



THE TORO
COMPANY

THE TORO COMPANY

DECEMBER 20, 2023



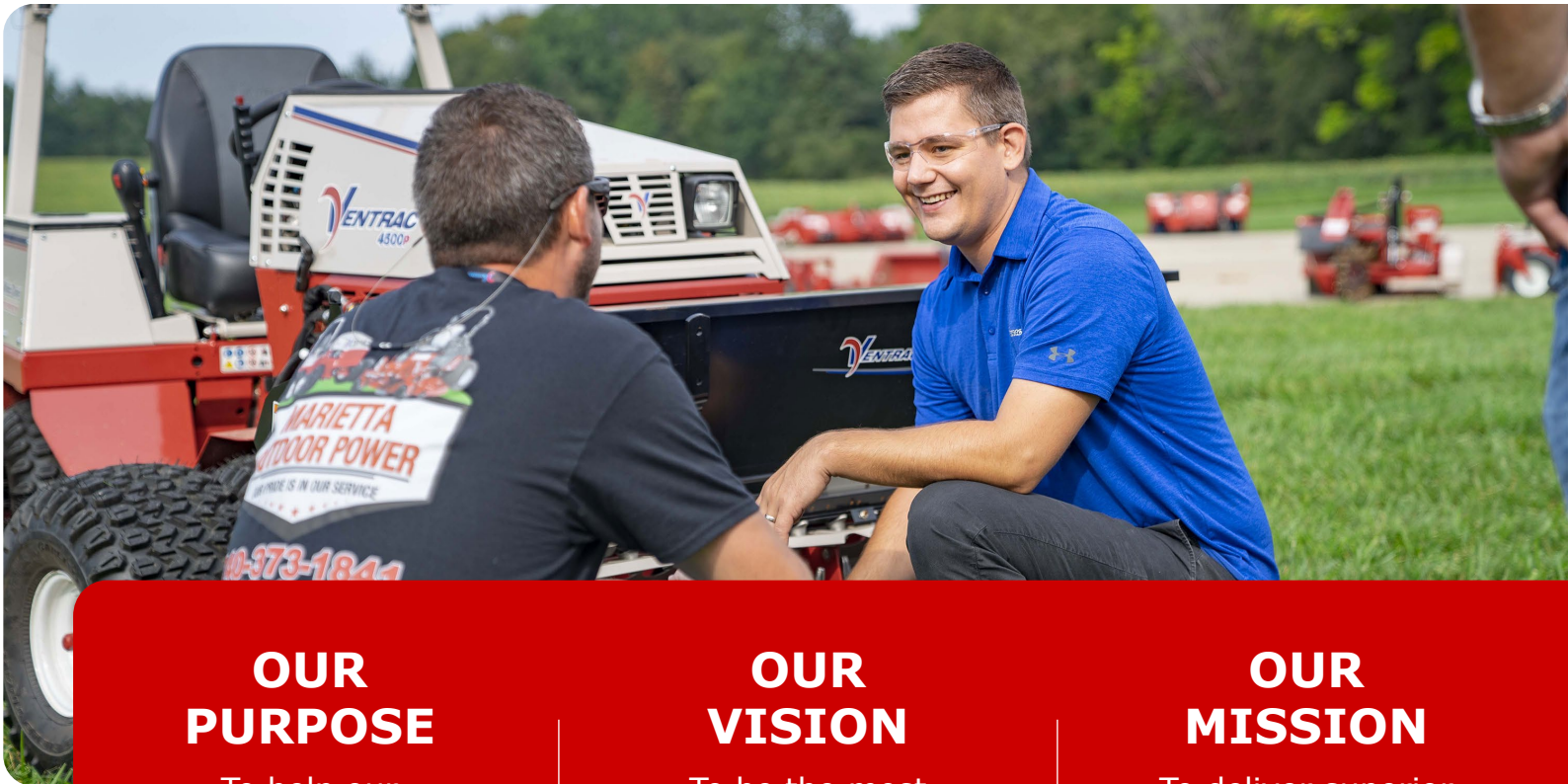


Safe Harbor

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 in this presentation include our fiscal 2024 financial guidance and expectations regarding demand trends, supply chain stabilization 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; 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.



An Innovative Professional & Residential Solutions Company



LEADERSHIP IN ATTRACTIVE MARKETS

Provides a strong foundation for future growth



BROAD ARRAY OF INNOVATIVE PRODUCTS

Gas / Battery / Electric / Hybrid / Smart / Connected / Autonomous



COMPLEMENTARY BUSINESSES

Drive brand and innovation leverage in high value spaces



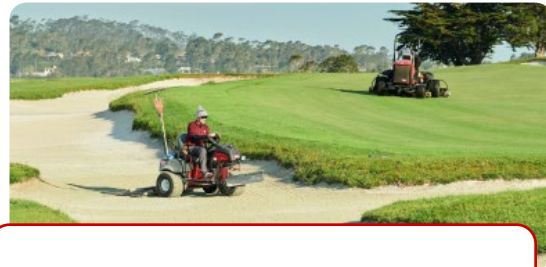
BRAND LEADERSHIP

With a distinguished portfolio of brands



DISCIPLINED EXECUTION

Leveraging a strong balance sheet that provides financial flexibility



>100 YEARS

Of innovation and deep relationships

The Toro Company is a leading provider of products and solutions
for the outdoor environment, including:

- Turf & landscape maintenance
- Snow & ice management
- Underground utility construction
- Rental/specialty construction
- Irrigation
- Outdoor lighting solutions

Building on Our Expertise to Drive Our Future



The Toro Company is leveraging rich **heritage** and **deep expertise** to drive the business forward



Supported on a Foundation of Delivering Consistent Financial Results



+8.4%
**NET SALES
CAGR***

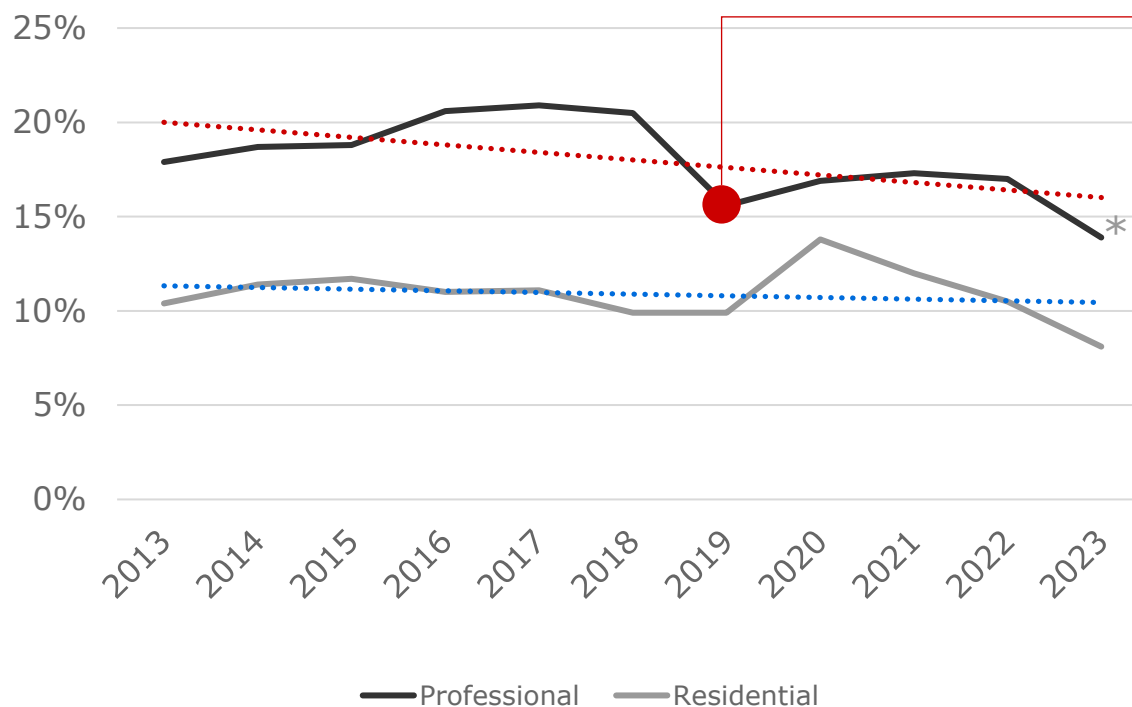
+12.4%
**ADJUSTED
EPS CAGR*,****

+23.7%
**AVERAGE
ROIC*,****

...with Attractive Operating Margins for Leveraged Growth Across the Portfolio



Operating Margin History



2019
Charles Machine Works acquisition driving significant synergies going forward

Average 2013 – 2023:
PRO 18.0%;
RES 10.9%

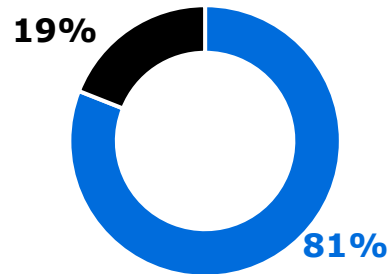
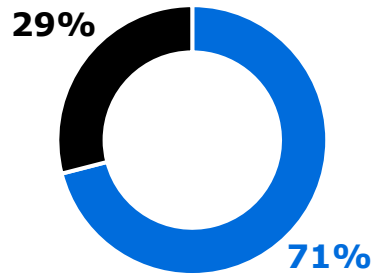
*Inclusive of gross non-cash impairment charges of \$151.3M

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

**2013
NET SALES
\$2.04B**

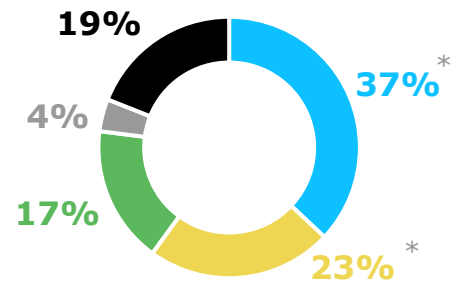
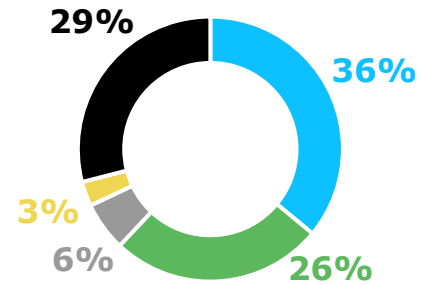
**2023
NET SALES
\$4.55B**

By Segment



Professional Residential Landscape and Grounds

By End Market



Underground & Specialty Construction Golf Agricultural Micro Irrigation

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

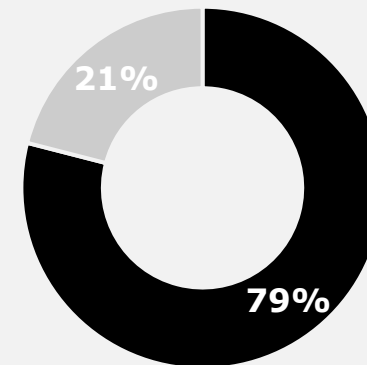
*Certain prior period amounts have been reclassified to conform to current period presentation. Updated figures for 2022 and 2021 been included in the Appendix, for comparability purposes.

Serving Customers Throughout the World



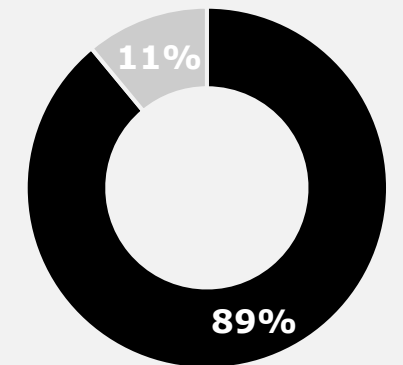
2023 Net Sales

By Geographic Market



■ U.S. ■ Outside U.S.

By Product Type



■ Equipment ■ Irrigation

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

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

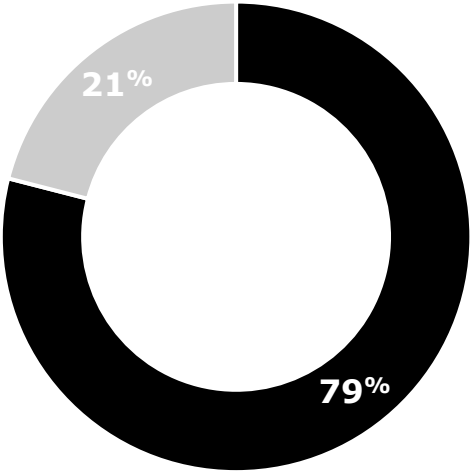
All-season capability & sector exposure

creates stable and sustainable earnings

TTC is well-positioned in attractive end markets

Our Professional Segment at a Glance

2023 Geographic Net Sales Profile



■ U.S. ■ Outside U.S.

2013

70%
OF TOTAL COMPANY NET SALES

\$1.45B
NET SALES

17.7%
OPERATING MARGIN

2023

81%
OF TOTAL COMPANY NET SALES

\$3.67B
NET SALES

13.9%*
OPERATING MARGIN

Strong Today, Building for Tomorrow

*Inclusive of gross non-cash impairment charges of \$151.3M

Operating From a Position of Strength



Strong Market Position

Addressing a variety of attractive end markets with steady replacement cycles

#1 or #2
market share in many of the markets we serve



Delivering Results

Driving considerable revenues within the total company portfolio, at higher margins

PRO net sales
CAGR of 13.5%
over last 5 years



Significant Runway for Future Growth

Innovation combined with best-in-class distribution/service networks creates high barriers to entry

We have **expanded our portfolio and reach** in fast growing end markets



Diversified Customer Base

We Provide Solutions to a Wide Array of Professionals Globally

Landscape Contractors*	Communications Contractors
Golf Courses	Utility Companies
Municipalities	Rental Companies
Sports Fields & Grounds	Agribusiness

*We also sell to homeowners who prefer contractor-grade lawn care solutions

Steady Cadence of New Product Introductions Drive Long-Term Growth



Toro Vista® people mover vehicle line, a new product category for the company



Toro Groundsmaster® e3200 battery-powered out front rotary mower, leverages HyperCell™



Ditch Witch AT120, world's largest all-terrain horizontal directional drill



Ventrac SP720 72" box plow attachment, for efficient, high-capacity snow removal

Leveraging technology and innovation to help customers increase productivity, address labor challenges and achieve sustainability goals

Strong Demand Drivers in the Professional Segment

Regular Replacement Cycles



1

Aging and Expanding Infrastructure



2

Resurgence in Golf



3



Our Professional Solutions are Essential To Our Customers



Heavy utilization rates drive regular replacement

Necessary nature of our products supports demand

Preference for OEM parts

Access to trusted service and support network is critical



Typical replacement cycle for contractors is about 3-5 years for turf equipment



Typical lease duration for golf equipment is 3 years



Extensive service and support network provides prompt access to parts and service

Leading to consistent replacement and servicing cycle

Infrastructure Investment is Increasing Globally




Well positioned to benefit from government and private infrastructure spending globally

Specialization in underground equipment provides significant multi-year opportunity

TTC has the most comprehensive underground and specialty construction equipment and brand line up in the industry


Key Gov't Investment Areas

 Transportation Infrastructure

 Broadband Buildout

 Electric Grid Update

 Improved Water Quality

 Climate Change Protection

Government spending priorities are driving additional demand in what was already an attractive end market

Golf Continues to Experience a Global Resurgence in Popularity



Increased engagement continues, with 2022 US rounds played 15% above the average of 2017-2019
(Source: National Golf Foundation)

This momentum is global – since 2020 there has been an 18% rise in the number of on-course golfers outside North America
(Source: R&A)

TTC is the only company to offer both equipment and irrigation solutions, a competitive advantage

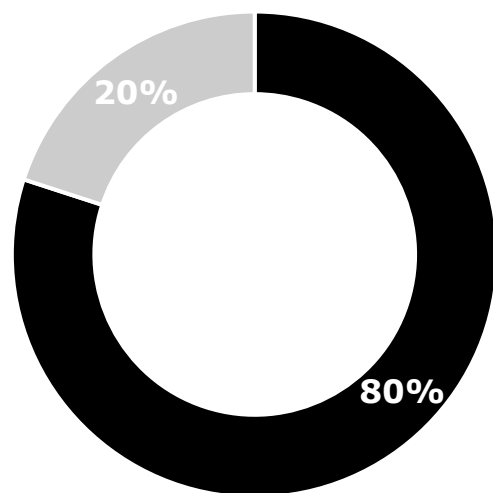
We are the global market share leader in both turf equipment and irrigation - built on over 100 years of innovation and deep relationships



This resurgence is supporting healthy golf course budgets and investment

Our Residential Segment At a Glance

2023 Geographic Net Sales Profile



■ U.S. ■ Outside U.S.

2013

29%

OF TOTAL COMPANY NET SALES

\$594.4M

NET SALES

10.3%

OPERATING MARGIN

2023

19%

OF TOTAL COMPANY NET SALES

\$854.2M

NET SALES

8.1%

OPERATING MARGIN

Strong Today, Building for Tomorrow

Underpinned by Expansive Channels, Innovation Leverage & Strong Brands



Strong Go-To-Market Position

Diversified global distribution & service channel creates significant customer reach

Leveraging mass retailer partnerships with over **8,000*** locations and built-in omnichannel solutions, plus a network of **4,000+** independent dealers globally



Delivering Results

Well-positioned to capitalize as this market rebalances

Residential net sales
CAGR of 5.5%
over last 5 years



Path to Future Growth

A power brand across all product categories

Full line-up of Toro-branded all-season outdoor power equipment will be available at **Lowe's** nationwide beginning in Spring 2024

Well Positioned for Future Growth with a Full Suite of Offerings for Homeowners



Our full-suite of zero emission solutions for homeowners includes 75+ tools and counting. One system to finish everything without sacrificing anything – power without compromise.

Further expansion into handheld and chore products end market through our 60V offerings provides incremental growth opportunity

Professional & Residential Segments are Stronger Together



Customer First

Targeted approach to addressing unmet needs



R&D

Sustained 3.5%+ of net sales annual investment



M&A

Expanding portfolio and capitalizing on synergies



Driving market share gains, margin expansion and brand recognition

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

Technology Pillars: Addressing the Megatrend Opportunity

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

TTC's Center for Technology Research & Innovation consists of a dedicated team of agronomists and engineers who are a catalyst for holistic innovation across the enterprise

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

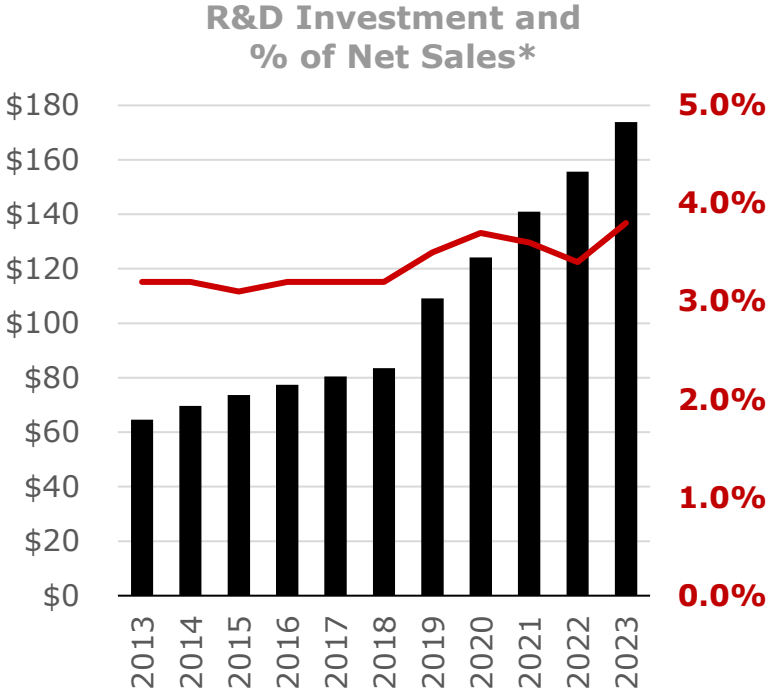
Product Innovation Leveraged Across the Portfolio Drives Significant Opportunity



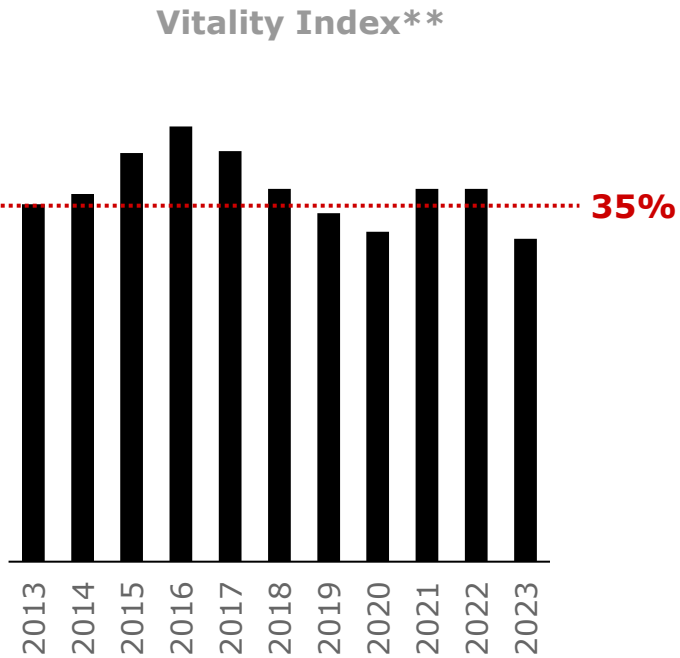
2021 autonomous technology accelerating acquisitions



Leadership Through Innovation Drives Market Share Gains and Attractive Margins



Organic growth driven by prioritized R&D spend



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

Sustainability is Deeply Rooted in Our Company Purpose, Actions and Strategic Business Priorities



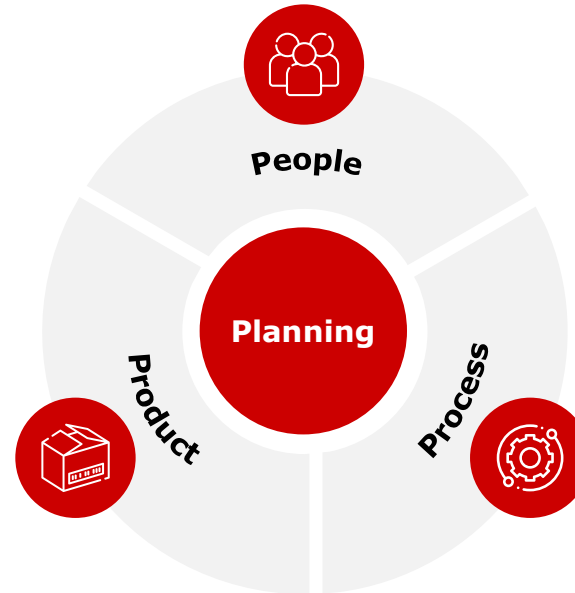
Sustainability Performance Goals:

Increase **battery and hybrid product** sales to at least 20% of total adjusted* net sales (motorized product sales) by fiscal 2025

Reduce absolute **Scope 1 and 2 greenhouse gas emissions** by at least 15% by fiscal 2025 as compared to fiscal 2019

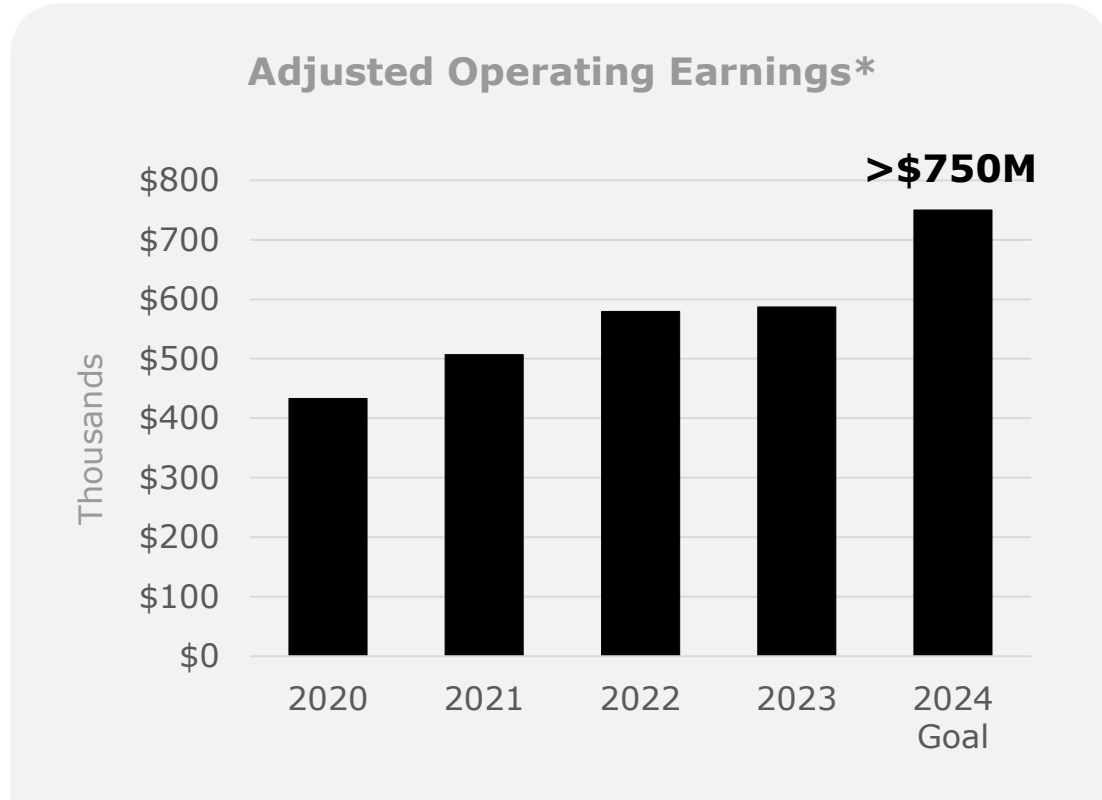
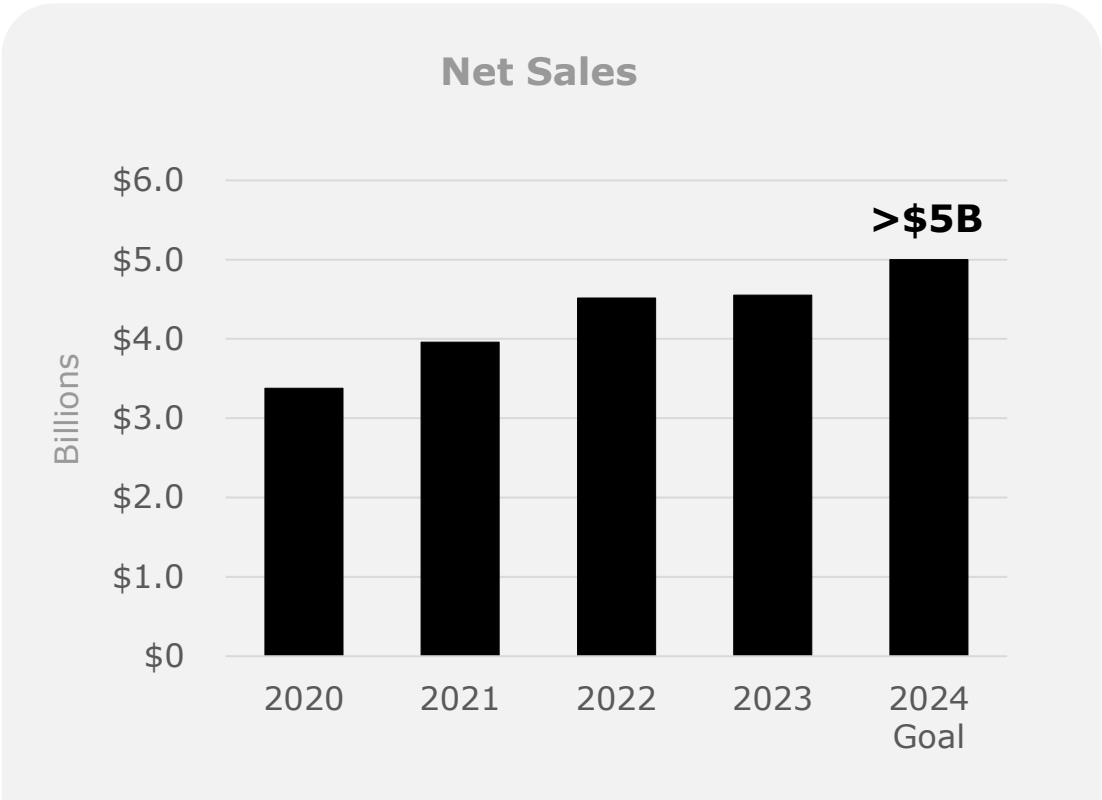
Increase the number of **women and racial and ethnic minorities** in leadership positions by at least 20% by fiscal 2025 as compared to fiscal 2021

Aligned with six specific United Nations Sustainable Development Goals where we are best positioned to make the most significant and meaningful contribution



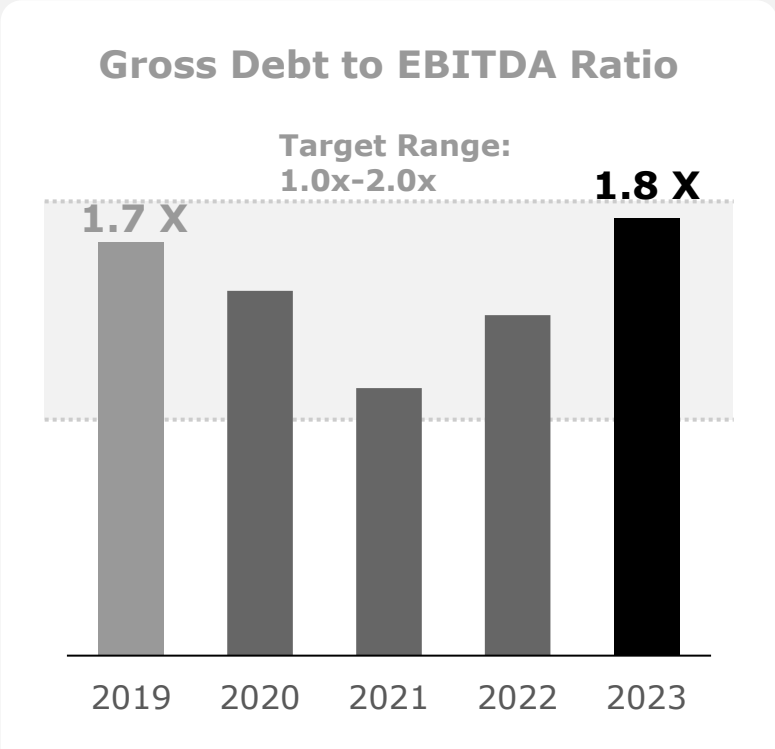
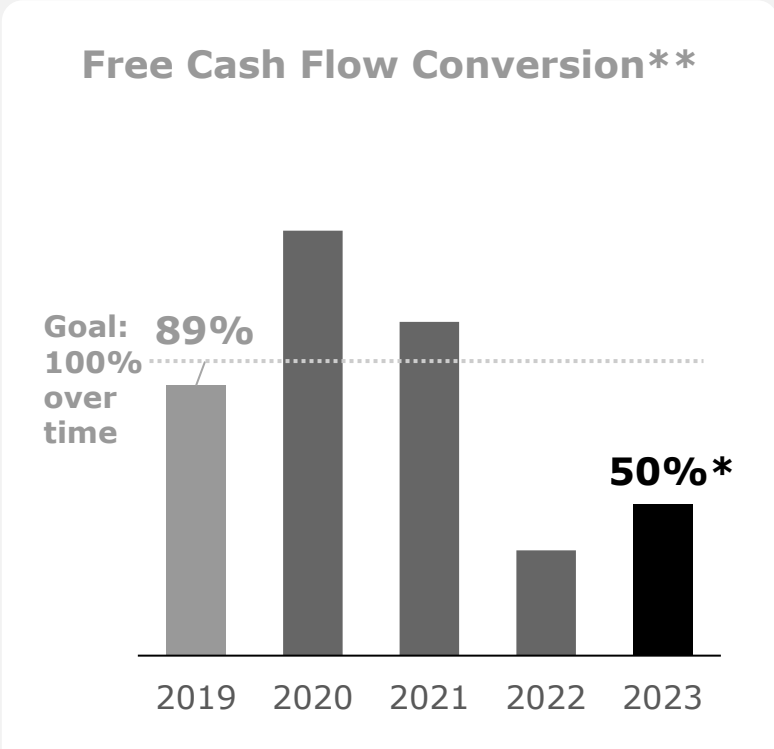
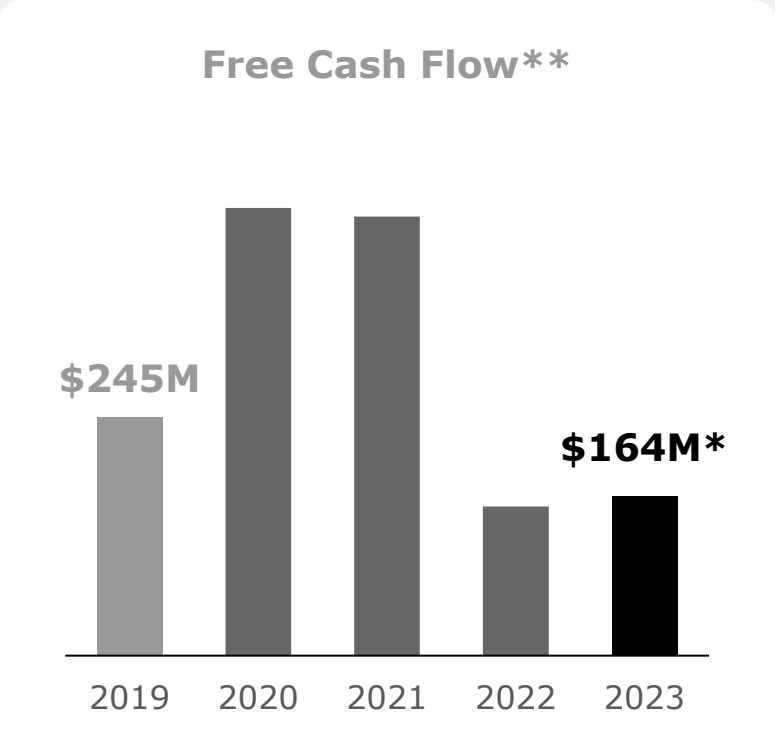
"Drive for Five" Initiative: 2022-2024

Employee initiatives drive profitable growth across the enterprise



Employee rewards aligned with stretch goals create engagement at all levels

Strong Balance Sheet and Resilient Free Cash Flow



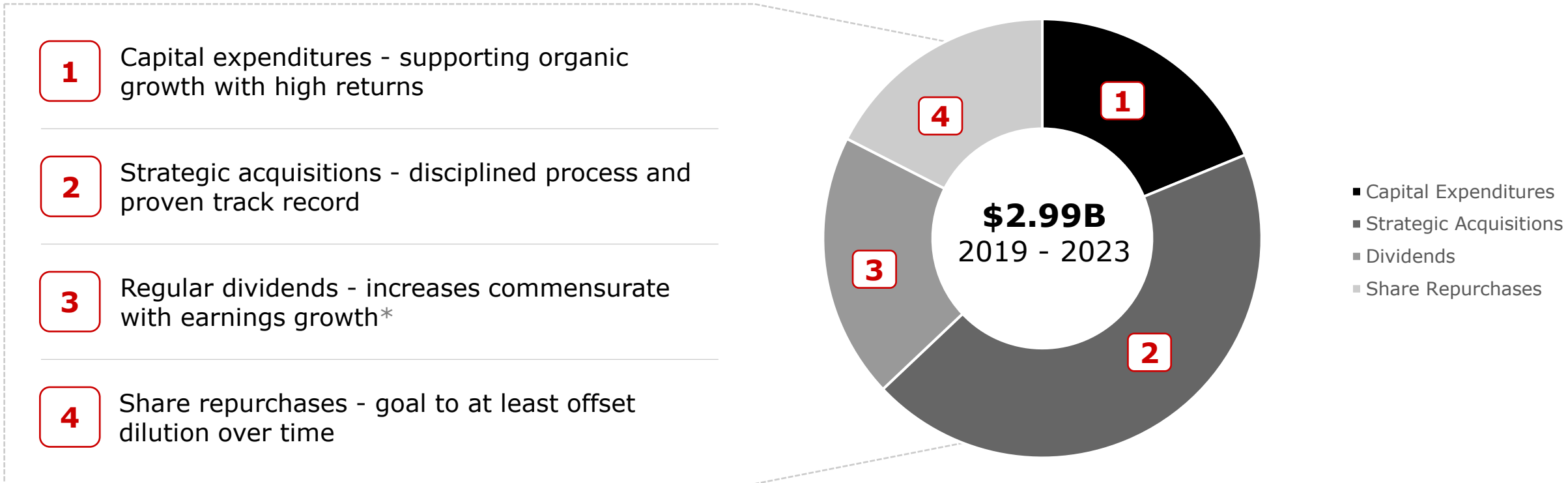
Provides solid foundation for capital deployment priorities

*2023 free cash flow results reflect unfavorable working capital fluctuations as production and costs are adjusted to demand in the current environment; 2024 free cash flow conversion expected to normalize back to ~100%

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

Capital Allocation Strategy

Prioritized allocation of cash from operating activities



Balanced approach to capital allocation has resulted in strategic investments driving significant growth and the return of more than \$1B to shareholders over the last 5 years

Acquisitions Have Played a Key Role in Our Profitable Growth Strategy and Remain a Focus

Date of Acquisition	Investment Rationale	Annual Revenue Pre-Acquisition (in USD)
 <p>CHARLES MACHINE WORKS THE UNDERGROUND AUTHORITY</p> <p>2019</p>	<ul style="list-style-type: none"> • Strengthen professional segment • Significant synergy opportunities • Exclusive and comprehensive distribution network • Strong brands • Attractive niche end market with high barriers to entry 	<p>\$725M</p>
 <p>2020</p>	<ul style="list-style-type: none"> • Strengthen professional segment • Leverage distribution networks • Strong brand • Expanded product offering to customers in the turf, landscape, and snow and ice maintenance categories 	<p>\$100M</p>
 <p>2021</p>	<ul style="list-style-type: none"> • Autonomous technology accelerators across entire portfolio • Talented teams 	<p>N/A</p>
 <p>2022</p>	<ul style="list-style-type: none"> • Strengthen professional segment • Complementary Spartan brand in attractive zero-turn mower market • Procurement and design synergies within portfolio 	<p>\$200M</p>

Amplifying Maximum Productivity (“AMP”)

Major productivity initiative expected to result in more than \$100M of incremental annual cost savings by fiscal 2027, a portion of which the company intends to prudently reinvest

3 Key Focus Areas for Transformation:

Supply Base

1

Design-to-Value

2

Route-to-Market

3

Key Takeaways

- 1 Portfolio strength** with **leadership** in attractive end-markets
- 2 Brand heritage** delivering excellence and **brand recognition** creating trust
- 3 Innovation and technology synergies** leveraged across product categories
- 4 Deep long-term** customer and channel **relationships**
- 5 Disciplined** execution
- 6 Strong** balance sheet



Investment Thesis

**1**

Well positioned to win with deep expertise, leading market share positions, and best-in-class distribution and service networks – all of which create high barriers to entry

2

Attractive end markets, regular replacement cycles and customer-centric innovation drive future organic growth

3

Building on a foundation of demonstrated consistent financial performance and cash flow generation

4

Financial capacity for strategic investments and disciplined approach to capital allocation delivers value to all stakeholders



THE TORO
COMPANY



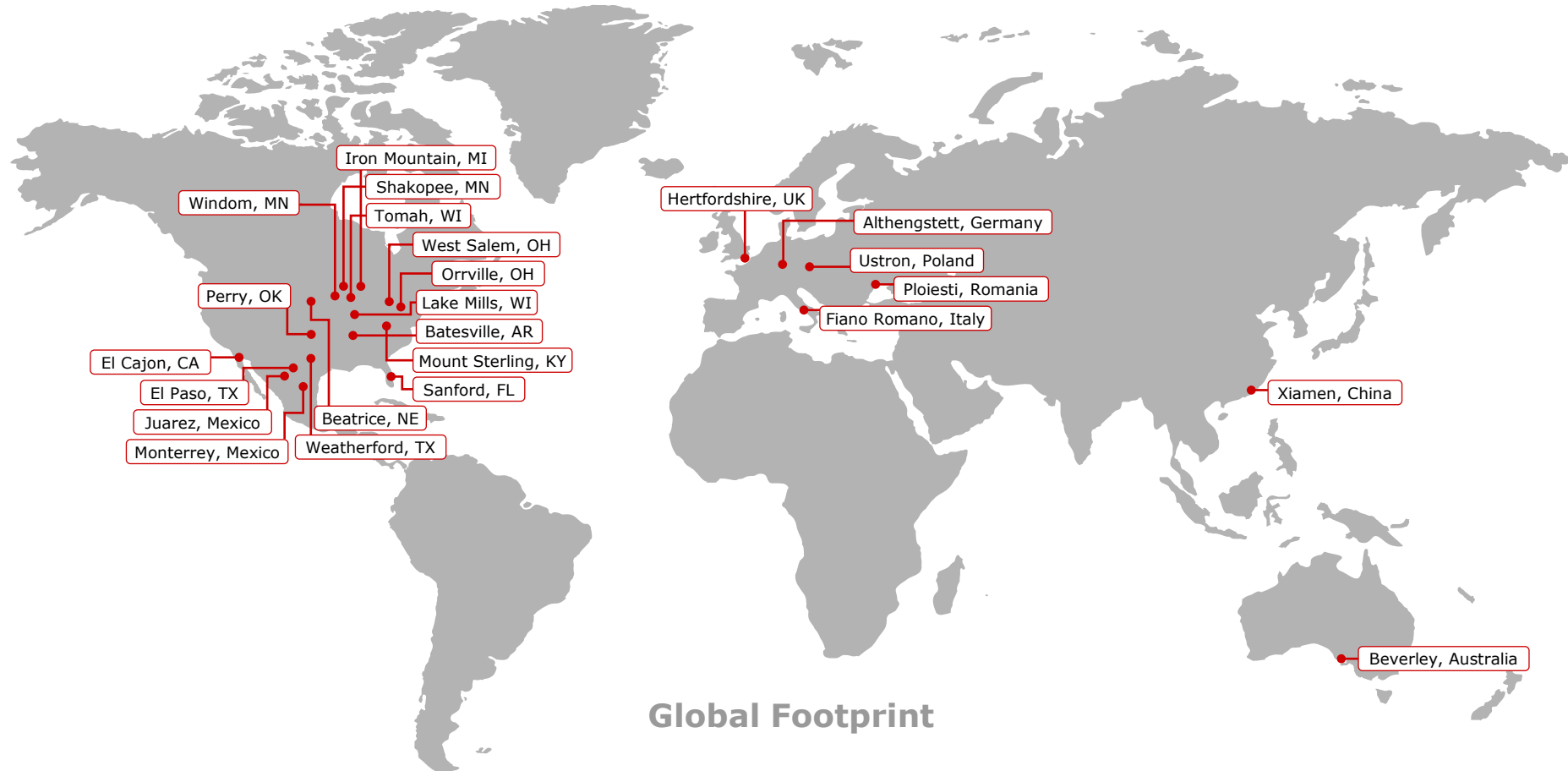
APPENDIX

Our Portfolio of Brands



Appendix

Manufacturing Locations



Although the Toro Company has a global footprint, over 90% of our manufacturing hours are attributable to North America operations

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, 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, return on average invested capital and EBITDA.
- 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.

Net Sales

(\$ in millions)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net Sales	\$2,041.4	\$2,172.7	\$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

Adjusted EPS

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
EPS, diluted - GAAP	\$1.31	\$1.51	\$1.78	\$2.06	\$2.41	\$2.50	\$2.53	\$3.03	\$3.78	\$4.20	\$3.13
Acquisition-related costs	-	-	-	-	-	-	\$0.47	\$0.05	-	\$0.03	-
Management actions	-	-	-	-	-	-	\$0.13	\$0.01	-	-	\$0.04
Tax impact of stock-based compensation	-	-	-	-	(\$0.18)	(\$0.13)	(\$0.12)	(\$0.07)	(\$0.08)	(\$0.03)	(\$0.05)
Other*	-	-	-	-	-	\$0.30	(\$0.01)	-	(\$0.08)	-	\$1.09
EPS, diluted - Adjusted	\$1.31	\$1.51	\$1.78	\$2.06	\$2.23	\$2.67	\$3.00	\$3.02	\$3.62	\$4.20	\$4.21

Gross Debt to EBITDA Ratio

(\$ in millions)	2019	2020	2021	2022	2023
Short Term Debt	\$79.9	\$99.9	-	-	-
Long Term Debt	\$620.9	\$691.3	\$691.2	\$990.8	\$1,031.5
Gross Debt	\$700.8	\$791.1	\$691.2	\$990.8	\$1,031.5
Earnings Before Income Taxes	\$322.1	\$407.1	\$499.8	\$552.5	\$400.5
Interest Expense	\$28.8	\$33.2	\$28.7	\$35.7	\$58.7
Depreciation and Amortization	\$87.7	\$95.6	\$99.3	\$108.8	\$119.2
EBITDA	\$438.7	\$535.8	\$627.8	\$697.1	\$578.4
Leverage Ratio	1.6x	1.5x	1.1x	1.4x	1.8x

Return on Average Invested Capital (%)*

(\$ in millions)	2013	2014	2015	2016	2017*	2018*	2019*	2020*	2021*	2022*	2023*
Adj. Op. Earnings* (1-Adj. Tax Rate)	\$157.5	\$178.4	\$207.2	\$233.7	\$249.3	\$290.6	\$325.8	\$343.3	\$407.6	\$462.6	\$467.5
Avg. Quarterly Capital Utilized	\$579.5	\$649.1	\$852.7	\$910.1	\$935.4	\$944.0	\$1,437.0	\$1,910.3	\$1,962.6	\$2,367.5	\$2,653.8
ROIC	27.2%	27.5%	24.3%	25.7%	26.7%	30.8%	22.7%	18.0%	20.8%	19.5%	17.6%

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

Free Cash Flow Generation

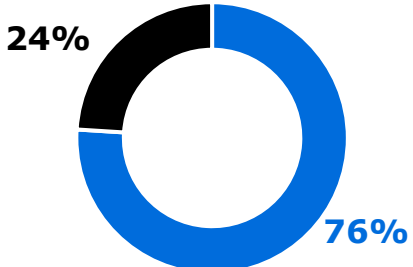
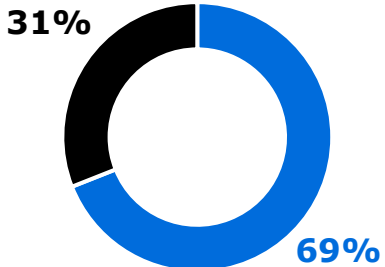
(\$ in millions)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Operating Cash Flow	\$234.4	\$196.9	\$249.6	\$384.3	\$360.7	\$364.8	\$337.4	\$539.4	\$555.5	\$297.2	\$306.8
Capital Expenditures	(\$49.4)	(\$71.1)	(\$56.4)	(\$50.7)	(\$58.3)	(\$90.1)	(\$92.9)	(\$78.1)	(\$104.0)	(\$143.5)	(\$142.4)
FCF	\$184.9	\$125.8	\$193.2	\$333.6	\$302.5	\$274.7	\$244.5	\$461.3	\$451.5	\$153.7	\$164.4
FCF Conversion*	119%	72%	96%	144%	113%	101%	89%	140%	110%	35%	50%

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

**2012
NET SALES
\$1.96B**

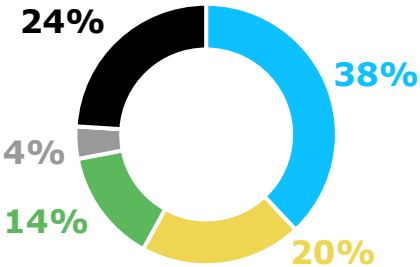
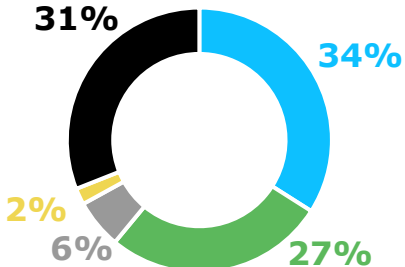
**2022
NET SALES
\$4.51B**

By Segment



Professional Residential Landscape and Grounds

By End Market



Underground & Specialty Construction Golf Agricultural Micro Irrigation

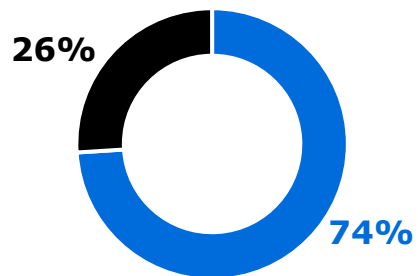
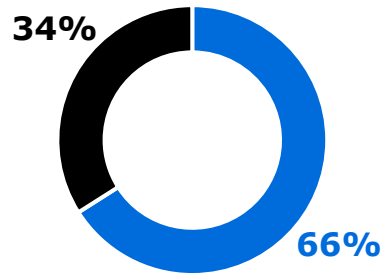
While both segments have grown, higher-margin Professional segment has become a larger portion of net sales

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

**2011
NET SALES
\$1.88B**

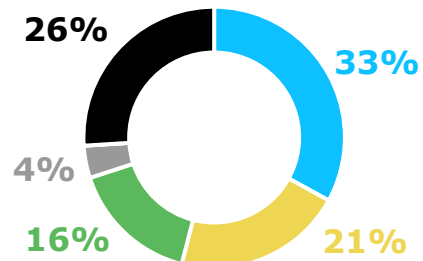
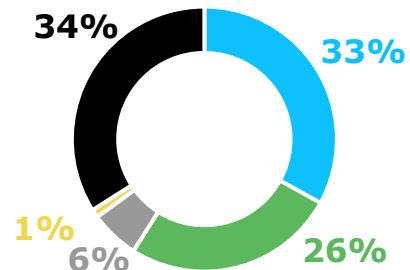
**2021
NET SALES
\$3.96B**

By Segment



Professional Residential Landscape and Grounds

By End Market



Underground & Specialty Construction Golf Agricultural Micro Irrigation

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