



ENGINEERED PRODUCTS

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

May 2017

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Company Overview: Vinyl Coated Fabrics

Delivering Superior Performance, Color & Beauty



Our Naugahyde® & Ambla® brands are known through the world as the premier choice within many markets. Demanded without compromise by today's discriminating customer, high quality, highly engineered product to many market sectors.

Tough and Soft to Touch

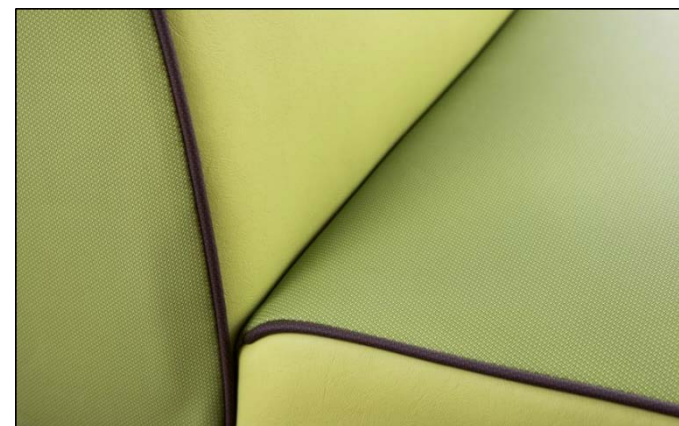
Vinyl coated fabrics are an attractive economic and at times better performing alternative to leather and other synthetic materials

Naugahyde® often known as Synthetic Leather or “Vegan” Leather

- Durable & Cleanable
- UV Resistant
- Flame Resistant
- Anti Squeak
- Stain/Dye Resistant



NAUGAHYDE®
BRAND FABRIC



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

Automotive and Light truck interiors	65%
Heavy Truck, RV's and Industrial Equipment	14%
Commercial Seating and Medical Equipment	21%



Uniroyal Global Engineered Products



1850

1892

**U.S Rubber
Company founded
in Naugatuck CT.**

1920

***Naugahyde
artificial leather
invented.***

1941

A synthetic rubber substitute developed

1964

U.S. Rubber becomes Uniroyal Inc.

1986

**s Uniroyal, Inc. sells
Uniroyal Plastics.**

2003

Uniroyal Engineered Products, Inc. sold to investor group

2014

**Uniroyal
Global
Engineered
Products –
Goes public
(UNIR)**

2016

**UNIROYAL
GLOBAL
Limited**
**Rename of
WARDLE
STOREYS**

1900

1908

1945

***First PVC coated
fabric produced by
Bernard Wardle.***

1978

**Factory Earby
acquired.**

1980

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

2000

2013

**Wardle Storeys
Acquired by
Uniroyal Global EP**

1848

**Storey Brothers
Fabric Manufacturers
established.**



Global Manufacturing Operations



**Uniroyal Engineered
Products**



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



**Uniroyal Global
Limited**

**Earby, Lancashire,
England**



**Sales & Distribution
Office**

- **Manufacturing : 2**
- **Design & Sales offices : 5**
- **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: 193
- 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
- Capacity: 15 Million Linear Yards
- Available capacity:
6.0 million Linear Yards



Market Overview

Global Coated Fabrics Market estimated at \$16.5 billion

Polymer Coatings represents 85%

Coated Fabrics by Region

- Asia Pacific \$6.9 B
- North America \$2.3 B
- Europe \$2.6 B
- ROW \$1.9 B

*Uniroyal's current markets in Green

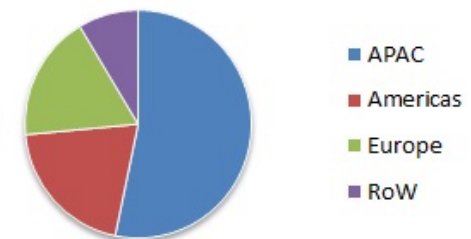
*Source Grand View Research

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. We avoid low margin commodity markets

Polyvinyl Chloride Resin Market, By Geography 2015 (%)



Source: IndustryARC Analysis and Expert Insights



ENGINEERED PRODUCTS

DESIGN, & PRODUCT DEVELOPMENT

Design and Development

World Class Designers and Development Team.

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



Research & Product Development

- UK & US Comprehensive Testing Labs
- Technical Products developed in house
- Experience technical team of 20 staff
- Proprietary product development
- Computer color match systems
- Lower VOC emissions
- Water based coatings development
- Anti-squeak
- Anti-soil
- Flame Retardant/Low Smoke
- Dye ingress
- Alternative polymer coatings
- Multi-layer composites



Quality, Environmental and Safety Standards

We take an absolute no compromise approach to quality

- ISO9001/2008
- TS 16949 certification
- VDA 6.3 compliant
- OEKO-TEX standard 100 compliant
- MED approved supplier

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



No. 0812059

Centexbel





ENGINEERED PRODUCTS

MARKETS

Serving our Global OEM's



Mercedes-Benz



RENAULT

IVECO



TOYOTA



DODGE

PACCAR



TEREX



BOMBARDIER



HONDA



CHRYSLER



Automotive



- Strong & successful presence in US, UK & Italy
- We are seeing positive developments in Germany
 - Particularly as Germany will remain the volume producer of European automotive 5.6-5.8m vehicles produced there from 2016.
- Spain & Sweden remain positive targets for us.
- OEM & VM Design & Styling Studios see us as the go to brand for new designs, color and harmony solutions.



MICRA



GIULIA



FIAT 500



Automotive and Light Truck Interiors

Components & Modules

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 /Handbrake

Cut and sew.

Sun Visors

HF welding.

Headliners

Compression molding.

Luggage Covers

HF welding.



Recreational and Hospitality

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



* End Users

Markets – NAUGAHYDE Applications



Indoor and Outdoor Contract Seating

- Hospitality
- Residential Care
- Stadium Seating



NAUGAHYDE
DESIGN FABRIC



Indoor and 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





2017 COMPANY OBJECTIVES

2017/8 Revenue Objectives

Deeper penetration into current automotive OEMs and expanding our customer base

- Automotive OEM's demand Global suppliers across multiple applications & regions
- Focused on Design and technical advancements to lead growth in Global Auto markets



Entrance into new German OEM's

- Technical and design approval achieved with major German OEM's



Development and Innovation of new technical applications

- Focused on Mass Transportation (bus / rail) developments

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

- Opportunity in Industrial and Contract Seating Markets.



Strategic Performance Objectives

Continued Margin Expansion

- Productivity investments
 - Expanded capacity in Europe with technology upgrades (water based print)
 - Continued synergy from Acquisition integration
- Driving lean manufacturing and continuous improvement across both manufacturing facilities
- Ramp up unused capacity at high incremental margins



Deleverage balance sheet with internally generated cash flow

Strategic Growth Opportunities

Additional accretive earnings through M&A activity

Add-on acquisitions for existing markets

- Rationalization of production capacity in the industry

Complimentary Market Opportunities increase content on existing and new business to expand product offerings & increase target market share.

Technology

- PU leatherette technology
- TPO technology
- Water-based coatings

Application

- Instrument panels
- Door inserts
- Interiors & Headliners



Potential 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
- Mass Transportation opportunity
- 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



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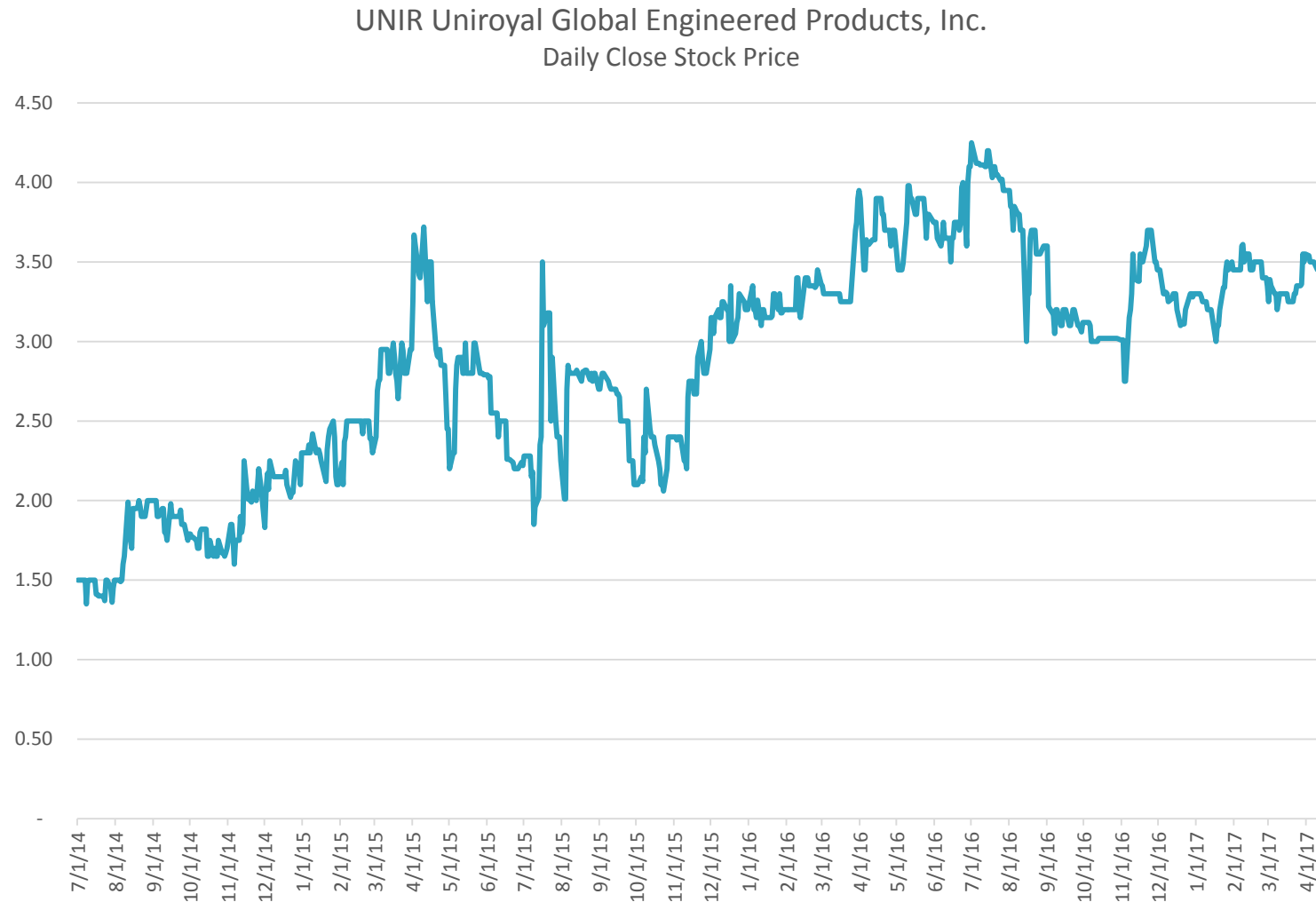
UNIROYAL GLOBAL ENGINEERED PRODUCTS, Inc.

PUBLIC MARKET

Recent History

- **April of 2013** - Acquired Wardle Storeys and renamed to **Uniroyal Global Limited** late 2016
- **November of 2014** - Uniroyal acquired by Invisa, Inc. (OTCQB:INSA)
- **April of 2015** - Changed company name to Uniroyal Global Engineered Products, Inc. and changed Stock symbol “UNIR”
- **Q1 2017** – Preparing to file for up listing

Stock Position, Trend and Growth



Investment Rationale

- Technologically advanced Company 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

(\$ in thousands)

Income Statement Summary:

Year Ended

2015

2016

Net Revenue

\$ 99,762

\$ 100,377

Gross Profit

\$ 21,949

\$ 22,862

22.0%

22.8%

Income *

\$ 5,561

\$ 6,181

5.6%

6.2%

EBITDA

\$ 8,629

\$ 9,504

8.6%

9.5%

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

Revenue:

- Net sales for 2016 increased \$615,305 compared to 2015.
- 2015 was a 53-week period compared to a 52-week period in 2016. The extra week contributed approximately \$500,000 to the decrease.
- Net currency effect had a negative \$2.9 million impact on 2016 sales.
- Automotive sector was up approximately 6.0% as a result of several new programs.
- Industrial sector down approximately 9.4% due to weakness in the off-highway equipment market.

Gross Profit:

- Gross profit for 2016 increased by \$913,343 or 4.2%.
- Efficiency initiatives and global integration programs were the drivers for these margin improvements.

Income:

- Income for 2016 increased by \$620,116 as the increase in gross profit was partially offset by increased operating expenses and currency losses recognized on changes in the fair value of Euro-based financial assets and liabilities.

- Positive growth in automotive sector in both the U.S. and Europe
- Increasing penetration at existing customers
- Expanding customer base
- Introduced a new linen-textured vinyl-coated fabric called Casablanca
- Negative currency translation effect from British Pound on income offset by positive effect of the Euro

Balance Sheets

(\$ in thousands)



Balance Sheet Summary:

	<u>01/3/16</u>	<u>1/1/17</u>
Cash	\$ 1,910	\$ 1,322
Accounts receivable	14,209	14,555
Inventory	17,528	17,046
Other current assets	2,914	2,511
Fixed assets, net	14,003	13,611
Other assets	<u>7,710</u>	<u>9,623</u>
Total Assets	\$58,274	\$58,668
Accounts payable and other current liabilities	\$11,993	\$11,815
Line of credit	16,577	16,799
Notes to affiliates	6,891	5,360
Other debt	4,733	4,072
Other long-term liabilities	<u>3,812</u>	<u>3,722</u>
Total Liabilities	44,006	41,768
Equity	<u>14,268</u>	<u>16,900</u>
Total Liabilities and Equity	\$58,274	\$58,668

Equity Detail

(\$ in thousands)

Stockholders' Equity:

	<u>1/3/16</u>	<u>1/1/17</u>
Preferred Shares, UEP Holdings, 5.0% dividend (\$20,000,000 liquidation value)	\$ 618	\$ 618
Preferred Shares, UEP Holdings 6.0% dividend (\$15,000,000 liquidation value)	463	463
Preferred Shares, Engineered Products Acquisition Ltd, 5.0% dividend (\$20,000,000 liquidation value)	-	-
Common Stock, 17,271,807 and 17,108,680 shares outstanding January 3, 2016 and January 1, 2017, respectively	17	17
Class B Common Stock, 1,619,102 shares outstanding at January 3, 2016 and October 2, 2016	2	2
Additional Paid in Capital	34,824	34,654
Retained Deficit	(21,675)	(17,175)
Accumulated Other Comprehensive Income	<u>19</u>	<u>(1,679)</u>
Total Stockholders' Equity	\$ 14,268	\$ 16,900

Cash Flow

(\$ in thousands)

Cash Flow Summary:

	<u>Year Ended</u>	
	<u>1/3/16</u>	<u>1/1/17</u>
Net income	\$ 7,754	\$ 7,379
Adjustments to reconcile to cash flow from operating activities		
Deferred tax benefit	(2,511)	(1,925)
Depreciation and amortization	1,571	1,727
Stock-based compensation	98	381
Changes in current assets and liabilities, net	(1,478)	(1,919)
Other	<u>(133)</u>	<u>1</u>
Cash Flows provided by Operating Activities	<u>5,301</u>	<u>5,644</u>
Cash Flow used in Investing Activities	<u>(2,927)</u>	<u>(2,356)</u>
Net advances on line of credit	508	1,226
Debt payments	(593)	(760)
Proceeds from debt issuance	2,149	350
Proceeds from (payments on) related party obligations	4	(1,422)
Payment of preferred stock dividends	(2,480)	(2,861)
Other	<u>(605)</u>	<u>(194)</u>
Cash Flows (used in) provided by Financing Activities	<u>(1,017)</u>	<u>(3,661)</u>
Net Change in Cash	1,357	(373)
Cash – Beginning of Period	604	1,910
Effect of currency translation	<u>(51)</u>	<u>(215)</u>
Cash – End of Period	<u>\$1,910</u>	<u>\$1,322</u>

Thank you for your interest in:-
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