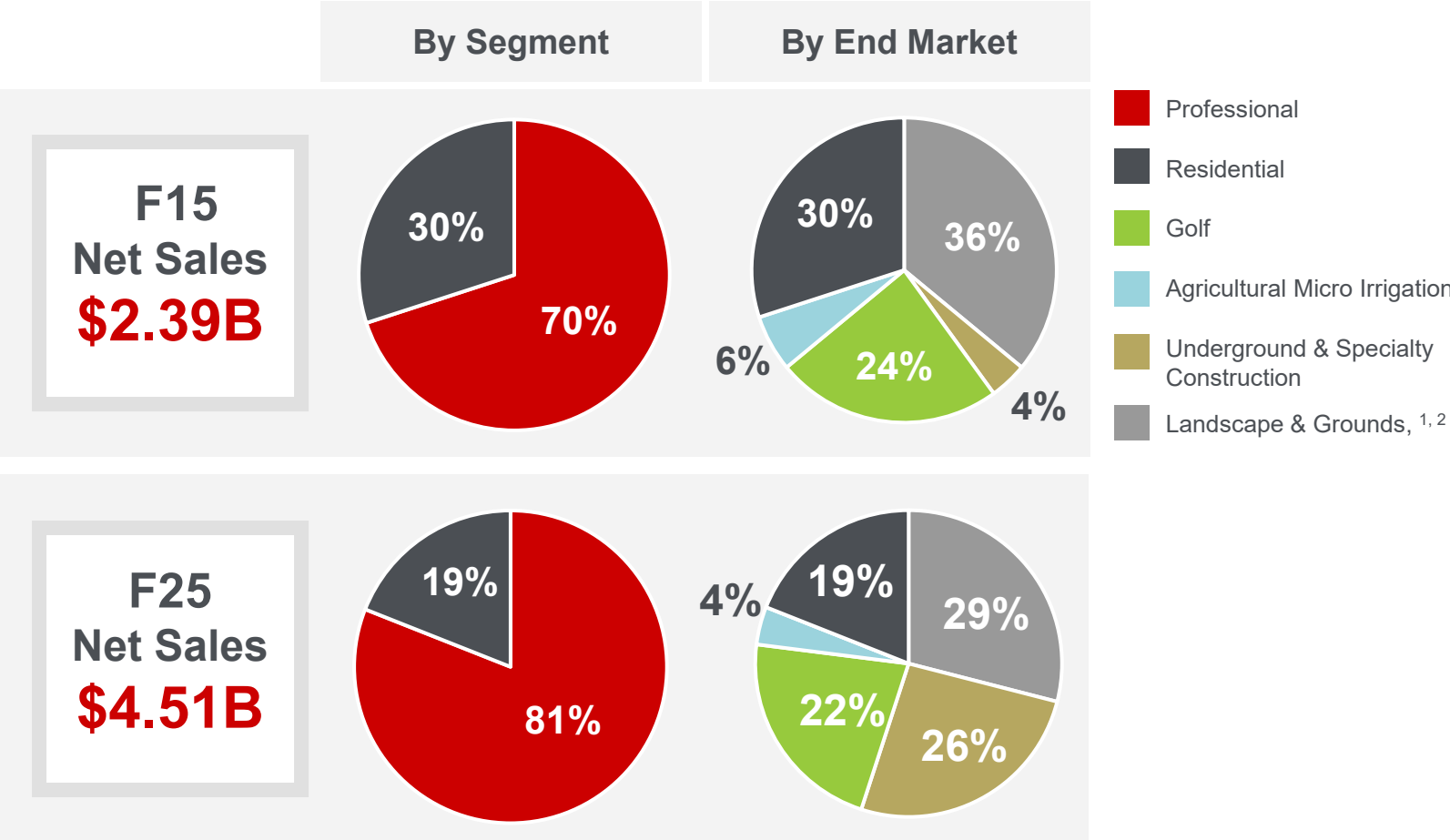
## Factors that Could Affect Business Performance

- ✓ Weather Conditions
- ✓ Seasonality
- ✓ Consumer Confidence
- ✓ Interest Rates
- ✓ Macro Conditions
- ✓ Infrastructure Spend
- ✓ Housing Market

*Diverse portfolio reduces reliance on weather conditions.*

# Diversified & Complementary Portfolio

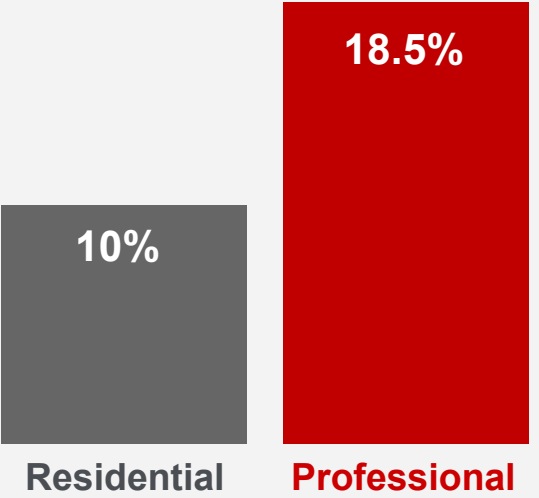
Diverse portfolio reduces reliance on weather conditions.



**F15**  
Net Sales  
**\$2.39B**

**F25**  
Net Sales  
**\$4.51B**

## Operating Margins & Professional Growth



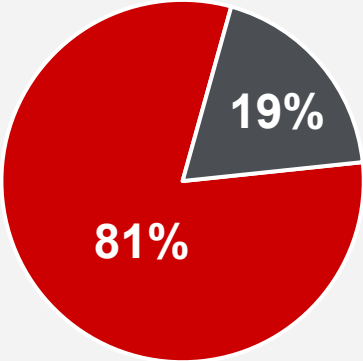
*Professional work runs nearly twice the operating margin of residential - a clear reason our focus remains on the professional market.*

Based on 10-year average F15 – F25

# Global Customer Base

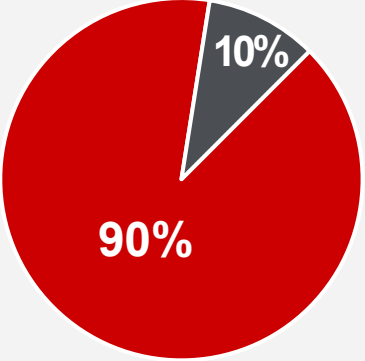
## F25 Net Sales

By Geographic Market



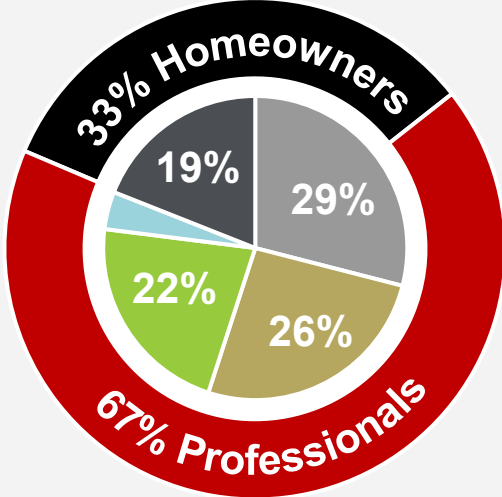
■ U.S. ■ Outside U.S.

By Product Type



■ Equipment ■ Irrigation

By Customer



*Approximately half the landscape & grounds end market is sold to homeowners. Including the Residential segment, ~ 33% of our products are sold to homeowners.*

F25 Net Sales by End Market

- Residential
- Golf
- Agricultural Micro Irrigation
- Underground & Specialty Construction
- Landscape & Grounds

# Infrastructure Investments & Strategic Expansion



## Global Infrastructure Investment

Significant growth in **transportation, communication, broadband, electric grid, water quality, and data centers** driving multi-year opportunities.

Unprecedented government funding worldwide creating opportunity for robust long-term growth.

## Uniquely Positioned

We have the most comprehensive underground and specialty construction equipment and brand line up in the industry.

## Recent Strategic Acquisition

### Tornado Infrastructure Equipment

A leader in vacuum excavation trucks designed to safely excavate around critical infrastructure using a combination of high-pressure water or air, and a powerful vacuum system to minimize the risk of utility damage.

### Strategic Fit

- Complements specialized underground portfolio
- Expands market reach
- Positions us to capitalize on global infrastructure spending
- Trusted partnership since 2022



# Golf Global Market Momentum

Golf continues its **strong global rise**, with 2024 U.S. rounds played, projected to set the record for the most U.S. rounds played in a single year. International momentum is equally impressive, marked by a 44% increase in on-course golfers outside North America since 2016.

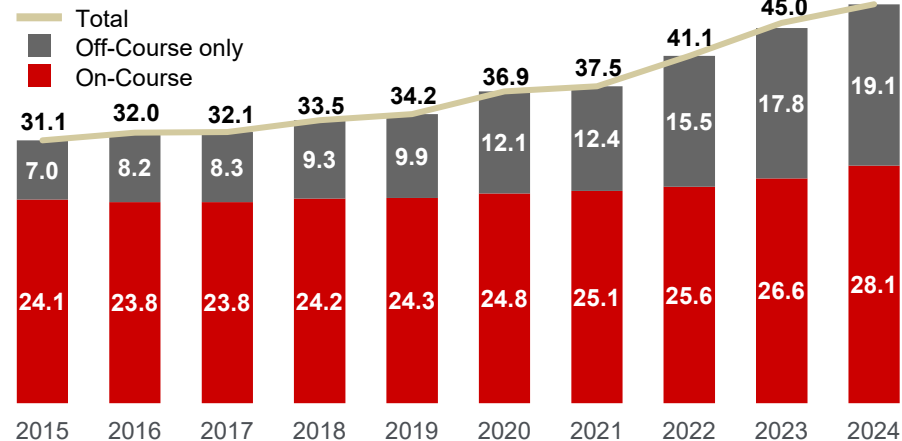
## We Are Competitively Positioned to Win

#1 global market share leader

Multi-year irrigation projects secured through 2028 and beyond

100+ Years of deep relationships & industry-leading innovation

U.S. Golf Participants, in Millions (Ages 6+)



© National Golf Foundation 2025  
 Source(s): Physical Activity Council (PAC) activity survey and NGF's Participation and Engagement Survey (PES)  
 "Millions of Americans (ages 6+) who've played, watched, read about, and/or "followed" golf in the past 12 months.  
 Off-course includes golf entertainment venues (Topgolf, Drive Shack, etc.), standalone driving ranges, and/or the hundreds of businesses that now have simulators and screen golf setups.

## Golf Participation At-a-Glance

**545M Rounds Played**  
 Up 2% over 2024

**28.1M On-Course Participation**  
 Up 5% over 2024

**3.7M Youth Golfers**  
 Up 6% over 2024

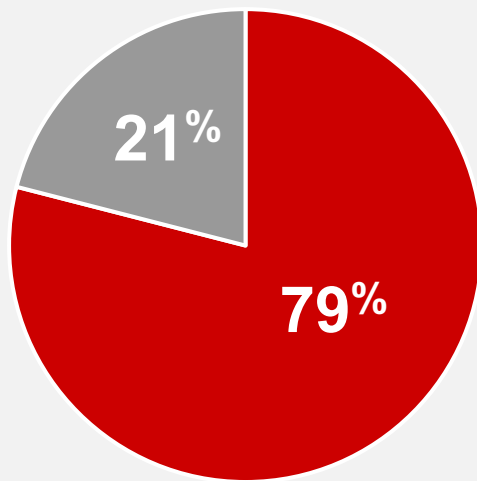
**2.1M Private Club Memberships**  
 Up 44% since 2019

© National Golf Foundation  
 2025 Leaderboard Golf Industry - Key U.S. Statistics

# Professional

## Professional Segment Overview

2025 Geographic Net Sales Profile



■ U.S. ■ Outside U.S.

### F15

**70%**

OF TOTAL COMPANY NET SALES

**\$1.64B**

NET SALES

**18.8%**

SEGMENT EARNINGS MARGIN

### F25

**81%**

OF TOTAL COMPANY NET SALES

**\$3.62B**

NET SALES

**19.4%**

SEGMENT EARNINGS MARGIN

# Continuous Pipeline of New Product Introductions

Investing in strategic technology to fuel customer-valued innovations

- ✓ Help customers increase productivity
- ✓ Address labor challenges
- ✓ Achieve sustainability goals

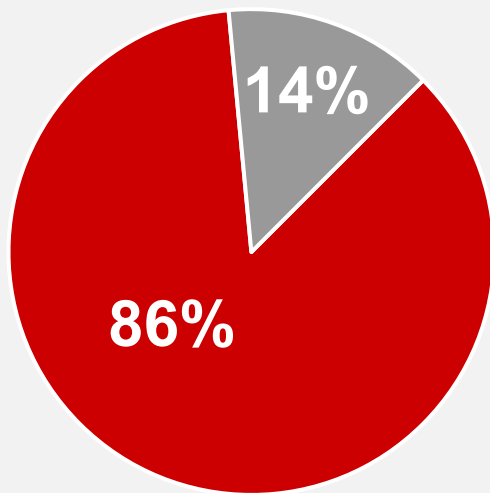
# Featured Innovations



# Residential Segment Overview

# Residential

2025 Geographic Net Sales Profile



■ U.S. ■ Outside U.S.

## F15

**30%**

OF TOTAL COMPANY NET SALES

**\$0.73B**

NET SALES

**11.7%**

SEGMENT EARNINGS MARGIN

## F25

**19%**

OF TOTAL COMPANY NET SALES

**\$0.86B**

NET SALES

**4.2%**

SEGMENT EARNINGS MARGIN

# Residential Segment Strengths



## Strong Brands

America's #1 Walk Mower  
and Snow Blower Brand

Powerful Brand Recognition

Market Share Leader



## Expansive Channel

8,000+ Mass Retailer  
Partnership Locations

4,000+ Independent  
Dealers Globally



## Innovative Solutions

Battery Power

Professional Features

Robotics



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# Residential Products

Well-Positioned for Future Growth With a Full Suite of Offerings for Homeowners

- ✓ Designed for Urban, Suburban and Large Acreage Homeowners
- ✓ Zero Emission Solutions: 75+ Tools for Homeowners
- ✓ Fully Interchangeable Flex Force Battery System
- ✓ Zero Turn Mowers with Pro DNA
- ✓ Extensive Quality OEM Parts



# Synergies Across Professional & Residential Segments

*Regular equipment replacement cycles drive predictable sales*

- Typical turf equipment cycle is ~3 to 5 years for contractors
- Typical lease duration for golf equipment is ~3 to 4 years
- Typical residential equipment replacement is ~7 to 10 years



## Customer First

Extensive distribution and support channels solve customer problems and address unmet needs.



## Research & Development

Cross-segment innovation drives sales, profitability & brand reputation



## Complementary Product Categories

Driving market share gains, supply chain & operational efficiency and margin expansion



## Brand Recognition and Loyalty

Builds trust across segments, drives regular replacement cycles and creates consistent demand for parts.



*Demand drivers across Professional and Residential segments coupled with leveraged R&D investments enables a long runway of profitable growth and attractive margins*

# Innovation Across the Portfolio

We don't just make products,  
**we solve problems**

All of our solutions are engineered, field tested and refined to ensure the highest standards of performance, reliability and safety



2021 autonomous technology accelerating acquisitions



## Alternative Power & Electrification

- Zero exhaust emissions
- Quiet operation
- Easier maintenance
- Addressing regulations



## Smart Connected Products

- Driving productivity
- Loyal relationships
- Data/Customer insights
- Subscription services

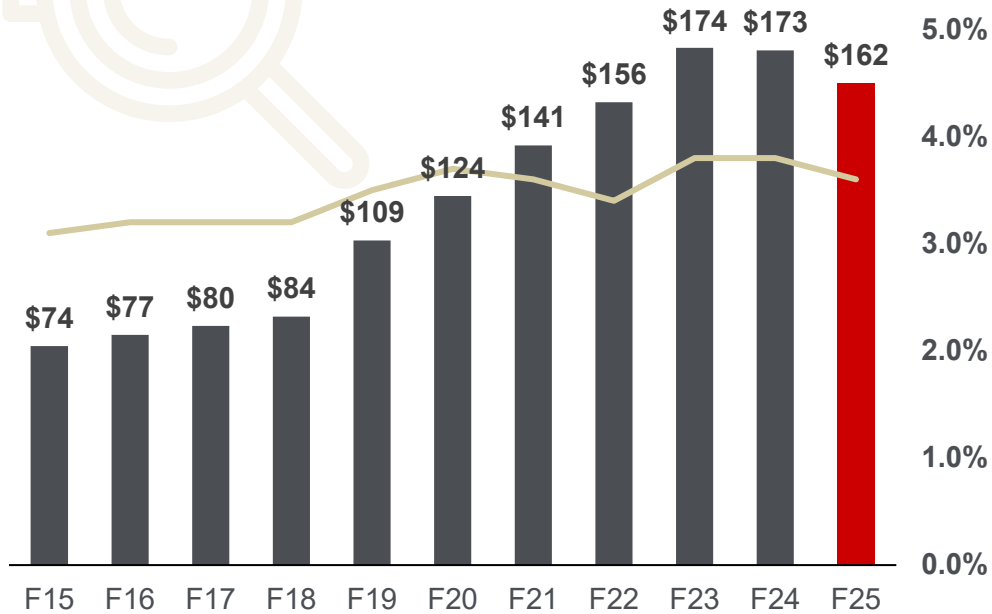


## Autonomous Solutions

- Addressing labor shortages
- Improving consistency

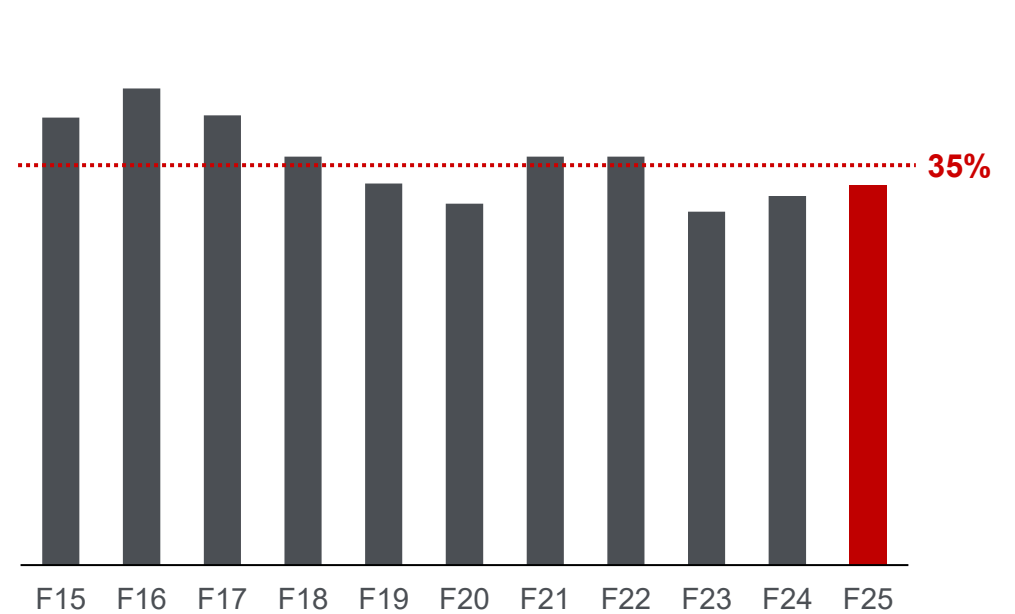
# Leadership Through Innovation

R&D Investment and % of Net Sales\*



**Organic growth driven by prioritized R&D spend**

Vitality Index\*\*



**Resonating with customers as evidenced by strong Vitality Index\*\***

\*Bars reflect R&D expense in USD millions; Red line reflects R&D expense as a percentage of net sales

\*\*Percentage of net sales from new products introduced over the prior three years

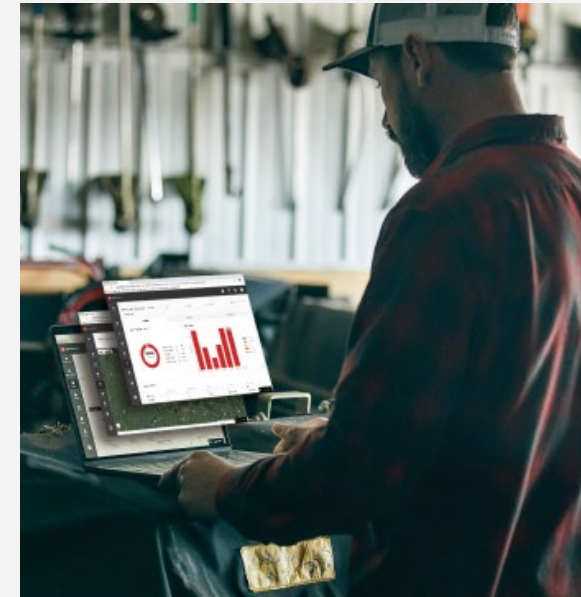
# AI-Driven Productivity & Innovation

Our internal AI and large language models automate manual work, help predict outcomes, and boost productivity.

- ✔ Product development & testing
- ✔ Quality improvement & warranty automation
- ✔ Customer research, analysis & insights
- ✔ Trend identification
- ✔ Accelerating team productivity & decision making
- ✔ Employee productivity & efficiency



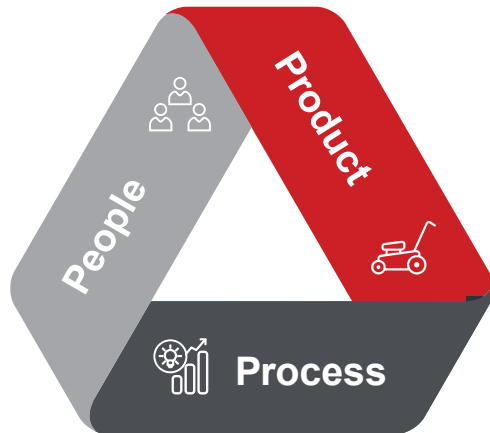
TTC's AI **TerrAIn** strategy responsibly integrates AI into our process.



# Sustainability Initiatives

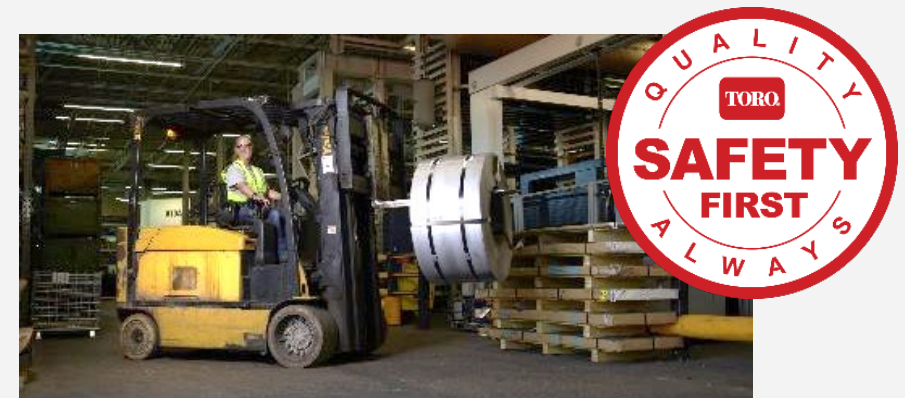
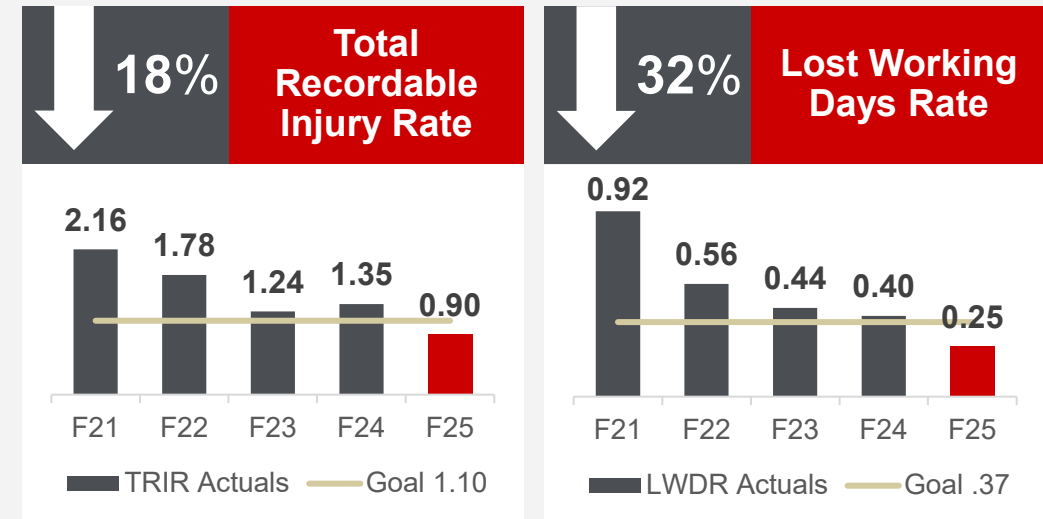
## Focus Areas

Product	People	Process
<ul style="list-style-type: none"> <li>• Design &amp; innovation</li> <li>• Raw material extraction</li> <li>• Manufacturing</li> <li>• Distribution</li> <li>• Product use</li> <li>• End of life</li> </ul>	<ul style="list-style-type: none"> <li>• Safety</li> <li>• Health &amp; wellness</li> <li>• Acquisition &amp; retention</li> <li>• Inclusion and belonging</li> <li>• Giving and community</li> </ul>	<ul style="list-style-type: none"> <li>• Energy &amp; emissions</li> <li>• Water</li> <li>• Supply chain</li> <li>• Waste</li> <li>• Sustainable buildings</li> </ul>



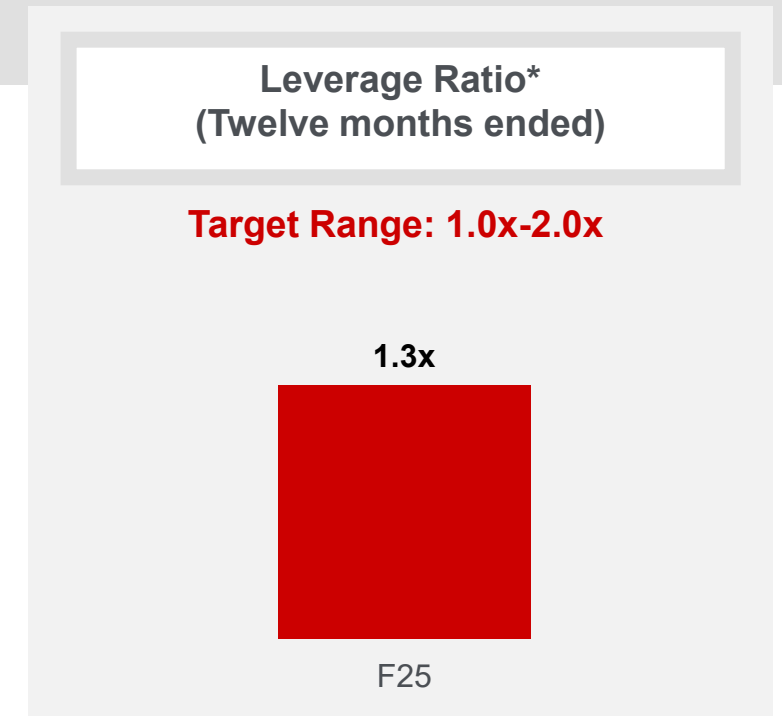
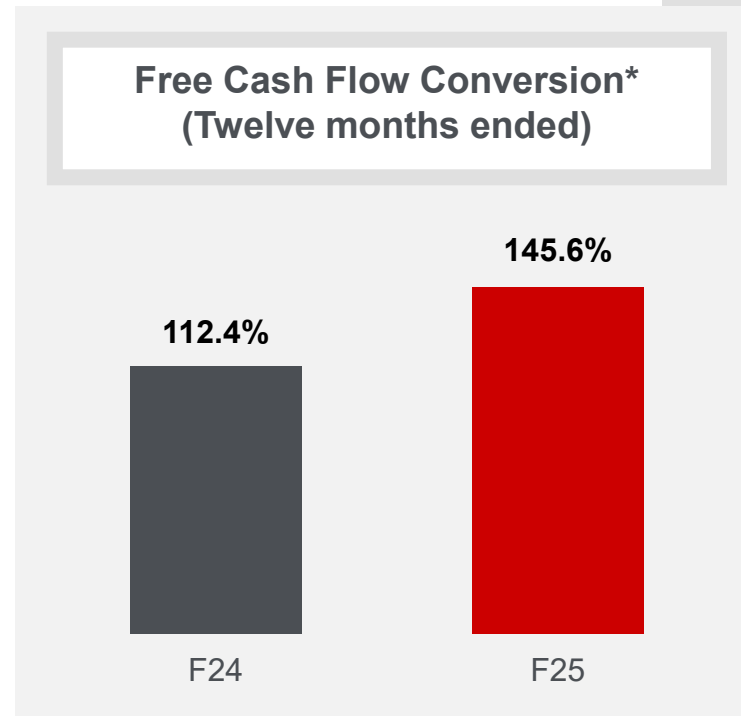
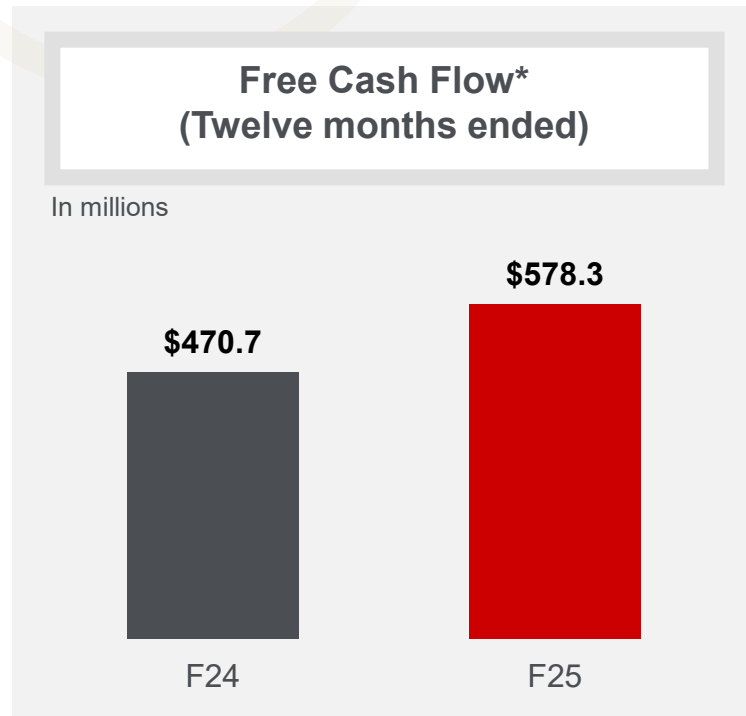
[View Our Sustainability Report](#)

Reduced Total Recordable Injury Rate by over 50%  
Surpassing our F25 Sustainability People Goal



# Strong Balance Sheet and Resilient Free Cash Flow

Cash flow generation continues to be a source of strength, with F25 free cash flow conversion\* significantly exceeding our previous guidance of 110%.



\* Non-GAAP Measures: refer to the Appendix of this presentation for additional information and reconciliation

# Capital Allocation Strategy

*Balanced approach to capital allocation has resulted in strategic investments driving significant growth and the return of more than \$1.3B to shareholders over the last 5 years.*

## Consistent Priorities



Capital expenditures supporting investments in new innovations and new technology that drive organic growth



Strategic approach to acquisitions with disciplined process and proven track record



Established dividend with increases commensurate with earnings growth



Share repurchases to return value to shareholders and offset dilution over time

## F25 YTD Actions

Invested \$83.7M to fund new product investments, advanced manufacturing technologies, and capacity for growth within existing manufacturing footprint

Acquired ProKASRO Services USA in the attractive trenchless underground construction space

Returned \$151.1M to shareholders via regular dividends, representing a per share payout increase of 6% year-over-year

Returned \$290.0M to shareholders via share repurchases

# Notable Acquisitions

F97



Market share leader in the landscape contractor industry

F19



Ditch Witch established The Toro Company as "The Underground Authority"

F26



Growing hydrovac industry complements Ditch Witch underground construction portfolio

F14



A leading brand in professional contractor snow and ice management

F20



Versatile machines and attachments that offer maximum performance in complex landscapes

# Tariff Impact Mitigated 100%

## F25 Margins Maintained

### Competitive Advantages

- U.S. Based Manufacturer
- Primarily U.S. Supply Base
- USMCA Qualification
- Minimal China Exposure

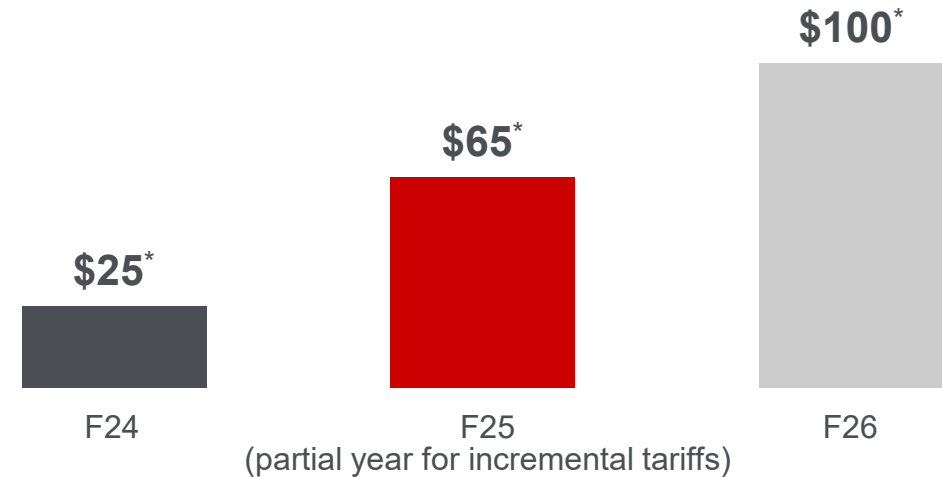
### Mitigating Actions

- Manufacturing & Portfolio Optimization
- Strategic Sourcing Adjustments
- Price Increases



**Estimate F26 Tariff Headwinds to be Approximately \$100 Million\***

### Tariff Costs by Year (\$, millions)

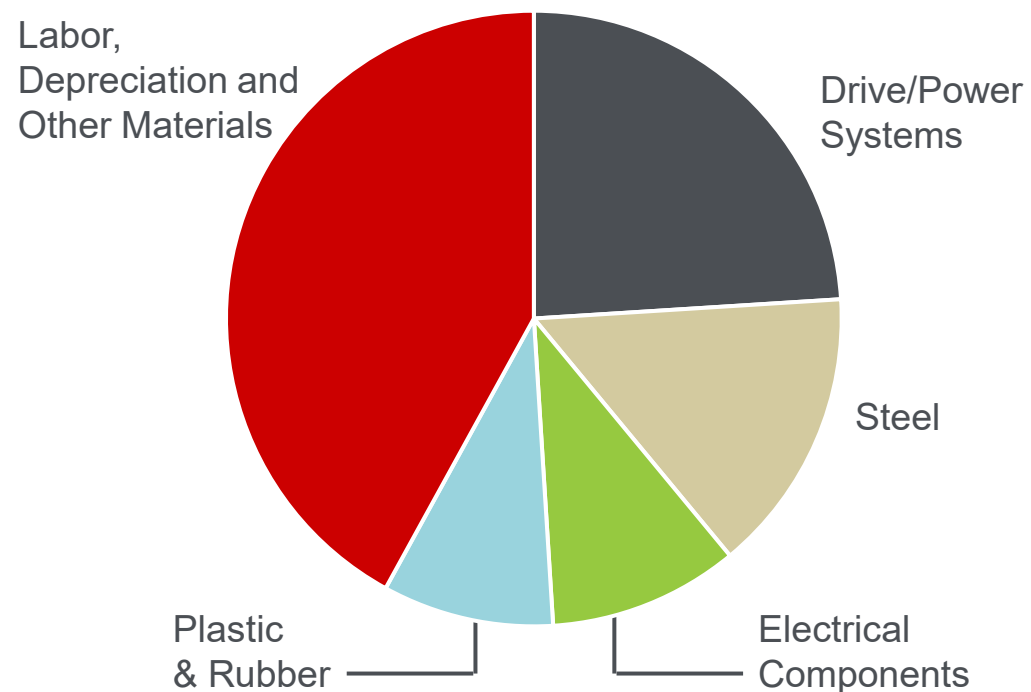


*F25 tariff headwinds were approximately \$65 million\* (\$40 million incremental in F25)*

*\*Includes approximately \$25 million impact of pre-existing tariffs already in place prior to F25.*

# Major Components of Cost of Sales

F25 Cost of Sales



## Sourcing Actions

- ✓ Enhanced supply chain transparency
- ✓ Diversifying sourcing strategies and supplier relationships
- ✓ Strengthening compliance and trade programs
- ✓ Enhancing site/plant flexibility
- ✓ Advancing vertical integration strategy and priorities
- ✓ Leveraging total plant network resources and capabilities
- ✓ Continuity plans

# Quarterly **Highlights:** Q4 F25

- ✓ Delivered fourth-quarter net sales and adjusted diluted EPS that beat expectations\*
- ✓ Continued innovation and increased output drove higher shipments in our underground construction business where demand remains robust
- ✓ Promising start to the winter season drove strong demand for snow and ice management products
- ✓ Deliberate actions to drive efficiency delivered productivity improvements and meaningful cost reductions

\* Non-GAAP Measures: refer to the Appendix of this presentation for additional information and reconciliation





# Full-Year F26 **Guidance**

(All on a year-over-year basis unless noted)

Net Sales Growth (%)	<b>Up 2% to 5%</b>
Professional Segment Net Sales Growth (%)	<b>Up Mid-Single Digits</b>
Residential Segment Net Sales Growth (%)	<b>Down Low to Mid-Single Digits</b>
Adjusted Gross Margin* (%)	<b>Higher</b>
Adjusted Operating Earnings Margin* (%)	<b>Higher</b>
Professional Segment Earnings Margin (%)	<b>Between 18.5% and 19.5%</b>
Residential Segment Earnings Margin (%)	<b>Between 6.0% and 8.0%</b>
Adjusted Diluted EPS* (\$)	<b>\$4.35 to \$4.50</b>
Capital Expenditures (\$)	<b>\$90M to \$100M</b>
Depreciation & Amortization (\$)	<b>\$130M to \$140M</b>
Interest Expense	<b>~65M</b>
Adjusted Effective Tax Rate* (%)	<b>~21%</b>
Free Cash Flow (FCF) Conversion* (%)	<b>At least 110%</b>
Share Repurchases	<b>Similar to F25</b>

\*Non-GAAP Measures: refer to the Appendix of this presentation for additional information and reconciliation



# Q1 F26 **Guidance**

(All on a year-over-year basis unless noted)

Net Sales Growth (%)	<b>Up Slightly</b>
Professional Segment Net Sales Growth (%)	<b>Up Mid-Single Digits</b>
Residential Segment Net Sales Growth (%)	<b>Down High-Teens</b>
Adjusted Operating Earnings Margin* (%)	<b>Lower</b>
Professional Segment Earnings Margin (%)	<b>Flat</b>
Residential Segment Earnings Margin (%)	<b>Lower</b>
Adjusted Diluted EPS* (\$)	<b>Flat to Down Slightly</b>

\*Non-GAAP Measures: refer to the Appendix of this presentation for additional information and reconciliation



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# Appendix

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# Our Portfolio of Brands



# Manufacturing Locations





# Accounts Receivable & Floor Plan Financing

- ✔ TTC's accounts receivable balance consists of sales to mass channel partners, irrigation customers, and many of our international dealers and distributors
- ✔ Majority of US independent dealers and distributors take advantage of inventory floor plan financing programs to fund their purchases, as is customary in our industry
- ✔ Red Iron offers financing for the majority of our domestic dealers and distributors of lawn care, snow and ice management, and golf and grounds solutions, as well as Toro-branded specialty construction products
- ✔ Third-party institutions also provide financing for a small portion of US dealers and distributors, some international channel partners, and the majority of our Ditch Witch underground construction distribution partners
- ✔ TTC's 45% non-controlling ownership stake in the Red Iron JV allows us to recoup a portion of our floor planning costs, and in accordance with GAAP the JV income is reported within "other income" in our income statement

# Historical Net Sales

(\$ millions)	F15	F16	F17	F18	F19	F20	F21	F22	F23	F24	F25
Net Sales	\$2,390.9	\$2,392.2	\$2,505.2	\$2,618.7	\$3,138.1	\$3,378.8	\$3,959.6	\$4,514.7	\$4,553.2	\$4,583.8	\$4,510.4



# 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 gross profit, gross margin, operating earnings, operating earnings margin, earnings before income taxes, net earnings, net earnings per diluted share and the effective tax rate, each as adjusted, as well as free cash flow, free cash flow conversion percentage, and leverage ratio.

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 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

	F15	F16	F17	F18	F19	F20	F21	F22	F23	F24	F25
<b>GAAP EPS</b>	\$1.78	\$2.06	\$2.41	\$2.50	\$2.53	\$3.03	\$3.78	\$4.20	\$3.13	\$4.01	\$3.17
Acquisition-related costs	-	-	-	-	\$0.47	\$0.05	-	\$0.03	-	-	-
Management actions/ productivity initiative (AMP)	-	-	-	-	\$0.13	\$0.01	-	-	\$0.04	\$0.19	\$0.42
Tax impact of stock-based compensation	-	-	(\$0.18)	(\$0.13)	(\$0.12)	(\$0.07)	(\$0.08)	(\$0.03)	(\$0.05)	(\$0.03)	-
Other*	-	-	-	\$0.30	(\$0.01)	-	(\$0.08)	-	\$1.09	-	\$0.61
<b>Adjusted EPS</b>	\$1.78	\$2.06	\$2.23	\$2.67	\$3.00	\$3.02	\$3.62	\$4.20	\$4.21	\$4.17	\$4.20

Adjusted for stock splits

\* Includes: Impacts of U.S. Tax reform in F18 and F19; Litigation settlement in F21; Non-cash impairment charges in F23 and F25



# Leverage Ratio – Trailing Twelve Months

(\$ millions)	Q1 F25	Q2 F25	Q3 F25	Q4 F25	F25 Total
Gross Debt	\$1,106.9	\$1,097.1	\$1,032.2	\$921.5	\$921.5
Adjusted Earnings Before Income Taxes*	\$82.6	\$174.4	\$148.1	\$105.3	\$510.4
Interest Expense	\$15.0	\$15.8	\$15.1	\$13.2	\$59.1
Depreciation and Amortization	\$32.1	\$31.5	\$32.2	\$47.1	\$142.9
Adjusted EBITDA	\$129.7	\$221.7	\$195.4	\$165.6	\$712.4
Leverage Ratio					1.3x

\* Non-GAAP Measures: refer to the Appendix of this presentation for additional information and reconciliation



# Leverage Ratio – Last Five Years

(\$ millions)	F21	F22	F23	F24	F25
Gross Debt	\$691.2	\$990.8	\$1,031.5	\$921.8	\$921.5
Adjusted Earnings Before Income Taxes*	\$488.5	\$556.5	\$557.2	\$535.9	\$510.4
Interest Expense	\$28.7	\$35.7	\$58.7	\$61.9	\$59.1
Depreciation and Amortization	\$99.3	\$108.8	\$119.2	\$128.2	\$142.9
Adjusted EBITDA	\$616.5	\$701.0	\$735.1	\$726.0	\$712.4
Leverage Ratio	1.1x	1.4x	1.4x	1.3x	1.3x

\* Non-GAAP Measures: refer to the Appendix of this presentation for additional information and reconciliation

# Return on Average Invested Capital (%)\*

(\$ in millions)	F15	F16	F17*	F18*	F19*	F20*	F21*	F22*	F23*	F24*	F25*
Adj. Op. Earnings* (1-Adj. Tax Rate)	\$207.2	\$233.7	\$249.3	\$290.6	\$325.8	\$343.3	\$407.6	\$462.6	\$467.5	\$455.0	\$443.1
Average Quarterly Capital Utilized	\$852.7	\$910.1	\$935.4	\$944.0	\$1,437.0	\$1,910.3	\$1,962.6	\$2,367.5	\$2,653.8	\$2,748.2	\$2,607.0
<b>ROIC</b>	<b>24.3%</b>	<b>25.7%</b>	<b>26.7%</b>	<b>30.8%</b>	<b>22.7%</b>	<b>18.0%</b>	<b>20.8%</b>	<b>19.5%</b>	<b>17.6%</b>	<b>16.6%</b>	<b>17.0%</b>

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

\* Non-GAAP Measure: F17 through F25 ROIC is calculated using Adjusted Operating Earnings, Adjusted Effective Tax Rate and Adjusted Net Earnings

# Free Cash Flow Generation

(\$ in millions)	F15	F16	F17	F18	F19	F20	F21	F22	F23	F24	F25
Operating Cash Flow	\$249.6	\$384.3	\$360.7	\$364.8	\$337.4	\$539.4	\$555.5	\$297.2	\$306.8	\$569.9	\$662.0
Capital Expenditures	(\$56.4)	(\$50.7)	(\$58.3)	(\$90.1)	(\$92.9)	(\$78.1)	(\$104.0)	(\$143.5)	(\$142.4)	(\$99.2)	(\$83.7)
<b>FCF</b>	<b>\$193.2</b>	<b>\$333.6</b>	<b>\$302.5</b>	<b>\$274.7</b>	<b>\$244.5</b>	<b>\$461.3</b>	<b>\$451.5</b>	<b>\$153.7</b>	<b>\$164.4</b>	<b>\$470.7</b>	<b>\$578.3</b>
<b>FCF Conversion*</b>	<b>96%</b>	<b>144%</b>	<b>113%</b>	<b>101%</b>	<b>89%</b>	<b>140%</b>	<b>110%</b>	<b>35%</b>	<b>50%</b>	<b>112%</b>	<b>146%</b>

\* FCF Conversion = Free Cash Flow/GAAP Net Earnings



## The Toro Company & Subsidiaries Reconciliation of Non-GAAP Financial Measures (Unaudited)

(Dollars in millions, except per-share data)

The following table provides a reconciliation of the non-GAAP financial performance measures used in this press release and the related earnings call to the most directly comparable measures calculated and reported in accordance with U.S. GAAP for the three- and twelve-month periods ended October 31, 2025 and October 31, 2024:

	Three Months Ended		Twelve Months Ended	
	October 31, 2025	October 31, 2024	October 31, 2025	October 31, 2024
Gross profit	\$ 350.7	\$ 349.0	\$ 1,504.8	\$ 1,549.3
Productivity initiative <sup>1</sup>	16.9	(1.2)	31.6	5.7
Adjusted gross profit	\$ 367.6	\$ 347.8	\$ 1,536.4	\$ 1,555.0
Gross margin	32.9 %	32.4 %	33.4 %	33.8 %
Productivity initiative <sup>1</sup>	1.6 %	(0.1)%	0.7 %	0.1 %
Adjusted gross margin	34.5 %	32.3 %	34.1 %	33.9 %
Operating earnings	\$ 92.5	\$ 109.0	\$ 409.9	\$ 533.3
Productivity initiative <sup>1</sup>	18.2	8.0	48.1	27.2
Non-cash impairment charges <sup>2</sup>	—	—	81.1	—
Adjusted operating earnings	\$ 110.7	\$ 117.0	\$ 539.1	\$ 560.5
Operating earnings margin	8.7 %	10.1 %	9.1 %	11.6 %
Productivity initiative <sup>1</sup>	1.7 %	0.8 %	1.1 %	0.6 %
Non-cash impairment charges <sup>2</sup>	— %	— %	1.8 %	— %
Adjusted operating earnings margin	10.4 %	10.9 %	12.0 %	12.2 %



## The Toro Company & Subsidiaries Reconciliation of Non-GAAP Financial Measures (Unaudited)

(Dollars in millions, except per-share data)

The following table provides a reconciliation of the non-GAAP financial performance measures used in this press release and the related earnings call to the most directly comparable measures calculated and reported in accordance with U.S. GAAP for the three- and twelve-month periods ended October 31, 2025 and October 31, 2024:

	Three Months Ended		Twelve Months Ended	
	October 31, 2025	October 31, 2024	October 31, 2025	October 31, 2024
Earnings before income taxes	\$ 85.0	\$ 109.3	\$ 377.6	\$ 512.8
Productivity initiative <sup>1</sup>	20.3	8.2	51.7	23.1
Non-cash impairment charges <sup>2</sup>	—	—	81.1	—
Adjusted earnings before income taxes	\$ 105.3	\$ 117.5	\$ 510.4	\$ 535.9
Income tax provision	\$ 12.0	\$ 19.4	\$ 61.5	\$ 93.9
Productivity initiative <sup>1</sup>	3.6	0.4	9.3	3.3
Non-cash impairment charges <sup>2</sup>	—	—	19.7	—
Tax impact of stock-based compensation <sup>3</sup>	0.3	—	0.3	3.5
Adjusted income tax provision	\$ 15.9	\$ 19.8	\$ 90.8	\$ 100.7
Net earnings	\$ 73.0	\$ 89.9	\$ 316.1	\$ 418.9
Productivity initiative <sup>1</sup>	16.7	7.8	42.4	19.8
Non-cash impairment charges <sup>2</sup>	—	—	61.4	—
Tax impact of stock-based compensation <sup>3</sup>	(0.3)	—	(0.3)	(3.5)
Adjusted net earnings	\$ 89.4	\$ 97.7	\$ 419.6	\$ 435.2
Diluted EPS	\$ 0.74	\$ 0.87	\$ 3.17	\$ 4.01
Productivity initiative <sup>1</sup>	0.17	0.08	0.42	0.19
Non-cash impairment charges <sup>2</sup>	—	—	0.61	—
Tax impact of stock-based compensation <sup>3</sup>	—	—	—	(0.03)
Adjusted diluted EPS	\$ 0.91	\$ 0.95	\$ 4.20	\$ 4.17



## The Toro Company & Subsidiaries

### Reconciliation of Non-GAAP Financial Measures (Unaudited)

(Dollars in millions, except per-share data)

The following table provides a reconciliation of the non-GAAP financial performance measures used in this press release and the related earnings call to the most directly comparable measures calculated and reported in accordance with U.S. GAAP for the three- and twelve-month periods ended October 31, 2025, and October 31, 2024:

	Three Months Ended		Twelve Months Ended	
	October 31, 2025	October 31, 2024	October 31, 2025	October 31, 2024
Effective tax rate	14.1 %	17.7 %	16.3 %	18.3 %
Productivity initiative <sup>1</sup>	0.6 %	(0.9)%	— %	(0.2)%
Non-cash impairment charges <sup>2</sup>	— %	— %	1.4 %	— %
Tax impact of stock-based compensation <sup>3</sup>	0.4 %	0.1 %	0.1 %	0.7 %
<b>Adjusted effective tax rate</b>	<b>15.1 %</b>	<b>16.9 %</b>	<b>17.8 %</b>	<b>18.8 %</b>

<sup>1</sup> In the first quarter of fiscal 2024, the company launched the "Amplifying Maximum Productivity" or AMP initiative. The company considered the nature, frequency, and scale of this initiative compared to prior productivity initiatives when determining that the expenses associated with AMP, unlike prior productivity initiatives, are not common, normal, recurring operating expenses and are not representative of the company's ongoing business operations. Productivity initiative charges for the three and twelve month periods ended October 31, 2025 and 2024 primarily represent severance and termination benefits, facility exit costs, compensation for fully-dedicated AMP personnel, third-party consulting costs, and product-line exit costs.

<sup>2</sup> At the end of the third quarter of fiscal 2025, the company recorded a non-cash impairment charge within Other activities related to the Spartan Trade Name.

<sup>3</sup> The accounting standards codification guidance governing employee stock-based compensation requires that any excess or deficient tax deduction for stock-based compensation be immediately recorded within income tax expense. Employee stock-based compensation activity, including the exercise of stock options, can be unpredictable and can significantly impact our net earnings, net earnings per diluted share, and effective tax rate. These amounts represent the discrete tax benefits recorded as excess tax deductions for stock-based compensation during the three and twelve month periods ended October 31, 2025 and 2024.



## The Toro Company & Subsidiaries

### Reconciliation of Non-GAAP Liquidity Measures

The company defines free cash flow as net cash provided by operating activities less purchases of property, plant, and equipment, net of proceeds from insurance claim. Free cash flow conversion percentage represents free cash flow as a percentage of net earnings, excluding the non-cash impairment charge. The company considers free cash flow and free cash flow conversion percentage to be non-GAAP liquidity measures that provide useful information to management and investors about the company's ability to convert net earnings into cash resources that can be used to pursue opportunities to enhance shareholder value, fund ongoing and prospective business initiatives, and strengthen the company's Consolidated Balance Sheets, after reinvesting in necessary capital expenditures required to maintain and grow the company's business. The following table provides a reconciliation of non-GAAP free cash flow and free cash flow conversion percentage to net cash provided by operating activities, which is the most directly comparable financial measure calculated and reported in accordance with U.S. GAAP for the twelve-month periods ended October 31, 2025 and October 31, 2024:

<b>(Dollars in millions)</b>	<b>Twelve Months Ended</b>	
	<b>October 31, 2025</b>	<b>October 31, 2024</b>
Net cash provided by operating activities	\$ 662.0	\$ 569.9
Less: Purchases of property, plant, and equipment, net of proceeds from insurance claim	83.7	99.2
Free cash flow	\$ 578.3	\$ 470.7
Net earnings, excluding the non-cash impairment charge	\$ 397.2	\$ 418.9
Free cash flow conversion percentage	145.6 %	112.4 %