

Toll Brothers

AMERICA'S LUXURY HOME BUILDER®



Lakeshore Estates, Winter Green, FL

Corporate Profile

July 31, 2020

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Statement of Forward-Looking Information

Information presented herein for the third quarter ended July 31, 2020 is subject to finalization of the Company's regulatory filings, related financial and accounting reporting procedures and external auditor procedures.

This presentation contains or may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. One can identify these statements by the fact that they do not relate to matters of a strictly historical or factual nature and generally discuss or relate to future events. These statements contain words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "may," "can," "could," "might," "should," "likely," "will," and other words or phrases of similar meaning. Such statements may include, but are not limited to, information and statements regarding: the impact of Covid-19 on the U.S. economy, the markets in which we operate or may operate, and on our business; our strategic priorities; our land acquisition, land development and capital allocation priorities; market conditions; demand for our homes; anticipated operating results and guidance; home deliveries; financial resources and condition; changes in revenues; changes in profitability; changes in margins; changes in accounting treatment; cost of revenues, including expected labor and material costs; selling, general, and administrative expenses; interest expense; inventory write-downs; home warranty and construction defect claims; unrecognized tax benefits; anticipated tax refunds; sales paces and prices; effects of home buyer cancellations; growth and expansion; joint ventures in which we are involved; anticipated results from our investments in unconsolidated entities; our ability to acquire or dispose of land and pursue real estate opportunities; our ability to gain approvals and open new communities; our ability to market, construct and sell homes and properties; our ability to deliver homes from backlog; our ability to secure materials and subcontractors; our ability to produce the liquidity and capital necessary to conduct normal business operations or to expand and take advantage of opportunities; and the outcome of legal proceedings, investigations, and claims.

Any or all of the forward-looking statements included are not guarantees of future performance and may turn out to be inaccurate. This can occur as a result of incorrect assumptions or as a consequence of known or unknown risks and uncertainties. The major risks and uncertainties – and assumptions that are made – that affect our business and may cause actual results to differ from these forward-looking statements include, but are not limited to:

- the effects of the ongoing Covid-19 pandemic, which are highly uncertain, cannot be predicted and will depend upon future developments, including the severity of Covid-19 and the duration of the outbreak, the duration of existing social distancing and shelter-in-place orders, further mitigation strategies taken by applicable government authorities, the availability of a vaccine, adequate testing and therapeutic treatments and the prevalence of widespread immunity to Covid-19;
- the effect of general economic conditions, including employment rates, housing starts, interest rate levels, availability of financing for home mortgages and strength of the U.S. dollar;
- market demand for our products, which is related to the strength of the various U.S. business segments and U.S. and international economic conditions;

- the availability of desirable and reasonably priced land and our ability to control, purchase, hold and develop such parcels;
- access to adequate capital on acceptable terms;
- geographic concentration of our operations;
- levels of competition;
- raw material and labor prices and availability;
- the effect of U.S. trade policies, including the imposition of tariffs and duties on home building products and retaliatory measures taken by other countries;
- the effects of weather and the risk of loss from earthquakes, volcanoes, fires, floods, droughts, windstorms, hurricanes, pest infestations and other natural disasters, and the risk of delays, reduced consumer demand, and shortages and price increases in labor or materials associated with such natural disasters;
- the risk of loss from acts of war, terrorism or outbreaks of contagious diseases, such as Covid-19;
- transportation costs;
- federal and state tax policies;
- the effect of land use, environment and other governmental laws and regulations;
- legal proceedings or disputes and the adequacy of reserves;
- risks relating to any unforeseen changes to or effects on liabilities, future capital expenditures, revenues, expenses, earnings, indebtedness, financial condition, losses and future prospects;
- changes in accounting principles;
- risks related to unauthorized access to our computer systems, theft of our homebuyers' confidential information or other forms of cyber-attack; and
- other factors described in "Risk Factors" included in our Annual Report on Form 10-K for the year ended October 31, 2019 and in subsequent filings we make with the Securities and Exchange Commission ("SEC").

Many of the factors mentioned above or in other reports or public statements made by us will be important in determining our future performance. Consequently, actual results may differ materially from those that might be anticipated from our forward-looking statements.

Forward-looking statements speak only as of the date they are made. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise.

For a more detailed discussion of these factors, see the information under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our most recent Annual Report on Form 10-K filed with the SEC and in subsequent reports filed with the SEC.

INVESTOR RELATIONS TEAM

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Overview



#1 Luxury Brand

- America's Luxury Home Builder
- Fortune Magazine's World's Most Admired Companies – #1 Homebuilder 6 years in a row: 2015 – 2020*
- Growing Affordable Luxury business – averaging 35% of unit deliveries since FY 2019



Expanding Geographies, Product Lines & Price Points

- Positioned for growth with widest variety of homes: Urban/Suburban, Affordable Luxury & Move-Up, Millennial, & Active-Adult segments
- Build in 24 states & 50+ markets – 7 new in 2019, 1 new YTD 2020
- Own or Control 61,440 lots



Focus on Capital Efficiency

- Evolving land acquisition strategy
- Quicker inventory turns & lower upfront land costs
- Stock buybacks & dividend payments



Solid Management & Financial Base

- Strong balance sheet & credit ratings with ~\$2.34BN of liquidity
- Executives & directors own ~11% of shares**
- Average Senior Management tenure of 16 years



FORTUNE
WORLD'S MOST
ADMIRABLE
COMPANIES® **2020**

6 Years in a Row

Note: Data as of July 31, 2020

*From Fortune magazine, January 22, 2020 ©2020 Time Inc. FORTUNE & "World's Most Admired Companies" are registered trademarks of Time Inc. & are used under license. FORTUNE & Time Inc. are not affiliated with, & do not endorse products or services of Toll Brothers, Inc.

**At February 3, 2020

Leadership In The Luxury Market

Palomar at Pacific Highlands Ranch, San Diego, CA



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Increased Focus On Affordable Luxury

Coastal Oaks at Nocatee, Ponte Vedra, FL



Key Financial Metrics

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Q3 FY 2020
Pre-tax Income (000s)	\$535,562	\$589,027	\$814,311	\$933,916	\$787,170	\$151,865
EBITDA (000s)	\$705,909	\$773,628	\$1,017,227	\$1,153,669	\$1,046,151	\$211,567
Diluted EPS	\$1.97	\$2.18	\$3.17	\$4.85	\$4.03	\$0.90
Cash & Marketable Securities (000s)	\$928,994	\$633,715	\$712,829	\$1,182,195	\$1,286,014	\$559,348
Selling Community Count	288	310	305	315	333	323
Owned & Optioned Lots	44,253	48,837	48,311	53,422	59,230	61,440
Adjusted Gross Margin	25.9%	23.2%	24.8%	23.7%	23.0%	21.9%
Operating Margin	10.7%	9.5%	11.1%	11.0%	9.4%	9.1%
JV & Other Income (000s)	\$88,692	\$98,966	\$169,375	\$147,700	\$106,370	\$4,786
Return on Beginning Stockholders' Equity	9.4%	9.0%	12.7%	16.5%	12.4%	-

Note: Adjusted Gross Margin is defined as Gross Margin excluding interest & write-downs as a percentage of revenues

Toll Brothers Results

\$ in MM, exc. Avg Prices	3 Months Ended July 31,			Fiscal Year Ended October 31,		
	2020	2019	% Change	2019	2018	% Change
Contracts						
Units	2,833	2,241	26.4%	8,075	8,519	(5.2%)
Dollars	\$2,214	\$1,869	18.5%	\$6,711	\$7,604	(11.7%)
Backlog						
Units	7,239	6,839	5.8%	6,266	6,105	2.6%
Dollars	\$6,085	\$5,844	4.1%	\$5,257	\$5,523	(4.8%)
Deliveries						
Units	2,022	1,994	1.4%	8,107	8,265	(1.9%)
Dollars	\$1,623	\$1,757	(7.7%)	\$7,080	\$7,143	(0.9%)
Earnings Per Share	\$0.90	\$1.00	(10%)	\$4.03	\$4.85	(16.9%)
Net Income	\$114,761	\$146,318	(21.6%)	\$590,007	\$748,151	(21.1%)

3rd Quarter Surge In Demand

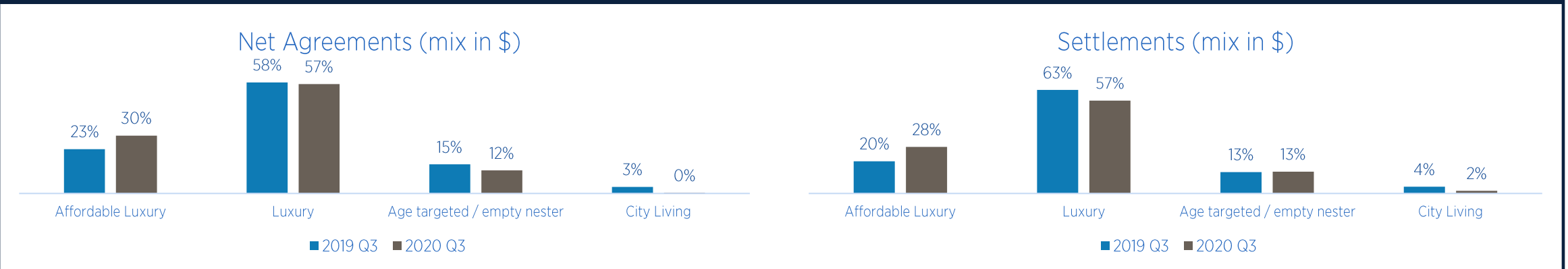
- Highest 3rd quarter contracts in company history in dollars and units
- June contracts were highest for any June in company history
- July contracts were highest for any month in company history
- Third quarter contracts per community were the highest third quarter in 15 years
- Project to capitalize on strong buyer demand through 10% community count growth in FY 2021



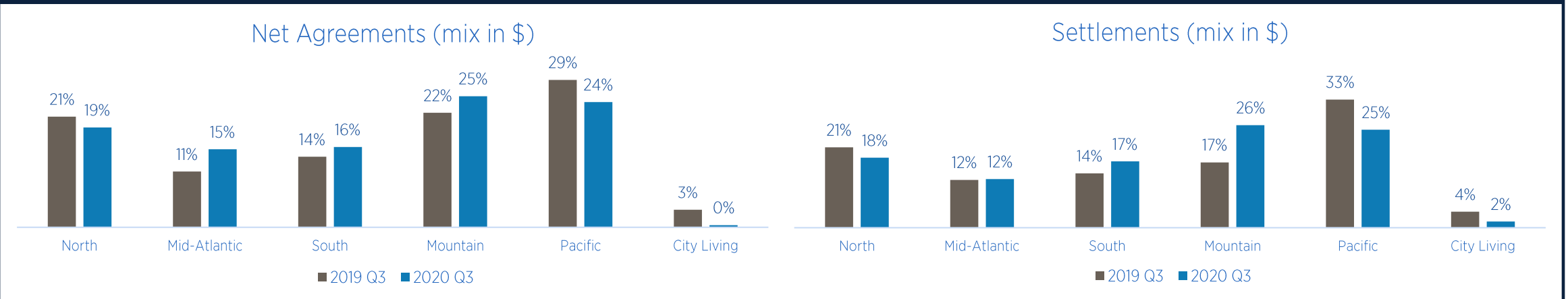
Third Quarter Results

By Buyer Segment & Region

BY BUYER SEGMENT

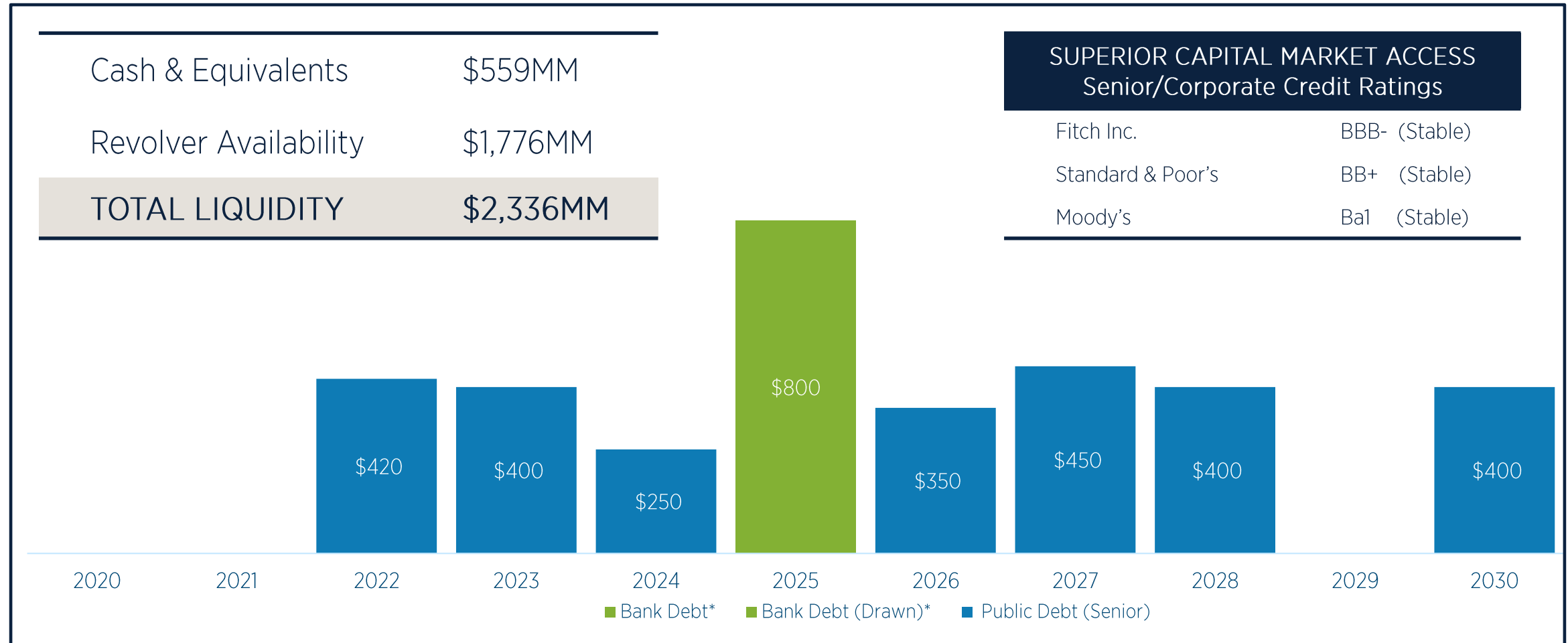


BY REGION



No Significant Debt Maturities Until FY 2022

At July 31, 2020



*Bank Debt includes our \$800MM term loan due Nov. 2024 & \$0MM drawn on our \$1.905BN credit facility due Nov. 2024

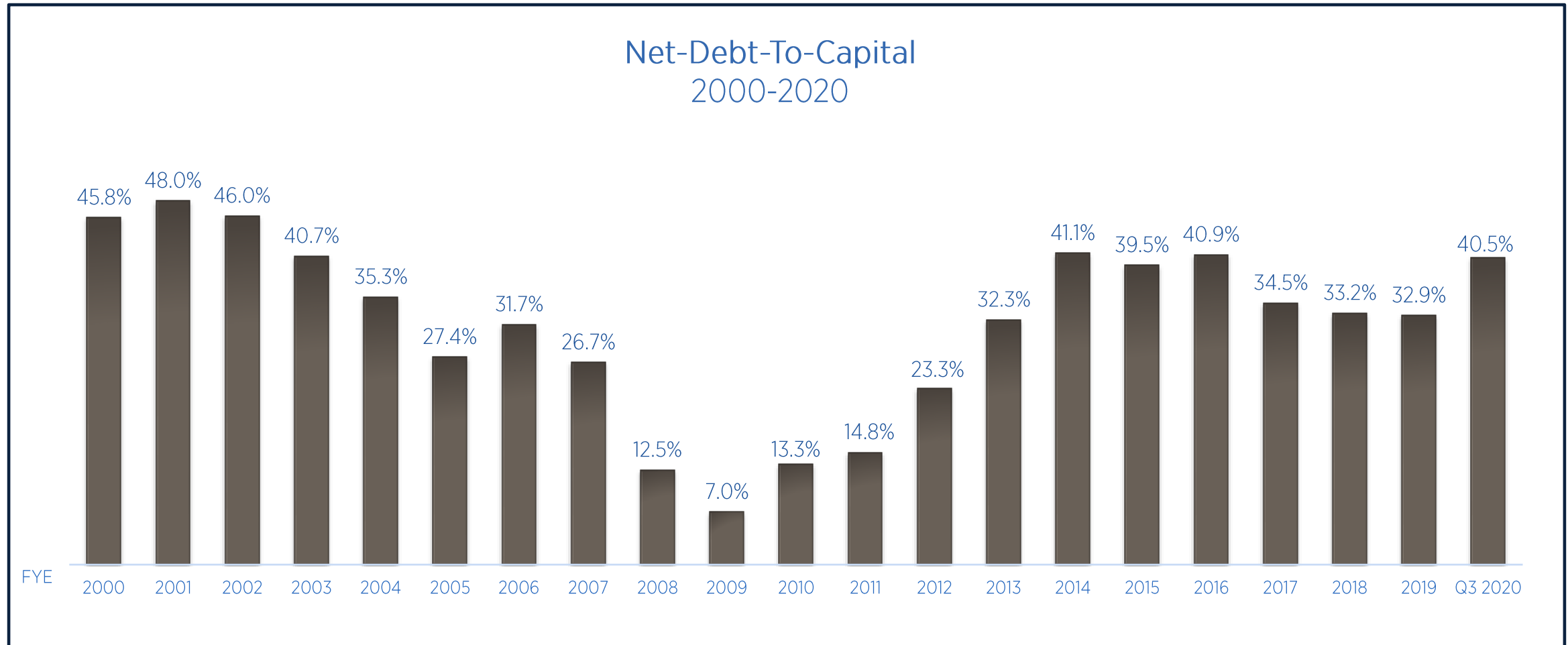
Strong Bank & Capital Market Relationships

Toll Brothers, Inc.							
First Huntingdon Finance Corp.				Toll Brothers Finance Corp.			
\$1.905 BN Revolving Credit Facility Due November 2024 [†]		\$800 MM Term Loan Due November 2024					
Commitment		Commitment		Series	Coupon	Principal	Maturity (yrs)
▪ Citi	\$125 MM	▪ Truist	\$125 MM	February 2022	5.875%	\$420 MM	1.55 years
▪ Bank of America	\$125 MM	▪ Sumitomo Mitsui	\$125 MM	April 2023	4.375%	\$400 MM	2.71 years
▪ Goldman Sachs	\$125 MM	▪ Wells Fargo	\$125 MM	January 2024	5.625%	\$250 MM	3.46 years
▪ Mizuho Bank	\$125 MM	▪ US Bank	\$100 MM	November 2025	4.875%	\$350 MM	5.30 years
▪ PNC	\$125 MM	▪ Capital One	\$75 MM	March 2027	4.875%	\$450 MM	6.62 years
▪ SMBC	\$125 MM	▪ The Bank of New York	\$50 MM	February 2028	4.350%	\$400 MM	7.55 years
▪ Truist	\$175 MM	▪ Fifth Third Bank	\$50 MM	November 2029	3.800%	\$400 MM	9.26 years
▪ Wells Fargo	\$125 MM	▪ PNC	\$50 MM				
▪ Capital One	\$100 MM	▪ Comerica	\$25 MM				
▪ US Bank	\$100 MM	▪ People's United	\$25 MM				
▪ Citizens Bank	\$75 MM	▪ TD Bank	\$25 MM				
▪ Fifth Third Bank	\$75 MM	▪ Texas Capital Bank	\$25 MM				
▪ Regions Bank	\$75 MM		\$800 MM		4.788%	\$2,670 MM	5.30 years
▪ Bank of Montreal	\$50 MM						
▪ Bank of New York	\$50 MM						
▪ Bank of the West	\$50 MM						
▪ CIBC	\$50 MM						
▪ Comerica	\$50 MM						
▪ TD Bank	\$50 MM						
▪ Texas Capital Bank	\$40 MM						
▪ Flagstar Bank	\$40 MM						
▪ California Bank & Trust	\$25 MM						
▪ People's United	\$25 MM						
	\$1,905 MM						

[†] The Company finished the period ending 07/31/2020 with \$1.78 billion available under its revolving credit facility.

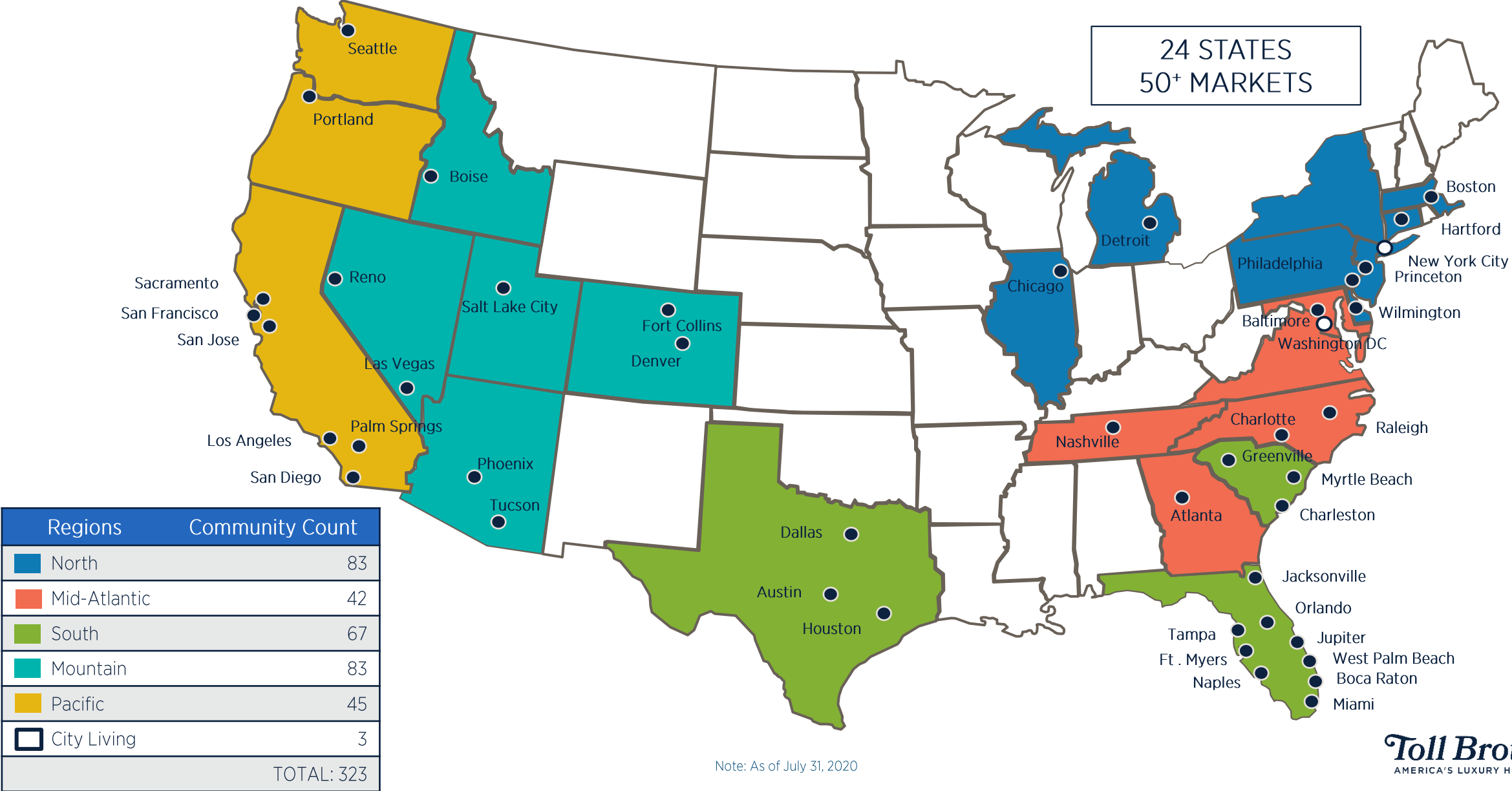
Note: Data as of July 31, 2020

Balance Sheet Protection In Down Times



Note: Net-debt-to-capital calculated as total debt minus mortgage warehouse loans minus cash & marketable securities divided by total debt minus mortgage warehouse loans minus cash & marketable securities plus stockholders' equity.

Nationwide Footprint Positions Us For Growth



Note: As of July 31, 2020

U.S. Housing Market



Market Conditions: Pre-Covid-19

- Economy remains supportive of housing
- Increasing volumes of new home production but still below long-term averages
- Demand improvement accelerated in late Spring of 2019 which carried into the start of FY 2020



Pause For Covid-19 Impact Then Surge In Demand

- Significant pause to the economy from mid-March to April in housing demand
- Impact varied greatly throughout the country
- At the peak, construction and/or sales activity was limited in many of our markets
- Return of web traffic, physical traffic, and deposits show signs of resilience in the housing market as economy begins to reopen



Demand Equation

- Continued population growth through recession & recovery
- Household formations are strong
- Pent-up demand
- Homeownership rate rising-still below historic norms
- Millennials Increasing; foreign buyers decreasing



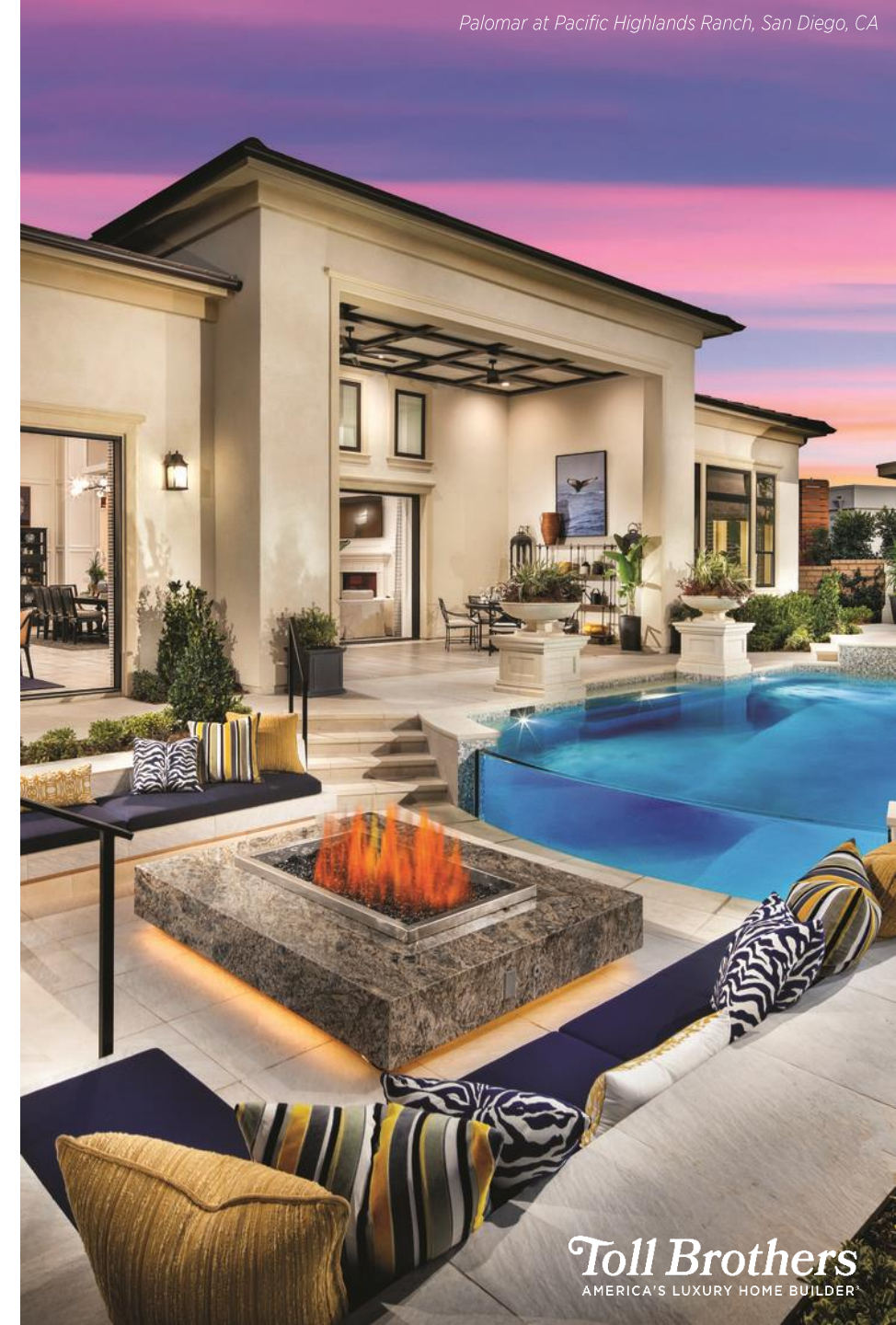
Supply Remains Constrained

- Fewer land entitlements processed for several years
- Inventory/lot shortages in some markets
- Constrained capital access favors largest builders
- The median age of existing housing stock has increased from 25 years to 40 years since 1989



Personal Balance Sheets Had Been Improving

- Mortgage rates at all time low
- Stock market strength favors Toll buyers
- Purchase decision is a confidence-sensitive issue for Toll affluent buyer



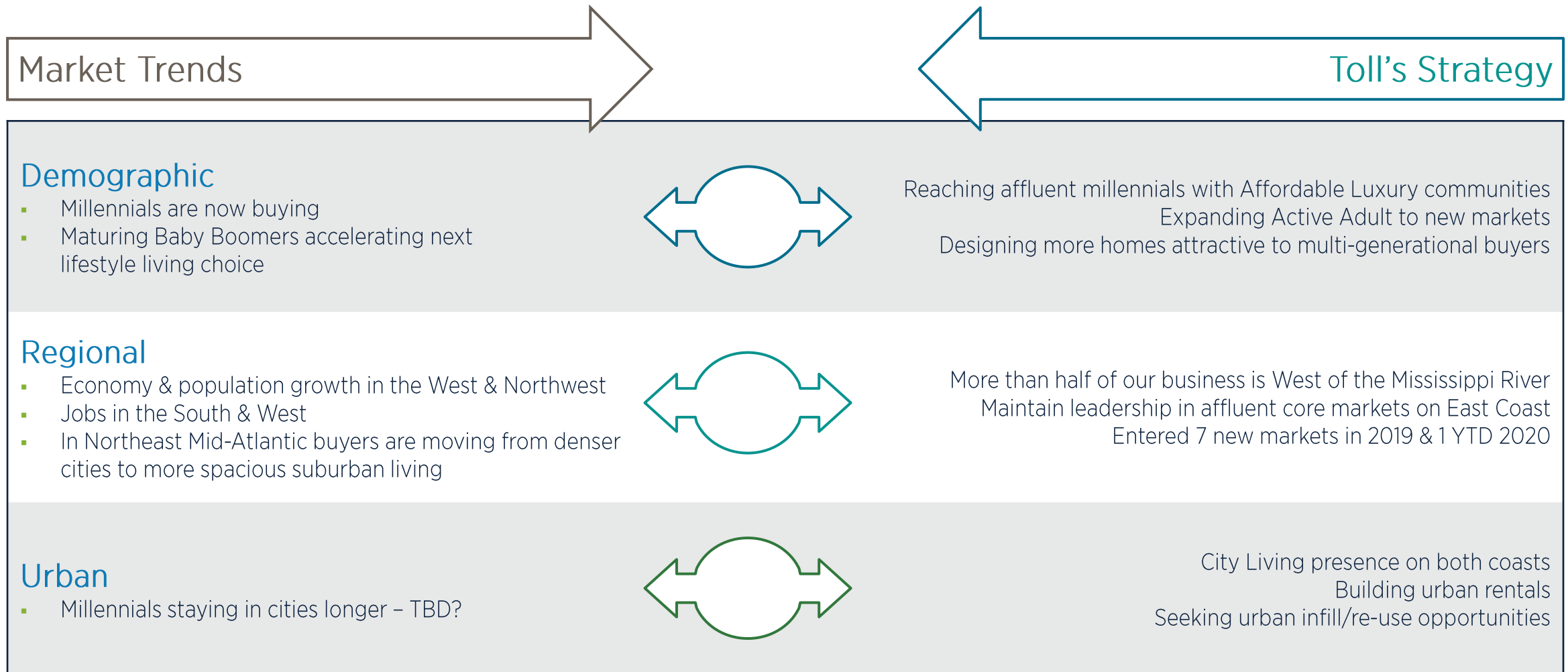
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AMERICA'S LUXURY HOME BUILDER

National Data Is Encouraging For Housing

Metric	Jul-20	Jun-20	May-20	Aug-19	Jul-19	Jun-19	May-19	Most Recent Sequential Change	Most Recent YOY Change
<i>New Home Sales</i>	901,000	791,000	676,000	713,000	661,000	646,000	626,000	13.9%	36.3%
<i>Existing Home Sales</i>	5,860,000	4,720,000	3,910,000	5,490,000	5,390,000	5,320,000	5,330,000	24.2%	8.7%
<i>Single Family Permits</i>	94,491	86,594	67,910	82,713	81,726	78,384	83,500	9.1%	15.6%
<i>NAHB Homebuilder Sentiment</i>	72	58	37	67	65	64	66	24.1%	10.8%
<i>Case Shiller</i>		218.1	217.7	210.2	209.4	209.1	209.7	0.2%	4.3%
Unemployment	Jul-20		Jun-20		May-20		Apr-20		
<i>Civilian Labor Force</i>	140,499		140,462		138,827		137,827		
<i>% Unemployment</i>	9.1%		9.8%		11.6%		13.0%		
<i>College Educated Labor Force</i>	61,847		61,861		60,442		60,127		
<i>% Unemployment</i>	6.7%		6.9%		7.4%		8.4%		

Source: U.S. Census Bureau

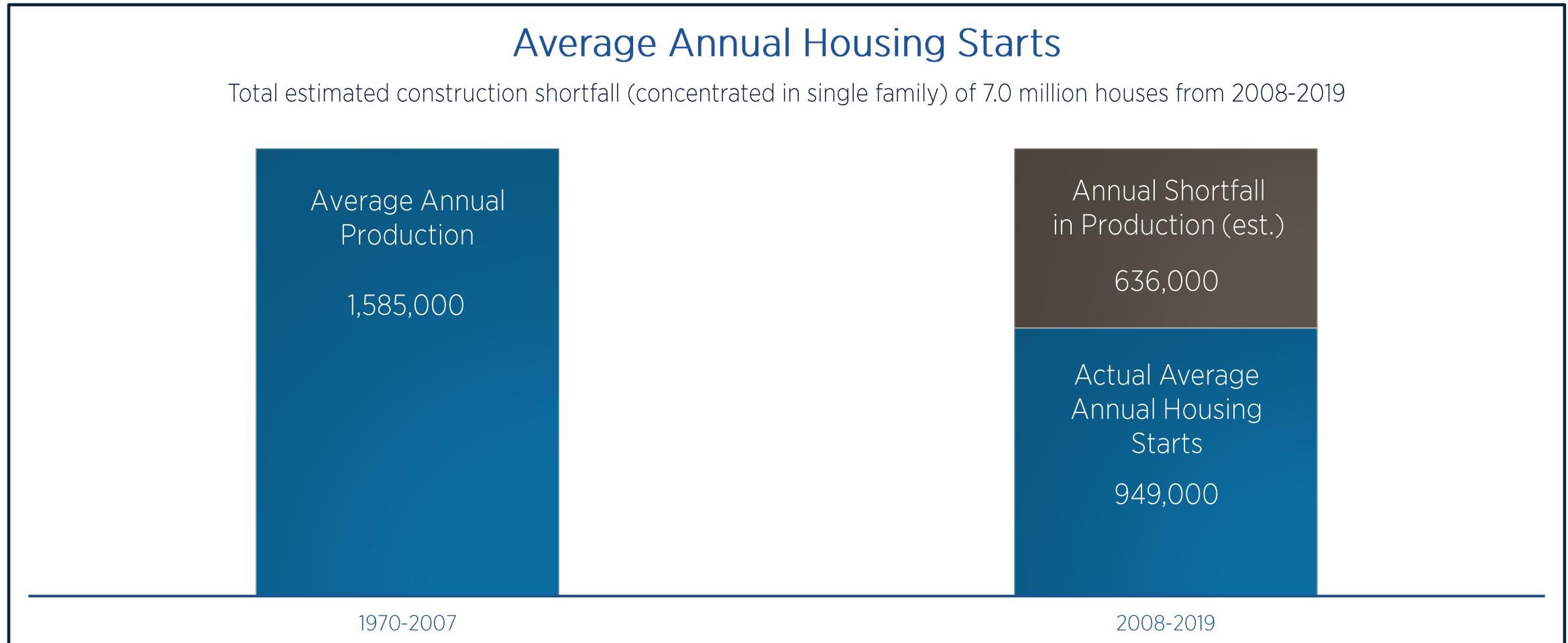
Key Market Trends



Factors Driving Our Surge & Demand

- Record low interest rate
- Millennials moving to start families
- “College-educated people comprise 73% of teleworkers despite being only 45% of the workforce.” – John Burns Real Estate Consulting
- Work from home phenomenon means buyers are freer to live where they want, not near where they work
- Nesting instinct drives desire for more square footage, more usable designs with home offices, multi-generational living and areas for study
- Toll new home buyers can customize to work from home
- Lower unemployment rates among college graduates encourages those who can to buy homes now
- Relocation from high-density urban environment to suburbs

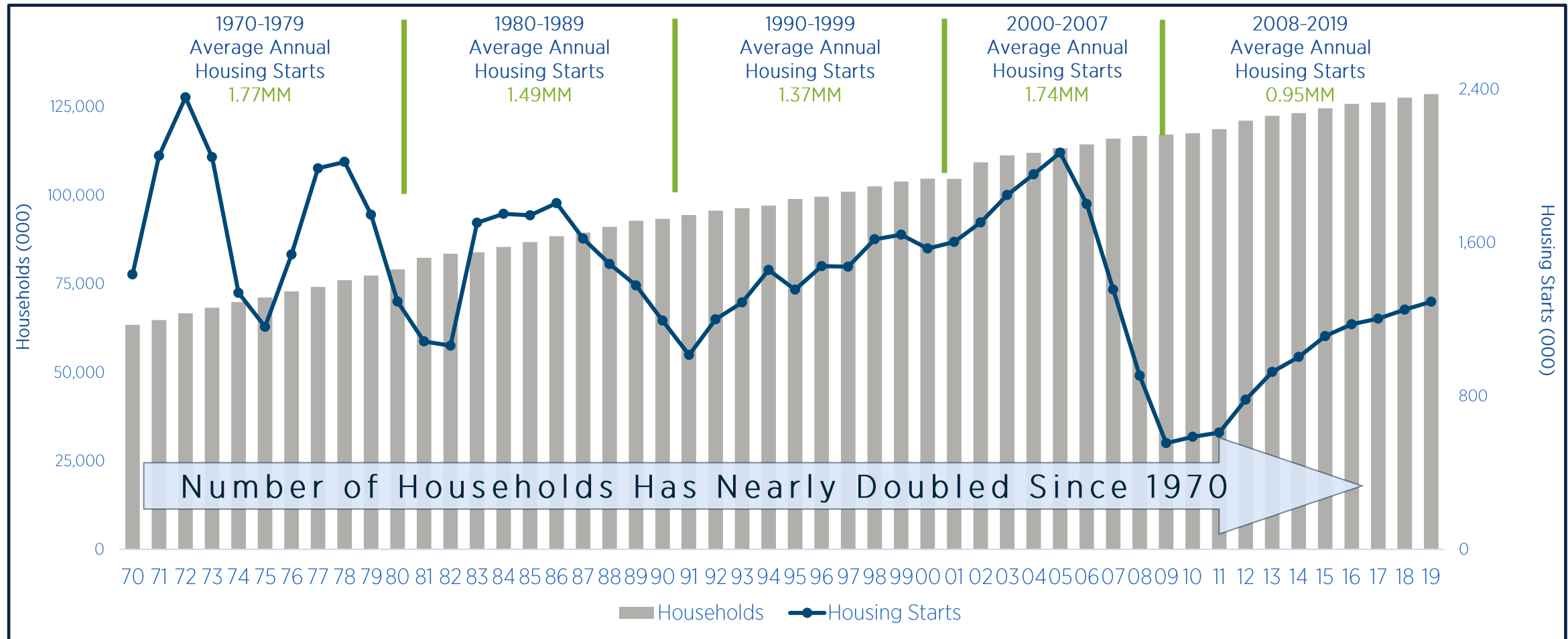
Basic Demographics Drive An Undersupplied Industry



Source: U.S. Census Bureau

An Undersupplied Industry:

Housing Starts Have Not Kept Pace With Household Growth



Source: U.S. Census Bureau

How Much Household Income Is Required For An \$800,000 House?

- Affordability
 - Yearly Income = \$100,000
 - Yearly Home Allowance = \$33,333
 - Monthly Home Allowance = \$2,778

4% Mortgage Rate and \$100,000 Income	
Home Price	\$727,296
Down Payment	20%
Mortgage Rate	4%
Principal	\$581,837
Monthly Payment	\$2,778
Down payment required	\$145,459

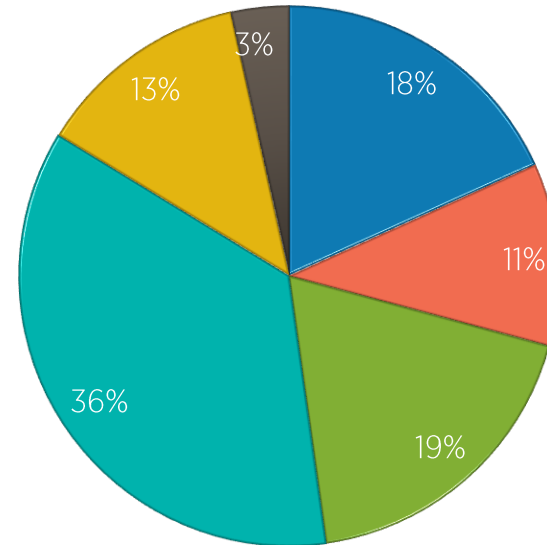
3% Mortgage Rate and \$100,000 Income	
Home Price	\$823,574
Down Payment	20%
Mortgage Rate	3%
Principal	\$658,859
Monthly Payment	\$2,778
Down payment required	\$164,715

Difference	
Home Price	\$96,278
Principal	\$77,023
Monthly Payment	\$0
Down payment required	\$19,256

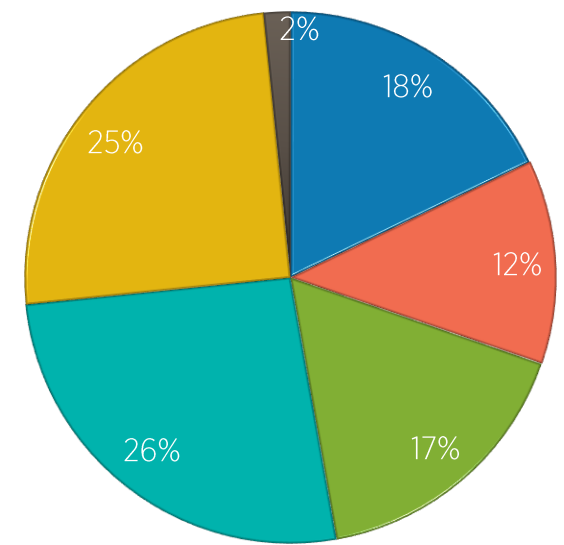


Geographically Diverse Portfolio

Q3 FY 2020
Lots Owned



Q3 FY 2020
Revenue

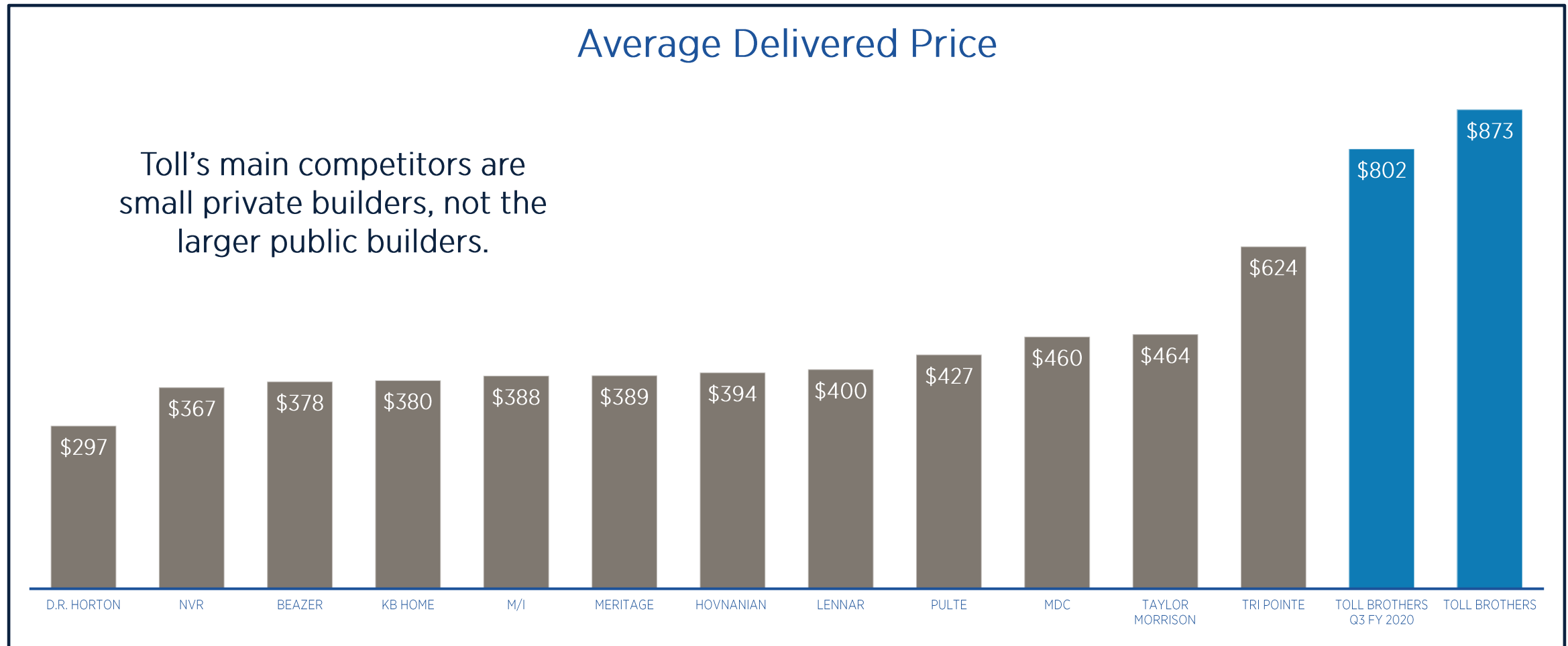


North 
Mountain 

Mid-Atlantic 
Pacific 

South 
City Living 

Only National Homebuilder Focused On Luxury Market



Note: Updated based on most recent reported fiscal-year-end deliveries.

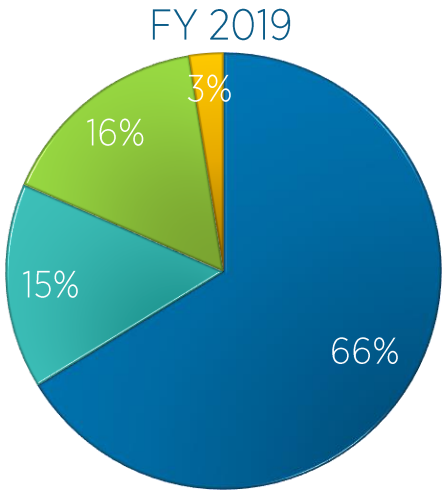
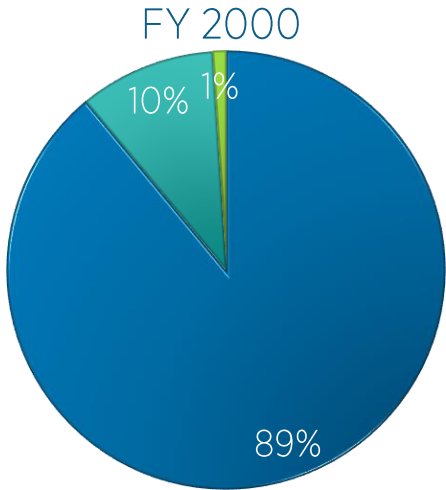
The Widest Variety Of Homes In The Industry

- First-Time Buyer
- Affordable Luxury
- 1st, 2nd, & 3rd Move-Up
- Empty Nester
- Active Adult
- Second Home
- Urban-Infill
- Urban Redevelopment
- Large-Scale Master Plans
- High-Rise Condos
- Suburban High Density
- Urban & Suburban Rental
- Student Housing Rental



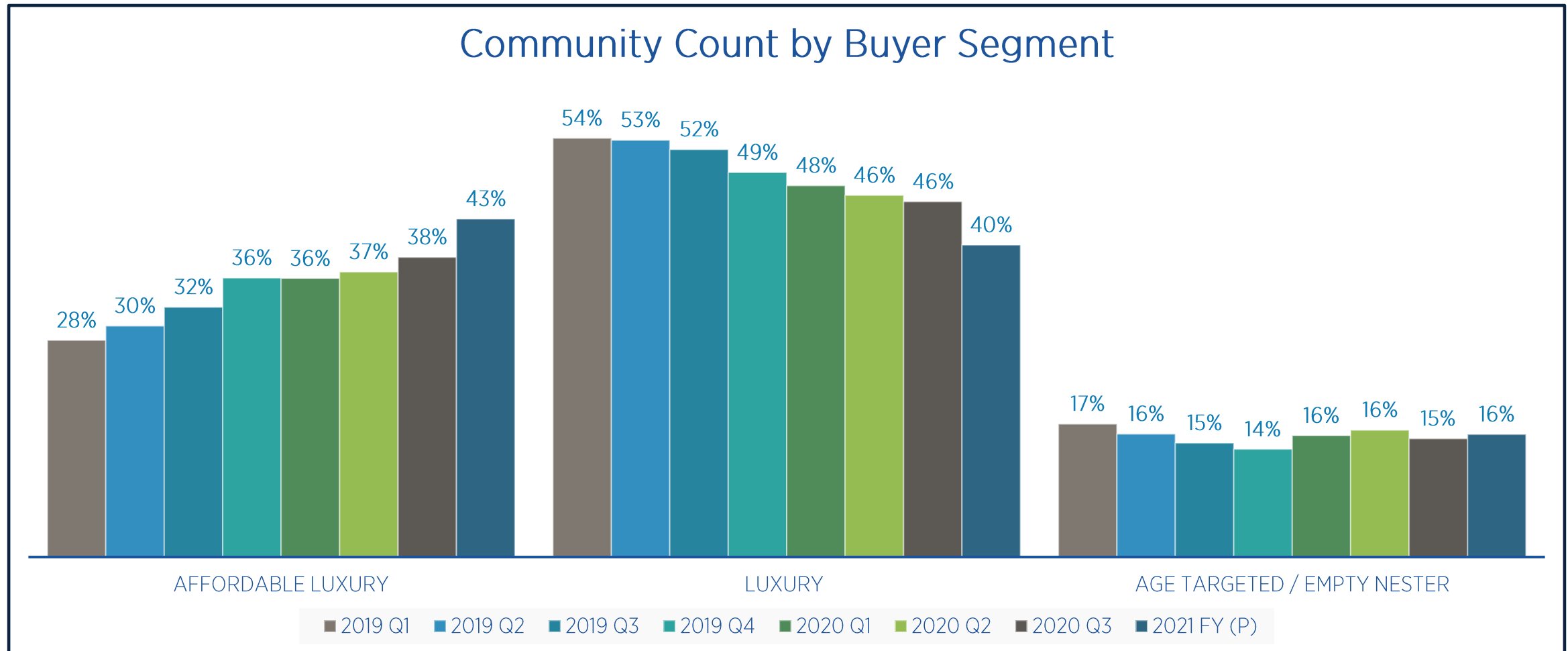


Evolving Product Diversification

**Toll Brothers**
AMERICA'S LUXURY HOME BUILDER[®]

Settlement Mix by Buyer Segment

In Dollars



Move-Up

Taylor Mill at Thornbury, Glen Mills, PA



Affordable Luxury

The Crossings at Meridian, Queen Creek, AZ



Empty Nester

Toll Brothers at Whitewing, Gilbert, AZ



Active Adult

Regency at Creekside, Gainesville, CA



Master Planned

Altair by Toll Brothers, Irvine, CA

Second Home

Boulders at Somerset, Reno, NV



Urban Infill

Toll Brothers City Living



HARBORSIDE LOFTS



1110 PARK AVE.



THE TOURAINE



THE SUTTON



1450 WASHINGTON



HUDSON TEA



100 BARROW ST.



121 E. 22ND ST.



303 EAST 33RD



NORTHSIDE PIERS



1400 HUDSON



MAXWELL PLACE



400 PARK AVE. S.

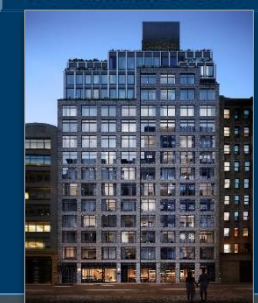


205 WATER



PROVOST SQUARE

77 CHARLTON



91 LEONARD ST.



55 WEST 17TH



PIERHOUSE AT
BROOKLYN BRIDGE PARK

- CURRENT
- FUTURE
- COMPLETED

Urban Redevelopment

Maxwell Place, Hoboken, NJ



Toll Brothers
AMERICA'S LUXURY HOME BUILDER®

Urban Mixed Use

Hotel & Pierhouse at Brooklyn Bridge Park, Brooklyn, NY



Toll Brothers
AMERICA'S LUXURY HOME BUILDER

Suburban High Density



Metro Crossing, Fremont, CA



Dawson Square, Bothell, WA



Eisenhower Square, Alexandria, VA



Brownstones at Edge on Hudson, Sleepy Hollow, NY

Urban & Suburban Rental



Parc Plymouth Meeting, Plymouth Meeting, PA

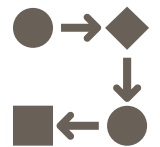


Increasing Focus On Capital Efficiency & Return On Equity



Land Purchasing: Reduce Owned Land

- Increased commitment to Affordable Luxury communities with higher inventory turns
- Option more land as a % of total
- Increased use of staged/structured takedowns, as well as seller financing
- Use land banking & JVs



Operations

- Broadening geographies, product lines & price points
- Improve relations with trades/support entrants to labor pool
- Simplify product offerings to streamline operations & ease of construction



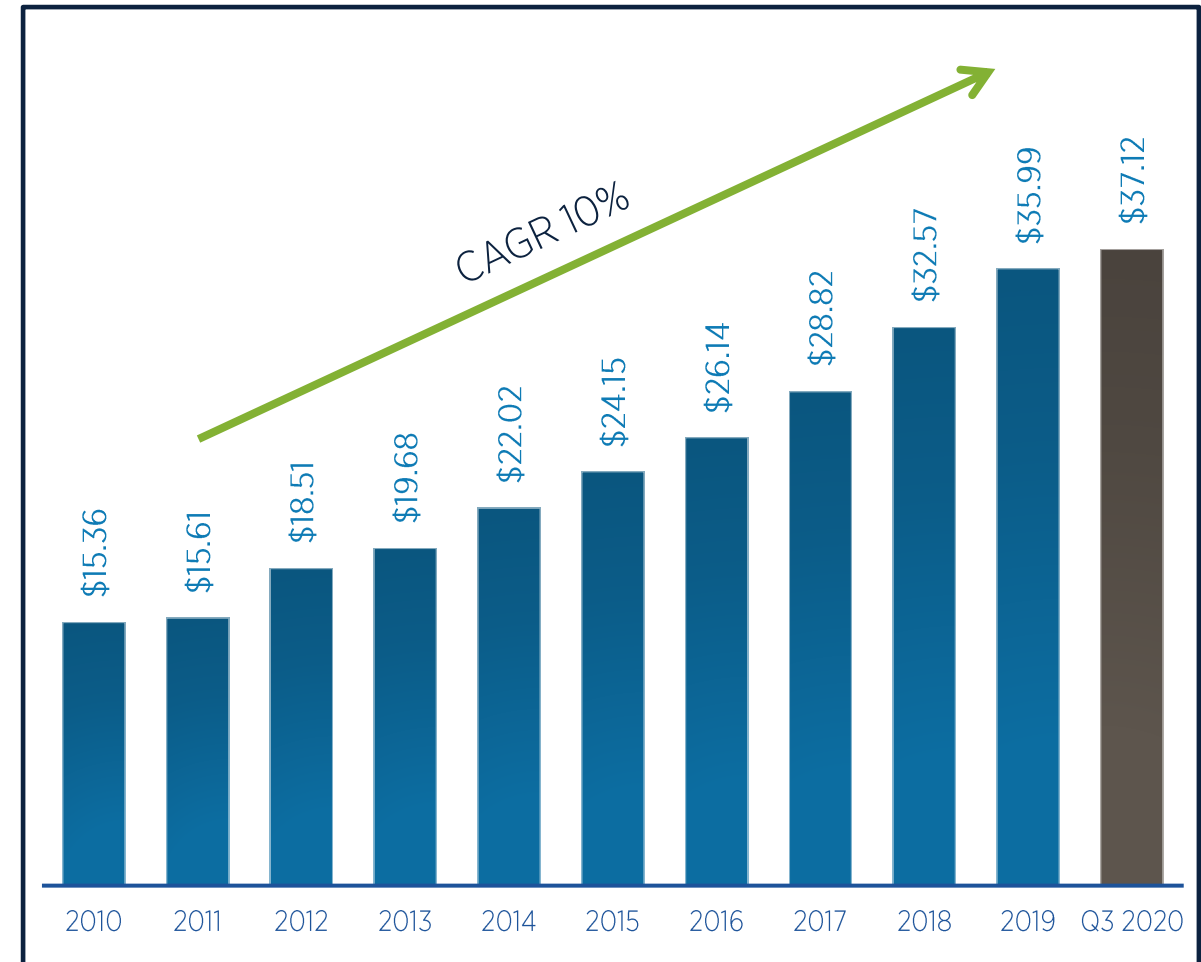
Shareholder Focus

- Since FY 2016, we have repurchased 56MM shares
- Shares repurchased for an average price of \$36.63, total cost \$2.1BN
- Increased quarterly dividend by 38% since inception in April 2017





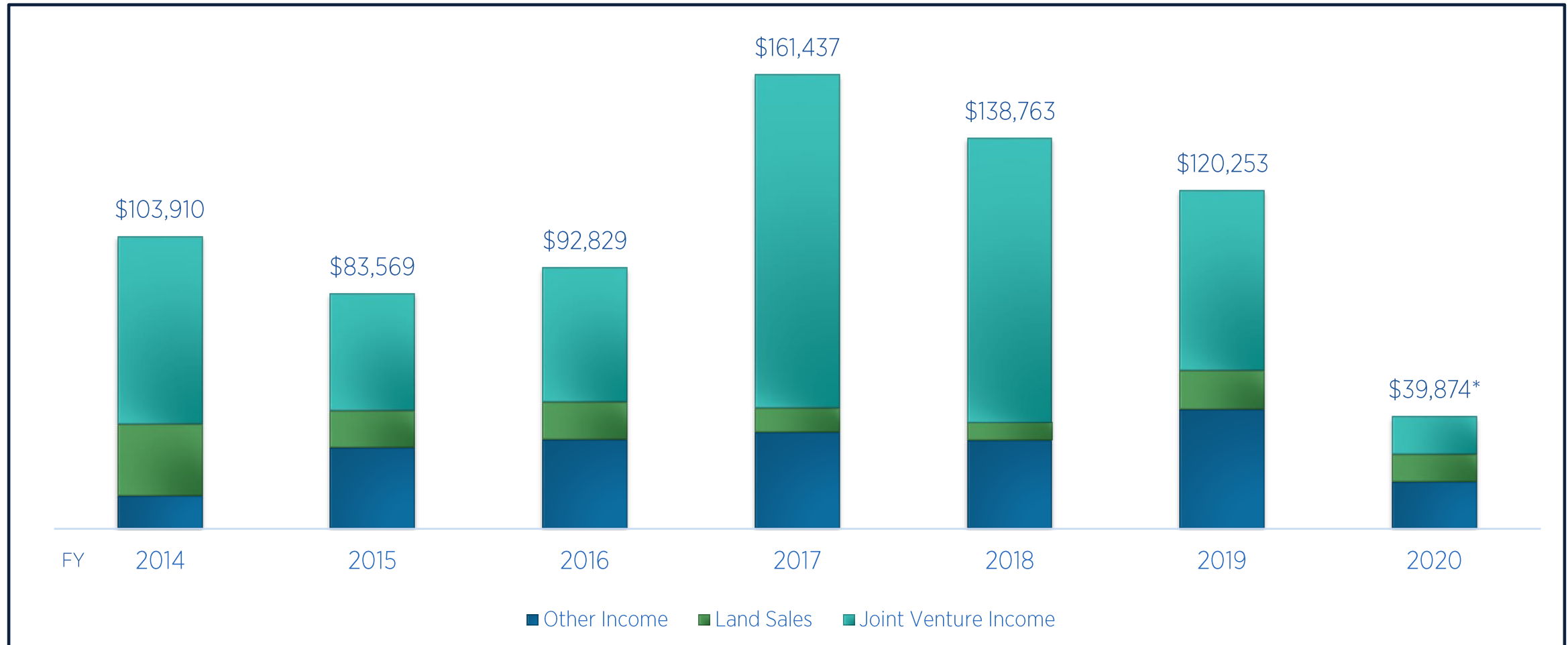
Book Value Per Share



Note: Data as of July 31, 2019

Other Income, Land Sales & JV Income

\$ Thousands



Note: Recalculated to exclude retained deposits

*First 9 months

Focus On Land



Acquisition

- Control 61,440 home sites, approximately 43% via options
- Reduced land owned vs optioned from 60/40% in Q2 to 57/43% in Q3
- Operate in most difficult land approval markets in U.S.
- Skilled in land acquisition, approvals, & development across all markets



Development

- One of U.S.'s largest land developers
- In-house engineering company, ESE manages land planning improvements
- Every ESE plan is designed for approvals, constructability & most importantly, the end use...a luxury home community



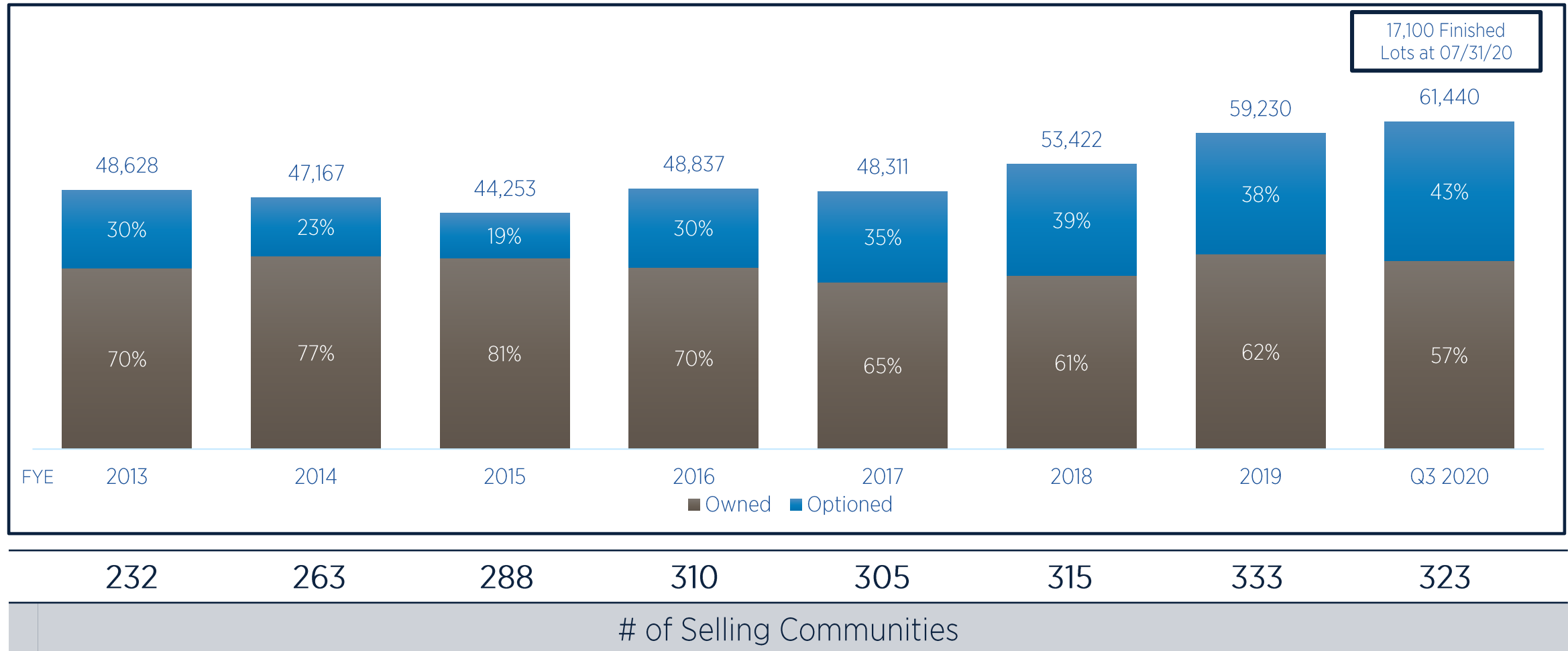
Carefully Managed Inventory

- Protects against potential land shortages in lot-constrained markets
- All land deals approved at corporate headquarters by senior management
- Most land bought post-approvals



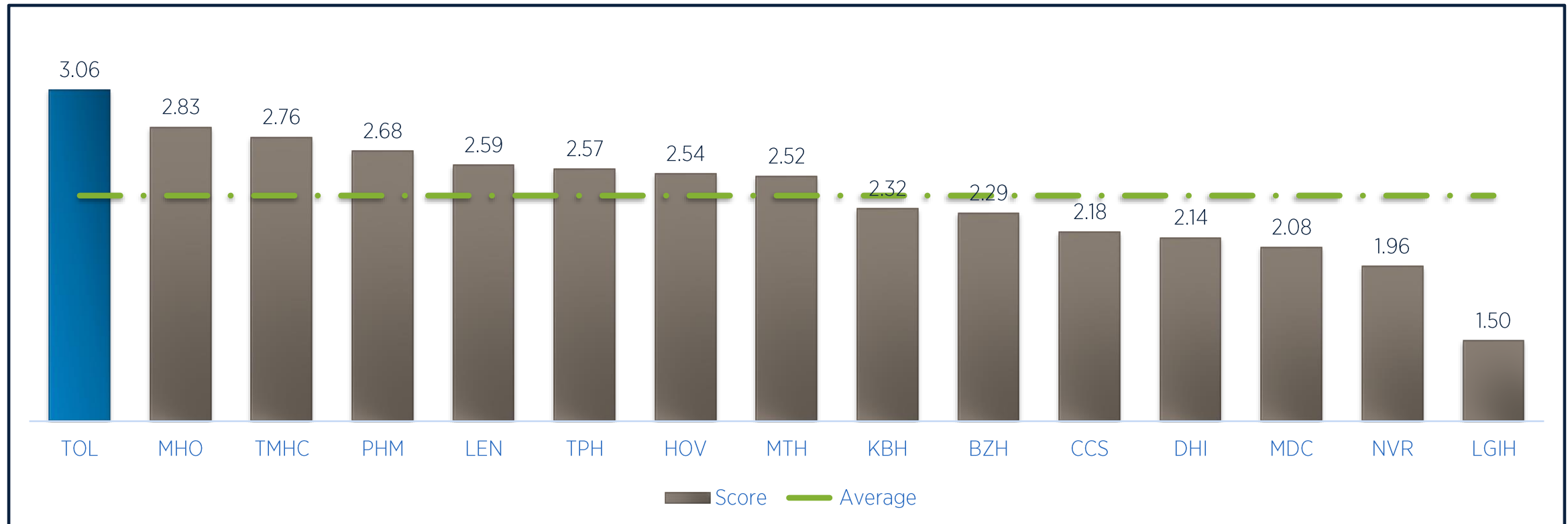
Building On A Solid Land Position

Lots Owned & Optioned



Submarket Desirability Index

John Burns Real Estate Consulting, LLC



The weighted average Submarket Desirability Index is the proprietary measurement John Burns' uses to determine which actively selling communities are in the best locations in each metro area. This index incorporates the knowledge of all JBREC team members as well as employment proximity, crime rates, income levels & education levels of residents. Builders with a higher score generally have communities in the best locations in comparison to their peers.

Customized Homes Built Using High- Volume Production Techniques

- Operate on a pre-sell build-to-order model
- Buyers choose from structural & design options
- We operate 35 Studios in 35 markets where buyers make their option selections
- Q3 FY 2020, the average buyer adds ~23% to base price in options & premiums (average of \$181K)
- Options generally at higher margin than base home
- High-level of consumer engagement through our design center experience
- \$70,000 average customer deposits representing a financial and emotional commitment to the homebuying process

Note: Data through July 31, 2020



Toll Brothers Design Studio, Blue Bell, PA

Customization Options

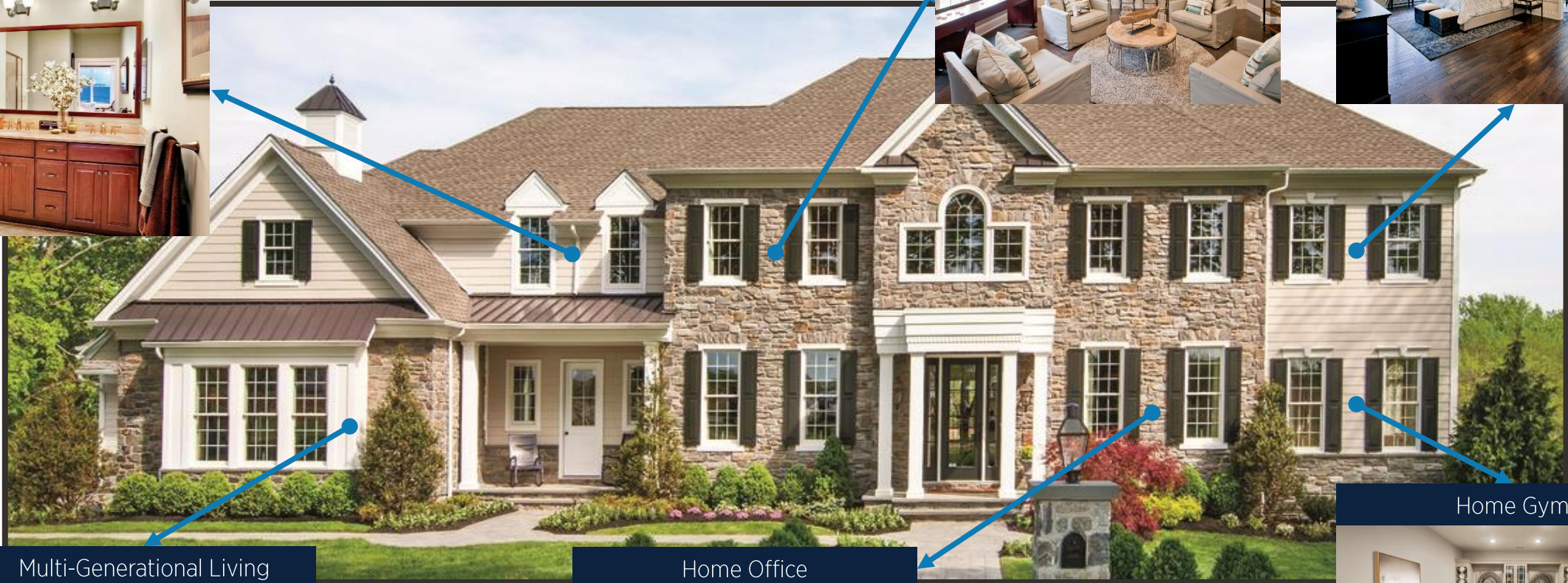
Additional Upstairs Bathroom



Expanded Living Room



Alternative Master Suite



Home Gym



Multi-Generational Living



Home Office



Toll Integrated Systems Panel & Truss Plant

- Manufactures & distributes lumber packages, panels, trusses, trim, doors, millwork, & windows
- Supplied components for ~3,100 homes in FY 2019
- Improves timeline & quality; reduces costs, waste, & dependence on labor



Strong Buyer Profile

	Settlements	% of Total		LTV	FICO
		Incl. Cash	Excl. Cash		
Conventional	1,144	57%	69%	64%	767
Jumbo	437	22%	26%	76%	774
FHA/VA	76	4%	5%	89%	743
Cash Buyer	365	18%	N/A	N/A	N/A
Q3 Total	2,022	100%	100%	67%	767



19%

YTD FY
2020
Cash Buyers

762

YTD FY
2020
FICO Score

69%

YTD FY
2020
Avg. LTV

Pre-sells all loans

For-Sale Home Building Overview



Move-Up Market

- Leadership in affluent core markets from DC to Boston & CA
- Builds in 24 states & approximately 50 markets
- Balanced footprint across the East, West, & South
- Targeting Affordable Luxury market



Active Adult (AA) & Empty Nester Market

- Brand name in AA market targeted to Baby Boomers
- 179 completed, active or future communities totaling ~29,200 home sites; delivered ~13,900 AA & Empty Nester homes totaling \$6.6BN in revenues
- Established presence in 14 states & growing
- Expanding Western footprint; first in CO & NV, then Phoenix & Sacramento
- Exploring additional markets including Seattle, Los Angeles, & Houston



Millennial Market / Affordable Luxury

- For the first 9 month of FY 2020, ~21% of our settlements included one primary buyer thirty-five years of age or under
- Reaching affluent millennials with targeted products
- Growing Affordable Luxury business – averaging 35% of unit deliveries since FY 2019

Note: Data as of July 31, 2020



Adero Canyon, Fountain Hill, CA



Regency at Palisades, Charlotte, NC



Metro Crossing, Fremont, CA

Toll Brothers
AMERICA'S LUXURY HOME BUILDER

Toll Apartment Living/ Campus Living



Complements For-Sale Business

- Building on Toll Brothers brand name
- Income generated from operations, fees, gains in sale to JVs, & gains on sale or refinancing
- Combine premier locations with luxury, for-sale finishes, services, & amenities in urban & suburban markets



Broad Experience

- Named 11th largest Multifamily Developer
- ~20,000 units in development pipeline or operating



Strategic Growth

- Control land for future apartment & student living units in Northeast/Mid-Atlantic, AZ, CA, CO, FL, GA, & TX
- At Q3 FY 2020, total Toll investment ~\$732MM
- All projected developed in joint venture to improve ROE & reduce risk

Note: Data as of July 31, 2020

*National Multifamily Housing Council's 2020 Rankings



Adero Canyon, Fountain Hill, CA



Oleander, Brookhaven - Metro Atlanta, GA



The Kendrick, Needham, MA

Toll Brothers
AMERICA'S LUXURY HOME BUILDER

TBAL Pipeline

Student Housing

Terrapin Row, 418 Units
Penn State, 268 Units
Arizona State, 263 Units
FIU, 293 Units
Georgia Tech, 188 Units
UCF, 208 Units

Southern California

Cameo, 262 Units
The Lindley, 422 Units
First American, 220 Units
Victoria Blvd, 401 Units

22,157

Total Units in

66 Properties

Completed & Sold Projects
Current Projects (under construction or stabilized)
Future Projects

Denver

Lakewood – Seritage, 332 Units
Shapiro – 300 Units

Metro New York City / New Jersey

Kensington Place, 400 Units
The Mews at Princeton Junction, 636 Units
The Morgan, 417 Units
Parc Princeton, 232 Units
Carraway, 421 Units
Emerson, 188 Units
The Collection, 276 Units
Summer St – Stamford, 354 Units
Waypoint – Norwalk, 331 Units

Metro Boston

Parc Westborough, 249 Units
The Kendrick, 390 Units
The Bradford, 112 Units
Emblem 120, 289 Units
Saugus Ridge, 300 Units
Hanover, 165 Units
Lyra, 432 Units
The Laurent, 525 Units
Medway, 190 Units
Bartlett Fields, 268 Units
Stoneham, 106 Units

Metro Philadelphia

Riverworks, 349 Units
Parc Plymouth, 398 Units
Broad & Noble, 344 Units
Piazza Ardmore, 279 Units

Washington DC & Suburbs

Dulles Greene, 806 Units
Parc Riverside (Phase I), 287 Units
Parc Riverside (Phase II), 308 Units
Union Place, 525 Units
Bryant, 275 Units
1st & L (Phase I), 562 Units
1st & L (Phase II), 362 Units
1st & L (Phase III), 320 Units
113 Potomac, 520 Units

Atlanta

Oleander, 348 Units
Osprey, 320 Units
1018 W Peachtree, 410 Units
Decatur Mixed Use, 290 Units
Piedmont Park, 171 Units

Phoenix / Scottsdale

Haverly, 323 Units
Henri, 312 Units
Callia, 402 Units
Miller Plaza, 149 Units

Dallas / Houston / Austin

Aster, 270 Units
Westerly, 331 Units
Kilby, 258 Units
Porter, 348 Units
Ferro, 379 Units
Remy, 357 Units

Sully, 277 Units
The Cassin, 303 Units
Seritage – 4000 N Shepherd, 784 Units
Seritage – Tech Ridge, 316 Units
Atley, 266 Units
The Settler, 352 Units

Toll City Living



Successful Urban Track Record

- Formed in 2003 to leverage luxury brand
- Follows demographic trends of Millennials, more families & Boomers living in cities
- Selling communities in NYC, North Jersey's Gold Coast, and land for communities NYC, Philadelphia, LA, & Seattle



Broad Experience

- Completed construction on ~41 buildings totaling ~5,100 units
- Selling from 4 buildings, totaling ~500 units; ~300 units in planning
- Entering Seattle & Los Angeles, re-entering Philadelphia
- Exploring Boston, San Francisco & Miami



Distinctive Product

- Focus on 50 – 200 unit-range buildings located in upscale neighborhoods
- Develop differentiated products based on analysis of each neighborhood
- Not focused on super-luxury; targeting \$1,900 - \$2,200psf in NYC & \$800 - \$1,200psf in Hoboken & Jersey City, NJ



Pierhouse at Brooklyn Bridge Park, Brooklyn, NY



121 East 22nd Street, New York, NY



Maxwell Place, Hoboken, NJ

Toll Brothers
AMERICA'S LUXURY HOME BUILDER

Toll Brothers City Living



HARBORSIDE LOFTS



1110 PARK AVE.



THE TOURAINE



THE SUTTON



1450 WASHINGTON



HUDSON TEA



100 BARROW ST.



121 E. 22ND ST.



303 EAST 33RD



NORTHSIDE PIERS



1400 HUDSON



MAXWELL PLACE



91 LEONARD ST.



400 PARK AVE. S.



205 WATER



PROVOST SQUARE

77 CHARLTON



55 WEST 17TH



PIERHOUSE AT
BROOKLYN BRIDGE PARK

- CURRENT
- FUTURE
- COMPLETED

Why Toll Brothers?



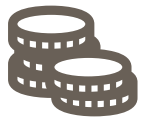
Well Established Brand

- A proven management team with an established track record
- The dominant player with few competitors in the luxury market
- Nationally recognized, award-winning brand
- Highly service-oriented culture



Geographic Product Diversity

- Strong land position – Own or Control 61,440 lots
- Balanced footprint across the East, West & South
- Diversified Move-Up, Active Adult, Millennial, & high-density product lines
- A homebuilder with urban condo, land sales, rental, & ancillary business revenue sources



Strong Financial Base

- Strong balance sheet & credit ratings
- ~\$2.34BN of available liquidity



Strong Demographic Trends

- Serving the nation's growing number of affluent households
- Strongest buyer credit profile in the industry
- Millennials entering home buying years
- Increasing household formations

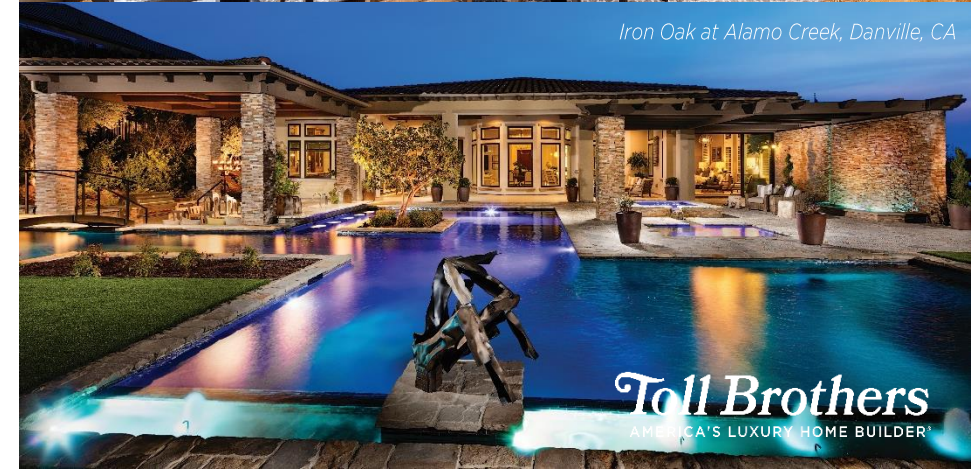
Note: Data as of July 31, 2020



Sorrento Trail at Bella Vista, Reno, NV



Iron Oak at Alamo Creek, Danville, CA



Toll Brothers
AMERICA'S LUXURY HOME BUILDER

APPENDIX

Non-GAAP Reconciliation –

Adjusted Gross Margin & EBITDA

	2015	2016	2017	2018	2019	Q3 2020
Revenues – home sales	4,171,248	5,169,508	5,815,058	7,143,258	7,080,379	1,627,812
Cost of Revenues	3,269,270	4,144,065	4,562,303	5,673,007	5,678,914	1,318,936
Gross Margin	901,978	1,025,443	1,252,755	1,470,251	1,401,465	308,876
Add: Interest Recognized in cost of sales	142,947	160,337	172,832	190,734	185,045	40,467
Inventory write-downs	35,709	13,807	14,794	35,156	42,360	6,690
Adjusted Gross Margin	1,080,634	1,199,587	1,440,381	1,696,141	1,628,870	356,033
Gross Margin as a % of revenue	21.6%	19.8%	21.5%	20.6%	19.8%	19.0%
Adjusted Gross Margin as a % of revenue	25.9%	23.2%	24.8%	23.7%	23.0%	21.9%
Pretax Income	535,562	589,027	814,311	933,916	787,170	151,865
Add: Interest expensed	146,790	161,480	177,655	194,494	186,832	43,287
Depreciation & Amortization	23,557	23,121	25,361	25,259	72,149	16,415
EBITDA	705,909	773,628	1,017,327	1,153,669	1,046,151	211,567

Note: Amounts in thousands, except percentages

Non-GAAP Reconciliation –

Net Debt-to-Capital

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Q3 2020
Loans payable	472,854	94,491	106,556	99,817	107,222	652,619	1,000,439	871,079	637,416	686,801	1,111,449	1,082,025
Senior notes	1,578,212	1,536,005	1,484,204	2,065,334	2,305,765	2,638,241	2,689,801	2,694,372	2,462,463	2,861,375	2,659,898	2,661,301
Subordinated notes	47,836	-	-	-	-	-	-	-	-	-	-	-
Mortgage company loan facility	27,015	72,367	57,409	72,664	75,000	90,281	100,000	210,000	120,145	150,000	150,000	122,189
Total debt	2,125,917	1,702,863	1,648,169	2,237,815	2,487,987	3,381,141	3,790,240	3,775,451	3,220,024	3,698,176	3,921,347	3,865,515
Total stockholders' equity	2,513,199	2,555,453	2,586,353	3,121,700	3,332,987	3,854,376	4,222,557	4,229,292	4,531,194	4,760,199	5,071,816	4,675,074
Total capital	4,639,116	4,258,316	4,234,522	5,359,515	5,820,974	7,235,517	8,012,797	8,004,743	7,751,218	8,458,375	8,993,163	8,540,589
Ratio of debt to capital	45.8%	40.0%	38.9%	41.8%	42.7%	46.7%	47.3%	47.2%	41.5%	43.7%	43.6%	45.3%
Total debt	2,125,917	1,702,863	1,648,169	2,237,815	2,487,987	3,381,141	3,790,240	3,775,451	3,220,024	3,698,176	3,921,347	3,865,515
Less: Mortgage company loan facility	(27,015)	(72,367)	(57,409)	(72,664)	(75,000)	(90,281)	(100,000)	(210,000)	(120,145)	(150,000)	(150,000)	(122,189)
Cash, cash equivalents & marketable securities	(1,908,894)	(1,236,927)	(1,139,912)	(1,217,892)	(825,480)	(598,341)	(928,994)	(633,715)	(712,829)	(1,182,195)	(1,286,014)	(559,348)
Total net debt	190,008	393,569	450,848	947,259	1,587,507	2,692,519	2,761,246	2,931,736	2,387,050	2,365,981	2,485,333	3,183,978
Total stockholders' equity	2,513,199	2,555,453	2,586,353	3,121,700	3,332,987	3,854,376	4,222,557	4,229,292	4,531,194	4,760,199	5,071,816	4,675,074
Total net capital	2,703,207	2,949,022	3,037,201	4,068,959	4,920,494	6,546,895	6,983,803	7,161,028	6,918,244	7,126,180	7,557,149	7,859,052
Net debt-to-capital ratio	7.0%	13.3%	14.8%	23.3%	32.3%	41.1%	39.5%	40.9%	34.5%	33.2%	32.9%	40.5%
Book Value per share	15.26	15.38	15.64	18.55	19.72	22.06	24.18	26.18	28.86	32.63	35.99	37.12

Segment Realignment –

Number of Selling Communities

REGION	2018				2019				2020
	1st Q	2nd Q	3rd Q	4th Q	1st Q	2nd Q	3rd Q	4th Q	3rd Q
North	79	77	88	91	89	88	88	86	83
Mid-Atlantic	45	41	43	41	39	32	42	41	42
South	57	49	51	53	56	58	61	72	67
Mountain	57	59	63	73	76	77	78	79	83
Pacific	51	51	51	51	52	52	49	51	45
City Living	6	6	5	6	5	4	4	4	3
Total	295	283	301	315	317	311	322	333	323

Segment Realignment –

Inventory Impairments (\$MMs)

REGION	2018					2019					2020		
	1st Q	2nd Q	3rd Q	4th Q	FY 18	1st Q	2nd Q	3rd Q	4th Q	FY 19	1st Q	2nd Q	3rd Q
North	3.1	13.4	1.0	3.1	20.7	1.7	15.9	0.2	7.6	25.5	0.1	0.3	1.1
Mid-Atlantic	-	-	9.3	2.6	11.8	-	0.1	1.3	0.2	1.5	-	10.7	4.8
South	0.5	0.1	0.2	-	0.7	2.9	1.4	3.1	1.0	8.5	0.7	1.2	0.6
Mountain	0.1	0.1	-	-	0.2	-	-	0.1	0.9	1.0	0.2	0.1	0.2
Pacific	0.1	-	0.5	0.2	0.9	-	-	-	1.0	1.1	-	1.9	-
City Living	-	-	-	0.1	0.1	2.8	2.0	-	-	4.8	-	-	-
Misc.	-	0.2	-	0.5	0.8	-	-	-	-	-	-	-	-
Total	3.9	13.8	11.1	6.4	35.2	7.6	19.4	4.7	10.7	42.4	1.0	14.2	6.7

Segment Realignment –

Settlements, Contracts & Backlog

SETTLEMENTS (IN UNITS)

REGION	2018					2019					2020		
	1st Q	2nd Q	3rd Q	4th Q	FY 18	1st Q	2nd Q	3rd Q	4th Q	FY 19	1st Q	2nd Q	3rd Q
North	357	521	589	792	2,259	384	518	546	775	2,223	393	449	412
Mid-Atlantic	229	272	389	381	1,271	211	252	330	444	1,237	240	303	305
South	176	262	314	362	1,114	228	313	312	445	1,298	274	348	410
Mountain	355	458	466	518	1,797	366	416	437	492	1,711	401	505	612
Pacific	242	344	459	610	1,655	277	340	329	488	1,434	267	289	263
Total Traditional Homebuilding	1,359	1,857	2,217	2,663	8,096	1,466	1,839	1,954	2,644	7,903	1,575	1,894	2,002
City Living	64	29	29	47	169	64	72	40	28	204	36	29	20
Total	1,423	1,886	2,246	2,710	8,265	1,530	1,911	1,994	2,672	8,107	1,611	1,923	2,022

CONTRACTS (IN UNITS)

REGION	2018					2019					2020		
	1st Q	2nd Q	3rd Q	4th Q	FY 18	1st Q	2nd Q	3rd Q	4th Q	FY 19	1st Q	2nd Q	3rd Q
North	441	626	626	554	2,247	402	687	611	567	2,267	400	377	620
Mid-Atlantic	195	368	362	251	1,176	253	344	299	263	1,159	242	294	478
South	262	383	323	244	1,212	201	404	344	358	1,207	353	395	538
Mountain	417	559	493	402	1,871	331	600	622	544	2,097	490	509	801
Pacific	460	665	463	242	1,830	169	348	325	253	1,095	287	294	393
Total Traditional Homebuilding	1,775	2,601	2,267	1,693	8,336	1,356	2,383	2,201	1,985	7,925	1,772	1,869	2,830
City Living	47	65	49	22	183	23	41	40	46	150	34	17	3
Total	1,822	2,666	2,316	1,715	8,519	1,379	2,424	2,241	2,031	8,075	1,806	1,886	2,833

BACKLOG (IN UNITS)

REGION	2018				2019				2020		
	1st Q	2nd Q	3rd Q	4th Q	1st Q	2nd Q	3rd Q	4th Q	1st Q	2nd Q	3rd Q
North	1,794	1,899	1,936	1,698	1,716	1,885	1,950	1,742	1,749	1,677	1,677
Mid-Atlantic	798	894	867	737	779	871	965	784	786	781	781
South	959	1,080	1,089	971	944	1,035	1,067	1,048	1,127	1,174	1,174
Mountain	1,208	1,309	1,336	1,220	1,185	1,369	1,554	1,606	1,695	1,699	1,699
Pacific	1,356	1,677	1,681	1,313	1,205	1,213	1,209	974	994	999	999
Total Traditional Homebuilding	6,115	6,859	6,909	5,939	5,829	6,373	6,745	6,154	6,351	6,330	6,220
City Living	135	171	191	166	125	94	94	112	110	98	98
Total	6,250	7,030	7,100	6,105	5,954	6,467	6,839	6,266	6,461	6,428	6,428