

**Transcript of initial interview with
Mr. Jeff Cordes & Mr. Bill Aisenberg**



**Respectively, President & CEO and EVP & CFO of
Ironclad Performance Wear Corp.**



OTCQB: ICPW

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Jeff Cordes, President and CEO. Mr. Cordes joined Ironclad in February of 2014 and brings more than 30 years of extensive executive experience in global textiles and apparel. Most recently Mr. Cordes served as President and Chief Operating Officer of Walls Industries, a leading global company in safety and work apparel. Prior to Walls, Mr. Cordes served as President and Chief Operating Officer and Director of Pillowtex Corporation. Mr. Cordes holds an MBA from the Cox School of Business at Southern Methodist University and an undergraduate degree in Business Administration from Hope College.

William Aisenberg, Executive Vice President & Chief Financial Officer. Mr. Aisenberg, a Certified Public Accountant, brings more than 30 years of financial executive experience in apparel, consumer products, and the public accounting field. Most recently Mr. Aisenberg served as Executive Vice President and Chief Financial Officer at Walls Industries, a leading company in work, sporting and safety apparel. Prior to Walls, Mr. Aisenberg served as Vice President and Corporate Controller at Strategic Equipment and Supply Corporation. Mr. Aisenberg also has acquired cross functional experience working with other companies, including The Brinkmann Corporation, Pinnacle Trading Card Company, The Foster Grant Group and Arthur Andersen & Co.

Smallcaps Investment Research: Welcome everyone to a new interview on Smallcaps Investment Research. We're excited to have two representatives from Ironclad Performance Wear with us today. We have Mr. Jeff Cordes, the President and CEO and also Mr. Bill Aisenberg, the CFO of Ironclad who joins us today. Ironclad is a leader in high-performance task-specific work gloves. The Company is listed on the OTCQB market with ticker symbol ICPW. Jeff and Bill thank you very much for joining us today. Welcome.

Jeff Cordes: Thank you, it is nice to be here.

As many of our loyal readers and listeners know, we've been following Ironclad for many years. Because both Jeff and Bill joined the Company in the first half of last year, and because many exciting developments are taking place, this is an excellent time to conduct an interview. So gentlemen, to start, could you briefly introduce yourselves?

Jeff Cordes: I have served on Ironclad's board and have been a CEO since February 2014. For more than 30 years I have been an executive in the global textile and apparel business. Before Ironclad, I spent 10 years with Walls Industries, which focused on

global safety and work apparel. I first served as chief operating officer and later as president and COO. Prior to Walls I spent more than 15 years with Pillowtex Corporation which was a publicly traded marketer, manufacturer and importer of home textiles. The company had revenues in excess of \$1.5 billion and I had numerous roles throughout my career there as VP Administration to CFO and finally President and Chief Operating Officer.

Bill Aisenberg: I have served as Ironclad's Executive Vice President and Chief Financial Officer since May 2014. I am a Certified Public Accountant. I have more than 30 years of financial executive experience in apparel, consumer products and the public accounting field. Most recently I also served at Walls Industries as Executive Vice President and Chief Financial Officer. Prior to Walls I had acquired cross functional experience working with other companies including Strategic Equipment and Supply Corporation, The Brinkmann Corporation, Pinnacle Trading Corp Company, the Foster Grant Group and Arthur Andersen & Co.

Thank you. Jeff, you became CEO of Ironclad in February 2014. What did you focus on since you took over? And what has changed at Ironclad?

Jeff Cordes: When I joined Ironclad, the

company had some excellent brands with a great heritage. However, we also knew that the company had slowed in its technology leadership, it didn't have a competitive retail offering or an aggressive sales team, and it lacked a decent supply chain and infrastructure to support overall growth. That is where we really focused on the first twelve months.

We revitalised our technology focus and our team approach. We have made over seventy new items, for which orders are coming through. We've also built a very solid supply chain network that will even improve as we add technology to it and the necessary infrastructure. And finally, our sales team is coming together piece by piece. So we've made a lot of progress in the last year.

First quarter financials were announced a few days ago. Could you give us a brief overview of the results?

Bill Aisenberg: Our first quarter operating results were very positive. Despite the fact that we had a 10% decrease in revenues, our gross profit dollars were up 20% from the same period last year, our operating expense was down by \$100,000 from last year, and our operating profit improved by \$400,000 from the same quarter last year.

Excellent. What's very interesting about the first quarter financials is that when you exclude the loss of the Snap-On business, and when you also exclude the large order that occurred last year in the first quarter, which will happen in later quarters this year, the balance of the business is up over 19 percent year-over-year. How did you accomplish that?

Jeff Cordes: We see things beginning to move forward in many places. For example, we focus on driving our cost structures down and getting our supply chain in place. And although there are some timing differences with our bigger accounts that may impact our results quarter to quarter, the overall business is growing, and we're really excited about that.

And another noteworthy fact about the first quarter, is that operating margins improved significantly compared with the first quarter last year. What led to these improvements? And should we expect even better margins in the coming quarters?

Bill Aisenberg: We accomplished this improvement really on three fronts. First we had a better mix of business than we had last year as our higher margin industrial and international segments both showed increases. Second, we reduced the amount of promotional sales specifically into the retail channel. And lastly, as a result of our supply chain efforts, we have been able to reduce the price we pay for the goods that we purchase.

In addition, we believe that we can drive margins higher than last year. But, that being said, we must also focus on top line growth.

OK interesting. Ironclad's international sales in 2014 represented about 22 percent of total sales. Can you give a geographic overview of your international sales at this moment and how do you see them developing in the coming years?

Jeff Cordes: Today, we sell in countries like Australia, Canada, Dubai, UAE, Hong Kong, China, Singapore, the UK, Korea, and Mexico. But we only have a couple of international distributors, which means we have a tremendous opportunity to expand worldwide. Everyone has hands and people work around the globe. This is one of the reasons we work with Dickies on their oil and gas gloves to expand our distribution network.

Now that we're talking about international business, how is the decline of many currencies versus the U.S. dollar affecting Ironclad?

Bill Aisenberg: As we source all of our products in U.S. dollars, the strength of the U.S. dollar allows a certain negotiating

strength with our vendors. On the flip side of that, the strength of the U.S. dollar, against other world currencies, is creating challenges for some of our customers and is forcing them to more closely manage the timing of their order placement and their stocking levels.

Let's take a look at some of the most recent deals that you accomplished and the growth opportunities for Ironclad. First, late October 2014, Ironclad entered into an exclusive agreement with Vibram Corporation, which is especially known for its Vibram-branded rubber outsoles for footwear. Would you give some more details about the deal and also what we can expect from it?

Jeff Cordes: One of the most exciting developments that we have underway is the Vibram partnership. It allows Ironclad - on an exclusive basis - to harness their technology and offer in gloves what they have put together in footwear. We see this as a new opportunity with a capability in grip and impact as well as protection for cold and fire, which are markets that are just beginning to really burgeon in the United States.

Our intention is to bring the first Vibram products to the market in late 2015 at the A+A Safety Show in Dusseldorf, Germany. This entire program with Vibram will clearly raise the bar for performance expectation when it comes to industrial athletes, and consumers alike. We think this will be a real game changer and possibly a paradigm shift in what the expectations are for any glove performance.

And in March of this year, you signed a deal with Williamson-Dickie Europe, a global leader in the supply of protective equipment for the oil and gas industry. What are the results of the agreement so far?

Jeff Cordes: Ironclad is making a line of glove for the Dickies oil and gas team as part of their effort to offer head to toe solutions for their international oil and gas customers. We

are very pleased to have a relationship and are working hard to support that growth. We know that the Dickies team will grow this business and we are really pleased to be part of what they are doing.

Another exciting event is that Ironclad will soon launch an entire family of gloves aimed at retail consumers. What can you tell us about that line and what do you expect from it?

Jeff Cordes: Our new retail line is called EXO. We've really created a compelling offer that's the result of the right technology, engineering, and merchandising. We've been talking to retailers about it since early January, and we've received very good responses.

Another issue that we tackled is the fact that in today's retail stores there's a sea of gloves and consumers have a hard time picking the right pair. So our team figured out a way that makes it easy for consumers to find out which gloves are best suited for their needs. We've had some exciting responses from a variety of retailers about putting that program into place.

Similar to your existing gloves, the EXO line will distinguish itself from other glove brands by using innovative materials. How important is technology for Ironclad?

Jeff Cordes: You're right, we do use innovative fabrics so that our gloves can withstand 600 degrees Fahrenheit or have dexterity that you can drop a 400 pound pipe on it. However, that is just one part of the story and I think today's technology is allowing us to look at engineering and design of gloves in a whole new light.

The combination of materials, their placement on the gloves, the method of adhesion, whether it's sewing thread, glue, or bonding agents, they all impact performance. We think there are major opportunities from a technology standpoint to lead.

What's your outlook for Ironclad for the next 12 to 18 months?

Bill Aisenberg: As a publicly traded company we generally refrain from detailing future plans, but what we can tell you is that we clearly see many interests across channels, products, and product lines as well as opportunities in teaming up with other company's brands and partners.

Jeff Cordes: I just want to add that we're very excited about the opportunities in front of us. We wish we had more hours in the day to approach some of the things we have to do. We want to be careful about our growth process and we want to make sure that we do things right as we go along this path. But we are very excited about the things we are seeing right now.

Before we go, what would you say are the two or three most compelling reasons for a long term investor to consider Ironclad today?

Jeff Cordes: There are three things that I want to note. First of all, Ironclad is still the brand of the industrial athlete. We are quickly again becoming the go to solution house for global industries' biggest hand protection and performance challenges. We

have companies coming to us every day asking us to create new solutions for them.

Second, the company now has a management team that has been there and that knows how to execute. The team has a vision for what the company can be and has certainly moved the needle in past twelve months. In addition, we now have the tools to compete in product categories and segments left untouched by predecessors.

Finally, we already are a global player in what is truly a global, but highly fragmented market. Our opportunities for internal and acquisitional growth by segment, technology, and channel are very significant. While we start a little slower, we know the smart way to build this business is to make sure we can handle it as it grows.

Fantastic. Well Jeff and Bill thank you very much. It's been a pleasure speaking with the two of you and we appreciate your time and insight. We wish you and the Company all the best.

Jeff Cordes: Great, thank you very much. I appreciate it.

Interview Feedback

We welcome your questions and feedback regarding this interview at:

<http://www.smallcaps.us/smallcaps-talks-with-ironclad-representatives-about-company-turnaround-and-growth-opportunities>

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Contact Smallcaps.us

Twin Squares
Culliganlaan 1
1831 Brussels
Belgium
Tel. +32 (0)2 808 58 41
E-mail: [contact page](#)

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