



ENGINEERED PRODUCTS

**UNIROYAL GLOBAL ENGINEERED PRODUCTS, Inc.**  
**OTCQB: "UNIR"**

January 2016

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**Uniroyal Global Engineered Products is a leading manufacturer of vinyl coated fabrics.**

- **Synthetic Leather**
- **Naugahyde**
- **“Vegan” Leather**



## Company Overview

### Tough and Soft to Touch

Vinyl coated fabrics are an attractive economic and at times better performing alternative to leather and other synthetic materials

- Durability
- Cleanability
- UV Resistant
- Flame Resistant
- Anti Squeak
- Dye Resistant

# Company Overview



**We deliver:**

- Superior performance
- Uncompromised Color,
- Texture, Beauty and Quality



**Demanded without compromise by today's discriminating customer.**

**We provide high quality, highly engineered products to many market sectors. Often providing customized solutions for individual customers requiring specific branded color or patterns**

**Our Naugahyde® & Ambla® brands are known through the world as the premier choice for many markets and applications.**





**Our Products and Markets are uniquely diversified and provide us with an enviable balanced portfolio.**

<b>Automotive and Light truck interiors</b>	<b>62%</b>
<b>Heavy Truck, RV's and Industrial Equipment</b>	<b>11%</b>
<b>Commercial Seating and Medical Equipment</b>	<b>25%</b>
<b>Thin Film Calendered Sheet (non-auto)</b>	<b>2%</b>

# Company History



- **US Rubber Company (Uniroyal, Inc.) invented Naugahyde in 1920**
- **Wardle Storeys began producing Vinyl Coated Fabrics in 1945**
- **Uniroyal Engineered Products, LLC acquired Wardle Storeys in 2013 to form Uniroyal Global**
- **Together the companies have over 165 years of experience in the industry**
- **Uniroyal Global begins public trading through a reverse merger in November of 2014**

# Time-line to Success



## Time lines



1850

1848

Storey Brothers  
Fabric Manufacturers  
established.

1892

U.S Rubber  
Company founded  
in Naugatuck CT.

1920

Naugahyde  
artificial leather  
invented.

1900

1908

Bernard Wardle,  
textile printers  
established,  
William Morris  
commissioned the  
'Honeysuckle'  
design.

1930

Industries started  
using rubber-  
based Naugahyde.

1941

A synthetic  
rubber  
substitute  
developed

1950

1945

First PVC coated  
fabric produced by  
Bernard Wardle.

1964

U.S. Rubber  
becomes Uniroyal  
Corporation.

1966

The Nauga®  
was Introduced.

1986

Uniroyal, Inc. sell management  
Uniroyal Plastics.t

2000

1980

Bernard Wardle  
acquired Storeys  
business and the  
Wardle Storeys  
name was  
formed.

2003

Uniroyal  
Engineered  
Products,  
Inc. sold to management

2008

Wardle  
Storeys  
coated  
fabrics  
business  
sold to  
management

2014

UNIROYAL  
and  
WARDLE  
STOREYS  
providing a  
wider range  
of Vinyl  
products  
and  
services  
globally.





# Global Manufacturing Operations



ENGINEERED PRODUCTS



**Uniroyal Engineered  
Products**



**Stoughton, WI,  
U.S.A**



**Wardle Storeys**



**Earby, Lancashire,  
England**

- **Manufacturing : 2**
- **Design & Sales offices : 4**
- **Global Distributors : 65 (Asia / Europe & Americas)**
- **Sales and R&D Teams : 25 People**



## North American Manufacturing Facility

### Stoughton, Wisconsin.

- Plant size: 230,000 Sq. Ft.
- Employees: 190
- Capacity: 13 Million Linear Yards
- Available capacity: 6.0 Million Linear Yards.



## UK & European Manufacturing Facility

### Earby, Lancashire.

- Plant size: 250,000 Sq. Ft & 15 acres
- Employees: 227
- 15 Million Linear Yards
- Available capacity: 6.0 million Linear Yards



## Global Coated Fabrics Market estimated at \$16.5 billion

### Primary Market Sectors

<b>Polymer Coatings</b>	<b>85%</b>	<b>\$13.7 billion</b>
Rubber Coatings		
Fabric Backed Wall Coverings		

### Polymer Coated Fabrics by Region

Asia Pacific	50%	\$6.9 billion	➔ ~\$5.0 billion
<b>North America</b>	<b>17%</b>	<b>\$2.3 billion</b>	
<b>Europe</b>	<b>19%</b>	<b>\$2.6 billion</b>	
ROW	14%	\$1.9 billion	

\*Uniroyal's current markets in Green

\*Source Grand View Research



## Polymer Coated Fabrics by Market Sector

Transportation	35%
Protective Clothing	15%
Industrial	12%
Furniture	10%
Other	28%

Uniroyal's target market is the highly engineered, high margin segments across each market sector

- Highly focused on seating applications
- We avoid low margin commodity markets

Management estimates our current target markets in the regions we compete to be in excess of **\$2 billion** annually





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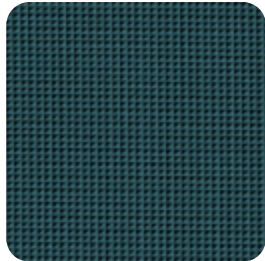
## Products

Sales are driven by in-house designers and world class development team.

- New color development.
- Extensive effects library (print/grain)
- Pilot plant samples up to (600mm)
- Full scale trials in 6-8 weeks



# DESIGN STUDIO CONCEPTS



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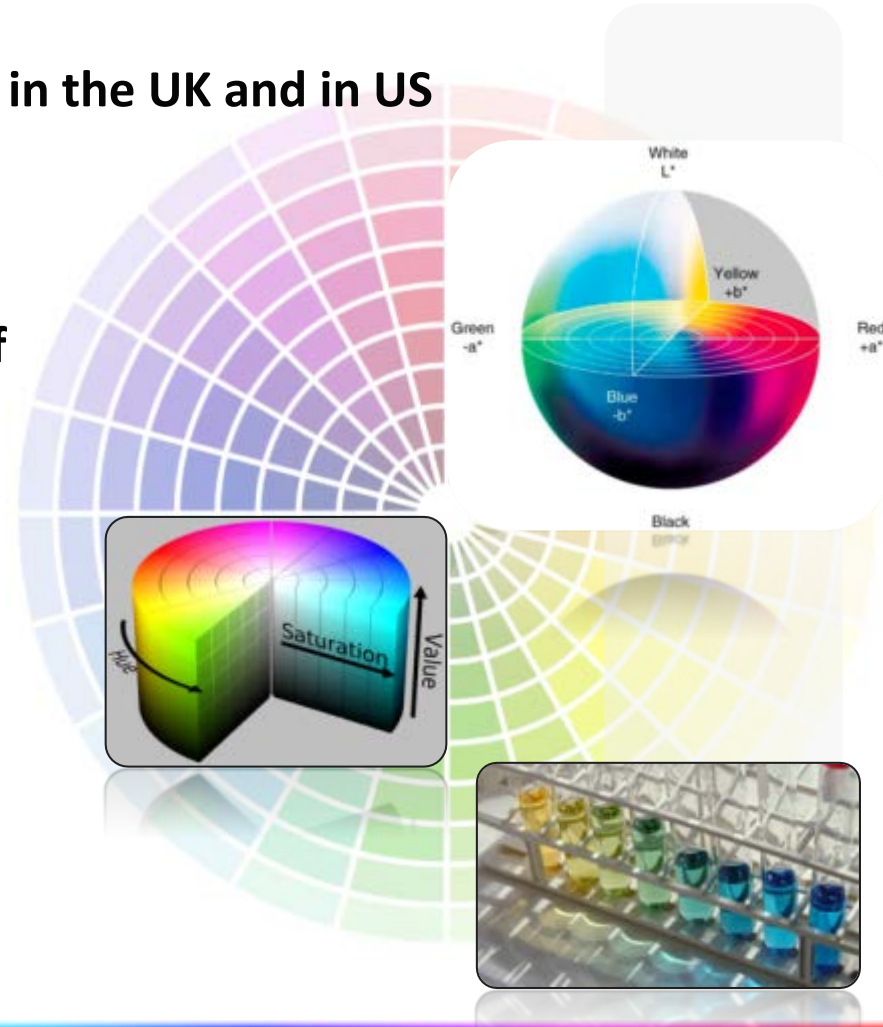


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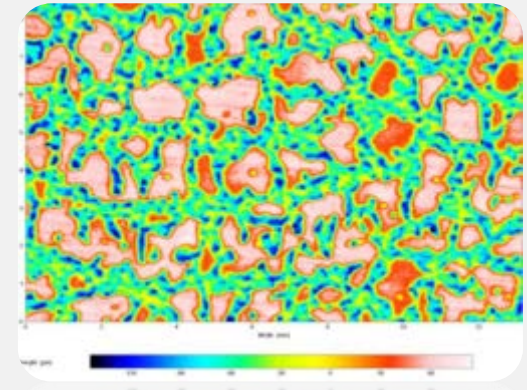
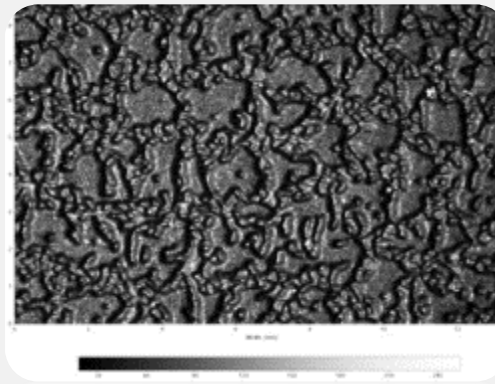
# Research & Development

- Comprehensive Testing Laboratories both in the UK and in US
- Technical Products developed in house
- Experience technical team of over 20 staff
- Proprietary product development
- Approved computer color match systems





- Lower VOC emissions
- Anti-squeak
- Anti-soil
- Flame Retardant/Low Smoke
- Dye ingress
- Water based coatings development
- Alternative polymer coatings
- Multi-layer composites



# Quality

We take an absolute no compromise approach to quality.

- ISO9001/2008
- TS 16949 certification
- VDA 6.3 compliant
- OEKO-TEX certified
- MED approved supplier





# Environmental and Health and Safety

## Uniroyal & Wardle Storeys are committed to continual improvement and drive best in class environmental performance

- Environmental Management Systems certified to ISO 14001
- Compliance with REACH regulations
- A member of Vinyl Plus Foundation
- Reduction in emissions
- Stringent recycling targets





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## Markets



## Seating

Cut and sew, pour in place & low pressure molding.

## Instrument Panels

Compression molding & vacuum forming.

## Door Casings

Compression molding, vacuum forming & low pressure molding.

## Gear and Handbrake Gaiters

Cut and sew.

## Sun Visors

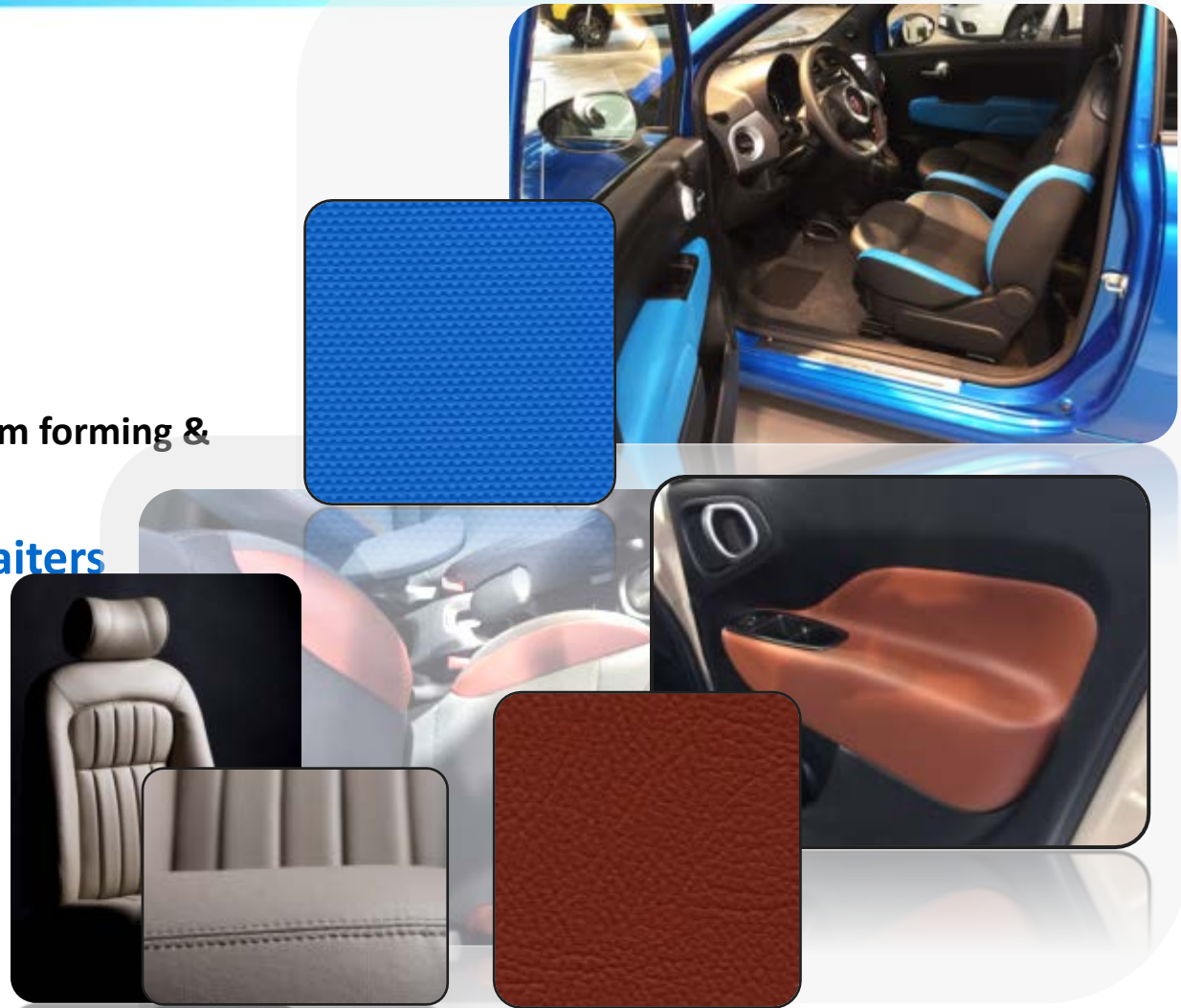
HF welding.

## Headliners

Compression molding.

## Luggage Covers

HF welding.



# Serving our Global OEM's



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**PACCAR**



Mercedes-Benz



**IVECO**

TEREX



CHRYSLER





# European Automotive

(New revenue focus on German target market)

- Germany will remain the powerhouse of European automotive production, with 5.6-5.8m vehicles a year to be produced there from 2016 onwards.
- Followed by Spain and the UK
- Germany is slightly lower than projected previously partly because of the Volkswagen scandal hitting that brand in particular but also some Opel production moving outside Germany.

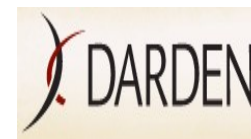
## Automotive Market Target Germany

1. All OEM have a big cost saving initiative running and this is generating enquiries for Uniroyal
2. US and Mexico production data may be connected to this initiative.
3. We are strong with Audi and Daimler as 2<sup>nd</sup> supplier potential and we continue to impress



- Fragmented Niche markets driven by specific customer specifications
- Naugahyde – Strongest brand name in North America for high end applications
- European integration with Ambla and Naugahyde brands leading to growth opportunities
- Continual innovation in product development

## Industrial Customers\*



\* End Users



# Industrial Applications



# Indoor/Outdoor Contract Seating

- Hospitality
- Residential Care
- Stadiums



NAUGAHYDE™





# Indoor/Outdoor Contract Seating

- Medical
- Residential
- Leisure
- Mass Transportation





# Thin Film Calendered Sheet

## Medical

- Mattress Covers
- Sticking plasters

## Nuclear protection

- Contamination suits
- Disposable products

## Lamination

- Caravan interiors
- Shop fitting

## FR Products

- Cinema screens
- Upholstery

## Strollers & Nursery

- Changing mats
- Furniture





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## 2016 Company Objectives

# Current Revenue Objectives

## Deeper penetration into current automotive OEMs and expanding our customer base

- Automotive OEM's demand Global suppliers across multiple applications



## Entrance into the German OEM's

- Achieved technical and design approval with all major German OEM's



## Develop technical applications for automotive and non-automotive customers; grow both segments



## Penetrate Industrial & Consumer markets in Europe using power of Uniroyal Brand

- Opportunity in Industrial and Contract Seating Markets
- Wardle historically focused on growth in Auto market





## Continued Margin Expansion

- Productivity investments
  - Expanded capacity in Europe with technology upgrades
  - Continued synergy from Wardle Storeys integration
- Ramp up unused capacity at high incremental margins



## Deleverage balance sheet with internally generated cash flow

# Strategic Growth Opportunities

Opportunities in additional accretive earnings through M&A activity

## Add-on acquisitions for existing markets

- Rationalization of production capacity in the industry

## Complimentary Market Opportunities to expand product offerings to double target market size

- Instrument panels
- Door insets
- Headliners
- PU leather technology
- TPO technology



# Strategic Growth Opportunities

## Geographic Expansion to complete the Global Footprint



### Asia (China)

- 50% of Global Coated Fabrics Market
- 42.3% of Auto production
- Growing economy
- Domestic Construction and Agricultural Market - Large
- Hospitality and medical facility expansion
- Residential and commercial furniture demand



# Strategic Growth Opportunities

## Positioned for Growth

- Infrastructure investment in place to accelerate synergies with future acquisitions
- Flexible capital structure provides financing capability for acquisitions

**Management estimates that with geographic expansion, new technology and product development we can expand our current target market from \$2 billion to \$10 billion in the next three to five years**



ENGINEERED PRODUCTS

# UNIROYAL GLOBAL ENGINEERED PRODUCTS, Inc.

Public Market

## Recent History



- **April of 2013** - Uniroyal Engineered products acquired Wardle Storeys
- **November of 2014** - Uniroyal merged into Invisa, Inc. (OTCQB:INSA)
- **April of 2015** - Changed company name to Uniroyal Global Engineered Products, Inc. and Changed Stock symbol “UNIR”
- **March of 2016** - Will qualify for up-listing with the filing of our 2015 10-K



# Stock Position, Trend and Growth

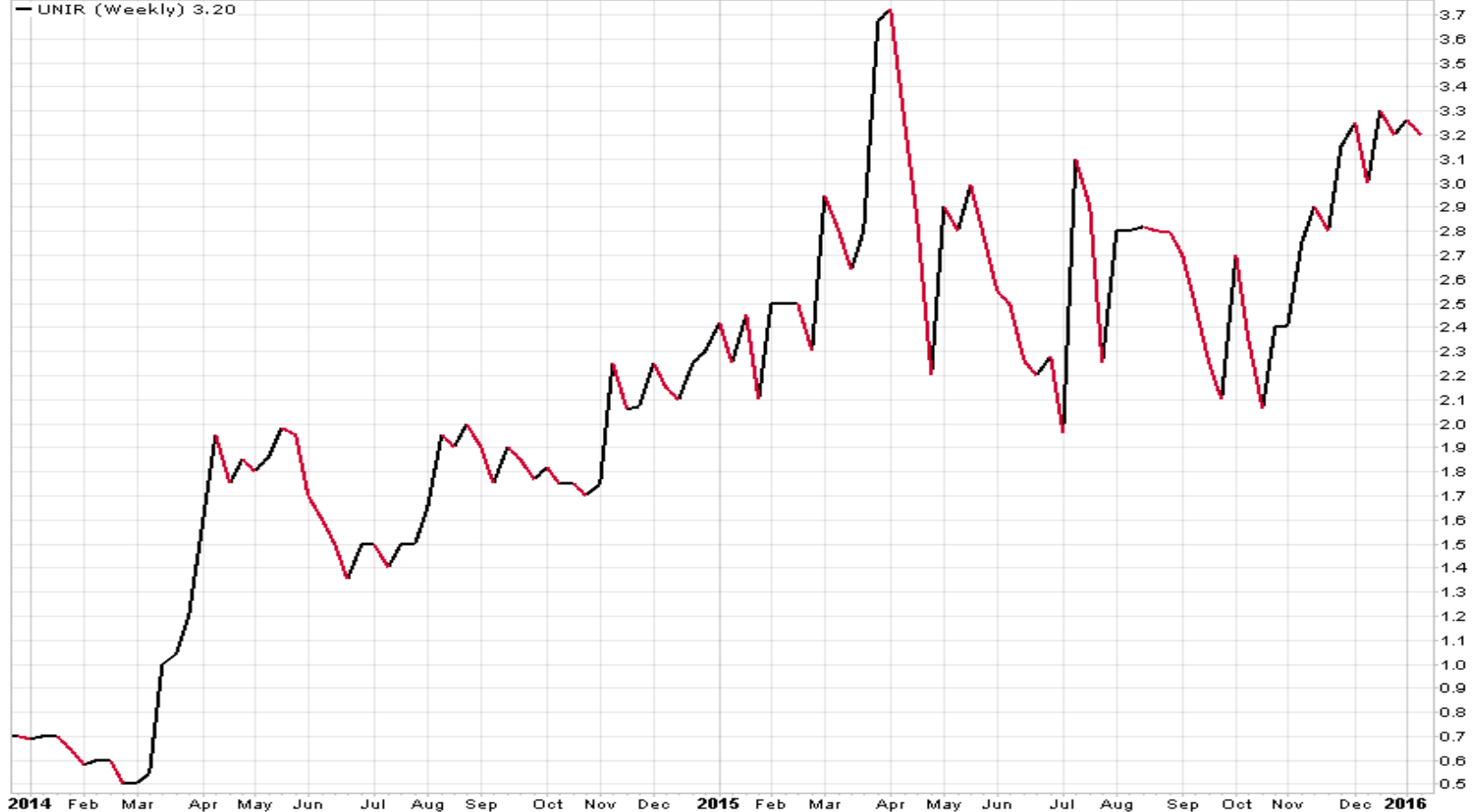


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UNIR Uniroyal Global Engineered Products, Inc. OTC Mkt.  
12-Jan-2016

— UNIR (Weekly) 3.20

© StockCharts.com  
Open 3.15 High 3.30 Low 3.10 Close 3.20 Volume 4,493 Chg -0.06 (-1.84%)



# Reverse Merger Transaction

- In November of 2014 Invisa acquired Uniroyal
- In the transaction Invisa issued a total of \$55mm in three classes of Preferred Stock to the former shareholders of the Uniroyal
- The Preferred is non-voting, non-convertible and perpetual and has coupons of approximately 5.5% per annum
- There is no put option or maturity date on the Preferred, the Company can call the preferred at will
- The transaction was designed to lock in a value for the sellers of Uniroyal while allowing all the future upside to accrue to the equity holders Invisa now Uniroyal Global Engineered Products, Inc.

- **Established company and brands in an established industry**
- **Superior cash generation**
- **Above average revenue growth**
- **Continued margin expansion**
- **Deal integration synergies continue**
- **Diversified platform offers cyclical defense**
- **Has outperformed in declining markets**
- **Additional accretive M&A objective**





ENGINEERED PRODUCTS

# UNIROYAL GLOBAL ENGINEERED PRODUCTS, Inc.

Financial Information

# Financials

(Unaudited Pro Forma) (\$ in thousands)

## Pro Forma Income Statement Summary:

	<u>2014</u>	<u>9 Mo</u> <u>2014</u>	<u>9 Mo</u> <u>2015</u>
Net Revenue	\$ 98,323	\$ 73,698	\$ 76,486 3.8% inc.
Gross Profit	\$ 19,319 19.6%	\$ 14,203 19.3%	\$ 16,594 21.7%
Income *	\$ 5,081 5.2%	\$ 3,742 5.1%	\$ 4,364 5.7%
EBITDA	\$ 7,544 7.7%	\$ 5,675 7.7%	\$ 6,633 8.7%

\* Income is before tax provisions (NOLs) and preferred dividends

# Financials

(Unaudited Pro-Forma)

- Net sales for the nine months 2015 increased \$2.8 million over 2014 due to new automotive platform launches and the additional reporting week in 2015. The increase would have been \$8.6 million or 11.4% ahead of 2014 but it was offset by \$5.8 million of unfavorable impact of currency exchange rates for 2015 compared to 2014.
- Gross profit for the nine months 2015 increased \$2.4 million to \$16.6 million or 21.7% compared to \$14.2 million or 19.3% in 2014. The increase was primarily due to the rolling off of lower margin platforms which were replaced with higher margin platforms and positive results of cost efficiency programs. These were offset by \$1.7 million of unfavorable currency exchange rates changes.
- Income for the nine months 2015 increased by \$0.6 million primarily from the gross margin improvements and offset by increased commissions and other higher SG&A costs in 2015 to prepare the Company to become a multinational SEC reporting company and \$1.2 million of unfavorable currency exchange rates changes.



# Financials

(Unaudited Pro-Forma) (\$ in thousands)

## Pro Forma Income Statement Summary:

	<u>2014</u>	<u>9 MO</u> <u>2014</u>	<u>9 MO</u> <u>2015</u> **
Net Revenue	\$ 98,323	\$ 73,698	\$ 82,276 11.6% inc.
Gross Profit	\$ 19,319 19.6%	\$ 14,203 19.3%	\$ 18,264 22.2%
Income *	\$ 5,081 5.2%	\$ 3,742 5.1%	\$ 5,589 6.8%
EBITDA	\$ 7,544 7.7%	\$ 5,675 7.7%	\$ 7,888 9.6%

\* Income is before tax provisions (NOLs) and preferred dividends

\*\* The amounts for 2015 are restated using 2014 currency exchange rates for Euros to Pounds Sterling and Pounds Sterling to US Dollars.

# Balance Sheet

(\$ in thousands)



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## Balance Sheet Summary:

	<u>12/31/14</u>	<u>10/4/15</u>
Cash	\$ 604	\$ 2,058
Accounts receivable	14,608	15,675
Inventory	17,421	18,563
Other current assets	2,205	1,962
Fixed assets, net	12,001	13,965
Other assets	<u>6,045</u>	<u>6,047</u>
<b>Total Assets</b>	<b>\$52,884</b>	<b>\$58,270</b>
Accounts payable and other current liabilities	\$ 13,372	\$ 13,642
Line of credit	16,396	17,738
Notes to affiliates	6,923	6,871
Other debt	2,212	4,800
Other long-term liabilities	<u>3,503</u>	<u>3,550</u>
<b>Total Liabilities</b>	<b>42,406</b>	<b>46,601</b>
Equity	<u>10,478</u>	<u>11,669</u>
<b>Total Liabilities and Equity</b>	<b>\$ 52,884</b>	<b>\$ 58,270</b>

# Equity Detail

(\$ in thousands)



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## Stockholders Equity (1):

	<u>12/31/14</u>	<u>10/4/15</u>
Preferred Shares, UEP Holdings, 5.0% dividend (\$20,000,000 liquidation value)	618	618
Preferred Shares, UEP Holdings 5.5% dividend (\$15,000,000 liquidation value)	463	463
Preferred Shares, Engineered Products Acquisition Ltd, 5.0% dividend (\$20,000,000 liquidation value)	-	-
Common Stock, 17,489,110 and 17,330,964 shares outstanding December 28, 2014 and October 4, 2015, respectively	17	17
Class B Common Stock, 1,619,102 shares outstanding at December 28, 2014 and October 4, 2015	2	2
Additional Paid in Capital	35,214	34,924
Retained Deficit	(26,627)	(24,811)
Accumulated Other Comprehensive Income	<u>791</u>	<u>456</u>
	<b>\$ 10,478</b>	<b>\$ 11,669</b>

(1) The equity section of the balance sheet has been restated to give effect to the conversion of 9,715 shares of Series A to 1,619,102 shares of Class B Common Stock, 2,702 shares of Series B and 16,125 shares of Series C to 3,137,712 shares of Common Stock. The conversion was effective December 16, 2015.



# Thank you for your interest.



## Any Questions

Request copy of our presentation or for additional material at:  
[info@uniroyalglobal.com](mailto:info@uniroyalglobal.com)

