

Acme United Corp. (ACU)

Company Report – May 03, 2025

Acme United Corporation, a leading provider of cutting, measuring, and safety products, reported its financial results for the first quarter of 2025, demonstrating resilience and strategic foresight in a complex global trade environment. The Company also highlighted the current international trade environment as a potential catalyst for strategic acquisitions.

For the quarter ending March 31, 2025, Acme United reported net sales of \$46.0 million, a 2% increase from \$45.0 million in Q1 2024. Net income rose slightly to \$1.65 million, or \$0.41 per diluted share, marking a 1% increase in net income and a 5% rise in diluted earnings per share compared to the same period last year .

Sales of the First Aid business increased no less than 14% in the first quarter of 2025. Sales of Westcott cutting tools declined due to a large initial shipment of craft items in last year’s first quarter to a major U.S. retailer which did not repeat the past quarter. DMT sharpeners, on the other hand, continued to gain placement in major retailers in the kitchen segment and had strong growth in the quarter.

We reiterate our buy recommendation for Acme United Corp. with a price target of \$53.27 for 2025, which is 38% above today’s stock price.



- Chairman and CEO Walter C. Johnsen acknowledged the challenges posed by the current tariff environment, stating, "The current tariff environment is very uncertain and challenging. Our team is working to minimize the impact of these uncertainties to both Acme and our customers." He emphasized the Company's efforts to reduce costs through supplier negotiations, lower shipping costs, and more than \$2 million in productivity savings this year. In addition, the Company will be increasing prices where necessary.
- Mr. Johnsen also highlighted the potential for strategic acquisitions, noting, "I believe the Company is well positioned to increase market share from competitors with less diversified supply bases or less efficient cost structures. I also believe there will be opportunities for Acme United to make new strategic acquisitions.



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 nine main brands: Westcott, Clauss, First Aid Only, PhysiciansCare, Pac-Kit, DMT, Spill Magic, Med-Nap and Safety Made. 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.

Acme United pays a quarterly dividend of 15 cents per share. Traditionally the Company increases the amount by 1 cent every 6 to 8 quarters, the last one being late 2023. Mr. Johnsen commented on this occasion, "This is Acme United's fourteenth dividend increase since 2004. We are optimistic about our future, and we are pleased to provide this additional return to shareholders."

Operational Efficiency

In 2024, Acme United implemented several productivity initiatives resulting in over \$2 million in annual savings. Some of these measures include:

- **Cost Reductions:** Efforts to reduce the cost of first aid boxes and other

materials contributed to significant savings.

- **Automation Improvements:** The Company automated the placement of items into unitized packages, enhancing efficiency in production processes.
- **Freight and Carrier Optimization:** By bidding out freight and carrier charges, Acme United achieved cost reductions in logistics.
- **Warehouse Optimization:** The installation of new racking in the Rocky Mount, North Carolina distribution center increased capacity by 30%.

Strategic Positioning in the Current Tariff Environment

In anticipation of the tariffs, Acme focused on minimizing its internal overhead. Through capital projects and enhanced production operations, the Company realized over \$2 million in annual productivity savings.



By leveraging its strong financial position and operational efficiencies, the current tariff environment may present opportunities to acquire competitors, particularly those facing challenges due to increased import costs.

In addition, the Company has adapted to global sourcing shifts, noting that many Chinese factories have relocated production to Vietnam, Thailand, and Cambodia—a trend the Company has been actively involved in. For example, shipments from Thailand commenced in December 2024, replacing items previously sourced from China. Production of other items has been moved to India. While tariffs are also in place on products being imported from those countries,

they aren't as high as on goods imported from China.

Finally, the Company has extensive domestic production capabilities with no less than eight U.S.-based plants. Increased activity at these facilities has led to expansion initiatives such as the growth of Spill Magic operations in Tennessee and heightened automation in Rocky Mount, North Carolina and Vancouver, Washington. This domestic production focus serves as a key advantage.

The current economic conditions may also present attractive opportunities for acquisitions. The Company believes its robust sourcing and manufacturing capabilities, combined with strong financial resources, can deliver substantial value in potential acquisition scenarios.

Acme identifies its primary business segments—cutting tools and first aid products—as two promising areas for acquisitions. Management sees expansion opportunities both horizontally, through competitors, and vertically, through suppliers of components used in first aid kits.

If current tariff levels persist, competitors may face significant working capital challenges as they are forced to purchase higher-priced inventory and carry inflated receivables. Many of these competitors may lack the financial stability to endure such pressures, whereas Acme's strong balance sheet positions it to withstand, and even benefit, from these conditions.

BRANDS

Today, Acme United has ten main brands: Westcott, Clauss, First Aid Only, PhysiciansCare, DMT, Spill Magic, Med-Nap, Safety Made, Elite First Aid and First Aid Central.

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 Cutting Tools experienced a decline in sales due to the absence of a large initial order of craft products to a major mass market retailer in the first quarter of last year.

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.

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.



The SmartCompliance Mobile cabinets are specifically designed for transportation and fleet vehicles.

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'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)**, a Canadian owned and operated manufacturer of first aid kits and safety supplies.

In business for over 12 years, FAC is a provider of cost effective first aid products for individuals and businesses in every industry. FAC generated approximately C\$4.3 million in revenues in 2019. Although an acquisition price was not disclosed, Acme United did mention that it expects FAC to be accretive in 2020.

What makes this acquisition so attractive – next to the financial aspect – is the fact that FAC holds a valid Medical Device

Establishment License issued by Health Canada. This requirement helps to ensure that certain regulatory requirements and procedures are in place with regards to the medical products that FAC offers in Canada.



The fact that FAC's products meet federal Health Canada and provincial regulatory requirements was crucial in the acquisition, as it gave Acme United access to the vast Canadian market.

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

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.

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.

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.

In June of 2022, Acme acquired **Safety Made**, a well-known manufacturer of first aid kits, as well as the exclusive source for Dorcy, Life Gear and DieHard flashlights, in the promotional products industry.

Basically, Safety Made sources a wide variety of products, assembles them and then screen-prints a company's name or logo on the products. Companies use promotional products, like safety kits, to build brand awareness, make clients aware of a rebranding, hand out at an event or conference, or simply launch a marketing campaign.

The acquisition of Safety Made provides a platform to expand sales of personalized products to many of Acme United's domestic and global customers. Although its primary business today is in first aid, we see opportunities in all our product ranges.

Safety Made in its turn purchased the assets of Ready 4 Kits in October of 2022. Founded in 1996, and like Safety Made, based in New Hampshire, Ready 4 Kits custom designs logoed and imprinted first aid kits for promotional use across a number of categories and themes, including automotive, golf, disaster/survival, eco-friendly, health and wellness, outdoor and trade show/travel.

In a strategic move to further strengthen its position in the safety and first aid market, Acme United acquired **Elite First Aid** in May 2024. The North Carolina-based company is a prominent supplier of first aid and tactical medical kits for a variety of markets, including military, law enforcement, and emergency services. With revenues of approximately \$4.2 million in 2023, Elite First Aid has established itself as a trusted name in the industry.

This acquisition is part of Acme United's ongoing effort to expand its product offerings

and enhance its market reach in the first aid and emergency preparedness sectors.

Known for its comprehensive range of high-quality first aid products, Elite First Aid established itself as a reliable provider of critical medical supplies designed to meet the rigorous demands of its clientele.

RECENT EVENTS

Acme United Shines at Ambiente Fair 2025 in Frankfurt

The Ambiente Fair, held in Frankfurt am Main, Germany, once again solidified its reputation as the premier international consumer goods exhibition. With an impressive 4,660 exhibitors and approximately 148,000 visitors from over 170 countries, the fair provided an outstanding platform for brands to showcase their latest innovations and connect with industry professionals from around the world.

Among the many exhibitors, Acme United stood out with a dynamic and engaging booth that attracted significant attention. The Company showcased a range of products from its well-known brands, DMT (Diamond Machining Technology) and First Aid Only, both of which introduced exciting new offerings to the market.

The Acme United team was enthusiastic about the event, as they not only received positive feedback on their products, but also secured numerous new sales leads, making the fair a great success for the Company.

DMT, a leader in precision sharpening solutions, used the Ambiente Fair as an opportunity to unveil new variations of its popular Simple Sharp product. The Simple Sharp, known for its effectiveness and ease of use, now features an expanded selection of colors and materials, providing customers with more customization options to suit their preferences.

These new offerings enhance both the aesthetics and functionality of the product, making it an even more attractive solution for home and professional users alike. Visitors to the booth were particularly impressed with

the fresh design choices, and many expressed interest in adding the new Simple Sharp to their product lines.



The brand new DMT Simple Sharp with wood design.

First Aid Only, a leading provider of first aid solutions, also made a strong impression at the fair with the introduction of its latest products—new compression socks and plasters designed to provide superior comfort and protection. The compression socks, developed for improved circulation and reduced fatigue, were well received by retailers and healthcare professionals looking for high-quality wellness solutions.

Additionally, First Aid Only introduced advanced plasters with improved adhesive properties and enhanced durability, catering to both everyday users and medical professionals. The new additions complement the brand's extensive line of first aid kits and supplies, reinforcing First Aid Only's commitment to innovation in health and safety.

For Acme United, the Ambiente Fair 2025 proved to be an outstanding opportunity to connect with existing customers and establish new partnerships. The team engaged with a

wide range of distributors and industry leaders, generating valuable business leads that will help drive future growth. The strong reception to the new DMT and First Aid Only products further validated the Company's dedication to continuous improvement and customer satisfaction.

Acme United Introduces Revolutionary First Aid Cabinet at NSC Congress & Expo

The 2024 NSC Safety Congress & Expo, hosted by the National Safety Council, took place at the Orange County Convention Center in Orlando, Florida. Known as the world's largest annual gathering of safety professionals, this year's NSC Safety Congress & Expo once again experienced an uptick in attendance with more than 12,600 safety, health and environmental professionals and distributors.

One of the attending companies was Acme United. The show was a true success for the Company with lots of exciting meetings. It had a large booth, which was packed with the latest products from the First Aid Only (FAO), Med-Nap, Elite First Aid, etc. These brands are trusted providers of cost effective first aid solutions for individuals and businesses in every industry. They offer a full line of first aid kits, cabinets and stations, Emergency Response Care, individual first aid products, Spill Clean Up kits, CPR care and much more.

The star at Acme's booth was the latest generation of SmartCompliance first aid cabinets. What makes these cabinets so special is that they have patented automatic replenishment capabilities, which monitor real-time consumption of the components and permit automatic ordering of refills.

These first aid units not only facilitate compliance with OSHA, ANSI, and other regulations, but also remove the hassle of manually checking the expiration and quantity of components. Truly unique in the industry, which was recognized by distributors and end-users.

In addition, FAO also highlighted its SmartCompliance Mobile cabinets. Designed

specifically for transportation and fleet vehicles, these first aid kits meets ANSI A 2021 to provide people on the road peace of mind and compliance with safety regulations. Ideal for drivers who need quick, reliable access to first aid essentials in case of a roadside emergency.

FINANCIALS

Acme United reported net sales for the quarter ended March 31, 2025 of \$46.0 million compared to \$45.0 million for the quarter ended March 31, 2024, an increase of 2%.

Net income was \$1.65 million, or \$0.41 per diluted share, for the quarter ended March 31, 2025, compared to \$1.64 million, or \$0.39 per diluted share, for the comparable period last year, an increase of 1% in net income and 5% in diluted earnings per share.

SG&A expenses for the first quarter of 2025 were \$15.5 million or 34% of net sales compared with \$14.8 million or 33% of net sales for the same period of 2024.

Amounts in \$000's	03/31/25	03/31/24
Net Sales	45,958	44,956
Cost of Goods Sold	28,041	27,560
S, G & A Expenses	15,491	14,838
Income From Operations	2,426	2,558
Pre-Tax Income	2,119	2,159
Income Tax Expense	466	523
Net Income	1,653	1,636
Diluted Shares Outs.	4,065	4,213
Diluted EPS	0.41	0.39

Selected income statement data for the quarters ended March 31, 2025 and March 31, 2024. Source: Company Filing

The Company's gross margin improved to 39.0%, up from 38.7% in Q1 2024, reflecting operational efficiencies and cost management.

Balance Sheet As Of March 31, 2025

Acme United's bank debt less cash on March 31, 2025 was \$27.2 million compared to \$31.5 million on March 31, 2024.

During the twelve-month period ended March 31, 2025, the Company paid approximately

\$6.1 million for the acquisition of the assets of Elite First Aid Inc., distributed \$2.2 million in dividends on its common stock and generated approximately \$12.0 million in free cash flow.

Amounts in \$000's	03/31/25	03/31/24
Cash and Cash Eq.	3,446	2,443
Accounts Receivable	30,814	32,966
Inventories	57,274	56,887
Total Current Assets	96,845	98,406
Property & equipment	32,153	28,860
Intangible Assets, net	19,690	18,396
Total Assets	163,039	159,381
Accounts Payable	7,433	7,907
Total Current Liabilities	20,069	21,838
Bank Debt	20,428	23,294
Total Liabilities	54,758	60,289
Total Stockholder Equity	108,281	99,092
Selected balance sheet data for March 31, 2025 and March 31, 2024. Source: Company Press Release		

First Aid Growth Driver in All Three Segments

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

Exact revenues per segment for the first quarter of 2025 will be available in the Company's 10-Q, which will be filed in a few days. However, Acme announced for each segment the percentage by which revenues increased or decreased compared with last year. Based on those numbers, we provide the following estimate.

Amounts in \$000's	Q1 2025	Q1 2024
U.S.	39,107	37,991
Canada	3,190	3,039
Europe	3,661	3,926
Estimated sales per segment for the second quarter ended March 31, 2025 (Source: Smallcaps Investment Research) and actual sales per segment for the first quarter ended March 31, 2024 (Source: Company Filing)		

For the first quarter of 2025, net sales in the **U.S. segment** increased 3% compared to the same period in 2024. Sales of first aid and medical products were strong, while sales of

school and office products declined mainly due to a large initial order of craft products to a major mass market retailer that took place in the first quarter of 2024 and did not repeat in the first quarter of 2025.

European net sales for the first quarter of 2025 decreased 7% in U.S. dollars and 4% in local currency compared to the first quarter of 2024 due primarily to a large promotion in the first quarter of 2024 that did not repeat this year. The European team has broadened its first aid and medical product lines and begun new distribution in Switzerland and the Netherlands. The first aid sales team will be expanded in Germany and the team will attend the MEDICA show in Dusseldorf in the fall for the first time.

Net sales in **Canada** for the first quarter of 2025 increased 5% in U.S. dollars and 6% in local currency compared to the same period in 2024. Sales of first aid products were strong, while sales of school and office products continued to be adversely impacted by a soft economy. Good news is that the Canadian team secured new first aid distribution in the mass and industrial markets and is also increasing its sales team.

OUTLOOK & VALUATION

Acme United's Q1 2025 results reflect a stable financial performance and a proactive approach to navigating global trade challenges.

The Company's management has identified the prevailing international trade policies and tariff structures as potential catalysts for strategic acquisitions. By leveraging its strong financial position and operational efficiencies, the current tariff environment may present opportunities to acquire competitors, particularly those facing challenges due to increased import costs.

Moreover, despite the discomfort associated with tariff unpredictability, Acme United views this environment as a strategic opportunity to increase market share. With eight manufacturing facilities across the United States, the Company is positioned to produce competitively priced products.

Last month, it installed the first robotic system in its Rocky Mount, North Carolina plant. This system has four robots that process bulk antiseptic packets for the first aid product line, orients them for packaging, folds smart compliance boxes and fills them. This custom designed machine costs about \$650,000, replaces seven employees and has less than a two-year payback. A second robotic system has been ordered for the Company's Vancouver, Washington first aid plant.

Also the Spill Magic product line has increased substantially since Acme purchased it about five years ago. Its items include bodily fluid and blood borne pathogen cleanup kits, as well as general materials for removing fluids from spills. In fact, Spill Magic has grown so much that it has outgrown its current facility outside Nashville, Tennessee. The goal is to install automated powder transfer and filling equipment once a new site has been acquired.

With a solid start to 2025, Acme United continues to focus both on strategic growth initiatives and potential acquisitions that align with its core competencies.

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 21.48x.

Acme is not providing guidance for 2025 at this moment. Due to the current market's instability and the Trump administration's tariff uncertainty, we are going to be very conservative in our estimate and expect earnings per share of \$2.48 for the full fiscal year 2025, which is only slightly higher than the full year EPS in 2024.

Applying our full fiscal year EPS estimate of \$2.48, and the 21.48x P/E multiple from the peer group, we reach the following calculation: \$2.48 estimated EPS multiplied by 21.48 = \$53.27.

Based on these calculations, we reiterate our buy recommendation for Acme United Corp. with a price target of \$53.27 for 2025, which is 38% above today's stock price.

SHARE DATA & OWNERSHIP

On February 28, 2025 Acme United had 3,754,498 common shares outstanding. The principal owners of the Company's common stock are Capital Management Corp (15.18%), Walleye Capital LLC (9.5%), Walter Johnsen (8.4%), North Star Investment Management Corporation (7.5%), and Mink Brook Asset Management (7.0%).

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 2022 – 3M 2025

All numbers in thousands

PERIOD ENDING	FY 2022	FY 2023	FY 2024	3M 2025
Total Revenue	193,962	191,501	194,490	45,958
Cost of Revenue	130,403	119,291	118,139	28,041
Gross Profit	63,559	72,210	76,351	17,917
Operating Expenses				
Selling, General and Administrative	57,285	59,022	62,211	15,491
Non Recurring	-	-	-	-
Others	-	-	-	-
Total Operating Expenses	57,285	59,022	62,211	15,491
Operating Income or Loss	6,274	13,188	14,140	2,426
Income from Continuing Operations				
Total Other Income (Expenses) Net	(246)	(28)	95	(90)
Earnings Before Interest And Taxes	6,028	13,160	14,235	2,516
Net Interest Expense	2,365	2,977	1,942	397
Gain on Sale of Assets		12,551*		
Income Before Tax	3,663	22,734	12,293	2,119
Income Tax Expense	628	4,941	2,270	466
Net Income From Continuing Ops	3,035	17,793	10,023	1,653
Non-recurring Events				
Discontinued Operations	-	-	-	-
Extraordinary Items	-	-	-	-
Effect Of Accounting Changes	-	-	-	-
Other Items	-	-	-	-
Net Income	3,035	17,793	10,023	1,653
Preferred Stock And Other Adjustments	-	-	-	-
Net Income Applicable To Common Shares	\$3,035	\$17,793	\$10,023	\$1,653

Annual Income Statement FY 2022 – 3M 2025. Source: Company Filings

* In 2023, Acme United sold its Camillus and Cuda hunting and fishing product lines to GSM Holdings, Inc.



Acme United Corporation

US: ACU

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