THE TORO COMPANY

Q3 2025 EARNINGS RELEASE

September 4, 2025

Cautionary Note

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 2025 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 fiscal quarter ending August 1 figures

Q3 2025 Key Messages

1. Delivered third-quarter *adjusted diluted EPS that exceeded our expectations despite persistent homeowner caution due to high interest rates and tariffs

2. Continued innovation and increased output drove higher shipments in our underground construction and golf and grounds businesses where demand remains robust

3. Deliberate actions to improve efficiency delivered meaningful cost reductions

4. Repurchased $90 million of company common stock during the third quarter, reflecting our confidence in cash generation and our commitment to returning capital to shareholders while maintaining balance sheet flexibility

5. Updated full-year fiscal 2025 *adjusted diluted EPS guidance to about $4.15, incorporating a reduction in volume from persistent macro factors that are extending homeowner and channel caution more than previously anticipated

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

Tariff Takeaways

Estimate fiscal 2025 tariff headwinds to be approximately **$70 million ($45 million incremental in 2025), down from prior estimate of approximately **$90 million ($65 million incremental in 2025).

Competitive Advantages

- USMCA Qualification
- Primarily U.S. Supply Base
- Minimal China Exposure
- Ag Use Exemption

Mitigating Actions

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

Positioned well as a U.S. based manufacturer.
On track to mitigate 100% of tariff headwinds for full-year 2025

**Includes approximately $25 million impact of pre-existing tariffs already in place prior to fiscal 2025.

Automation Lineup

Toro GeoLink Mow

Autonomous Fairway Mower that addresses golf course labor shortages and budget constraints by increasing productivity and providing more consistent results

Toro Turf Pro

Autonomous mower with GPS RTK technology capable of mowing up to 18.5 acres, three times a week with minimal operator input

Exmark Turf Tracer with XiQ

Autonomous commercial mower that combats labor challenges faced by landscape contractors while providing supervised autonomy for efficient mowing

Q3 2025 Other Notable Highlights

Ventrac 45RC Tractor

Offers dual operation modes to meet the operator's needs on steep terrain – whether seated on the mower or up to 500 feet away

Toro Spatial Adjust Irrigation Control Software

Paired with turfRad moisture sensing technology has the potential to transform golf course maintenance by reducing water usage

W8 Hydrovac

More compact than the W12, the W8 is an excellent option for tighter jobsites and urban projects

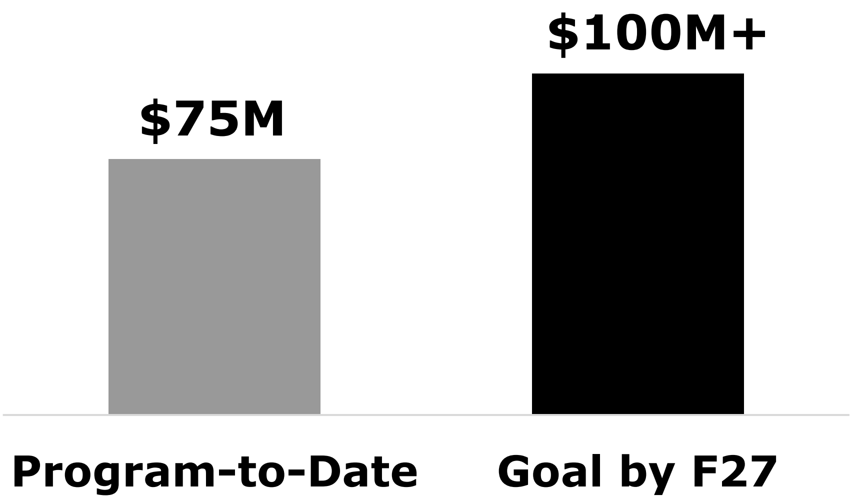
Exmark Lazer Z

Includes enhanced productivity features, like our exclusive Adapt technology which enables quick, tool-free adjustments of the deck rake

Amplifying Maximum Productivity ("AMP")

Significant productivity initiative expected to deliver at least $100M incremental annualized cost savings by fiscal 2027, a portion of which the company intends to prudently reinvest

Annualized Savings Implemented



Focus Areas for Transformation

- Supply Base
- Design-to-Value
- Route-to-Market
- Operational Efficiency

Approximately $4M of run-rate savings achieved in Q3 2025… on track to achieve at least $100M by fiscal 2027

Q3 Consolidated Results

Operating Performance Driven By Strength in Underground Construction and Golf & Grounds

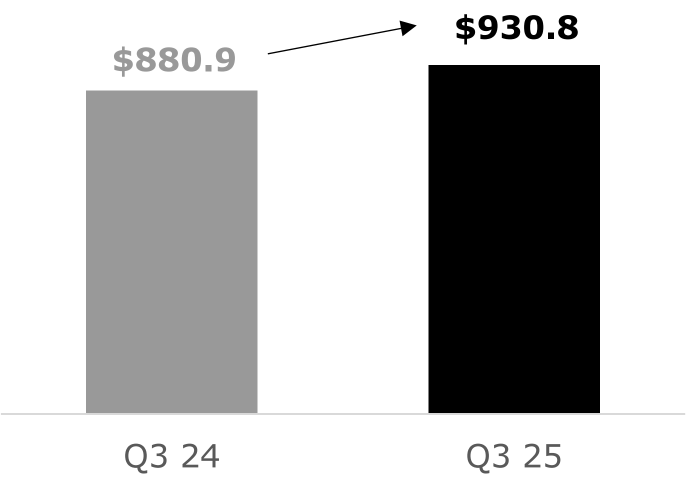
	REPORTED			ADJUSTED*		
	Q3 25	Q3 24	Change from Q3 24	Q3 25	Q3 24	Change from Q3 24
Net Sales	**$1,131.3M**	**$1,156.9M**	**-2.2%**	**$1,131.3M**	**$1,156.9M**	**-2.2%**
Gross Profit ($)	$381.8M	$402.8M	-5.2%	$389.0M	$409.7M	-5.1%
Gross Margin (% of Net Sales)	33.7%	34.8%	-110 bps	34.4%	35.4%	-100 bps
Operating Earnings ($)	**$64.8M**	**$148.1M**	**-56.2%**	**$154.0M**	**$159.0M**	**-3.1%**
Operating Earnings Margin (% of Net Sales)	**5.7%**	**12.8%**	**-710 bps**	**13.6%**	**13.7%**	**-10 bps**
Earnings Before Income Taxes	$57.8M	$144.2M	-59.9%	$148.1M	$150.8M	-1.8%
Net Earnings	$53.5M	$119.3M	-55.2%	$122.5M	$123.7M	-1.0%
Diluted EPS	$0.54	$1.14	-52.6%	$1.24	$1.18	+5.1%

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

Q3 Professional Segment Results

NET SALES
(in millions)

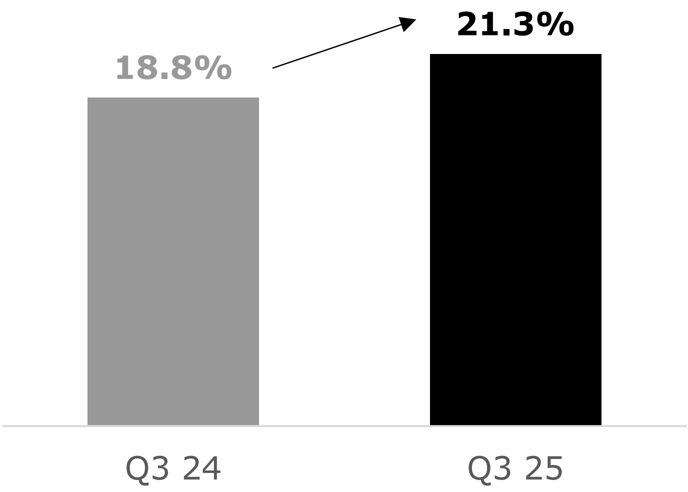
+5.7%



Increase was primarily driven by higher shipments of underground construction and golf and grounds products, as well as net price realization, partially offset by prior year divestitures

SEGMENT EARNINGS MARGIN

+250 bps

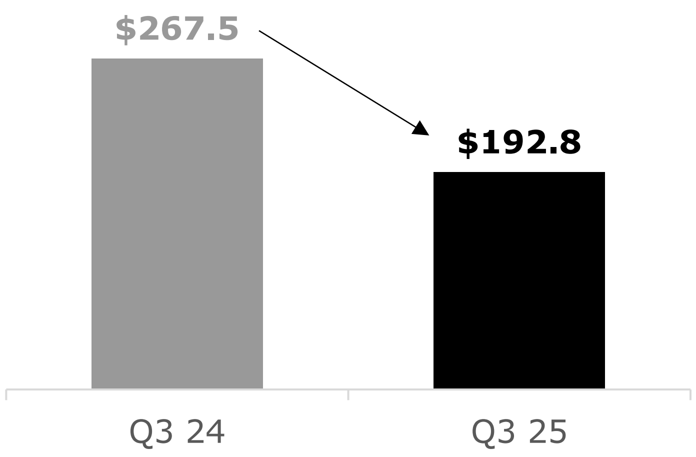


Increase was primarily due to productivity improvements, net price realization, net sales leverage, cost savings measures, and lower marketing costs, partially offset by higher material and manufacturing costs

Q3 Residential Segment Results

NET SALES
(in millions)

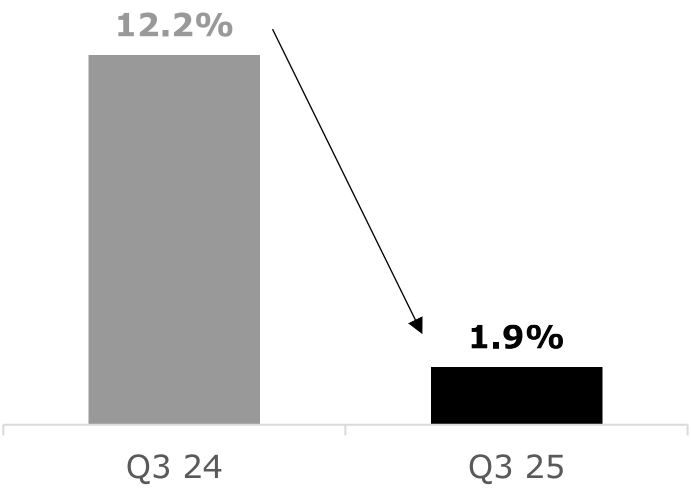
-27.9%



Decrease was primarily driven by lower shipments across the segment due to lower demand from homeowners

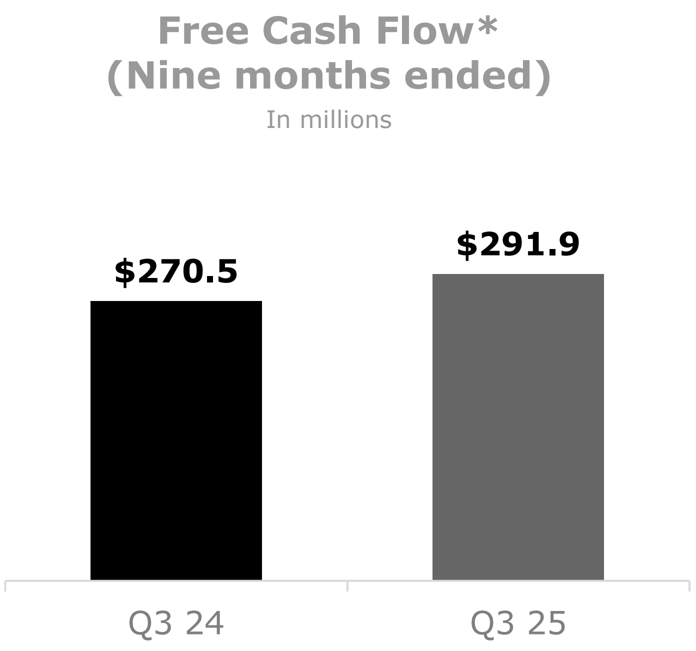
SEGMENT EARNINGS MARGIN

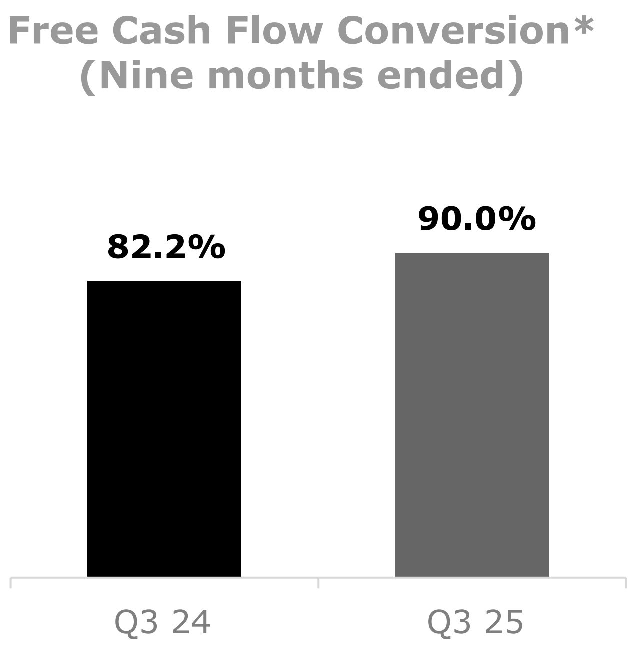
-1030 bps

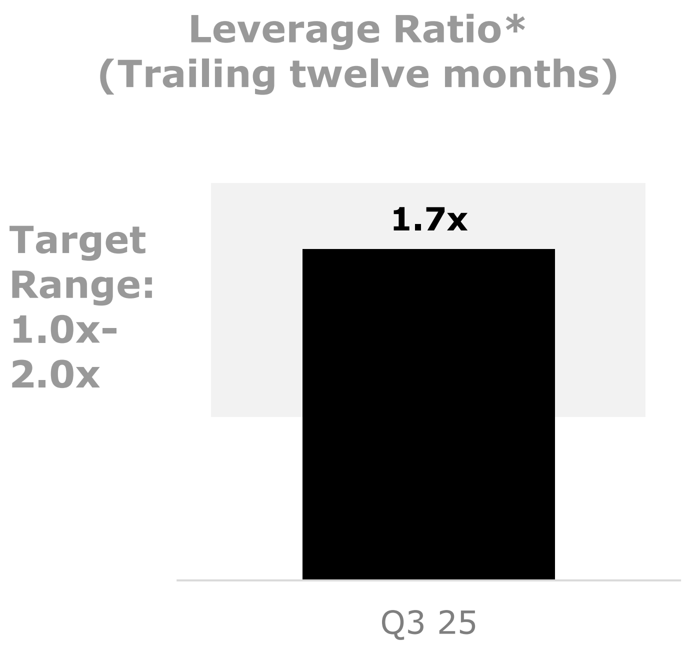


Decrease was largely driven by lower net sales volume, higher material and manufacturing costs, inventory valuation adjustments, and higher sales promotions and incentives, partially offset by productivity improvements and cost savings measures

Strong Balance Sheet and Free Cash Flow







Free cash flow conversion increased compared to last year. As is typical, we expect the majority of our operating cash flow to be generated in the second half of the fiscal year.

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

Effective Capital Deployment

Consistent Priorities	2025 YTD Actions
1 Capital expenditures supporting organic growth with high returns	Invested $57.0M to fund new product investments, advanced manufacturing technologies, and capacity for growth within existing manufacturing footprint
2 Strategic approach to acquisitions with disciplined process and proven track record	Acquired ProKASRO Services USA in the attractive trenchless underground construction space
3 Established dividend with increases commensurate with earnings growth	Returned $113.8M to shareholders via regular dividends, representing a per share payout increase of 6% year-over-year
4 Excess cash deployed to repurchase shares with a goal to at least offset dilution over time	Returned $290.0M to shareholders via share repurchases

Disciplined capital allocation driving long-term value for all stakeholders

Updated Full-Year 2025 Guidance

	Guidance as of June 5, 2025	Updated Guidance as of September 4, 2025
Net Sales Growth (%)	Flat to down 3%	**At lower end of flat to down 3%**
Adjusted Gross Margin	Higher than 2024	Higher than 2024
Adjusted Operating Earnings Margin* (%)	Higher than 2024	**Flat to slightly lower than 2024**
Adjusted Diluted EPS* ($)	$4.15 to $4.30	**About $4.15**
Capital Expenditures ($)	~$100M	**~$90M**
Depreciation & Amortization ($)	$125M to $135M	$125M to $135M
Interest Expense	~$59M	**~$60M**
Adjusted Effective Tax Rate* (%)	~19%	~19%
Free Cash Flow (FCF) Conversion* (%)	~100%	**~110%**

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

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APPENDIX

Non-GAAP Financial Measures

This presentation contains certain non-GAAP financial measures, which are not calculated or presented in accordance with U.S. GAAP, as information supplemental and in addition to the most directly comparable financial measures calculated and presented in accordance with U.S. GAAP. The non-GAAP financial measures included within this presentation, as applicable, consist of 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.

THE TORO COMPANY AND 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 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 August 1, 2025 and August 2, 2024:

	Three Months Ended		Nine Months Ended	
	August 1, 2025	August 2, 2024	August 1, 2025	August 2, 2024
Gross profit	$ 381.8	$ 402.8	$ 1,154.1	$ 1,200.3
Productivity initiative[1]	7.2	6.9	14.7	6.9
Adjusted gross profit	$ 389.0	$ 409.7	$ 1,168.8	$ 1,207.2
Gross margin	33.7 %	34.8 %	33.5 %	34.2 %
Productivity initiative[1]	0.7 %	0.6 %	0.4 %	0.2 %
Adjusted gross margin	34.4 %	35.4 %	33.9 %	34.4 %
Operating earnings	$ 64.8	$ 148.1	$ 317.4	$ 424.3
Productivity initiative[1]	8.1	10.9	29.9	19.2
Non-cash impairment charge[2]	81.1	—	81.1	—
Adjusted operating earnings	$ 154.0	$ 159.0	$ 428.4	$ 443.5
Operating earnings margin	5.7 %	12.8 %	9.2 %	12.1 %
Productivity initiative[1]	0.7 %	0.9 %	0.9 %	0.5 %
Non-cash impairment charge[2]	7.2 %	— %	2.3 %	— %
Adjusted operating earnings margin	13.6 %	13.7 %	12.4 %	12.6 %

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	Three Months Ended		Nine Months Ended	
	August 1, 2025	August 2, 2024	August 1, 2025	August 2, 2024
Earnings before income taxes	$ 57.8	$ 144.2	$ 292.6	$ 403.5
Productivity initiative[1]	9.2	6.6	31.4	14.9
Non-cash impairment charge[2]	81.1	—	81.1	—
Adjusted earnings before income taxes	$ 148.1	$ 150.8	$ 405.1	$ 418.4
Income tax provision	$ 4.3	$ 24.9	$ 49.5	$ 74.5
Productivity initiative[1]	1.5	1.2	5.7	2.9
Non-cash impairment charge[2]	19.7	—	19.7	—
Tax impact of share-based compensation[3]	0.1	1.0	—	3.5
Adjusted income tax provision	$ 25.6	$ 27.1	$ 74.9	$ 80.9
Net earnings	$ 53.5	$ 119.3	$ 243.1	$ 329.0
Productivity initiative, net of tax[1]	7.7	5.4	25.7	12.0
Non-cash impairment charge, net of tax[2]	61.4	—	61.4	—
Tax impact of share-based compensation[3]	(0.1)	(1.0)	—	(3.5)
Adjusted net earnings	$ 122.5	$ 123.7	$ 330.2	$ 337.5

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(Dollars in millions, except per-share data)

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	Three Months Ended		Nine Months Ended	
	August 1, 2025	August 2, 2024	August 1, 2025	August 2, 2024
Net earnings per diluted share	$ 0.54	$ 1.14	$ 2.42	$ 3.14
Productivity initiative, net of tax[1]	0.08	0.05	0.26	0.11
Non-cash impairment charge, net of tax[2]	0.62	—	0.61	—
Tax impact of share-based compensation[3]	—	(0.01)	—	(0.03)
Adjusted net earnings per diluted share	$ 1.24	$ 1.18	$ 3.29	$ 3.22
Effective tax rate	7.4 %	17.3 %	16.9 %	18.5 %
Non-cash impairment charge[2]	9.7 %	— %	1.6 %	— %
Tax impact of share-based compensation[3]	0.2 %	0.7 %	— %	0.8 %
Adjusted effective tax rate	17.3 %	18.0 %	18.5 %	19.3 %

1 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 nine month periods ended August 1, 2025 and August 2, 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.

2 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.

3 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 nine month periods ended August 1, 2025 and August 2, 2024.

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 nine month periods ended August 1, 2025 and August 2, 2024:

	Nine Months Ended	
(Dollars in millions)	**August 1, 2025**	**August 2, 2024**
Net cash provided by operating activities	$ 348.9	$ 329.8
Less: Purchases of property, plant and equipment, net of proceeds from insurance claim	57.0	59.3
Free cash flow	$ 291.9	$ 270.5
Net earnings, excluding the non-cash impairment charge	$ 324.2	$ 329.0
Free cash flow conversion percentage	90.0 %	82.2 %

Leverage Ratio

($ millions)	Q4 24	Q1 25	Q2 25	Q3 25	Total
Gross Debt	**$921.8**	**$1,106.9**	**$1,097.1**	**$1,032.2**	**$1,032.2**
Earnings Before Income Taxes	**$109.3**	**$66.1**	**$168.7**	**$57.8**	**$401.9**
Interest Expense	$14.5	$15.0	$15.8	$15.1	$60.4
Depreciation and Amortization	$36.4	$32.1	$31.5	$32.2	$132.2
EBITDA	**$160.2**	**$113.2**	**$216.0**	**$105.1**	**$594.5**
Leverage Ratio					**1.7x**