



ENGINEERED PRODUCTS

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

June 2018

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Company Overview: Vinyl Coated Fabrics

Delivering Superior Performance, Color & Beauty

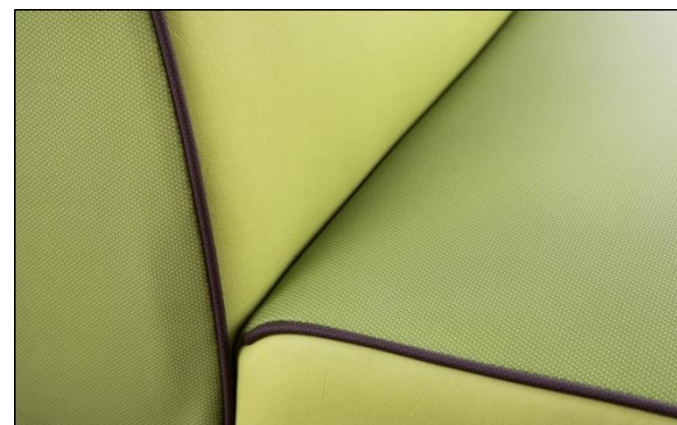


Our Naugahyde® & Ambla® brands are known through the world as the premier choice within numerous markets. Demanded without compromise by today's discriminating customer needing, high quality, highly engineered, robust and innovative seating and interior products.

Tough and Soft to Touch

Vinyl / PU 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

- Color-fast with soft luxurious grain
- Durable & Cleanable
- UV Resistant
- Flame Resistant
- Anti Squeak
- Stain/Dye Resistant



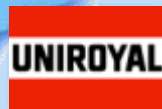
Global Manufacturing Operations & Sales



**Uniroyal Engineered
Products**



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



Uniroyal Global Limited
**Earby, Lancashire,
UK**



Uniroyal Global (Shanghai)
**Shanghai. Sales and Technical
Office.**

- **Manufacturing : 2**
- **Global Sales & Design Offices : 6**
- **Global Distributors : 65 (Asia / Europe & Americas)**
- **Sales and R&D Teams : 30 People**



North American Manufacturing Facility

Stoughton, Wisconsin.

- Plant size: 230,000 Sq. Ft.
- Employees: 160
- Capacity: 13 Million Linear Yards
- Available capacity:
6.5 Million Linear Yards.



UK & European Manufacturing Facility



Earby, Lancashire.

- Plant size: 250,000 Sq. Ft & 15 acres
- Employees: 242
- Capacity: 15 Million Linear Yards
- Available capacity:
5.0 million Linear Yards





ENGINEERED PRODUCTS

UNIROYAL GLOBAL ENGINEERED PRODUCTS, Inc.

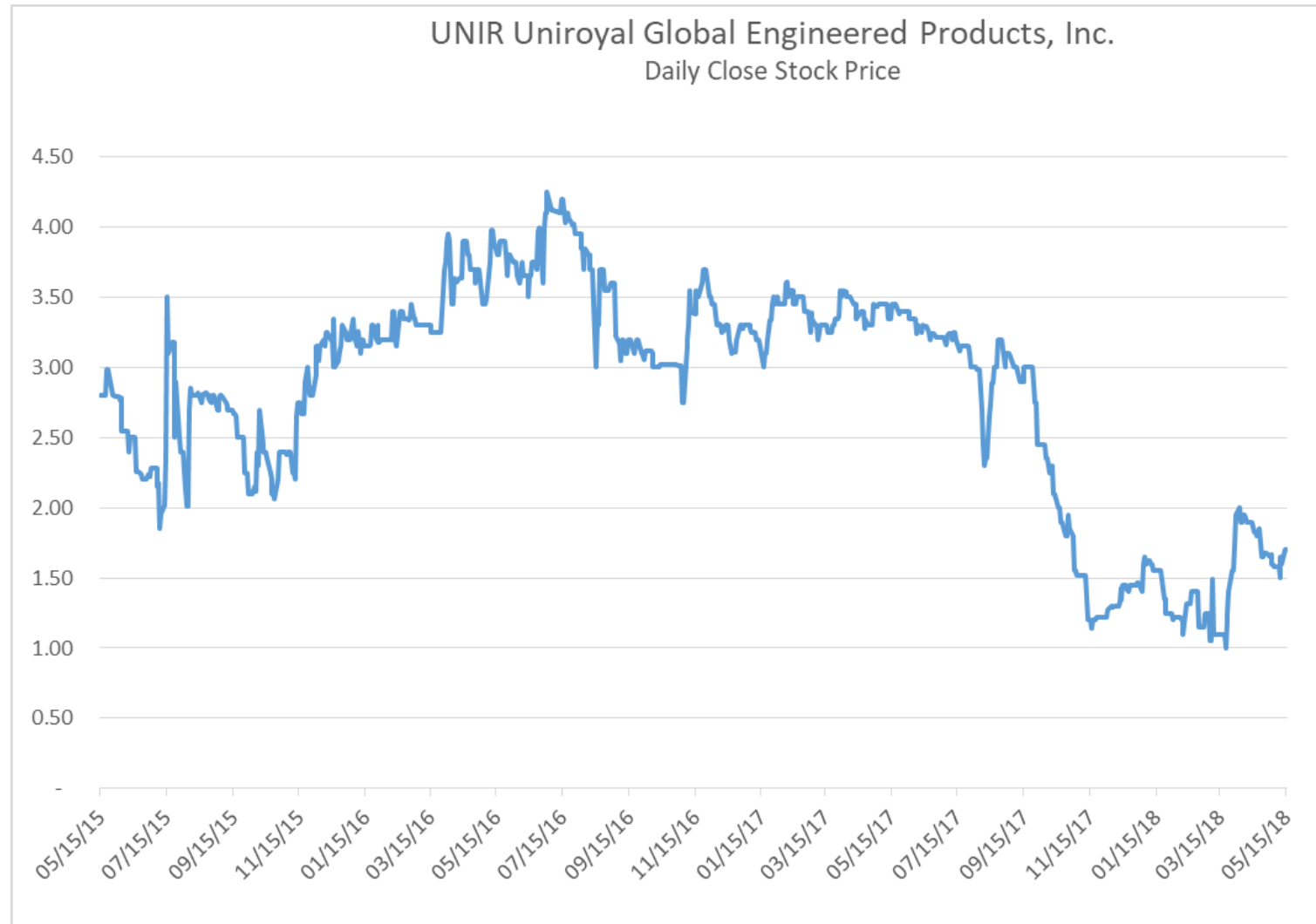
PUBLIC MARKET

History



- **April of 2013** - Acquired Wardle Storeys and renamed to **Uniroyal Global Limited** Jan 2017
- **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”
- **May 2018** Officially opened China Sales and Technical Office in Shanghai
- **2018** – Preparing to file for up listing

Stock Position, Trend and Growth



- **Technologically advanced Company in an established industry**
 - **Operate in highly engineered, high margin sector**
 - **Significant barriers to entry**
- **Solid cash generator**
- **Completed substantial investment into facility to enhance productivity**
 - **In excess of \$4mm on productivity enhancement projects**
- **Diversified platform offers cyclical defense**
 - **Auto, Industrial and Decorative market sectors**



ENGINEERED PRODUCTS

MARKETS

Our Products and Markets are uniquely diversified and as a result 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



DODGE

PACCAR



TEREX



HONDA



CHRYSLER



Automotive



- Strong & Successful Presence and continuing to build Globally.
- OEM & VM Design & Styling Studios see us as their go to company for new product specification, designs, grain, color and harmony solutions.



MICRA



GIULIA



FIAT 500



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

Compression molding & vacuum forming.

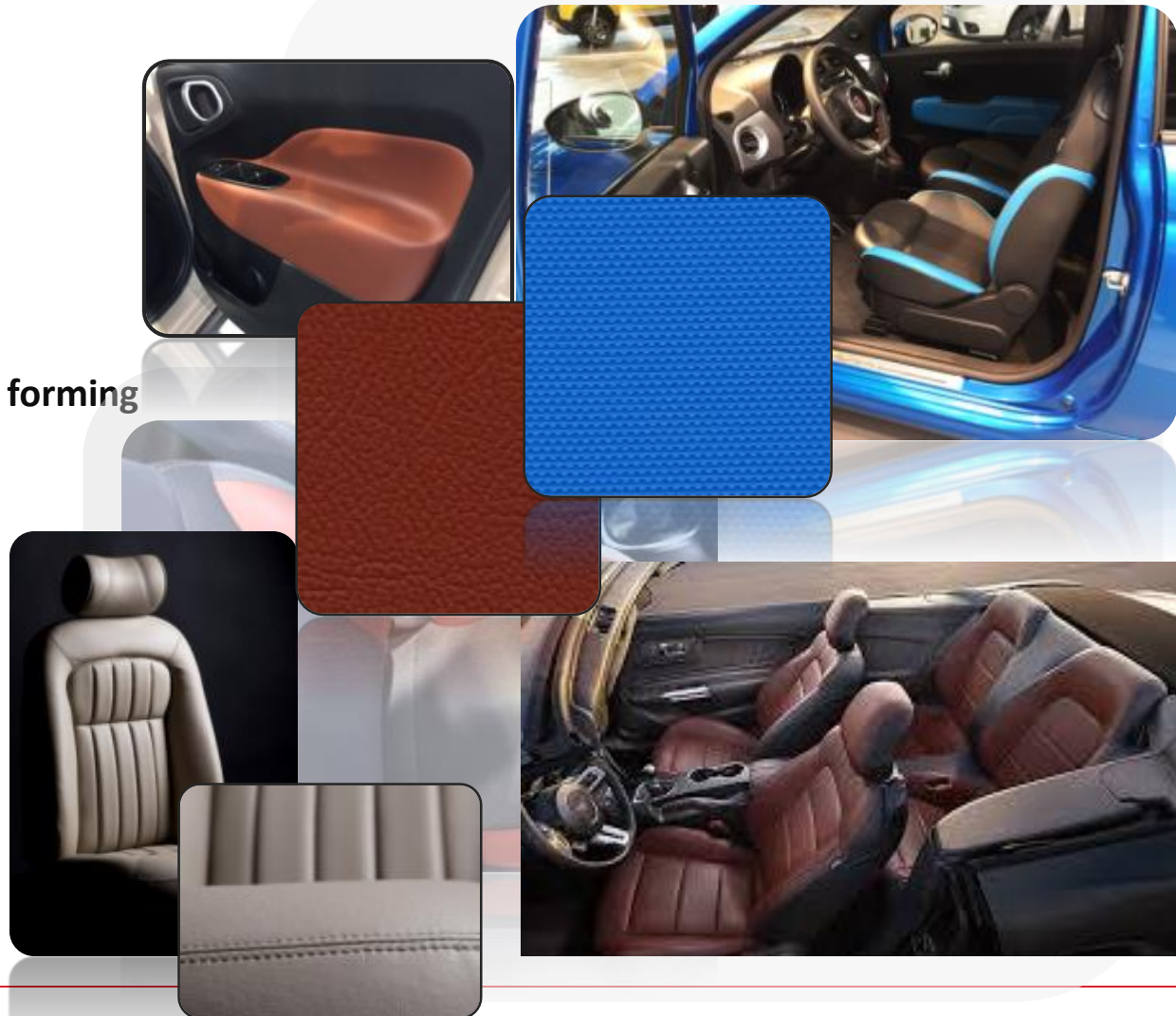
Compression molding, vacuum forming & low pressure molding.

Cut and sew.

HF welding.

Compression molding.

HF welding.



Markets – NAUGAHYDE Applications



Hotels, Recreational and Hospitality

Commercial Seating and Coverings supplied Globally

- 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

ambia
UPHOLSTERY FABRIC



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

DESIGN, & PRODUCT DEVELOPMENT

Design and Development

World Class Styling, Design and Development Team.

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

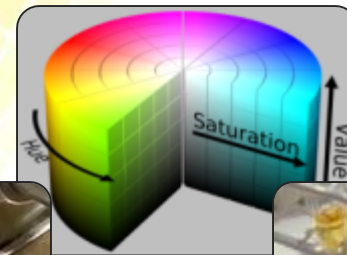


Research & Product Development

In-house Developments:-

- UK /US Comprehensive Testing Labs
- Technical Products developed in house
- Experience technical team of 20 staff
- Proprietary product development
- State of the art computerized color match

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



Quality, Environmental and Safety Standards

We take an absolute no compromise approach to quality

- ISO9001/2008
- TS & IATF 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

UNIROYAL GLOBAL ENGINEERED PRODUCTS, Inc.

FINANCIAL INFORMATION

Financials

(\$ in thousands)

Income Statement

Summary:

	<u>Year Ended</u>		<u>Three Months Ended</u>	
	<u>2016</u>	<u>2017</u>	<u>2017</u>	<u>2018</u>
Net Revenue	\$100,377	\$ 98,138	\$ 25,758	\$ 26,430
Gross Profit	\$ 22,862 22.8%	\$ 18,412 18.8%	\$ 5,376 20.9%	\$ 4,617 17.5%
Income *	\$ 6,181 6.2%	\$ 2,809 2.9%	\$ 1,445 5.6%	\$ 475 1.8%
EBITDA	\$ 9,504 9.5%	\$ 6,330 6.5%	\$ 2,255 8.8%	\$ 1,461 5.5%

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

Three Months Revenue:

- Net sales for 2018 were \$26.4 million compared to \$25.8 million for 2017.
- Net currency effect had a positive \$1.8 million impact on 2018 sales.
- Automotive sector decreased approximately 1.1% due to a decline in the U.S. market as automotive manufacturers rationalized inventory levels and a general decline in the European automotive market also.
- Industrial sector grew approximately 10.3% as sales from non-automotive transportation in both the U.S. and European markets experienced a general improvement in addition to new program awards.

Three Months Gross Profit:

- Gross profit % for 2018 was 17.5% compared to 20.9% for 2017.
- Gross profit was negatively impacted by rising global raw material prices, unfavorable material usage variances and operating inefficiencies resulting from newly awarded automotive platforms ramping up in Europe. Price increases were implemented in several markets to offset raw material price increases.

Three Months Income:

- Income for 2018 declined to \$475,118 from \$1,445,278 for 2017 primarily due to the decrease in gross profit.

Recent Financial Results

- 2017 - Perfect Storm
 - Our largest two OEM's reduced production time to reset inventories
 - Raw materials spiked in both the US and Europe
 - Suffered some operational inefficiencies due to the reduction of production volume in the US and start up issues on the rollout of new platforms in Europe
- Action steps/Results
 - Reduced production capacity and operating expenses in the US
 - Resulted in an increase in gross margin in Q1 of 2018 vs 4Q of 2017
 - Initiated price increases in both the US and Europe
 - Substantially accepted with benefits expected beginning in Q2 and beyond
 - Accelerated productivity and Lean manufacturing activities in both plants
 - Positive and expanding manufacturing variances experienced across all operations

2018/19 Financial Outlook

- Significant growth in Industrial sector in 2018
- Selective growth in automotive sector in the U.S. and Europe
- Expanding customer base across all sectors including China
- Improving operations will drive margin expansion

Balance Sheets

(\$ in thousands)



Balance Sheet Summary:

	<u>12/31/17</u>	<u>4/1/18</u>
Cash	\$ 1,267	\$ 821
Accounts receivable	15,167	16,600
Inventory	19,770	19,973
Other current assets	884	817
Fixed assets, net	17,289	17,733
Other assets	<u>8,277</u>	<u>8,432</u>
Total Assets	\$62,654	\$64,376
Accounts payable and other current liabilities	\$14,784	\$15,235
Lines of credit	19,340	19,857
Notes to affiliates	5,206	5,351
Other debt	4,563	4,898
Other long-term liabilities	<u>3,369</u>	<u>3,384</u>
Total Liabilities	47,262	48,725
Equity	<u>15,392</u>	<u>15,651</u>
Total Liabilities and Equity	\$62,654	\$64,376

Equity Detail

(\$ in thousands)



Stockholders' Equity:

	<u>12/31/17</u>	<u>4/1/18</u>
Preferred Units, UEP Holdings, 5.0% dividend (\$20,000,000 liquidation value)	\$ 618	\$ 618
Preferred Units, UEP Holdings, 7.0% dividend (\$15,000,000 liquidation value)	463	463
Preferred Shares, Uniroyal Global (Europe) Limited, 5.0% dividend (\$20,000,000 liquidation value)	-	-
Common Stock, 17,070,928 shares outstanding at December 31, 2017 and April 1, 2018	17	17
Class B Common Stock, 1,619,102 shares outstanding at December 31, 2017 and April 1, 2018	2	2
Additional Paid in Capital	34,945	35,045
Retained Deficit	(20,277)	(20,572)
Accumulated Other Comprehensive Income (Loss)	<u>(376)</u>	<u>78</u>
Total Stockholders' Equity	\$ 15,392	\$ 15,651



ENGINEERED PRODUCTS

COMPANY OBJECTIVES

2018/19 Revenue Objectives

- **Further penetration into current Automotive OEMs and expanding our global customer base**
 - Automotive OEM's need a Global Supplier across multiple applications & regions.
 - Focused on Design and Technical advancements that lead our growth in our Global Auto Markets
- **Entry into new Territories and OEM's**
 - Currently receiving RFQ's in German and China markets
- **Diversify Revenue Base**
 - Wins in Transportation, Industrial & Consumer Markets using the power and reputation of our Uniroyal Global Brand
 - Opportunities with Mass Transportation, Industrial and Commercial Seating Markets.



Strategic Performance Objectives

Continued Margin Expansion

- Productivity investments
 - Expanded capacity in Europe with technology upgrades (coater & water based technologies)
 - 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 and expand product offerings to 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)

- **Status**
 - Office officially opened in Shanghai
 - Currently receiving Request For Quotes OEM's producing in China
- **Market**
 - 50% of Global Coated Fabrics Market
 - 42.3% of Auto production
 - Mass Transportation opportunities
 - 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
- Potential investment opportunities identified

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 (%)

