

Toll Brothers
AMERICA'S LUXURY HOME BUILDER®

COMPANY OVERVIEW

October 31, 2021



MESA RIDGE | LAS VEGAS, NV

STATEMENT OF FORWARD-LOOKING INFORMATION

Information presented herein for the fourth quarter ended October 31, 2021 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

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.

FINANCE AND INVESTOR RELATIONS LEADERSHIP

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TOLL BROTHERS IS AMERICA'S LUXURY HOME BUILDER

LEGACY & LEADERSHIP

- Founded in 1967, NYSE-listed (TOL) in 1986
- 5th Largest U.S. homebuilder by revenues
- Build in 24 states & 60+ markets – 10 new markets since 2018
- Positioned for growth with greatest product diversification in the industry
- Leadership in Luxury market, growing Affordable Luxury business, strong presence in Active Adult market, Urban/Suburban communities
- Industry-leading reputation and brand
- 10th year on the Fortune World's Most Admired Companies list

SOPHISTICATED LAND STRATEGY/FOCUS ON CAPITAL EFFICIENCY & RETURN ON EQUITY

- Expanding Geographies, Product Lines & Price Points
- Disciplined capital-efficient land acquisition strategy
- Quicker inventory turns & lower upfront land costs
- Optimization of home designs & personalization process
- Stock buybacks & dividend payments

FINANCIAL & MANAGEMENT STRENGTH

- Solid balance sheet with ~\$1.6BN of liquidity
- Strong credit ratings: Standard & Poor's (BB+ Stable), Moody's (Ba1 Positive), Fitch (BBB- Stable)
- Generated approx. \$1.2BN of cash from operations in FY 2021
- Executives & directors own ~9% of shares
- 4,500 Employees; Average Senior Management tenure of 16 years
- Industry-leading ESG Reporting; Commitment to Diversity & Inclusion

Note: Data as of October 31, 2021

TOLL BROTHERS DIFFERENTIATORS

The Dominant Player With Few Competitors In The Luxury Home Market

- Nationally-recognized, award-winning brand
- Our build-to-order model meets the needs of buyers who have the desire & means to personalize their homes
- Luxury communities in desirable locations in both high-growth & high barrier-to-entry markets
- Growing affordable luxury business – 48% of unit deliveries in Q4 2021
- Strong Land Position – control approx. 80,867 lots (36,100 owned / 44,800 optioned), most acquired at pre-COVID pricing, supporting strong community count growth in 2021 & 2022
- Proven management team with established track record & economic interests aligned with shareholders
- 35 Design Studio locations nationally for home personalization

Focused On Growing The Business While Increasing Gross Margin, Reducing SG&A & Increasing Return On Equity

- Structuring land acquisitions more efficiently by using more third-party land-banking, joint venture & option arrangements
- Focused on optimizing product offerings & tighter cost controls
- Increased focus on Affordable Luxury should improve inventory turns, reduce building costs, & improve return on equity

Current Market Conditions Are Sustainable & Play To Toll Brothers' Strengths

- Pent-up demand – estimated underproduction shortfall of 6.1 million homes: 2008 - 2020
- Limited resale supply driving buyers to new home market
- Strong demand for resales, in combination with home price, give our buyers confidence they can sell their current home
- Our buyers benefit from appreciation in their existing home & equity markets
- Demographics – Millennials entering home-buying years; Baby Boomers making their next home move
- Low mortgage rates – driving affordability for new homes
- Remote work – adoption of work-from-home accelerated due to pandemic
- Migration – homebuyers can now choose where they want to live

Combination Of Strong Liquidity & Substantial Expected Operating Cash Flow Provide Financial Flexibility

- We can invest in growth, return capital to shareholders & reduce debt
- \$ 1.6BN of available liquidity at FYE 2021
- Generated approx. \$1.2BN of cash from operations in FY 2021
- Net debt-to-capital ratio of 25.1% at FYE 2021

Note: Data as of October 31, 2021

TOLL BROTHERS Q4 AND FY RESULTS

\$ in MM, exc. Avg Prices	3 Months Ended October 31,			Fiscal Year Ended October 31,		
	2021	2020	% Change	2021	2020	% Change
Contracts						
Units	2,957	3,407	(13.2%)	12,472	9,932	25.6%
Dollars	\$2,999	\$2,739	9.5%	\$11,540	\$7,995	44.3%
Backlog						
Units	10,302	7,791	32.2%	10,302	7,791	32.2%
Dollars	\$9,499	\$6,375	49.0%	\$9,499	\$6,375	49.0%
Deliveries						
Units	3,341	2,949	13.6%	9,986	8,496	17.5%
Dollars	\$2,949	\$2,496	18.2%	\$8,427	\$6,937	21.5%
Earnings Per Share	\$3.02	\$1.55	94.8%	\$6.63	\$3.40	93.8%
Net Income	\$374,331	\$199,317	87.8%	\$833,626	\$446,624	85.6%

KEY FINANCIAL METRICS

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Pre-tax Income (000s)	\$589,027	\$814,311	\$933,916	\$787,170	\$586,901	\$1,100,315
EBITDA (000s)	\$773,628	\$1,017,227	\$1,153,669	\$1,046,151	\$838,032	\$1,369,626
Diluted EPS	\$2.18	\$3.17	\$4.85	\$4.03	\$3.40	\$6.63
Cash & Marketable Securities (000s)	\$633,715	\$712,829	\$1,182,195	\$1,286,014	\$1,370,944	\$1,638,494
Selling Community Count	310	305	315	333	317	340
Owned & Optioned Lots	48,837	48,311	53,422	59,230	63,182	81,155
Adjusted Gross Margin	23.2%	24.8%	23.7%	25.0%	23.5%	25.0%
Operating Margin	9.5%	11.1%	11.0%	9.4%	7.8%	11.6%
JV & Other Income (000s)	\$98,966	\$169,375	\$147,700	\$106,370	\$36,641	\$113,678
Return on Average Stockholders' Equity	9.1%	12.1%	16.4%	12.0%	9.4%	16.6%

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

STRONG PERFORMANCE

- Q4 2021 contracts up 10% in dollars; highest Q4 dollars ever
- Q4 2021 settlements up 14% in units, & 18% in dollars; both all-time highs
- Q4 2021 backlog up 49% in dollars & 32% in units; highest dollars ever
- Community count growth of approx. 7% in FY 2021 (to 340 communities). Expect 10% growth in FY 2022 to 375
- Delivered 9,986 homes - the most in our history - in FY 2021
- Continuing gross margin & ROE improvement





FACTORS DRIVING DEMAND

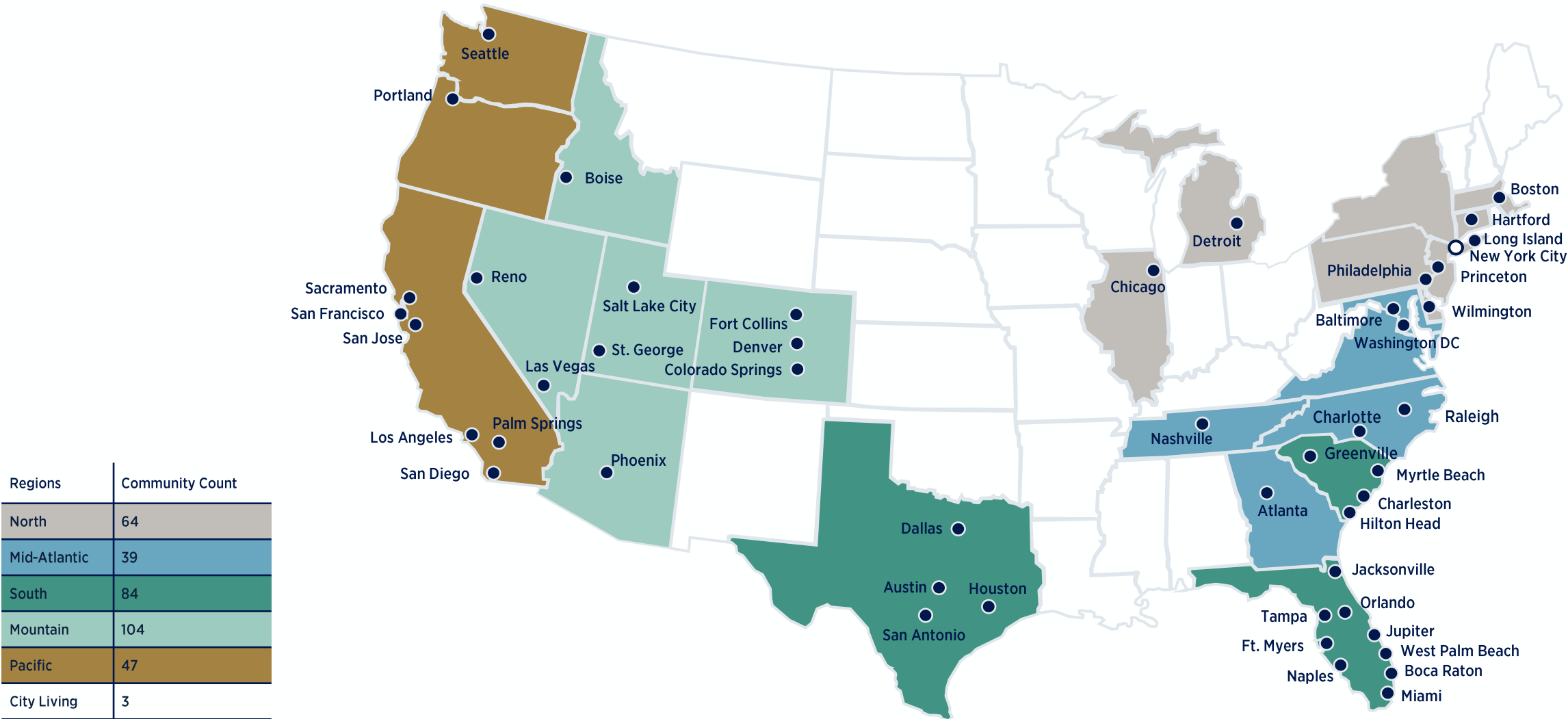
- Release of pent-up demand
- Constrained supply of new & resale homes on the market
- Home price appreciation in existing homes for our buyers
- Toll buyers benefit from solid stock market / employment outlook
- Low mortgage rates
- Surge of Millennials purchasing first home
- Boomers making life-style changes
- Work-from-home phenomenon means buyers are freer to live where they want, not where they work
- Nesting instinct drives desire for more square footage, more choice, more usable designs with home offices, multi-generational living & areas for study
- Lower unemployment rates among college graduates
- Relocation from high-density urban environment to suburbs & migrating across the U.S. to high-growth markets
- Some affordability issues neutralized with migration from high priced coastal markets (CA & Northeast) to lower priced, more affordable markets (NV, AZ, ID, TX, FL)

NATIONAL FOOTPRINT POSITIONS

TOLL BROTHERS FOR GROWTH

24 STATES

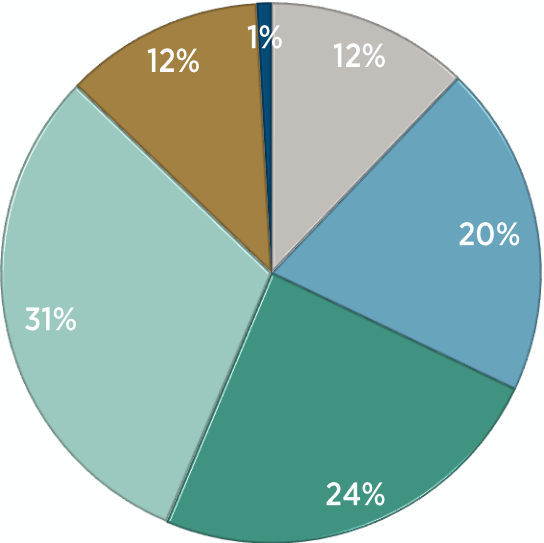
60+ MARKETS





GEOGRAPHICALLY DIVERSIFIED PORTFOLIO

FYE 2021
LOTS CONTROLLED
(TOTAL = 80,867)

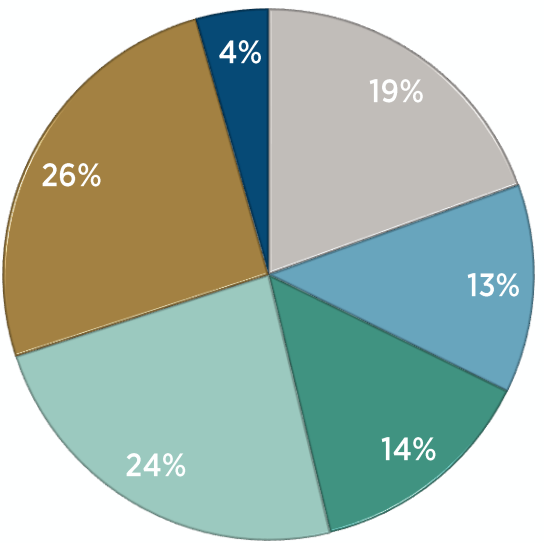


North
Mountain

Mid-Atlantic
Pacific

South
City Living

FYE 2021
REVENUE
(TOTAL = \$8.431BN)



HOME BUILDER ACQUISITIONS SPUR GROWTH

IN ADDITION TO STARTING MULTIPLE DE NOVO DIVISIONS, WE HAVE ACCELERATED OUR EXPANSION THROUGH ACQUISITIONS.

TOLL BROTHERS HAS MADE 14 HOME BUILDER ACQUISITIONS SINCE 1995		
StoryBook Homes	Las Vegas, Nevada	2021
Keller Homes	Colorado Springs, Colorado	2020
Thrive Residential	Nashville, Tennessee & Atlanta, Georgia	2020
Sabal Homes	South Carolina	2019
Sharp Residential	Atlanta, Georgia	2019
Coleman Homes	Boise, Idaho	2016
Shapell Homes	Coastal Northern & Southern California	2014
Cam West Development LLC	Seattle, Washington	2011
Landstar Homes	Central Florida	2005
The Manhattan Building Company	Northern New Jersey, Urban High-Rise	2003
Richard R. Dostie	Jacksonville, Florida	2003
Silverman Homes	Metro Detroit, Michigan	1999
Coleman Homes	Las Vegas, Nevada	1998
Geoffrey H. Edmunds	Scottsdale, Arizona	1995



A LAND STRATEGY FOCUSED ON OPERATIONAL EFFICIENCY & RETURN ON EQUITY

LAND ACQUISITION

- Control 80,867 home sites
- Reduced land owned vs optioned; From 62/38% at FYE 2019 to 45/55% at FYE 2021
- Use land banking, JVs, staged/structural takedowns & seller financing
- We operate in the most difficult land approval markets in U.S. – once you get it approved, it's gold!

LAND DEVELOPMENT

- One of U.S.'s largest land developers
- Skilled in land acquisition, approvals, & development across all markets
- In-house engineering company manages land planning improvements

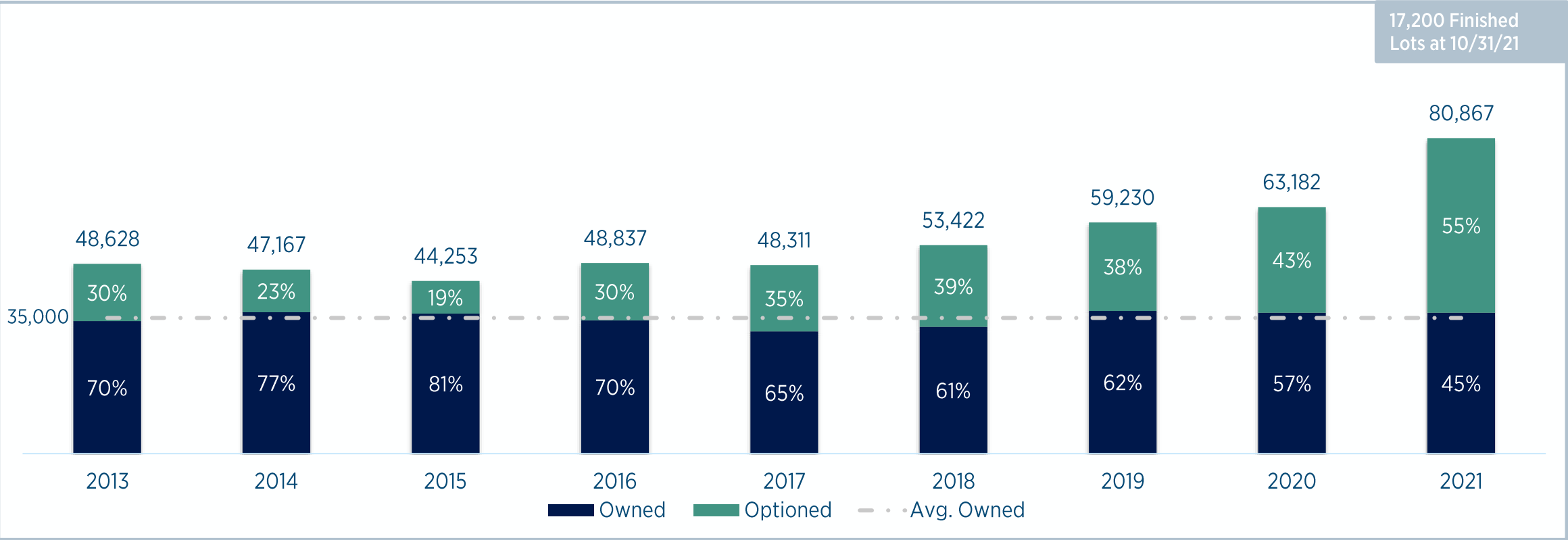
CAREFULLY MANAGED INVENTORY

- Protects against potential land shortages in lot-constrained markets
- All land deals approved at corporate headquarters by senior management based on strict, capital-efficient underwriting standards
- Most land bought post-approvals

Note: Data as of October 31, 2021

SOLID LAND POSITION TO CAPITALIZE ON STRONG DEMAND

GROWING PERCENTAGE OF LOTS OPTIONED VS. OWNED (AT FYE)



STRONG BUYER PROFILE

IN Q4 2021, 56% OF BUYERS CHOSE TBI MORTGAGE, IN-HOUSE LENDER EXCLUSIVE TO TOLL BROTHERS CUSTOMERS, OFFERING EXCEPTIONAL EXPERIENCE & OPERATIONAL BENEFITS IN MANAGING BACKLOG THROUGH CLOSING.



18%

FYE 2021 Cash Buyers

765

FYE 2021 FICO Score

69%

FYE 2021 Avg. LTV

TBI Mortgage Pre-Sells All Loans

		% of Total		LTV	FICO
		Incl. Cash	Excl. Cash		
Conventional	5,744	58%	70%	66%	764
Jumbo	2,167	22%	26%	74%	773
FHA/VA	304	3%	4%	87%	753
Cash Buyer	1,771	18%	N/A	N/A	N/A
FY Total	9,986	100%	100%	69%	765

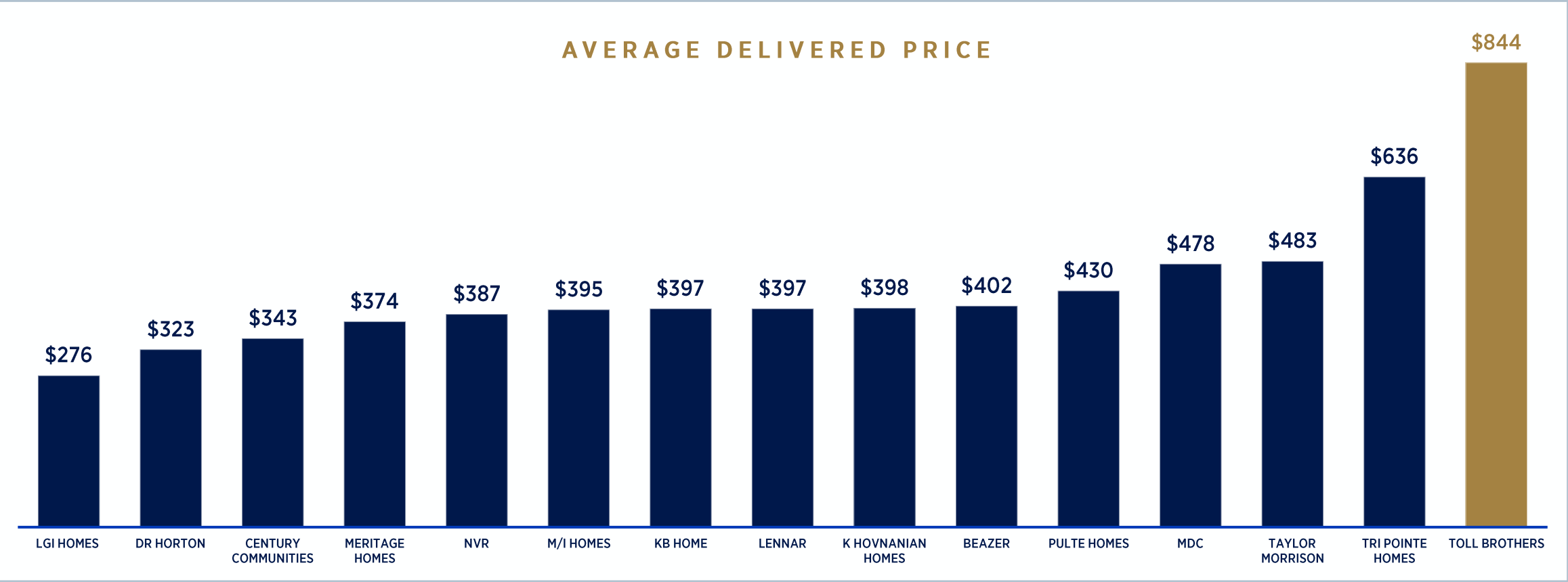
GREATEST PRODUCT DIVERSIFICATION IN THE INDUSTRY

- Entry-Level
- Affordable Luxury
- Luxury Move-Up
- Active Adult
- Urban Infill
- Urban Redevelopment
- Large-Scale Master Plans
- High-Rise Urban Condos
- Suburban High-Density
- Urban & Suburban Rental
- Student Housing Rental
- Single-Family Rental



LEADERSHIP IN THE LUXURY MARKET

TOLL BROTHERS IS THE ONLY NATIONAL HOMEBUILDER FOCUSED ON THE LUXURY MARKET.
OUR MAIN COMPETITORS ARE SMALL PRIVATE BUILDERS, NOT THE LARGER PUBLIC HOMEBUILDERS.



Note: Updated based on most recent reported fiscal-year-end deliveries in \$ thousands.



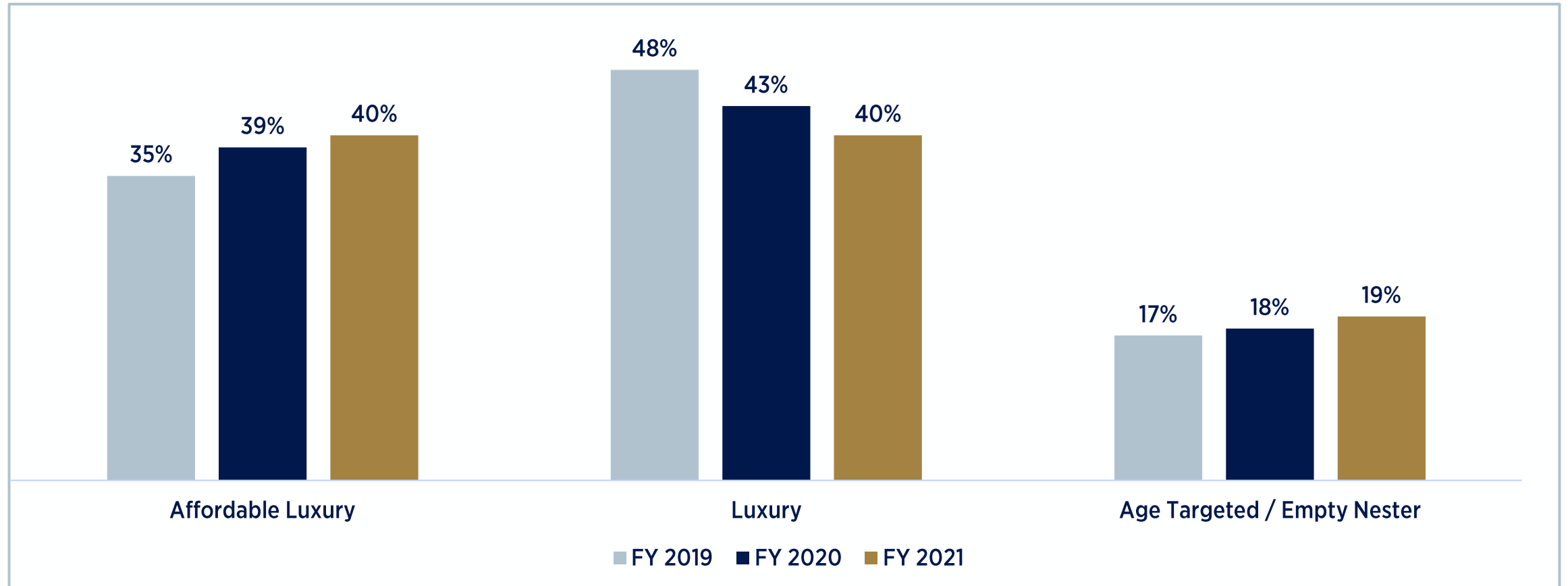






INCREASED FOCUS ON AFFORDABLE LUXURY

TOLL BROTHERS COMMUNITY COUNT BY BUYER SEGMENT







712





STRONG PRESENCE IN ACTIVE ADULT MARKET

- National Regency brand name in Active Adult/Empty Nester Market
- Established presence in 18 states & growing
- Control 18,000 (8,100 owned / 9,900 optioned) lots for Active Adult/Empty Nester communities
- Baby Boomers making their next home move

REGENCY
BY TOLL BROTHERS

Note: Data as of October 31, 2021



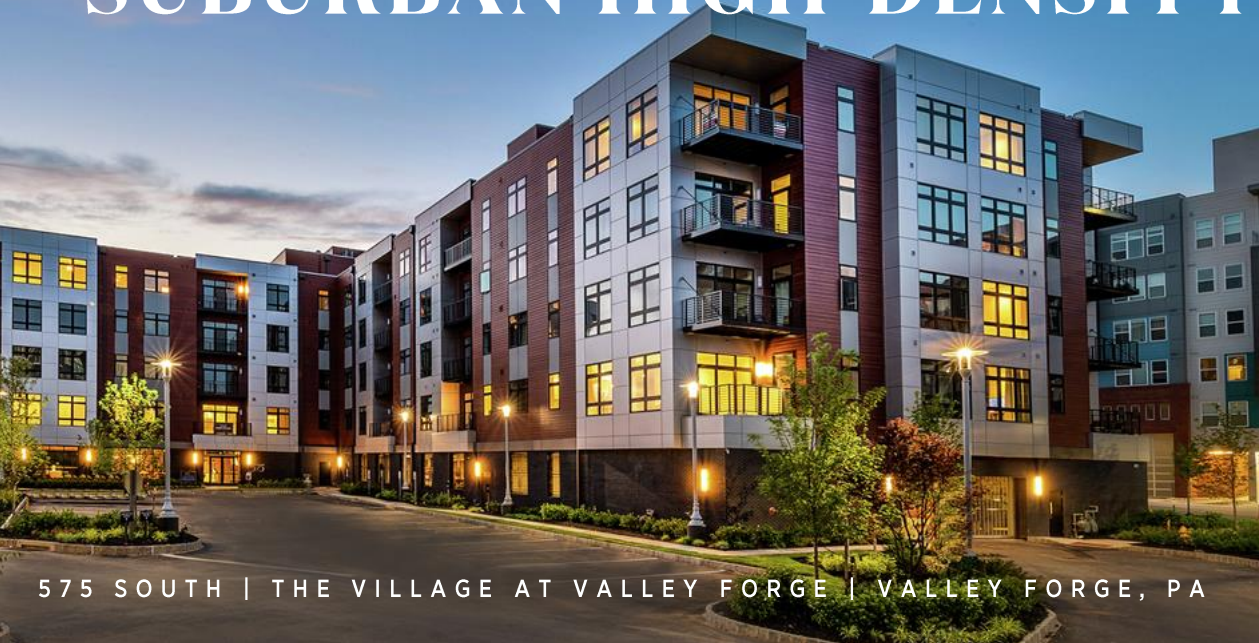








SUBURBAN HIGH-DENSITY



575 SOUTH | THE VILLAGE AT VALLEY FORGE | VALLEY FORGE, PA



BROWNSTONES AT EDGE ON HUDSON | SLEEPY HOLLOW, NY



THE CARLISLE | LOUDOUN VALLEY | ASHBURN, VA



DAWSON SQUARE | BOTHELL, WA

Toll Brothers
AMERICA'S LUXURY HOME BUILDER



MAXWELL PLACE | HOBOKEN, NJ



121 EAST 22ND STREET | NEW YORK, NY



77 CHARLTON | NEW YORK, NY

TOLL BROTHERS CITY LIVING

SUCCESSFUL URBAN TRACK RECORD

- Formed in 2003 to leverage luxury brand in urban market
- Completed construction on ~42 buildings totaling ~5,100 units

BRAND EXPERIENCE

- Currently selling communities in New York City & New Jersey's Gold Coast
- Land in New York City, Philadelphia, LA, & Seattle
- Exploring Boston, San Francisco, & Miami
- Joint venturing with institutional-quality partners

DISTINCTIVE PRODUCT

- Focus on 50- to 200-unit buildings located in upscale neighborhoods
- Targeting \$1,700-\$2,200psf in NYC & \$800-\$1,200psf in Hoboken & New Jersey, NJ

TOLL BROTHERS CITY LIVING: URBAN REDEVELOPMENT



TOLL BROTHERS CITY LIVING: URBAN MIXED USE

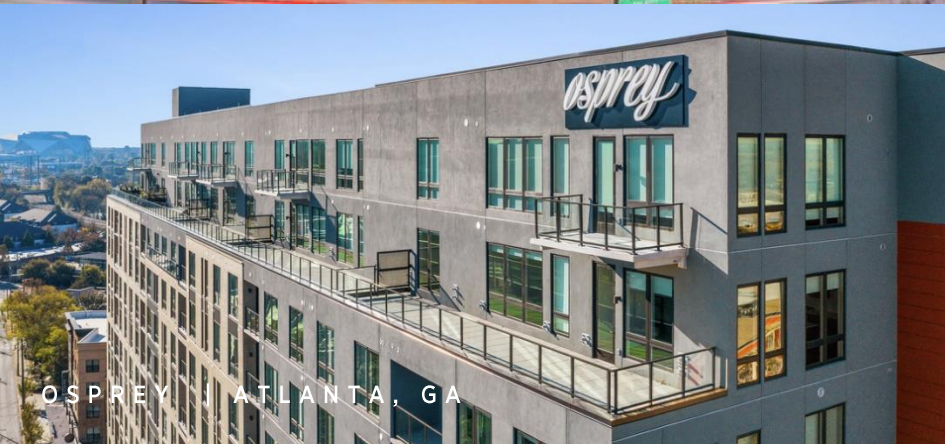


| HOTEL & PIERHOUSE AT BROOKLYN BRIDGE | BROOKLYN, NY

Toll Brothers
AMERICA'S LUXURY HOME BUILDER



CAMEO | ORANGE, CA



OSPREY | ATLANTA, GA



CANVAS | TEMPE, AZ

TOLL BROTHERS APARTMENT LIVING / CAMPUS LIVING

COMPLEMENTS FOR-SALE BUSINESS

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

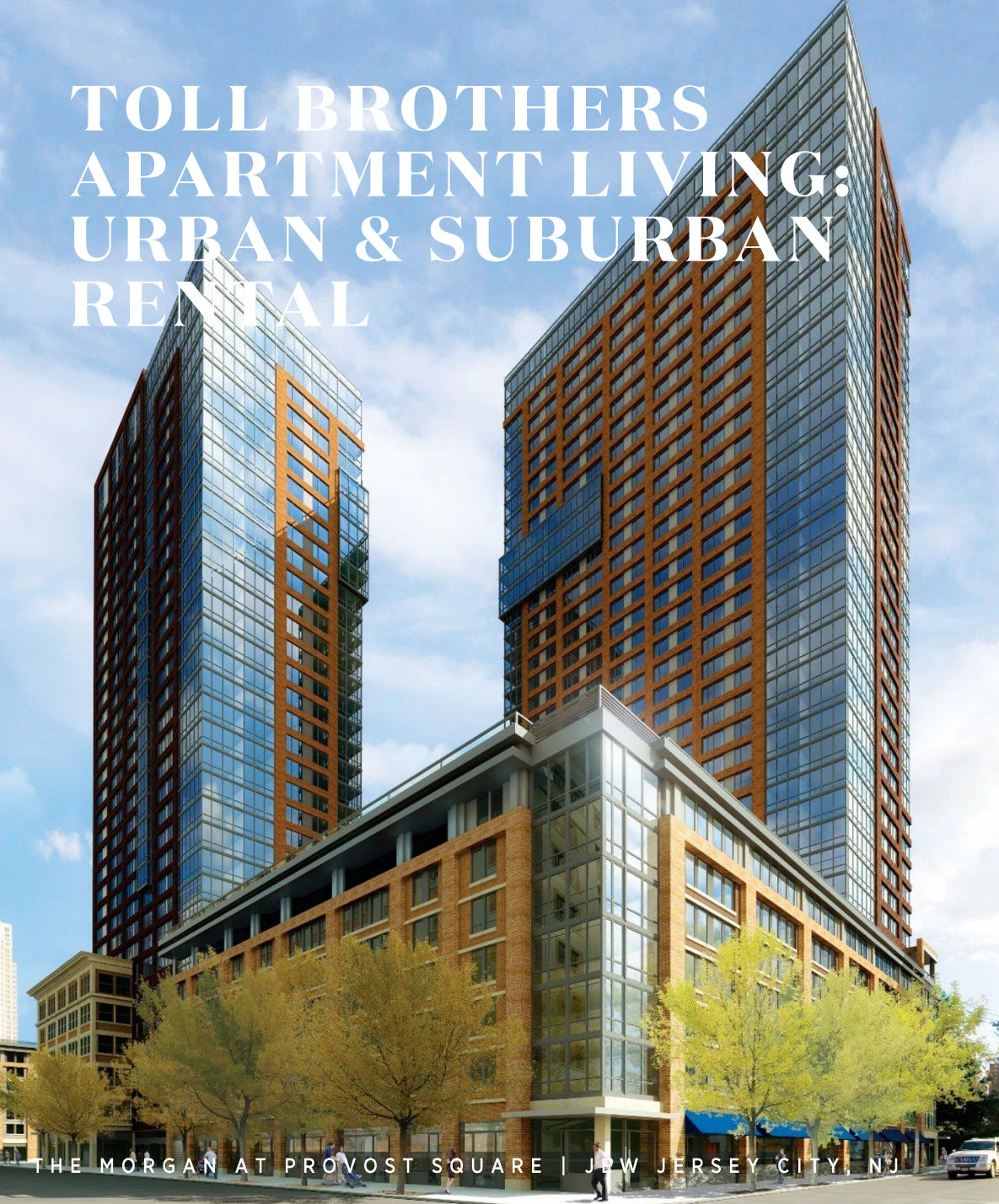
BROAD EXPERIENCE

- Named 11th largest Multifamily Developer*
- Approx. 24,000 total units in 69 properties
- Toll Brothers Campus Living develops student housing communities

STRATEGIC GROWTH

- Focused in high-growth & high barrier-to-entry markets
- Control land for future apartment & student living units in Northeast/Mid-Atlantic, AZ, CA, FL, GA, IN, TN, & TX
- At FYE FY 2021, total Toll investment ~\$607MM
- All projects developed in joint venture to improve ROE & reduce risk
- Strategic joint venture with EQR & potentially other institutional-quality partners

TOLL BROTHERS APARTMENT LIVING: URBAN & SUBURBAN RENTAL



THE MORGAN AT PROVOST SQUARE | JDC JERSEY CITY, NJ

WESTERLY | DALLAS, TX



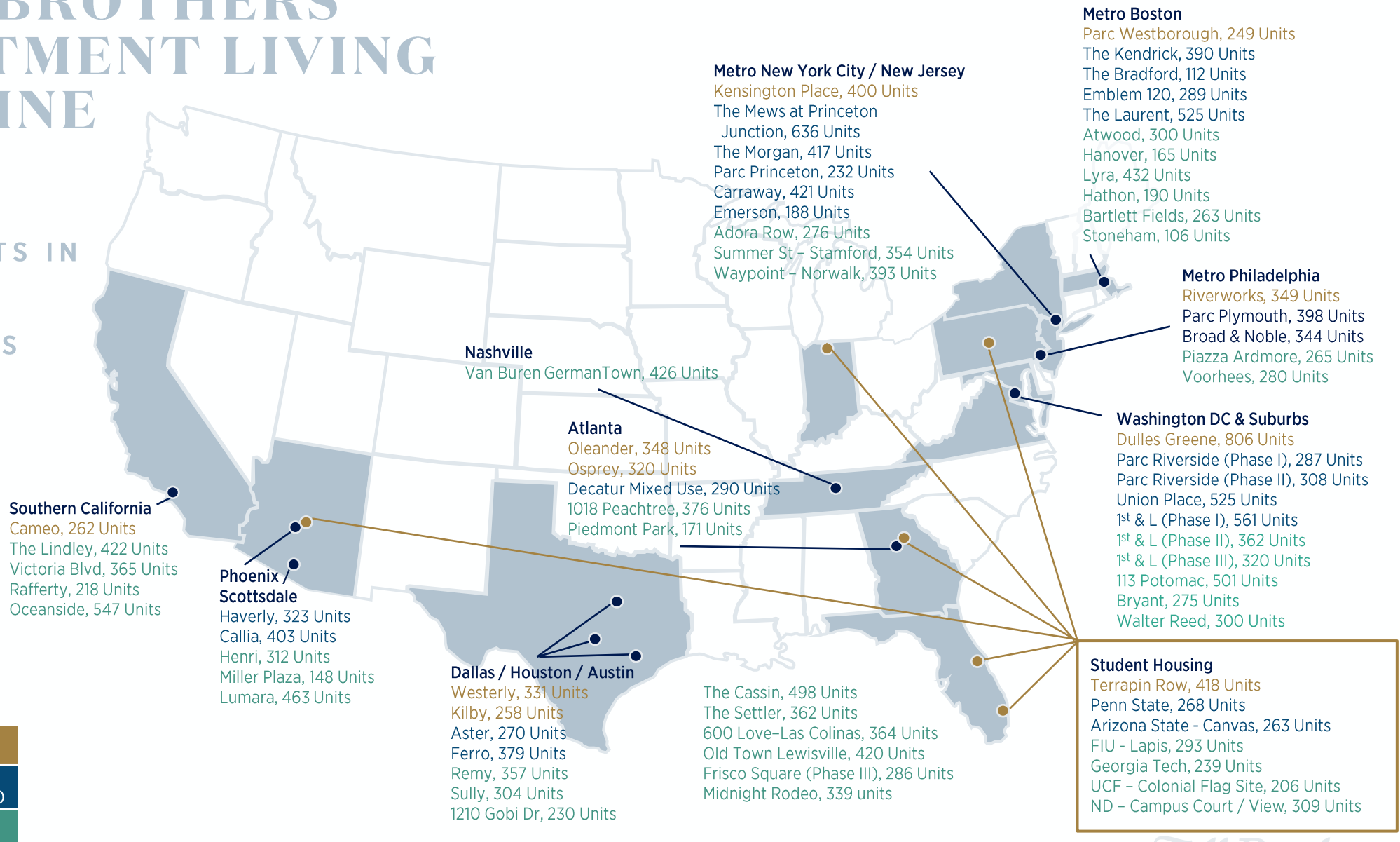
THE KENDRICK | NEEDHAM, MA



Toll Brothers
AMERICA'S LUXURY HOME BUILDER

TOLL BROTHERS APARTMENT LIVING PIPELINE

23,608
TOTAL UNITS IN
69
PROPERTIES



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

Note: Data as of October 31, 2021



WATERMARK AT AVENIR
PALM BEACH GARDENS, FL

THE TOLL BROTHERS ADVANTAGE

UNRIVALED CHOICE

- Highly personalized & hands-on Design Studio experience guided by a professional design consultant
- Selections from premium products, state-of-the-art appliances, & luxury fixtures & finishes

PRESTIGIOUS LOCATIONS

- Toll Brothers builds communities in the heart of where people want to live
- Access to natural features, proximity to schools, commuter routes & entertainment

DISTINCTIVE ARCHITECTURE

- Extraordinary architectural elements & thoughtful design
- Extensive selection of architectural designs to suit any lifestyle & life stage

EXTRAORDINARY CUSTOMER EXPERIENCE

- Always met with the professionalism & thoughtful attention
- Toll Brothers delivers an experience beyond compare & exceeds expectations at every turn



TOLL BROTHERS DESIGN STUDIO
WESTBOROUGH, MA

TOLL BROTHERS DESIGN STUDIOS

- Build-to-Order model provides unrivaled choice for our home buyers
- 80% of homes are pre-sold build-to-order, 20% spec
- We operate 35 Toll Brothers Design Studios, a retail-like space where buyers choose both structural & finishing options
- Our buyers increasingly want the ability to personalize their homes, & they have the means to do it
- FY 2021, the average buyer added 23% to base home price in options & lot premiums (average of \$167K)
- Options generally at higher margin than base home price
- High-level of consumer engagement through our Design Studio experience
- Average customer deposit of \$68,000 represents a strong financial commitment to the home

WHAT BUYERS WANT TODAY



HOME OFFICE | LEARNING SPACE



INDOOR | OUTDOOR LIVING



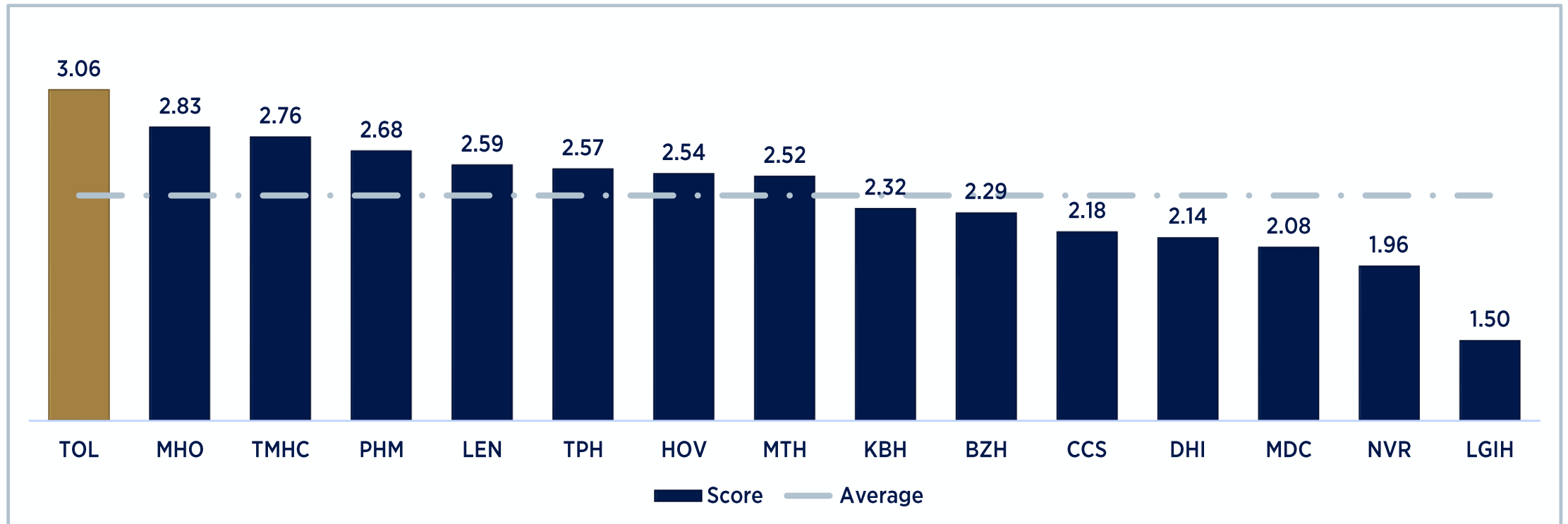
WELLNESS ROOM | GYM



MULTI-GENERATIONAL LIVING SUITES

PRESTIGIOUS LOCATIONS: WHERE BUYERS WANT TO LIVE

HIGHEST RANKING SELLING COMMUNITIES IN 'SUBMARKET DESIRABILITY INDEX'



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.



OPERATIONAL EFFICIENCIES THROUGH INNOVATION

TOLL INTEGRATED SYSTEMS PANEL & TRUSS PLANT

- Manufactures & distributes panels, trusses, trim, doors, millwork, & windows
- Provides Turnkey Framing Services to 5 states (7 Divisions)
- Supplied components for 32% of our homes in FY 2021
- Improves timeline & quality; reduces costs, waste, & dependence on labor
- 6 East Coast plants serving Boston to Charlotte



USING STEEL FRAMING AS AN ALTERNATIVE TO LUMBER

- Building communities in urban Atlanta, Charlotte & Nashville market with steel framing instead of wood
- With rising lumber costs, steel framing is an attractive alternative
- Many other benefits to using steel
- First projects are in Toll Brothers Mid-Atlantic region



TOLL BROTHERS ESG REPORT

- Inaugural report released April 19, 2021
- Utilizes industry-specific standards from the Sustainability Accounting Standards Board (SASB)
- Benchmarks efforts on a range of environmental, social & governance matters
- [Visit the report at TollBrothers.com/ESG](https://TollBrothers.com/ESG)

“As an industry, home builders have an incredible opportunity to make a positive impact on our nation, both as developers bringing much-needed housing to a country with a tremendous housing shortage, and as major job creators as the nation’s economy rebounds from the challenges caused by the pandemic. This information is the first step in documenting our responsibilities and contributions in the many important facets of ESG reporting.”

– Doug Yearley, Chairman and CEO

U.S. HOUSING MARKET

DEMAND EQUATION

- Continued population growth
- Household formations are strong
- Pent-up demand stemming from a decade of underproduction; 6M fewer homes produced from 2008-2020 compared to 1970-2007
- Homeownership rate rising, but still below historic norms
- 77M Millennials entering their homebuying years; Foreign buyers decreasing

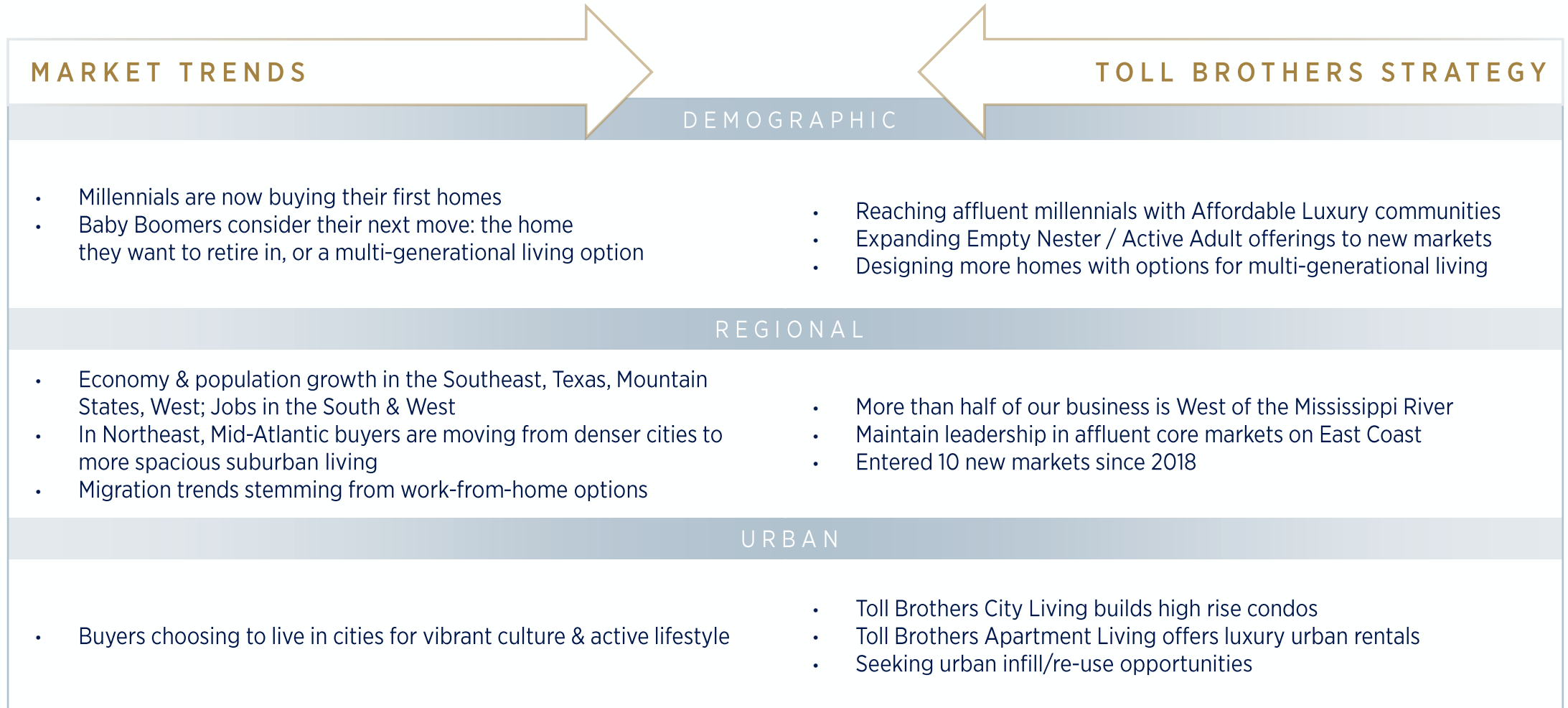
SUPPLY REMAINS CONSTRAINED

- Only 2.3 months of supply of existing homes on the market according to the National Association of Realtors
- 45% of homes that went under contract had an accepted offer within the first two weeks on the market & 44% of homes are sold above list price, both an all-time high, according to Redfin
- Rising home prices & limited supply means our buyers can sell their existing homes quickly & at appreciated values
- The median age of existing housing stock has increased from 25 years to 40 years since 1989

TAILWINDS FAVOR HOUSING / TOLL BROTHERS

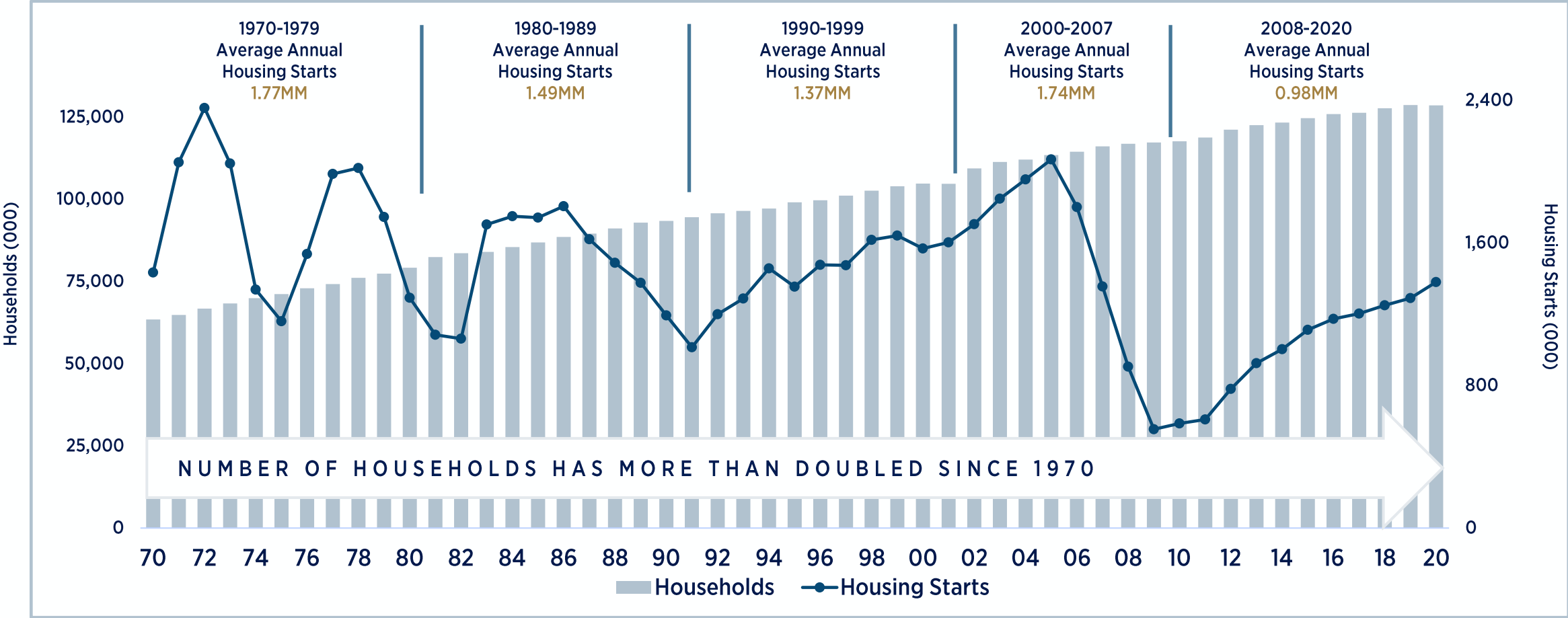
- Pricing power in nearly all of our markets
- Mortgage rates near all time low
- Work-From-Home phenomenon favors Toll buyers
- Home is more important than ever
- Choice allows buyers to customize their homes to match their evolving lifestyles

KEY MARKET TRENDS FAVOR TOLL BROTHERS



INDUSTRY IS UNDERSUPPLIED AS DEMAND INCREASES

HOUSING STARTS HAVE NOT KEPT PACE WITH HOUSEHOLD GROWTH



Source: U.S. Census Bureau



THE CANYONS AT PORTER RANCH
PORTER RANCH, CA

INCREASED FOCUS ON CAPITAL EFFICIENCY & RETURN ON EQUITY

LAND PURCHASING: REDUCE OWNED LAND

- Structuring land acquisitions more efficiently
- Option more land as a % of total
- Increased use of staged/structured takedowns, as well as seller financing
- Use third-party land banking & JVs
- Controlling more land with fewer dollars leads to higher returns

OPERATIONS

- Increased Affordable Luxury communities with higher inventory turns
- Expansion into geographies, product lines & price points with lower upfront land costs should benefit ROE long term
- Optimizing product offerings to streamline operations & create construction efficiencies, reducing costs & cycle times

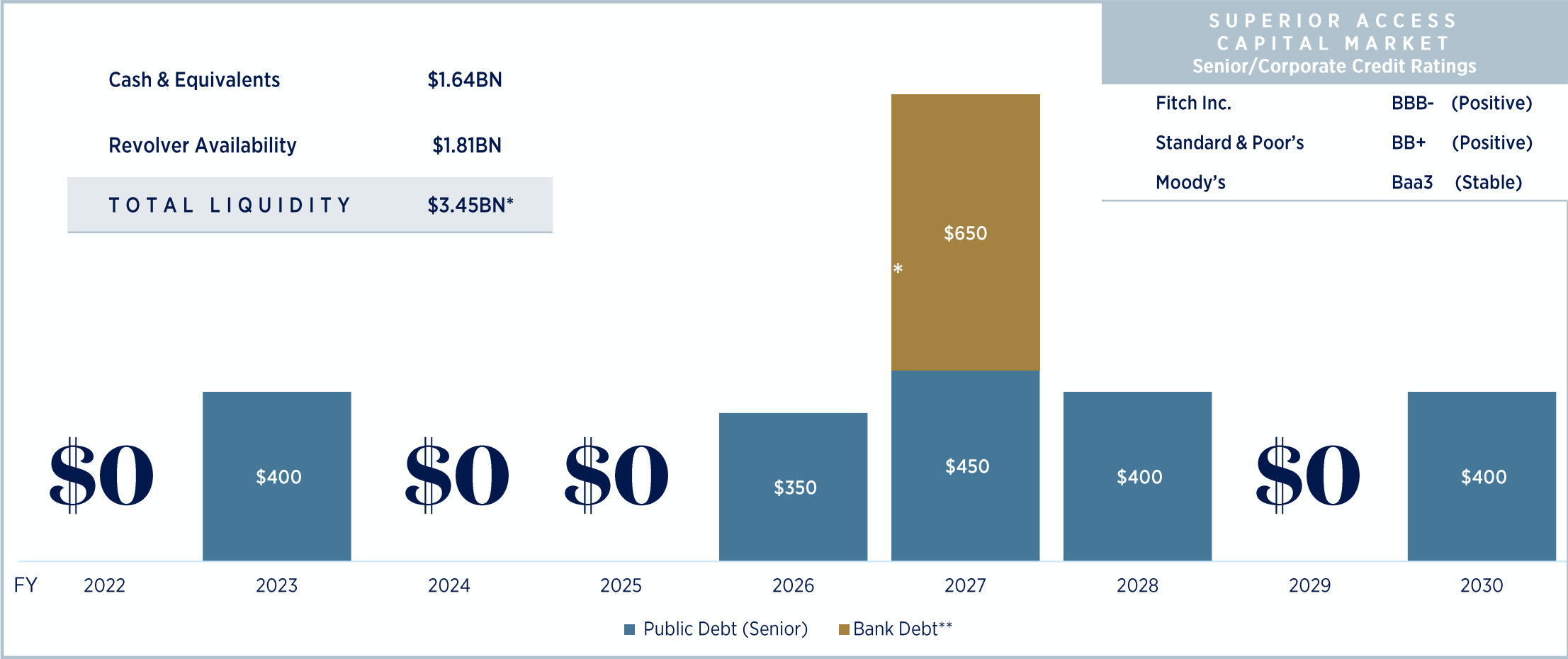
STOCK PURCHASES & DIVIDENDS

- Since FY 2016, we have repurchased 63.4MM shares (36% of shares outstanding)
- Shares repurchased for an average price of \$38.34, total cost \$2.4BN
- Increased quarterly dividend by 55% in Q2 2021; increased by 113% since inception in April 2017

Note: Data as of October 31, 2021

DEBT MATURITY PROFILE

As of October 31, 2021*



Debt maturity schedule as of November 15, 2021.
**Bank debt includes our \$650mm term loan due November 2026 & \$0M drawn on our \$1.905BN credit facility due November 2026.

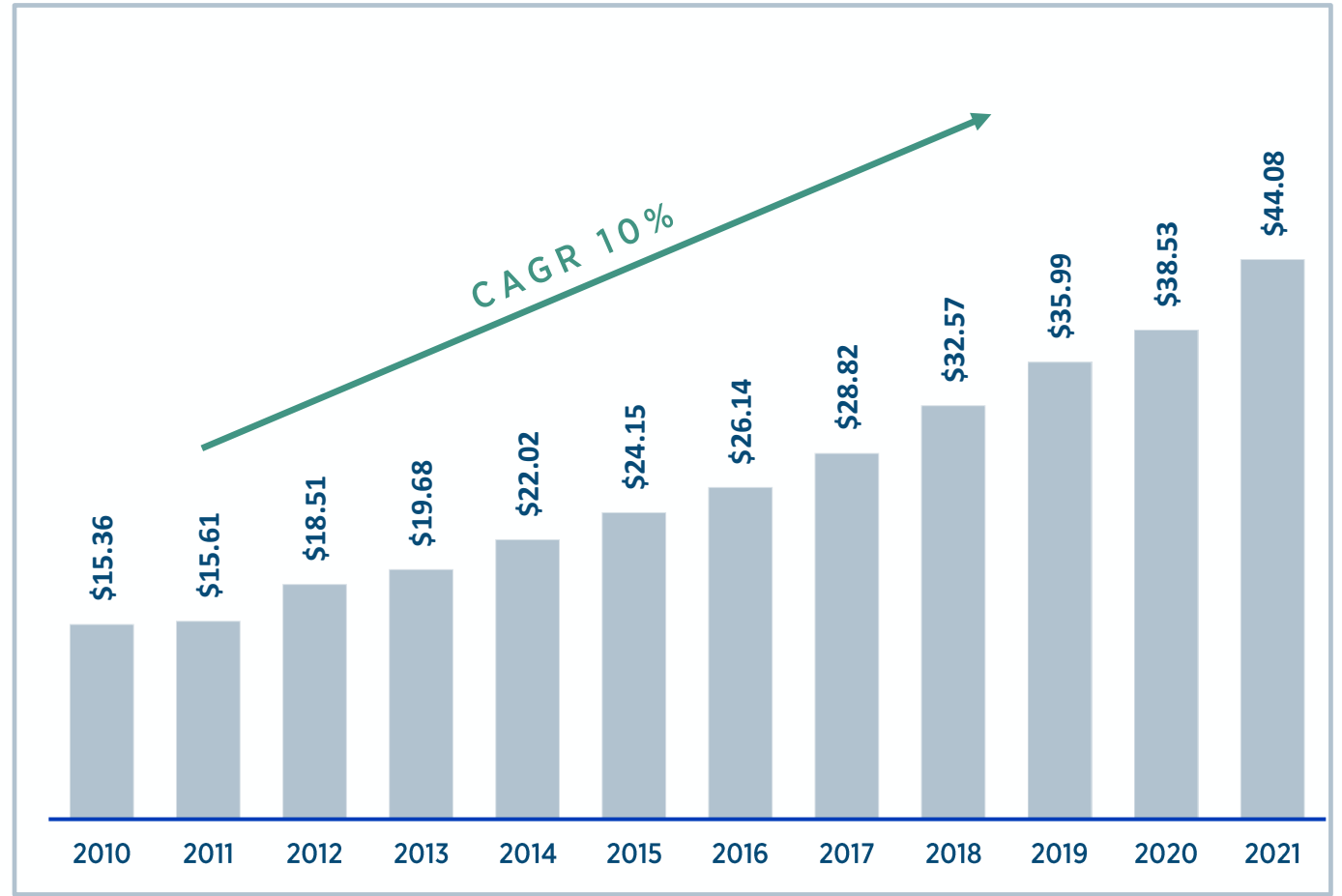
STRONG BANK & CAPITAL MARKET RELATIONSHIPS

Toll Brothers, Inc.							
First Huntington Finance Corp.				Toll Brothers Finance Corp.			
\$1.905 BN Revolving Credit Facility Due November 2026*		\$650 MM Term Loan Due November 2026					
	Commitment		Commitment	Series	Coupon	Principal	Maturity (yrs)
Citi	\$125 MM	Truist	\$102 MM				
Bank of America	\$125 MM	SMBC	\$102 MM				
Goldman Sachs	\$125 MM	Wells Fargo	\$102 MM				
Mizuho Bank	\$125 MM	US Bank	\$81 MM	April 2023	4.375%	\$400 MM	1.41 years
PNC	\$125 MM	Capital One	\$61 MM	November 2025	4.875%	\$350 MM	4.00 years
SMBC	\$125 MM	The Bank of New York	\$41 MM	March 2027	4.875%	\$450 MM	5.33 years
Truist	\$150 MM	Fifth Third Bank	\$41 MM	February 2028	4.350%	\$400 MM	6.25 years
Wells Fargo	\$125 MM	PNC	\$41 MM	November 2029	3.800%	\$400 MM	7.97 years
Capital One	\$100 MM	Comerica	\$20 MM				
US Bank	\$100 MM	People's United	\$20 MM				
Citizens Bank	\$75 MM	TD Bank	\$20 MM				
Fifth Third Bank	\$75 MM	Texas Capital Bank	\$20 MM				
Regions Bank	\$75 MM		\$650 MM				
Bank of Montreal	\$50 MM				4.455%	\$2,000 MM	5.03 years
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						
Bank of East Asia	\$25 MM						
	\$1,905 MM						

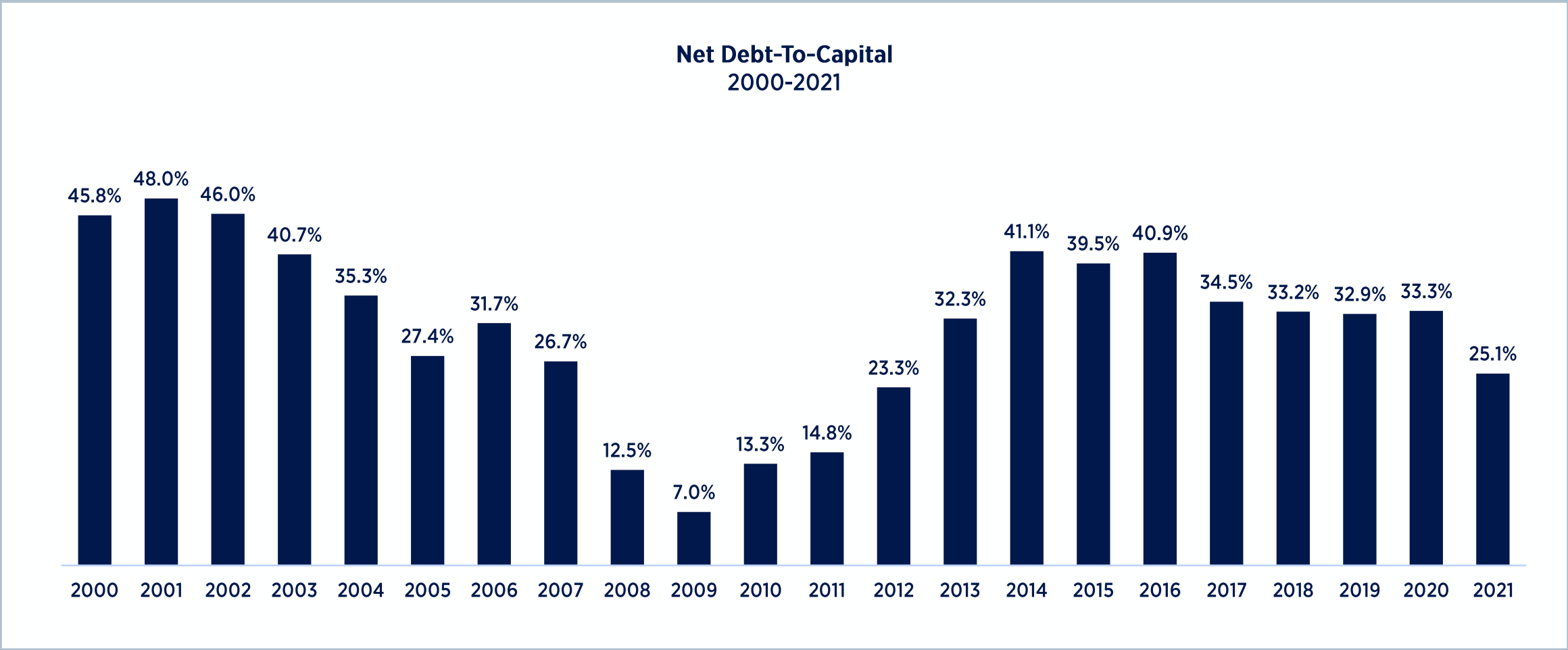
*The Company finished the period ending 10/31/2021 with \$1.81 billion available under its revolving credit facility.
23 out of 24 banks have extended to 2026



BOOK VALUE PER SHARE



BALANCE SHEET PROTECTION



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.



STOCK REPURCHASE SUMMARY

FY	Shares	Cost	Average Price	Dividends (Total \$/ Quarterly Per Share)
2021	7,421,423	\$378MM	\$50.97	\$77MM/\$0.17
Q4 2021	1,734,692	\$103MM	\$59.49	\$21MM/\$0.17
Q3 2021	1,654,721	\$95MM	\$57.66	\$21MM/\$0.17
Q2 2021	4,586	\$253K	\$55.11	\$21MM/\$0.17
Q1 2021	4,027,424	\$179MM	\$44.54	\$14MM/\$0.11
2020	15,951,855	\$634MM	\$39.75	\$57MM/\$0.11
2019	6,619,345	\$234MM	\$35.28	\$64MM/\$0.11
2018	12,108,158	\$503MM	\$41.56	\$62MM/\$0.11
2017	7,693,630	\$291MM	\$37.81	\$39MM/\$0.08
2016	13,652,384	\$393MM	\$28.77	---
TOTAL	63,446,795	\$2,433MM	\$38.34	\$299MM

APPENDIX: NON-GAAP RECONCILIATION

ADJUSTED GROSS MARGIN & EBITDA

	2015	2016	2017	2018	2019	2020	2021
Revenues – home sales	4,171,248	5,169,508	5,815,058	7,143,258	7,080,379	6,937,357	8,431,746
Cost of Revenues	3,190,957	4,047,615	4,448,452	5,536,812	5,534,217	5,534,103	6,528,454
Gross Margin	980,291	1,121,893	1,366,606	1,606,446	1,546,162	1,403,254	1,893,292
Add: Interest Recognized in cost of sales	142,947	160,337	172,832	190,734	185,045	174,275	187,237
Inventory write-downs	35,709	13,807	14,794	35,156	42,360	55,883	26,535
Adjusted Gross Margin	1,158,947	1,296,037	1,554,232	1,832,336	1,773,567	1,633,412	2,107,064
Gross Margin as a % of revenue	23.5%	21.7%	23.5%	22.5%	21.8%	20.2%	22.5%
Adjusted Gross Margin as a % of revenue	27.8%	25.1%	26.7%	25.7%	25.0%	23.5%	25.0%
Pretax Income	535,562	589,027	814,311	933,916	787,170	586,901	1,100,315
Add: Interest expensed	146,790	161,480	177,655	194,494	186,832	182,258	191,609
Depreciation & Amortization	23,557	23,121	25,361	25,259	72,149	68,873	77,702
EBITDA	705,909	773,628	1,017,327	1,153,669	1,046,151	838,032	1,369,626

Note: Amounts in thousands, except percentages

APPENDIX: NON-GAAP RECONCILIATION

NET DEBT-TO-CAPITAL

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
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	1,147,955	1,011,534
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	2,661,718	2,403,989
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	148,611	147,512
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	3,958,284	3,563,035
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	4,875,235	5,295,024
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	8,833,519	8,858,059
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%	44.8%	40.2%
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	3,958,284	3,563,035
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)	(148,611)	(147,512)
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)	(1,370,944)	(1,638,494)
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	2,438,729	1,777,029
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	4,875,235	5,295,024
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	7,313,964	7,072,053
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%	33.3%	25.1%
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	38.53	44.08