creditrisk monitor®

BRIGGS & STRATTON CORP. BANKRUPTCY CASE STUDY

FILED ON 07/20/2020

CreditRiskMonitor's warning of Briggs & Stratton Corporation's ("Briggs & Stratton") bankruptcy risk was determined by a combination of factors:

MONTHLY AVERAGE FRISK® SCORE

CreditRiskMonitor's FRISK® score had been warning of financial stress at Briggs & Stratton Corporation (OTC: BGGSQ) for more than a year. We issued a special High Risk Report, dated June 12, 2020 as conditions continued to deteriorate and become more troubling. The company ultimately filed for bankruptcy on July 20, 2020.

Executive management reduced the quartely dividend distribution by 64% after reporting a fourth quarter net loss.

Credit facility amendments were applied by reducing the borrowing base, tightening covenants, and raising interest expenses.

Asset divestitures were announced as a means of debt deleveraging. Distressed sales should be monitored carefully.

Business Name	2019						2020						
	J	A	S	O	N	D	J	F	M	A	M	J	J
Briggs & Stratton Corporation	4	4	2	2	2	2	3	2	1	1	1	1	1

BANKRUPT!

Moody's downgraded the company's credit rating from B2 to Caa1 while also maintaining a negative outlook.

Management engaged with restructuring advisers in an effort to address its untenable capital structure.

The FRISK® score is 96% accurate* in predicting the risk of corporate failure/bankruptcy over a 12-month horizon. All FRISK® scores are recalculated every night for each subsequent 12-month period.

FRISK® SCORE: PROBABILITY OF BANKRUPTCY WITHIN 12 MONTHS

	FRISK®	FROM	TO
BEST	10	0.00%	0.12%
	9	0.12%	0.27%
	8	0.27%	0.34%
	7	0.34%	0.55%
	6	0.55%	0.87%
	5	0.87%	1.40%
	4	1.40%	2.10%
WORST	3	2.10%	4.00%
	2	4.00%	9.99%
	1	9.99%	50.00%

While the risk of bankruptcy varies at each FRISK® score, 96% of public companies that eventually go bankrupt enter the FRISK® "red zone" prior to filing. A FRISK® score of 5 or less is an important warning sign.

* FRISK® score accuracy of 96% is based on backtesting of U.S. public companies; results may vary by country.

THE FRISK® SCORE COMPONENTS

At the core of the CreditRiskMonitor® process is our 96% accurate FRISK® score, which indicates a company's level of financial stress on a scale of 1 to 10, based on the probability of bankruptcy over a 12-month horizon. When available, the FRISK® score incorporates a number of powerful risk indicators including:

- A "Merton" type model using stock market capitalization and volatility
- Financial ratios, including those used in the Altman Z"-Score Model
- Bond agency ratings from Moody's, Fitch, & DBRS Morningstar

Crowdsourced CreditRiskMonitor® Usage Data

Crowdsourcing has enhanced the accuracy and timeliness of the FRISK® score. We collect and analyze data patterns from thousands of CreditRiskMonitor® subscribers, including professionals from more than 35% of the Fortune 1000 and other large corporations worldwide.

The crowdsourcing advantage is even more powerful in our FRISK® score since many of the professionals who use our service are credit managers:

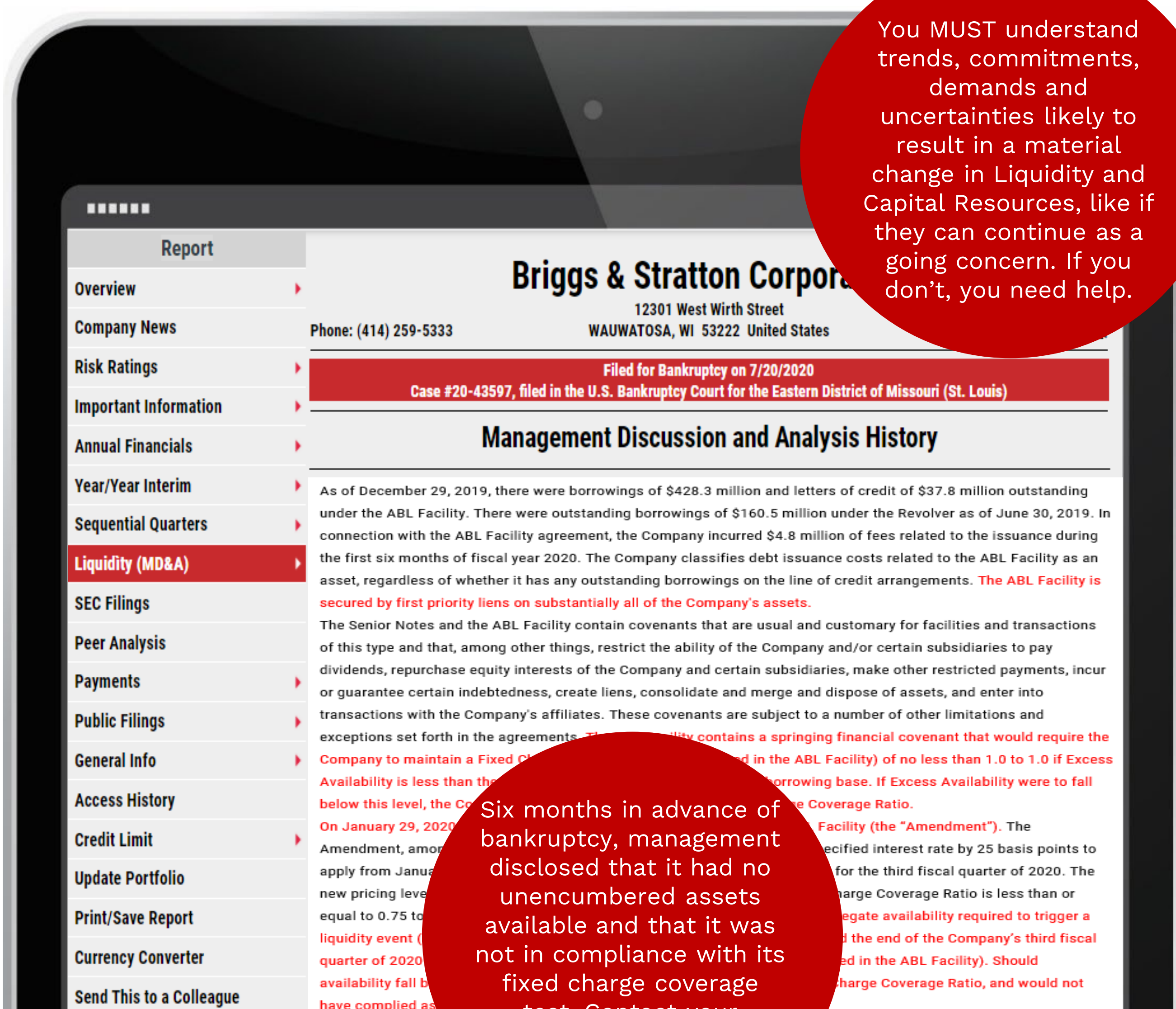
- Credit managers control one of the largest sources of working capital going into a company
- They are not held to the same "Fair Disclosure" restrictions that prevent non-disclosed information sharing on public companies
- Credit managers use a variety of non-public information sources such as their own company's management and sales representatives to be alerted to concerns in a public company's performance
- It is commonly known credit managers confidentially share information with other credit managers, thus collectively, their behavior helps to provide advanced insight to financial problems in public companies

Read more in Credit Research Foundation's quarterly journal article, "Assessing Public Company Financial Risk by Crowdsourcing the Research of Credit Professionals"

DO NOT MISS THIS – MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

Making misleading or fraudulent statements in an MD&A is against the law – and Sarbanes-Oxley subjects CEOs and CFOs to heavy fines or even jail time for doing so. A vital feature of the CreditRiskMonitor service is the ability to quickly access a Company's Management Discussion and Analysis (MD&A) history. Let it sink in: there are no two people in the world with better knowledge of a company's liquidity risk than the CEO and CFO. More than any credit manager. More than any trade group. And they're personally liable if they're lying.

According to the Financial Accounting Standards Board (FASB), "MD&A should provide a balanced presentation that includes both positive and negative information about the topics discussed."



You MUST understand trends, commitments, demands and uncertainties likely to result in a material change in Liquidity and Capital Resources, like if they can continue as a going concern. If you don't, you need help.

Six months in advance of bankruptcy, management disclosed that it had no unencumbered assets available and that it was not in compliance with its fixed charge coverage test. Contact your account manager to discuss these important red flags.

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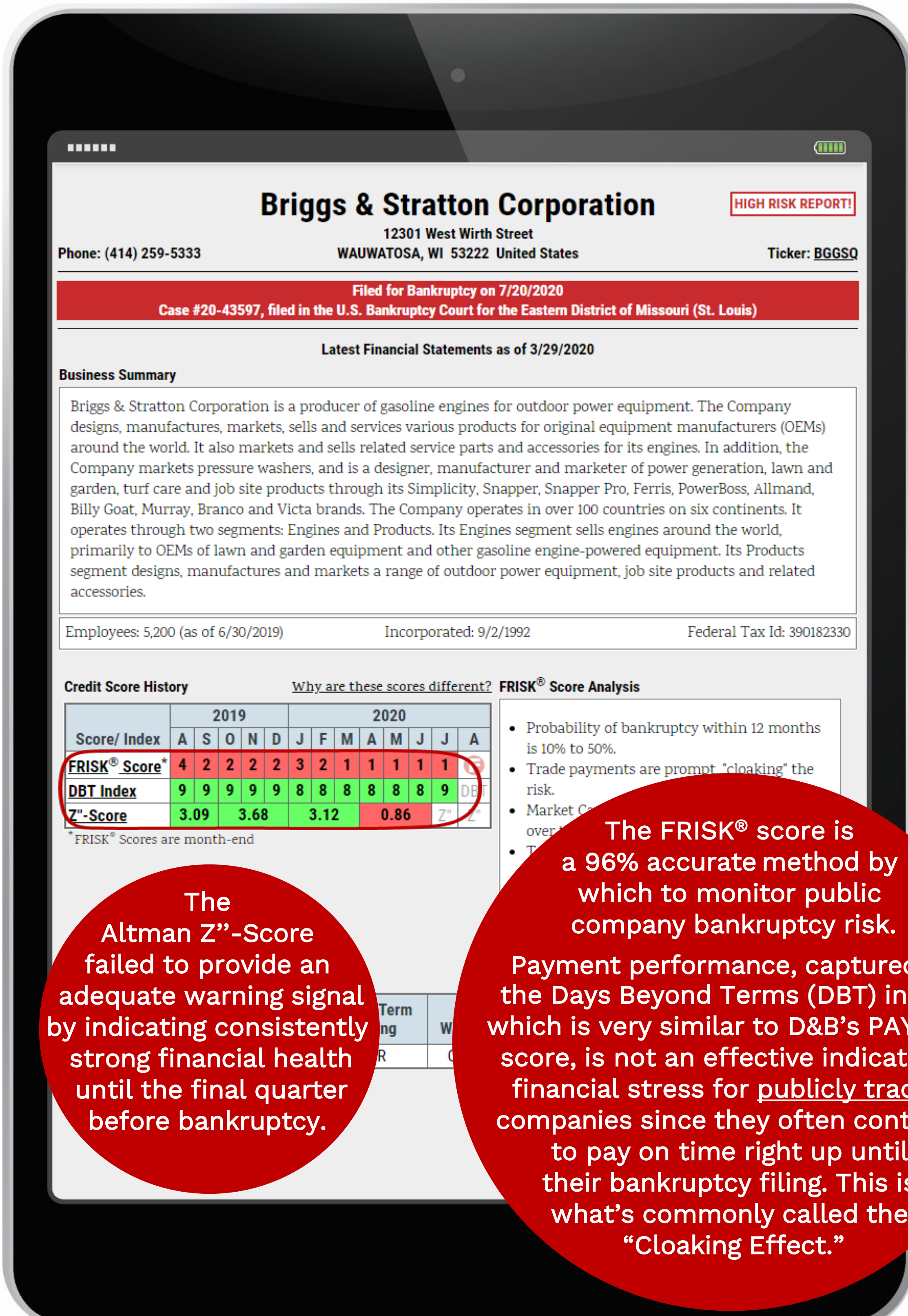
COMPANY REPORT DETAIL



Briggs & Stratton Corporation

HIGH RISK REPORT!

12301 West Wirth Street

Phone: (414) 259-5333 WAUWATOSA, WI 53222 United States Ticker: BGGSQ

Filed for Bankruptcy on 7/20/2020
Case #20-43597, filed in the U.S. Bankruptcy Court for the Eastern District of Missouri (St. Louis)

Latest Financial Statements as of 3/29/2020

Business Summary

Briggs & Stratton Corporation is a producer of gasoline engines for outdoor power equipment. The Company designs, manufactures, markets, sells and services various products for original equipment manufacturers (OEMs) around the world. It also markets and sells related service parts and accessories for its engines. In addition, the Company markets pressure washers, and is a designer, manufacturer and marketer of power generation, lawn and garden, turf care and job site products through its Simplicity, Snapper, Snapper Pro, Ferris, PowerBoss, Allmand, Billy Goat, Murray, Branco and Victa brands. The Company operates in over 100 countries on six continents. It operates through two segments: Engines and Products. Its Engines segment sells engines around the world, primarily to OEMs of lawn and garden equipment and other gasoline engine-powered equipment. Its Products segment designs, manufactures and markets a range of outdoor power equipment, job site products and related accessories.

Employees: 5,200 (as of 6/30/2019) Incorporated: 9/2/1992 Federal Tax Id: 390182330

Credit Score History Why are these scores different?

Score/ Index	2019 A	S	O	N	D	2020 J	F	M	A	M	J	J	A
FRISK® Score*	4	2	2	2	2	3	2	1	1	1	1	1	
DBT Index	9	9	9	9	9	8	8	8	8	8	8	9	DBT
Z"-Score	3.09		3.68			3.12			0.86			Z"	Z"

*FRISK® Scores are month-end

FRISK® Score Analysis

- Probability of bankruptcy within 12 months is 10% to 50%.
- Trade payments are prompt, "cloaking" the risk.
- Market C...
- T...

The Altman Z"-Score failed to provide an adequate warning signal by indicating consistently strong financial health until the final quarter before bankruptcy.

The FRISK® score is a 96% accurate method by which to monitor public company bankruptcy risk.

Payment performance, captured by the Days Beyond Terms (DBT) index, which is very similar to D&B's PAYDEX® score, is not an effective indicator of financial stress for publicly traded companies since they often continue to pay on time right up until their bankruptcy filing. This is what's commonly called the "Cloaking Effect."

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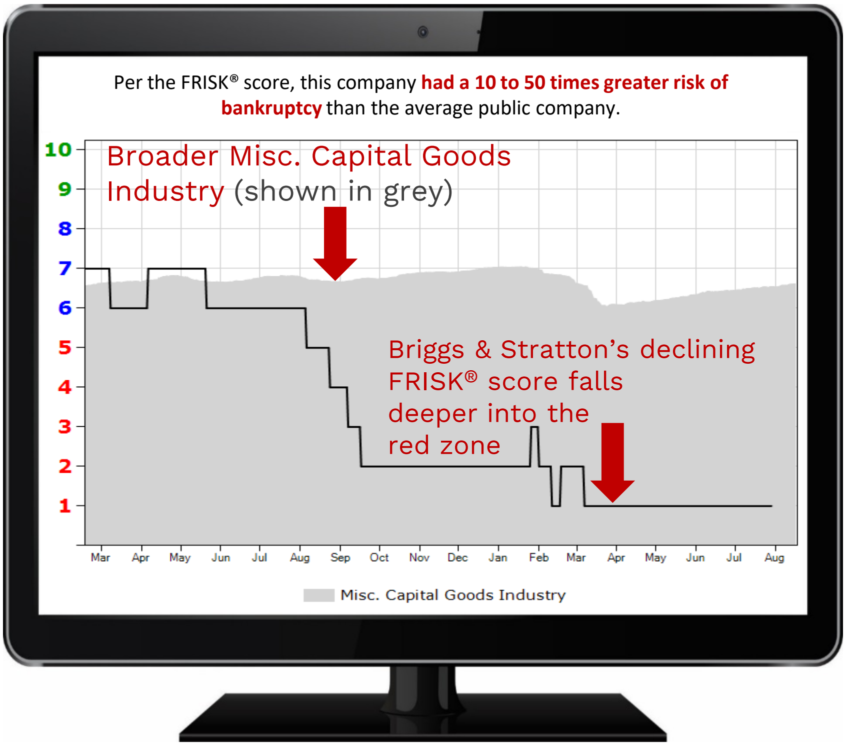
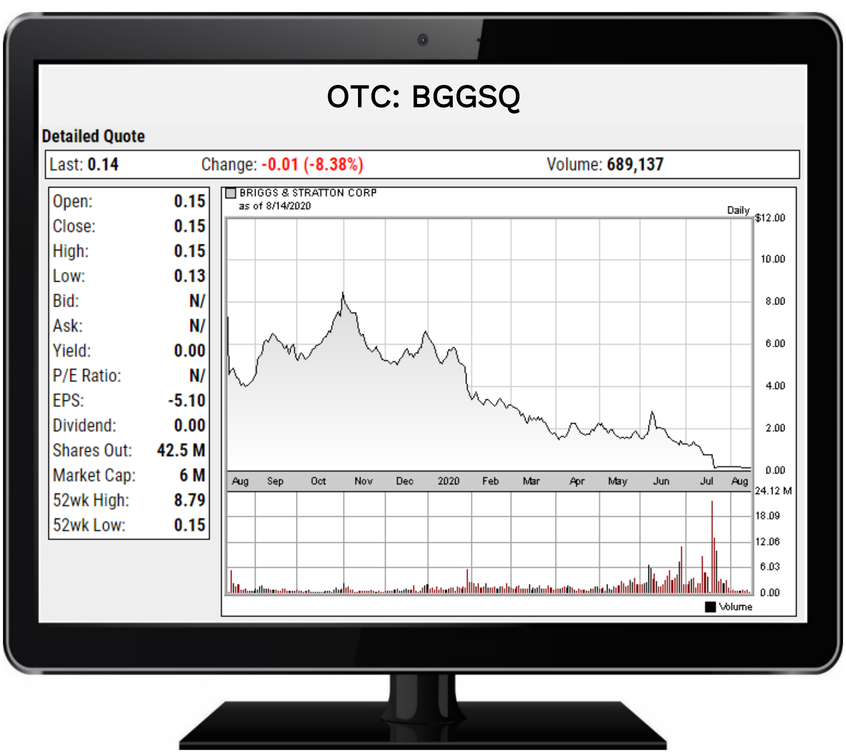
FRISK® DEEP DIVE



The FRISK® score relative to the broader Misc. Capital Goods industry raised an additional red flag signaling heightened risk relative to peers, as well...

MAKING IMMEDIATE ATTENTION REQUIRED.

ADJUSTED MARKET CAP VOLATILITY



One of the inputs of the FRISK® score is a company's market cap volatility, adjusted for dividends, over the course of a year. Incorporating this information allows us to capture the "wisdom of markets" on a daily basis. This ensures our subscribers are getting the most up to date view of the risks they face since stocks tend to be more liquid and faster moving than bond prices and ratings.

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FRISK® STRESS INDEX

#	Business Name	Country	Current FRISK® score
1	Briggs & Stratton Corporation HIGH RISK REPORT!	United States	1
2	Doosan Co Ltd	South Korea	2
3	UCM Resita SA	Romania	2
4	Westport Fuel Systems Inc	Canada	2
5	Silovye Mashiny PAO (P)	Russian Federation	2
6	Mencast Holdings Ltd.	Singapore	2
7	Actia Group SA	France	3
8	Garrett Motion Inc	Switzerland	3
9	Fincantieri SpA	Italy	3
10	Tianjin Faw Xiali Automobile Co., Ltd.	China	3

○ Primary industry codes only ◉ Primary and secondary industry codes

Businesses From: All Businesses CLEAR

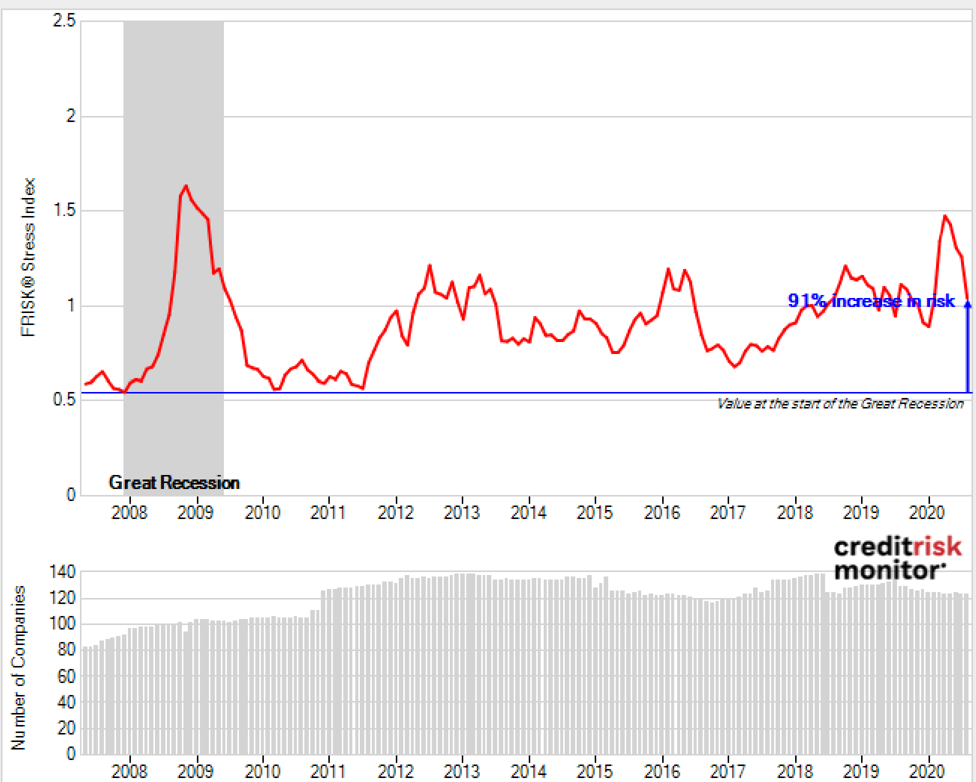
In Industry: SIC 3519: Internal combustion engines, not elsewhere classified

Country: All Countries

UPDATE RESULTS

Scale: Auto

Total Companies in all months 183



The FRISK® Stress Index shows the collective probability of failure in a group of companies (such as an industry, country or portfolio) over the next 12 months. It is designed to show trends in risk level across groups of companies and is shown on a zero to 50 scale, with 50 being the most risky.

The average probability of failure for SIC code 3519 (Internal combustion engines, not elsewhere classified) has increased 91% since 2007. Briggs & Stratton was among the weakest names in the industry as evidenced by its FRISK® score of 1.

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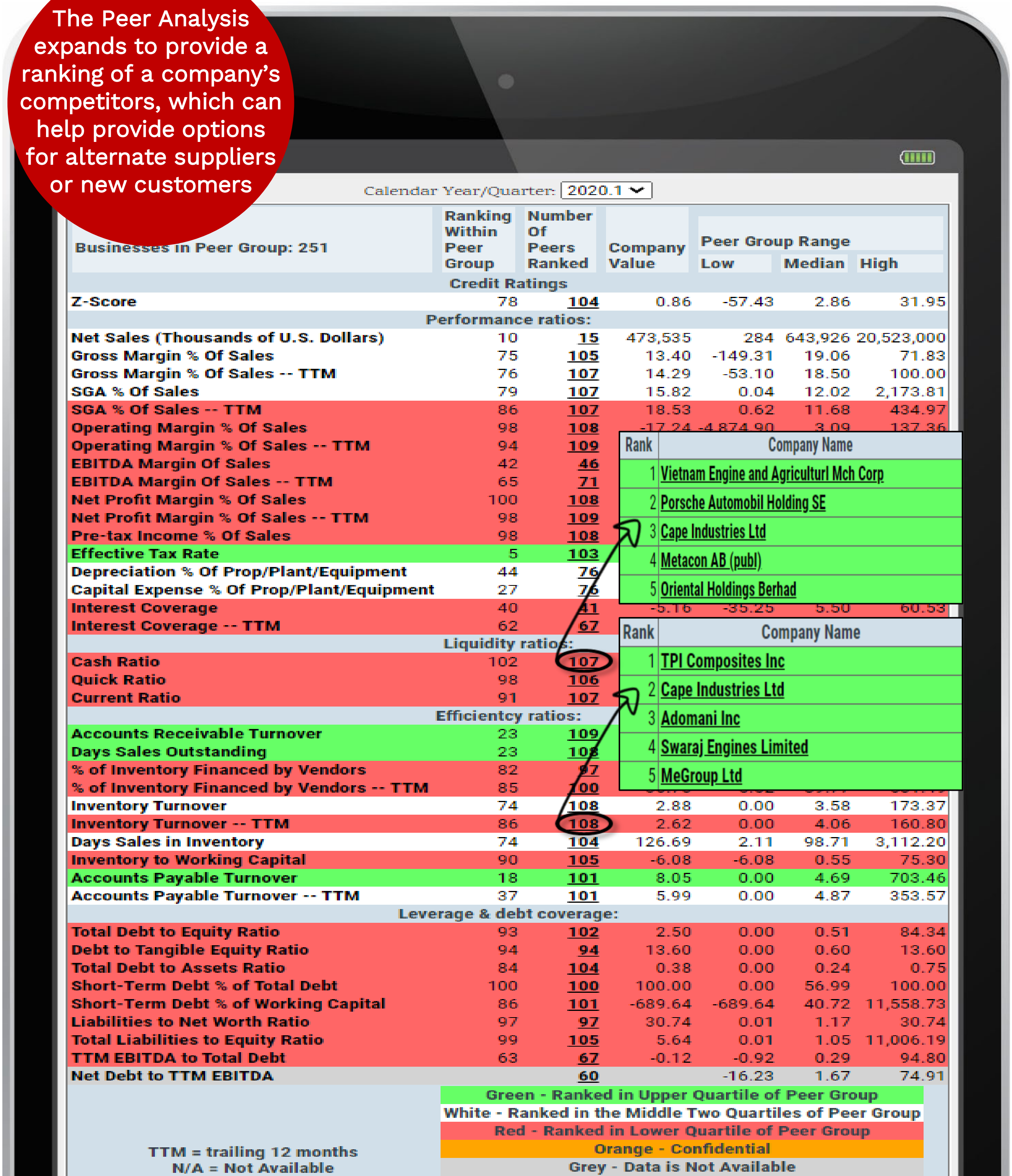
PEER ANALYSIS ON ALTERNATE SUPPLIERS AND CUSTOMERS

The Peer Analysis expands to provide a ranking of a company's competitors, which can help provide options for alternate suppliers or new customers



Calendar Year/Quarter: 2020.1

Businesses in Peer Group: 251	Ranking Within Peer Group	Number Of Peers Ranked	Company Value	Peer Group Range Low	Median	High
Credit Ratings						
Z-Score	78	104	0.86	-57.43	2.86	31.95
Performance ratios:						
Net Sales (Thousands of U.S. Dollars)	10	15	473,535	284	643,926	20,523,000
Gross Margin % Of Sales	75	105	13.40	-149.31	19.06	71.83
Gross Margin % Of Sales -- TTM	76	107	14.29	-53.10	18.50	100.00
SGA % Of Sales	79	107	15.82	0.04	12.02	2,173.81
SGA % Of Sales -- TTM	86	107	18.53	0.62	11.68	434.97
Operating Margin % Of Sales	98	108	-17.24	-4,874.90	3.09	137.36
Operating Margin % Of Sales -- TTM	94	109				
EBITDA Margin Of Sales	42	46				
EBITDA Margin Of Sales -- TTM	65	71				
Net Profit Margin % Of Sales	100	108				
Net Profit Margin % Of Sales -- TTM	98	109				
Pre-tax Income % Of Sales	98	108				
Effective Tax Rate	5	103				
Depreciation % Of Prop/Plant/Equipment	44	76				
Capital Expense % Of Prop/Plant/Equipment	27	76				
Interest Coverage	40	41	-5.16	-35.25	5.50	60.53
Interest Coverage -- TTM	62	67				
Liquidity ratios:						
Cash Ratio	102	107				
Quick Ratio	98	106				
Current Ratio	91	107				
Efficientcy ratios:						
Accounts Receivable Turnover	23	109				
Days Sales Outstanding	23	108				
% of Inventory Financed by Vendors	82	97				
% of Inventory Financed by Vendors -- TTM	85	100				
Inventory Turnover	74	108	2.88	0.00	3.58	173.37
Inventory Turnover -- TTM	86	108	2.62	0.00	4.06	160.80
Days Sales in Inventory	74	104	126.69	2.11	98.71	3,112.20
Inventory to Working Capital	90	105	-6.08	-6.08	0.55	75.30
Accounts Payable Turnover	18	101	8.05	0.00	4.69	703.46
Accounts Payable Turnover -- TTM	37	101	5.99	0.00	4.87	353.57
Leverage & debt coverage:						
Total Debt to Equity Ratio	93	102	2.50	0.00	0.51	84.34
Debt to Tangible Equity Ratio	94	94	13.60	0.00	0.60	13.60
Total Debt to Assets Ratio	84	104	0.38	0.00	0.24	0.75
Short-Term Debt % of Total Debt	100	100	100.00	0.00	56.99	100.00
Short-Term Debt % of Working Capital	86	101	-689.64	-689.64	40.72	11,558.73
Liabilities to Net Worth Ratio	97	97	30.74	0.01	1.17	30.74
Total Liabilities to Equity Ratio	99	105	5.64	0.01	1.05	11,006.19
TTM EBITDA to Total Debt	63	67	-0.12	-0.92	0.29	94.80
Net Debt to TTM EBITDA		60		-16.23	1.67	74.91

Rank	Company Name
1	Vietnam Engine and Agriculturl Mch Corp
2	Porsche Automobil Holding SE
3	Cape Industries Ltd
4	Metacon AB (publ)
5	Oriental Holdings Berhad

Rank	Company Name
1	TPI Composites Inc
2	Cape Industries Ltd
3	Adomani Inc
4	Swaraj Engines Limited
5	MeGroup Ltd

Green - Ranked in Upper Quartile of Peer Group
White - Ranked in the Middle Two Quartiles of Peer Group
Red - Ranked in Lower Quartile of Peer Group
Orange - Confidential
Grey - Data is Not Available

TTM = trailing 12 months
N/A = Not Available

Briggs & Stratton demonstrated bottom quartile ranking in key financial ratios (shown in red) versus its industry peers.

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QUARTERLY PERFORMANCE RATIOS

Operating and net losses over four consecutive quarters

Interest coverage ratio below 1x & cumulatively negative free cash flow

Performance Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	13 weeks 3/29/2020	13 weeks 12/29/2019	13 weeks 9/29/2019	13 weeks 6/30/2019	13 weeks 3/31/2019
Net Sales $	**$473,535**	**$437,941**	**$313,719**	**$471,950**	**$580,196**
% change	*8.13%*	*39.60%*	*-33.53%*	*-18.66%*	*n/a*
Gross Margin $	**$63,464**	**$68,025**	**$43,247**	**$67,818**	**$96,987**
% change	*-6.70%*	*57.29%*	*-36.23%*	*-30.08%*	*n/a*
% of sales	*13.40%*	*15.53%*	*13.79%*	*14.37%*	*16.72%*
change as % of incremental sales	*-12.81%*	*19.95%*	*n/m*	*n/m*	*n/a*
SG&A $	**$74,897**	**$79,124**	**$78,737**	**$81,723**	**$79,521**
% change	*-5.34%*	*0.49%*	*-3.65%*	*2.77%*	*n/a*
% of sales	*15.82%*	*18.07%*	*25.10%*	*17.32%*	*13.71%*
change as % of incremental sales	*-11.88%*	*0.31%*	*n/m*	*n/m*	*n/a*
Operating margin $	**($81,659)**	**($10,153)**	**($34,227)**	**($10,662)**	**$17,261**
% change	*-704.28%*	*70.34%*	*-221.02%*	*-161.77%*	*n/a*
% of sales	*-17.24%*	*-2.32%*	*-10.91%*	*-2.26%*	*2.98%*
change as % of incremental sales	*-200.89%*	*19.38%*	*n/m*	*n/m*	*n/a*
EBITDA $	**($63,358)**	**$6,347**	**($16,576)**	**$2,859**	**$33,541**
% change	*-1,098.24%*	*138.29%*	*-679.78%*	*-91.48%*	*n/a*
% of sales	*-13.38%*	*1.45%*	*-5.28%*	*0.61%*	*5.78%*
change as % of incremental sales	*-195.83%*	*18.45%*	*n/m*	*n/m*	*n/a*
EBIT $	**($80,686)**	**($11,487)**	**($36,233)**	**($13,956)**	**$18,419**
% change	*-602.41%*	*68.30%*	*-159.62%*	*-175.77%*	*n/a*
% of sales	*-17.04%*	*-2.62%*	*-11.55%*	*-2.96%*	*3.17%*
change as % of incremental sales	*-194.41%*	*19.92%*	*n/m*	*n/m*	*n/a*
Pre-tax income $	**($92,953)**	**($19,506)**	**($41,875)**	**($18,224)**	**$9,126**
% change	*-376.54%*	*53.42%*	*-129.78%*	*-299.69%*	*n/a*
% of sales	*-19.63%*	*-4.45%*	*-13.35%*	*-3.86%*	*1.57%*
change as % of incremental sales	*-206.35%*	*18.01%*	*n/m*	*n/m*	*n/a*
Net income (loss) $	**($144,606)**	**($15,344)**	**($33,637)**	**($18,540)**	**$8,005**
% change	*-842.43%*	*54.38%*	*-81.43%*	*-331.61%*	*n/a*
% of sales	*-30.54%*	*-3.50%*	*-10.72%*	*-3.93%*	*1.38%*
change as % of incremental sales	*-363.16%*	*14.73%*	*n/m*	*n/m*	*n/a*
Tax expense $	**$51,653**	**($4,162)**	**($8,238)**	**$416**	**$1,121**
Effective tax rate	*-55.57%*	*21.34%*	*19.67%*	*-2.28%*	*12.28%*
Depreciation expense $	**$17,328**	**$17,834**	**$19,657**	**$16,815**	**$15,122**
% of sales	*3.66%*	*4.07%*	*6.27%*	*3.56%*	*2.61%*
% of capital expenses	*200.67%*	*114.28%*	*104.42%*	*276.79%*	*124.51%*
% of PP&E, net (annualized)	*13.88%*	*14.30%*	*17.39%*	*16.32%*	*14.64%*
Capital expenditures $	**$8,635**	**$15,606**	**$18,825**	**$6,075**	**$12,145**
% change	*-44.67%*	*-17.10%*	*209.88%*	*-49.98%*	*n/a*
% of PP&E, net (annualized)	*6.92%*	*12.51%*	*16.65%*	*5.90%*	*11.76%*
% of working capital (annualized)	*26.18%*	*14.61%*	*21.87%*	*12.31%*	*23.17%*
Interest coverage ratio	**(5.16)**	**0.71**	**(2.40)**	**0.38**	**3.61**
% change	*-829.51%*	*129.49%*	*-730.74%*	*-89.46%*	*n/a*
Free cash flow $	**$29,648**	**($61,773)**	**($180,519)**	**$63,481**	**$98,991**
% change	*148.00%*	*65.78%*	*-384.37%*	*-35.87%*	*n/a*
Source:	10-Q 5/8/2020	10-Q 2/4/2020	10-Q 11/5/2019	10-K 8/27/2019	10-Q 5/7/2019

QUARTERLY LEVERAGE RATIOS

The modest total debt to equity ratio more than tripled to an exceedingly high level in the span of a year

Substantial declines in tangible net worth limited borrowing capacity on its secured credit revolver

Leverage Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

riod Ended	3/29/2020	12/29/2019	9/29/2019	6/30/2019	3/31/2019
Total debt $	**$597,473**	**$624,778**	**$567,219**	**$355,509**	**$407,009**
% change	*-4.37%*	*10.15%*	*59.55%*	*-12.65%*	*-20.20%*
Stockholders' equity $	**$239,340**	**$399,530**	**$407,825**	**$446,720**	**$507,543**
% change	*-40.09%*	*-2.03%*	*-8.71%*	*-11.98%*	*0.42%*
Total debt to equity ratio	**2.50**	**1.56**	**1.39**	**0.80**	**0.80**
% change	*59.63%*	*12.44%*	*74.77%*	*-0.76%*	*-20.53%*
Tangible net worth $	**$43,916**	**$135,164**	**$143,298**	**$180,300**	**$240,385**
% change	*-67.51%*	*-5.68%*	*-20.52%*	*-25.00%*	*1.26%*
Total debt to tangible net worth	**13.60**	**4.62**	**3.96**	**1.97**	**1.69**
% change	*194.33%*	*16.78%*	*100.75%*	*16.45%*	*-21.19%*
Total assets $	**$1,589,398**	**$1,800,876**	**$1,777,258**	**$1,551,431**	**$1,616,062**
% change	*-11.74%*	*1.33%*	*14.56%*	*-4.00%*	*-2.67%*
Total debt to assets ratio	**0.38**	**0.35**	**0.32**	**0.23**	**0.25**
% change	*8.36%*	*8.68%*	*39.33%*	*-9.05%*	*-18.00%*
Tangible assets $	**$1,393,974**	**$1,536,510**	**$1,512,731**	**$1,285,011**	**$1,348,904**
% change	*-9.28%*	*1.57%*	*17.72%*	*-4.74%*	*-3.13%*
Short-term debt $	**$597,473**	**$195,175**	**$0**	**$160,540**	**$211,545**
% change	*206.12%*	*n/m*	*-100.00%*	*-24.11%*	*-32.64%*
Short-term debt % of total debt	**100.00%**	**31.24%**	**0.00%**	**45.16%**	**51.98%**
% change	*220.11%*	*n/m*	*-100.00%*	*-13.12%*	*-15.60%*
Short-term debt % of working capital	**-689.64%**	**55.68%**	**0.00%**	**86.90%**	**100.65%**
% change	*-1,338.62%*	*n/m*	*-100.00%*	*-13.65%*	*-32.98%*
Total liabilities $	**$1,350,058**	**$1,401,346**	**$1,369,433**	**$1,104,711**	**$1,108,519**
% change	*-3.66%*	*2.33%*	*23.96%*	*-0.34%*	*-4.03%*
Total liabilities to equity ratio	**5.64**	**3.51**	**3.36**	**2.47**	**2.18**
% change	*60.82%*	*4.46%*	*35.79%*	*13.22%*	*-4.43%*
Total liabilities to tangible net worth ratio	**30.74**	**10.37**	**9.56**	**6.13**	**4.61**
% change	*196.52%*	*8.49%*	*55.97%*	*32.87%*	*-5.22%*
Total debt to EBITDA ratio (annualized)	**n/a**	**24.61**	**n/a**	**31.09**	**3.03**
% change		*n/a*	*n/a*	*924.72%*	*n/a*
Source:			10-Q 11/5/2019	10-K 8/27/2019	10-Q 5/7/2019

High levels of short-term debt relative to total debt is often indicative of funding issues

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QUARTERLY LIQUIDITY RATIOS AND RATES OF RETURN

Working capital drastically decreased

Poor cash and quick ratios

Liquidity Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3/29/2020	12/29/2019	9/29/2019	6/30/2019	3/31/2019
Current assets $	**$843,649**	**$907,841**	**$898,049**	**$762,477**	**$837,291**
% change	*-7.07%*	*1.09%*	*17.78%*	*-8.94%*	*-5.06%*
% of short-term debt	*141.20%*	*465.14%*	*n/a*	*474.95%*	*395.80%*
Current liabilities $	**$930,284**	**$557,301**	**$394,288**	**$577,745**	**$627,102**
% change	*66.93%*	*41.34%*	*-31.75%*	*-7.87%*	*-6.79%*
Working capital $	**($86,635)**	**$350,540**	**$503,761**	**$184,732**	**$210,189**
% change	*-124.71%*	*-30.42%*	*172.70%*	*-12.11%*	*0.50%*
% of sales (annualized)	*-4.57%*	*20.01%*	*40.14%*	*9.79%*	*9.06%*
Cash $	**$44,413**	**$42,230**	**$48,740**	**$29,569**	**$23,863**
% change	*5.17%*	*-13.36%*	*64.83%*	*23.91%*	*-29.72%*
% of short-term debt	*7.43%*	*21.64%*	*n/a*	*18.42%*	*11.28%*
Cash ratio	**0.05**	**0.08**	**0.12**	**0.05**	**0.04**
% change	*-37.07%*	*-38.67%*	*141.41%*	*34.38%*	*-24.55%*
Quick assets $	**$280,754**	**$261,581**	**$246,761**	**$228,067**	**$277,399**
% change	*7.33%*	*6.01%*	*8.20%*	*-17.78%*	*0.44%*
% of short-term debt	*46.99%*	*134.02%*	*n/a*	*142.06%*	*131.13%*
Quick ratio	**0.30**	**0.47**	**0.63**	**0.39**	**0.44**
% change	*-35.71%*	*-24.99%*	*58.51%*	*-10.76%*	*7.77%*
Current ratio	**0.91**	**1.63**	**2.28**	**1.32**	**1.34**
% change	*-44.33%*	*-28.48%*	*72.58%*	*-1.16%*	*1.86%*
Source:	10-Q 5/8/2020	10-Q 2/4/2020	10-Q 11/5/2019	10-K 8/27/2019	10-Q 5/7/2019

Quarterly returns steeply deteriorated

Rate of Return - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	13 weeks 3/29/2020	13 weeks 12/29/2019	13 weeks 9/29/2019	13 weeks 6/30/2019	13 weeks 3/31/2019
Return on equity	**-36.19%**	**-3.76%**	**-7.53%**	**-3.65%**	**1.58%**
% change	*-861.99%*	*50.03%*	*-106.13%*	*-330.64%*	*n/a*
Return on net tangible equity	**-106.99%**	**-10.71%**	**-18.66%**	**-7.71%**	**3.37%**
% change	*-899.14%*	*42.60%*	*-141.89%*	*-328.72%*	*n/a*
Return on total assets	**-8.53%**	**-0.86%**	**-2.02%**	**-1.17%**	**0.49%**
% change	*-894.59%*	*57.56%*	*-72.65%*	*-339.58%*	*n/a*
Return on tangible assets	**-9.87%**	**-1.01%**	**-2.40%**	**-1.41%**	**0.58%**
% change	*-880.63%*	*58.15%*	*-70.81%*	*-341.06%*	*n/a*
Source:	10-Q 5/8/2020	10-Q 2/4/2020	10-Q 11/5/2019	10-K 8/27/2019	10-Q 5/7/2019

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YEAR OVER YEAR STATEMENT OF CASH FLOWS

Net losses and negative operating cash flow

Dividend distributions crimped liquidity

...ent of Cash Flows - Year-over-Year - Standardized - Yea...

(Thousands of U.S. Dollars)

Period Ended	39 weeks 3/29/2020	39 weeks 3/31/2019	39 weeks 4/1/2018	39 weeks 4/2/2017	39 weeks 3/27/2016
			Restated 3/31/2019	**Reclassified** 4/1/2018	
Cash Flows from Operating Activities:					
Net income	($193,587)	($35,543)	$504	$36,922	$21,212
Depreciation/depletion	54,819	47,385	43,756	42,177	40,579
Deferred taxes	36,294	(19,247)	24,744	7,574	3,656
Non-cash Items	81,434	7,669	(22,351)	6,038	15,369
Changes in working capital	(148,538)	(105,155)	(65,673)	(119,175)	(86,172)
Total cash from operating activities	**(169,578)**	**(104,891)**	**(19,020)**	**(26,464)**	**(5,356)**
Cash Flows from Investing Activities:					
Capital expenditures	(43,066)	(46,379)	(77,483)	(48,780)	(41,092)
Other investing cash flow items, total	2,680	(8,834)	(1,461)	4,357	(21,927)
Total cash from investing activities	**(40,386)**	**(55,213)**	**(78,944)**	**(44,423)**	**(63,019)**
Cash Flows from Financing Activities:					
Financing cash flow items	(6,216)	(257)	(2,301)	(3,364)	(932)
Total cash dividends paid	(10,136)	(11,891)	(12,007)	(12,028)	(11,885)
Issuance/retirement of stock, net	0	(10,114)	(4,767)	(13,173)	(22,229)
Issuance/retirement of debt, net	241,684	158,085	119,460	62,300	30,592
Total cash from financing activities	**225,332**	**135,823**	**100,385**	**33,735**	**(4,454)**
Foreign exchange effects	**(570)**	**(239)**	**1,090**	**(590)**	**(1,845)**
Net change in cash	**14,798**	**(24,520)**	**3,511**	**(37,742)**	**(74,674)**
Net cash-beginning balance	**30,342**	**49,218**	**61,707**	**89,839**	**118,390**
Net cash-ending balance	**$45,140**	**$24,698**	**$65,218**	**$52,097**	**$43,716**
Source:	10-Q 5/8/2020	10-Q 5/7/2019	10-Q 5/7/2019	10-Q 5/8/2018	10-Q 5/3/2016

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NEWS ALERTS: A TIMELINE OF CONCERNING NEWS ITEMS

Q4 2019 filing – Although the company disclosed that a cross default provision would not be triggered to other debt tranches, the maximum average leverage ratio covenant on the revolving credit agreement had failed or was anticipated to fail. Covenant breaches are an important warning sign that often transpire quarters before or during the time of a credit default.

08/27/2019	CRMZ News Service	Briggs & Stratton Corp.: a Form 10-K has been filed with the SEC

Moody's downgraded Briggs & Stratton's Corporate Family Rating from Ba3 to B2 and the liquidity rating was reduced from SGL-3 to SGL-4, while maintaining a negative outlook. Moody's stated that financial leverage would remain elevated and that management's cost savings program would require more time to materialize, both credit negative factors.

09/06/2019	Moody's Investors Service	Moody's downgrades Briggs & Stratton ratings, outlook negative

Q1 2020 filing – Net sales sequentially declined by 33.5% compared to the end of fiscal 2019. Additionally, net losses widened to $33.6 million versus $18.5 million in the prior quarter. This net loss in combination with a funds from operations deficit and negative changes in working capital led to a free cash flow loss of more than $180 million.

11/05/2019	CRMZ News Service	Briggs & Stratton Corp.: a Form 10-Q has been filed with the SEC

Q2 2020 filing – The company announced that net sales decreased by 13.3% and gross profit margins contracted 280 basis points compared to the same quarter in the previous year due to lower volumes and production following an adverse weather related impact and less demand derived from job site products. Management further disclosed that they were "more cautious about the second half of the year." Warnings from the C-suite should never be ignored, particularly during times of financial stress.

01/30/2020	PR Newswire	Briggs & Stratton Corporation Reports Fiscal 2020 Second Quarter Results

The company's FRISK® score was downgraded to a "1," indicating a 10-to-50x greater risk of bankruptcy compared to the average public company. CreditRiskMonitor also provided the statistic that approximately 65% of all public company bankruptcies enter the FRISK® score categories of "1" and "2" prior to filing with the bankruptcy courts.

02/11/2020	CRMZ News Service	Briggs & Stratton Corp.: FRISK® score downgraded to 1

Briggs & Stratton announced that the COVID-19 pandemic would impact the third and four quarters of 2020 although it was difficult to estimate the magnitude of the damage. Consequently, management withdrew its financial guidance for the fiscal year. In the subsequent quarter, Briggs & Stratton revealed a net loss of $144.6 million, one of its largest, if not the largest reported loss in the company's history.

03/31/2020	CRMZ News Service	Briggs & Stratton Provides a Business Update Related to COVID-19 Impact

Briggs & Stratton, the world's leading manufacturer of small gasoline engines, filed for Chapter 11 bankruptcy protection. The company would receive $265 million in financing to maintain operations during the bankruptcy proceedings. Accounts payable outstanding was nearly $200 million prior to the filing, which was primarily comprised of trade claims owed to manufacturing parts suppliers. Unsecured creditors were anticipated to incur substantial financial losses as a result of the restructuring.

07/20/2020	NewsAPI.org	Briggs & Stratton files for bankruptcy protection

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