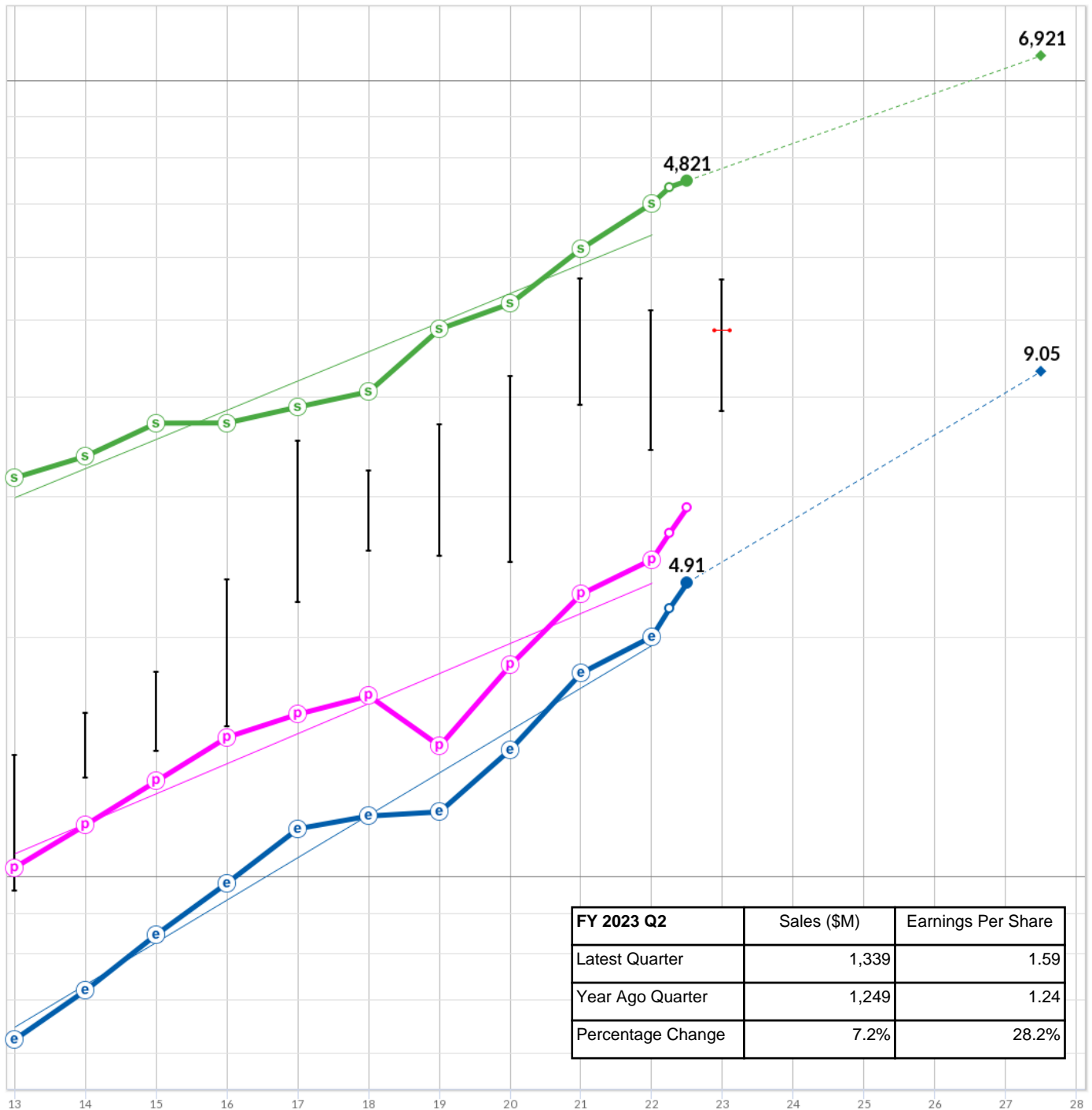


Stock Selection Guide

Company	Toro			Date	07/28/23		
Prepared by	ONUFRAK			Data taken from	BI Stock Data		
Where traded	NYS			Industry	Tools & Accessories		
Capitalization ---	Outstanding Amounts			Reference			
Preferred (\$M)	0.0			% Insiders			
Common (M Shares)	105.6			% Institution	66.9		
Debt (\$M)	1,115.0			% to Tot Cap	41.7		
				% Pot Dil	0.9		

Symbol: TTC

1 VISUAL ANALYSIS of Sales, Earnings, and Price



- | | | | |
|-----------------------------------|------|--|-------|
| (1) Historical Sales Growth | 8.8% | (3) Historical Earnings Per Share Growth | 13.0% |
| (2) Estimated Future Sales Growth | 7.5% | (4) Estimated Future Earnings Per Share Growth | 13.0% |

2 EVALUATING Management

Toro

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Last 5 Year Avg.
% Pre-tax Profit on Sales	11.1%	11.8%	12.2%	13.8%	14.1%	14.2%	10.3%	12.0%	12.6%	12.2%	12.3%
% Earned on Equity	39.3%	40.7%	41.7%	38.7%	39.0%	40.6%	32.0%	30.9%	32.1%	33.9%	33.9%
% Debt To Capital	38.4%	47.8%	45.0%	39.2%	35.0%	31.8%	44.9%	43.9%	39.8%	44.2%	40.9%

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is building block for translating earnings into future stock prices.

CLOSING PRICE 101.82 (07/28/23) **52-WEEK HIGH** 117.66 **52-WEEK LOW** 80.44

	A	B	C	D	E	F	G	H
Year	Price		Earnings	Price Earnings Ratio		Dividend	% Payout	% High Yield
	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C * 100	F / B * 100
2018	67.8	53.8	2.50	27.1	21.5	0.80	32.0	1.5
2019	77.5	53.0	2.53	30.6	20.9	0.90	35.6	1.7
2020	89.0	52.1	3.03	29.4	17.2	1.00	33.0	1.9
2021	118.1	81.9	3.78	31.3	21.7	1.05	27.8	1.3
2022	107.8	71.9	4.20	25.7	17.1	1.20	28.6	1.7
AVERAGE		62.5		28.8	19.7		31.4	
CURRENT/TTM			4.91	24.0	16.4	1.36	27.7	
AVERAGE PRICE EARNINGS RATIO: 24.2					CURRENT PRICE EARNINGS RATIO: 20.7			

4 EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE - NEXT 5 YEARS

Avg. High P/E 28.0 X Estimate High Earnings/Share 9.05 = Forecasted High Price \$ 253.3

B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 19.0 X Estimate Low Earnings/Share 4.91 = Forecasted Low Price \$ 93.3

(b) Avg. Low Price of Last 5 Years 62.5

(c) Recent Market Low Price 71.9

(d) Price Dividend Will Support $\frac{\text{Indicated Dividend}}{\text{High Yield}} = \frac{1.36}{1.92\%} = 70.8$

Selected Forecasted Low Price \$ 93.3

C ZONING using 25%-50%-25%

Forecasted High Price 253.3 Minus Forecasted Low Price 93.3 = 160.0 Range. 25% of Range 40.0

Buy Zone 93.3 to 133.3

Hold Zone 133.3 to 213.3

Sell Zone 213.3 to 253.3

Present Market Price of 101.82 is in the **BUY** Zone

D UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)

$\frac{\text{High Price} - \text{Present Price}}{\text{Present Price}} = \frac{253.3 - 101.82}{101.82} = 151.48$
 $\frac{\text{Present Price} - \text{Low Price}}{\text{Low Price}} = \frac{101.82 - 93.3}{93.3} = 8.52$
 = 17.8 To 1

E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

$\frac{\text{High Price} - \text{Closing Price}}{\text{Closing Price}} = \frac{253.3 - 101.82}{101.82} = 2.4877$ X 100 = 248.77 - 100 = 148.8 % Appreciation

5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

A $\frac{\text{Indicated Annual Dividend}}{\text{Closing Price}} = \frac{1.20}{101.82} = 0.0134 = 1.3\%$ Current Yield

B AVERAGE YIELD - USING FORECAST HIGH P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast High PE}} = \frac{31.4\%}{28.00} = 1.1\%$

AVERAGE YIELD - USING FORECAST AVERAGE P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast Average PE}} = \frac{31.4\%}{23.50} = 1.3\%$

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

Annualized Appreciation 20.0 %
 Average Yield 1.1 %
 Annualized Rate of Return 21.1 %

COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E

Annualized Appreciation 15.9 %
 Average Yield 1.3 %
 Annualized Rate of Return 17.2 %