

TORO CO  
Form 10-Q  
September 02, 2015  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

**x Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**For the Quarterly Period Ended July 31, 2015**

**o Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**For the Transition Period from            to**

**THE TORO COMPANY**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State of Incorporation)

**1-8649**  
(Commission File Number)

**41-0580470**  
(I.R.S. Employer Identification Number)

**8111 Lyndale Avenue South**  
**Bloomington, Minnesota 55420**

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Telephone number: (952) 888-8801

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The number of shares of common stock outstanding as of August 25, 2015 was 54,809,131.

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**THE TORO COMPANY**

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	Three Months Ended		Nine Months Ended	
	July 31, 2015	August 1, 2014	July 31, 2015	August 1, 2014
Net sales	\$ 609,615	\$ 567,540	\$ 1,910,068	\$ 1,758,551
Cost of sales	393,225	365,460	1,242,707	1,128,417
Gross profit	216,390	202,080	667,361	630,134
Selling, general, and administrative expense	136,985	130,043	405,079	386,620
Operating earnings	79,405	72,037	262,282	243,514
Interest expense	(4,587)	(3,629)	(14,071)	(11,065)
Other income, net	2,798	2,390	7,515	6,220
Earnings before income taxes	77,616	70,798	255,726	238,669
Provision for income taxes	24,292	20,785	77,689	75,701
Net earnings	\$ 53,324	\$ 50,013	\$ 178,037	\$ 162,968
Basic net earnings per share of common stock	\$ 0.96	\$ 0.89	\$ 3.19	\$ 2.88
Diluted net earnings per share of common stock	\$ 0.94	\$ 0.87	\$ 3.13	\$ 2.82
Weighted-average number of shares of common stock outstanding Basic	55,310	55,965	55,739	56,494
Weighted-average number of shares of common stock outstanding Diluted	56,552	57,320	56,953	57,800

**THE TORO COMPANY AND SUBSIDIARIES****Condensed Consolidated Statements of Comprehensive Income (Unaudited)****(Dollars in thousands)**

	Three Months Ended		Nine Months Ended	
	July 31, 2015	August 1, 2014	July 31, 2015	August 1, 2014
Net earnings	\$ 53,324	\$ 50,013	\$ 178,037	\$ 162,968
Other comprehensive (loss) income, net of tax:				
Foreign currency translation adjustments	(3,534)	(620)	(10,648)	541
Derivative instruments, net of tax of \$(379), \$531, \$(526), and \$891, respectively	(1,055)	446	(2,394)	1,036
Other comprehensive (loss) income	(4,589)	(174)	(13,042)	1,577

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Comprehensive income	\$	48,735	\$	49,839	\$	164,995	\$	164,545
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See accompanying notes to condensed consolidated financial statements.

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**THE TORO COMPANY AND SUBSIDIARIES**

**Condensed Consolidated Balance Sheets (Unaudited)**

**(Dollars in thousands, except per share data)**

**July 31,  
2015**

**August 1,  
2014**

**October 31,**