
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **August 6, 2018**

UNIROYAL GLOBAL ENGINEERED PRODUCTS, INC.

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction
of Incorporation)

000-50081
(Commission File Number)

65-1005398
(IRS Employer
Identification No.)

1800 2nd Street, Suite 970
Sarasota, FL 34236
(Address of principal executive offices)

(941) 906-8580
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On August 6, 2018, Uniroyal Global Engineered Products, Inc. issued a press release announcing its financial results for its second fiscal quarter ended July 1, 2018. A copy of the press release is attached hereto as Exhibit 99.1.

Pursuant to General Instruction B.2 of Current Report on Form 8-K, the information in this Item 2.02 is being furnished and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise be subject to the liability of that section. Furthermore, the information in this Item 2.02 shall not be deemed to be incorporated by reference into the filings of the Company under the Securities Act of 1933, as amended.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release, dated August 6, 2018, issued by Uniroyal Global Engineered Products, Inc., announcing earnings results.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

UNIROYAL GLOBAL ENGINEERED PRODUCTS, INC.

Date: August 6, 2018

By: /s/ Howard R. Curd
Howard R. Curd
Chief Executive Officer



Press Release

Uniroyal Global Engineered Products, Inc. Reports Net Sales of \$26,023,233 and Net Income Available to Common Shareholders of \$148,389 or \$0.01 per Diluted Share for the Second Quarter Ended July 1, 2018

SARASOTA, Fla.—August 6, 2018—Uniroyal Global Engineered Products, Inc. (OTCQB: UNIR or the “Company”) today reported its financial results for the second quarter and six months ended July 1, 2018.

Financial Highlights-Second Quarter

- * Net Sales in line with the prior year on increases in the Automotive Sector
- * Gross Profit margins improve quarter-to-quarter on operational improvements, cost reduction and increased selling prices
- * Operating expenses decline to 12.6% of Net Sales versus 14.2% in prior year quarter
- * Net Income Available to Common Shareholders of \$148,389 or \$0.01 per share, in line with prior year

Overview

The financial results for the second quarter ended July 1, 2018 showed marked improvement from recent quarters in many key measurements. Gross Margins improved to 18.3% which was an improvement from the 17.5% and 14.8% recorded in the two previous quarters. Raw material cost increases continue to be a headwind, but operational efficiencies offset the negative impact. Operating expenses as a percentage of Net Sales declined to 12.6% versus the 14.1% of the previous quarter and 14.2% of last year as the Company continues cost cuts, particularly in the General and Administrative area.

As we mentioned last quarter, we are diversifying our product mix in the Automotive sector to qualify for platforms of major automotive OEM’s, targeting growing segments such as SUV’s and trucks. Further, we are diversifying our sales strategies to include different channels such as heavy truck, recreational vehicles and marine applications. We anticipate that we will return to sales growth and continued margin improvements in the second half of this year.

Net Sales

Net Sales for the second quarter were \$26,023,233 versus \$26,077,549 in the second quarter of 2017, resulting in a decline of 0.2% (a decline of 4.0% excluding the favorable currency effect). Geographically, US operations (45.3% of total Net Sales for the second quarter) recorded an increase of 2.8% and the UK operations (54.7% of total Net Sales for the second quarter) declined 2.6% versus the prior year second quarter.

The Automotive Sector (68.6% of total Net Sales) increased 1.4% versus the prior year as the US operations recorded sharp improvement (9.8%) over the prior year more than offsetting a 1.4% decline in the UK operations. Though it’s difficult to forecast quarterly sales in the Automotive Sector because of timing of platforms, OEM scheduling and demands, we are pleased with the performance of our US operations and believe the second quarter results will launch us into a stronger second half. The UK customer base in particular is positioned strongly in the European marketplace.

The Industrial Sector (31.4% of total Net Sales for the second quarter) declined 3.5% versus the prior year as UK sales from the non-automotive transportation market saw a decline compared to 2017 due to a quarterly timing issue. Sales of this sector were up 3.3% for the six months 2018 versus the six months of the prior year.

Operating Income

Operating Income for the second quarter was \$1,474,897, which was a decline of 10.3% from the \$1,644,302 recorded in the same quarter of the prior year. As a percentage of Net Sales, Operating Income was 5.7% versus 6.3% in the second quarter of the previous year. Though the metrics of this quarter were below that of the prior year, we are pleased with the improvement being made at our operations from the most recent quarters where we encountered sharp increases in raw material prices and operational start-up issues due to a major equipment installation in the UK. While raw material price increases are being accepted by customers, this is a continuous process. Further, we believe that the UK start-up issues are now behind us. These variables lead to a Gross Profit Margin of 18.3% which was an improvement from the 17.5% recorded in the first quarter of this year. A reduction in Operating Expenses has been a strategic focus of the Company as well. For the second quarter, Operating Expenses declined \$403,000 versus the second quarter of last year to 12.6% of Net Sales versus 14.2% in the year ago quarter. We believe that the result of the targeted actions in place will lead to a continuous improvement in Operating Income in the second half of this year.

Net Income (Loss) Available to Common Shareholders

After Preferred stock dividends, Net Income Available to Common Shareholders was \$148,389 or \$0.01 per diluted common share as compared to \$214,466 or \$0.01 per diluted common share in the second quarter of the prior year. Weighted average shares outstanding were moderately below that of the previous year at 18,690,030.

For further details, see the Consolidated Statements of Operations in the Company's Form 10-Q filed on August 6, 2018. The Company will have comments on the quarter in an earnings conference call on August 7, 2018 at 9:00 am (EDT).

Persons wishing to access the conference call may do so by dialing 800-289-0438 (U.S.) and 323-794-2433 (International), and using the ID #3000820. Howard F. Curd, President, will discuss our earnings on the call and will be available for questions. The call will also be available by logging on to www.uniroyalglobal.com and accessing the webcast link (<http://public.viavid.com/player/index.php?id=130823>) in the investor relations section.

A replay of the conference call will be available beginning August 7, 2018 through November 7, 2018 by calling 844-512-2921 (U.S.) or 412-317-6671 (International) and using Pin #3000820. The webcast will be archived on www.uniroyalglobal.com in the investor relations section until August 7, 2019.

About Uniroyal Global Engineered Products, Inc.:

Uniroyal Global Engineered Products, Inc. (UNIR) is a leading manufacturer of vinyl-coated fabrics that are durable, stain resistant, cost-effective alternatives to leather, cloth and other synthetic fabric coverings. Uniroyal Global Engineered Products, Inc.'s revenue in 2017 was derived 67.5% from the automotive industry and approximately 32.5% from the recreational, industrial, indoor and outdoor furnishings, hospitality and healthcare markets. Our primary brand names include Naugahyde®, BeautyGard®, Flame Blocker™, Spirit Millennium®, Ambla®, Amblon®, Velbex®, Cirroflex®, Plastolene® and Vynide®.

Forward-Looking Statements:

Except for statements of historical fact, certain information contained in this press release constitutes forward-looking statements, including, without limitation, statements containing the words "believe," "expect," "anticipate," "intend," "should," "planned," "estimated" and "potential" and words of similar import, as well as all references to the future. These forward-looking statements are based on Uniroyal Global Engineered Products, Inc.'s current expectations. The Company cautions investors that any forward-looking statements made by the Company are not guarantees of future performance and that a variety of factors could cause the Company's actual results and experience to differ materially from the anticipated results or other expectations expressed in the Company's forward-looking statements. The risks and uncertainties which may affect the operations, performance, development and results of the Company's business include, but are not limited to, the following: uncertainties relating to economic conditions, uncertainties relating to customer plans and commitments, the pricing and availability of equipment, materials and inventories, currency fluctuations, technological developments, performance issues with suppliers, economic growth, delays in testing of new products, the Company's ability to successfully integrate acquired operations, the Company's dependence on key personnel, the Company's ability to protect its intellectual property rights, the effectiveness of cost-reduction plans, rapid technology changes and the highly competitive environment in which the Company operates. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statement was made.

Uniroyal Global Engineered Products, Inc. Public Relations:

TTC Group, Inc.

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Uniroyal Global Engineered Products, Inc.
Consolidated Balance Sheets

ASSETS	(Unaudited) July 1, 2018	December 31, 2017
CURRENT ASSETS		
Cash and cash equivalents	\$ 903,082	\$ 1,267,319
Accounts receivable, net	16,011,212	15,167,468
Inventories, net	19,368,331	19,769,662
Other current assets	877,091	846,362
Related party receivable	2,073	37,116
Total Current Assets	<u>37,161,789</u>	<u>37,087,927</u>
PROPERTY AND EQUIPMENT, NET		
	<u>18,043,816</u>	<u>17,289,058</u>
OTHER ASSETS		
Intangible assets	3,231,439	3,295,896
Goodwill	1,079,175	1,079,175
Other long-term assets	3,921,695	3,902,246
Total Other Assets	<u>8,232,309</u>	<u>8,277,317</u>
TOTAL ASSETS	<u>\$ 63,437,914</u>	<u>\$ 62,654,302</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Checks issued in excess of bank balance	\$ 705,321	\$ 686,640
Lines of credit	19,650,799	19,340,468
Current maturities of long-term debt	1,187,384	1,155,490
Current maturities of capital lease obligations	416,588	408,425
Accounts payable	10,363,209	10,358,761
Accrued expenses and other liabilities	3,894,980	3,594,684
Related party obligation	768,036	286,955
Current portion of postretirement benefit liability - health and life	143,287	143,287
Total Current Liabilities	<u>37,129,604</u>	<u>35,974,710</u>
LONG-TERM LIABILITIES		
Long-term debt, less current portion	2,684,591	2,467,433
Capital lease obligations, less current portion	301,787	531,218
Related party lease financing obligation	2,468,248	2,153,327
Long-term debt to related parties	2,459,393	2,765,655
Postretirement benefit liability - health and life, less current portion	2,522,261	2,547,076
Other long-term liabilities	785,129	822,492
Total Long-Term Liabilities	<u>11,221,409</u>	<u>11,287,201</u>
Total Liabilities	<u>48,351,013</u>	<u>47,261,911</u>
STOCKHOLDERS' EQUITY		
Preferred units, Series A UEP Holdings, LLC, 200,000 units issued and outstanding (\$100 issue price)	617,571	617,571
Preferred units, Series B UEP Holdings, LLC, 150,000 units issued and outstanding (\$100 issue price)	463,179	463,179
Preferred stock, Uniroyal Global (Europe) Limited, 50 shares issued and outstanding (\$1.51 stated value)	75	75
Common stock, 95,000,000 shares authorized (\$.001 par value) 18,690,030 shares issued and outstanding as of both July 1, 2018 and December 31, 2017	18,690	18,690
Additional paid-in capital	35,138,353	34,944,972
Accumulated deficit	(20,423,375)	(20,276,944)
Accumulated other comprehensive loss	(727,592)	(375,152)
Total Stockholders' Equity	<u>15,086,901</u>	<u>15,392,391</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 63,437,914</u>	<u>\$ 62,654,302</u>

Uniroyal Global Engineered Products, Inc.
Consolidated Statements of Operations
(Unaudited)

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>July 1, 2018</u>	<u>July 2, 2017</u>	<u>July 1, 2018</u>	<u>July 2, 2017</u>
NET SALES	\$ 26,023,233	\$ 26,077,549	\$ 52,452,920	\$ 51,835,978
COST OF GOODS SOLD	<u>21,259,055</u>	<u>20,740,966</u>	<u>43,071,248</u>	<u>41,123,248</u>
Gross Profit	4,764,178	5,336,583	9,381,672	10,712,730
OPERATING EXPENSES:				
Selling	1,200,051	1,325,397	2,549,081	2,610,344
General and administrative	1,658,665	1,929,780	3,606,966	3,751,246
Research and development	430,565	437,104	852,528	970,958
OPERATING EXPENSES	<u>3,289,281</u>	<u>3,692,281</u>	<u>7,008,575</u>	<u>7,332,548</u>
Operating Income	<u>1,474,897</u>	<u>1,644,302</u>	<u>2,373,097</u>	<u>3,380,182</u>
OTHER INCOME (EXPENSE):				
Interest and other debt related expense	(473,663)	(408,794)	(930,027)	(798,650)
Other income (expense)	(19,220)	(92,379)	14,062	6,875
Net Other Expense	<u>(492,883)</u>	<u>(501,173)</u>	<u>(915,965)</u>	<u>(791,775)</u>
INCOME BEFORE TAX PROVISION	982,014	1,143,129	1,457,132	2,588,407
TAX PROVISION	<u>57,521</u>	<u>191,343</u>	<u>43,000</u>	<u>425,929</u>
NET INCOME	924,493	951,786	1,414,132	2,162,478
Preferred stock dividend	<u>(776,104)</u>	<u>(737,320)</u>	<u>(1,560,563)</u>	<u>(1,477,236)</u>
NET INCOME (LOSS) AVAILABLE TO COMMON SHAREHOLDERS	<u>\$ 148,389</u>	<u>\$ 214,466</u>	<u>\$ (146,431)</u>	<u>\$ 685,242</u>
EARNINGS (LOSS) PER COMMON SHARE:				
Basic	<u>\$ 0.01</u>	<u>\$ 0.01</u>	<u>\$ (0.01)</u>	<u>\$ 0.04</u>
Diluted	<u>\$ 0.01</u>	<u>\$ 0.01</u>	<u>\$ (0.01)</u>	<u>\$ 0.04</u>
WEIGHTED AVERAGE SHARES OUTSTANDING:				
Basic	<u>18,690,030</u>	<u>18,704,024</u>	<u>18,690,030</u>	<u>18,713,625</u>
Diluted	<u>18,690,030</u>	<u>18,809,598</u>	<u>18,690,030</u>	<u>18,810,191</u>