



BRIGGS & STRATTON
CORPORATION

Dear Shareholders,

Fiscal 2018 was a year of important progress toward achieving our strategic goals. Last November we held our first investor day where we introduced the roadmap to deliver more consistent growth, higher profitability and greater returns. Overall, we executed on this strategic roadmap as evidenced by the increase in our revenues while encountering challenges that temporarily constrained growth in certain areas of our business. We maintained our leadership position in delivering power to get work done more efficiently while continuing to be a recognized leader in innovation, positioning us for long-term success. This was a year of investment in areas that will allow us to grow in more profitable areas and drive efficiencies in our business. We did all of this while continuing to return value to shareholders through dividends and share repurchases and maintaining a strong balance sheet.

During the year, net sales increased 5% to \$1.88 billion, which is above our long-term goal of 3-5% growth. This growth came primarily in our commercial offerings which totaled over \$505 million, a record for our company. Commercial sales increased almost 16% this past year and are now over 26% of total sales. To put this growth into context, in 2013 commercial sales were less than 15% of our total sales, and now have grown at a compound annual growth rate of over 14% since that time. A significant portion of this growth were sales into the rental channel which is a key market for us, providing diversification outside of the traditional lawn and garden markets. We also continued the strong growth in our Vanguard® engines, as professionals are increasingly choosing Vanguard products for their reliability and innovative features that maximize uptime, making them more productive and more profitable. We also continued to grow our Ferris® mower products, as commercial landscapers increasingly opt for our innovations that maximize comfort and productivity.

During the last 15 months, we also made some substantial investments that will play a significant role in achieving our long-term goals. We successfully upgraded our enterprise resource planning system that we have been working on for the last three years. This new system will provide a more stable platform and will assist us in achieving better efficiency throughout our organization while making it easier for customers and suppliers to do business with us. We completed two product line acquisitions in commercial equipment, Hurricane Power and Ground Logic. Both of these acquisitions have expanded our offerings to commercial landscapers by leveraging our strong distribution network. Significant progress was also made in our commercial engine line as we invested in manufacturing capabilities in two of our existing U.S. engine plants, allowing us to more efficiently use our capacity while better serving our

customers. Investments in our commercial turf equipment manufacturing capabilities provide us with state-of-the-art manufacturing and increased capacity in this growing market. Last year I mentioned that these investments were part of our business optimization program. I am pleased to report that we are on track to achieve the \$30-\$35 million savings over the next three years.

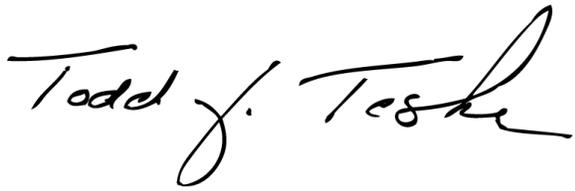
We also continued our launch of innovative offerings this past year. Horizontal shaft commercial engines, several new light towers, and InfoHub™ are just a few of the new product introductions. This is in addition to the significant innovations that we launched over the last five years, all of which are enabling us to maintain market share in the residential market and gain share in the commercial market. Briggs & Stratton is recognized industry-wide as the leading innovator in delivering power to get work done. Our future innovation will focus on enabling technologies that we unveiled at our investor day, namely, electronic fuel injection for engines, internet-of-things and electrification. We continue to make excellent progress on each of these technologies and are beginning to introduce them into the market. Expect to hear much more on these innovations in 2019 and beyond.

2018 was not without its challenges. Although we maintained our industry-leading position in residential engines, the consumer lawn-cutting marketplace encountered some near-term challenges. A delayed spring season across much of the northern U.S. created a significant delay in the start of the cutting season which negatively impacted our sales. When the weather finally returned to normal in mid-May, we saw a strong recovery throughout the impacted areas. However, the recovery was not enough to offset the slow start. Accordingly, the market was down when compared to last year. Another transitory factor that occurred this year was retailers taking a very conservative approach by reducing inventories due to brand transitions that are expected to occur in 2019. We do not expect the unusual weather nor these brand transitions to recur in 2019.

All of these factors contributed to earnings per share of \$1.29 in fiscal 2018 compared to \$1.31 per share last year. While short-term results fell short of our expectations, we did significantly improve profitability in our Products segment driven by our actions over the last several years. Our overall results this year do not diminish our confidence in the long-term. The activities we undertook in fiscal 2018 support long-term growth, improving profitability and higher capital returns. And our balance sheet is even stronger as this year we reduced long-term debt and funded our pension liability while maintaining our dividend and executing our share repurchase program.

We have great confidence in the future of Briggs & Stratton. I would like to thank all of our stakeholders who play an important role in our growth journey. Without the support of our channel partners, suppliers and communities we cannot accomplish our goals. I would also like to recognize all of our team members. There was a lot of hard work this past year and our team performed very well. There is more work to be done and I know this team is up for the

challenge. Finally, I would like to thank you, our shareholders, for your continued support and trust.

A handwritten signature in black ink that reads "Todd J. Teske". The signature is written in a cursive style with a large, looped initial "T" and a distinct "J" before the last name.

Todd J. Teske Chairman, President & Chief Executive Officer