

Acme United Corp. (ACU)

Company Report – November 08, 2025

Acme United Corporation, a leading provider of cutting, measuring, and safety products, revealed a 14 percent decrease in net income for the third quarter ended September 30, 2025, compared with the same period in 2024. While this figure might suggest a downturn in profitability, the decline was due to a one-time tax benefit recorded in the third quarter of last year, rather than any deterioration in the Company’s operating performance.

In fact, in the third quarter of 2025, Acme United reported net sales of approximately \$49.1 million, a 2 percent increase from the \$48.2 million achieved in the third quarter of 2024. The Company also saw an improvement in gross margin, which rose from about 38.5% in Q3 last year to 39.1% the past quarter, indicating continued cost discipline and favorable product mix.

For investors, the challenge is to look past the decline in earnings, understand the tax distortions, and focus on the business fundamentals – which in this case are holding up well. Acme United’s third-quarter results affirm a consistent message: despite accounting fluctuations, the Company remains operationally resilient and strategically well-positioned for the year ahead.

We reiterate our buy recommendation for Acme United Corp. with a price target of \$52.61 for 2025, which is 42% above today’s stock price.



Chairman and CEO Walter C. Johnsen commented the following on the third quarter results, “We have continued to effectively manage through tariff-related uncertainties. Our first aid revenues increased 9% due to strong online and refill sales. Revenues from our Westcott cutting tools continued to be reduced, however, by the impact of the tariff environment on our customers, which has resulted in our customers’ cancellation of nearly all retail promotions. We are now experiencing increased promotional activity as buyers are again focused on growing sales.”

“We are pleased that Acme’s business continued to be profitable, with operating income increasing 3%. In addition, we continue to reduce debt and, as a result of our strong balance sheet, the Company is well-positioned for growth, both internally and through 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 16 cents per share. Traditionally the Company increases the amount by 1 cent every 6 to 8 quarters, the last one being in June of 2024. Mr. Johnsen commented on this occasion, "This is Acme United's fifteenth dividend increase since 2004. We are optimistic about our future, and we are pleased to provide this additional return to shareholders."

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.

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.

In fact, in July 2025, Acme United purchased a 77,000-square-foot manufacturing and warehouse facility in Mt. Pleasant, Tennessee, for approximately \$6 million. The infrastructure, which sits on a 12-acre site with expansion capacity of up to an additional 60,000 additional square feet, is fully climate-controlled and FDA-compliant. It will primarily support the Company's Spill Magic product line, known for its rapid-response spill cleanup solutions used in schools, stores, and industrial settings.



The new Spill Magic manufacturing and distribution center in Mt. Pleasant, Tennessee was purchased by Acme United (ACU) for approximately \$6 million..

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

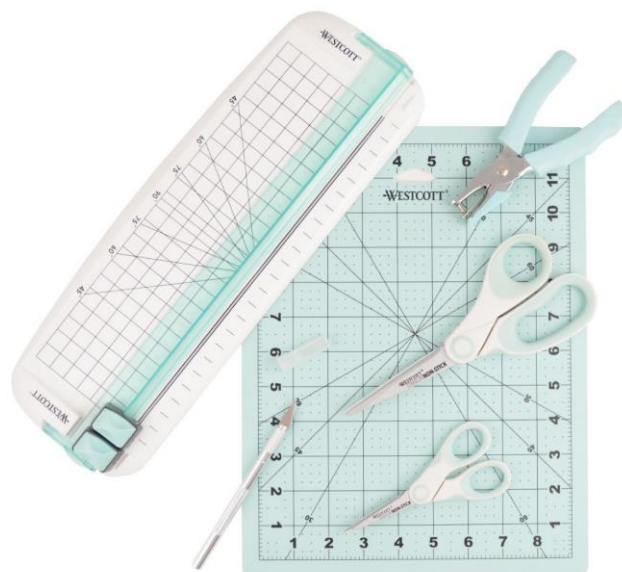
Today, Acme United has ten main brands: Westcott, Clauss, First Aid Only, PhysiciansCare, DMT, Spill Magic, Med-Nap, Safety Made, Elite First Aid and First Aid Central.

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 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.



Acme continues to see growth in Westcott's sewing and paper crafting categories

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.

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

2025 NSC Safety Congress & Expo: A Showcase of Innovation for Acme United Corp

The 2025 NSC Safety Congress & Expo, held in Denver, Colorado, once again brought together thousands of safety professionals, product innovators, and industry leaders under one roof to explore the next generation of workplace safety. As the flagship conference of the National Safety Council, the event combined a robust educational program, networking events, a dynamic expo floor, and a spotlight on emerging talent in safety and health.

The NSC Safety Congress & Expo is designed to serve as a central nexus for learning, innovation, and collaboration in the occupational safety field. With nearly 1,000 exhibiting companies, dozens of technical sessions, keynote addresses, and learning

labs, attendees could tailor their experience whether their focus was ergonomic design, compliance, data-driven safety, behavioral safety strategies, or emerging technologies.

One such exhibitor was First Aid Only. Acme also showed its latest innovative products for First Aid Central and Elite First Aid. First Aid Central is the Canadian arm of Acme's first aid business, while Elite First Aid, which was acquired by Acme in May 2024, is a prominent supplier of first aid and tactical medical kits for a variety of markets, including military, law enforcement, and emergency services.



The RFID-Enabled SmartCompliance Cabinet was the star at Acme's booth.

While many first aid products were on display at Acme's booth, the RFID-enabled SmartCompliance first aid cabinet stood out as the shining centerpiece. It was truly the star attraction at the booth for a number of reasons:

- ❑ **Intelligent Compliance Made Visible** - The SmartCompliance line from First Aid Only is designed to simplify regulatory adherence (e.g. OSHA, ANSI) by reducing guesswork, preventing missing or expired supplies, and enabling digital oversight. The integration of RFID adds another layer—each component or module can be tracked in real time, giving users visibility into cabinet status, usage, and reorder needs.

- ❑ **Live Demonstrations & Real-Time Insights** - At the booth, Acme staff conducted live demonstrations of how the RFID system recognizes when an item is removed or missing, automatically updates inventory metrics, and triggers reorder prompts. Visitors could see firsthand how a "smart" first aid station transitions from passive equipment to an active, monitored compliance asset.
- ❑ **Integration With SafetyHub & Requisition Tools** - In support of the physical cabinet, Acme's digital platform allowed booth visitors to see how they could manage multiple cabinets across sites, set thresholds, pull reports, or initiate restocking, all from a mobile or web interface. The seamless pairing of hardware and software emphasized a full-cycle solution—from usage tracking to procurement.
- ❑ **Networking Magnet** - The innovation drew lots of traffic. Safety managers from major industrial partners and large national accounts all wanted to evaluate the new tech. Facilities teams were interested in preventing liabilities, and distributors scanned for next-gen first aid solutions. The booth became a gathering point for discussions, demos, and follow-up leads.

Acme United's participation at NSC remains a key pillar of its outreach in the industrial and occupational safety market. Their heritage in first aid, safety, and compliance solutions positions them as a trusted partner for many organizations. In 2025, Acme United leveraged its First Aid Only brand presence to showcase the evolution of intelligent, compliance-oriented first aid systems—most notably through their SmartCompliance line of cabinets and digital management tools.

Westcott Launched First Ever National Scissors Day

On August 1, 2025, the first ever National Scissors Day took place. Debuting by Westcott, the #1 scissor brand in the USA, the National Scissors Day celebrated the

essential tool that cuts across classrooms, homes, offices and creative spaces everywhere.

Westcott took advantage of this special day to highlight the importance of quality craftsmanship, cutting-edge designs and the role scissors play in education, creativity and everyday life.

FINANCIALS

Operating profit increased around 3 percent year over year, demonstrating that Acme’s core business remained strong. However, net income for the quarter declined to \$1.9 million, or approximately \$0.46 per diluted share, compared with \$2.2 million, or \$0.54 per diluted share, in the third quarter of 2024. This 14 percent decrease in net income stemmed primarily from the absence of a significant tax benefit that had favorably impacted last year’s results.

Amounts in \$000's	09/30/25	09/30/24
Net Sales	49,063	48,166
Cost of Goods Sold	29,868	29,602
S, G & A Expenses	16,188	15,638
Income From Operations	3,007	2,926
Pre-Tax Income	2,439	2,408
Income Tax Expense	536	182
Net Income	1,903	2,226
Diluted Shares Outs.	4,168	4,104
Diluted EPS	0.46	0.54

Selected income statement data for the quarters ended September 30, 2025 and September 30, 2024. Source: Company Filing

During the third quarter of 2024, Acme United recorded a large excess tax benefit related to the exercising of stock options. That one-time event reduced the Company’s effective tax rate to an unusually low level of around 8 percent, substantially boosting reported net income for that period.

In contrast, Acme’s effective tax rate for the third quarter of 2025 returned to a more typical 22 percent. As a result, this year’s net income appears lower in comparison, even though underlying operating profits were actually higher.

When the tax effect is excluded, Acme United’s 2025 third-quarter performance demonstrates steady progress. The Company achieved modest revenue growth, maintained stable overhead expenses, and improved gross margins. These trends highlight effective cost management and an ability to navigate challenging market conditions, particularly amid fluctuating tariffs and global supply chain pressures.

Net sales for the nine months ended September 30, 2025 were \$149.0 million compared to \$148.5 million in the same period in 2024. Net income for each of the nine month periods ended September 30, 2025 and 2024 was \$8.3 million, or \$2.03 per diluted share, underscoring the overall stability of its financial position.

Selling, general, and administrative expenses were largely stable as a percentage of sales, although slightly higher in absolute terms, reflecting measured investments in marketing and operations.

Gross margin was 39.1% in the three months ended September 30, 2025 versus 38.5% in the same period last year. Gross margin was 39.8% for the nine-month period ended September 30, 2025 compared to 39.0% for the same period in 2024. Gross margin has increased as Acme modestly increased its selling prices to offset tariffs, and successfully negotiated cost reductions with its suppliers.

Balance Sheet As Of September 30, 2025

Acme’s balance sheet also remained healthy. The Company’s bank debt less cash as of September 30, 2025 was \$23.1 million compared to \$26.7 million as of September 30, 2024.

During the twelve-month period ended September 30, 2025, the Company distributed approximately \$2.3 million in dividends on its common stock and generated approximately \$11.1 million in free cash flow, before the purchase for cash of a new \$6 million facility in Tennessee in July 2025 to expand the Company’s Spill Magic business.

Amounts in \$000's	09/30/25	09/30/24
Cash and Cash Eq.	5,146	5,702
Accounts Receivable	30,034	31,349
Inventories	60,163	55,990
Total Current Assets	98,706	98,774
Property & equipment	38,691	30,892
Intangible Assets, net	18,476	22,810
Total Assets	173,042	165,473
Accounts Payable	6,488	7,008
Total Current Liabilities	22,087	22,394
Bank Debt	18,255	22,018
Total Liabilities	57,278	59,156
Total Stockholder Equity	115,765	106,317
Selected balance sheet data for September 30, 2025 and September 30, 2024. Source: Company Press Release		

Sales Increase In All Segments

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 provide the following estimate.

Amounts in \$000's	Q3 2025	Q3 2024
U.S.	41,375	41,131
Canada	3,447	3,287
Europe	4,241	3,748
Estimated sales per segment for the third quarter ended September 30, 2025 (Source: Smallcaps Investment Research) and actual sales per segment for the third quarter ended September 30, 2024 (Source: Company Filing)		

For the three months ended September 30, 2025, net sales in the **U.S. segment** increased 1% compared to the same period in 2024. Sales of first aid and medical products were strong. However, sales of school and office products were lower mainly due to the cancellation of customer orders as a result of tariff uncertainty. For the nine months ended September 30, 2025, net sales in the U.S.

segment decreased 1% compared to the same period in 2024.

European net sales for the three months ended September 30, 2025 increased 13% in U.S. dollars and 6% in local currency compared to the same period of 2024, mainly due to higher sales of school and office products into the ecommerce channel. Net sales for the nine months ended September 30, 2025 increased 1% in U.S. dollars and decreased 2% in local currency compared to the same period of 2024.

Net sales in **Canada** for the three months ended September 30, 2025 increased 5% in U.S. dollars and 7% in local currency compared to the same period in 2024. Net sales for the nine months ended September 30, 2025 increased 14% in U.S. dollars and 16% in local currency compared to the first nine months of 2024. The increases in sales for both periods were due to strong sales of first-aid products.

OUTLOOK & VALUATION

While investors may initially focus on the reported decline in net income, the underlying story is much more favorable. First of all, the reduction is caused by last year's extraordinary tax benefit. Moreover, on an operational level, Acme United's core business is performing solidly, with incremental improvements in sales, profitability, and financial strength.

The Company has been shifting production locations to reduce tariff pressure. At the same time, it has been increasing its production capacity in the United States and continues to do so. For example, in July of this year, Acme purchased a 78,000 square foot manufacturing facility on 12 acres with room for expansion for \$6.1 million. The new plant will produce the Spill Magic cleanup products for bodily fluids, blood and spills and comes online in the first quarter of 2026.

In addition, Acme has been investing in its Med-Nap facility in Brooksville, Florida to increase production of alcohol prep pads, BZK wipes, triple antibiotic packets and lens wipes. Sales of these domestically produced items

are increasing. Concurrently, the Company has been in preparation for entering the United States hospital and military markets in a larger way.

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 20.88x.

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 conservative in our estimate and expect earnings per share of \$2.52 for the full fiscal year 2025, which is about three percent higher than the full year EPS in 2024.

Applying our full fiscal year EPS estimate of \$2.52, and the 20.88x P/E multiple from the peer group, we reach the following calculation: \$2.52 estimated EPS multiplied by 20.88 = \$52.61.

Based on these calculations, we reiterate our buy recommendation for Acme United Corp. with a price target of \$52.61 for 2025, which is 42% above today's stock price.

SHARE DATA & OWNERSHIP

On September 30, 2025 Acme United had approximately 3,785,000 common shares outstanding. The principal owners of the Company's common stock are Capital Management Corp (14.21%), Mink Brook Asset Management LLC (10.01%), Walter Johnsen (8.32%), North Star Investment Management Corporation (6.77%), and The Vanguard Group (4.79%).

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 – 9M 2025

All numbers in thousands

PERIOD ENDING	FY 2022	FY 2023	FY 2024	9M 2025
Total Revenue	193,962	191,501	194,490	149,018
Cost of Revenue	130,403	119,291	118,139	89,756
Gross Profit	63,559	72,210	76,351	59,262
Operating Expenses				
Selling, General and Administrative	57,285	59,022	62,211	47,438
Non Recurring	-	-	-	-
Others	-	-	-	-
Total Operating Expenses	57,285	59,022	62,211	47,438
Operating Income or Loss	6,274	13,188	14,140	11,824
Income from Continuing Operations				
Total Other Income (Expenses) Net	(246)	(28)	95	44
Earnings Before Interest And Taxes	6,028	13,160	14,235	11,780
Net Interest Expense	2,365	2,977	1,942	1,222
Gain on Sale of Assets		12,551*		
Income Before Tax	3,663	22,734	12,293	10,646
Income Tax Expense	628	4,941	2,270	2,338
Net Income From Continuing Ops	3,035	17,793	10,023	8,308
Non-recurring Events				
Discontinued Operations	-	-	-	-
Extraordinary Items	-	-	-	-
Effect Of Accounting Changes	-	-	-	-
Other Items	-	-	-	-
Net Income	3,035	17,793	10,023	8,308
Preferred Stock And Other Adjustments	-	-	-	-
Net Income Applicable To Common Shares	\$3,035	\$17,793	\$10,023	\$8,308

Annual Income Statement FY 2022 – 9M 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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About Smallcaps Investment Research

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