



ENGINEERED PRODUCTS

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

August 2017

---

# Disclaimer

The information contained in this presentation is for background purposes only and is subject to amendment, revision and updating. Certain statements contained in this presentation may be statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties. In addition to statements which are forward-looking by reason of context, including without limitation, statements referring to risk limitations, operational profitability, financial strength, performance targets, profitable growth opportunities, and risk adequate pricing, the words "may, will, should, expects, plans, intends, anticipates, believes, estimates, predicts, or continue", "potential, future, or further", and similar expressions identify forward-looking statements. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions which could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These include, among other factors, changing business or other market conditions and the prospects for growth anticipated by Uniroyal Global's management. These and other factors could adversely affect the outcome and financial effects of the plans and events described herein. Statements contained in this presentation regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Uniroyal Global Inc. does not undertake any obligation to update or revise any statements contained in this presentation, whether as a result of new information, future events or otherwise. In particular, you should not place undue reliance on forward-looking statements, which speak only as of the date of this presentation.

# 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

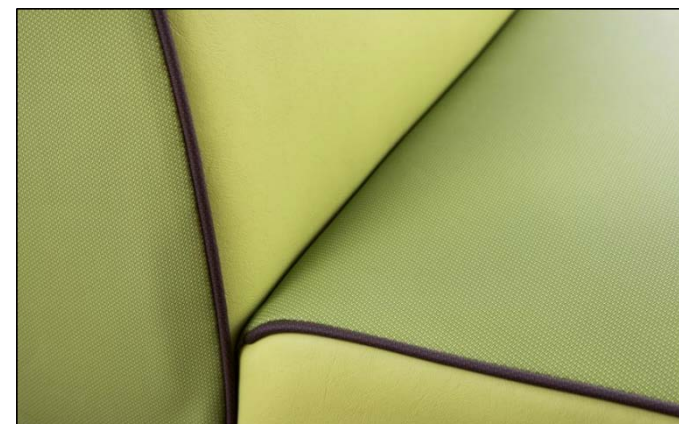
Vinyl coated fabrics are an attractive economic and at times better performing alternative to leather and other synthetic materials

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.**

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



# Uniroyal Global Engineered Products



**2003**  
**Uniroyal Engineered Products, Inc. sold to investor group**

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

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

1900

**1908**  
*Bernard Wardle,  
textile printers  
established,*

**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**





# Global Manufacturing Operations



**Uniroyal Engineered  
Products**



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



**Uniroyal Global  
Limited**

**Earby, Lancashire,  
England**



**1<sup>st</sup> August  
2017**

**Uniroyal Global (AP).  
Shanghai. Sales,  
Technical & Distribution.**

- **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

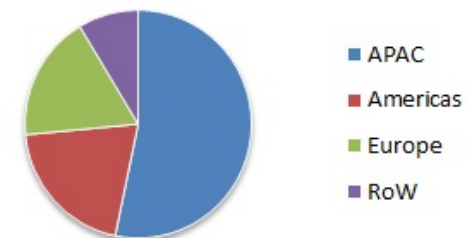
\*Source Grand View Research

## 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 (%)**







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**

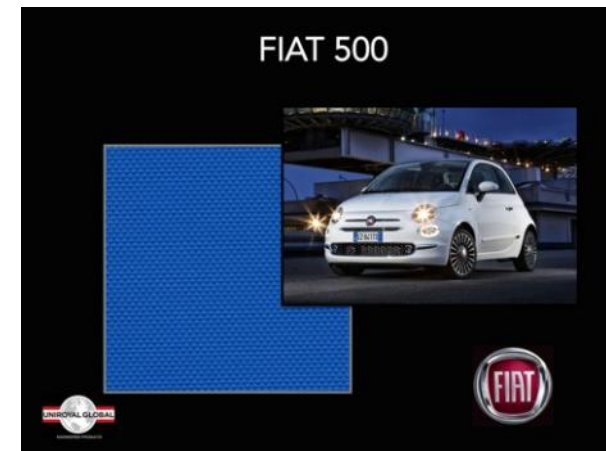




# Automotive



- 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.



# 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

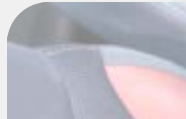
HF welding.

### 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**  
BRAND 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

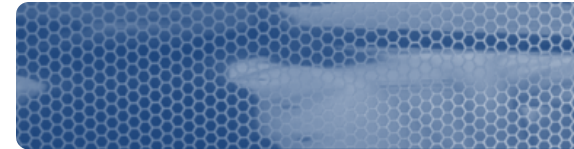
## Deeper penetration into current automotive OEMs and expanding our customer base

- 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**





ENGINEERED PRODUCTS

**UNIROYAL GLOBAL ENGINEERED PRODUCTS, Inc.**

**PUBLIC MARKET**

---

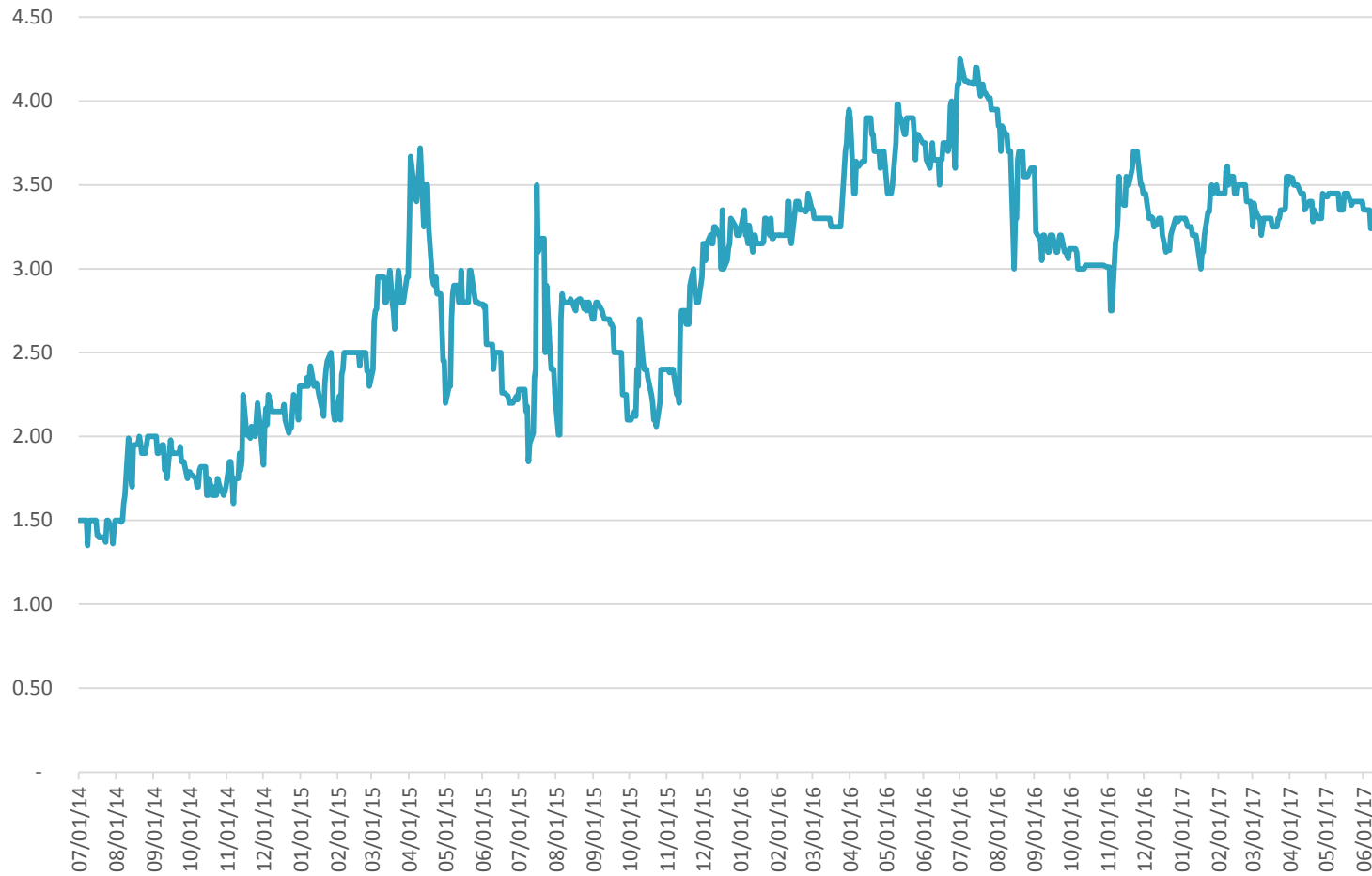
## Recent History



- **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”
- **Q2 2017** – Preparing to file for up listing

# Stock Position, Trend and Growth

UNIR Uniroyal Global Engineered Products, Inc.  
Daily Close Stock Price



- **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:

	<u>Year Ended</u>		<u>Six Months Ended</u>	
	<u>2015</u>	<u>2016</u>	<u>2016</u>	<u>2017</u>
Net Revenue	\$ 99,762	\$ 100,377	\$ 52,301	\$ 51,836
Gross Profit	\$ 21,949 22.0%	\$ 22,862 22.8%	\$ 12,386 23.7%	\$ 10,713 20.7%
Income *	\$ 5,561 5.6%	\$ 6,181 6.2%	\$ 3,387 6.5%	\$ 2,588 5.0%
EBITDA	\$ 8,629 8.6%	\$ 9,504 9.5%	\$ 5,087 9.7%	\$ 4,237 8.2%

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

## **Six Months Revenue:**

- Net sales for 2017 were \$51.8 million compared to \$52.3 million for 2016.
- Net currency effect had a negative \$2.0 million impact on 2017 sales.
- Automotive sector was up approximately 2.0% as a result of several new programs.
- Industrial sector was down approximately 6.4% due to weakness in the off-highway equipment market.

## **Six Months Gross Profit:**

- Gross profit % for 2017 was 20.7% compared to 23.7% for 2016.
- Gross profit was negatively impacted by rising global raw material prices and general operating inefficiencies due to the decline in US production and the start-up issues at the European operation caused by ramp up of newly awarded automotive programs.

## **Six Months Income:**

- Income for 2017 declined to \$2,588,407 from \$3,387,395 for 2016 primarily due to the decrease in gross profit.

- 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>1/1/17</u>	<u>7/2/17</u>
Cash	\$ 1,322	\$ 1,104
Accounts receivable	14,555	17,162
Inventory	17,046	19,297
Other current assets	1,210	1,382
Fixed assets, net	13,611	14,756
Other assets	<u>10,878</u>	<u>11,207</u>
Total Assets	\$58,622	\$64,908
Accounts payable and other current liabilities	\$11,815	\$15,597
Line of credit	16,799	18,025
Notes to affiliates	5,360	5,175
Other debt	4,072	4,206
Other long-term liabilities	<u>3,676</u>	<u>3,671</u>
Total Liabilities	41,722	46,674
Equity	<u>16,900</u>	<u>18,234</u>
Total Liabilities and Equity	\$58,622	\$64,908

# Equity Detail

(\$ in thousands)



## Stockholders' Equity:

	<u>1/1/17</u>	<u>7/2/17</u>
Preferred Units, UEP Holdings, 5.0% dividend (\$20,000,000 liquidation value)	\$ 618	\$ 618
Preferred Units, UEP Holdings, 6.5% dividend (\$15,000,000 liquidation value)	463	463
Preferred Shares, Uniroyal Global (Europe) Limited, 5.0% dividend (\$20,000,000 liquidation value)	-	-
Common Stock, 17,108,680 and 17,078,928 shares outstanding January 1, 2017 and July 2, 2017, respectively	17	17
Class B Common Stock, 1,619,102 shares outstanding at January 1, 2017 and July 2, 2017	2	2
Additional Paid in Capital	34,654	34,760
Retained Deficit	(17,175)	(16,490)
Accumulated Other Comprehensive Income	<u>(1,679)</u>	<u>(1,136)</u>
<b>Total Stockholders' Equity</b>	<b>\$ 16,900</b>	<b>\$ 18,234</b>



# Cash Flow

(\$ in thousands)

## Cash Flow Summary:

	<u>YE Ended</u>		<u>Six Months Ended</u>	
	<u>2015</u>	<u>2016</u>	<u>2016</u>	<u>2017</u>
Net income	\$ 7,754	\$ 7,379	\$ 3,059	\$ 2,162
Adjustments to reconcile to cash flow from operating activities				
Deferred tax benefit	(2,511)	(1,925)	-	-
Depreciation and amortization	1,571	1,727	871	860
Stock-based compensation	98	381	166	207
Changes in current assets and liabilities, net and Other	<u>(1,611)</u>	<u>(1,918)</u>	<u>(1,948)</u>	<u>(781)</u>
Cash Flows provided by Operating Activities	<u>5,301</u>	<u>5,644</u>	<u>2,148</u>	<u>2,448</u>
Cash Flow used in Investing Activities	<u>(2,927)</u>	<u>(2,356)</u>	<u>(875)</u>	<u>(1,179)</u>
Net advances on line of credit	508	1,226	1,086	623
Debt payments	(593)	(760)	(415)	(455)
Proceeds from debt issuance	2,149	350	-	-
Proceeds from (payments on) related party obligations	4	(1,422)	(1,303)	(185)
Payment of preferred stock dividends	(2,480)	(2,861)	(1,174)	(1,456)
Other	<u>(605)</u>	<u>(194)</u>	<u>161</u>	<u>(62)</u>
Cash Flows used in Financing Activities	<u>(1,017)</u>	<u>(3,661)</u>	<u>(1,645)</u>	<u>(1,535)</u>
Net Change in Cash	1,357	(373)	(372)	(266)
Cash – Beginning of Period	604	1,910	1,910	1,322
Effect of currency translation	<u>(51)</u>	<u>(215)</u>	<u>(68)</u>	<u>48</u>
Cash – End of Period	<u>\$ 1,910</u>	<u>\$ 1,322</u>	<u>\$ 1,470</u>	<u>\$ 1,104</u>

**Thank you for your interest in:-**  
**Uniroyal Global Engineered Products.**



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

