

Acme United Corp. (ACU)

Company Report – November 13, 2021

Acme United is a leading consumer products company with a focus on first aid and safety products, as well as cutting solutions, for commercial and industrial markets worldwide. The Company had a very good third quarter of 2021. For the quarter ended September 30, 2021, sales reached \$47.9 million, compared to \$43.3 million in the third quarter of 2020, an increase of 11%.

The Company's strong performance was even more highlighted in its third quarter earnings. Net income for the third quarter of 2021 was \$2,046,000 or \$0.50 per diluted share compared to a net income of \$1,579,000 or \$0.46 per diluted share for the same period of 2020, an increase 30% in net income and 9% in earnings per share.

Especially, strong demand for its first aid and cutting products contributed to the third quarter success. Moreover, sales to office customers rebounded strongly, and e-commerce revenues were robust.

The Company gave no guidance, but its Chairman and CEO Walter C. Johnsen said, "We believe we are well-positioned to respond to customer needs in the coming quarters. We're converging on another successful year and anticipate record sales and earnings in 2021. In addition, we are optimistic about 2022."

We reiterate our buy recommendation for Acme United Corp. with a price target of \$53.82, which is 50% above today's stock price.



Acme United Corporation

- ❑ Acme United's share price is down by 25% since April of this year, but there is absolutely no reason for this. The Company is achieving strong growth quarter after quarter and year after year, while many of its competitors are crumbling. It is doing so by being bold during these exceptional times.
- ❑ While competitors are cutting back on advertising, cutting back on new product development, and firing people, Acme is doing the exact opposite. It is putting more money into online advertising, it has intensified product development, and is adding staff.



Market Data

Price	\$36.00
Sector	Consumer Products
52-Week Price Range	\$26.10 - \$48.31
Shares Issued (m)	4.06
Market Cap (m)	\$146.1
Listings	ACU (NYSE Mkt)
Website	http://www.acmeunited.com

THE COMPANY

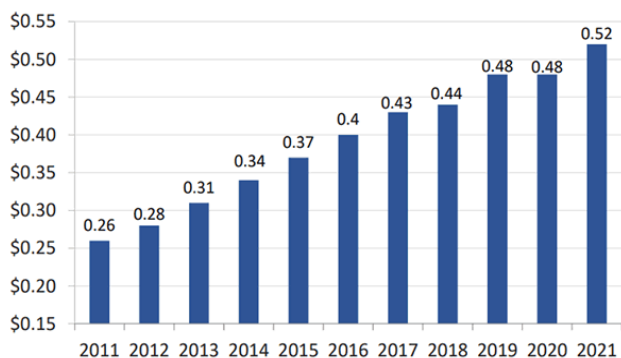
Acme United Corporation is a supplier of cutting, measuring and safety products for the school, home, office, outdoors, fishing, hardware, and industrial markets. Its principal products are scissors, rulers, pencil sharpeners, knives and first aid kits.

The Company’s products are organized under eleven brands: Westcott, Clauss, Camillus, PhysiciansCare, Pac-Kit, First Aid Only, Cuda, DMT, Spill Magic, First Aid Central, and Med-Nap. Both the number of products offered under these brands, as well as the number of physical and online stores where these products are available, continue to grow.

Acme’s quest for innovation is reflected by its on-going goal of generating at least 30% of its sales from products developed in the last 3 years. Therefore, the Company works with new, often proprietary, materials and adds new user-friendly features to existing tools.

The Company’s products are available at Staples, Office Depot, Office Max, United Stationers, SP Richards, W.B. Mason, Home Depot, Target, Wal-Mart, Walgreens, Grainger, McMaster Carr, Meijer, Fred Meyer, and many other major chains all over the world. Also online sales are substantial. In fact, Amazon is one of Acme United’s most important customers.

Dividends Per Share



The Acme United dividend shows strong and consistent growth for more than a decade.

Acme United pays a quarterly dividend of 13 cents per share. Traditionally the Company increases the amount by 1 cent every 6 to 8 quarters.

Increased Domestic Sourcing

Although 60 percent of Acme’s products are still sourced from China, domestic manufacturing is gaining importance. Since 2011, the Company has purchased no less than six North American-based manufacturers.

In 2011, Acme acquired Pac-Kit Safety Equipment Company in Norwalk, Connecticut. In 2014, it purchased First Aid Only in Vancouver, Washington. In 2016, the Company bought Diamond Machining Technology (DMT), which is located in Marlborough, Massachusetts. Early 2017, Spill Magic was acquired, which has facilities in Santa Ana, California and Smyrna, TN. In 2020, Acme acquired First Aid Central and Med-Nap LLC, both manufacturers of first aid supplies and respectively based in Quebec, Canada and Brooksville, Florida.

This way, the Company strategically diversifies its portfolio of sourcing, while reducing its reliance on China.

BRANDS

Westcott began as a ruler company more than 140 years ago. It sells between 60 and 80 million scissors, and between 15 and 18 million rulers annually. It truly is the leading scissors brand in the United States and one of the leading ruler brands in North America.

The Company’s infamous grey/yellow Titanium Bonded Non-Stick scissors are known all over the globe. The blades are lightweight, stay sharper longer, and are five times harder than steel. Also, they have a non-stick coating that resists adhesives.

The Westcott scissors business continues to become stronger. In fact, Mr. Johnsen mentioned during a conference call that a large retailer tried a different scissors supplier, but quickly returned to Westcott because sales of the other brand were disappointing. A true validation of the brand.

Westcott is also known for its line of Safety Cutters. The safer-slicing retractable box cutters with ceramic knives have ergonomic

improvements so the user can actuate on top or side of the slider. In addition, they are available with replaceable and non-replaceable blades. Next to being safer, the Slice ceramic blades last up to 11 times longer than metal blades.

In addition, the brand constantly innovates and brings new products to the market. For example, it launched a set of revolutionary glue guns for the craft and DIY markets. These guns have non-stick internal mechanisms so that the glue sticks don't clog up the machines. Also, the tips of the guns have non-stick color changing coatings. When the tip of the gun is hot enough to dispense the glue, it turns red. The red color is also an indication for users not to touch it. When the tip has cooled off, it's blue.

Clauss has its roots dating back to 1877 as a scissors, razors and kitchen knives manufacturer. Today, Clauss offers a substantial line of quality cutting tools for professionals in the hardware & industrial, lawn & garden, food processing, sewing, and housewares channels.

When the brand was re-introduced, shortly after it was acquired by Acme in 2004, it was a simple scissors business, available in only a handful of stores. Since then, Clauss has completely transformed and become an established name in the industry with a broad hardware line that is available at Lowe's, Home Depot, Sears, Granger, McMaster-Carr and many others.

Similar to Acme's other brands, Clauss applies its proprietary coatings to everyday tools. The brand, for example, markets a family of putty knives that have a full tang construction with a hardened, tempered blade that has Titanium non-stick bonding for superior adhesive and rust resistance.

Another noteworthy product is the Clauss 8" Workbench Shear with Titanium bonded blades that are 3x harder than untreated stainless steel. The shear also features an integrated box cutter and bottle opener.

Camillus is one of the oldest and best known knife manufacturers in the United States. Since its founding in 1876, Camillus has

supplied the world with reliable, innovative and quality-made knives for the hunting, fishing, sporting and tactical markets. More recently, Camillus has strategically focused towards outdoor enthusiasts.

The brand works with plenty of "Pro Staffers" to gain insight into what campers, backpackers and survivalists are looking for. The Pro Staffers have quickly become an invaluable part of the Camillus team. With their help, the Camillus tools truly stand out in regards to design, performance and durability. As many of them have been in extremely dangerous, and often life-threatening situations, they give information that Camillus' designers could never know about. In addition, these well-known stars have thousands of followers on social media, which is ideal to promote new tools.



The Camillus Classic folding knife features a Titanium bonded 440 stainless steel blade, a micarta handle with beautiful bayonet emblem and a handy lock back locking mechanism.

Camillus has been gaining market share the past several years. On top of that, since the outbreak of COVID-19, the hunting and camping segments have grown exponentially. Weary of being cooped up at home - and of masking and social distancing when they go out - people take refuge in outdoor sports that offer safety and solitude.

Cuda markets a broad line of tools dedicated to fresh and saltwater fishing. The Cuda tools are created with a breakthrough design that allows the angler to actually see that the knife has a full tang construction. Moreover, the tools are manufactured with Acme's patented Titanium Bonded technology making them three times harder than untreated options, and they're equipped with Aluminum Alloy

and Tungsten Carbide, guaranteeing the ultimate in performance.

A factor that has helped gain the brand a solid name in the fishing community is the Cuda Pros. Right from the start, Cuda attracted several well-known fishermen to design, test and represent the brand. The stars of the National Geographic hit show "Wicked Tuna", star of the "Real Fishing Show" Bob Izumi, Mariko Izumi from "Hooking Up", and David Dudley two-time FLW Bass Champion all tested the initial tools extensively.

Since then, the Cuda Pro Staff has continued to grow to more than 40 ambassadors today. They continue to suggest improvements to prototype tools, so that when they go into production, the products are the best on the market. Also the promotion that the Pro Staff provides is priceless. One pro has close to 300,000 Twitter followers. So when he tweets information about Cuda, all his followers get to see it.



The AquaTuff knife family was introduced at this year's IACST show. The new line of six knives features zirconium bonded stainless steel blades for increased corrosion resistance with a carbide edge for long-lasting sharpness.

If there was a positive outcome regarding COVID-19, it's that more people went fishing than ever before. This year's ICAST edition, held in July, was a perfect illustration of that fact. Despite few international attendants, the show was a success for the Cuda brand. Good

meetings were held with exciting customers such as Bass Pro and West Marine, but also with many smaller distributors. Many of the buyers were interested in the new products and some already scheduled placement for them.

First Aid Only (FAO) is a supplier of SmartCompliance first aid kits, refills, and safety products that meet regulatory requirements for a broad range of industries.

The business was founded in 1988 and pioneered consultative selling and support of first aid items to large corporate customers. It has since become a recognized industry leader. It was acquired by Acme United in June 2014.

FAO operates out of a modern 54,000 square-foot facility in Vancouver, Washington where well over 100 people are employed. All of FAO's first aid kits are produced in the United States.

First Aid Only is especially known for its SmartCompliance kits. Most businesses are federally mandated to have first aid solutions that are compliant with OSHA as well as ANSI standards. These SmartCompliance first aid supply cabinets ensure that a business is covered.

The innovative design of the SmartCompliance first aid cabinet eliminates disorganized and missing supplies often seen within traditional first aid cabinets. As first aid products are used, the SmartTab ezRefill reminders notify a user when it's time to reorder so that supplies never run out when it matters most.

The First Aid Only SafetyHub app, which is available for both Apple and Android, provides a platform to manage and refill SmartCompliance cabinets. Users can search and scan barcodes on individual first aid products, as well as place requisitions for ANSI & OSHA compliant first aid kits. Features such as the "Physical Inventory Count" keeps users aware of which products to reorder and when to do so through inventory reminders.

At the most recent NSC Congress & Expo, the Retrofit Cabinet was introduced. This system, lets a company convert any brand first aid

cabinet over 15" wide with three or more SmartCompliance shelves, which consist of three fully-stocked grids and extra supplies to immediately make a cabinet ANSI B compliant. These grid inserts with individual refill boxes are easy to install into existing cabinets and help to eliminate cluttering.

In addition, First Aid Only launched new Bleeding Control kits at NSCs, which empower a bystander with the right tools to help those who are in an emergency situation to stop life-threatening blood loss before professional help arrives. FAO offers several kits that include hemostatic pressings, Israeli bandages, and the easy-to-use and effective SWAT-T™ "Stretch, Wrap, and Tuck" Tourniquet.

PhysiciansCare offers a wide assortment of first aid kits, emergency and disaster kits, kit refills, hearing, eye and head protection, and ergonomic supports and braces. It also carries a successful branded line of over-the-counter medications, including the active ingredients aspirin, acetaminophen and Ibuprofen, etc. PhysiciansCare's products are sold at Staples, Office Depot, United Stationers, Office Max and many others.

Pac-Kit sells first aid kits, industrial stations and refills, emergency medical travel and recreational kits for the industrial, safety, transportation and marine markets. The brand has a long and vivid history dating back to the 19th century. Its early first aid kits were chosen by global explorers like Captain Robert Scott, Admiral Peary and Theodore Roosevelt on their expeditions.

Pac-Kit is especially known for tailoring its products to meet user requirements and for rapid turnaround.

Diamond Machining Technology (DMT) is the world's leading innovator of manual diamond sharpening technology. It has around 30 employees and sells its products at chains such as Home Depot, Bass Pro Shops, Grainger, Fastenal, and Amazon. DMT manufactures all its products in the United States and exports worldwide to nearly 50 countries.

DMT is renowned for its polka dot pattern diamond surface products. It offers

sharpening solutions for virtually every user, from do-it-yourselfers to professionals and large commercial operations.



DMT continues to increase production to satisfy growing demand. However, more orders are coming in as the business continues to grow both in the U.S. and abroad.

DMT's products differ significantly from those of its competitors. For example, DMT makes certain that each sharpening surface carries the most diamonds per square inch in the industry to guarantee long-lasting performance.

The uniformity of the diamond is also key to a sharpener's performance. DMT uses a proprietary process that ensures near-perfect consistency in grit size. The result is a micronized monocrystalline diamond that covers evenly across the sharpening surface to prove effective with every use, year after year.

Since Acme bought DMT in 2016, sales have continued to rise fast. New equipment and machinery was since installed to significantly expand its production capacity. More orders are coming in as the business continues to grow both in the U.S. and abroad.

Spill Magic manufactures a wide variety of spill pickup products that handle anything from liquid spills, hazardous material spills and even biohazard spills. It has two facilities, one in Santa Ana, CA and the other one in Smyrna, TN. Acme United acquired Spill Magic in February 2017.

Spill Magic's best-selling product is its non-toxic, non-flammable, lightweight absorbent that quickly removes any spilled liquid or semi-liquid of any origin. It turns the liquid into a dry powder almost immediately, while

leaving no spill residue behind. It's safe for use around humans, animals, plants and the environment; and will not damage cement, asphalt, carpet or any floor surface.

The Spill Magic absorbent is being used thousands of times every day in national and regional grocery, retail, big box, and countless other retail stores in the United States.

Spill Magic focusses on B2B customers, such as retail, grocery, restaurant, hotel chains and governmental agencies with the goal of reducing slip and fall accidents in their locations. Some of its customers include Target, McDonalds, and Wal-Mart. The latter, for example, uses Spill Magic products in each of its stores.

Early 2020, the Company opened up the Canadian first aid market thanks to the acquisition of **First Aid Central (FAC)**. Based in Laval, Canada, FAC produces and sells a complete line of first aid kits, refills, and safety products that cover all personal and industrial needs as well as provincial and federal regulations.



FAC is able to provide a customized solution from start to finish to customers. If clients want specific styles or colors, or kits in nylon, plastic or metal, or they want their logo printed on kits, that can all be provided in-house by FAC.

Although no acquisition price was disclosed, Acme did mention that FAC generated

approximately C\$4.3 million in revenues in 2019. What made the acquisition so attractive – next to the financial aspect – was the fact that FAC held a valid Medical Device Establishment License issued by Health Canada. This helps to ensure that certain regulatory requirements and procedures are in place with regards to the medical products that FAC offers in Canada.

This license is hard to obtain and truly opened many doors in Canada for Acme United. After all, regulations regarding medical products are very strict and differ significantly country by country. As a result, several of Acme's multinational customers that already purchased first aid products in the United States, could now also be served in their Canadian branches.

Mid-December 2020, Acme United acquired the assets of **Med-Nap LLC.**, a Brooksville, Florida based manufacturer of alcohol prep pads, alcohol wipes, benzalkonium chloride wipes (BZK), antiseptic wipes, and other first aid products.

Also in this case no purchase price was disclosed. For 2020, Med-Nap had estimated revenues of \$4.9 million and EBITDA of \$1.0 million. The existing management of Med-Nap has remained on board.

What makes this acquisition for Acme even more interesting is that Med-Nap has an FDA-registered manufacturing facility where it produces all of its products. In fact, there are only a handful of companies that manufacture these types of products in the United States, which gives Acme two major advantages:

- First, it doesn't have to import these products anymore from China. With the emphasis on sourcing local getting stronger, this is important.
- Second, having such a manufacturing facility at its disposal gives Acme the ability to manufacture all kinds of other tear-open packaging products, such as burn cream, etc.

Med-Nap sold its products directly to first aid suppliers and major retailers under private label and Med-Nap brands. Products are now also manufactured under the First Aid Only brand to include in first aid kits.

FINANCIALS

The gross Acme's net sales for the nine months ended September 30, 2021 were \$136.3 million, compared to \$123.1 million in the same period in 2020, an increase of 11%.

Net income for the nine months ended September 30, 2021, excluding the impact of the PPP loan forgiveness, was \$7,814,000, or \$1.97 per diluted share, compared to \$6,055,000, or \$1.75 per diluted share, in last year's same period, increases of 29% and 13% respectively. Net income for the nine months ended September 30, 2021, including the PPP loan forgiveness, was \$11.3 million, or \$2.85 per diluted share.

Amounts in \$000's	09/30/21	09/30/20
Net Sales	47,923	43,316
Cost of Goods Sold	30,918	28,360
S, G & A Expenses	14,044	12,832
Income From Operations	2,961	2,124
Pre-Tax Income	2,665	1,991
Income Tax (Benefit) Expense	619	412
Net Income (Loss)	2,046	1,579
Diluted Shares Outs.	4,058	3,461
Diluted EPS	0.50	0.46
Selected income statement data for the quarters ended September 30, 2021 and September 30, 2020. Source: Company Press Release		

Probably the most astonishing feat by Acme United in the third quarter, was the fact that despite all the issues described above, the Company managed to increase its gross margin to 35.5% in the third quarter, up from 34.5% in Q3 2020.

SG&A expenses for the third quarter of 2021 were \$14 million or 29.3% of sales compared with \$12.8 million or 29.6% of sales for the same period of 2020. SG&A expenses for the first 9 months of 2021 were \$39 million or 28.6% of sales compared with \$36 million or 29.3% of sales in 2020.

A Strong Performance in the U.S.

Acme United reports financial information on three separate business segments: the United States (including Asia), Canada and Europe.

Exact revenues per segment for the third quarter will be available in the 10-Q, which will be filed mid-November. However, Acme announced for each segment the percentage by which revenues increased or decreased compared with last year's third quarter. Based on those numbers, we can give a fair estimate.

Amounts in \$000's	Q2 2021	Q2 2020
U.S.	41,040	32,780
Canada	3,585	1,775
Europe	3,298	2,440
Sales per segment for the quarters ended September 30, 2021 and September 30, 2020. (Source: Company Filing)		

Net sales in the **U.S. segment** increased 12% in the third quarter and 8% for the 9 months ended September 30. The Company benefited from excellent back-to-school sales, strong demand for Westcott cutting tools as people returned to their offices and excellent sell-through of craft products. The first aid and safety business also saw increased demand and e-commerce sales were strong.



The Westcott school and office products brand was again one of the strong contributors to Acme United's third quarter Financials.

In **Europe**, net sales for the third quarter of 2021 were constant in both U.S. dollars and local currency compared to the third quarter of 2020 due to the timing of several large

orders in 2020. Net sales for the nine months ended September 30, 2021 increased 22% in U.S. dollars and 15% in local currency compared to the first nine months of 2020, mainly due to sales growth in the e-commerce channel across all product lines and market share gains in Westcott school and office products.

Net sales in **Canada** for the third quarter of 2021 increased 6% in U.S. dollars and were constant in local currency compared to the same period in 2020. Higher sales of First Aid Central products were offset by lower sales of school and office products. In 2020, back-to-school shipments of school and office products were delayed from the second quarter to the third quarter due to the COVID-19 lockdowns in the second quarter of 2020. Net sales for the nine months ended September 30, 2021 increased 33% in U.S. dollars and 23% in local currency compared to the first nine months of 2020 primarily to due to growth at First Aid Central, which has successfully added new multinational customers since its acquisition last year.

Balance Sheet as of September 30, 2021

The Company's bank debt less cash on September 30, 2021 was \$38.1 million compared to \$34.4 million on September 30, 2020.

During the twelve-month period ended September 30, 2021, the Company paid approximately \$9.3 million for the acquisition of the assets of Med-Nap LLC., distributed \$1.7 million in dividends on its common stock, generated approximately \$2 million in free cash flow, and received forgiveness for the PPP loan of \$3.5 million.

Very interesting to note is that inventory levels remained equal to last year, despite the Company's strong sales growth and external shipping chaos. The reason for this is that Acme began growing its global inventory by about 30% starting in June of 2020, because it rightfully feared supply chain disruptions from COVID-19 when workers in China left for their homes during Chinese New Year. This extra inventory provided a substantial cushion to meet customer requirements.

At the end of the third quarter of 2021, Acme had over \$73 million in working capital (up from \$62 million a year ago) and a strong current ratio of 4.85 (up from 3.60 last year).

Amounts in \$000's	09/30/21	09/30/20
Cash and Cash Eq.	5,306	3,031
Accounts Receivable	36,088	32,154
Inventories	48,795	48,351
Total Current Assets	92,647	85,678
Property & equipment	23,181	14,341
Intangible Assets, net	17,615	16,072
Total Assets	141,430	123,017
Accounts Payable	6,695	9,251
Total Current Liabilities	19,091	23,741
Bank Debt	40,454	30,703
Total Liabilities	64,881	62,421
Total Stockholder Equity	76,549	60,596
Selected balance sheet data for September 30, 2021 and September 30, 2020. Source: Company Press Release		

OUTLOOK & VALUATION

In the past few quarters, Acme United, like almost every business worldwide, has faced many cost pressures, such as increased labor costs, extraordinarily high shipping costs and increased energy costs.

This all has caused inflation nearly across the board. As a result, the Company has been increasing its selling prices regularly, with success. Because most of Acme's products sell well under \$25, there isn't so much resistance to higher prices. On the other hand, higher priced first aid kits for the industrial market are less price sensitive as there is a different market dynamic. The Company foresees more increased costs in 2022, and is as such already instituting new price increases.

Next to inflation concerns, Acme also has to deal with the global shipping crisis. In fact, the Company has a substantial amount of finished products in China waiting to be shipped. The containers will most likely be picked up in the current quarter. Fortunately, Acme had substantially increased its inventory to battle shipping delays (also see balance sheet below). This way, it is still able to fulfil orders, while many of its competitors can't.

In another smart move by Acme's management, the Company has acquired several U.S. and Canadian based factories in the past ten years. In 2011, Acme acquired Pac-Kit Safety Equipment Company in Norwalk, Connecticut. In 2014, it purchased First Aid Only in Vancouver, Washington. In 2016, the Company bought Diamond Machining Technology (DMT), which is located in Marlborough, Massachusetts. Early 2017, Spill Magic was acquired, which has facilities in Santa Ana, California and Smyrna, TN. In 2020, Acme acquired First Aid Central and Med-Nap LLC, both manufacturers of first aid supplies and respectively based in Quebec, Canada and Brooksville, Florida. This way, the Company strategically diversified its portfolio of sourcing, while reducing its reliance on China.

Another piece of positive news is that the shipping issues at the Company's Rocky Mount, North Carolina distribution facility are mostly resolved. Remember that in April 2021, a new warehouse management system was installed at the facility. As a result, nothing was shipped during ten days out of the warehouse. Unshipped orders at the end of June reached approximately \$5 million, while in normal circumstances that would only have been about \$1 million.



The new warehouse management system, which was installed at Acme's largest distribution center in the United States, has truly prepared the Company for rapid shipping, which is crucial with ever increasing online sales. (Picture shown is for illustration purpose only).

Although there are still some areas to improve, the system is now positioned to increase efficiencies to ship small parcels, track shipments more thoroughly and strengthen the overall operational control.

Acme United's share price is down by 25% since April of this year, but there is absolutely

no reason for this. The Company is achieving strong growth quarter after quarter and year after year, while many of its competitors are crumbling. It is doing so by being bold during these exceptional times.

While competitors are cutting back on advertising, cutting back on new product development, and firing people, Acme is doing the exact opposite. It is putting more money into online advertising, it has intensified product development, and is adding staff.

The Company is executing well, even in these challenging times. Sales are up, earnings are up and gross margin is up.

Valuation

Acme United competes with many companies in each market and geographic area. The major competitors in the cutting category are 3M and Fiskars Corporation, while Maped and Staedtler are the major competitors in the measuring category. In addition, the major competitor in the pencil sharpener category is Bostitch, and in the safety category Acme faces most competition from Johnson and Johnson.

Although there are many competitors, it's hard to identify a peer group of companies, because there's no other Company in exactly the same line of business as Acme United. Moreover, some of these other companies that engage in the Company's line-of-business do so through divisions or subsidiaries that are not publicly-traded.

For reason of comparison, we have placed the Company in the Housewares & Accessories industry. The average P/E ratio for a Company in that industry is 22.52x, slightly lower than the average P/E of 22.94x in our previous report.

Excluding the impact of the PPP loan forgiveness, we foresee for Acme United an earnings growth rate of 20% compared with 2020 in our model. As such, we estimate full year 2021 EPS to reach \$2.39 per share. This is down from our previous report, due to the higher number of diluted shares.

Applying our full fiscal year EPS estimate of \$2.39, and the 22.52x P/E multiple from the

peer group, we reach the following calculation: \$2.39 estimated EPS multiplied by 22.52 = \$53.82.

Based on these calculations, we reiterate our buy recommendation for Acme United Corp. with a price target of \$53.82, which is 50% above today's stock price.

SHARE DATA & OWNERSHIP

On October 26, 2021 Acme United had approximately 4,058,000 common shares outstanding. The principal owners of the Company's common stock are Capital Management Corp (10.9%), North Star Investment Management Corporation (9.7%), Walter Johnsen (7.5%), Renaissance Technologies LLC (4.4%), and Dimensional Fund Advisors (4.4%).

On November 12th, Acme United announced that it had established a pre-arranged trading plan, as part of the Company's existing stock repurchase programs, in accordance with Rule 10b5-1 of the Securities Exchange Act. The Rule 10b5-1 trading plan will permit common stock to be repurchased over a twelve-month period, at times that the Company might otherwise be precluded from doing so under insider trading laws or self-imposed trading restrictions.

MANAGEMENT

▣ WALTER C. JOHNSEN - CHAIRMAN AND CEO

Mr. Johnsen has served as director since 1995 and as Chairman and Chief Executive Officer since November 30, 1995. Before joining the Company he was Vice Chairman and a principal of Marshall Products, Inc., a medical supply distributor.

▣ PAUL DRISCOLL - VICE PRESIDENT AND CFO, SECRETARY AND TREASURER

Mr. Driscoll has served as Vice President and Chief Financial Officer, Secretary and Treasurer since October 2, 2002. Mr. Driscoll joined Acme as Director International Finance on March 19, 2001. From 1997 to 2001 he was employed by Ernest and Julio Gallo Winery including two years in Japan as Director of Finance and Operations. Prior to Gallo he served in several increasingly responsible positions in Sterling Winthrop Inc. in New York City and Sanofi S.A. in France.

▣ BRIAN OLSCHAN - PRESIDENT AND COO

Mr. Olschan served as Senior Vice President of Sales and Marketing from September 10, 1996 until January 22, 1999. Effective January 23, 1999, he was promoted to President and Chief Operating Officer. From 1984 to 1996, he was employed by General Cable Corporation in various executive positions.

ANNUAL INCOME STATEMENT FY 2018 – 9M 2021

All numbers in thousands

PERIOD ENDING	FY 2018	FY 2019	FY 2020	9M 2021
Total Revenue	137,321	142,457	164,003	136,295
Cost of Revenue	86,672	90,456	104,408	87,550
Gross Profit	50,649	52,001	59,595	48,745
Operating Expenses				
Selling, General and Administrative	43,192	43,572	48,182	39,028
Non Recurring	-	-	-	-
Others	-	-	-	-
Total Operating Expenses	43,192	43,572	48,182	39,028
Operating Income or Loss	7,457	8,429	11,413	9,717
Income from Continuing Operations				
Total Other Income (Expenses) Net	(68)	(98)	(666)	(213)
Earnings Before Interest And Taxes	7,389	8,331	10,746	9,504
Net Interest Expense	1,858	1,788	919	671
Income Before Tax	5,531	6,543	9,827	8,833
Income Tax Expense	933	1,030	1,728	1,019
Net Income From Continuing Ops	4,598	5,513	8,098	7,814
Non-recurring Events				
Discontinued Operations	-	-	-	-
Extraordinary Items	-	-	-	3,508
Effect Of Accounting Changes	-	-	-	-
Other Items	-	-	-	-
Net Income	4,598	5,513	8,098	11,322
Preferred Stock And Other Adjustments	-	-	-	-
Net Income Applicable To Common Shares	\$4,598	\$5,513	\$8,098	\$11,322

Annual Income Statement FY 2018 – 9M 2021. Source: Company Filings



Acme United Corporation

US: ACU

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