

The TORO logo is a red rounded rectangle with the word "TORO" in white, serif, all-caps font.A large orange and black tracked trencher with "Ditch Witch" written on its side is positioned on a grassy area. A worker in a high-visibility vest and hard hat is operating it. Another worker is visible in the background near a brick building. The scene is set outdoors with trees and a clear blue sky.

# THE TORO COMPANY

Q3 2022 EARNINGS RELEASE

SEPTEMBER 1, 2022



# 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 2022 financial guidance. 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*



# Overview

# 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.





# 3Q 2022 Key Messages

1

Record third-quarter results, highlighted by strong professional segment performance, as well as increased profitability driven by net price realization and operational efficiencies

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2

Professional segment demand remained robust and broad-based, with the biggest challenge being our ability to fulfill heightened order levels in this time of constrained supply

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3

Residential segment demand was solid, moderating as expected on top of the higher base we have built with the past two years of double-digit growth, and aligned with more typical seasonal trends

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4

Raising full-year adjusted diluted EPS\* guidance, and entering the fourth quarter with strong momentum and attractive positioning



# Q3 2022 Financial Highlights

(Year-over-year comparisons below)

**+18.8%**

NET SALES  
GROWTH

Driven by net price realization, continued strong demand for our innovative solutions, and ability to deliver product in a highly dynamic operating environment

**+60 bps**

GROSS MARGIN

Driven by net price realization and productivity improvements, partially offset by higher material, freight and manufacturing costs, and the addition of our fiscal 2022 Intimidator Group acquisition at a lower initial gross margin than the company average

**+100 bps**

ADJUSTED OPERATING  
EARNINGS MARGIN\*

In addition to gross margin improvement, we benefitted from net sales leverage, partially offset by higher indirect marketing expense

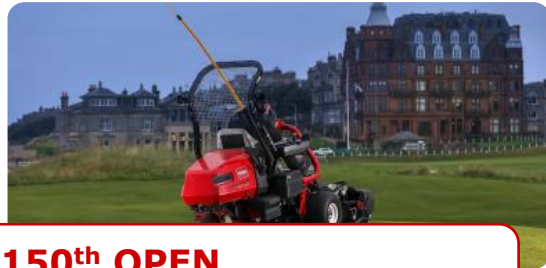
**A record quarter of strong growth and execution**

# Q3 2022 Other Notable Highlights



## 2022 INTIMIDATOR ACQUISITION

Integration on track – building on our market leadership in the attractive zero-turn mower space



## 150<sup>th</sup> OPEN CHAMPIONSHIP

Our fully-electric riding greens mowers supported sustainability, addressed labor challenges, and enabled world-class playing conditions



## 2021 SUSTAINABILITY REPORT

Highlights key achievements, metrics & newly defined targets aligned with strategic priorities



## NEW INVESTOR RESOURCES

Launched new investor relations and earnings release materials, available at [thetorocompany.com](http://thetorocompany.com)

## 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



# Financials



# Q3 2022 Consolidated Results

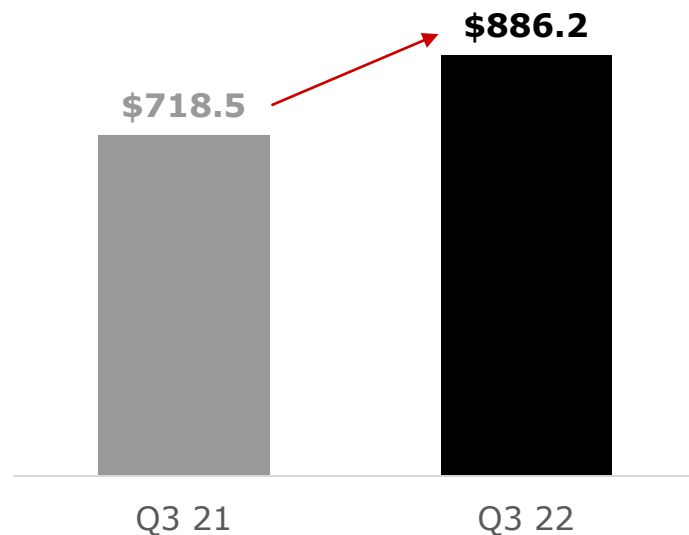
Net price realization, productivity improvements, and net sales leverage drive record results

	REPORTED			ADJUSTED		
	Q3 22	Q3 21	Change from Q3 21	Q3 22	Q3 21	Change from Q3 21
<b>Net Sales</b>	<b>\$1,160.5M</b>	<b>\$976.8M</b>	<b>+18.8%</b>	<b>\$1,160.5M</b>	<b>\$976.8M</b>	<b>+18.8%</b>
Gross Profit (\$)	\$399.9M	\$331.1M	+20.8%	\$400.3M	\$331.1M	+20.9%
Gross Margin (% of Net Sales)	34.5%	33.9%	+60 bps	34.5%	33.9%	+60 bps
<b>Operating Earnings (\$)</b>	<b>\$163.0M</b>	<b>\$121.9M</b>	<b>+33.7%</b>	<b>\$163.8M</b>	<b>\$127.7M</b>	<b>+28.2%</b>
<b>Operating Earnings Margin (% of Net Sales)</b>	<b>14.0%</b>	<b>12.5%</b>	<b>+160 bps</b>	<b>14.1%</b>	<b>13.1%</b>	<b>+100 bps</b>
Earnings Before Income Taxes	\$157.1M	\$117.5M	+33.8%	\$157.8M	\$123.2M	+28.1%
Net Earnings	\$125.2M	\$96.3M	+29.9%	\$125.1M	\$99.4M	+25.8%
Diluted EPS	\$1.19	\$0.89	+33.7%	\$1.19	\$0.92	+29.3%

# Professional Segment Results

## NET SALES (in millions)

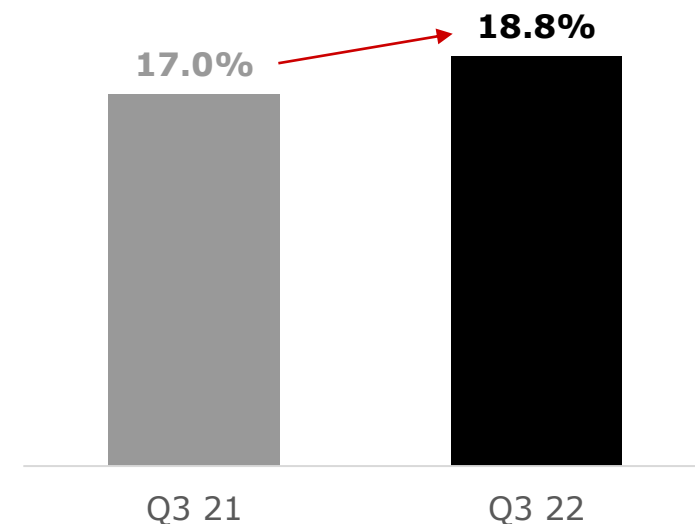
**+23.3%**



**Increase** driven primarily by **net price realization**, **higher shipments** of zero-turn and stand-on mowers, and **incremental revenue** from the Intimidator Group acquisition, partially offset by **lower volume** in certain key product categories due to product availability constraints

## SEGMENT EARNINGS RATE (as a percentage of net sales)

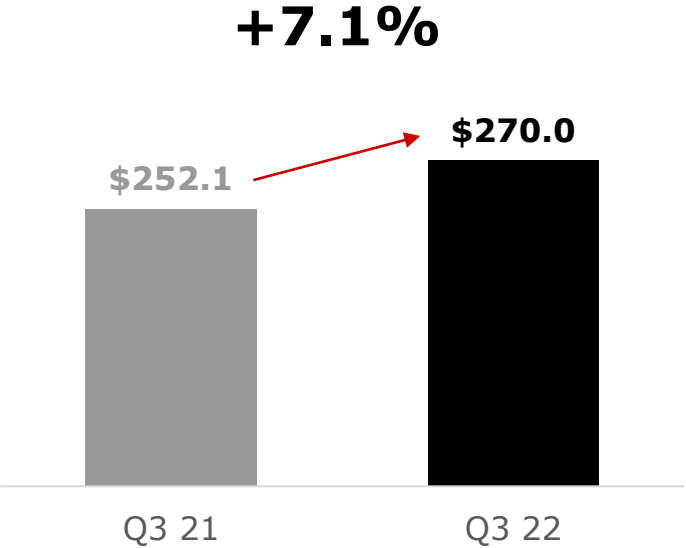
**+180 bps**



**Increase** was primarily due to **net price realization**, **productivity improvements** and **net sales leverage**, partially offset by **higher material, freight and manufacturing costs**, and the **addition of the Intimidator Group** at a lower initial gross margin than the segment average

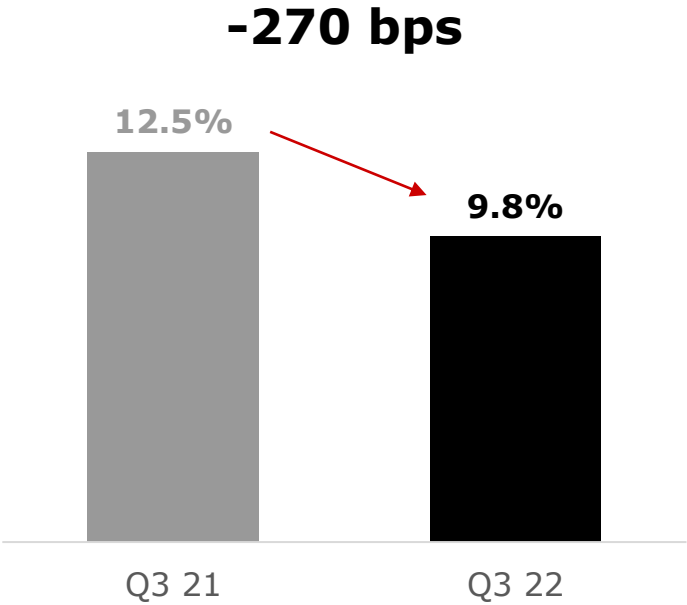
# Residential Segment Results

## NET SALES (in millions)



**Increase** was primarily driven by **net price realization**, and **higher shipments** of zero-turn riding mowers and snow products, partially offset by **lower sales** of walk-power mowers and portable-power products

## SEGMENT EARNINGS RATE (as a percentage of net sales)



**Decrease** was largely driven by **higher material, freight and manufacturing costs**, partially offset by **increased net price realization, productivity improvements and favorable product mix**

# Strong Balance Sheet and Resilient Free Cash Flow

## Free Cash Flow\* (Nine Months YTD)

In thousands

**\$78.8**

2022

## Free Cash Flow Conversion\* (Nine Months YTD)

Goal:  
100%  
over  
time

**24.2%**

2022

## Gross Debt to EBITDA Ratio\*

**1.7**

Target  
Range:  
1.0x-  
2.0x

Q3 2022

**Free cash flow conversion\* trending below typical rate, driven by incremental working capital investments in this unique operating environment. We expect inventory composition and turns to normalize into 2023.**

# Effective Capital Deployment

## Consistent Strategy

**1** Capital expenditures supporting organic growth with high returns

**2** Strategic approach to acquisitions with disciplined process and proven track record

**3** Established dividend with increases commensurate with earnings growth

**4** Excess cash deployed to repurchase shares with a goal to at least offset dilution over time

## 2022 Comments

Invested \$76M YTD, full year outlook ~\$140M

First quarter acquisition of The Intimidator Group strengthens position in attractive zero-turn mower market

Returned \$94M to shareholders via dividends YTD

Returned \$110M to shareholders via share repurchases YTD

**Disciplined capital allocation drives value for all stakeholders**

# Updated Fiscal 2022 Guidance



	Guidance as of June 2, 2022	Updated Guidance as of September 1, 2022
Net Sales Growth (%)	14% to 16%	<b>~14%</b>
Adjusted Operating Earnings Margin* (%)	Similar to Fiscal 2021	Similar to Fiscal 2021
Adjusted Diluted EPS* (\$)	\$4.00 to \$4.15	<b>\$4.07 to \$4.17</b>
Capital Expenditures (\$)	\$150M to \$175M	<b>~\$140M</b>
Depreciation & Amortization (\$)	~\$120M	~\$120M
Interest Expense	~\$36M	~\$36M
Adjusted Effective Tax Rate* (%)	~21%	~21%
Free Cash Flow (FCF) Conversion** (%)	80% to 90%	<b>60% to 80%</b>



# 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

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2

Favorable macro factors, steady replacement cycle and customer-centric innovation drive future organic growth

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3

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

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4

Financial headroom for strategic investments and disciplined approach to capital allocation enables delivery of value to all stakeholders



# APPENDIX



**THE TORO COMPANY AND SUBSIDIARIES**  
**Condensed Consolidated Statements of Earnings (Unaudited)**  
**(Dollars and shares in thousands, except per-share data)**

	Three Months Ended		Nine Months Ended	
	July 29, 2022	July 30, 2021	July 29, 2022	July 30, 2021
Net sales	\$ 1,160,550	\$ 976,836	\$ 3,342,678	\$ 2,998,929
Cost of sales	760,644	645,719	2,236,927	1,949,823
Gross profit	399,906	331,117	1,105,751	1,049,106
Gross margin	34.5 %	33.9 %	33.1 %	35.0 %
Selling, general and administrative expense	236,858	209,178	680,500	604,986
Operating earnings	163,048	121,939	425,251	444,120
Interest expense	(9,182)	(7,016)	(24,219)	(21,662)
Other income, net	3,225	2,528	8,262	8,062
Earnings before income taxes	157,091	117,451	409,294	430,520
Provision for income taxes	31,941	21,131	83,509	80,748
Net earnings	\$ 125,150	\$ 96,320	\$ 325,785	\$ 349,772
Basic net earnings per share of common stock	\$ 1.19	\$ 0.90	\$ 3.10	\$ 3.25
Diluted net earnings per share of common stock	\$ 1.19	\$ 0.89	\$ 3.08	\$ 3.21
Weighted-average number of shares of common stock outstanding — Basic	104,827	107,130	104,931	107,667
Weighted-average number of shares of common stock outstanding — Diluted	105,448	108,363	105,754	108,818

**Segment Data (Unaudited)**  
**(Dollars in thousands)**

<b>Segment net sales</b>	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>July 29, 2022</b>	<b>July 30, 2021</b>	<b>July 29, 2022</b>	<b>July 30, 2021</b>
Professional	\$ 886,232	\$ 718,477	\$ 2,484,927	\$ 2,197,058
Residential	269,962	252,117	845,039	784,852
Other	4,356	6,242	12,712	17,019
Total net sales*	\$ 1,160,550	\$ 976,836	\$ 3,342,678	\$ 2,998,929
*Includes international net sales of:	\$ 216,142	\$ 191,665	\$ 656,799	\$ 638,921

<b>Segment earnings (loss) before income taxes</b>	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>July 29, 2022</b>	<b>July 30, 2021</b>	<b>July 29, 2022</b>	<b>July 30, 2021</b>
Professional	\$ 166,191	\$ 122,331	\$ 424,833	\$ 406,279
Residential	26,348	31,548	95,203	109,642
Other	(35,448)	(36,428)	(110,742)	(85,401)
Total segment earnings before income taxes	\$ 157,091	\$ 117,451	\$ 409,294	\$ 430,520

**THE TORO COMPANY AND SUBSIDIARIES**  
**Condensed Consolidated Balance Sheets (Unaudited)**  
**(Dollars in thousands)**

	July 29, 2022	July 30, 2021	October 31, 2021
<b>ASSETS</b>			
Cash and cash equivalents	\$ 231,564	\$ 535,330	\$ 405,612
Receivables, net	350,657	301,234	310,279
Inventories, net	939,274	665,648	738,170
Prepaid expenses and other current assets	82,861	43,577	35,124
Total current assets	1,604,356	1,545,789	1,489,185
Property, plant, and equipment, net	531,816	456,992	487,731
Goodwill	583,803	421,958	421,680
Other intangible assets, net	595,141	426,497	420,041
Right-of-use assets	73,349	72,236	66,990
Investment in finance affiliate	31,389	19,272	20,671
Deferred income taxes	961	6,362	5,800
Other assets	19,134	18,943	24,042
Total assets	\$ 3,439,949	\$ 2,968,049	\$ 2,936,140

**LIABILITIES AND STOCKHOLDERS' EQUITY**

Current portion of long-term debt	\$	65,000	\$	104,217	\$	—
Accounts payable		487,030		411,413		503,116
Accrued liabilities		443,557		427,407		419,620
Short-term lease liabilities		15,675		15,403		14,283
Total current liabilities		1,011,262		958,440		937,019
Long-term debt, less current portion		990,616		587,345		691,242
Long-term lease liabilities		60,921		60,002		55,752
Deferred income taxes		50,332		74,381		50,397
Other long-term liabilities		40,216		50,703		50,598
Stockholders' equity:						
Preferred stock		—		—		—
Common stock		104,194		106,441		105,206
Retained earnings		1,213,551		1,157,428		1,071,922
Accumulated other comprehensive loss		(31,143)		(26,691)		(25,996)
Total stockholders' equity		1,286,602		1,237,178		1,151,132
Total liabilities and stockholders' equity	\$	3,439,949	\$	2,968,049	\$	2,936,140

**THE TORO COMPANY AND SUBSIDIARIES**  
**Condensed Consolidated Statements of Cash Flows (Unaudited)**  
**(Dollars in thousands)**

	<b>Nine Months Ended</b>	
	<b>July 29, 2022</b>	<b>July 30, 2021</b>
<b>Cash flows from operating activities:</b>		
Net earnings	\$ 325,785	\$ 349,772
<b>Adjustments to reconcile net earnings to net cash provided by operating activities:</b>		
Non-cash income from finance affiliate	(5,814)	(4,694)
(Contributions to)/Distributions from finance affiliate, net	(4,905)	5,167
Depreciation of property, plant and equipment	54,269	55,301
Amortization of other intangible assets	24,760	17,493
Fair value step-up adjustment to acquired inventory	535	—
Compensation cost for stock-based compensation awards	17,105	16,176
Deferred income taxes	—	699
Other	3,358	(26)
<b>Changes in operating assets and liabilities, net of the effect of acquisitions:</b>		
Receivables, net	(38,118)	(42,217)
Inventories, net	(173,000)	(20,080)
Prepaid expenses and other assets	(32,483)	(1,019)
Accounts payable, accrued liabilities, and other liabilities	(16,929)	100,563
<b>Net cash provided by operating activities</b>	<b>154,563</b>	<b>477,135</b>

Cash flows from investing activities:		
Purchases of property, plant and equipment	(75,772)	(47,961)
Business combinations, net of cash acquired	(402,386)	(14,874)
Asset acquisitions, net of cash acquired	(7,225)	(27,176)
Proceeds from asset disposals	197	588
Proceeds from sale of a business	4,605	18,732
Net cash used in investing activities	(480,581)	(70,691)
Cash flows from financing activities:		
Borrowings under debt arrangements	700,000	—
Repayments under debt arrangements	(335,000)	(100,000)
Proceeds from exercise of stock options	4,440	12,535
Payments of withholding taxes for stock awards	(2,308)	(1,875)
Purchases of TTC common stock	(110,004)	(177,152)
Dividends paid on TTC common stock	(94,401)	(84,677)
Net cash provided by (used in) financing activities	162,727	(351,169)
Effect of exchange rates on cash and cash equivalents	(10,757)	163
Net (decrease) increase in cash and cash equivalents	(174,048)	55,438
Cash and cash equivalents as of the beginning of the fiscal period	405,612	479,892
Cash and cash equivalents as of the end of the fiscal period	\$ 231,564	\$ 535,330



# 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 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.

**THE TORO COMPANY AND SUBSIDIARIES**  
**Reconciliation of Non-GAAP Financial Measures (Unaudited)**  
**(Dollars in thousands, except per-share data)**

The following table provides a reconciliation of the non-GAAP financial performance measures used in this press release and our related earnings call to the most directly comparable measures calculated and reported in accordance with U.S. GAAP for the three and nine month periods ended July 29, 2022 and July 30, 2021:

	Three Months Ended		Nine Months Ended	
	July 29, 2022	July 30, 2021	July 29, 2022	July 30, 2021
Gross profit	\$ 399,906	\$ 331,117	\$ 1,105,751	\$ 1,049,106
Acquisition-related costs <sup>1</sup>	401	—	1,425	—
Adjusted gross profit	\$ 400,307	\$ 331,117	\$ 1,107,176	\$ 1,049,106
Operating earnings	\$ 163,048	\$ 121,939	\$ 425,251	\$ 444,120
Acquisition-related costs <sup>1</sup>	704	—	3,456	—
Litigation settlement, net <sup>2</sup>	—	5,750	—	(11,325)
Adjusted operating earnings	\$ 163,752	\$ 127,689	\$ 428,707	\$ 432,795
Operating earnings margin	14.0 %	12.5 %	12.7 %	14.8 %
Acquisition-related costs <sup>1</sup>	0.1 %	— %	0.1 %	— %
Litigation settlement, net <sup>2</sup>	— %	0.6 %	— %	(0.4) %
Adjusted operating earnings margin	14.1 %	13.1 %	12.8 %	14.4 %
Earnings before income taxes	\$ 157,091	\$ 117,451	\$ 409,294	\$ 430,520
Acquisition-related costs <sup>1</sup>	704	—	3,456	—
Litigation settlement, net <sup>2</sup>	—	5,750	—	(11,325)
Adjusted earnings before income taxes	\$ 157,795	\$ 123,201	\$ 412,750	\$ 419,195
Net earnings	\$ 125,150	\$ 96,320	\$ 325,785	\$ 349,772
Acquisition-related costs <sup>1</sup>	561	—	2,740	—
Litigation settlement, net <sup>2</sup>	—	4,525	—	(8,947)
Tax impact of stock-based compensation <sup>3</sup>	(581)	(1,397)	(1,568)	(7,846)
Adjusted net earnings	\$ 125,130	\$ 99,448	\$ 326,957	\$ 332,979
Diluted EPS	\$ 1.19	\$ 0.89	\$ 3.08	\$ 3.21
Acquisition-related costs <sup>1</sup>	0.01	—	0.03	—
Litigation settlement, net <sup>2</sup>	—	0.04	—	(0.08)
Tax impact of stock-based compensation <sup>3</sup>	(0.01)	(0.01)	(0.02)	(0.07)
Adjusted diluted EPS	\$ 1.19	\$ 0.92	\$ 3.09	\$ 3.06
Effective tax rate	20.3 %	18.0 %	20.4 %	18.8 %
Tax impact of stock-based compensation <sup>3</sup>	0.4 %	1.3 %	0.4 %	1.8 %
Adjusted effective tax rate	20.7 %	19.3 %	20.8 %	20.6 %



- <sup>1</sup> On January 13, 2022, the company completed the acquisition of Intimidator. Acquisition-related costs for the three month period ended July 29, 2022 represent integration costs and acquisition-related costs for the nine month period ended July 29, 2022 represent transaction and integration costs incurred in connection with the acquisition. No acquisition-related costs were incurred during the three and nine month periods ended July 30, 2021.
- <sup>2</sup> 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. 8:10CV187, U.S. District Court for the District of Nebraska) (the "Infringement Action"). The Settlement Agreement provided, among other things, that upon approval by the bankruptcy court, and such approval becoming final and nonappealable, BGG agreed to pay Exmark \$33.65 million ("Settlement Amount"). During January 2021, the first quarter of fiscal 2021, the Settlement Amount was received by Exmark in connection with the settlement of the Infringement Action and at such time, the underlying events and contingencies associated with the gain contingency related to the Infringement Action were satisfied. As such, the company recognized in selling, general and administrative expense within the Consolidated Statements of Earnings during the first quarter of fiscal 2021 (i) the gain associated with the Infringement Action and (ii) a corresponding expense related to the contingent fee arrangement with the company's external legal counsel customary in patent infringement cases equal to approximately 50 percent of the Settlement Amount. Additionally, during the third quarter of fiscal 2021, the company recorded a charge related to a legal settlement for a series of ongoing patent infringement disputes within selling, general and administrative expense in the Condensed Consolidated Statements of Earnings. Accordingly, litigation settlements, net represents the charge incurred for the settlement of the patent infringement disputes for the three month period ended July 30, 2021. Litigation settlements, net for the nine month period ended July 30, 2021 represents the net amount recorded for the settlement of the Infringement Action, as well as the charge incurred for the settlement of the patent infringement disputes. No amounts were recorded for litigation settlement, net during the three and nine month periods ended July 29, 2022.
- <sup>3</sup> The accounting standards codification guidance governing employee stock-based compensation requires that any excess 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 nine month periods ended July 29, 2022 and July 30, 2021.

### 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. Free cash flow conversion percentage represents free cash flow as a percentage of net earnings. 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 nine month periods ended July 29, 2022 and July 30, 2021:

(Dollars in thousands)	Nine Months Ended	
	July 29, 2022	July 30, 2021
Net cash provided by operating activities	\$ 154,563	\$ 477,135
Less: Purchases of property, plant and equipment	75,772	47,961
Free cash flow	78,791	429,174
Net earnings	\$ 325,785	\$ 349,772
Free cash flow conversion percentage	24.2 %	122.7 %

# Gross Debt to EBITDA Ratio

	Q4 21	Q1 22	Q2 22	Q3 22	Total
Short Term Debt				\$65,000	\$65,000
Long Term Debt				\$990,616	\$990,616
<b>Gross Debt</b>				<b>\$1,055,616</b>	<b>\$1,055,616</b>
<b>Earnings Before Income Taxes</b>	<b>\$69,298</b>	<b>\$87,147</b>	<b>\$165,056</b>	<b>\$157,091</b>	<b>\$478,592</b>
Interest Expense	\$6,997	\$7,013	\$8,024	\$9,182	\$31,216
Depreciation and Amortization	\$26,522	\$24,943	\$28,007	\$26,079	\$105,551
<b>EBITDA</b>	<b>\$102,817</b>	<b>\$119,103</b>	<b>\$201,087</b>	<b>\$192,352</b>	<b>\$615,359</b>
<b>Leverage Ratio</b>					<b>1.7x</b>