

Toll Brothers
AMERICA'S LUXURY HOME BUILDER®

COMPANY OVERVIEW

April 30, 2021



MESA RIDGE | LAS VEGAS, NV

STATEMENT OF FORWARD-LOOKING INFORMATION

Information presented herein for the first quarter ended April 30, 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 & 50+ markets – 9 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
- Stock buybacks & dividend payments

FINANCIAL & MANAGEMENT STRENGTH

- Solid balance sheet with ~\$2.5BN of liquidity
- Strong credit ratings: Standard & Poor's (BB+ Stable), Moody's (Ba1 Positive), Fitch (BBB- Stable)
- Expect to generate approx. \$750MM 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 April 30, 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 and means to personalize their homes
- Luxury communities in desirable locations in both high-growth and high barrier-to-entry markets
- Growing affordable luxury business – 43% of unit deliveries in Q2 2021
- Strong Land Position – control approx. 74,500 lots (38,000 owned/36,500 optioned), most acquired with pre-COVID pricing, supporting strong community count growth in 2021 and 2022
- Proven management team with established track record and economic interests aligned with shareholders

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

- Structuring land acquisitions more efficiently by using more third-party land-banking, joint venture and 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 And Play To Toll Brothers' Strengths

- Pent-up demand – estimated 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 & equity market appreciation, give our buyers confidence they can sell their current home
- Demographics – Millennials entering home-buying years
- 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
- \$2.5BN of available liquidity at Q2 2021
- Expect to generate approx. \$750MM of cash from operations in FY 2021
- Expect net debt-to-capital ratio in the mid-to-high 20% range by FYE 2021

TOLL BROTHERS Q2 AND FY RESULTS

\$ in MM, exc. Avg Prices	3 Months Ended April 30,			Fiscal Year Ended October 31,		
	2021	2020	% Change	2020	2019	% Change
Contracts						
Units	3,487	1,886	85%	9,932	8,075	23%
Dollars	\$3,053	\$1,553	97%	\$7,995	\$6,711	19%
Backlog						
Units	10,104	6,428	57%	7,791	6,266	24%
Dollars	\$8,690	\$5,493	58%	\$6,375	\$5,257	21%
Deliveries						
Units	2,271	1,923	18%	8,496	8,107	5%
Dollars	\$1,836	\$1,516	21%	\$6,937	\$7,080	(2%)
Earnings Per Share	\$1.01	\$0.59	71%	\$3.40	\$4.03	(16%)
Net Income	\$127,866	\$75,670	69%	\$446,624	\$590,007	(24%)

KEY FINANCIAL METRICS

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Q2 2021
Pre-tax Income (000s)	\$589,027	\$814,311	\$933,916	\$787,170	\$586,901	\$169,826
EBITDA (000s)	\$773,628	\$1,017,227	\$1,153,669	\$1,046,151	\$838,032	\$230,802
Diluted EPS	\$2.18	\$3.17	\$4.85	\$4.03	\$3.40	\$1.01
Cash & Marketable Securities (000s)	\$633,715	\$712,829	\$1,182,195	\$1,286,014	\$1,370,944	\$714,968
Selling Community Count	310	305	315	333	317	320
Owned & Optioned Lots	48,837	48,311	53,422	59,230	63,182	74,466
Adjusted Gross Margin	23.2%	24.8%	23.7%	25.0%	23.5%	24.4%
Operating Margin	9.5%	11.1%	11.0%	9.4%	7.8%	9.6%
JV & Other Income (000s)	\$98,966	\$169,375	\$147,700	\$106,370	\$36,641	\$19,696
Return on Average Stockholders' Equity	9.1%	12.1%	16.4%	12.0%	9.4%	-

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

SURGING DEMAND DRIVES GROWTH

- Strong demand began in mid-May 2020
- Q2 2021 contracts up 97% in dollars & 85% in units; highest totals ever
- Q2 2021 backlog up 58% in dollars & 57% in units; highest totals ever
- Expect community count of approximately 340 at FYE 2021 and 10% growth in FY 2022
- Expect to deliver over 10,000 homes - the most in our history - in FY 2021
- Continuing gross margin and ROE improvement



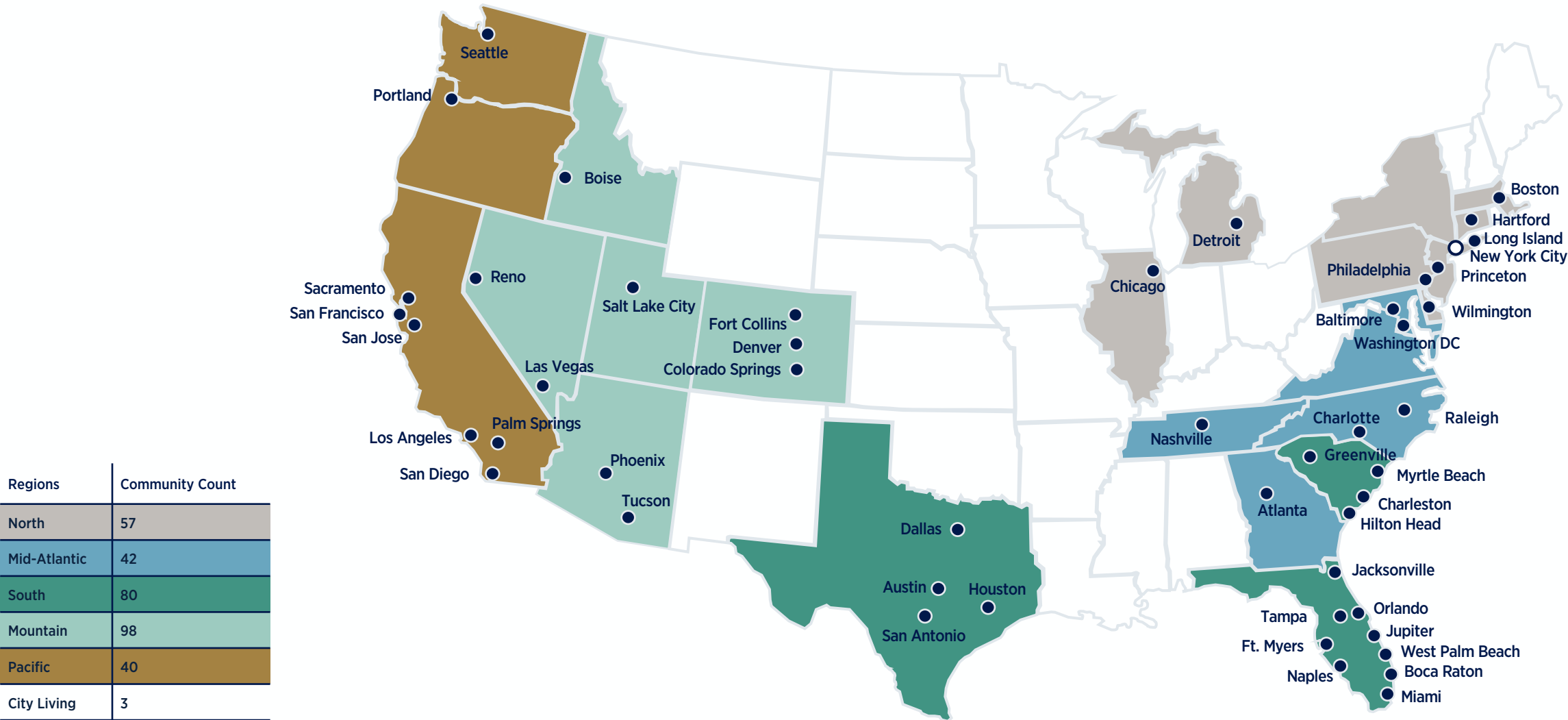


FACTORS DRIVING DEMAND

- Constrained supply of new and 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
- “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 where they work
- Nesting instinct drives desire for more square footage, more choice, more usable designs with home offices, multi-generational living and 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
50+ MARKETS



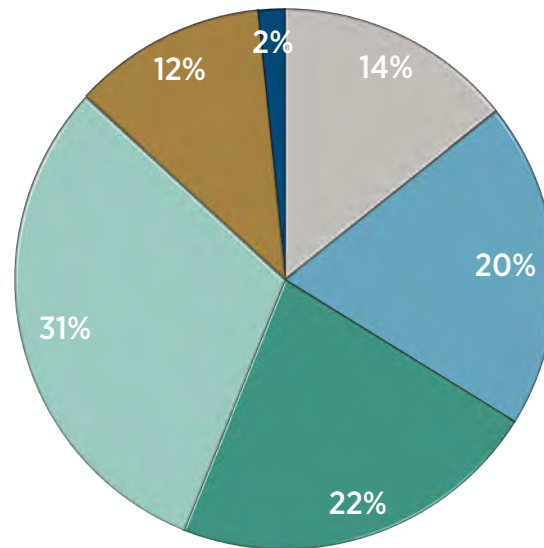
Regions	Community Count
North	57
Mid-Atlantic	42
South	80
Mountain	98
Pacific	40
City Living	3
Total: 320	

As of April 30, 2021



GEOGRAPHICALLY DIVERSIFIED PORTFOLIO

Q2 FY 2021
LOTS CONTROLLED
(TOTAL = 74,466)

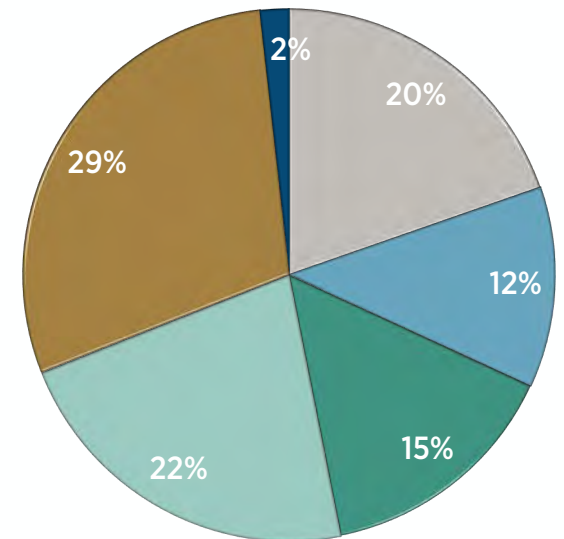


North
Mountain

Mid-Atlantic
Pacific

South
City Living

FYE 2020
REVENUE
(TOTAL = \$6.94BN)



HOME BUILDER ACQUISITIONS SPUR GROWTH

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

TOLL BROTHERS HAS MADE 13 HOME BUILDER ACQUISITIONS SINCE 1995		
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 and 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 74,466 home sites
- Reduced land owned vs optioned; From 62/38% at FYE 2019 to 51/49% at Q2 2021
- Use land banking, JVs, staged/structural takedowns and seller financing
- We operate in the most difficult land approval markets in U.S. – once you get it, 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

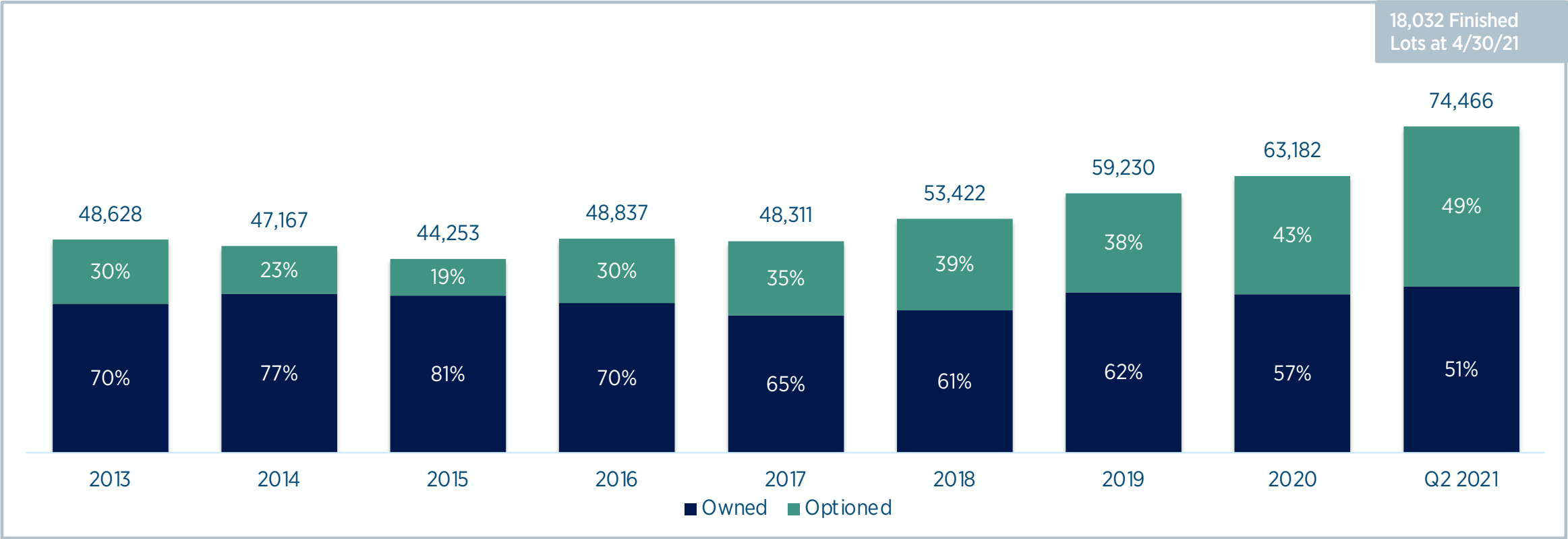
CAREFULLY MANAGED INVENTORY

- 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 April 30, 2021

SOLID LAND POSITION TO CAPITALIZE ON STRONG DEMAND

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



STRONG BUYER PROFILE

IN Q2 2021, 63% OF BUYERS CHOSE TBI MORTGAGE, IN-HOUSE LENDER EXCLUSIVE TO TOLL BROTHERS CUSTOMERS, OFFERING EXCEPTIONAL EXPERIENCE AND OPERATIONAL BENEFITS IN MANAGING BACKLOG THROUGH CLOSING.



18%

Q2 FY 2021 Cash Buyers

766

Q2 FY 2021 FICO Score

70%

Q2 FY 2021 Avg. LTV

TBI Mortgage Pre-Sells All Loans

		% of Total			
	Settlements	Incl. Cash	Excl. Cash	LTV	FICO
Conventional	1,344	59.2%	72.1%	67.0%	766
Jumbo	449	19.8%	24.1%	75.0%	775
FHA/VA	71	3.1%	3.8%	87.0%	748
Cash Buyer	407	17.9%	N/A	N/A	N/A
Q2 Total	2,271	100%	100%	70.0%	766

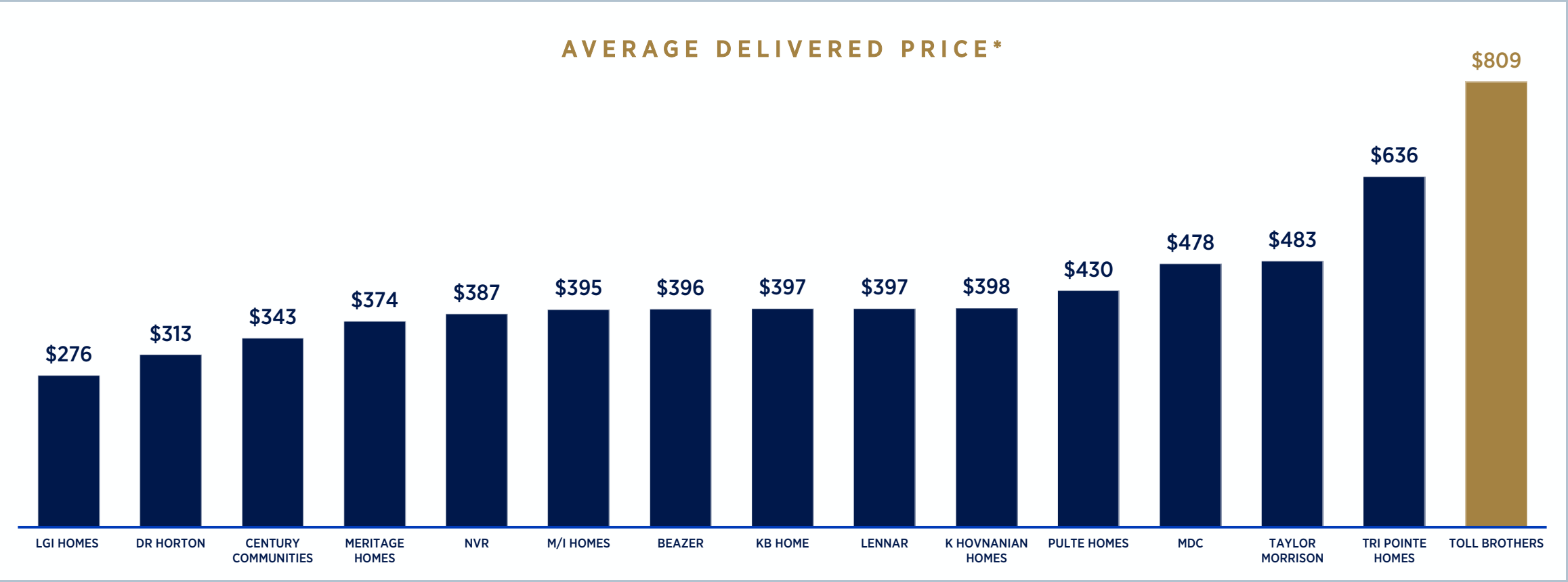
GREATEST PRODUCT DIVERSIFICATION IN THE INDUSTRY

- 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.



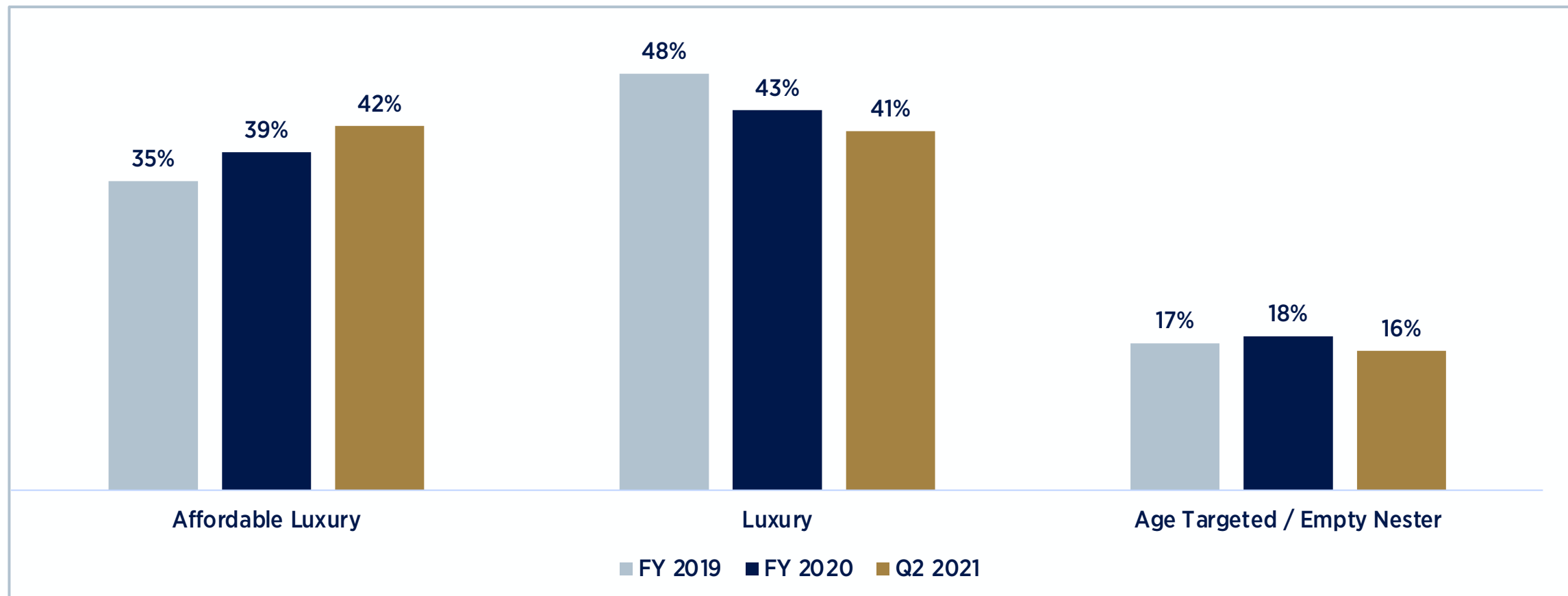






INCREASED FOCUS ON AFFORDABLE LUXURY

TOLL BROTHERS COMMUNITY COUNT BY BUYER SEGMENT







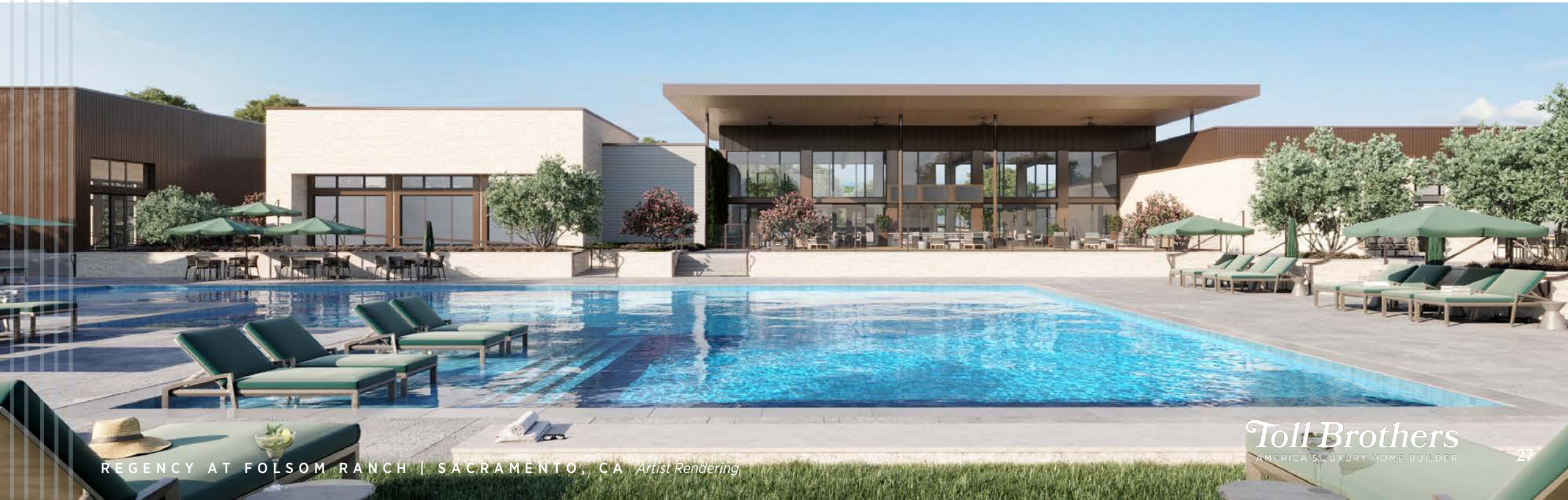




STRONG PRESENCE IN ACTIVE ADULT MARKET

- National brand name in Active Adult/Empty Nester Market: Regency
- Established presence in 18 states and growing
- Control 19,300 (9,600 owned / 9,700 optioned) lots for Active Adult/Empty Nester communities

REGENCY
BY TOLL BROTHERS











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



91 LEONARD | NEW YORK, NY



MAXWELL PLACE | HOBOKEN, NJ



121 EAST 22ND STREET | 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

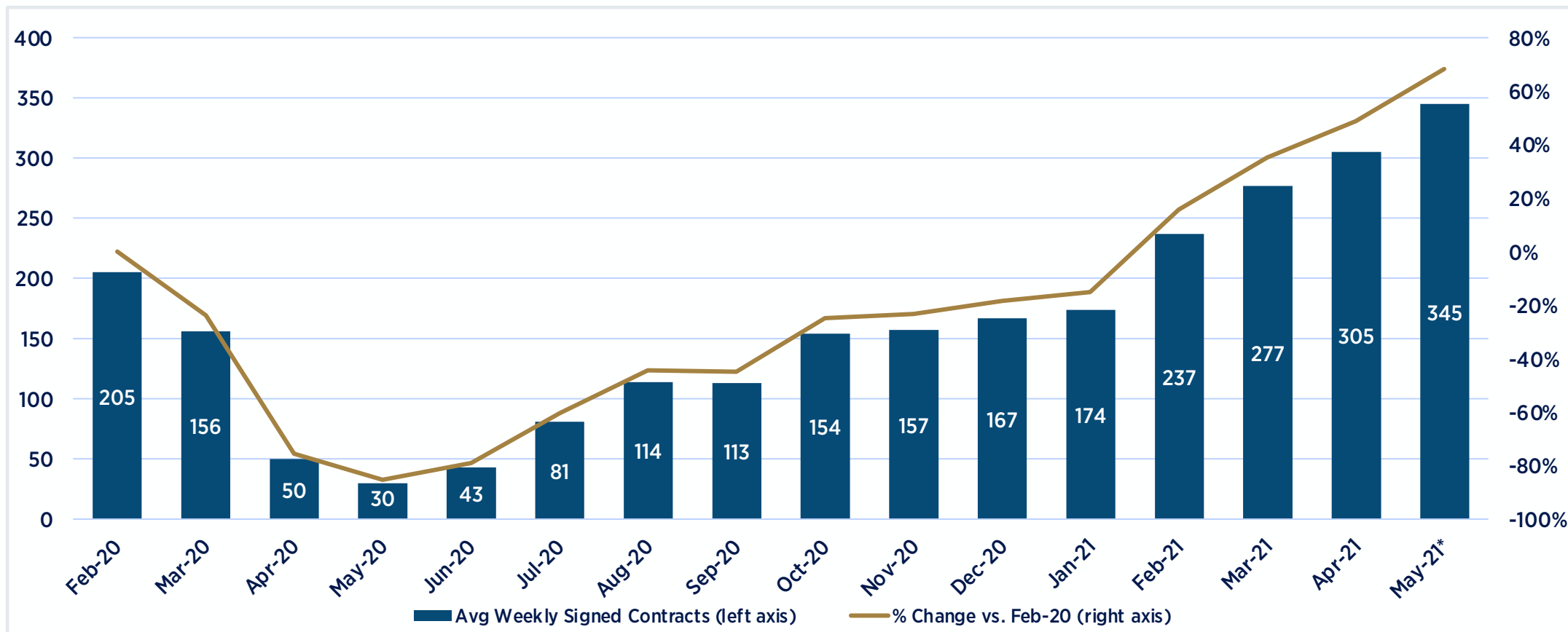
- Currently selling communities in New York City & New Jersey's Gold Coast
- Land in New York City, Philadelphia, LA, & Seattle
- Exploring Boston, San Francisco, & Miami

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

THE MANHATTAN RESIDENTIAL MARKET IS BACK

Average Weekly Signed Contracts per Month vs. February 2020
Manhattan condos, co-ops, townhomes, & new development



TOLL BROTHERS CITY LIVING: URBAN REDEVELOPMENT



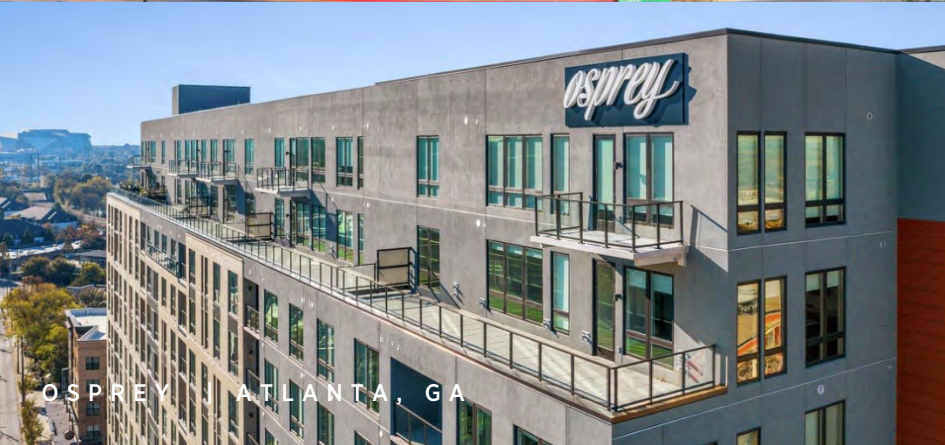
TOLL BROTHERS CITY LIVING: URBAN MIXED USE

1 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 in sale to JVs, & gains on sale or refinancing
- Combine premier locations with luxury, for-sale finishes, services, & amenities in urban & suburban markets

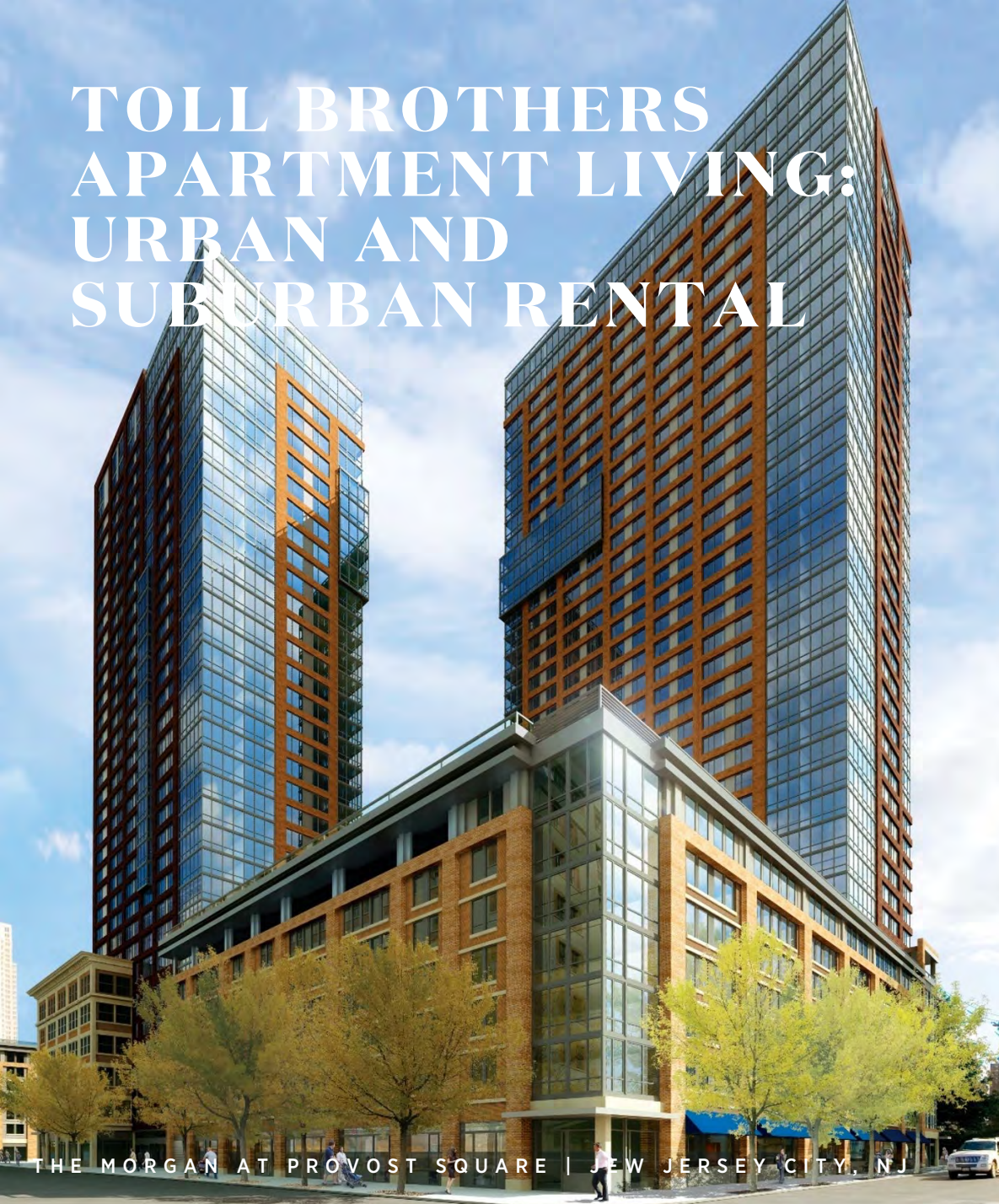
BROAD EXPERIENCE

- Named 11th largest Multifamily Developer*
- Over 22,000 total units in 67 properties
- Toll Brothers Campus Living develops student housing communities

STRATEGIC GROWTH

- Focused in high-growth and high barrier-to-entry markets
- Control land for future apartment & student living units in Northeast/Mid-Atlantic, AZ, CA, FL, GA, TN, & TX
- At Q2 FY 2021, total Toll investment ~\$650MM
- All projects developed in joint venture to improve ROE & reduce risk

TOLL BROTHERS APARTMENT LIVING: URBAN AND SUBURBAN RENTAL



THE MORGAN AT PROVOST SQUARE | JEW JERSEY CITY, NJ

WESTERLY | DALLAS, TX



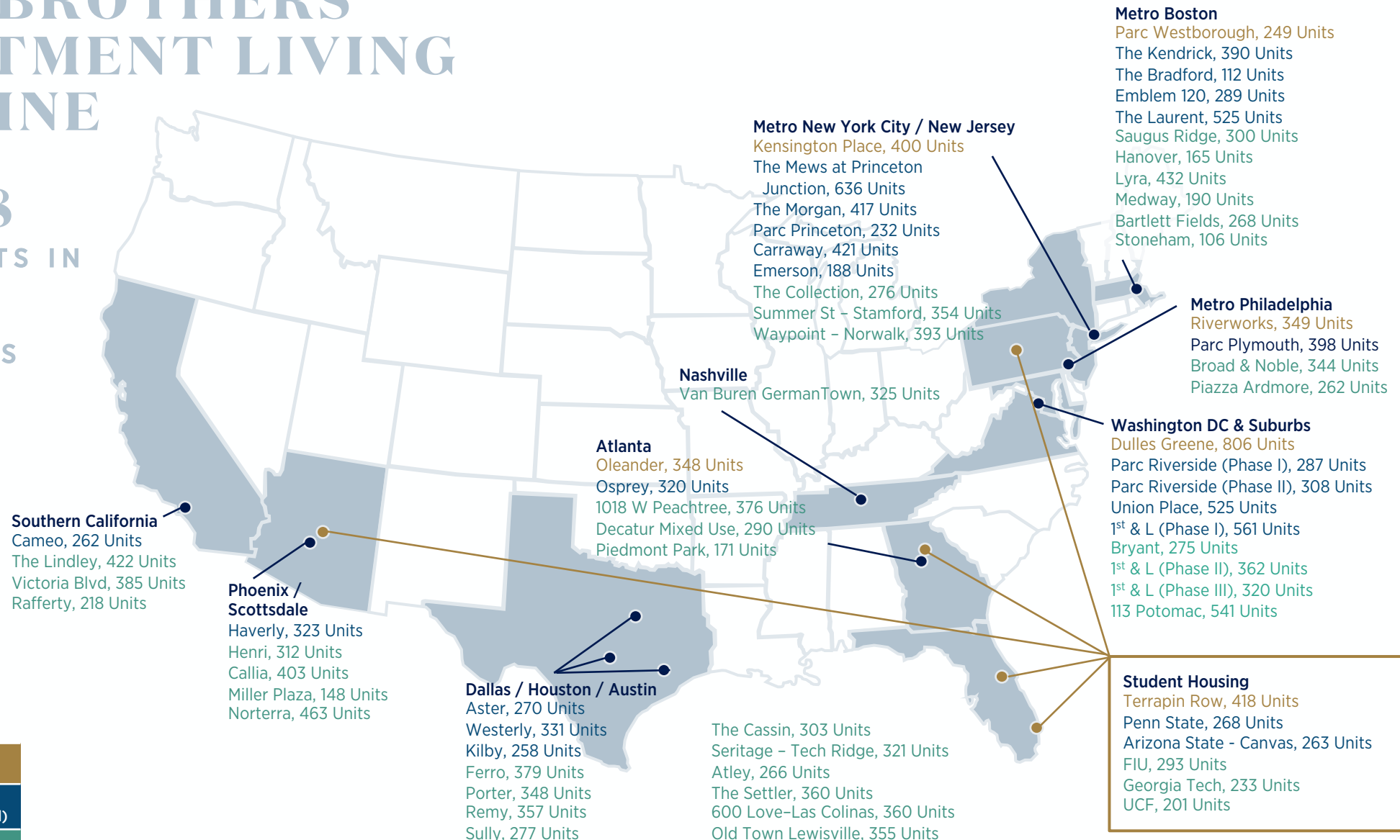
THE KENDRICK | NEEDHAM, MA



Toll Brothers
AMERICA'S LUXURY HOME BUILDER

TOLL BROTHERS APARTMENT LIVING PIPELINE

22,308
TOTAL UNITS IN
67
PROPERTIES



Completed and Sold Projects

Current Projects
(under construction or stabilized)

Future Projects

Note: Data as of April 30, 2021



WATERMARK AT AVENIR
PALM BEACH GARDENS, FL

THE TOLL BROTHERS ADVANTAGE

UNRIVALED CHOICE

- Highly personalized and hands-on Design Studio experience guided by a professional design consultant
- Selections from premium products, state-of-the-art appliances, and 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 and thoughtful design
- Extensive selection of architectural designs to suit any lifestyle and life stage

EXTRAORDINARY CUSTOMER EXPERIENCE

- Always met with the professionalism and thoughtful attention
- Toll Brothers delivers an experience beyond compare and 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, and they have the means to do it
- Q2 2021, the average buyer added 24% to base home price in options & lot premiums (average of \$162K)
- Options generally at higher margin than base home price
- High-level of consumer engagement through our Design Studio experience
- Average customer deposit of \$58,500 represents a strong financial commitment to the home

WHAT BUYERS WANT TODAY



HOME OFFICE | LEARNING SPACE



INDOOR | OUTDOOR LIVING



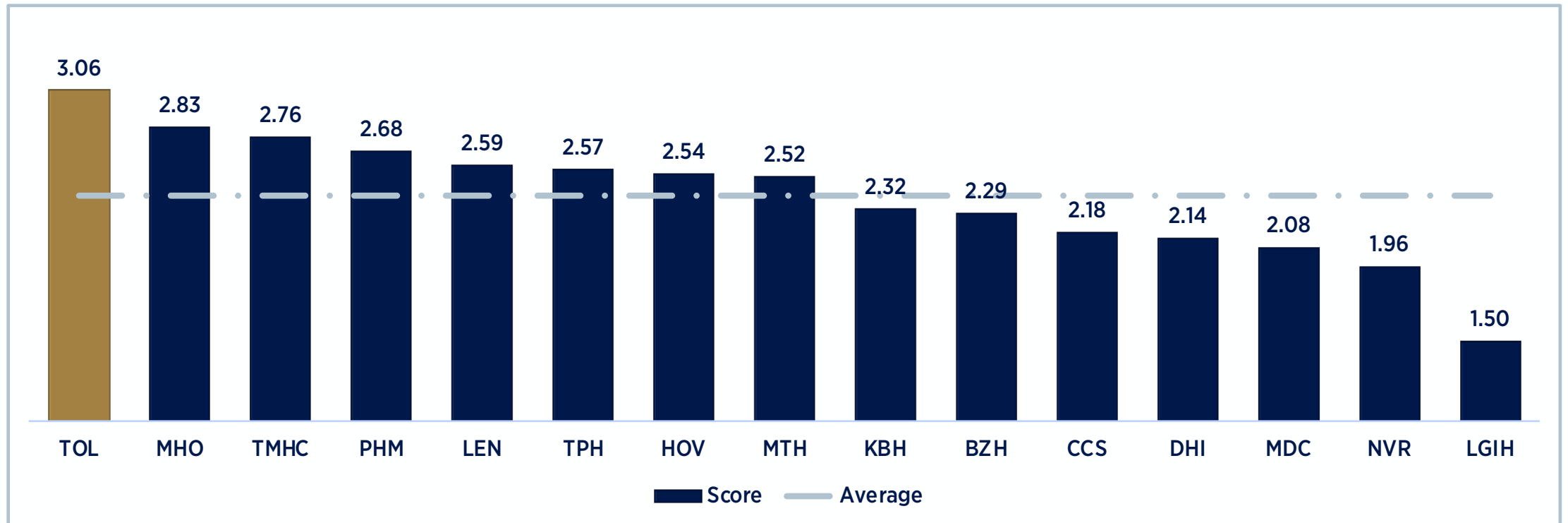
WELLNESS ROOM | GYM



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.



TIS | MORRISVILLE, PA



EDISON PARK | NASHVILLE, TN

OPERATIONAL EFFICIENCIES THROUGH INNOVATION

TOLL INTEGRATED SYSTEMS PANEL & TRUSS PLANT

- Manufactures & distributes panels, trusses, trim, doors, millwork, & windows
- Supplied components for 35% of our homes in FY 2020
- Improves timeline & quality; reduces costs, waste, & dependence on labor
- 4 East Coast plants serving Boston to Charlotte

USING STEEL FRAMING AS AN ALTERNATIVE TO LUMBER

- Building our first communities in urban Atlanta and 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 and 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

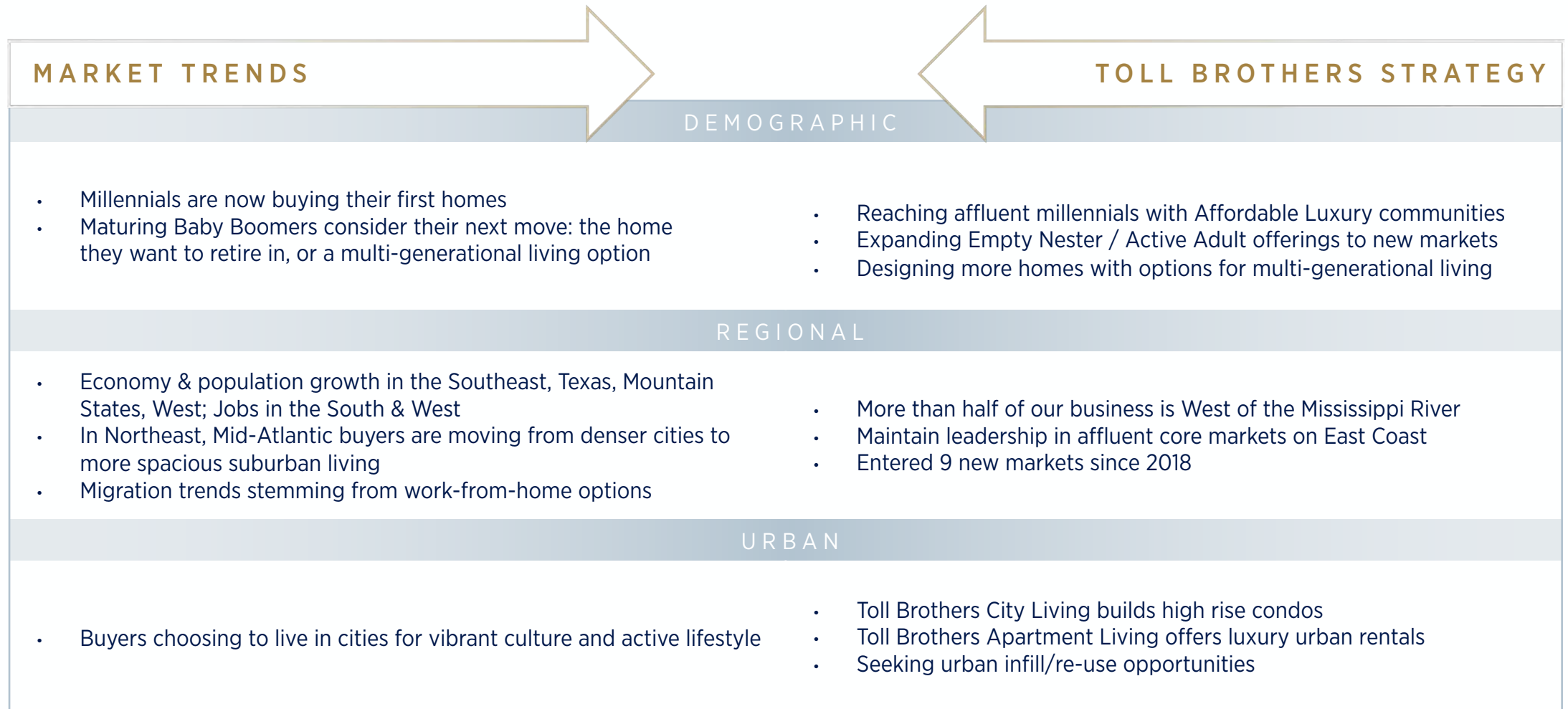
SUPPLY REMAINS CONSTRAINED

- Only 1.2 months of supply of existing homes on the market, a record low, according to the National Association of Realtors
- 58% of resale homes on the market are sold in under 2 weeks and 50% of homes are sold above list price, both an all-time high, according to Redfin
- Rising home prices and limited supply means our buyers can sell their existing homes quickly and 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

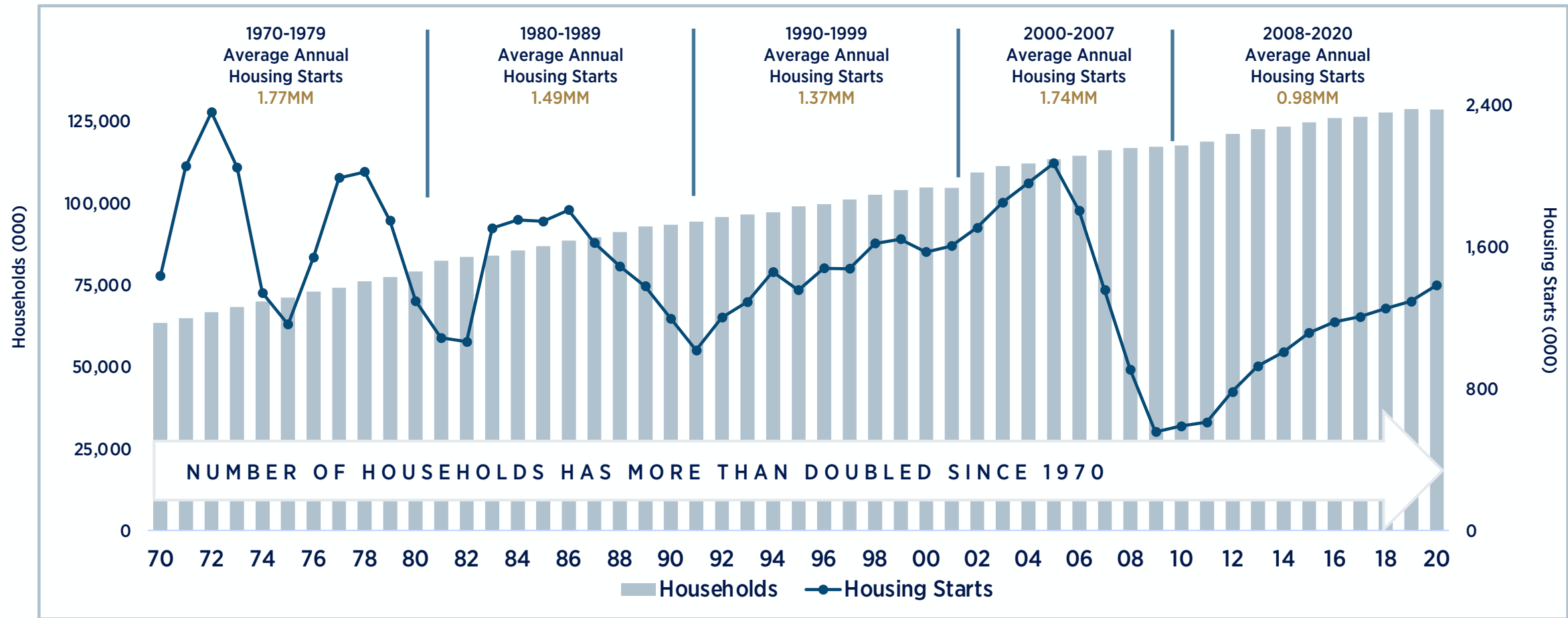
- Pricing power in nearly all of our markets
- Mortgage rates near all time low
- Work-From-Home phenomenon favors Toll buyers
- Home is more important than ever
- Choice allows buyers to customize their homes to match their evolving lifestyles

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 and cycle times

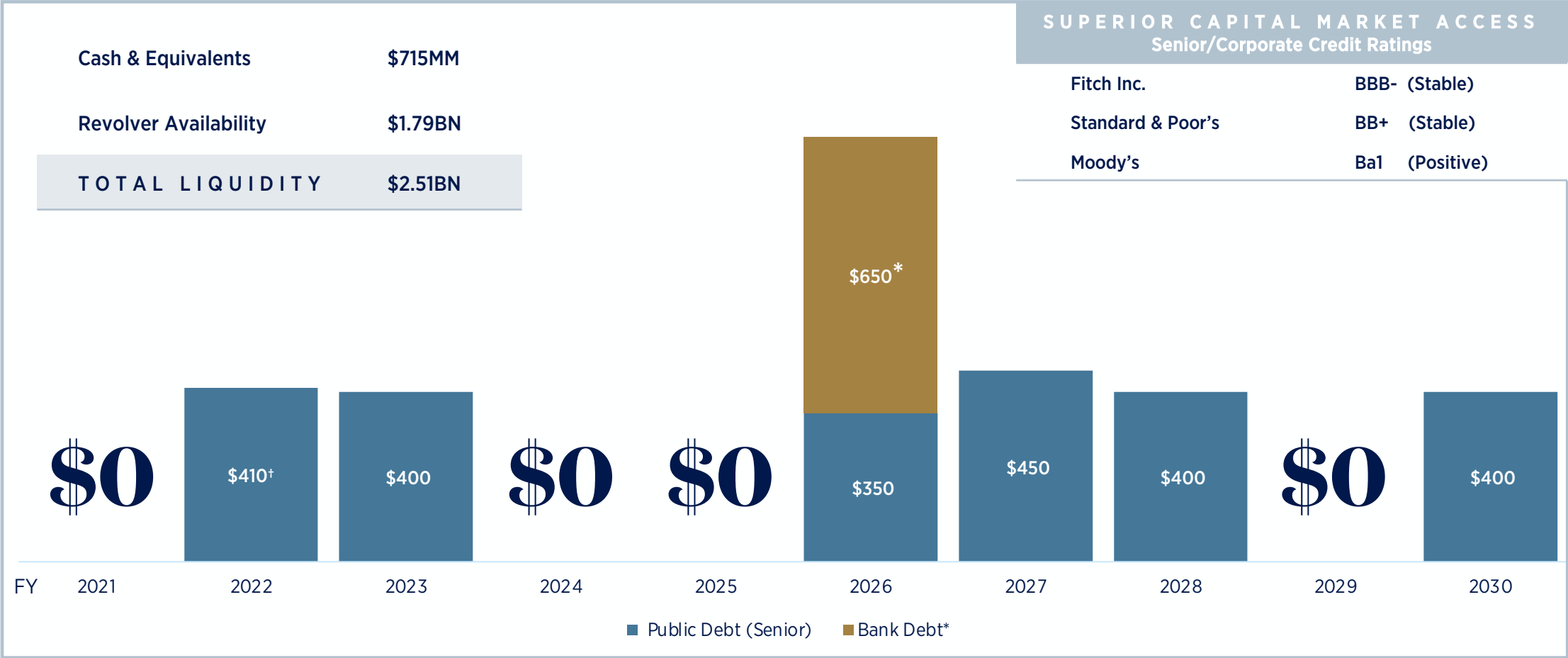
STOCK PURCHASES AND DIVIDENDS

- Since FY 2016, we have repurchased 60MM shares (37% shares outstanding)
- Shares repurchased for an average price of \$37.95, total cost \$2.2BN
- Increased quarterly dividend by 55% in Q2 2021; increased by 113% since inception in April 2017

Note: Data as of April 30, 2021

DEBT MATURITY PROFILE

As of April 30, 2021



*Bank debt includes our \$650mm term loan due Nov 2025 & \$0M drawn on our \$1.905BN credit facility due Nov. 2025

STRONG BANK & CAPITAL MARKET RELATIONSHIPS

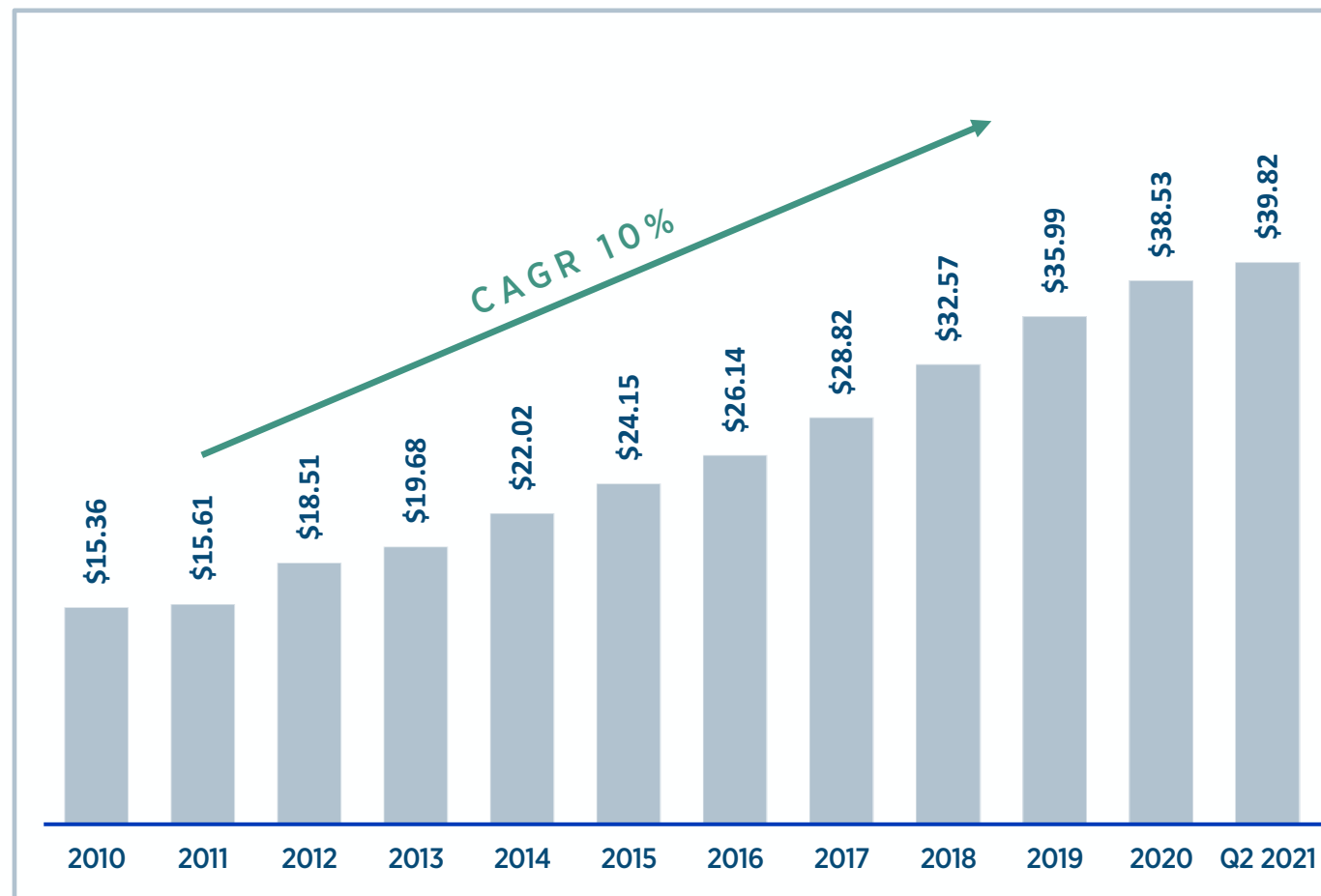
Toll Brothers, Inc.							
First Huntington Finance Corp.				Toll Brothers Finance Corp.			
\$1.905 BN Revolving Credit Facility Due November 2025 [†]		\$650 MM Term Loan Due November 2025					
	Commitment		Commitment	Series	Coupon	Principal	Maturity (yrs)
Citi	\$125 MM	Truist	\$102 MM				
Bank of America	\$125 MM	Sumitomo Mitsui	\$102 MM	February 2022	5.875%	\$410 MM	0.80 years
Goldman Sachs	\$125 MM	Wells Fargo	\$102 MM	April 2023	4.375%	\$400 MM	1.96 years
Mizuho Bank	\$125 MM	US Bank	\$81 MM	November 2025	4.875%	\$350 MM	4.55 years
PNC	\$125 MM	Capital One	\$61 MM	March 2027	4.875%	\$450 MM	5.88 years
SMBC	\$125 MM	The Bank of New York	\$41 MM	February 2028	4.350%	\$400 MM	6.80 years
Truist	\$175 MM	Fifth Third Bank	\$41 MM	November 2029	3.800%	\$400 MM	8.51 years
Wells Fargo	\$125 MM	PNC	\$41 MM				
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				4.697%	\$2,410 MM	4.76 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						
	\$1,905 MM						

[†] The Company finished the period ending 4/30/2021 with \$1.79 billion available under its revolving credit facility.
96% of banks have extended to 2025

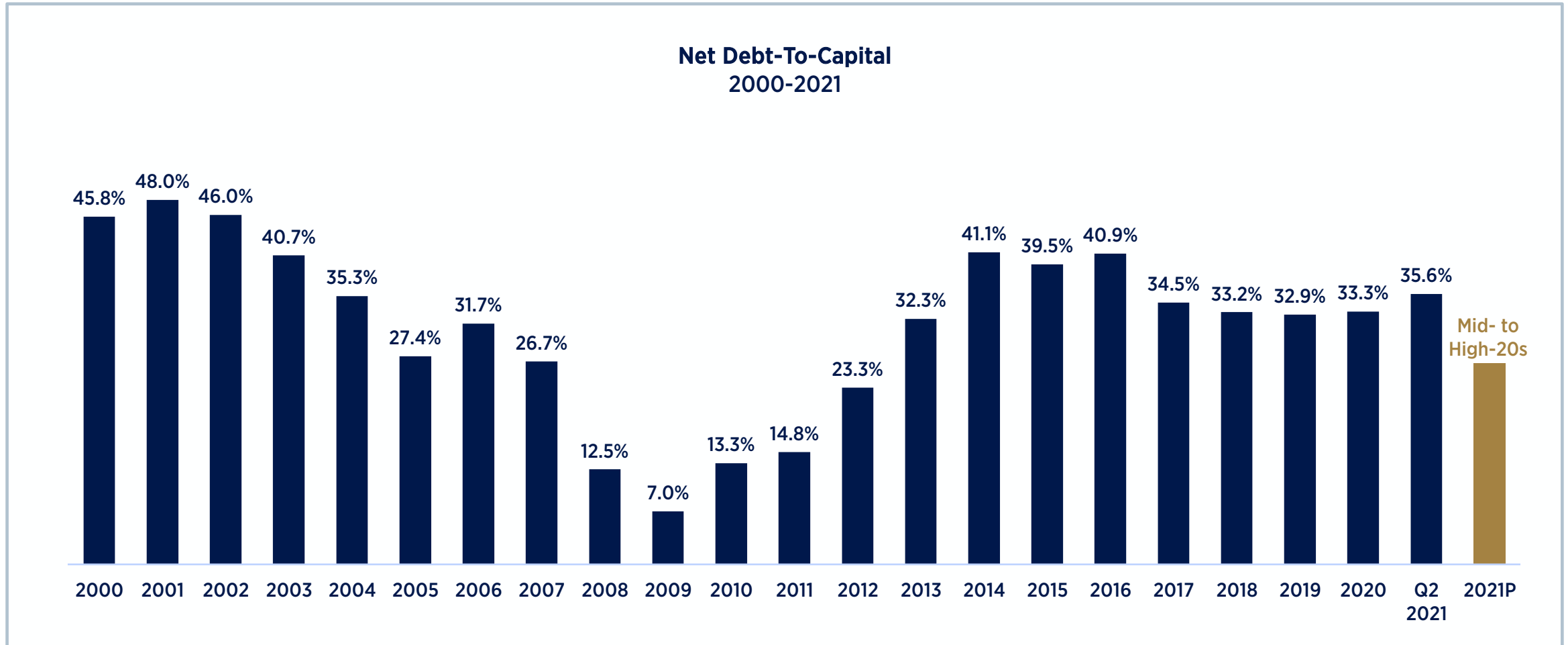
Note: Data as of April 30, 2021



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.



RETREAT AT MCLEAN | MCLEAN, VA

STOCK REPURCHASE SUMMARY

FY	Shares		Average Price	Dividends (Total \$/ Quarterly Per Share)
Q2 2021	4,586	\$253K	\$55.11	\$21MM/\$0.17
Q1 2021	4,027,424	\$179MM	\$35.28	\$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	60,057,382	\$2,234MM	\$37.95	\$257MM

APPENDIX: NON-GAAP RECONCILIATION

ADJUSTED GROSS MARGIN & EBITDA

	2015	2016	2017	2018	2019	2020	Q2 2021
Revenues – home sales	4,171,248	5,169,508	5,815,058	7,143,258	7,080,379	6,937,357	1,836,260
Cost of Revenues	3,190,957	4,047,615	4,448,452	5,536,812	5,534,217	5,534,103	1,434,493
Gross Margin	980,291	1,121,893	1,366,606	1,606,446	1,546,162	1,403,254	401,767
Add: Interest Recognized in cost of sales	142,947	160,337	172,832	190,734	185,045	174,275	44,092
Inventory write-downs	35,709	13,807	14,794	35,156	42,360	55,883	1,581
Adjusted Gross Margin	1,158,947	1,296,037	1,554,232	1,832,336	1,773,567	1,633,412	447,440
Gross Margin as a % of revenue	23.5%	21.7%	23.5%	22.5%	21.8%	20.2%	21.9%
Adjusted Gross Margin as a % of revenue	27.8%	25.1%	26.7%	25.7%	25.0%	23.5%	24.4%
Pretax Income	535,562	589,027	814,311	933,916	787,170	586,901	169,826
Add: Interest expensed	146,790	161,480	177,655	194,494	186,832	182,258	44,671
Depreciation & Amortization	23,557	23,121	25,361	25,259	72,149	68,873	16,305
EBITDA	705,909	773,628	1,017,327	1,153,669	1,046,151	838,032	230,802

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	Q2 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	1,033,165
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	2,403,163
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	146,932
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	3,583,260
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	4,913,070
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	8,496,330
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%	42.2%
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	3,583,260
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)	(146,932)
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)	(714,968)
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	2,721,360
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	4,913,070
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	7,634,430
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%	35.6%
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	39.82