THE TORO COMPANY

Serving Customers Through Superior Innovation and Superior Customer Care

Investor Presentation
December 2015

FORWARD-LOOKING STATEMENTS

- This presentation contains forward-looking statements regarding our business and future financial and operating results 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. Actual events and results may differ from those predicted.
- Please refer to the cautionary statement and risk factors in our most recent annual report on Form 10-K, subsequent quarterly reports on Form 10-Q, and other filings with the Securities and Exchange Commission.

The Toro Company

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.

OUR GUIDING PRINCIPLES

The Toro Company's success is founded on a long history of caring relationships based on trust and integrity. These relationships are the foundation on which we build market leadership with the best in innovative products and solutions to make outdoor environments beautiful, productive, and sustainable. We are entrusted to strengthen this legacy of excellence.

Help Our Customers

Most Trusted

Superior Innovation & Superior Customer Care

Caring Relationships

COMPANY OVERVIEW

(NYSE: TTC)

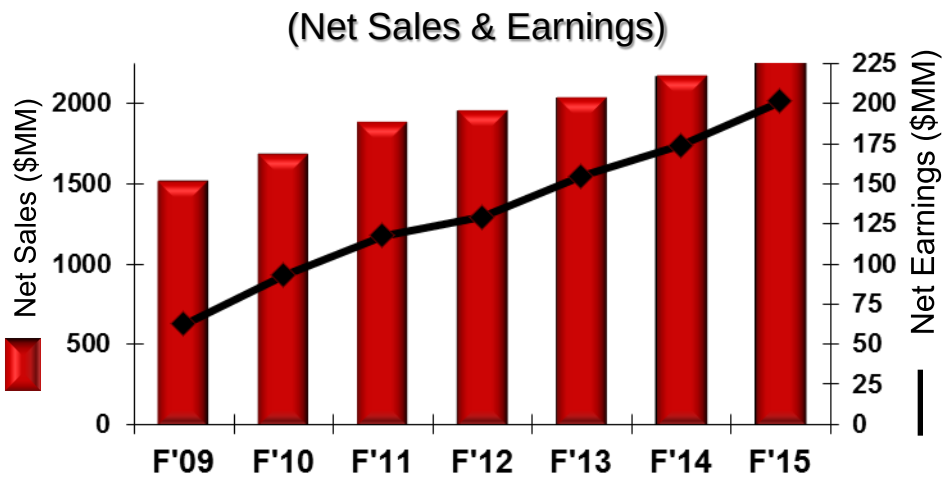
Summary

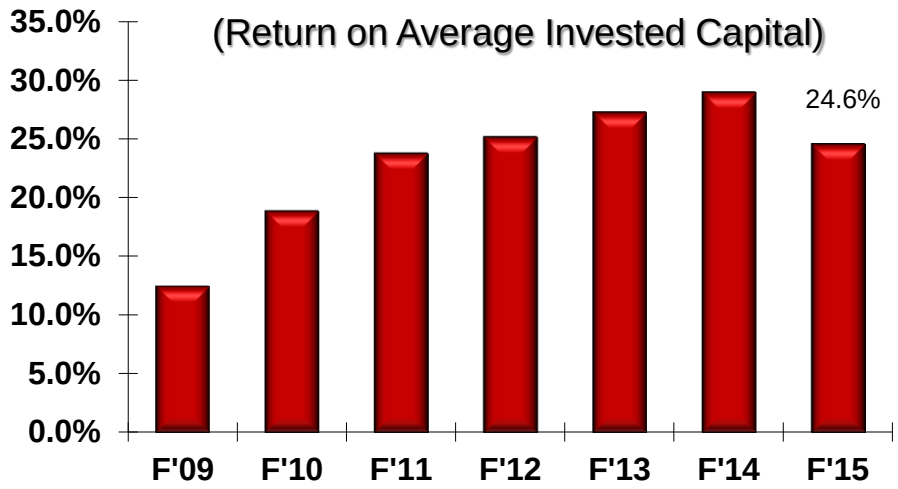
- Rich History and Deep Expertise in Solutions for the Outdoor Environment & Development of Distribution and Customer Care Networks
- Diverse Portfolio of Markets & Products
- Innovation & Brand Leadership
- 2014 Centennial—Launched Second Century

Opportunities

- Top-Line Growth Potential
- Margin Expansion Opportunity
- Strong Balance Sheet

Financial Performance

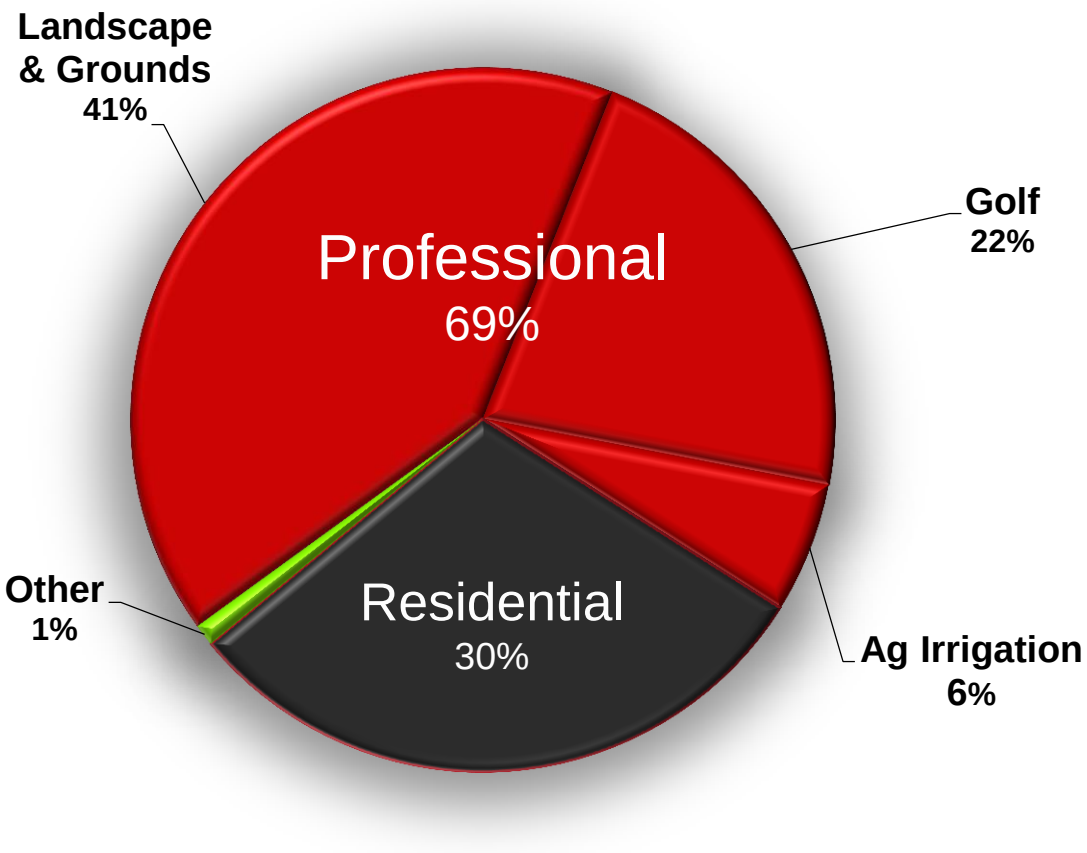




DIVERSE PORTFOLIO

F'15 REVENUES—$2.4 BILLION

Segments & Markets



Professional

F'15 Sales: $1.64B
F'15 Segment Earnings: 18.8%

- Innovation leader
- Performance, productivity & customer care relationships valued by customers
- Planned & more regular customer spending
- Higher margins

Residential

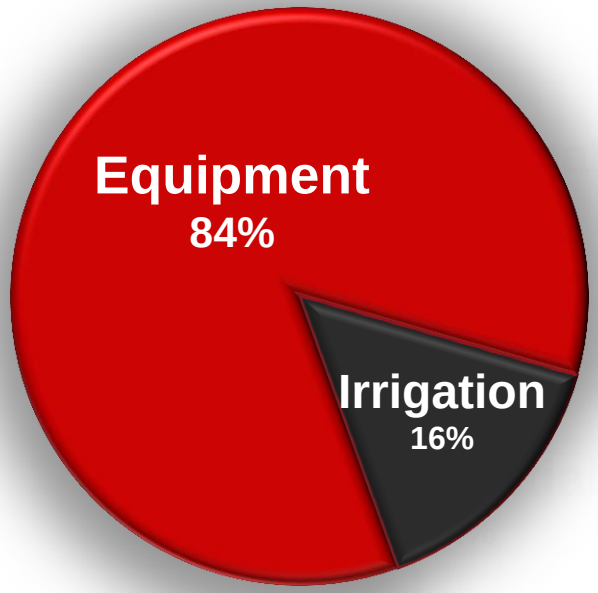
F'15 Sales: $725M
F'15 Segment Earnings: 11.7%

- Powerful brands
- Strong sales channel & service network
- Innovation, quality & durability rewarded by customers

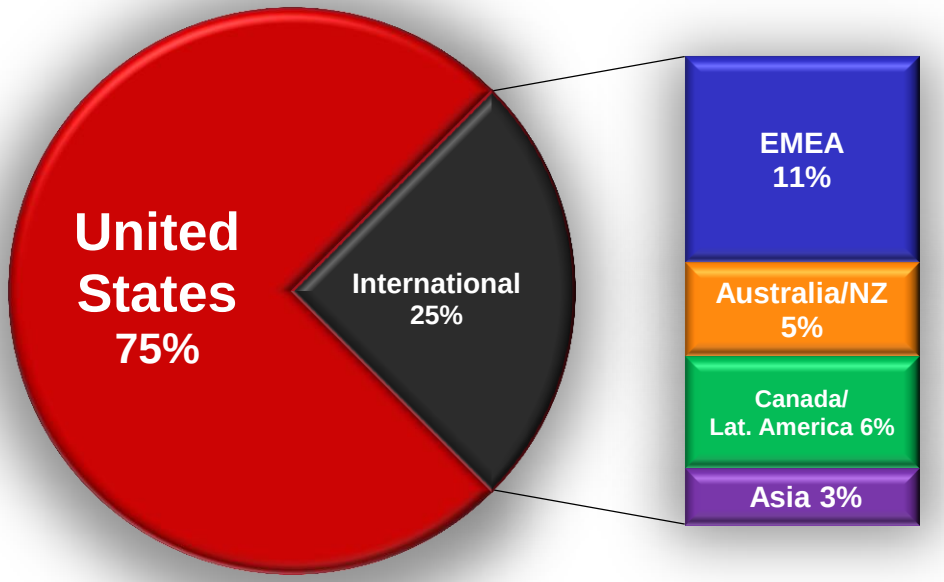
DIVERSE PORTFOLIO

F'15 REVENUES—$2.4 BILLION

Products



Geography



PROFESSIONAL - GOLF

- **Worldwide Market**

~15,500 Golf Courses

~16,000+ Golf Courses

- **Turf Equipment & Irrigation Systems**
- **Fundamentals & Opportunities**
  - Existing Courses Replacing Equipment & Aging Irrigation Systems
  - International New Golf Course Development

- **TTC Advantage** TORO
  - Powerful Brand
  - Innovation & Performance—Share Gain & Margin Expansion
  - Strong Network of Distributors, Relationships & Customer Care

- **Key Competitors**
  - Worldwide Competitors
    - Equipment—Deere, Jacobsen (Textron)
    - Irrigation—Rainbird

PROFESSIONAL—LANDSCAPE & GROUNDS

Turf Equipment

- **Worldwide Market**
  - Professional Landscape Maintenance, Sports Fields, Municipalities, Universities & Schools
- **Fundamentals & Opportunities**
  - Heavy Use Drives Replacement & Parts
  - Rural, Municipal & International Opportunities
- **TTC Advantage**
  - ZTR Leadership
  - Product Innovation, Durability & Quality
  - Toro & Exmark Channel Strength

- **Key Competitors**
  - Scag, Deere, Hustler, Kubota
    + Many Smaller Competitors

Snow & Ice Management

- **Worldwide Market**
  - Professional Snow Removal, Municipalities
- **Fundamentals & Opportunities**
  - Critical Products for Event Driven Non-Discretionary Services
  - Severe Environments Drive Replacement & Parts
  - Product Expansion & International Opportunities
- **TTC Advantage**
  - Strong Brand & Market Leadership
  - Product Innovation, Durability & Quality
  - Regional Channel Strength

- **Key Competitors**
  - Douglas Dynamics (Western, Fisher, Blizzard), Meyer, Sno-Way, Curtis, Buyer's, Hiniker

PROFESSIONAL—LANDSCAPE & GROUNDS(CONTINUED)

Irrigation & Lighting

- **Worldwide Market**
  - Residential & Commercial Applications
  - Contractor Installed
- **Fundamentals & Opportunities**
  - Housing / Construction Recovery
  - Share Expansion Opportunities
  - Increasing Demand for Efficient Water Solutions
- **TTC Advantage**
  - Innovation Leadership for Irrigation & Lighting Systems
- **Key Competitors**
  - Irrigation—Rainbird, Hunter
  - Lighting—FX, Vista

Rental & Specialty Construction

- **Worldwide Market**
  - Rental—Rental Companies & Contractors
  - Construction—Utility Contractors & Public Works
- **Fundamentals & Opportunities**
  - Rental—Heavy Use Drives Replacement & Parts; Customer Rent & Buy Opportunities
  - Construction—Infrastructure Development & Utility Improvements
- **TTC Advantage**
  - Leverage Brand & Product Leadership
  - Innovation & International Opportunities
- **Key Competitors**
  - Rental—Vermeer, Ditch Witch, Wacker, Multi Quip, + Various Others
  - Construction—Vermeer, Ditch Witch

PROFESSIONAL—AGRICULTURE IRRIGATION

- **Worldwide Market**
- **Micro-Irrigation Solutions**
  - Drip Tape—High Value Row Crops (*e.g.* Onions, Strawberries)
  - Drip Line—Permanent Crops (*e.g.* Vineyards, Fruit Trees)
- **Fundamentals & Opportunities**
  - Efficient Water Use & Higher Demand for Food Production
  - Increase Yields & Reduce Resources (*e.g.* Water, Energy, Fertilizer)
- **TTC Advantage** TORO
  - Product Quality & Innovation—Blue Stripe® and AquaTraxx®
  - Leverage Investments in New Geographic Markets—Romania & China
  - Product Expansion Opportunities (*e.g.* Controls, Sensors)
- **Key Competitors**
  - Netafim, Jain Irrigation, RIVULIS (acquired from Deere by FIMI)

	Flood	Center Pivot	Micro
Acreage	50%	40%	10%
Efficiency	40%	70%	90%+

RESIDENTIAL

- **Worldwide Market**
- **Lawn, Garden & Snow Equipment**
  - Walk-Behind & ZTR Mowers, Snow Throwers, Handheld Maintenance Products

- **Fundamentals & Opportunities**
  - U.S. WPM Replacement Market (~5M WPMs/Year)
  - ZTR Growth Opportunity
  - Innovation Rewarded

- **TTC Advantage**
  - Powerful Brands TORO LAWN-BOY HAYTER POPE
  - Leadership in Product Innovation, Quality & Durability
  - Strong Home Center Relationship
  - Strong Servicing Dealer Network

- **Key Competitors**
  - Craftsman, John Deere, Ariens, Husqvarna, MTD, Briggs & Stratton

DRIVING CONTINUOUS IMPROVEMENT
THROUGH EMPLOYEE INITIATIVES

F'01 – F'03

- ✓ Goal to achieve 5% PAT

F'04 – F'06

- ✓ Goal to achieve "6%+" PAT
- ✓ Goal to drive 8% 3 year compound revenue growth
- ✓ Began LEAN journey

F'07 – F'09

- Goal to drive 3 year compound revenue growth of 8%
- Goal to achieve "7%+" PAT
- ✓ Working capital as % of sales "in the teens"

F'10

- ✓ Singular Goal – 5% PAT

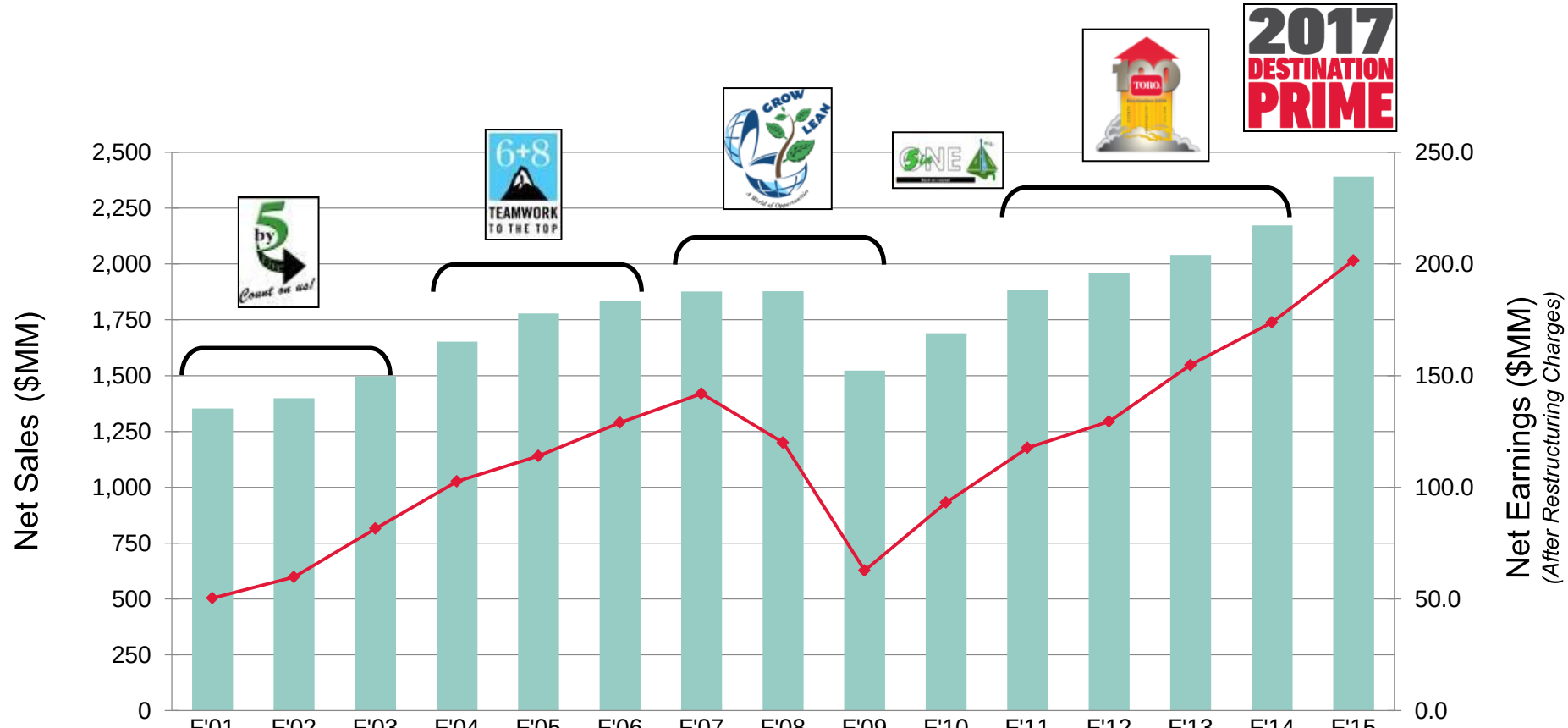
F'11 – F'14

- $100M+ organic growth each year
- ✓ 12%+ operating earnings by end of F'14

F'15 – F'17

- 5% or more organic growth each year
- 13%+ operating earnings by end of F'17
- Working capital below 13% by end of F'17
- Productivity
  Relationships
  Innovation
  Momentum
  Excellence

SALES & PROFIT IMPROVEMENT



	F'01	F'02	F'03	F'04	F'05	F'06	F'07	F'08	F'09	F'10	F'11	F'12	F'13	F'14	F'15
Sales $	1,353	1,399	1,497	1,653	1,779	1,836	1,877	1,878	1,523	1,690	1,884	1,959	2,041	2,173	2,391
Earnings $	50.4	59.9	81.6	102.7	114.1	129.0	142.0	120.0	62.8	93.2	117.7	129.5	154.8	173.9	201.6

F'16 Guidance
(12/03/2015)
Revenue growth about 4%; EPS about $3.80 to $3.90

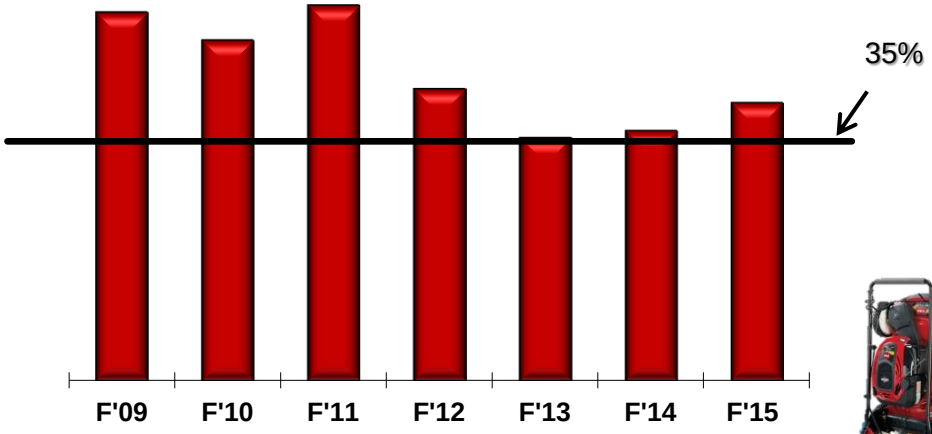
INVESTMENTS IN GROWTH

DRIVING GROWTH IN THE CORE

- Leadership Through Innovation
  - Sustained 3%+ Investment in Research & Engineering
  - Passion to Address Customers Unmet Needs
  - Differentiate from Competition
  - Drive Market Share Gains & Margin Expansion

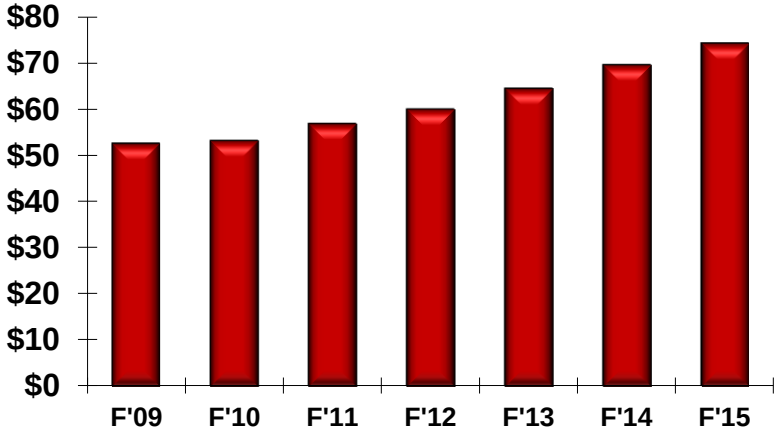
Vitality Index

(Percent of Sales from New Products*)



R&E Investment

(In Millions)



*Introduced in Current & Previous Two Fiscal Years

INVESTMENTS IN GROWTH

DRIVING GROWTH BEYOND THE CORE

- Acquisitions
  - Bias for Professional, International & Water Businesses
  - Seeking Platforms for Growth—Adjacencies to Core Businesses
  - Diligent Process—Right Opportunity & Price

Golf

Graden (F'11), Ty-Crop (F'09), Southern Green (F'08)

Snow & Ice Management

BOSS (F'15)

Underground/Rental

Astec (F'12), Stone (F'12), Lawn Solutions (F'11), US Praxis (F'10)

Irrigation Controls & Sensors

Turf Guard (F'08), Rain Master (F'07)

Landscape Lighting

Unique (F'11)

Micro Irrigation

Xiamen Xiangfeng (F'13)

CAPITAL DEPLOYMENT

Cash From Operations

Operating and Growth Needs
- Internal Productive Assets
- Acquisitions & Alliances

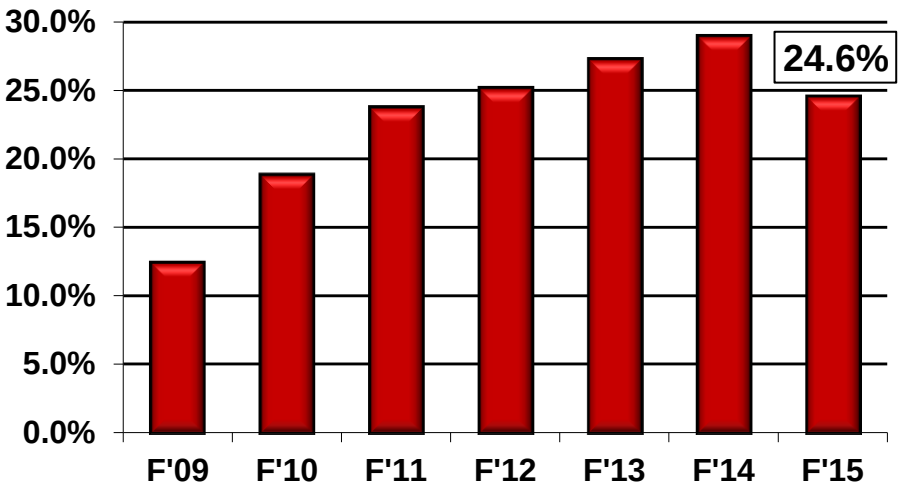
Return to Shareholders
- Regular Dividends (30-40% of 3-Yr Average EPS)
- Share Repurchases

($ millions)	F'09	F'10	F'11	F'12	F'13	F'14	F'15	Total
Operating Cash Flow	$252	$194	$113	$186	$222	$182	$237	$1,386
Capital Expenditures	$38	$49	$57	$43	$49	$71	$56	$363
Strategic Acquisitions	$6	$10	$15	$10	$2	$1	$229	$273
Dividends Paid	$21	$24	$25	$26	$32	$45	$56	$229
Share Repurchases	$115	$136	$130	$93	$100	$103	$107	$784
Total Capital Deployed	$180	$219	$227	$172	$183	$220	$448	$1,649
% of Operating Cash Flow	71%	113%	201%	93%	82%	121%	189%	119%

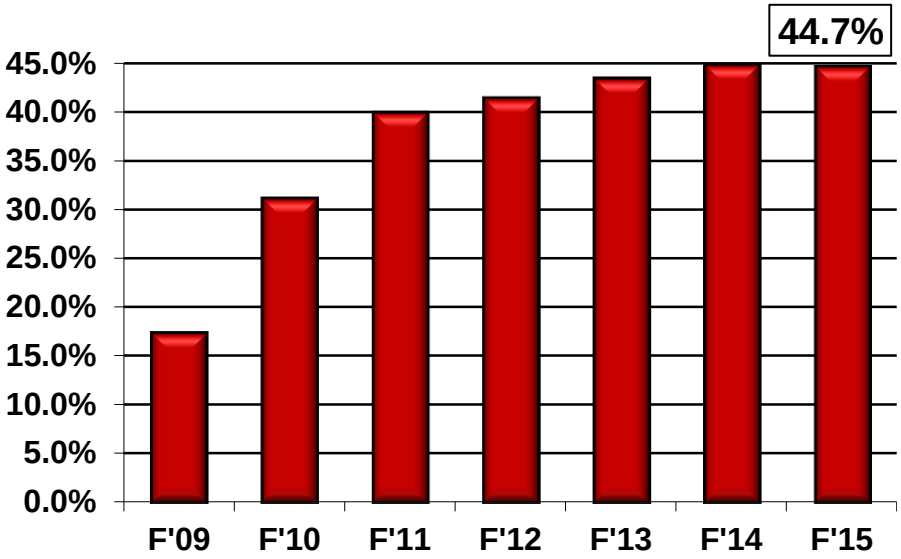
KEY PERFORMANCE MEASURES

DELIVERING STRONG RETURNS

Return on Average Invested Capital (%)*



Return on Average Equity (%)*



Cash Flow

	F'09	F'10	F'11	F'12	F'13	F'14	F'15
Operating Activities Net Cash	$251.5M	$193.5M	$113.9M	$185.8M	$221.9M	$182.4M	$236.9M
Cap Ex	($37.9M)	($48.7M)	($57.4M)	($43.2M)	($49.4M)	($71.1M)	($56.4M)
Free Cash Flow **	**$213.6M**	**$144.8M**	**$56.5M**	**$142.6M**	**$172.5M**	**$111.3M**	**$180.5M**

**Non-GAAP Measures:*

ROIC

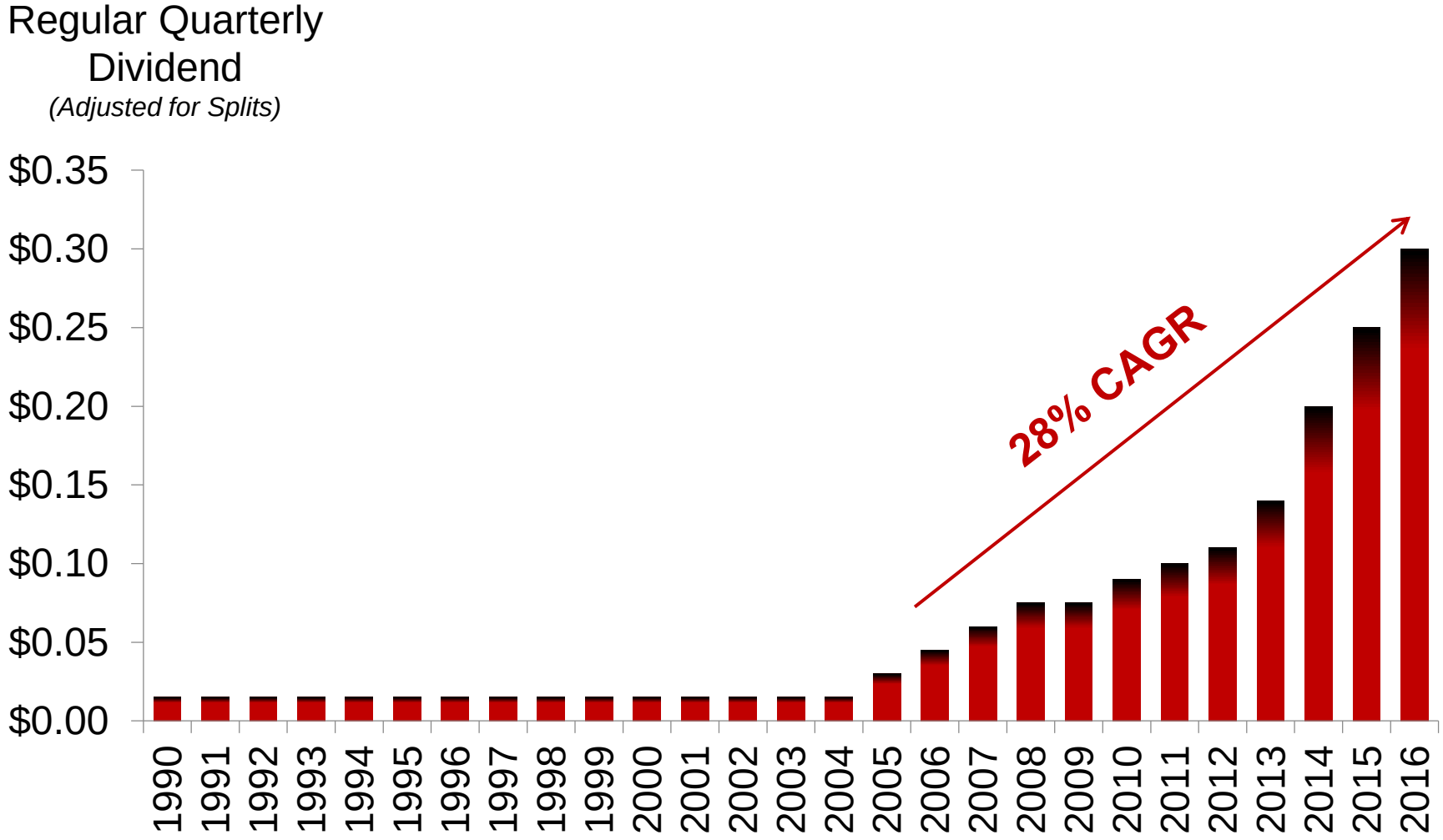
$$\frac{\text{Net Operating Profit After Tax}}{\text{Avg. of Monthly (Short-Term Debt + Current Portion LTD + Long-Term Debt + Total Equity)}}$$

ROAE

$$\frac{\text{Net Income}}{\text{Avg. Total Equity For Past 4 Qtrs.}}$$

***Free Cash Flow: Reconciliation Shown in Table*

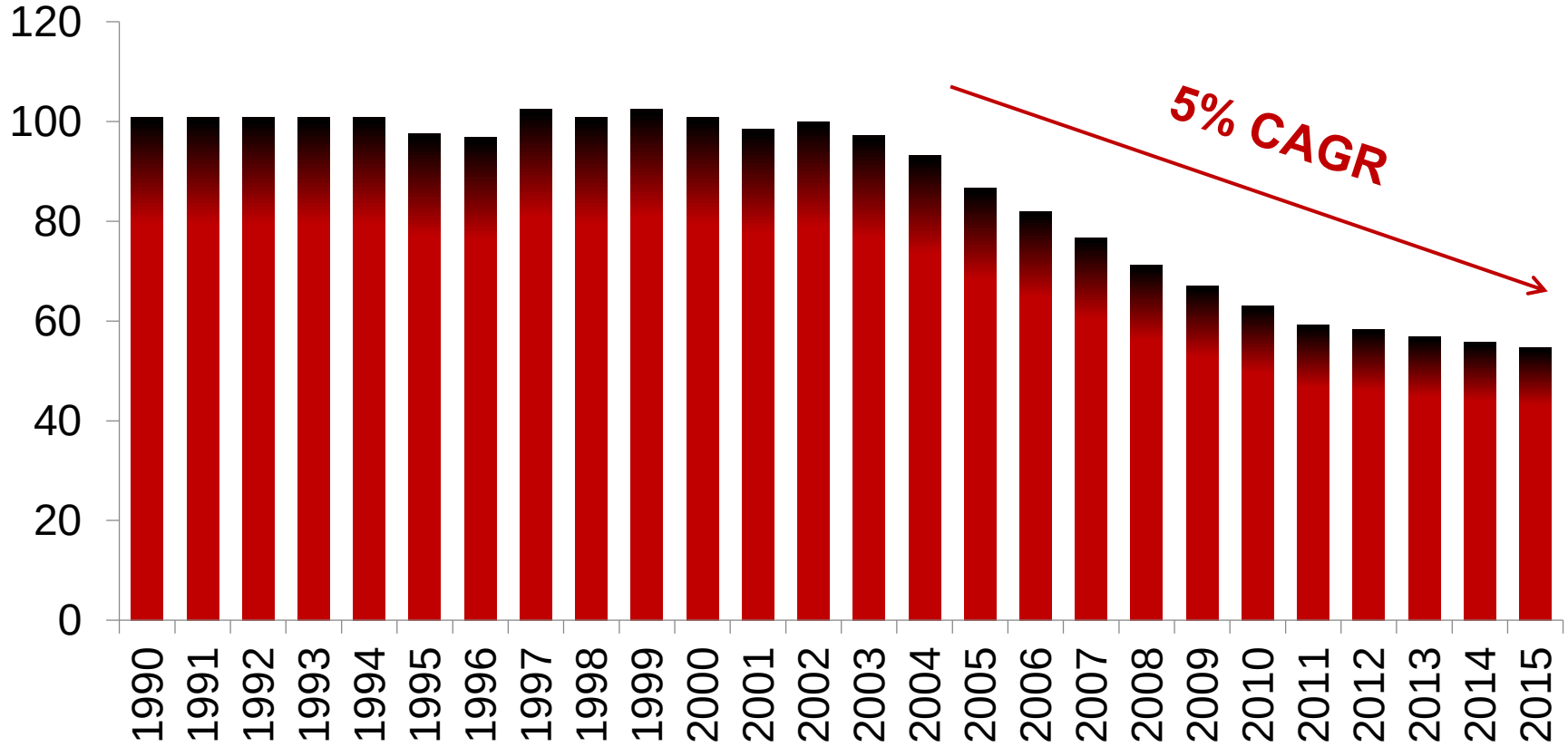
INCREASING DIVIDENDS



Regular Dividend Declaration—December 3, 2015

CONSISTENT SHARE REPURCHASES

Shares Outstanding In Millions
(Adjusted for Splits)

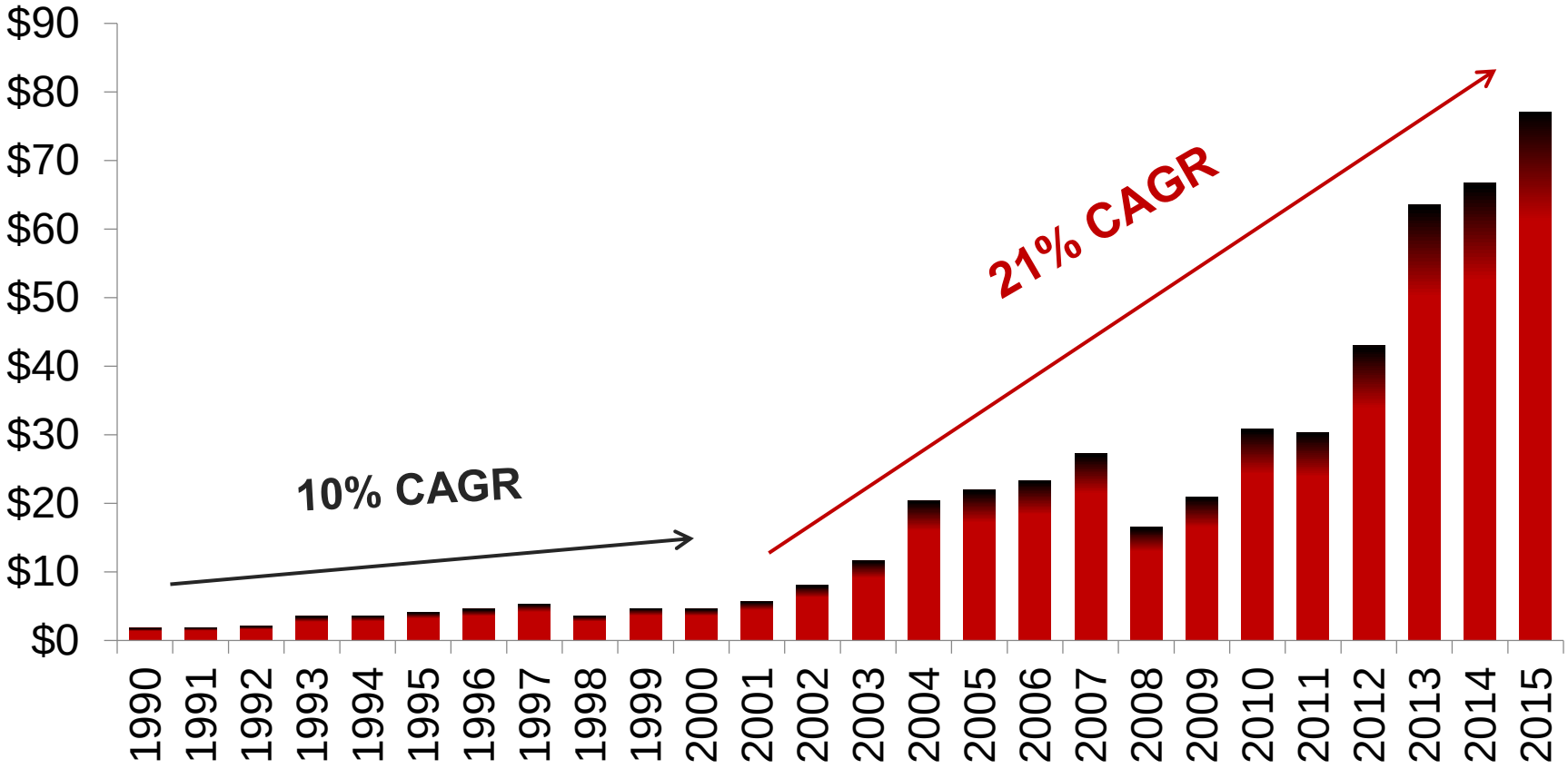


Remaining Authority (12/3/2015)—5.1 Million Shares

INCREASING SHAREHOLDER VALUE

STOCK PRICE APPRECIATION

TTC Stock Price
(Adjusted for Splits)



Closing Stock Price—December 2, 2015

SUMMARY

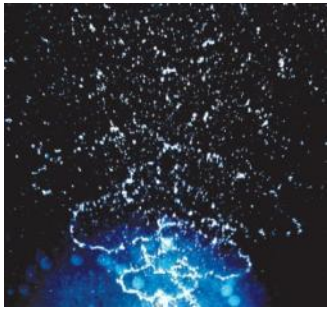
- **Building on a Solid Foundation**
  - Beginning Our Second Century of Innovation, Relationships & Excellence
  - Enduring Company Culture & Effective Employee Initiatives
  - Demonstrated Consistent Financial Performance
- **Leveraging a High Value Business Model**
  - Diverse Portfolio with Strong Brands & Market Share
  - Solid Financial Returns & Strong Balance Sheet
  - Consistent Return of Value to Shareholders
- **Driving Growth and Profitability**
  - Top-Line Growth Potential
  - Market Share & Margin Expansion Opportunities
  - Disciplined Process & Financial Capacity for Acquisitions

TORO®

APPENDIX

TORO

Twins
pepsi
Mortenson
MOA
DELTA
TARGET FIELD
Mow like the pros.
Field stripes brought to you by Toro.
toro.com



TIMECUTTER
TORO

F'15 FY & 4Q RESULTS

(RELEASED DECEMBER 3, 2015)

	F'15 FY	▲ from F'14 FY	F'15 4Q	▲ from F'14 4Q
Revenues	$2.390.9B	10.0%	$480.8M	16.1%
Gross Margin (% of Revenues)	35.0%	(60)bps	35.1%	60bps
SG&A (% of Revenues)	22.5%	(100)bps	27.4%	(240)bps
Operating Earnings ($)	$299.1M	13.7%	$19.6M	87.5%
Operating Earnings (% of Revenues)	12.5%	40bps	7.7%	300bps
EPS	$3.55	17.5%	$0.42	121.1%

Record F'15 Revenues, Operating Earnings & EPS

GUIDANCE
(AS OF DECEMBER 3, 2015)

F'16 FY

EPS:	About $3.80 to $3.90
Revenues:	Up About 4% From F'15
Gross Margin: (% of Revenues)	Increase of About 50 bps From F'15
SG&A: (% of Revenues)	Some Improvement Over F'15
Tax Rate:	About 31.0%
CapEx:	About $70M
Depreciation & Amortization:	About $65M
Interest Expense:	About $18M to $19M
Share Repurchases:	Expect to Spend At Least As Much as F'15
Free Cash Flow:	About $200M

F'16 Q1

EPS:	About $0.58 - $0.60

EARNINGS HISTORY

F'09—F'15

($ millions except EPS)	F'09	F'10	F'11	F'12	F'13	F'14	F'15
Net Sales	$1,523.4	$1,690.4	$1,884.0	$1,958.7	$2,041.4	$2,172.7	$2,390.9
Percent Growth	-18.9%	11.0%	11.5%	4.0%	4.2%	6.4%	10.0%
Gross Profit	$511.0	$576.4	$636.6	$673.1	$724.8	$773.3	$835.90
% of Sales	33.5%	34.1%	33.8%	34.4%	35.5%	35.6%	35.0%
SG&A	$395.8	$425.1	$452.2	$467.5	$494.1	$510.1	$536.8
% of Sales	26.0%	25.1%	24.0%	23.9%	24.2%	23.5%	22.5%
Operating Earnings	$115.2	$151.3	$184.5	$205.6	$230.7	$263.2	$299.1
% of Sales	7.6%	9.0%	9.8%	10.5%	11.3%	12.1%	12.5%
Other (Inc)/Exp	$1.8	$7.1	$7.3	$7.6	$12.3	$8.7	$10.7
Interest Expense	-$17.6	-$17.1	-$17.0	-$16.9	-$16.2	-$15.4	-$18.8
Pretax Earnings	$95.8	$141.3	$174.8	$196.3	$226.7	$256.4	$291.0
% of Sales	6.3%	8.4%	9.3%	10.0%	11.1%	11.8%	12.2%
Net Earnings	$62.8	$93.2	$117.7	$129.5	$154.8	$173.9	$201.6
% of Sales	4.1%	5.5%	6.2%	6.6%	7.6%	8.0%	8.4%
% Growth	-47.5%	48.4%	26.3%	10.0%	19.5%	12.3%	15.9%
EPS	$0.87	$1.40	$1.85	$2.14	$2.62	$3.02	$3.55
% Growth	-43.9%	60.9%	32.1%	15.7%	22.4%	15.3%	17.5%

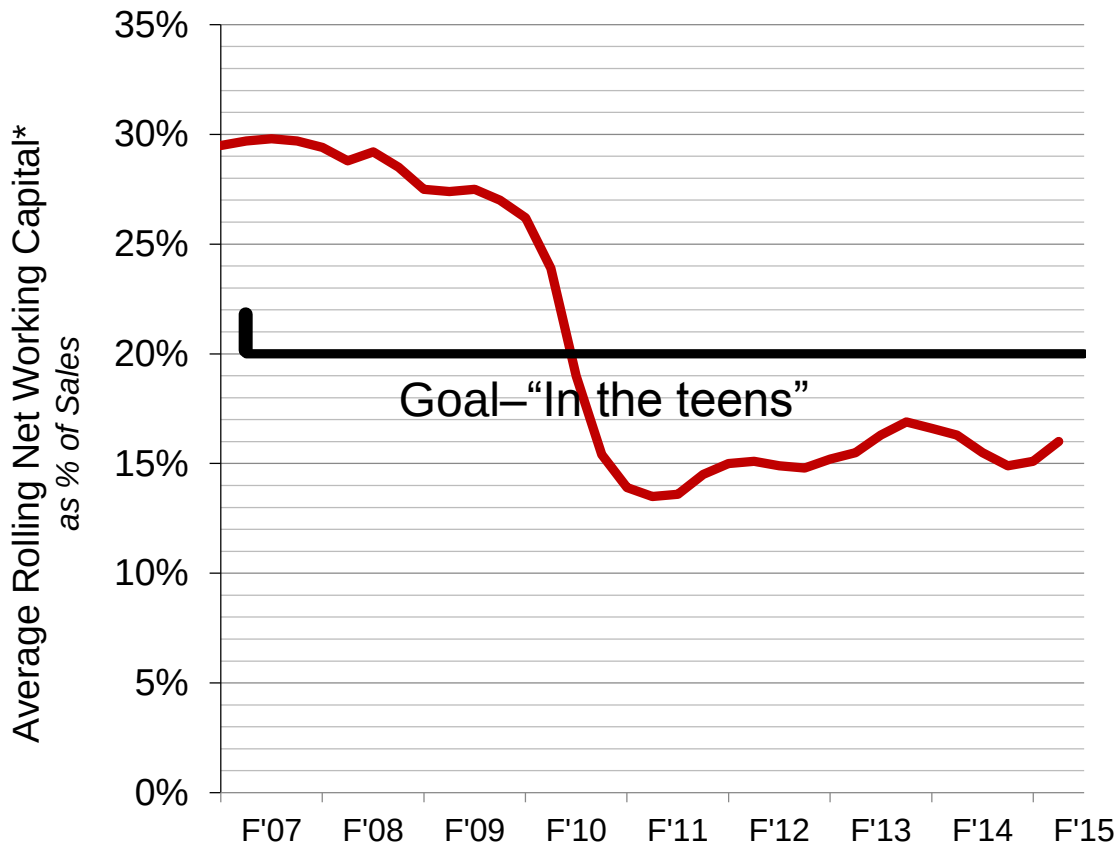
**Includes restructuring charges*

FYE BALANCE SHEET

F'09—F'15

($ millions)	F'09	F'10	F'11	F'12	F'13	F'14	F'15
Cash	$187.8	$177.4	$ 80.9	$125.9	$ 183.0	$ 314.9	$ 126.3
Accts Receivable	$143.7	$142.9	$148.1	$147.4	$ 157.2	$ 158.2	$ 177.0
Inventory	$176.3	$194.4	$223.0	$251.1	$ 240.1	$ 274.6	$ 334.5
Current Assets	$ 582.2	$ 585.0	$ 532.9	$ 612.1	$ 653.3	$ 824.0	$ 710.7
Total Assets	$ 872.7	$ 885.6	$ 870.7	$ 935.2	$ 1,002.7	$1,192.4	$1,303.7
Short-Term Debt	$ 4.5	$ 1.0	$ 0.0	$ 0.0	$ 0.0	$ 20.8	$ 0.2
Total Curr Liabilities	$ 316.8	$ 368.3	$ 359.1	$ 378.1	$ 388.8	$ 400.4	$ 443.7
Long-Term Debt	$ 228.8	$ 225.5	$ 227.2	$ 225.3	$ 223.5	$ 347.3	$ 354.8
Equity	$ 315.2	$ 275.8	$ 266.8	$ 312.4	$ 358.7	$ 408.7	$ 462.2
Total Debt/Capital	42.5%	45.1%	46.0%	41.9%	38.4%	47.4%	45.0%
Average Debt	$ 243.2	$ 228.6	$ 227.3	$ 231.5	$ 223.8	$ 244.1	$ 399.6

WORKING CAPITAL IMPROVEMENT

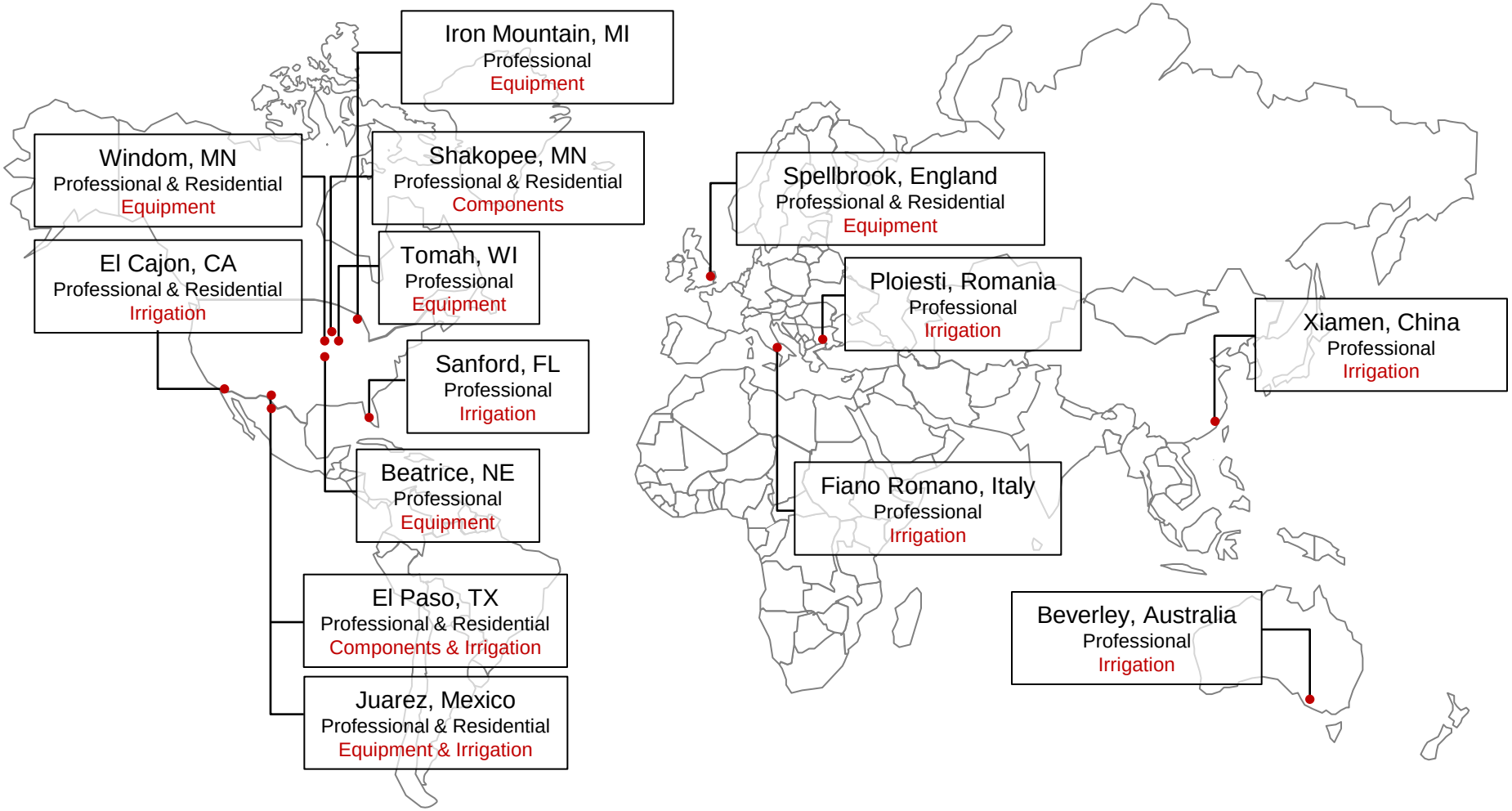


Highlights

- Achieved long-term working capital goal at end of F'10
- More than $300M of average working capital freed up for other uses
  - A/R down over 50%
  - Inventory down over 30%
  - Payables up over 30%
- Renewed focus on working capital with Destination PRIME to <13%

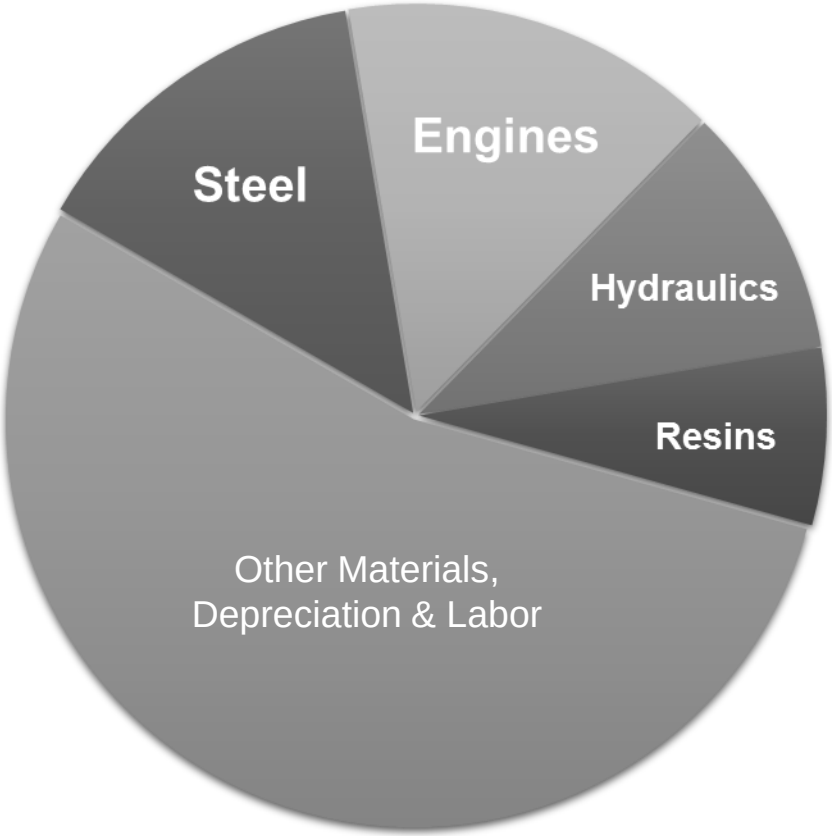
**Non-GAAP Measure:*
Average net working capital as % of net sales for trailing 12 months
Net Working Capital = Accounts Receivable+ Net Inventory – Trade Payables

MANUFACTURING FACILITIES



MATERIAL COSTS

Major Components of Cost of Goods Sold



PRIDE IN EXCELLENCE

People Values

- Respect & Trust
- Teamwork/ Partnership
- Empowerment
- Coaching
- Recognition
- Communication

+

Performance Values

- "Do What We Say We Will Do"
- Building Growth & Profitability
- Be Customer Driven With Urgency
- Embrace Risk & Opportunity
- Create & Leverage Innovation
- Continuously Improve

Environmental & Giving

Environmental Principles

- Committed to protecting the environment & improving resource management
- Help customers address environment challenges
- Endeavor to adopt sustainable practices & eliminate waste in our global operations
- Part of our design & business strategy, we go beyond just compliance

Investment in Communities

- Endeavor to give 2% of domestic pretax income to support our communities and industries
- Provide people, products and financial resources to build healthy communities
- Focus on enriching outdoor environments and encouraging efficient use of water

www.thetorocompany.com/corporateresponsibility

TORO®

Differences that matter to growers…

⇧Yield	⇩Water ⇩Disease ⇩Energy ⇩Fertilizer ⇩Product Failure