

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): August 13, 2019

BRIGGS & STRATTON CORPORATION
(Exact name of registrant as specified in its charter)

Wisconsin
(State or other jurisdiction
of incorporation)

1-1370
(Commission
File Number)

39-0182330
(I.R.S. Employer
Identification No.)

12301 West Wirth Street, Wauwatosa, Wisconsin 53222
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code (414) 259-5333

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| <u>Title of each class</u> | <u>Trading Symbol</u> | <u>Name of each exchange on which registered</u> |
|--|-----------------------|--|
| Common Stock (par value \$0.01 per share) | BGG | New York Stock Exchange |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

On August 13, 2019, Briggs & Stratton Corporation (the “Company”) entered into a Consent Memorandum pursuant to its Amended and Restated Multicurrency Credit Agreement dated as of March 25, 2016 among the Company, Briggs & Stratton AG, the other subsidiary borrowers from time to time party thereto, the lenders from time to time party thereto, JPMorgan Chase Bank, N.A., as administrative agent, U.S. Bank National Association, as syndication agent, and BMO Harris Bank, N.A., Bank of America, N.A., Wells Fargo Bank, National Association and PNC Bank, National Association, as documentation agents (the “Credit Agreement”). Pursuant to the Consent Memorandum, the Average Leverage Ratio will not be tested for the computation period ended June 30, 2019 (the “Specified Computation Period”) and no failure (or anticipated failure) by the Company to comply with associated restrictions for the Specified Computation Period will constitute (or be deemed to have constituted) a Default or an Event of Default under the Credit Agreement. Additionally, no Default shall be deemed to exist under the Credit Agreement for any anticipated failure by the Company to comply with such restrictions for the computation period ending on or about September 30, 2019. The Company was in compliance with all other financial covenants of the Credit Agreement as of June 30, 2019 and the failure or anticipated failure to comply with the Average Leverage Ratio under the Credit Agreement is not considered to be a cross default for purposes of the Company’s 6.875% senior notes.

A copy of the Consent Memorandum is attached hereto as Exhibit 10.17(a) and incorporated herein by reference.

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On August 15, 2019, Briggs & Stratton Corporation issued a press release announcing results for the fourth quarter of fiscal 2019 in the press release furnished as Exhibit 99.1.

ITEM 2.05. COSTS ASSOCIATED WITH EXIT OR DISPOSAL ACTIVITIES

On August 14, 2019, the Board of Directors of the Company authorized a plan to consolidate the Company’s production of small vertical shaft engines into its Poplar Bluff, Missouri facility. This decision was made after a comprehensive evaluation of the Company’s manufacturing operations. The Company’s Murray, Kentucky facility currently manufactures small vertical shaft engines and will be closed as a result of this consolidation. The closure of the Murray facility will affect approximately 630 employees. Impacted employees will have the opportunity to relocate to another Company facility.

Operations in Murray will be wound down in phases. Assembly operations are expected to be moved beginning in October 2019 and substantially completed by February 2020. Machining operations will be transitioned in July 2020 and the facility is expected to be closed by the fall of 2020. The pre-tax expense related to the restructuring activities is estimated to be \$30 million to \$35 million, of which \$15 million to \$20 million is expected to be realized in fiscal 2020. Included in these charges are estimated pre-tax charges of approximately \$15 million to \$17.5 million for non-cash asset impairments and approximately \$15 million to \$17.5 million of other cash expenditures. The Company anticipates annualized pre-tax savings of \$12 million to \$14 million due to the restructuring actions, with approximately \$10 million recognized by fiscal year 2021.

A copy of the press release announcing the plan to close the Murray facility is attached hereto as Exhibit 99.2 and incorporated herein by reference.

ITEM 2.06. MATERIAL IMPAIRMENTS

The information provided in Item 2.05 of this Current Report on Form 8-K is incorporated by reference into this Item 2.06.

Cautionary Statement on Forward-Looking Statements

This Current Report on Form 8-K contains certain forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those projected in the forward-looking statements. The words “believe”, “estimate”, “expect”, “forecast”, “intend”, “plan”, “project”, and similar expressions are intended to identify forward-looking statements. The forward-looking statements are based on the company's current views and assumptions and involve risks and uncertainties that include, among other things, the ability to successfully forecast demand for our products; changes in interest rates and foreign exchange rates; the effects of weather on the purchasing patterns of consumers and original equipment manufacturers (OEMs); actions of engine manufacturers and OEMs with whom we compete; changes in laws and regulations; changes in customer and OEM demand; changes in prices of raw materials and parts that we purchase; changes in domestic and foreign economic conditions; the ability to bring new productive capacity on line efficiently and with good quality; outcomes of legal proceedings and claims; and other factors disclosed from time to time in our SEC filings or otherwise, including the factors discussed in Item 1A, Risk Factors, of the company's Annual Report on Form 10-K and in its periodic reports on Form 10-Q.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

- (a) Not applicable
- (b) Not applicable
- (c) Not applicable
- (d) Exhibits. The following exhibits are being furnished herewith:

| <u>Exhibit No.</u> | <u>Description</u> |
|---------------------------|---|
| 10.17(a) | <u>Consent Memorandum effective August 13, 2019</u> |
| 99.1 | <u>Press Release dated August 15, 2019 announcing results for the fourth quarter of fiscal 2019.</u> |
| 99.2 | <u>Press Release dated August 15, 2019 announcing plan to close the Company's Murray, Kentucky facility</u> |

BRIGGS & STRATTON CORPORATION AND SUBSIDIARIES

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BRIGGS & STRATTON CORPORATION

(Registrant)

Date: August 15, 2019

/s/ Mark A. Schwertfeger

Mark A. Schwertfeger

Senior Vice President and Chief Financial Officer

Duly Authorized Officer

CONSENT MEMORANDUM

TO: Briggs & Stratton Lender Group
RE: Consent regarding Average Leverage Ratio Financial Covenant
DATE: August 6, 2019

Reference is hereby made to that certain Amended and Restated Multicurrency Credit Agreement, dated as of March 25, 2016 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “Credit Agreement”) among Briggs & Stratton Corporation, a Wisconsin corporation (the “Company”), Briggs & Stratton AG, a Swiss corporation (“Briggs AG”) and, together with the Company, the “Borrowers”), the Lenders parties thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the “Administrative Agent”). Capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to them in the Credit Agreement.

The Borrowers have requested the Administrative Agent and the Required Lenders to consent to and agree (the “Consent”) that, (i) solely for the purposes of Section 6.10(b) of the Credit Agreement (and, for the avoidance of doubt, not including the related reporting requirement in respect thereof set forth in Section 5.02(b) of the Credit Agreement), the Average Leverage Ratio will not be tested for the Computation Period ending June 30, 2019 (such Computation Period, the “Specified Computation Period”), and no failure (or anticipated failure) by the Company to comply with the restrictions set forth in such Section 6.10(b) of the Credit Agreement in respect of the Average Leverage Ratio for the Specified Computation Period shall constitute (or be deemed to have constituted) a Default or Event of Default under the Credit Agreement, and (ii) no Default shall be deemed to exist in respect of any anticipated failure by the Company to comply with the restrictions set forth in such Section 6.10(b) of the Credit Agreement in respect of the Average Leverage Ratio for the Computation Period ending on or about September 30, 2019 (such Computation Period, the “September Computation Period”; it being understood and agreed, for the avoidance of doubt, that (x) the foregoing clause (ii) shall not operate as a waiver or modification of Section 6.10(b) for the September Computation Period and (y) the Company's actual failure to comply with Section 6.10(b) of the Credit Agreement for the September Computation Period in accordance with the terms of such Section 6.10(b) shall constitute an Event of Default).

It is understood and agreed that, notwithstanding the Consent, the defined term “Average Leverage Ratio” and Section 6.10(b) of the Credit Agreement will remain in full force and effect, and be will be effective and applicable in all other respects under the Credit Agreement, at all times.

Please indicate your Consent, as soon as possible but in no event later than 5:00 p.m. (ET) on August 12, 2019 by executing one (1) counterpart of your attached signature page to this Consent Memorandum and, upon execution, return one PDF copy by e-mail to the attention of Katherine Stork (katherine.stork@lw.com) at Latham & Watkins LLP, counsel to the Administrative Agent and return one (1) original thereof to Katherine Stork at the following address via overnight courier: Latham & Watkins LLP, 330 North Wabash Avenue, Suite 2800, Chicago, Illinois 60611. Please make any necessary corrections or adjustments to your signature block prior to execution and delivery. This Consent Memorandum, and the Consent evidenced hereby, will be effective upon receipt by the Administrative Agent of executed PDF signature pages via e-mail from the Borrowers, the Administrative Agent and the Required Lenders pursuant to Section 9.02 of the Credit Agreement (the date of such receipt by the Administrative Agent, the “Consent Effective Date”).

Each Borrower hereby represents and warrants as follows as of the Consent Effective Date: (a) this Consent Memorandum and the Credit Agreement, as modified hereby, constitute legal, valid and binding obligations of such Borrower, enforceable against such Borrower in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, or similar laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability; and (b)(i) upon giving effect to this Consent Memorandum, no Default has occurred and is continuing and (ii) the representations and warranties of the Borrowers set forth in the Credit Agreement (other than the representations contained in Section 3.05 and 3.10 of the Credit Agreement), as the Credit Agreement is modified hereby, are true and correct (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date).

Each reference in the Credit Agreement to "this Credit Agreement," "this Agreement," "hereunder," "hereof," "herein," or words of like import, and each reference in the other Loan Documents to the Credit Agreement (including, without limitation, by means of words like "thereunder," "thereof" and words of like import), shall mean and be a reference to the Credit Agreement after giving effect to this Consent Memorandum; and this Consent Memorandum and the Credit Agreement shall be read together and construed as a single instrument. This Consent Memorandum is a Loan Document. Except as expressly set forth herein, (i) all of the terms and provisions of the Credit Agreement and all other Loan Documents are and shall remain in full force and effect and are hereby ratified and confirmed and (ii) the execution, delivery and effectiveness of this Consent Memorandum shall not operate as a waiver of any right, power or remedy of the Administrative Agent or the Lenders, nor constitute a waiver of any provision of the Credit Agreement, the Loan Documents or any other documents, instruments and agreements executed and/or delivered in connection therewith.

This Consent Memorandum may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Consent Memorandum by telecopy, e-mailed .pdf or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Consent Memorandum. This Consent Memorandum shall be construed in accordance with and governed by the law of the State of New York.

[Signature Pages Follow]

JPMORGAN CHASE BANK, N.A.,
individually as a Lender and as Administrative Agent

By: /s/ Richard Barritt
Name: Richard Barritt
Title: Executive Director

*Signature Page to Consent Memorandum
Briggs & Stratton Corporation*

U.S. BANK NATIONAL ASSOCIATION,
as a Lender

By: /s/ Caroline V. Krider

Name: Caroline V. Krider

Title: Senior Vice President

*Signature Page to Consent Memorandum
Briggs & Stratton Corporation*

BMO HARRIS BANK, N.A.,
as a Lender

By: /s/ Ronald J. Carey

Name: Ronald J. Carey

Title: Senior Vice President

BANK OF AMERICA, N.A.,
as a Lender

By: /s/ Steven K. Kessler

Name: Steven K. Kessler

Title: Senior Vice President

*Signature Page to Consent Memorandum
Briggs & Stratton Corporation*

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ Emma Clifford

Name: Emma Clifford

Title: Director and Portfolio Manager

*Signature Page to Consent Memorandum
Briggs & Stratton Corporation*

PNC BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ Stuart Thomas

Name: Stuart Thomas

Title: Assistant Vice President

*Signature Page to Consent Memorandum
Briggs & Stratton Corporation*

BANK OF THE WEST,
as a Lender

By: /s/ David Wang

Name: David Wang

Title: Director

BRANCH BANKING AND TRUST COMPANY,
as a Lender

By: /s/ Trevor H. Williams

Name: Trevor H. Williams

Title: Assistant Vice President

*Signature Page to Consent Memorandum
Briggs & Stratton Corporation*

THE NORTHERN TRUST COMPANY,
as a Lender

By: /s/ Lisa DeCristofaro

Name: Lisa DeCristofaro

Title: SVP

*Signature Page to Consent Memorandum
Briggs & Stratton Corporation*

COMERICA BANK,
as a Lender

By: /s/ John Lascody

Name: John Lascody

Title: Vice President

ASSOCIATED BANK, N.A.,
as a Lender

By: /s/ Daniel Holzauer

Name: Daniel Holzauer

Title: Senior Vice President

*Signature Page to Consent Memorandum
Briggs & Stratton Corporation*

HSBC BANK USA, N.A.,
as a Lender

By: /s/ Matthew Brannon

Name: Matthew Brannon

Title: VP

*Signature Page to Consent Memorandum
Briggs & Stratton Corporation*

Acknowledged and Agreed as of the Consent Effective

Date: August 13, 2019

BRIGGS & STRATTON CORPORATION,
as the Company

By: /s/ Mark A. Schwertfeger

Name: Mark A. Schwertfeger

Title: Senior Vice President and Chief Financial Officer

BRIGGS & STRATTON AG,
as a Borrower

By: /s/ Mark A. Schwertfeger

Name: Mark A. Schwertfeger

Title: Director and Chairman of the Board

Investor Relations Contact:

Mark A. Schwertfeger, Senior VP and Chief Financial Officer
(800) 365-2759

**BRIGGS & STRATTON CORPORATION REPORTS
FISCAL 2019 FOURTH QUARTER AND FULL-YEAR RESULTS**

MILWAUKEE, August 15, 2019/PRNewswire/ -- Briggs & Stratton Corporation (NYSE: BGG) today announced financial results for its fiscal fourth quarter and year ended June 30, 2019.

For the fiscal 2019 fourth quarter:

- Fiscal fourth quarter net sales were \$472 million, a decrease of \$30 million or 5.9% from \$502 million for the prior year. Fiscal 2018's fourth quarter included approximately \$20 million of accelerated sales in anticipation of the go-live of the Company's upgraded ERP system at the beginning of fiscal 2019. Adjusting for this, net sales this year decreased approximately 2%. Shipments for the fiscal 2019 fourth quarter fell short of expectations primarily due to difficult market conditions caused by an unusually wet spring in North America compounded by near-term market disruptions caused by channel partner transitions.
- Quarterly GAAP gross profit margin of 14.4% and adjusted gross profit margin of 15.0% decreased from gross profit margin of 21.7% and adjusted gross profit margin of 22.1% last year due to sales mix, lower production volumes and operational inefficiencies. Challenges in labor availability restricted the Company's ability to more quickly remediate start-up inefficiencies related to the business optimization initiatives.
- Fourth quarter GAAP net loss of \$18.5 million, or \$0.45 per share, included business optimization charges, acquisition integration charges and a pension settlement charge. Excluding these items, adjusted net loss was \$14.9 million, or \$0.36 per share, as compared to adjusted net income of \$0.47 per diluted share for the fourth quarter of fiscal 2018. The fourth quarter of fiscal 2019 also included a non-cash tax related charge of \$5.1 million, or \$0.12 per share.

For the fiscal 2019 full year:

- Fiscal 2019 net sales were \$1.84 billion, down \$44.7 million or 2.4% from \$1.88 billion for fiscal 2018 primarily due to unusually dry weather conditions in Australia and Europe, lower storm generator sales and lower service parts sales, and near-term disruption caused by channel partner transitions, including the bankruptcy of a major North American retailer. Sales of commercial engines and products increased approximately 13% for the fiscal year.
- Full-year GAAP gross profit margin of 16.4% was down from 21.2% for fiscal 2018. Adjusted gross profit margin of 17.0% was down from 21.5% last year due to sales mix, lower production volumes and startup inefficiencies from the Company's business optimization initiatives.
- Full-year GAAP net loss of \$54.1 million, or \$1.31 per share, included business optimization charges, bad debt expense for a major retailer that filed for bankruptcy protection, a litigation settlement charge, a pension settlement charge, senior note repurchase premiums, a tax charge associated with tax reform and integration charges. Excluding these items, adjusted net loss was \$12.9 million, or \$0.32 per share.

"We are clearly disappointed with the fiscal 2019 results. The fourth quarter capped a difficult year of unprecedented market challenges and higher than expected operational inefficiencies encountered during the ramp-up of our business optimization initiatives," stated Todd J. Teske, Chairman, President and Chief Executive Officer. "The North America lawn and garden market slowed considerably as the quarter progressed from unusually wet, cool spring weather compounded by near-term market disruptions with channel partners. Europe set record high temperatures in June and July to impede channel inventory reductions. While we achieved operational improvements on many of the business optimization program start-up issues, continued inefficiencies offset the benefit of those improvements, including near-term labor availability challenges."

Teske continued, "Regardless of the cause of the various headwinds, it is our responsibility to address the issues and restore the company to growth and profitability. As we enter fiscal 2020, we are intensely focused on five key areas to drive improvements in performance:

- First, we are working aggressively to complete the business optimization program and eliminate the operational inefficiencies to begin realizing the \$35 million to \$40 million in pre-tax cost savings from the program.
- Second, as we also announced today, we will be consolidating engine production within our plant in Poplar Bluff, Missouri, to streamline operations and adjust production capacity to meet current and anticipated future needs. This initiative will reduce pre-tax expenses by up to \$14 million when fully implemented.
- Third, we will be devoting increased time and focus to more fully analyzing the dynamics of our market with outside help to position our business for more sustained growth and higher returns. Gaining an outside perspective will help our thinking, planning and actions to further adapt to the continually changing environment so that we are properly positioned as the market continues to change.
- Fourth, we intend to strengthen our balance sheet, with the near-term objectives of improving working capital and lowering debt. With the winding down of investments in our business optimization initiatives, projected lower capital expenditures and the action announced today to reduce the cash dividend, we will be directing more funds to reduce debt and invest in attractive commercial products and enabling technologies.
- Fifth, we are making solid progress on a debt refinancing which we expect to close before the end of our first fiscal quarter. We believe the refinancing will provide good flexibility as we strengthen the balance sheet and execute our strategy."

Teske concluded, "There is no question that fiscal 2019 was enormously difficult from both a market perspective and our execution on operational excellence. Still, the several foundational changes we implemented advanced our commercial growth and diversification strategy and position us well for the long term. We remain confident in our strategy and view fiscal 2020 as an opportunity to get back on track."

Fiscal 2020 Outlook:

- Net sales are expected to be within a range of \$1.91 billion to \$1.97 billion for fiscal 2020, which contemplates midpoint growth of approximately 5.5% over fiscal 2019's performance. This outlook compares with the Company's previous preliminary expectation of approximately \$2.01 billion in sales for fiscal 2020. The revision to the outlook principally relates to the lower base sales for fiscal 2019, a reduction in the Company's estimate of the North American market due to near-term disruption caused by channel partner transitions and the prolonged impact of weather on Europe, which has experienced hot and dry conditions in the early months of summer. The estimated sales growth breaks down as follows:
 - 2.5-3.5% of total sales growth is expected to be driven by commercial sales
 - 2-4% of total sales growth is expected to be driven by residential sales, which contemplates some market rebound for more normal weather conditions in North America and Europe as well as a reduction in inventory liquidation from channel partner transitions. The growth also contemplates more normal shipments of service parts due to improved throughput.
 - The fiscal 2020 outlook does not include storm sales, which contributed approximately \$25 million of net sales in fiscal 2019.
 - Price increases are expected to help offset incremental tariff costs.
 - Adjusted net income is expected within a range of \$9 million to \$17 million, or \$0.20 to \$0.40 per diluted share, prior to the impact of costs related to the Company's business optimization program and the engine manufacturing consolidation project. The revision from the prior, preliminary estimate of approximately \$1.30 per share, relates to the lower sales outlook, in addition to the impact on margin from expected lower production to reduce inventories and expected continuation of some operational inefficiencies into the first half of the fiscal year.
 - Operating margins before business optimization costs and engine manufacturing consolidation costs are expected to be approximately 2.5% to 3.0%. Compared to fiscal 2019, operating margins are expected to improve due to a favorable sales mix from growth of commercial products and a rebound of service parts
-

sales, improved plant utilization on higher production levels, efficiency improvements and business optimization program savings. Higher tariffs are expected to be offset by pricing, efficiency improvements and product cost improvements. Operating margins are lower than historical norms, however, in part, due to anticipated operational inefficiencies in the first half of the fiscal year and throttled back plant utilization to reduce inventories.

- Interest expense is expected to be approximately \$34 million, which contemplated elevated debt levels. Other income (loss) is expected to be a loss of approximately \$2.5 million, which includes approximately \$3 million of incremental pension expense. Equity in earnings of unconsolidated affiliates is expected to be \$10 million.
 - The tax rate before business optimization costs and engine manufacturing consolidation costs is expected to be approximately 25%.
 - The Company expects capital expenditures to be approximately \$55 million, which includes anticipated expenditures related to the engine manufacturing consolidation project in fiscal 2020. The Company expects to achieve positive cash flow from operations net of capital spending.
 - Pre-tax charges associated with the business optimization program are expected to be approximately \$5 million as this program concludes. Pre-tax charges associated with the engine manufacturing consolidation program are expected to be \$30 million to \$35 million, split evenly between cash and non-cash charges, of which \$15 million to \$20 million are expected to be recognized in fiscal 2020. Cost savings associated with the engine manufacturing consolidation program are expected to begin in fiscal 2021 and ramp to the full run rate of \$12 million to \$14 million in fiscal 2022.
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Conference Call Information:

The Company will host a conference call today at 10:00 AM (ET) to review the fourth quarter financial results. A live webcast of the conference call will be available on the company's corporate website: <http://investors.basco.com>.

Also available is a dial-in number to access the call real-time. Dial (877) 233-9136 and enter Conference ID 2156568. A replay will be offered beginning approximately two hours after the call ends and will be available for one week. Dial (855) 859-2056 and enter the Conference ID to access the replay.

Non-GAAP Financial Measures:

This release refers to non-GAAP financial measures including "adjusted gross profit", "adjusted engineering, selling, general, and administrative expenses", "adjusted segment income (loss)", "adjusted net income (loss)", and "adjusted diluted earnings (loss) per share." Refer to the accompanying financial schedules for supplemental financial data and corresponding reconciliations of these non-GAAP financial measures to certain GAAP financial measures.

Safe Harbor Statement:

This release contains certain forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those projected in the forward-looking statements. The words "anticipate", "believe", "estimate", "expect", "forecast", "intend", "plan", "project", and similar expressions are intended to identify forward-looking statements. The forward-looking statements are based on the company's current views and assumptions and involve risks and uncertainties that include, among other things, the ability to successfully forecast demand for its products; changes in interest rates and foreign exchange rates; the effects of weather on the purchasing patterns of consumers and original equipment manufacturers (OEMs); actions of engine manufacturers and OEMs with whom the company competes; changes in laws and regulations, including U.S. tax reform, changes in tax rates, laws and regulations as well as related guidance; imposition of new, or changes in existing, duties, tariffs and trade agreements; changes in customer and OEM demand; changes in prices of raw materials and parts that the company purchases; changes in domestic and foreign economic conditions (including effects from the U.K.'s decision to exit the European Union); the ability to bring new productive capacity on line efficiently and with good quality; outcomes of legal proceedings and claims; the ability to realize anticipated savings from the business optimization program and restructuring actions; and other factors disclosed from time to time in the company's SEC filings or otherwise, including the factors discussed in Item 1A, Risk Factors, of the company's Annual Report on Form 10-K and in its periodic reports on Form 10-Q. The company undertakes no obligation to update forward-looking statements made in this release to reflect events or circumstances after the date of this release.

About Briggs & Stratton Corporation:

Briggs & Stratton Corporation (NYSE: BGG), headquartered in Milwaukee, Wisconsin, is focused on providing power to get work done and make people's lives better. Briggs & Stratton is the world's largest producer of gasoline engines for outdoor power equipment, and is a leading designer, manufacturer and marketer of power generation, pressure washer, lawn and garden, turf care and job site products through its Briggs & Stratton®, Simplicity®, Snapper®, Ferris®, Vanguard®, Allmand®, Billy Goat®, Murray®, Branco®, and Victa® brands. Briggs & Stratton products are designed, manufactured, marketed and serviced in over 100 countries on six continents. For additional information, please visit www.basco.com and www.briggsandstratton.com.

BRIGGS & STRATTON CORPORATION AND SUBSIDIARIES
Consolidated Statements of Operations for the Periods Ended June
(In Thousands, except per share data)

| | Three Months Ended June | | Twelve Months Ended June | |
|---|-------------------------|-------------|--------------------------|--------------|
| | FY2019 | FY2018 | FY2019 | FY2018 |
| NET SALES | \$ 471,951 | \$ 501,694 | \$ 1,836,605 | \$ 1,881,294 |
| COST OF GOODS SOLD | 404,132 | 393,017 | 1,535,554 | 1,483,212 |
| Gross Profit | 67,819 | 108,677 | 301,051 | 398,082 |
| ENGINEERING, SELLING, GENERAL AND ADMINISTRATIVE EXPENSES | 81,724 | 129,926 | 349,276 | 375,230 |
| EQUITY IN EARNINGS OF UNCONSOLIDATED AFFILIATES | 3,243 | 2,819 | 9,029 | 9,257 |
| Income (Loss) from Operations | (10,662) | (18,430) | (39,196) | 32,109 |
| INTEREST EXPENSE | (7,511) | (6,153) | (29,242) | (25,320) |
| OTHER INCOME | (51) | 1,016 | 340 | 4,312 |
| Income (Loss) before Income Taxes | (18,224) | (23,567) | (68,098) | 11,101 |
| PROVISION (CREDIT) FOR INCOME TAXES | 316 | (11,742) | (14,015) | 22,421 |
| Net Income (Loss) | \$ (18,540) | \$ (11,825) | \$ (54,083) | \$ (11,320) |
| EARNINGS (LOSS) PER SHARE | | | | |
| Basic | \$ (0.45) | \$ (0.29) | \$ (1.31) | \$ (0.28) |
| Diluted | \$ (0.45) | \$ (0.29) | \$ (1.31) | \$ (0.28) |
| WEIGHTED AVERAGE SHARES OUTSTANDING | | | | |
| Basic | 41,516 | 41,947 | 41,647 | 42,068 |
| Diluted | 41,516 | 41,947 | 41,647 | 42,068 |

Supplemental International Sales Information
(In Thousands)

| | Three Months Ended June | | Twelve Months Ended June | |
|---|-------------------------|------------|--------------------------|------------|
| | FY2019 | FY2018 | FY2019 | FY2018 |
| International sales based on product shipment destination | \$ 102,502 | \$ 102,069 | \$ 481,970 | \$ 534,607 |

BRIGGS & STRATTON CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheets as of the End of June
(In Thousands)

| CURRENT ASSETS: | FY2019 | FY2018 |
|---|---------------------|---------------------|
| Cash and Cash Equivalents | \$ 29,569 | \$ 44,923 |
| Accounts Receivable, Net | 198,498 | 182,801 |
| Inventories | 502,006 | 411,831 |
| Prepaid Expenses and Other Current Assets | 32,899 | 39,651 |
| Total Current Assets | <u>762,972</u> | <u>679,206</u> |
| OTHER ASSETS: | | |
| Goodwill | 169,682 | 163,200 |
| Investments | 49,641 | 50,960 |
| Other Intangible Assets, Net | 96,738 | 95,864 |
| Deferred Income Tax Asset | 43,172 | 12,149 |
| Other Long-Term Assets, Net | 18,676 | 20,507 |
| Total Other Assets | <u>377,909</u> | <u>342,680</u> |
| PLANT AND EQUIPMENT: | | |
| At Cost | 1,220,339 | 1,175,165 |
| Less - Accumulated Depreciation | 809,294 | 753,085 |
| Plant and Equipment, Net | <u>411,045</u> | <u>422,080</u> |
| | <u>\$ 1,551,926</u> | <u>\$ 1,443,966</u> |
| CURRENT LIABILITIES: | | |
| Accounts Payable | \$ 287,620 | \$ 204,173 |
| Short-Term Debt | 160,540 | 48,036 |
| Accrued Liabilities | 129,585 | 131,897 |
| Total Current Liabilities | <u>577,745</u> | <u>384,106</u> |
| OTHER LIABILITIES: | | |
| Accrued Pension Cost | 221,033 | 189,872 |
| Accrued Employee Benefits | 21,311 | 20,196 |
| Accrued Postretirement Health Care Obligation | 25,929 | 30,186 |
| Other Long-Term Liabilities | 63,724 | 49,228 |
| Long-Term Debt | 195,464 | 199,954 |
| Total Other Liabilities | <u>527,461</u> | <u>489,436</u> |
| SHAREHOLDERS' INVESTMENT: | | |
| Common Stock | 579 | 579 |
| Additional Paid-In Capital | 78,902 | 76,408 |
| Retained Earnings | 993,873 | 1,071,480 |
| Accumulated Other Comprehensive Loss | (292,550) | (252,272) |
| Treasury Stock, at Cost | (334,084) | (325,771) |
| Total Shareholders' Investment | <u>446,720</u> | <u>570,424</u> |
| | <u>\$ 1,551,926</u> | <u>\$ 1,443,966</u> |

BRIGGS & STRATTON CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(In Thousands)

| | Twelve Months Ended June | |
|---|--------------------------|------------------|
| | FY2019 | FY2018 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net Loss | \$ (54,083) | \$ (11,320) |
| Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities: | | |
| Depreciation and Amortization | 64,200 | 58,258 |
| Stock Compensation Expense | 7,180 | 6,675 |
| Loss on Disposition of Plant and Equipment | 551 | 1,915 |
| Provision (Credit) for Deferred Income Taxes | (17,949) | 35,351 |
| Equity in Earnings of Unconsolidated Affiliates | (12,142) | (12,230) |
| Dividends Received from Unconsolidated Affiliates | 11,359 | 10,911 |
| Pension Settlement | | |
| | 521 | 41,157 |
| Pension Cash Contributions | — | (30,000) |
| Changes in Operating Assets and Liabilities: | | |
| Accounts Receivable | (15,910) | 47,180 |
| Inventories | (91,171) | (37,446) |
| Other Current Assets | (1,304) | (4,759) |
| Accounts Payable, Accrued Liabilities and Income Taxes | 80,717 | (10,345) |
| Other, Net | (7,304) | (2,624) |
| Net Cash Provided by (Used in) Operating Activities | <u>(35,335)</u> | <u>92,723</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Capital Expenditures | (52,454) | (103,203) |
| Proceeds Received on Disposition of Plant and Equipment | 69 | 339 |
| Cash Paid for Acquisitions, Net of Cash Acquired | (9,791) | (1,800) |
| Net Cash Used in Investing Activities | <u>(62,176)</u> | <u>(104,664)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Net Borrowings on Revolver | 112,504 | 48,036 |
| Long Term Note Payable | — | 7,685 |
| Debt Issuance Costs | — | (1,154) |
| Treasury Stock Purchases | (11,937) | (10,312) |
| Repayment of Long Term Debt | (5,424) | (22,261) |
| Stock Option Exercise Proceeds and Tax Benefits | 1,823 | 3,772 |
| Payments Related to Shares Withheld for Taxes for Stock Compensation | (257) | (1,396) |
| Cash Dividends Paid | (17,781) | (23,951) |
| Net Cash Provided by Financing Activities | <u>78,928</u> | <u>419</u> |
| EFFECT OF EXCHANGE RATE CHANGES | (293) | (967) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH | <u>(18,876)</u> | <u>(12,489)</u> |
| CASH, CASH EQUIVALENTS AND RESTRICTED CASH, Beginning (1) | 49,218 | 61,707 |
| CASH, CASH EQUIVALENTS AND RESTRICTED CASH, Ending (2) | <u>\$ 30,342</u> | <u>\$ 49,218</u> |

(1) Included within Beginning Cash, Cash Equivalents, and Restricted Cash is approximately \$4.3 million and \$0 of restricted cash as of July 1, 2018 and July 2, 2017, respectively.

(2) Included within Ending Cash, Cash Equivalents, and Restricted Cash is approximately \$0.8 million and \$4.3 million of restricted cash as of June 30, 2019 and July 1, 2018, respectively.

SUPPLEMENTAL SEGMENT INFORMATION

Engines Segment:

| (In Thousands) | Three Months Ended June | | Twelve Months Ended June | |
|-------------------------------------|-------------------------|------------------|--------------------------|-------------------|
| | FY2019 | FY2018 | FY2019 | FY2018 |
| Net Sales | \$ 261,357 | \$ 275,775 | \$ 988,707 | \$ 1,066,318 |
| Gross Profit as Reported | \$ 48,797 | \$ 69,217 | \$ 193,069 | \$ 252,645 |
| Business Optimization | 950 | 822 | 2,662 | 2,854 |
| Adjusted Gross Profit | <u>\$ 49,747</u> | <u>\$ 70,039</u> | <u>\$ 195,731</u> | <u>\$ 255,499</u> |
| Gross Profit % as Reported | 18.7% | 25.1 % | 19.5 % | 23.7% |
| Adjusted Gross Profit % | 19.0% | 25.4 % | 19.8 % | 24.0% |
| Segment Income (Loss) as Reported | \$ 1,060 | \$ (26,183) | \$ (15,519) | \$ 9,593 |
| Business Optimization | 2,130 | 46,671 | 29,149 | 53,913 |
| Adjusted Segment Income | <u>\$ 3,190</u> | <u>\$ 20,488</u> | <u>\$ 13,630</u> | <u>\$ 63,506</u> |
| Segment Income (Loss) % as Reported | 0.4% | (9.5)% | (1.6)% | 0.9% |
| Adjusted Segment Income % | 1.2% | 7.4 % | 1.4 % | 6.0% |

Fourth Quarter Highlights

- Engine unit volumes decreased by 6%, or approximately 100,000 engines, in the fourth quarter of fiscal 2019 from the same period last year. Fiscal 2018's fourth quarter included approximately \$15 million of sales that were accelerated prior to the go-live of the Company's upgraded ERP. Sales were lower than anticipated in the fourth quarter of fiscal 2019 primarily due to lower shipments of consumer engines in North America in a challenging market environment, which included unusually wet spring weather and near-term disruption caused by channel partner transitions including the bankruptcy of a large retailer. Service parts sales declined year over year, both in North America and Europe, despite progress in improving throughput compared to earlier in fiscal 2019. Partially offsetting the decrease was growth of commercial engines sales and higher pricing.
- GAAP and adjusted gross profit percentage decreased 640 basis points from last year. The decrease was driven by inefficiencies (260 bps), a 24% reduction in manufacturing volume (250 bps), material and tariff costs net of price increases (100 bps) and unfavorable sales mix. Inefficiencies from start-up activities related to the Company's ERP upgrade and the on-shoring of Vanguard engines which led to elevated supply chain and labor costs to ensure timely delivery of Vanguard engines and to improve the throughput of service parts. Improvements to these inefficiencies were hampered by labor availability challenges.
- GAAP ESG&A expenses declined \$47.5 million and adjusted ESG&A expenses increased \$2.7 million from last year.

Products Segment:

| (In Thousands) | Three Months Ended June | | Twelve Months Ended June | |
|--------------------------------------|-------------------------|------------|--------------------------|------------|
| | FY2019 | FY2018 | FY2019 | FY2018 |
| Net Sales | \$ 233,258 | \$ 250,162 | \$ 932,137 | \$ 904,007 |
| Gross Profit as Reported | \$ 19,582 | \$ 39,363 | \$ 108,984 | \$ 144,933 |
| Business Optimization | 2,227 | 1,281 | 9,207 | 3,775 |
| Adjusted Gross Profit | \$ 21,809 | \$ 40,644 | \$ 118,191 | \$ 148,708 |
| Gross Profit % as Reported | 8.4 % | 15.7% | 11.7 % | 16.0% |
| Adjusted Gross Profit % | 9.3 % | 16.2% | 12.7 % | 16.4% |
| Segment Income (Loss) as Reported | \$ (11,162) | \$ 7,656 | \$ (22,675) | \$ 22,012 |
| Business Optimization | 2,567 | 2,855 | 15,840 | 8,113 |
| Litigation Settlement | — | — | 2,000 | — |
| Retailer Bankruptcy Bad Debt Expense | — | — | 4,132 | — |
| Acquisition Related Charges | 153 | — | 676 | — |
| Adjusted Segment Income (Loss) | \$ (8,443) | \$ 10,511 | \$ (27) | \$ 30,125 |
| Segment Income (Loss) % as Reported | (4.8)% | 3.1% | (2.4)% | 2.4% |
| Adjusted Segment Income (Loss) % | (3.6)% | 4.2% | 0.0 % | 3.3% |

Fourth Quarter Highlights

- Net sales decreased by \$16.9 million, or 6.8%, from the same period last year. Fiscal 2018's fourth quarter included approximately \$5 million of sales that were accelerated prior to the go-live of the Company's upgraded ERP. The decrease was also due to lower pressure washer and generator sales due to channel partners controlling inventory levels. Fiscal 2019 fourth quarter sales fell short of the Company's expectations due to challenging market conditions, including the unusually wet spring weather in North America and lower than planned production due to labor availability challenges.
- GAAP gross profit percentage decreased 730 basis points and adjusted gross profit percentage decreased by 690 basis points from the fourth quarter of fiscal 2018. The decrease in the adjusted gross profit percentage was attributed to unfavorable sales mix (270 bps), manufacturing inefficiencies (220 basis points) and increased material and tariff costs net of price increases (200 bps). Sales mix was predominantly driven by shifts within the pressure washer, generator and lawn tractor categories towards more entry level models. Improvements to inefficiencies from start-up activities related to the business optimization program were hampered by labor availability challenges.
- GAAP ESG&A expenses decreased by \$0.7 million and adjusted ESG&A expenses increased by \$0.4 million from the previous year.

Non-GAAP Financial Measures

Briggs & Stratton Corporation prepares its financial statements using Generally Accepted Accounting Principles (GAAP). When a company discloses material information containing non-GAAP financial measures, SEC regulations require that the disclosure include a presentation of the most directly comparable GAAP measure and a reconciliation of the GAAP and non-GAAP financial measures. Management's inclusion of non-GAAP financial measures in this release is intended to supplement, not replace, the presentation of the financial results in accordance with GAAP. Briggs & Stratton Corporation management believes that these non-GAAP financial measures, when considered together with the GAAP financial measures, provide information that is useful to investors in understanding period-over-period operating results separate and apart from items that may, or could, have a disproportionately positive or negative impact on results in any particular period. Management also believes that these non-GAAP financial measures enhance the ability of investors to analyze the Company's business trends and to understand the Company's performance. In addition, management may utilize non-GAAP financial measures as a guide in the Company's forecasting, budgeting and long-term planning process. Non-GAAP financial measures should be considered in addition to, and not as a substitute for, or superior to, financial measures presented in accordance with GAAP. The following tables are reconciliations of the non-GAAP financial measures:

BRIGGS & STRATTON CORPORATION AND SUBSIDIARIES
Adjusted Segment Information for the Three Month Periods Ended June
(In Thousands, except per share data)

| | Three Months Ended June | | | | | |
|--|-------------------------|--------------------|-----------------|-----------------|-------------|-----------------|
| | FY2019 Reported | Adjustments (1) | FY2019 Adjusted | FY2018 Reported | Adjustments | FY2018 Adjusted |
| Gross Profit | | | | | | |
| Engines | \$ 48,797 | \$ 950 | \$ 49,747 | \$ 69,217 | \$ 822 | \$ 70,039 |
| Products | 19,582 | 2,227 | 21,809 | 39,363 | 1,281 | 40,644 |
| Inter-Segment Eliminations | (560) | — | (560) | 97 | — | 97 |
| Total | \$ 67,819 | \$ 3,177 | \$ 70,996 | \$ 108,677 | \$ 2,103 | \$ 110,780 |
| Engineering, Selling, General and Administrative Expenses | | | | | | |
| Engines | \$ 49,592 | \$ 683 | \$ 48,909 | \$ 97,132 | \$ 45,515 | \$ 51,617 |
| Products | 32,132 | 493 | 31,639 | 32,794 | 1,573 | 31,221 |
| Total | \$ 81,724 | \$ 1,176 | \$ 80,548 | \$ 129,926 | \$ 47,088 | \$ 82,838 |
| Equity in Earnings of Unconsolidated Affiliates | | | | | | |
| Engines | \$ 1,855 | \$ 496 | \$ 2,351 | \$ 1,732 | \$ 334 | \$ 2,066 |
| Products | 1,388 | — | 1,388 | 1,087 | — | 1,087 |
| Total | \$ 3,243 | \$ 496 | \$ 3,739 | \$ 2,819 | \$ 334 | \$ 3,153 |
| Segment Income (Loss) | | | | | | |
| Engines | \$ 1,060 | \$ 2,130 | \$ 3,190 | \$ (26,183) | \$ 46,671 | \$ 20,488 |
| Products | (11,162) | 2,720 | (8,443) | 7,656 | 2,855 | 10,511 |
| Inter-Segment Eliminations | (560) | — | (560) | 97 | — | 97 |
| Total | \$ (10,662) | \$ 4,849 | \$ (5,813) | \$ (18,430) | \$ 49,526 | \$ 31,096 |
| Interest Expense | \$ (7,511) | \$ — | \$ (7,511) | \$ (6,153) | \$ 211 | \$ (5,942) |
| Other Income | \$ (51) | \$ 521 | \$ 470 | \$ 1,016 | \$ — | \$ 1,016 |
| Income before Income Taxes | (18,224) | 5,370 | (12,854) | (23,567) | 49,737 | 26,170 |
| Provision for Income Taxes | 316 | 1,759 | 2,075 | (11,742) | 17,779 | 6,037 |
| Net Income | \$ (18,540) | \$ 3,611 | \$ (14,929) | \$ (11,825) | \$ 31,957 | \$ 20,132 |
| Earnings Per Share | | | | | | |
| Basic | \$ (0.45) | \$ 0.09 | \$ (0.36) | \$ (0.29) | \$ 0.76 | \$ 0.47 |
| Diluted | (0.45) | 0.09 | (0.36) | (0.29) | 0.76 | 0.47 |

(1) For the fourth quarter of fiscal 2019, business optimization expenses included \$0.2 million (\$0.2 million after tax) of non-cash charges related to accelerated depreciation, and \$4.5 million (\$2.9 million after tax) of cash charges related primarily to activities associated with the upgrade to the Company's ERP system, professional services, employee termination benefits, and plant rearrangement activities. The Company recognized \$0.2 million (\$0.1 million after tax) related to acquisition integration activities. Other income includes a \$0.5 million (\$0.3 million after tax) pension settlement charge. Tax expense includes a \$0.1 million charge associated with the Tax Cuts and Jobs Act of 2017 to record the impact of the inclusion of foreign earnings.

BRIGGS & STRATTON CORPORATION AND SUBSIDIARIES
Adjusted Segment Information for the Nine Month Periods Ended June
(In Thousands, except per share data)

| | Twelve Months Ended June | | | | | |
|--|--------------------------|--------------------|-----------------|-----------------|-------------|-----------------|
| | FY2019 Reported | Adjustments (1) | FY2019 Adjusted | FY2018 Reported | Adjustments | FY2018 Adjusted |
| Gross Profit | | | | | | |
| Engines | \$ 193,069 | \$ 2,662 | \$ 195,731 | \$ 252,645 | \$ 2,854 | \$ 255,499 |
| Products | 108,984 | 9,207 | 118,191 | 144,933 | 3,775 | 148,708 |
| Inter-Segment Eliminations | (1,002) | — | (1,002) | 504 | — | 504 |
| Total | \$ 301,051 | \$ 11,869 | \$ 312,920 | \$ 398,082 | \$ 6,629 | \$ 404,710 |
| Engineering, Selling, General and Administrative Expenses | | | | | | |
| Engines | \$ 213,589 | \$ 23,374 | \$ 190,215 | \$ 248,286 | \$ 48,096 | \$ 200,190 |
| Products | 135,687 | 13,441 | 122,246 | 126,944 | 4,339 | 122,605 |
| Total | \$ 349,276 | \$ 36,815 | \$ 312,461 | \$ 375,230 | \$ 52,435 | \$ 322,795 |
| Equity in Earnings of Unconsolidated Affiliates | | | | | | |
| Engines | \$ 5,001 | \$ 3,113 | \$ 8,114 | \$ 5,234 | \$ 2,964 | \$ 8,198 |
| Products | 4,028 | — | 4,028 | 4,023 | — | 4,023 |
| Total | \$ 9,029 | \$ 3,113 | \$ 12,142 | \$ 9,257 | \$ 2,964 | \$ 12,221 |
| Segment Income (Loss) | | | | | | |
| Engines | \$ (15,519) | \$ 29,149 | \$ 13,630 | \$ 9,593 | \$ 53,913 | \$ 63,506 |
| Products | (22,675) | 22,648 | (27) | 22,012 | 8,113 | 30,125 |
| Inter-Segment Eliminations | (1,002) | — | (1,002) | 504 | — | 504 |
| Total | \$ (39,196) | \$ 51,797 | \$ 12,601 | \$ 32,109 | \$ 62,026 | \$ 94,135 |
| Interest Expense | \$ (29,242) | \$ 263 | \$ (28,979) | \$ (25,320) | \$ 2,228 | \$ (23,092) |
| Other Income | \$ 340 | \$ 521 | \$ 861 | \$ 4,312 | \$ — | \$ 4,312 |
| Income (Loss) before Income Taxes | (68,098) | 52,581 | (15,517) | 11,101 | 64,254 | 75,355 |
| Provision for Income Taxes | (14,015) | 11,362 | (2,653) | 22,421 | (2,836) | 19,585 |
| Net Income (Loss) | \$ (54,083) | \$ 41,220 | \$ (12,864) | \$ (11,320) | \$ 67,090 | \$ 55,770 |
| Earnings (Loss) Per Share | | | | | | |
| Basic | \$ (1.31) | \$ 0.99 | \$ (0.32) | \$ (0.28) | \$ 1.57 | \$ 1.29 |
| Diluted | (1.31) | 0.99 | (0.32) | (0.28) | 1.57 | 1.29 |

(1) For the first twelve months of fiscal 2019, business optimization expenses include \$3.2 million (\$2.5 million after tax) of non-cash charges related to accelerated depreciation, and \$41.9 million (\$32.1 million after tax) of cash charges related primarily to activities associated with the upgrade to the Company's ERP system, professional services, employee termination benefits, and plant rearrangement activities. The Company recognized bad debt expense of \$4.1 million (\$3.1 million after tax) after a major retailer announced that it had filed for bankruptcy protection. The Company recognized \$2.0 million (\$1.5 million after tax) for amounts accrued related to a litigation settlement and \$0.6 million (\$0.4 million after tax) related to acquisition integration activities. Interest expense includes \$0.2 million (\$0.2 million after tax) for premiums paid to repurchase senior notes. Other income includes a \$0.5 million (\$0.3 million after tax) pension settlement charge. Tax expense includes a \$1.0 million charge associated with the Tax Cuts and Jobs Act of 2017 to record the impact of the inclusion of foreign earnings.

FOR IMMEDIATE RELEASE

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BRIGGS & STRATTON CORPORATION TO CONSOLIDATE SMALL ENGINE PRODUCTION

Move aligns production with current and future market demand; provides resources for Company's diversification strategy

MILWAUKEE (August 15, 2019) - Briggs & Stratton Corporation today announced plans to consolidate production of its small vertical-shaft engines into its Poplar Bluff, MO facility. This consolidation will result in the closure of the Company's Murray, KY facility by the fall of 2020 and is intended to align production capacity with current and expected future market needs.

The market for small vertical-shaft engines has been relatively stable over the last several years but has not grown for various reasons, including a difficult housing market driven by the lack of affordable single-family homes in the United States. Unlike other areas of Briggs & Stratton's business such as commercial engines and products which have seen double-digit growth, the residential walk-behind mower market, where the vast majority of these engines are used, has not rebounded to historical levels. Accordingly, the Company is taking action to right-size its footprint.

"Our residential engine business continues to be core to our company as we make progress on diversifying our business by growing our commercial presence. This production consolidation is important for the long-term health of this operation and will allow for better utilization of our assets by freeing up resources that we can use on growth areas within our company," said Todd Teske, Chairman, President & CEO of Briggs & Stratton Corporation. "Our team in Murray has done great things over the three decades since the plant was established. We are grateful for their work and the support we have received from the local community and Commonwealth of Kentucky."

Impacted employees will have the opportunity to relocate to another facility. The Poplar Bluff plant will be hiring to accommodate the increased production being added to that facility, in addition to the hiring taking place within the Company's commercial businesses.

The Company anticipates annualized pre-tax savings of \$12 million to \$14 million, with approximately \$10 million recognized by fiscal year 2021. Total charges related to the consolidation are expected to total \$30 million to \$35 million over fiscal years 2020 and 2021.

About Briggs & Stratton Corporation:

Briggs & Stratton Corporation (NYSE: BGG), headquartered in Milwaukee, Wisconsin, is focused on providing power to get work done and make people's lives better. Briggs & Stratton is the world's largest producer of gasoline engines for outdoor power equipment, and is a leading designer, manufacturer and marketer of power generation, pressure washer, lawn and garden, turf care and job site products through its Briggs & Stratton[®], Simplicity[®], Snapper[®], Ferris[®], Vanguard[®], Allmand[®], Billy Goat[®], Murray[®], Branco[®] and Victa[®] brands. Briggs & Stratton products are designed, manufactured, marketed and serviced in over 100 countries on six continents. For additional information, please visit www.basco.com and www.briggsandstratton.com.