



ENGINEERED PRODUCTS

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

December 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



Global Manufacturing Operations & Sales



**Uniroyal Engineered
Products**



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



Uniroyal Global Limited

**Earby, Lancashire,
UK**



Uniroyal Global (AP) Ltd.

**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:
5.0 million Linear Yards



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





ENGINEERED PRODUCTS

DESIGN, & PRODUCT DEVELOPMENT

Design and Development

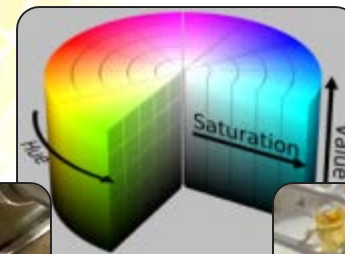
World Class Designers and Development Team.

- 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

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

Automotive and Light truck interiors	65%
Heavy Truck, Transportation & Industrial Equipment	14%
Commercial Seating and Medical Equipment	21%



Serving our Global OEM's



Mercedes-Benz



RENAULT

IVECO



TOYOTA



DODGE

PACCAR



TEREX



HONDA



CHRYSLER



Automotive



- Strong & Successful Presence Building Globally
- OEM & VM Design & Styling Studios see us as their go to company for new product specification, 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.



Markets – NAUGAHYDE Applications



Hotels, Recreational and Hospitality

Commercial Seating and Coverings

- 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



NAUGAHYDE[®]
BRAND FABRIC

* End Users

Indoor and Outdoor Contract Seating

Restaurant, Hospitality and Commercial Seating

- Commercial 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





ENGINEERED PRODUCTS

COMPANY OBJECTIVES

2018/19 Revenue Objectives

- **Deeper penetration into current automotive OEMs and expanding our customer base**
 - Automotive OEM's demand Global a Supplier across multiple applications & regions.
 - Focused on Design and Technical advancements to lead growth in Global Auto Markets
- **Entrance into new Territories and OEM's**
 - Leading and best in class Technical and Design based activities with major OEM's driving our new business wins and attracting greater global coverage
- **Development and Innovation of new technical applications**
 - Focusing on Transportation markets (bus / rail) compliant developments
- **Penetrate Industrial & Consumer markets in Europe using power of Uniroyal Global Brands**
 - Opportunities with Industrial and Commercial 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 with high incremental margin production



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
- Enhanced performance standards & Legislation.
- Water-based coatings

Application

- Instrument & Door Panels
- Interiors & Headliners
- Commercial Seating



Potential Strategic Growth Opportunities

Geographic Expansion completes our Global Footprint



Asia (China)

- 50% of Global Coated Fabrics Market
- 42.3% of Auto production
- Growing economy
- Mass Transportation opportunity
- 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 impact in target market from \$2 billion to \$5 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”
- **2018** – 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**
- **Deal integration synergies continue**
- **Diversified platform offers cyclical defense**
- **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>Nine Months Ended</u>	
	<u>2015</u>	<u>2016</u>	<u>2016</u>	<u>2017</u>
Net Revenue	\$ 99,762	\$ 100,377	\$ 76,977	\$ 74,334
Gross Profit	\$ 21,949 22.0%	\$ 22,862 22.8%	\$ 17,736 23.0%	\$ 14,900 20.0%
Income *	\$ 5,561 5.6%	\$ 6,181 6.2%	\$ 4,844 6.3%	\$ 2,929 3.9%
EBITDA	\$ 8,629 8.6%	\$ 9,504 9.5%	\$ 7,372 9.6%	\$ 5,477 7.4%

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

Nine Months Revenue:

- Net sales for 2017 were \$74.3 million compared to \$77.0 million for 2016.
- Net currency effect had a negative \$1.6 million impact on 2017 sales.
- Automotive sector decreased approximately 1.8% as the increase in sales of several new programs in the European market was offset by a decline in the U.S. as automotive manufacturers rationalized inventory levels.
- Industrial sector was down approximately 6.7%.
- **Nine Months Gross Profit:**
- Gross profit % for 2017 was 20.0% compared to 23.0% for 2016.
- Gross profit was negatively impacted by mix as the ratio of lower margin automotive sales to higher margin industrial sales was greater in 2017 versus 2016, and by rising global raw material prices and operating inefficiencies due to reduced production levels.
- **Nine Months Income:**
- Income for 2017 declined to \$2,929,169 from \$4,844,337 for 2016 primarily due to the decrease in gross profit.

- Selective growth in automotive sector in the U.S. and Europe
- Increasing penetration at existing customers
- Expanding customer base
- Introduced a new linen-textured vinyl-coated fabric called Casablanca

Balance Sheets

(\$ in thousands)



Balance Sheet Summary:

	<u>1/1/17</u>	<u>10/1/17</u>
Cash	\$ 1,322	\$ 1,751
Accounts receivable	14,555	15,216
Inventory	17,046	21,289
Other current assets	1,210	752
Fixed assets, net	13,611	15,295
Other assets	<u>10,878</u>	<u>11,385</u>
Total Assets	\$58,622	\$65,688
Accounts payable and other current liabilities	\$11,815	\$14,977
Line of credit	16,799	19,833
Notes to affiliates	5,360	5,082
Other debt	4,072	4,083
Other long-term liabilities	<u>3,676</u>	<u>3,514</u>
Total Liabilities	41,722	47,489
Equity	<u>16,900</u>	<u>18,199</u>
Total Liabilities and Equity	\$58,622	\$65,688

Equity Detail

(\$ in thousands)

Stockholders' Equity:

	<u>1/1/17</u>	<u>10/1/17</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 October 1, 2017, respectively	17	17
Class B Common Stock, 1,619,102 shares outstanding at January 1, 2017 and October 1, 2017	2	2
Additional Paid in Capital	34,654	34,863
Retained Deficit	(17,175)	(16,967)
Accumulated Other Comprehensive Income	<u>(1,679)</u>	<u>(797)</u>
Total Stockholders' Equity	\$ 16,900	\$ 18,199

Cash Flow

(\$ in thousands)

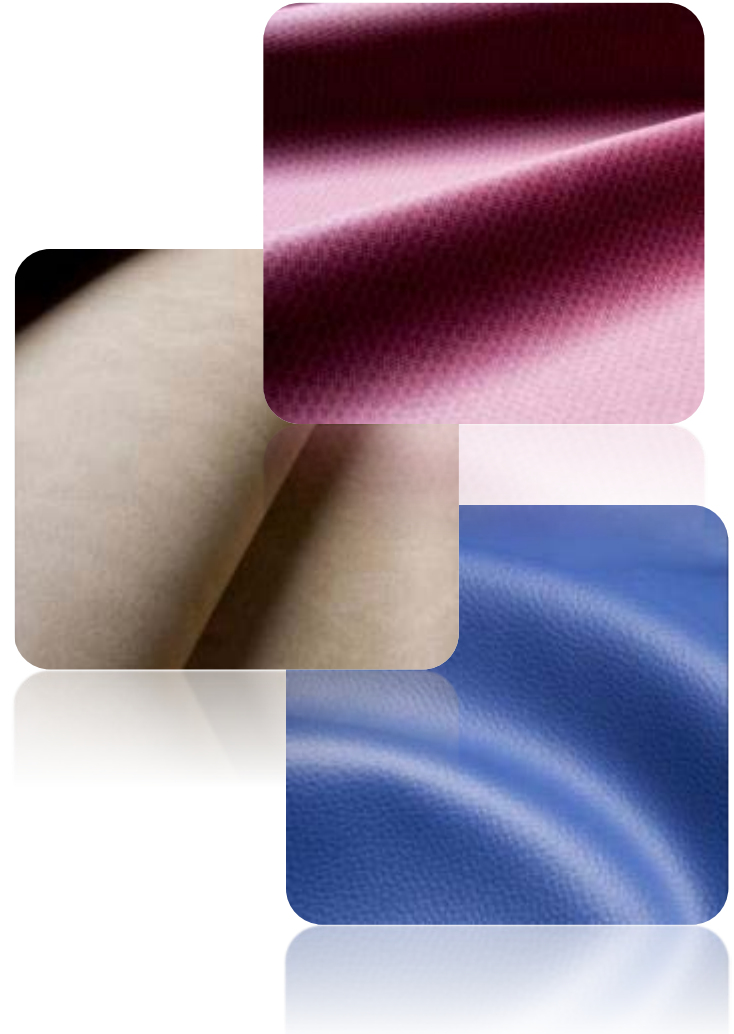
Cash Flow Summary:

	<u>YE Ended</u>		<u>Nine Months Ended</u>	
	<u>2015</u>	<u>2016</u>	<u>2016</u>	<u>2017</u>
Net income	\$ 7,754	\$ 7,379	\$ 4,360	\$ 2,438
Adjustments to reconcile to cash flow from operating activities				
Deferred tax benefit	(2,511)	(1,925)	-	-
Depreciation and amortization	1,571	1,727	1,310	1,346
Stock-based compensation	98	381	278	309
Changes in current assets and liabilities, net and Other	<u>(1,611)</u>	<u>(1,918)</u>	<u>(815)</u>	<u>(760)</u>
Cash Flows provided by Operating Activities	<u>5,301</u>	<u>5,644</u>	<u>5,133</u>	<u>3,333</u>
Cash Flow used in Investing Activities	<u>(2,927)</u>	<u>(2,356)</u>	<u>(1,486)</u>	<u>(1,905)</u>
Net advances on line of credit	508	1,226	220	2,030
Debt payments	(593)	(760)	(576)	(708)
Proceeds from debt issuance	2,149	350	-	-
Proceeds from (payments on) related party obligations	4	(1,422)	(1,361)	(278)
Payment of preferred stock dividends	(2,480)	(2,861)	(2,147)	(2,204)
Other	<u>(605)</u>	<u>(194)</u>	<u>15</u>	<u>50</u>
Cash Flows used in Financing Activities	<u>(1,017)</u>	<u>(3,661)</u>	<u>(3,849)</u>	<u>(1,110)</u>
Net Change in Cash	1,357	(373)	(202)	318
Cash – Beginning of Period	604	1,910	1,910	1,322
Effect of currency translation	<u>(51)</u>	<u>(215)</u>	<u>(150)</u>	<u>111</u>
Cash – End of Period	<u>\$ 1,910</u>	<u>\$ 1,322</u>	<u>\$ 1,558</u>	<u>\$ 1,751</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





ENGINEERED PRODUCTS

Q&A

APPENDICES

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

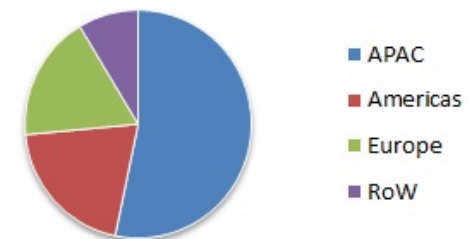
*Source Grand View Research

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