

Briggs & Stratton (BGG)

Price:	\$22.00	Net Tang. Bk Value Incl. Cash, Excl.	\$518,650,000.00	Net Tang. Book Yr. 5 (Inc. Cash):	\$684,401,300.00
Market Cap:	\$1,059,740,000	Goodwill (NTBVIC):		Avg. Year Op. Cash:	\$88,900,260.00
Cash:	\$188,440,000	NTBVIC/Market Downside Recovery:	48.94%	Year 5 Disposition FCF Multiple:	3.0
Debt:	\$225,300,000	Op. Cash Flow:	\$88,900,260	Year 5 Disposition Price:	\$951,102,080.00
Net Cash:	-\$36,860,000	Implied Years to Fill Gap:	6.09		
Enterprise Value:	\$1,096,600,000	Today's Equity if 5x Op. CF:	\$785,350,780		
		Net Tang. Book+ Gain Disposition:			\$951,102,080.00
Shares Outstanding:	48,170,000	IRR:			-2.14%
				Price:	\$19.74
				Target Market Cap:	\$951,102,080
				Target Enterprise Value:	\$987,962,080

* Our future intrinsic value measures the total return, which includes both capital appreciation and dividend income.

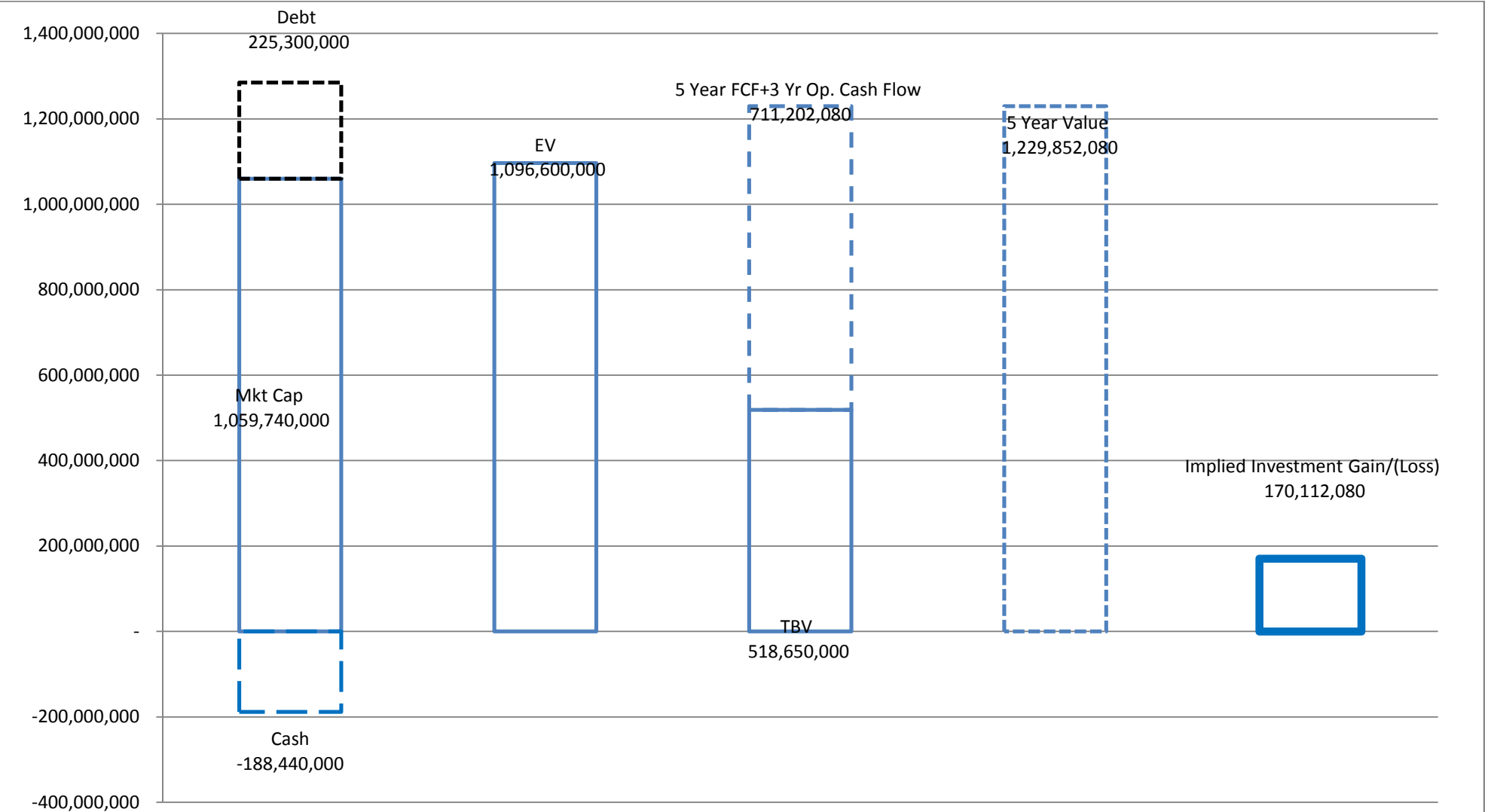
The Co. manufactures gasoline engines used in lawn mowers, and products, like generators, snow blower, and etc. The Co. sells engines to large OEMs like John Deere, and comprises 67% of total sales and GM of 22%. The products business sells to Home Depot, Lowes, and GM is 9%. In 2012, the Co. restructured their business and discontinued marketing the products business to mass retailers, and focused on developing higher margin business.

The Co. has undergone a restructuring over the past few years, and goodwill impairments ensued. We like this post-rehab, as we can deal less with the excess and focus on the tangible, viable asset values. The books were under more scrutiny over the past few years and so it would be a better time to enter a position than prior to the restructuring. This is pretty obvious. We like obvious facts which surface in an investment, so this is a positive in our view.

Revenue is \$2BB so its a sizable player, but growth has reverted into the negative territory. This is the weak point in this investment. The stock has been weakened by the disappointing results in the recent 10Q, so we anticipate further depreciation until the results turn around.

Another weakness we spot is the overextension of the Co.'s manufacturing operation, which results in currency exchange and FX hedging, which muddles operations. Granted, their manufacturing costs would be cheaper with the lower labor costs in places like India. But we wonder about quality and management focus. One other point, the Co. has a burdensome pension scheme and we do not like Co. with unions, or pensions, as they bleed the companies dry.

On secular news, the lawn and mowing industry has seen some weakness as homeowners are not investing as much in upkeep and maintenance, as witnessed by the recent bankruptcy of Orchard Supply, a home and garden products retailer, in California.



Debt

225,300,000

Mkt Cap

1,059,740,000

Cash

-188,440,000

EV

1,096,600,000

5 Year FCF+3 Yr Op. Cash Flow

711,202,080

TBV

518,650,000

5 Year Value

1,229,852,080

Implied Investment Gain/(Loss)

170,112,080

Briggs & Stratton Corporation is a Wisconsin Corporation. The Company is a producer of air cooled gasoline engines for outdoor power equipment. It designs, manufactures, markets and services these products for original equipment manufacturers (OEMs) worldwide. In addition, the Company markets and sells related service parts and accessories for its engines. Through its wholly owned subsidiary, Briggs & Stratton Power Products Group, LLC, Briggs & Stratton is also a designer, manufacturer and marketer of generators, pressure washers, snow throwers, lawn and garden powered equipment (primarily riding and walk behind mowers) and related service parts and accessories. Briggs & Stratton conducts its operations in two reportable segments: Engines and Power Products. Further information about Briggs & Stratton's business segments is contained in Note 7 of the Notes to Consolidated Financial Statements. These engines are aluminum alloy gasoline engines with displacements ranging from 127 to 993 cubic centimeters. The Company's engines are used mainly by the lawn and garden equipment industry, which accounted for 86% of the segment's fiscal 2011 engine sales to OEMs. Major lawn and garden equipment applications include walk-behind lawn mowers, riding lawn mowers, garden tillers and snow throwers. Briggs & Stratton engines are sold primarily by its worldwide sales force through direct calls on customers. Briggs & Stratton's marketing staff and engineers in the United States provide support and technical assistance to its sales force. Briggs & Stratton also manufactures replacement engines and service parts and sells them to sales and service distributors. Briggs & Stratton owns its main international distributors. In the United States the distributors are independently owned and operated. Briggs & Stratton's engine sales are made mainly to OEMs. Briggs & Stratton's major domestic competitors in engine manufacturing are Honda Motor Co., Ltd. (Honda), Kawasaki Heavy Industries, Ltd. (Kawasaki) and Kohler Co. (Kohler). The Company's operations and products are subject to a variety of foreign, federal, state and local laws and regulations governing, among other things, emissions to air, discharges to water, noise, the generation, handling, storage, transportation, treatment and disposal of waste and other materials and health and safety matters.

Company Name:		Briggs & Stratton		Market Capitalization:		\$1,059,740,000.00		Revenue:		\$1,860,000,000.00		100.0%				
Ticker Symbol:	BGG	Total Debt:	\$225,300,000.00	Cost of Goods Sold:	\$1,512,100,000.00	Gross Profit:	\$347,900,000.00	EBITDA:	\$127,460,000.00	Net Income:	-\$33,660,000.00	-1.8%				
Last Price:	\$22.00	RCH Total Cash:	\$188,440,000.00	Net Cash/(Debt):	-\$36,860,000.00	Enterprise Value:	\$1,096,600,000.00	EBITDA:	\$127,460,000.00	Net Income:	-\$33,660,000.00	-1.8%				
Net Cash/Share:	-\$0.77	Net Cash/(Debt):	-\$36,860,000.00	Current EV/Share:	\$22.77	EBITDA:	\$15,180,000.00	EBITDA:	\$127,460,000.00	Net Income:	-\$33,660,000.00	-1.8%				
Net Cash to Last Price:	-3.48%	Enterprise Value:	\$1,096,600,000.00	Current EV/Share:	\$22.77	EBITDA:	\$15,180,000.00	EBITDA:	\$127,460,000.00	Net Income:	-\$33,660,000.00	-1.8%				
Shares Outstanding:	48,170,000	EV/EBITDA Multiple:	72.24	Current EV/Share:	\$22.77	EBITDA:	\$15,180,000.00	EBITDA:	\$127,460,000.00	Net Income:	-\$33,660,000.00	-1.8%				
Industry:	Diversified Industrials	EV/EBITDA Multiple Average Year 1-5:	9.82	Current EV/Share:	\$22.77	EBITDA:	\$15,180,000.00	EBITDA:	\$127,460,000.00	Net Income:	-\$33,660,000.00	-1.8%				
Sector:	Industrials	EV/FCF Multiple (excluding acquisition):	9.46	Current EV/Share:	\$22.77	EBITDA:	\$15,180,000.00	EBITDA:	\$127,460,000.00	Net Income:	-\$33,660,000.00	-1.8%				
Institutional Ownership:	96.57%	EV/FCF Multiple Average Year 1-5 (excluding acquisition):	28.19	Current EV/Share:	\$22.77	EBITDA:	\$15,180,000.00	EBITDA:	\$127,460,000.00	Net Income:	-\$33,660,000.00	-1.8%				
Mutual Fund Ownership:	53.55%			Current EV/Share:	\$22.77	EBITDA:	\$15,180,000.00	EBITDA:	\$127,460,000.00	Net Income:	-\$33,660,000.00	-1.8%				
Insider Ownership:	1.52%			Current EV/Share:	\$22.77	EBITDA:	\$15,180,000.00	EBITDA:	\$127,460,000.00	Net Income:	-\$33,660,000.00	-1.8%				
Float:	84.00%			Current EV/Share:	\$22.77	EBITDA:	\$15,180,000.00	EBITDA:	\$127,460,000.00	Net Income:	-\$33,660,000.00	-1.8%				
Upper Range																
DCF: EV/EBITDA Terminal Value																
Technicals		Implied TV from 3 X EV/EBITDA Multiple	\$167,625,000.00	Enterprise Value		\$167,625,000.00	Cash at Year 5:		\$382,941,300.00	Debt at Year 5:		\$225,300,000.00	Equity Value Year 5:		\$325,266,300.00	
52 week low:	\$16.91	Enterprise Value	\$167,625,000.00	Cash at Year 5:		\$382,941,300.00	Debt at Year 5:		\$225,300,000.00	Equity Value Year 5:		\$325,266,300.00	Equity/Share at Year 5:		\$6.75	
Today from 52 week low:	30.10%	Cash at Year 5:	\$382,941,300.00	Debt at Year 5:		\$225,300,000.00	Equity Value Year 5:		\$325,266,300.00	Equity/Share at Year 5:		\$6.75	Annualized Return:		-21.04%	
52 week high:	\$25.52	Equity Value Year 5:	\$325,266,300.00	Equity/Share at Year 5:		\$6.75	Annualized Return:		-21.04%	Lower Range						
Today from 52 week high:	16.00%	Equity/Share at Year 5:	\$6.75	Annualized Return:		-21.04%	DCF: Net Tangible Asset excluding Cash/Debt Terminal Value									
Analyst/Consensus		Year 5 Net Tangible Assets excluding cash and debt	\$469,450,000.00	Enterprise Value		\$469,450,000.00	Cash at Year 5:		\$382,941,300.00	Debt at Year 5:		\$225,300,000.00	Equity Value Year 5:		\$627,091,300.00	
Analyst Sales Growth FY1:	3.30%	Enterprise Value	\$469,450,000.00	Cash at Year 5:		\$382,941,300.00	Debt at Year 5:		\$225,300,000.00	Equity Value Year 5:		\$627,091,300.00	Equity/Share at Year 5:		\$13.02	
Analyst Sales Growth FY2:	4.30%	Cash at Year 5:	\$382,941,300.00	Debt at Year 5:		\$225,300,000.00	Equity Value Year 5:		\$627,091,300.00	Equity/Share at Year 5:		\$13.02	Annualized Return:		-9.96%	
SN Valuation Estimate FY1:	0.00%	Debt at Year 5:	\$225,300,000.00	Equity Value Year 5:		\$627,091,300.00	Equity/Share at Year 5:		\$13.02	EVA						
SN Valuation Estimate FY2:	0.00%	Equity Value Year 5:	\$627,091,300.00	Equity/Share at Year 5:		\$13.02	EVA today:									
Analyst Earnings Estimate FY1:		\$1.14	EVA in 5 Years:	\$613,792,953.15	EVA/Share:		\$12.74	Cash at Year 5:		\$382,941,300.00	Debt at Year 5:		\$225,300,000.00	Equity Value Year 5:		\$771,434,253.15
Analyst Earnings Estimate FY2:	\$1.46	EVA/Share:	\$12.74	Cash at Year 5:		\$382,941,300.00	Debt at Year 5:		\$225,300,000.00	Equity Value Year 5:		\$771,434,253.15	Equity/Share at Year 5:		\$16.01	
SN Valuation Earnings Est. FY1:	\$0.69	Cash at Year 5:	\$382,941,300.00	Debt at Year 5:		\$225,300,000.00	Equity Value Year 5:		\$771,434,253.15	Equity/Share at Year 5:		\$16.01	Annualized return:		2.11%	
SN Valuation Earnings Est. FY2:	\$0.69	Debt at Year 5:	\$225,300,000.00	Equity Value Year 5:		\$771,434,253.15	Equity/Share at Year 5:		\$16.01	Current Net Tangible Asset						
Multiples		Equity Value Year 5:	\$771,434,253.15	Equity/Share at Year 5:		\$16.01	Net Tangible Asset/Share:									
Market Value to Book:	1.59	Equity/Share at Year 5:	\$16.01	Net Tangible Asset/Share in Year 5:												
EV to Book:	1.64	Annualized Return:	2.11%	Annualized return												
Market Value to Tangible Net Assets:	4.34	Annualized Return:	2.11%	Current Equity Price:												
P/E Ratio:	-31.48	Current Equity Price:	\$22.00	Selling at Discount?												
Trailing P/E Ratio:	N/A	Selling at Discount?	Premium	Appreciation Potential:												
Forward P/E Ratio:	12.82	Appreciation Potential:	-59.37%	Copyright SN Valuation All Rights Reserved												
Beta:	1.13	Copyright SN Valuation All Rights Reserved	www.snvaluation.com	www.snvaluation.com												
Dividend:	0.48	www.snvaluation.com		www.snvaluation.com												
Dividend Yield:	2.57%			www.snvaluation.com												
Dividend Date:	Sep 30, 2013			www.snvaluation.com												
Ex-Dividend Date:	Sep 12, 2013			www.snvaluation.com												
Competitors				www.snvaluation.com												
Average EV to EBITDA:	N/A			www.snvaluation.com												
Company EV to EBITDA:	72.24			www.snvaluation.com												
Average EV to EBIT:	N/A			www.snvaluation.com												
Company EV to EBITA:	-27.04			www.snvaluation.com												

Income Statement

Revenue:	\$1,860,000,000.00	100.0%
Cost of Goods Sold:	\$1,512,100,000.00	81.3%
Gross Profit:	\$347,900,000.00	18.7%
EBITDA:	\$127,460,000.00	6.9%
Net Income:	-\$33,660,000.00	-1.8%

Balance Sheet

Cash:	\$188,440,000.00
Short Term Investment:	\$0.00
A/R:	\$191,000,000.00
PP&E:	\$285,000,000.00
Assets:	\$1,446,220,000.00

A/P:	\$143,000,000.00
Deferred Tax:	\$0.00
Other Liabilities:	\$411,310,000.00
Short term Debt:	\$300,000.00
Long Term Debt:	\$225,000,000.00
Liabilities:	\$779,610,000.00

Retained Earnings:	\$1,042,000,000.00
Paid-In Capital:	\$77,580,000.00
Treasury Stock:	-\$228,010,000.00
Stockholder's Equity:	\$666,650,000.00

Cash Flow

Net Income:	-33,660,000.00
Depreciation/Amortization:	55,750,000.00
Change in Working capital:	89,870,000.00
Cash from Operating Activities:	160,810,000.00

Capital Expenditures:	-44,880,000.00
Cash from Investing Activities:	-92,010,000.00

Total Cash Dividends Paid:	-23,290,000.00
Issuance (Retirement) of Stock:	-10,370,000.00
Issuance (Retirement) of Debt:	-2,700,000.00
Cash from Financing Activities:	-36,360,000.00

Profitability Margins

Debt to Equity:	33.80%
Return on Assets:	-2.33%
Return on Capital:	-3.77%
Return on Equity:	-5.05%

SN VALUATION

LBO Pro Forma Income Statement

Name:

Briggs & Stratton

Ticker:

BGG

	Historical				Forecasted				
	52 weeks ending 2010-06-27	53 weeks ending 2011-07-03	52 weeks ending 2012-07-01	52 weeks ending 2013-06-30	2013	2014	2015	2016	2017
Revenue	2,027.87	2,110.00	2,066.53	1,862.50	1,862.50	1,862.50	1,862.50	1,862.50	1,862.50
COGS	1,647.94	1,711.68	1,685.05	1,514.60	1,527.25	1,527.25	1,527.25	1,527.25	1,527.25
Gross margin	379.93	398.32	381.48	347.90	335.25	335.25	335.25	335.25	335.25
SG&A	293.25	297.11	290.38	276.19	279.38	279.38	279.38	279.38	279.38
R&D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unusual expense	30.60	52.99	49.87	112.28	0.00	0.00	0.00	0.00	0.00
Other operating expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation is: Excluded from COGS					0.00	0.00	0.00	0.00	0.00
Operating Income (EBITA)	69.08	48.22	41.23	-40.57	55.88	55.88	55.88	55.88	55.88
Interest income/(expense)	-21.23	-17.88	-12.94	-18.52	-4.87	-4.87	-4.87	-4.87	-4.87
Gain (loss) on sale of asset	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	1.21	1.71	1.57	6.94	0.00	0.00	0.00	0.00	0.00
Income before tax	49.07	32.05	29.87	-52.14	51.00	51.00	51.00	51.00	51.00
Tax	12.45	7.69	10.66	-18.48	17.85	17.85	17.85	17.85	17.85
Income after tax	36.62	24.36	29.01	-33.66	33.15	33.15	33.15	33.15	33.15
Minority Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Equity in affiliates	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net income	36.62	24.36	29.01	-33.66	33.15	33.15	33.15	33.15	33.15
*Figures are in millions (\$)									
EPS (based off today's share count)	\$0.76	\$0.51	\$0.60	-\$0.70	\$0.69	\$0.69	\$0.69	\$0.69	\$0.69
P/E (historical today's price; forecasted intrinsic price)	28.94	43.50	36.53	-31.48	31.28	30.61	29.96	29.32	28.69
Revenue Growth	N/A	4.05%	-2.06%	-8.87%	0.00%	0.00%	0.00%	0.00%	0.00%
Tax Rate	25.37%	23.99%	2.88%	35.44%	35.00%	35.00%	35.00%	35.00%	35.00%
Implied Debt Interest Rate	-10.28%	-7.84%	-5.68%	-8.22%	-2.17%	-2.17%	-2.17%	-2.17%	-2.17%
Margins									
COGS	81.26%	81.12%	81.54%	81.32%	82.00%	82.00%	82.00%	82.00%	82.00%
Gross margin	18.74%	18.88%	18.46%	18.68%	18.00%	18.00%	18.00%	18.00%	18.00%
SG&A	13.82%	14.08%	14.05%	14.83%	15.00%	15.00%	15.00%	15.00%	15.00%
R&D	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Unusual expense	1.51%	2.51%	2.41%	6.03%	0.00%	0.00%	0.00%	0.00%	0.00%
Other operating expense	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Depreciation is: Excluded from COGS	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Operating Income (EBITA)	3.41%	2.29%	2.00%	-2.18%	3.00%	3.00%	3.00%	3.00%	3.00%
Interest income/(expense)	-1.05%	-0.85%	-0.63%	-0.99%	-0.26%	-0.26%	-0.26%	-0.26%	-0.26%
Gain (loss) on sale of asset	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other	0.06%	0.08%	0.08%	0.37%	0.00%	0.00%	0.00%	0.00%	0.00%
Income before tax	2.42%	1.52%	1.45%	-2.80%	2.74%	2.74%	2.74%	2.74%	2.74%
Tax	0.61%	0.36%	0.04%	-0.99%	0.96%	0.96%	0.96%	0.96%	0.96%
Income after tax	1.81%	1.15%	1.40%	-1.81%	1.78%	1.78%	1.78%	1.78%	1.78%
Minority Interest	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Equity in affiliates	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Net income	1.81%	1.15%	1.40%	-1.81%	1.78%	1.78%	1.78%	1.78%	1.78%

	As of 2010-06-27	As of 2011-07-03	As of 2012-07-01	As of 2013-06-30	Adjustment		Adjusted Proforma	2011	2012	2013	2014	2015
					+	-						
Cash	116.55	209.64	156.07	188.44	188.44		188.44	227.34	266.24	305.14	344.04	382.94
Short term investment	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Cash and Short term	116.55	209.64	156.07	188.44	188.44		188.44	227.34	266.24	305.14	344.04	382.94
Accounts Receivable	286.43	249.36	224.00	190.80	191.00		191.00	191.00	191.00	191.00	191.00	191.00
Other receivables	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Total Receivables	286.43	249.36	224.00	190.80	191.00		191.00	191.00	191.00	191.00	191.00	191.00
Total Inventory	400.35	427.09	433.68	408.10	408.10		408.10	408.10	408.10	408.10	408.10	408.10
Prepaid Expenses	57.18	36.41	42.81	24.11	24.11		24.11	24.11	24.11	24.11	24.11	24.11
Other Current Assets	45.14	56.24	54.93	47.53	47.53		47.53	47.53	47.53	47.53	47.53	47.53
Current Assets	905.65	978.74	911.49	858.98	859.18	0.00	859.18	898.08	936.98	975.88	1,014.78	1,053.68
PP&E, Gross	979.90	1,016.89	1,012.62	1,019.35	1,020.00		1,020.00	1,070.00	1,120.00	1,170.00	1,220.00	1,270.00
Change in Depreciation	66.23	61.83	63.71	55.75	55.75		55.75	55.75	55.75	55.75	55.75	55.75
Accumulated Depreciation	642.13	687.67	729.93	732.16	735.00		735.00	790.75	846.50	902.25	958.00	1,013.75
PP&E, Net	337.77	329.22	282.69	287.19	285.00		285.00	279.25	273.50	267.75	262.00	256.25
Goodwill	252.97	202.94	204.76	147.35	148.00	0.00	148.00	148.00	148.00	148.00	148.00	148.00
Intangibles	90.34	89.28	87.07	87.98	88.00		88.00	88.00	88.00	88.00	88.00	88.00
Long term investments	19.71	21.02	22.16	19.76	19.76		19.76	19.76	19.76	19.76	19.76	19.76
Other long term assets	83.62	45.02	81.49	46.28	46.28		46.28	46.28	46.28	46.28	46.28	46.28
Long Term Assets	784.41	687.48	678.17	588.56	587.04		587.04	581.29	575.54	569.79	564.04	558.29
Total Assets	1,690.06	1,666.22	1,589.66	1,447.54	1,446.22	0.00	1,446.22	1,479.37	1,512.52	1,545.67	1,578.82	1,611.97
Accounts Payable	171.50	183.73	151.15	143.19	143.00		143.00	143.00	143.00	143.00	143.00	143.00
Accrued Expense	185.56	157.65	151.76	131.27	132.00		132.00	132.00	132.00	132.00	132.00	132.00
Other current Liabilities	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Total Current Liabilities	357.06	341.38	302.91	274.46	275.00	0.00	275.00	275.00	275.00	275.00	275.00	275.00
Notes Payables/Short Term Debt	3.00	3.00	3.00	0.30	0.30		0.30	0.30	0.30	0.30	0.30	0.30
Current port. Of LT Debt/Capital Leases	203.46	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Long term Debt	0.00	225.00	225.00	225.00	225.00	0.00	225.00	225.00	225.00	225.00	225.00	225.00
Capital Lease Obligations	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Total Interest Earning Debt	206.46	228.00	228.00	225.30	225.30	0.00	225.30	225.30	225.30	225.30	225.30	225.30
Deferred Income tax	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Minority Interest	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Other liabilities	475.97	358.89	445.35	279.86	279.31		279.31	279.31	279.31	279.31	279.31	279.31
Total Liabilities	1,039.49	928.27	976.26	779.62	779.61	0.00	779.61	779.61	779.61	779.61	779.61	779.61
Redeemable Preferred Stock	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Non-redeemable Preferred Stock	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Common Stock	0.58	0.58	0.58	0.58	0.58		0.58	0.58	0.58	0.58	0.58	0.58
Additional Paid-in capital	80.35	79.35	81.72	77.00	77.00	0.00	77.00	77.00	77.00	77.00	77.00	77.00
Dividends Paid	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Retained Earnings	1,090.84	1,092.86	1,099.86	1,042.92	1,042.00		1,042.00	1,075.15	1,108.30	1,141.45	1,174.60	1,207.75
Treasury Stock	-202.49	-191.36	-227.49	-227.63	-228.00		-228.00	-228.00	-228.00	-228.00	-228.00	-228.00
Other Equity	-318.71	-243.50	-322.70	-224.93	-224.93		-224.93	-224.93	-224.93	-224.93	-224.93	-224.93
Total Equity	650.57	737.93	613.97	667.94	666.65	0.00	666.65	699.80	732.95	766.10	799.25	832.40
Liability + Equity	1,690.06	1,666.20	1,608.23	1,447.56	1,446.26	0.00	1,446.26	1,479.41	1,512.56	1,545.71	1,578.86	1,612.01
Variance	0.00	0.02	-18.57	-0.02	-0.04		-0.04	-0.04	-0.04	-0.04	-0.04	-0.04
Debt/Equity	0.32	0.31	0.36	0.34	0.34		0.34	0.32	0.31	0.29	0.28	0.27
Inventory Turnover	5.07	4.94	4.77	4.56	4.56		4.56	4.56	4.56	4.56	4.56	4.56
Inventory Turnover Days	72.06	73.88	76.60	79.98	79.98		79.98	79.98	79.98	79.98	79.98	79.98
Days Inventory Outstanding	88.67	91.07	93.94	98.35	97.53		98.35	97.53	97.53	97.53	97.53	97.53
Accounts Receivable Turnover	7.08	8.46	9.23	9.76	9.75		9.75	9.75	9.75	9.75	9.75	9.75
Accounts Receivable Turnover Days	51.56	43.14	39.56	37.39	37.43		37.43	37.43	37.43	37.43	37.43	37.43
Days Payable Outstanding	37.99	39.18	32.74	34.51	34.18		34.46	34.18	34.18	34.18	34.18	34.18
Days Sales Outstanding	51.56	43.14	39.56	37.39	37.43		37.39	37.43	37.43	37.43	37.43	37.43
Cash Conversion Cycle	102.24	95.03	100.76	101.23	100.79		101.28	100.79	100.79	100.79	100.79	100.79
Net tangible assets/share	\$6.38	\$9.25	\$7.06	\$8.98	\$8.94		\$9.63	\$10.32	\$11.00	\$11.69	\$12.38	\$13.07

	52 weeks ending 2010-06-27	53 weeks ending 2011-07-03	52 weeks ending 2012-07-01	52 weeks ending 2013-06-30	2011	2012	2013	2014	2015
Net Income	36.62	24.36	29.01	-33.66	33.15	33.15	33.15	33.15	33.15
Depreciation	66.23	61.83	63.71	55.75	55.75	55.75	55.75	55.75	55.75
Net Income + Depreciation	102.85	86.19	92.72	22.09	88.90	88.90	88.90	88.90	88.90
Amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non Cash Items	8.78	61.73	11.72	48.85	0.00	0.00	0.00	0.00	0.00
Change in Working capital	132.11	9.02	-38.48	89.87	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	37.07	25.36	33.20	0.00	0.00	0.00	0.00	0.00
Other Receivables	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Inventory	0.00	-26.74	-6.59	25.58	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	0.00	20.77	-6.40	18.70	0.00	0.00	0.00	0.00	0.00
Accounts Payable	0.00	12.23	-32.58	-7.96	0.00	0.00	0.00	0.00	0.00
Cash from Operating Activities	243.74	156.94	65.96	160.81	88.90	88.90	88.90	88.90	88.90
Capital Expenditures Expenditures	-44.44	-59.92	-49.57	-44.88	-50.00	-50.00	-50.00	-50.00	-50.00
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Investing Activities	0.13	0.15	-1.22	-47.13	0.00	0.00	0.00	0.00	0.00
Cash from Investing Activities	-44.31	-59.77	-50.79	-92.01	-50.00	-50.00	-50.00	-50.00	-50.00
Financing Cash flow items	0.00	-4.99	-2.01	0.00	0.00	0.00	0.00	0.00	0.00
Total Cash Dividends Paid	-22.12	-22.33	-22.01	-23.29	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Stock	0.86	1.53	-39.05	-10.37	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Current Portion Debt	-	-	-	-	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Long Term Debt	-78.24	21.30	0.00	-2.70	0.00	0.00	0.00	0.00	0.00
Cash from Financing Activities	-99.50	-4.49	-63.07	-36.36	0.00	0.00	0.00	0.00	0.00
Foreign Exchange effect	0.63	0.42	-0.67	-0.07	0.00	0.00	0.00	0.00	0.00
Beginning Cash Balance	15.99	116.55	209.64	156.07	188.44	227.34	266.24	305.14	344.04
Net Change in Cash	100.56	93.08	-53.56	32.37	38.90	38.90	38.90	38.90	38.90
Ending Cash Balance	116.55	209.64	156.08	188.44	227.34	266.24	305.14	344.04	382.94
Capex to Revenue	2.19%	2.84%	2.40%	2.41%	2.68%	2.68%	2.68%	2.68%	2.68%
Depreciation to Sales	3.27%	2.93%	3.08%	2.99%	2.99%	2.99%	2.99%	2.99%	2.99%
Amortization to Sales	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
A/R to Sales	14.12%	11.82%	10.84%	10.24%	10.24%	10.24%	10.24%	10.24%	10.24%
Distributable FCF/EV Yield	18.19%	8.86%	1.38%	6.27%	3.55%	3.55%	3.55%	3.55%	3.55%
Dividend Yield	-2.09%	-2.11%	-2.08%	-2.20%	0.00%	0.00%	0.00%	0.00%	0.00%
FCF (Ops-Investing)	221.42	119.35	38.40	139.22	38.90	38.90	38.90	38.90	38.90

SN VALUATION

LBO Debt Schedule

Ticker:

BGG

	Proforma	2013	2014	2015	2016	2017
Net Change in Cash	32.37	38.90	38.90	38.90	38.90	38.90
Current Portion Debt Repayment						
Long Term Debt Repayment						
Outstanding Debt	225.30	225.30	225.30	225.30	225.30	225.30
Current Portion Debt Balance	0.30	0.30	0.30	0.30	0.30	0.30
Long Term Debt Balance	225.00	225.00	225.00	225.00	225.00	225.00
Forward Libor Curve		3.00%	3.00%	3.00%	3.00%	3.00%
Spread		0.00%	0.00%	0.00%	0.00%	0.00%
Interest Rate		3.00%	3.00%	3.00%	3.00%	3.00%
Interest Expense		6.76	6.76	6.76	6.76	6.76
Cash Balance		188.44				
Interest @ 1.0%		1.88	1.88	1.88	1.88	1.88
Net Interest Expense/(Income)		4.87	4.87	4.87	4.87	4.87
Net Interest Rate		2.17%	2.17%	2.17%	2.17%	2.17%
EBITDA		55.88	55.88	55.88	55.88	55.88
EBITDA/Interest Expense Coverage		8.27	8.27	8.27	8.27	8.27

Interest Rate Coverage Table

Debt Rating					
AAA					
AA					
A+	A+	A+	A+	A+	A+
A					
A-					
BBB					
BB+					
BB					
B+					
B					
B-					
CCC					
CC					
C					
D					

*Source: NYU; Professor Damodaran

Altman Z Score

Company Name:

Briggs & Stratton

Ticker:

BGG

Period	2009	2010	2011	2012	2013	2014	2015	2016	2017
Working Capital	548.59	637.36	608.58	584.18	623.08	661.98	700.88	739.78	778.68
Total Assets	1,690.06	1,666.22	1,589.66	1,446.22	1,479.37	1,512.52	1,545.67	1,578.82	1,611.97
X1	0.32	0.38	0.38	0.40	0.42	0.44	0.45	0.47	0.48
Retained Earnings	1,090.84	1,092.86	1,099.86	1,042.00	1,075.15	1,108.30	1,141.45	1,174.60	1,207.75
Total Assets	1,690.06	1,666.22	1,589.66	1,446.22	1,479.37	1,512.52	1,545.67	1,578.82	1,611.97
X2	0.65	0.66	0.69	0.72	0.73	0.73	0.74	0.74	0.75
EBITDA	69.08	48.22	41.23	-40.57	55.88	55.88	55.88	55.88	55.88
Total Assets	1,690.06	1,666.22	1,589.66	1,446.22	1,479.37	1,512.52	1,545.67	1,578.82	1,611.97
X3	0.04	0.03	0.03	-0.03	0.04	0.04	0.04	0.04	0.03
Market Value of Equity	1,059.74	1,059.74	1,059.74	1,059.74	1,037.06	1,014.87	993.15	971.90	951.10
Total Liabilities	1,039.49	928.27	976.26	779.61	779.61	779.61	779.61	779.61	779.61
X4	1.02	1.14	1.09	1.36	1.33	1.30	1.27	1.25	1.22
Net Sales	2,027.87	2,110.00	2,066.53	1,862.50	1,862.50	1,862.50	1,862.50	1,862.50	1,862.50
Total Assets	1,690.06	1,666.22	1,589.66	1,446.22	1,479.37	1,512.52	1,545.67	1,578.82	1,611.97
X5	1.20	1.27	1.30	1.29	1.26	1.23	1.20	1.18	1.16
Altman Z Score	3.24	3.42	3.46	3.50	3.70	3.69	3.67	3.65	3.63

$$Z = 1.2 \times X1 + 1.4 \times X2 + 3.3 \times X3 + 0.6 \times X4 + 1.0 \times X5$$

Z-SCORE ABOVE 3.0 –The company is considered 'Safe' based on the financial figures only.

Blue

Z-SCORE BETWEEN 2.7 and 2.99 – 'On Alert'. This zone is an area where one should 'Exercise Caution'.

Green

Z-SCORE BETWEEN 1.8 and 2.7 – Good chance of the company going bankrupt within 2 years.

Yellow

Z-SCORE BELOW 1.80- Probability of Financial Catastrophe is Very High.

Red

Year	Present Value	Holding Period					Terminal Value			Sale Price
	0	1	2	3	4	5	6	7	8	TBV at Year 5 + 3 Years FCF
Tangible Book Value	518.65	551.80	584.95	618.10	651.25	684.40				684.40
Annual Change		33.15	33.15	33.15	33.15	33.15				
Annual FCF	115.93	38.90	38.90	38.90	38.90	38.90	38.90	38.90	38.90	116.70
Annual Op. Cash Flow	160.81	88.90	88.90	88.90	88.90	88.90	88.90	88.90	88.90	
Annual PP&E Investment	(44.88)	(50.00)	(50.00)	(50.00)	(50.00)	(50.00)	(50.00)	(50.00)	(50.00)	
Today's Tangible Book Value	518.65	548.23	579.49	612.54	647.48	684.40				801.10
Intrinsic Value IRR	5.70%									
Market Price	1,059.74	1,002.07	947.53	895.97	847.21	801.10				801.10
Market Price IRR	-5.44%									

Debt	50.00%	529.87
Equity	50.00%	529.87
Total	100.00%	1,059.74

	Present Value	Holding Period					Terminal Value			Sale Price	
	Historic	ProForma	1	2	3	4	5	6	7	8	
Book Equity	666.65	529.87	551.47	573.07	594.67	616.27	637.86				
Goodwill	148	541.09	541.09	541.09	541.09	541.09	541.09				
Debt	225	754.87	754.87	754.87	754.87	754.87	754.87				
Debt Interest Rate		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%				
Additional Interest Expense		17.77	17.77	17.77	17.77	17.77					
Tangible Book Value	518.65	-11.22	10.38	31.98	53.58	75.18	96.77				96.77
Annual Change			21.60	21.60	21.60	21.60	21.60				
Annual FCF	115.93		27.35	27.35	27.35	27.35	27.35	27.35	27.35	27.35	82.05
Annual Net Income	(33.66)		21.60	21.60	21.60	21.60	21.60	21.60	21.60	21.60	
Annual Op. Cash Flow	160.81		77.35	77.35	77.35	77.35	77.35	77.35	77.35	77.35	
Dividend Payments											
Annual PP&E Investment	(44.88)		(50.00)	(50.00)	(50.00)	(50.00)	(50.00)	(50.00)	(50.00)	(50.00)	
Debt Paydown	0.00							0.00	0.00	0.00	
Sale Price in Year 5											178.82
Capital Left for Equity Investor											178.82
Dividend Payments											0.00
Total Cash In Flow											178.82
Invested Equity	529.87		426.40	343.14	276.13	222.21	178.82				
IRR	-19.53%										

We assume the debt taken on by the investor is now on the Co's books, so the investor has no more liability from the deal.

<u>Value Creation</u>	
TBV Growth (equals sum of NI Year 1-5)	107.99
Cash Flow (Year 6-8)	82.05
	190.04

<u>Value Dilution</u>	
Debt	529.87
Goodwill	393.09
Additional Interest	88.86
	1,011.82