BRIGGS & STRATTON
CORPORATION

Dear Fellow Shareholders,

Fiscal year 2019 was challenging and disappointing but pivotal as we continue to transform our company toward a more diversified resilient business. Several significant factors affected our performance during this past year, including near-term unfavorable impacts from the implementation of our business optimization program and market factors around the world. For fiscal 2019, net sales were $1.84 billion, down 2.4% from fiscal 2018, and we incurred an adjusted net loss of $0.32 per share. In the end, it was a difficult year but one that has set a foundation for growth and improvement.

Our business optimization program, which we began in fiscal 2018, is comprised of three major elements which position us for the future. First, we implemented a new, upgraded ERP system. While the transition from the prior version was not foreign to us, the way in which we implemented the system focused on adapting our processes to the system. In the long run, this adaptation allows for easier and less costly system upgrades in the future but resulted in some significant change management challenges in the near term, notably in some of our distribution locations with packaging and delivery issues. Once we entered the peak shipping season, we incurred increased costs in our efforts to meet market demand. As the fiscal year progressed, we became more efficient and effective in the operation but fell short of our historical industry-leading high fulfillment levels. We are confident that we are well on our way toward correcting the performance issues and will be back to our best-in-class operation as we enter the fiscal 2020 lawn and garden season. We expect that the new system will allow us to be more effective and efficient in running our business for years to come.

Second, commercial engines are another important element of the business optimization program, as we moved production of our Vanguard engines from a joint venture in Japan to our existing operations in Auburn, Alabama, and Statesboro, Georgia. This move allows us to more fully use our U.S.-based production capacity, moves us closer to the market where these engines are used, and provides needed capacity for the substantial growth we have created for these innovative products. Our team made solid progress on this move as we are now well positioned to be at full production during fiscal 2020.

Third, the business optimization program includes capacity expansion for our Ferris commercial mower business. During the year we built and moved to a state-of-the-art manufacturing facility which is located near the prior factory. The new facility doubles our production capacity for our product offerings, where we have generated above market growth for several years. Although the timing of the move occurred as we expected, an unanticipated shift in orders as the season progressed created temporary inefficiencies. These issues are being addressed as we enter the seasonally slower period, when we are better able to plan production.

Overall, we made much progress on our business optimization program and are on track to realize the $35 million to $40 million in pretax savings from the program, albeit a year later than we originally anticipated.

Beyond the business optimization program, several significant changes in the industry this past year also affected our performance and required our team's attention. The Sears bankruptcy had a major impact. Historically, Sears was a significant retailer of outdoor power equipment and although their presence had been declining in recent years, their bankruptcy filing did impact the season notably through inventory liquidation. At the same time, multiple brand transitions occurred, including the Craftsman brand expansion beyond Sears.

The year also included changes with our engine customers. One of our largest customers announced that it would exit significant portions of its consumer business by 2020, a portion of which includes walk-behind and riding lawn mowers. Although we expect to continue to be a key supplier to this customer, we are also working with other OEMs who are positioned to supply product they previously provided.

As I have discussed in previous letters, our business is sensitive to weather conditions. This past year saw highly unusual weather in the three major regions of the world. Australia had continued drought conditions with extraordinarily high temperatures that adversely impacted that market. Europe experienced unusually dry conditions with record temperatures as well. In the United States the season started cool and very wet. These conditions caused the lawn and garden industry to exit fiscal 2019 with some elevated inventory levels in Australia and Europe that will impact fiscal 2020. The same is the case in the U.S.; however, we are seeing improved late season demand in this market thus somewhat improving channel inventory levels.

In our drive to create a more efficient and responsive company, we recently announced that we are consolidating production capacity of our two small-engine manufacturing facilities into one. 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 U.S. Accordingly, the residential walk-behind mower market, where the vast majority of these engines are used, has not rebounded to historical levels. The consolidation was a difficult but necessary decision. In addition to enabling us to serve our customers better, we expect the consolidation will ultimately deliver up to $14 million in pre-tax cost savings by fiscal 2022.

On a positive note, we continued with our strong commercial growth this past year. In fact, our commercial sales grew 13% and now account for over 30% of our sales, up from 27% last year. To further illustrate the sustained growth in commercial, in 2013 commercial products and engines were less than 15% of total sales. These results clearly demonstrate that our strategy to focus on higher value products is working.

This past year was one of profound changes for our industry and company. Our team took on a lot. While we achieved much, we were not able to execute as well as we had expected. However, I believe this past year will prove to be pivotal as we have made the investments that will allow us to accelerate our strategy of diversification to enhance growth, profitability and capital returns.

Our pipeline of user-driven innovation is robust, coupled with the investments we have made, allowing us to serve both our existing and new markets in a manner to gain a competitive advantage. Enabling technologies, most notably electrification, engines with electronic fuel injection and connected products, will provide new and different growth avenues while making us a more diverse, more profitable company.

We are particularly excited about the launch of our proprietary lithium-ion Vanguard battery system, which is another step toward diversifying our business and driving greater growth in commercial markets. Combined with our expertise in power application, we are now offering an exciting path for OEMs to electrify their current and future products at a lower cost of development. Since previewing it at various trade shows, interest in our battery system has been high and growing. Current and potential OEM customers see us as a trusted, natural player in this space, which gives them the confidence to engage with us on a variety of projects. You will hear more about this initiative as we progress through this year and into next.

We are working with great urgency to improve the company's profitability and cash generation. At the same time, we remain committed as ever to our strategy, which is to grow the engines business, grow sales of higher-margin products and to further diversify the business. To accomplish these goals, we will be focusing on five top priorities to deliver on our 2020 outlook and to help ensure we can make equally significant strides in getting back on track with profitability in 2021. We will be focused on these five goals:

First, we will be working aggressively to improve operating efficiencies and realize the value from our business optimization program. The foundation is now in place. We learned much during this recent peak production and shipping period. We are committed to applying those learnings during the months of seasonally slower activity to invest and drive out the inefficiencies so we can enter the 2020 peak season in a significantly better position.

Second, as noted earlier, we will begin the consolidation of small-engine production. The action aligns our production capacity with current and anticipated future needs, as it also streamlines operations and will make us more responsive to customer demand.

Third, we will be devoting increased time and focus early in fiscal 2020 to more fully analyzing the dynamics of our market with outside help so that we properly position our business for more sustained growth and higher returns.

Fourth, we intend to strengthen the balance sheet, with the near-term objective of improving working capital and lowering debt. Through modest capital expenditures and the announced reduce the dividend, we will be directing more funds to reduce debt and invest in attractive commercial products and enabling technologies.

Fifth, we will complete the refinancing of our revolving credit agreement to ensure we have good financial flexibility to execute our strategy.

Although this was a difficult year, I am more excited than ever for the future of our company given the foundational investments that we made. I would like to thank all of our employees who have worked exceptionally hard in a rapidly changing environment. Also, I am grateful for the support that we get from our customers, suppliers and communities, all of whom play a critical role in our future success. And, I would like to express my appreciation to you, our shareholders, for your continuing support.

Todd J. Teske

Todd J. Teske Chairman, President & Chief Executive Officer