



MARKET STATISTICS

Exchange / Symbol	OTCQB: ICPW
Price:	\$0.25
Market Cap (mm):	\$20.7
Enterprise Value (mm):	\$23.7
Shares Outstanding (mm):	82.9
Float (%):	64.8%
Volume (3 month avg.):	25,500
52 week Range:	\$0.21-\$0.33
Industry:	Apparel and Accessories

CONDENSED BALANCE SHEET

(\$mm, except per share data)

Balance Sheet Date:	12/31/2015
Cash & Cash Equivalent:	\$0.3
Cash/Share:	\$0.00
Equity (Book Value):	\$12.3
Equity/Share:	\$0.15

CONDENSED INCOME STATEMENTS

(\$mm, except per share data)

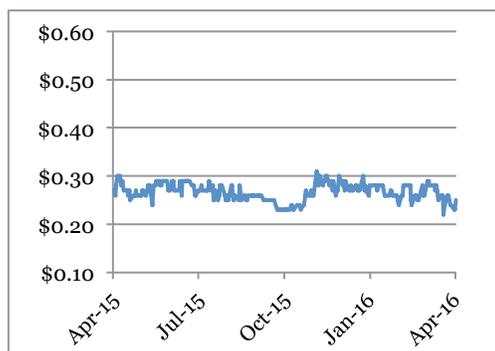
FY 12/31	Revenue	Income	Adj. EBITDA	Per Sh. Adj. EBITDA
FY13	\$24.5	\$0.6	\$0.6	\$0.01
FY14	\$24.3	\$0.9	\$0.6	\$0.01
Fy15	\$23.6	(\$0.2)	\$0.3	\$0.00
FY16 E	\$30.7	\$1.5	\$2.2	\$0.03

SHAREHOLDER SUMMARY

(Per publicly available filings to date)

Institutions	.05M
Individuals/Insiders	29.30M
Public and Other	53.59M
Total	82.94M

STOCK CHART



COMPANY DESCRIPTION

When Ironclad Performance Wear Corporation began operations nearly two decades ago, work gloves were sold as a commodity—virtually all industries used the same one-size-fits-all leather glove. Recognizing that different industrial tasks require different levels of dexterity and hand protection, Ironclad pioneered the concept of task-specific work gloves. Today, Ironclad is a recognized leader in high performance work gloves, designing, developing and distributing specialized gloves for a variety of industries, including automotive, construction, oil and gas, law enforcement, and the military. The Company has operations in Texas, California and Asia and sells to over 2,000 distributors and retailers in North America, Europe, Australia and Asia. Ironclad is headquartered in Dallas, Texas, and employs approximately 40 people.

SUMMARY

Over the last two years, Ironclad’s new management team, led by CEO Jeff Cordes, has been building a scalable business model that positions the Company for long-term, sustainable growth.

- Ironclad has assembled a strong global operational team in Indonesia and China and a network of 14 production partners that span 5 countries, giving it wide-ranging vertical supply control. The Company’s supply chain has become one of its most critical competitive weapons, enabling Ironclad to increase innovation and product offerings, drive down costs, and improve speed to market.
- Despite the downturn in some of Ironclad’s largest markets (oil and gas, mining), the Company is continuing to execute its multi-faceted growth strategy. The focus has been on expanding relationships with large current partners, leveraging the Company’s technology to create new opportunities, and improving its sales channels and capabilities. As a result, Ironclad is securing some important contracts that are largely mitigating the impact of its other depressed market segments.
- The Company recently announced a signed contract with large international distributor W.W. Grainger (NYSE: GWW); Grainger has selected Ironclad as its strategic supply partner in the performance and impact glove categories throughout North America (potentially a \$10+ million opportunity per management).
- Ironclad competes in the global personal protection equipment (PPE) market, which is projected to grow from \$35.94 billion in 2014 to \$62.45 billion in 2022, a CAGR of 7.2%. The largest segment of that market is the hand protection segment, which accounts for 22% of the PPE market, a market size of nearly \$8.0 billion.
- The projected growth in the hand protection PPE market is driven by a number of factors, including ongoing technological advancements in the gloves, increasing government safety regulations, and increasing employer compliance with those regulations to increase employee safety, limit lost production due to injuries, and avoid lawsuits.
- Ironclad has built a reputation as a technology innovator in the performance glove industry. Its intellectual portfolio is comprised of 7 domestic and 2 international patents (plus 12 total pending), and 72 trademarks (61 pending). Recognition of this technology leadership has opened doors for the Company and has driven growth across multiple channels.
- On a comparable company basis for FY16 estimates, ICPW currently trades at an EV/S multiple of 0.8x with its peers trading at an average multiple of 1.2x, an EV/EBITDA of 10.8x vs. 11.5x, and a P/E of 13.6x vs. 23.5x. We believe that investors stand to benefit in the upcoming year from rapid expansion both in new markets as well as from larger market share captured within current client accounts. See page 9 for further details.

BUSINESS OVERVIEW

Ironclad Performance Wear Corporation offers task-specific, high performance work gloves at varying price points to its customer base of “industrial athletes,” industrial professionals who rely on Ironclad’s gloves for increased performance and safety, and “weekend warriors,” the growing group of do-it-yourselfers and outdoor enthusiasts, who work and play hard. The Company reports a customer base of 2000+. The following list includes many of the gloves Ironclad makes for task-specific purposes:

Industrial/Commercial

Industrial Impact
HSE (Health and Safety)
Oil and Gas
Heavy Construction
Utilities

Outdoor/Adventure

Camping
Cold Climate
Fishing

Tactical/Military

Operations
Stealth
Law Enforcement

Skilled Trades

Automotive
Commercial Driving
Construction
Heat and Metal Work
DIY/Consumer

Ironclad’s gloves are available through a network of merchants and distributors operating around the globe. Exhibit 1 provides a sample of the growing retail and distribution channels.

Exhibit 1: Multiple Distribution and Retail Channels



Source: Company Reports, Stonegate Capital Partners

Due to the frequent lack of safety awareness and lack of compliance in the hand protection industry, success is largely contingent on building close, long-term relationships with distributors and end-users to reinforce the necessity of hand protection and understand the needs of each market segment. Ironclad spends time “in the trenches” with its clients, visiting worksites and gathering data that is used to engineer new glove styles.

Armed with this in-depth knowledge of its customers’ work requirements, Ironclad has continually utilized innovative materials and new technologies to improve the performance and durability to its gloves. The Company has built an intellectual portfolio consisting of nine US and international patents in total, plus 12 patents pending, and 72 trademarks (61 pending).

The Company is taking a leading role in developing standards for the personal protective equipment hand protection industry, which management believes will not only ensure consistency of products in the glove market, but will also serve as a competitive edge for Ironclad, as competitors are required to document the safety and durability of their products. In addition, Ironclad is in the process of finalizing tests at the University of Wisconsin Center for Ergonomics to verify the protective qualities of its gloves, which should continue to raise the brand value as well as the level of trust in Ironclad products.

PRODUCT LINES

The CDC reports that 70 percent of workers who experience hand injuries are not wearing gloves, and the 30 percent who are wearing gloves are not wearing the right type for the task they are performing. These statistics point to the obvious fact that it is not only important for workers to wear gloves, they need to be the appropriate kind of gloves for the task. Ironclad designs and makes more than 100 task-specific glove styles branded as Ironclad, KONG, EXO and more than 60 co-branded styles, all of which are designed to focus on four design elements: fit, function, dexterity and durability.

Exhibit 2: Ironclad Protective Wear Glove Brands



Source: Company Reports, Stonegate Capital Partners

The KONG glove was originally designed for the oil and gas industry; however, several other industries have found it to be effective in reducing injuries, including mining, construction, utilities, transportation, and others. The glove was designed to provide full hand and finger protection to help prevent hairline fractures, bruising blows, and pinched fingers, all injuries that are common not only to workers in the oil and gas industry, but also to workers at most industrial job sites.

In an effort to diversify its customer base and expand its presence in the retail glove market, in January 2015, Ironclad introduced the EXO glove line. Prior to its release, the Company did not have an entry-level price point for gloves. This glove represents the first step into Ironclad's US retail expansion, with the initial focus on hardware and do-it-yourself stores and buying clubs. Although safety features are important, pricing is a key decision making factor that drives the PPE business, particularly in the retail sector, and adopting cost-efficient business practices to stay competitive in this market is critical. Notably, the Company's efficient supply chain, combined with effective engineering, has allowed Ironclad to offer EXO gloves at pricing that has landed placements across multiple channels of retail from hardware to the Do It Yourself channel. Ironclad's new line of tactical gloves developed off the EXO line is quickly gaining momentum at retail locations. In addition to the US market, management has targeted retail opportunities in Australia and Canada, where Ironclad has already made significant in-roads, as well as the European Union.

Exhibit 3: Ironclad Industrial Impact Gloves Featuring Vibram Technology



Source: Company Reports

Ironclad's most recent line of protective hand wear involves a partnership with Vibram Industries, a recognized technology leader in rubber soles for footwear. The partnership involves incorporating Vibram's high performance polymer-based material onto the palm of Ironclad's sports and work gloves, which dramatically increases both the durability and the grip of the glove. In September 2015, Ironclad introduced eight styles of the glove with Vibram technology, known as the Ironclad Industrial Impact Collection, and the glove has since set new standards for the industry. In independent durability and performance tests using Vibram's palm technology and Ironclad's patent pending back of the hand technology, the Industrial Impact glove line achieved up to 900 percent more grip and

abrasion resistance than top competitor's gloves. This glove opens the possibility of entering, or expanding the Company's presence, in some very sizable markets, including utilities, the military, and the outdoor recreation market, to name a few. This multi-year agreement with Vibram is exclusive with Ironclad, and includes rights to go into other product lines as well with the Vibram technology.

SUPPLY CHAIN

Ironclad has worked diligently to develop a strong global supply chain:

- Ironclad's supply chain began with the development of a network of highly capable supplier partners who share Ironclad's continual quest for excellence in product innovation, quality, value engineering, and speed to market.
- Lead by Ironclad's own Asia-based team, the Company has invested in implementing a process to qualify, educate and evaluate manufacturing partners to assure adherence to its objectives; working with these partners and leveraging information technology, the Company has vertical control of material and production costs as well as production.
- The Company leverages US and Asia-based product teams to generate 24 hour development and speed to market -- samples today turn from overseas in as little as 3 days.
- Ironclad's current 14 production partners are spread across 5 countries to create a competitive environment and a safety net against political and economic issues in any region or country.
- The development of Ironclad's supply chain allows the Company to look at global operational and servicing issues in different ways from single country, single plant suppliers; the result, over time, will be superior service to its global customers.
- Ironclad's efforts have already generated valuable improvements in development and production lead times as well as product costs.
- Establishing the Company's global supply chain provides the scalable platform required for Ironclad's continued growth both in terms of gloves and other complimentary products, all of which can be driven through the same platform.

GROWTH STRATEGY

Long recognized as “Glove Gurus,” Ironclad has been the “go to” company for the industry’s toughest hand protection issues, in the harshest environments. This is a key factor in Ironclad’s selection by national distributors such as Grainger. Today, Ironclad is leveraging this capability to expand its presence far beyond oil and gas into markets such as construction, utility, manufacturing, food service, transportation, aerospace, and more.

Nowhere is this more evident than in the Company’s recent appointment as a strategic supplier to Grainger North America. Through the agreement with Grainger, Ironclad is exposed to several thousand of Grainger’s sales teams throughout Canada, the US and Mexico, each of which brings a diverse customer base of users, and many of which have yet to find their perfect glove.

As the Company’s name denotes, Ironclad’s overarching objective is to create performance wear for the industrial athlete. The Company has recently retained Roth Capital to assist in identifying potential acquisition opportunities to expand these offerings. The Company believes there are also numerous opportunities for organic product expansion as well.

Exhibit 4: EXO Point of Sale Displays



Source: Company Reports

SEASONED MANAGEMENT

CEO Jeff Cordes came to Ironclad in 2014 from Walls Industries, a protective clothing company that he helped build up from sales of \$70 million to \$120 million during his tenure. Cordes brought in EVP AND CFO Bill Aisenberg and supply chain SVP, Tom Felton, both of whom have extensive experience in the textile industry and in positioning companies for international growth. Over the past two years, Ironclad’s management team has made dramatic strides toward long-term, sustainable growth by expanding existing agreements, establishing new partnerships, augmenting the intellectual portfolio, and broadening supply chain options.

INDUSTRY OVERVIEW

The personal protective equipment market is comprised of safety products that protect various parts of the body from workplace hazards. The application sectors include manufacturing, construction, chemicals, oil and gas, pharmaceutical, sports and others. The PPE industry is fragmented, with participants ranging in size from small companies that primarily focus on one type of equipment to large multinationals that manufacture a wide array of products. The industry has been consolidating over the past several years; however, there is not one clear leader across all segments of the PPE market. Each manufacturer tends to have specific proficiencies. Single product manufacturers that succeed at being experts in one industry-specific area are exhibiting strong growth and have become the primary targets for acquisitions.

Several factors are driving growth in the PPE market and motivating manufactures to continually evaluate and enhance their product lines:

- Technological advancement and adaptability of products to address changing workplace environments and types of hazards that are requiring new solutions
- Increasing awareness of safety issues in the workplace by both employees and workers
- Increasing employer compliance to safety protocols due to a rise in costs associated with work-related accidents
- Increasing government regulations – ongoing mandates by agencies such as OSHA, NIOSH and NFPA
- Growing consumer preference for performance products

According to Grand View Research, the global PPE market is expected to grow at a CAGR of 7.2% to reach \$62.45 billion by 2022, up from \$35.94 billion in 2014. Hand protection is the largest segment of the personal protective equipment market, accounting for 22% of the market, or nearly \$8.0 billion. The hand protection market is projected to exhibit continuing growth due to a large demand across multiple segments of industry. Exhibit 5 illustrates the ubiquity of the hand protection market across industries and provides an explanation of why this segment is exhibiting robust growth.

Exhibit 5: Protective Clothing Use in Various Industries

Industry	Hand Protection	Head Protection	Protective Clothing	Protective Eyewear	Protective Footwear	Hearing Protection
Mining	X	X	X		X	X
Oil and Gas	X	X	X	X	X	X
Construction	X	X		X	X	X
Utilities	X		X	X	X	
Pulp & Paper	X			X	X	
Glass Manufacturing	X		X	X		
Automotive	X	X		X	X	X
Food Processing	X		X			
Healthcare	X		X	X		
Fire Fighters	X	X	X		X	

Source: Stonegate Capital Partners, National Institute for Occupational Health and Safety (NIOSH)

RISKS

Product differentiation is key in this market - Some of the more mature markets in the personal protective equipment market are facing the threat of commoditization. Products that are simpler and easier to copy are the most susceptible to becoming commoditized. Ironclad's intellectual portfolio—its patented technology and proprietary materials—has been able to differentiate the Company's products; however, in the longer term, there is no assurance that market conditions will remain the same.

Termination of ORR agreement could impact sales - In September 2015, Ironclad filed a lawsuit against ORR Safety Corporation, which had an exclusive license and distribution agreement to market KONG gloves. Ironclad terminated the agreement in November 2015 due to ORR allegedly selling products similar to KONG. ORR accounted for 28% of sales in 2014. The Company has continued to do business with ORR and has added other international distributors, such as Grainger; however, there is a possibility that international sales may be negatively impacted by the termination of the ORR agreement. Additionally, ORR filed a counterclaim against the Company, which Ironclad considers to be without merit.

Loss of key personnel is a risk - Ironclad is dependent on its key management personnel for current performance guidance and growth initiatives. While the Company does have employment contracts in place, it does not maintain life insurance on its executives. Certain executives have been a driving force behind the execution of the Company's growth strategy, and the loss of any one of them could significantly affect the Company's results going forward.

Growth plan contingent on expanding current markets and acceptance into new markets - Historically, Ironclad's customer base has been comprised of several major companies and many smaller customers. The Company's growth is dependent on both expanding its current markets and entering new market segments. If current customers do not provide broader acceptance of the Ironclad products, or if new customers do not purchase the product line, Ironclad's revenues could be negatively impacted.

Concentration of customers exists - Ironclad has a high concentration of revenues being derived from business with a few major customers, with the balance of revenues coming from numerous smaller customers. Management has a stated goal of broadening its customers base as well as the markets into which it sells its products; however, should the Company fail to expand its sales base, future results are at risk should any one of Ironclad's major customers be lost.

BALANCE SHEETS

Ironclad Performance Wear Corp. (OTCQB: ICPW)
Consolidated Balance Sheets (in thousands \$)
Fiscal Year: December

ASSETS	FY 2012	FY 2013	FY 2014	FY 2015
Current assets				
Cash & cash equivalents	\$ 722	\$ 314	\$ 341	\$ 277
Accounts receivables, net	7,339	6,782	6,283	8,858
Inventory, net	5,281	4,570	7,124	6,682
Deposits on inventory	716	869	662	172
Prepaid and other assets	309	408	566	610
Deferred tax assets - current	858	274	183	404
Total current assets	15,225	13,217	15,159	17,003
Property and equipment				
Computer equipment and software	515	442	507	622
Vehicle	44	40	-	-
Office equipment and furniture	180	197	255	309
Leasehold improvements	47	90	170	174
Less: accumulated depreciation	(530)	(578)	(642)	(767)
Total property and equipment, net	256	191	290	338
Trademarks and patents, net	132	138	135	126
Deposits	10	10	21	21
Deferred tax assets - long term	-	798	1,649	1,428
Total other assets	142	946	1,805	1,575
Total assets	\$ 15,623	\$ 14,354	\$ 17,254	\$ 18,916
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities				
Accounts payable	\$ 4,933	\$ 2,130	\$ 2,590	\$ 3,359
Line of credit	1,484	2,169	2,586	3,225
Total current liabilities	6,417	4,299	5,176	6,584
Total liabilities	6,417	4,299	5,176	6,584
Stockholders' equity				
Issued shares	76	77	81	83
Additional paid-in capital	18,921	19,208	20,293	20,776
Accumulated deficit	(9,791)	(9,230)	(8,296)	(8,527)
Total stockholders' equity (deficit)	9,206	10,055	12,078	12,332
Total liabilities and stockholders' equity	\$ 15,623	\$ 14,354	\$ 17,254	\$ 18,916

Ratios
Liquidity

Current Ratio	2.4X	3.1X	2.9X	2.6X
Quick Ratio	2.2X	2.9X	2.8X	2.4X
Working Capital	8,808	8,918	9,983	10,419

Leverage

Debt To Equity	16.1%	21.6%	21.4%	26.2%
Debt To Capital	13.9%	17.7%	17.6%	20.7%

Capital Usage -Annualized

A/R Turns	4.9X	3.5X	3.7X	15.0X
A/P Turns	4.3X	4.6X	6.8X	22.6X

Source: Company Reports, Stonegate Capital Partners

INCOME STATEMENTS

Ironclad Performance Wear Corp. (OTCQB: ICPW)
Consolidated Statements of Income (in thousands \$, except per share amounts)
Fiscal Year: December

	FY 2013	FY 2014	FY 2015	FY 2016 E
Revenues				
Revenues	\$ 24,531	\$ 24,283	\$ 23,583	\$ 30,743
Total revenues	24,531	24,283	23,583	30,743
Cost of revenues				
Cost of sales	16,415	16,114	15,304	18,913
Total cost of revenues	16,415	16,114	15,304	18,913
Gross (loss) profit	8,116	8,169	8,279	11,830
Operating expenses				
General and administrative	2,607	3,372	3,311	3,923
Sales and marketing	3,148	2,718	3,120	3,813
Research and development	776	543	671	922
Purchasing, warehousing and distribution	1,174	1,304	1,188	1,383
Depreciation and amortization	167	123	135	160
Total operating expenses	7,872	8,060	8,425	10,202
Income (loss) from operations	244	109	(146)	1,628
Other income (expense)				
Interest expense, net	(74)	(25)	(91)	(104)
Other income, net	-	-	-	-
Change in fair value of warrant liability	-	-	-	-
Gain on disposition of equipment	-	1	-	-
Total other income (expense)	(74)	(24)	(91)	(104)
Pre-tax income (loss)	170	85	(237)	1,524
Provision for taxes	176	89	6	-
Deferred income tax benefit-reversal of valuation allowance	214	760	-	-
Net income (loss)	\$ 560	\$ 934	\$ (231)	\$ 1,524
Basic EPS (loss)	\$ 0.01	\$ 0.01	\$ (0.00)	\$ 0.02
Diluted EPS (loss)	\$ 0.01	\$ 0.01	\$ (0.00)	\$ 0.02
Basic shares outstanding	76,681	78,439	81,819	83,046
Diluted shares outstanding	83,748	89,287	81,819	83,046
EBITDA	411	232	(11.0)	1,788
EBITDA adjusted for other non-cash charges	\$ 602	\$ 569	\$ 346	\$ 2,188
Adjusted EBITDA per diluted share	\$ 0.01	\$ 0.01	\$ 0.00	\$ 0.03

Margin Analysis

Gross margin	33.1%	33.6%	35.1%	38.5%
General and administrative	10.6%	13.9%	14.0%	12.8%
Sales and marketing	12.8%	11.2%	13.2%	12.4%
Operating margin	1.0%	0.4%	-0.6%	5.3%
EBITDA margin	1.7%	1.0%	0.0%	5.8%
Adjusted EBITDA margin	2.5%	2.3%	1.5%	7.1%
Pre-tax margin	0.7%	0.4%	-1.0%	5.0%
Net income margin	2.3%	3.8%	-1.0%	5.0%

Growth Rate Analysis Y/Y

Total revenues	-6.3%	-1.0%	-2.9%	30.4%
Total cost of revenues	1.8%	-1.8%	-5.0%	23.6%
General and administrative	-18.2%	29.3%	-1.8%	18.5%
Sales and marketing	21.5%	-13.7%	14.8%	22.2%
Operating income	-90.1%	-55.3%	-233.9%	1215.1%
EBITDA	-84.3%	-43.6%	-104.7%	16355.6%
Adjusted EBITDA	-78.0%	-5.5%	-39.2%	532.4%
Pre-tax income	-93.2%	-50.0%	-378.8%	743.1%
Net income	-81.8%	66.8%	-124.7%	759.8%
EPS - fully diluted	-81.7%	63.0%	-123.7%	750.0%
Share count - fully diluted	0.9%	2.3%	4.3%	1.5%

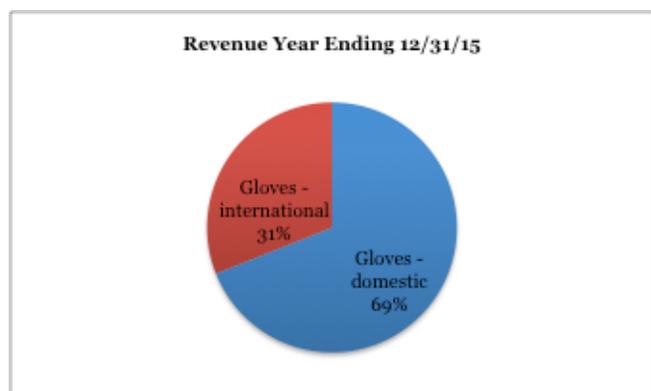
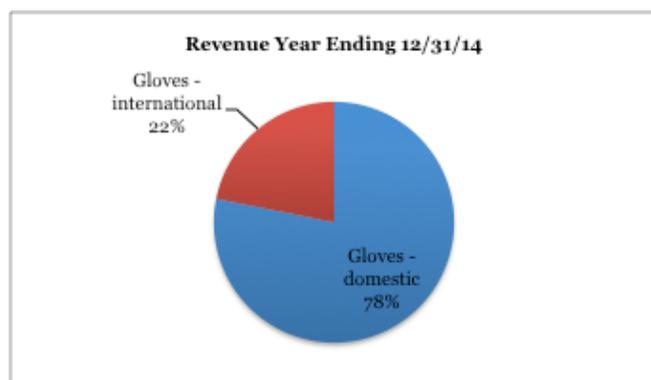
Source: Company Reports, Stonegate Capital Partners

RECENT RESULTS

While most companies with any correlation to the oil and gas industry are reporting significant dips in the top line, ICPW is showing minimal deterioration. Total revenues decreased 2.9% year-over-year for the most recent year ending 12/31/15, and the Company reported gross margins of 35.1%, up from 33.6% for the prior year. For the bottom line, Ironclad reported a net loss of (\$231K) for FY15 vs. net income of \$934K in the prior year; however, we point out that in FY14, the Company recognized approximately \$849K in tax benefits for the year vs. approximately \$6K in FY15.

The Company reports revenue detail broken down by two categories – international and domestic glove sales. International glove sales continue to gain ground, with sales abroad representing approximately 31% of total sales for the twelve months ended December 31, 2015 vs. 22% for the same period in the prior year. And while the Company’s 4th quarter results were not overall what management had anticipated, growth came from increased business under the Grainger contract as well as an approximate 30% increase from new clients in addition to expanded product offerings. These gains were offset by continued depressed sales in the oil and gas market as well as drop-offs related to the ORR contract currently under litigation.

Exhibit 6: Growth in International Revenues



Source: Company Reports, Stonegate Capital Partners

The Company has a relatively simple capital structure as most recently reported. As of year-end 2015, Ironclad report cash on hand of \$277K, and total outstanding debt on a line of credit of approximately \$3.2M. The reported interest rate at December 31, 2015 was 2.697%. The Company reported approximately \$4.6M remaining on the line of credit as of the most recent year-end, which Ironclad will access according to working capital needs. All outstanding warrants and options total approximately 11 million shares, with a total of 83 million common shares outstanding, per the most recent 10K.

FORECASTED RESULTS

As last reported, management expects to report a healthy increase in net sales over 2015 levels for Q1 2016. No additional guidance has been updated for the time being. The Company notes in its filings that sales can be seasonal, typically recording in the highest revenue numbers in Q3 and Q4 due to the fall and winter selling seasons. Management also states that total operating expenses as a percentage of net sales should decrease as the Company increases its net sales numbers through expansion and growth. However, the team has plans to make additional investments in:

- Sales and marketing to increase brand growth
- The development of new product lines, and
- The continued success operating as a public company.

We have factored in management’s expectations to model results through the end of FY16 E. We forecast total revenues for FY16 E of \$30.7 million. We believe that the Dickies deal as well as opportunities in Canada and other international arenas will add momentum to sales on the international front, and we look for additional agreements announced FY16 to yield improved results throughout the year as well.

We model gross margins increasing FY16 E over FY 15 from 35.1% to 38.5%. And while our assumptions for operating expenses are along the lines of minimal increases, we do factor in some additional litigation costs potentially being incurred as a result of the ORR legal action as well as capital support growth in sales and continue the output of advanced product offerings. Additionally, we assume that the Company will report approximately \$104K in interest expense this fiscal year vs. \$91K for the prior comparable period.

For FY16 E, we model net income of \$1.5M vs. a loss of (\$231K) reported in the prior year. Also, looking farther back, we point out that in FY14, the Company recognized approximately \$849K in tax benefits for the year, which contributed a considerable amount to the reported net income of \$934K. Our adjusted EBITDA for FY16 E comes to \$2.2M, up in excess of 500% over the year ending 12/31/15. At this point, we have not incorporated any estimates beyond FY16 E, which will be clearer once the ORR litigation comes closer to resolution, and we see further example of how rapidly expansion abroad continues and margins improve.

VALUATION

The refocusing efforts and long-range planning that began in 2014 are establishing a solid base from which Ironclad can take off. With new members of management, a corporate relocation, and a strategic goal of broadening both its offerings and target markets, the Company is poised to see healthy annual top line increases, improving margins, and positive bottom lines, all with a continued simplified capital structure. With our current estimates for FY16 E, ICPW trades at generally lower multiples than a selection of peers for comparable analysis. We note, however, that the population for the analysis is comprised of mostly apparel companies. No truly comparable glove-centric companies could be included as the majority is privately held.

On a comparable company basis for FY16 estimates, ICPW currently trades at an EV/S multiple of 0.8x with its peers trading at an average multiple of 1.2x, an EV/EBITDA of 10.8x vs. 11.5x, and a P/E of 13.6x vs. 23.5x. The Company is just now “coming into its own” as a recognized leader that delivers a variety of gloves to the PPE market/industries incorporating cutting edge technology and materials, all of which are protected under proprietary rights. And while downturns in its original markets have affected its top line, and unfortunate but necessary litigation has also decreased its bottom line, we believe that these matters will be resolved in the short-term, and investors will have the opportunity to reap the benefits of the Company’s rapid future expansion, both domestically and abroad.

Exhibit 7: Comparable Analysis

Name	Ticker	YE	Price	Sh	Mrkt Cap	EV	EV/S (1)		EV/EBITDA (1)		P/E (1)	
							Most Recent FY	Next FY	Most Recent FY	Next FY	Most Recent FY	Next FY
Relevant Peers												
Columbia Sportswear Company	COLM	12/31	\$ 61.59	69.7	\$ 4,292.8	\$ 3,953.5	1.7x	1.6x	12.9x	12.2x	25.1x	23.4x
Delta Apparel, Inc.	DLA	6/30	\$ 20.30	7.7	\$ 156.3	\$ 263.5	0.6x	0.6x	10.3x	8.2x	20.3x	13.5x
Genesco, Inc.	GCO	1/31	\$ 70.99	21.3	\$ 1,512.1	\$ 1,494.5	0.5x	0.5x	6.2x	6.0x	16.5x	14.5x
G-III Apparel Group, Ltd.	GIII	1/31	\$ 46.12	45.5	\$ 2,098.5	\$ 1,967.9	0.8x	0.8x	8.6x	7.4x	18.7x	17.8x
Lakeland Industries, Inc.	LAKE	1/31	\$ 9.42	7.3	\$ 68.8	\$ 74.7	0.7x	0.8x	5.8x	11.8x	17.8x	23.6x
Rocky Brands, Inc.	RCKY	12/31	\$ 12.08	7.6	\$ 91.8	\$ 109.5	0.4x	0.4x	6.2x	5.9x	13.9x	12.7x
Superior Uniform Group	SGC	12/31	\$ 17.96	14.0	\$ 251.4	\$ 274.1	1.3x	n/a	11.7x	n/a	20.0x	n/a
Under Armour, Inc.	UA	12/31	\$ 44.80	434.9	\$ 19,483.5	\$ 20,261.2	5.1x	4.0x	39.8x	30.9x	84.5x	67.9x
Wolverine World Wide, Inc.	WWW	12/31	\$ 19.12	99.9	\$ 1,910.1	\$ 2,541.2	0.9x	1.0x	8.8x	9.6x	15.9x	14.8x
Average							1.3x	1.2x	12.3x	11.5x	25.9x	23.5x
Median							0.8x	0.8x	8.8x	8.9x	18.7x	16.3x
Ironclad Performance Wear Corp.	ICPW		\$ 0.25	82.9	\$ 20.7	\$ 23.7	1.0x	0.8x	nm	10.8x	nm	13.6x

(1) Estimates are from CapIQ except for ICPW which are Stonegate estimates

Source: Company Reports, Stonegate Capital Partners, Capital IQ

CORPORATE TIMELINE

November 2015

W.W. Grainger selects Ironclad as its primary strategic partner for the mechanic/performance glove category, and a co-strategic partner for the impact resistant glove category; this is a multi-year contract for the North American market

March 2015

Ironclad and Williamson-Dickie Europe introduce a line of hand protection geared for the oil and gas markets and co-branded under the Dickies and Kong trademarks

January 2015

Ironclad signs a ten-year agreement with its Australian partner, Performance On Hand (POH), to market and distribute the Company's work gloves in Australia, New Zealand and the surrounding region

October 2014

The Company signs an agreement with Vibram Corporation to begin development of protective hand wear using Vibram's technologies relating to high performance rubber soles in work boots

July 2014

CEO Jeff Cordes announces Company's decision to move its headquarters from El Segundo, California to Farmers Branch, Texas to be closer to Ironclad's customer base

2006

The Company becomes publicly traded through a reverse merger

1998

Ironclad Performance Wear Corp. is founded by Eduard Jaeger

Board of Directors:

Jeffrey D. Cordes – Director

R.D. Pete Bloomer – Director

Vane P. Clayton – Chairman

Michael A. DiGregorio – Director

Charles H. Giffen – Director

David Jacobs – Director

Patrick O'Brien – Director

IRONCLAD TEAM

Jeff Cordes, President and Chief Executive Officer – Jeff Cordes has been Ironclad's President, Chief Executive Officer and a member of the Company's board of directors since February 2014. His professional background includes over 30 years of executive experience in the global textile and apparel industries. Most recently, Mr. Cordes was the President and Chief Operating Officer of Walls Industries, a global company that specializes in safety and work apparel. Prior to joining Walls, Mr. Cordes was with Pillowtex Corporation, a manufacturer, marketer, and importer of home textiles, where he held the positions of President and Chief Operating Officer, and served as a director of the company. He has 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 and Chief Financial Officer – William Aisenberg, who is a Certified Public Accountant, has had more than 30 years of experience in the apparel, consumer products and public accounting markets as a financial executive. Prior to joining Ironclad, he held the positions of Executive Vice President and Chief Financial Officer at Walls Industries. Mr. Aisenberg was Vice President and Corporate Controller at Strategic Equipment and Supply Corporation, a company specializing in the food service equipment market. Mr. Aisenberg's extensive background in the financial management arena also includes working with a number of global corporations, including The Brinkmann Corporation, the Foster Grant Group, and Arthur Anderson & Co.

Tom Felton, Senior Vice President of Supply Chain – Tom Felton has more than 30 years of experience working in the apparel, supply chain and retail sectors. Prior to joining Ironclad, Mr. Felton was with Walls Industries, where he served most recently as Senior Vice President Administration and Controls, and earlier as the Chief Information Officer. He has held senior executive positions in a number of national and international companies, including Game Stop, Blockbuster, 7-11, and Zale Corporation. Mr. Felton graduated from Texas A&M University with a Bachelor of Science degree.

Shawn Norfolk, Vice President of Marketing - Shawn Norfolk has been with Ironclad since April 2011. Mr. Norfolk has a diverse background in global marketing, brand management and sales management, primarily in the sports and protective apparel markets. He is responsible for developing Ironclad's social media platform and redesigning the look of the Ironclad brand for Company's website and marketing materials. Prior to joining Ironclad, Mr. Norfolk spent nine years as the Global Brand Manager for Renthal LTD., a UK-based motorcycle accessories manufacturer. Before joining Renthal, he was General Manager of East Coast Operations for No Fear, an action sports apparel and energy drink manufacturer. Mr. Norfolk was also Director of Marketing for Troy Lee Designs, a designer and marketer of protective apparel for cycling.

Eric Jaeger, Vice President of Research and Development - Eric Jaeger has been with Ironclad since 2001, overseeing Ironclad's research and development. Mr. Jaeger is responsible for designing, developing and testing the Company's products, as well as discovering new materials and innovative technologies to enhance the gloves' performance. He is also responsible for managing Ironclad's intellectual property portfolio. Prior to joining Ironclad, Mr. Jaeger worked in the medical device industry as a senior research and development engineer, working for Symphonix Devices, Guidant/Boston Scientific and the Alfred Mann Foundation for Scientific Research. Mr. Jaeger holds 20 US and international patents on gloves and implantable medical technologies. He graduated with honors from the University of California Los Angeles, with a degree in biomedical engineering.

Michael Fowler, Vice President of Sales – Retail - Mr. Fowler joined Ironclad in September 2015, and he currently serves as Vice President of Sales in its Retail sector. Mr. Fowler brings over 25 years of extensive executive experience in sales management and operation in retail and wholesale businesses. Mr. Fowler has served as Vice President of Sales at Terramar Sports and Sales Director at Manzella gloves. Prior to wholesale sales leadership, Mr. Fowler served as a Vice President of Operations & Purchasing for Uncle Dan's Outfitters, a leading specialty outdoor chain. Mr. Fowler holds an MBA from Southeast Missouri State University and an undergraduate degree in Education from Western Michigan University.

Scott McCown, Vice President of Sales - Industrial - Mr. McCown joined Ironclad in June of 2014, and he currently serves as Vice President of Sales in its Industrial sector. Mr. McCown brings over 16 years of extensive executive sales management experience and 23 years sales experience in retail, industrial and commercial businesses. Mr. McCown previously served as the Director of Sales for Ironclad, responsible for National Accounts and the Western US region. Prior to Ironclad, Mr. McCown served as Director of Sales at Propper International & Industrial. Mr. McCown served as VP of Sales for multiple corporate B2B sales & marketing companies up to the largest US national chain and club stores. Mr. McCown holds a BFA from the University of Oklahoma.

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