

**ENGINEERED PRODUCTS** 

# UNIROYAL GLOBAL ENGINEERED PRODUCTS, Inc.

**OTCQB: "UNIR"** 

January 2019

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### **Pitch Deck for Investors:**

# Highlighting our Products and Craft.



Uniroyal Global Engineered Products Investor Deck: Designed to share our vision.

We Manufacture: Vinyl-Coated Fabrics.

They are an attractive, economic and at times better performing alternative to Leather, often known as Synthetic Leather or "Vegan" Leather.

- Soft Luxurious Leather Like Feel
- Durable & Cleanable
- UV Resistant /Flame Resistant
- Anti Squeak & Soiling





## **Uniroyal Global Engineered Products is all about:-**

PEOPLE: PRODUCT: IMAGE: CULTURE: BRAND



ENGINEERED PHODUCIS

# People







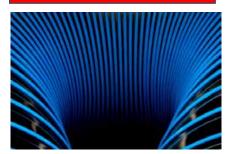
# Product







# Image







# Culture







# Brand







## **Global Product Manufacturing, Operations & Sales**

PEOPLE: PRODUCT: IMAGE: CULTURE: BRAND



Uniroyal Global (Shanghai)
China Sales and Technical Office.



Manufacturing Facilities: 2

**Global Sales & Design Offices: 6** 

Global Distributors: (Asia /

Europe & Americas): 45

Sales and R&D Teams: 35

Uniroyal Global Limited Earby, Lancashire, UK





**Uniroyal Global Engineered Products Stoughton, WI, USA** 





## **Timeline & Culture**

## **Uniroyal Global Engineered Products**







1892

CT.

1920 **U.S Rubber Company** founded in Naugatuck leather invented.

1941

Naugahyde artificial A synthetic rubber substitute developed 1964

1950

U.S. Rubber becomes Uniroyal Inc.

1986

Uniroyal, Inc. sells Uniroyal Plastics.

2003

Uniroyal Engineered Products, Inc. sold to investor group

2019

1850

1848 Storey Brothers Fabric Manufacturers

established.

1900

Bernard Wardle, textile printers established,

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

#### 2014

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

#### 2016

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





# UNIROYAL GLOBAL ENGINEERED PRODUCTS, Inc.



**ENGINEERED PRODUCTS** 

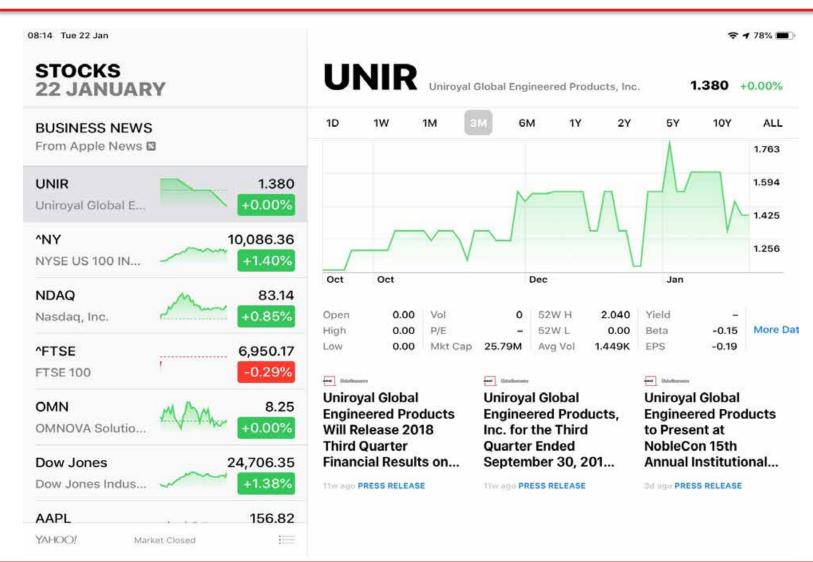
PUBLIC MARKET JANUARY 2019

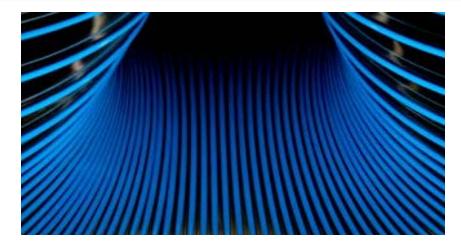




# Stock Position, Trend and Growth People Product Image Culture Brand









### **Investment Rationale:**

#### PEOPLE PRODUCT IMAGE CULTURE BRAND



- Technologically advanced Company in an established industry
- Superior cash generation
- Deal integration synergies continue
- Diversified platform offers cyclical defense
- Additional accretive M&A objectives





## UNIROYAL GLOBAL ENGINEERED PRODUCTS, INC.







# DESIGN, & PRODUCT DEVELOPMENT

## **Design and Development**

# World Class Product Development Team.



Full Laboratory and Testing Facilities

In-House Product Development

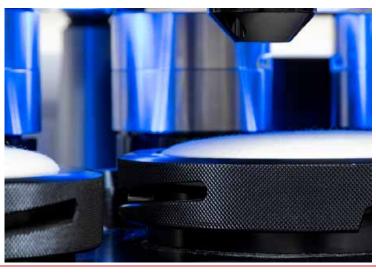












## **Design and Development**

**World Class Creative Design Team.** 

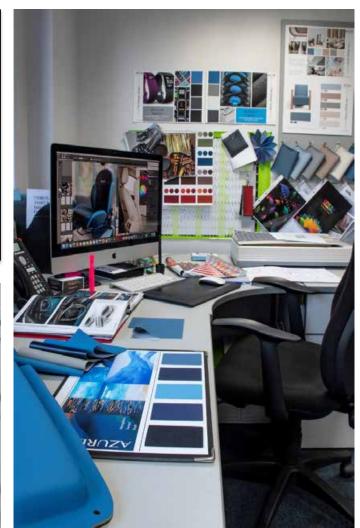


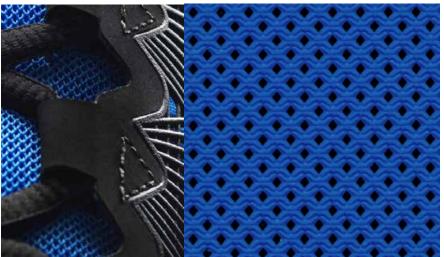
Premium state-of-theart Design Studio

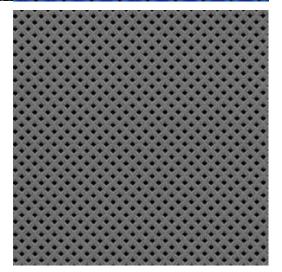
Color, Grain and Harmony











Surface Treatment & Grain

# Quality, Environmental and Safety Standards We take an absolute no compromise approach to quality



- ISO9001/2008
- IATF / TS16949 certification
- VDA 6.3 compliant
- OEKO-TEX standard 100 compliant
- MED approved supplier

Environmental Management Systems certified to ISO 14001

Compliance with REACH regulations

Associated with the Vinyl Plus Foundation

**Proven Reduction in Emissions** 

**Stringent Recycling Targets** 









# UNIROYAL GLOBAL ENGINEERED PRODUCTS, INC.



**ENGINEERED PRODUCTS** 

**KEY MARKETS** 







# Uniroyal Global Current Revenue by Market Share Approx. \$100 Million in Sales.



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%

MARKET SIZE \$16.5 Billion





## **Serving our Global Automotive Customers & OEM's**

PEOPLE: PRODUCT: IMAGE: CULTURE: BRAND





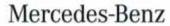




























TOYOTA

DODGE

PACCAR







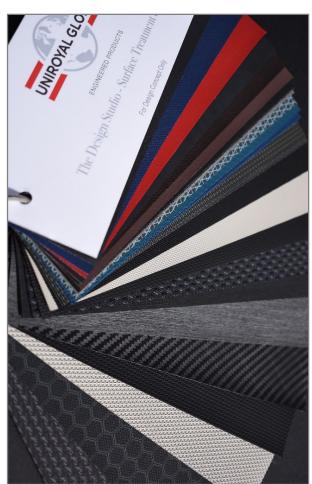












#### **Automotive**

**People Product Image Culture Brand** 

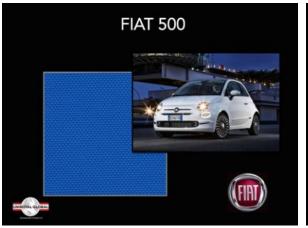




- Strong, Successful Automotive Presence and building Globally.
- We are the go to company for styling, design, color and harmony solutions for many Automotive Design & Styling Studios.
- Secure relationships with our customers protects our Brand against competition.









# **Automotive and Light Truck Interiors Products: Components & Modules**

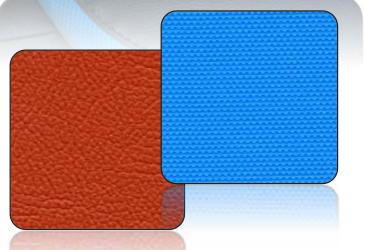


Seating and Trim Parts
Cut and sew.

Instrument Panels
Door Casings /
Headliners & Seats
Compression
molding, vacuum
forming & low
pressure molding

Sun Visors Luggage Covers HF welding









## **Hotels Recreational and Hospitality**

## **Commercial Seating and Coverings supplied Globally**



ENGINEERED PRODUCTS

- Niche markets driven by specific customer specifications.
- Naugahyde Strongest brand name in North
   America for branded robust applications.
- European integration with Ambla and Naugahyde brands offers global opportunities
- Continual innovation in product development































### **Indoor and Outdoor Contract Seating**

## **Restaurant Hospitality Public and Commercial**



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- Commercial Seating
- Hospitality / Hotel
- Residential Care
- Public Seating















# UNIROYAL GLOBAL ENGINEERED PRODUCTS, INC.









# **Financials** (\$ in thousands)



<b>Income</b>	<b>State</b>	ment
Summa	KV1.	

Summary:	Year Ended		Nine Months Ended	
	<u>2016</u>	<u>2017</u>	<u>2017</u>	<u>2018</u>
Net Revenue	\$100,377	\$ 98,138	\$ 74,334	\$ 76,775
Gross Profit	\$ <b>22,862</b> 22.8%	\$ <b>18,412</b> 18.8%	\$ 14,900 20.0%	\$ 13,591 17.7%
Income *	\$ 6,181 6.2%	\$ <b>2,809</b> 2.9%	\$ <b>2,929</b> 3.9%	\$ <b>2,084</b> 2.7%
EBITDA	\$ 9,504 9.5%	\$ 6,330 6.5%	\$ <b>5,477</b> 7.4%	\$ <b>5,123</b> 6.7%





<sup>\*</sup> Income is before tax provisions (benefits) and preferred dividends

#### **Financials**

#### 2018 – 9 Months Revenue



#### **Nine Months Revenue:**

- Net sales for 2018 increased 3.3% to \$76.8 million compared to \$74.3 million for 2017.
- Net currency effect had a positive \$2.6 million impact on 2018 sales.
- U.S. automotive sales increased approximately 0.5% while European automotive sales declined 3.1% (excluding currency adjustment). During the third quarter 2018, the decline in sales compared to 2017 slowed in both markets.
- Industrial sector was up approximately 5.8% (4.6% excluding currency adjustment).

#### **Nine Months Gross Profit:**

- Gross profit % for 2018 was 17.7% compared to 20.0% for 2017.
- Gross profit was negatively impacted by product mix as the percentage of higher margin programs declined in 2018 compared to 2017, and by rising global raw material prices.

#### **Nine Months Income:**

• Income for 2018 declined to \$2,084,031 from \$2,929,169 for 2017 primarily due to the decrease in gross profit.

# Culture







# Recent Financial Results People Products Image Culture Brand



#### Recent Challenges

- Brexit Vote 2017
  - Caused general market uncertainty across Europe
  - Devaluation Of the British Pound/Inflation in the UK
- Weakness in the global auto markets 2017 through 2018
- Raw materials costs spike in both the US and Europe
- Commissioning of new equipment to increase productivity in Europe

#### Action steps

- Accelerated Productivity and Lean manufacturing activities in both plants
- Instituted aggressive cost reduction programs across the organization
- Rationalized production capacity and business lines across both plants
- Initiated price increases in both the US and Europe

#### Status

- Volumes are stable and showing sign of growth
- Price increase are in effect
- Achieving operating inefficiencies as a result of newly commission

# Brand





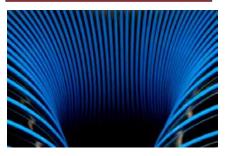


# **2019 Financial Outlook**People Products Image Culture Brand



- Focused growth in Automotive sector in the U.S. and Key European Targets
- Steadily building on China Automotive Opportunities from our Shanghai Offices
- Expect to return to positive revenue growth despite ongoing sluggishness in the global auto markets and Brexit instabilities.
- Expanding customer base across all regions including growth within or non automotive and contract furnishing markets.
- Continue to improve & rationalize manufacturing operations to drive margin growth

# **Products**







## **Balance Sheets**

## (\$ in thousands)



Ba	lance	Sheet	Summar	y:
				_

	12/31/17	9/30/18
Cash	\$ 1,267	\$ 1,169
Accounts receivable	15,167	15,012
Inventory	19,770	19,313
Other current assets	884	890
Fixed assets, net	17,289	19,125
Other assets	8,277	<u>8,130</u>
Total Assets	\$62,654	\$63,639
Accounts payable and other current liabilities	\$14,784	\$15,556
Lines of credit	19,340	19,014
Notes to affiliates	5,206	5,640
Other debt	4,563	5,197
Other long-term liabilities	<b>3,369</b>	3,189
Total Liabilities	47,262	48,596
Equity	15,392	15,043
Total Liabilities and Equity	\$62,654	\$63,639

# Image







# **Equity Detail**

(\$ in thousands)



### **Stockholders' Equity:**

	12/31/17	9/30/18
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 September 30, 2018	17	17
Class B Common Stock, 1,619,102 shares outstanding at		
December 31, 2017 and September 30, 2018	2	2
Additional Paid in Capital	34,945	35,201
Retained Deficit	(20,277)	(20,433)
Accumulated Other Comprehensive Income (Loss)	(376)	(825)
Total Stockholders' Equity	\$ 15,392	\$ 15,043

# People







# UNIROYAL GLOBAL ENGINEERED PRODUCTS, INC.



**COMPANY OBJECTIVES** 

**ENGINEERED PRODUCTS** 





### **Growth Strategy**

### **People Products Image Culture Brand**



#### Penetration of Automotive OEMs, expanding Global Customer Base

- Clients need Global Suppliers in multiple product applications & regions.
- Design & Styling advancements drives growth in Global Markets

#### **Entry into new Territories and OEM's**

New Product Developments - leading us into new Markets & Territories.

#### Innovation and Development of new Technical Applications

Driven by key markets to achieve tougher performance & compliance.

# Transportation, Industrial & Contract Markets growing from the power of the Uniroyal Global Brand.

Bus and Rail Cars, Industrial and Commercial Seating.







## **Strategic Growth Opportunities**

## Additional earnings through M&A activity



- Target acquisitions Globally.
- Increase content on existing and new business.
- Enhance product offerings leading to an increase in market share.

- Infrastructure investment will accelerate synergies with future acquisitions.
- Flexible capital structure provides financing capability for acquisitions.
- Potential investment opportunities identified.

#### **Application**

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



### **Technology**

- PU & leatherette technology
- Enhanced Fire Resistance
- Water-based coatings
- Light-weighting

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



**Any Questions** 



Request copy of our presentation or for additional material email to :-

info@uniroyalglobal.com



