

---

---

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

---

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of report (date of earliest event reported): **February 27, 2018**

**ACME UNITED CORPORATION**  
(Exact name of registrant as specified in its charter)

---

**Connecticut**  
(State or other jurisdiction of incorporation or  
organization)

**001-07698**  
(Commission file number)

**06-0236700**  
(I.R.S. Employer  
Identification No.)

**55 Walls Drive, Fairfield, Connecticut**  
(Address of principal executive offices)

**06824**  
(Zip Code)

Registrant's telephone number, including area code: **(203) 254-6060**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.**

On February 27, 2018, Acme United Corporation (the “Company”) issued a press release announcing its financial results for the Year ended December 31, 2017. A copy of the press release is attached as Exhibit 99.1 to this current report.

**ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.**

(c) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
<a href="#">99.1</a>	Press release dated February 27, 2018.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ACME UNITED CORPORATION

By \_\_\_\_\_ /s/ WALTER C. JOHNSEN  
Walter C. Johnsen  
Chairman and  
Chief Executive Officer

Dated: February 27, 2018

By \_\_\_\_\_ /s/ PAUL G. DRISCOLL  
Paul G. Driscoll  
Vice President and  
Chief Financial Officer

Dated: February 27, 2018

EXHIBIT INDEX

Exhibit Number

Description

[99.1](#)

Press release dated February 27, 2018.

**ACME UNITED CORPORATION**

**NEWS RELEASE**

---

CONTACT:	Paul G. Driscoll	Acme United Corporation	55 Walls Drive	Fairfield, CT 06824
		Phone: (203) 254-6060	FAX: (203) 254-6521	

FOR IMMEDIATE RELEASE February 27, 2018

ACME UNITED REPORTS 14% SALES INCREASE  
FOR FOURTH QUARTER OF 2017

FAIRFIELD, CT. – February 27, 2018 – Acme United Corporation (NYSE American:ACU) today announced that net sales for the fourth quarter ended December 31, 2017 were \$30.2 million, compared to \$26.4 million in the comparable period of 2016, an increase of 14%. Net sales for the year ended December 31, 2017 were \$130.5 million, compared to \$124.6 million in 2016, an increase of 5%.

Adjusted net income (non-GAAP), excluding tax charges related to the recently enacted U.S. Tax Cuts and Jobs Act, for the quarter ended December 31, 2017 was \$590,000, or \$0.16 per diluted share. This compares to \$546,000, or \$0.15 per diluted share, for the comparable period in 2016, an 8% increase in net income and 7% increase in earnings per share. Adjusted net income (non-GAAP) for the year ended December 31, 2017 was \$5.3 million, or \$1.42 per diluted share, compared to \$5.8 million, or \$1.64 per diluted share, for the year ended December 31, 2016, a 9% decrease in net income and 13% decrease in earnings per share.

As a result of the one-time tax charges, net loss for the quarter ended December 31, 2017 was \$655,000, or \$(0.18) per diluted share. Net income for the year ended December 31, 2017 was \$4.1 million, or \$1.09 per diluted share. In the fourth quarter of 2017, the Company recorded a provisional charge of \$1.245 million, of which \$1.17 million was due to the one-time transition tax for deemed repatriation of accumulated foreign earnings, and approximately \$75,000 was for the revaluation of deferred tax assets.

Chairman and CEO Walter C. Johnsen said, “During 2017, we built our first aid and safety business and added substantial new business for 2018. We grew the Clauss professional cutting tools and introduced new Camillus knives that will add new revenues in 2018. Although we lost a major promotion in the Westcott family in 2017, we were able to regain it for 2018, which we expect to have a positive impact on our business in the coming year. Our European business had record sales and earnings in 2017.”

Mr. Johnsen added, “The integration of Spill Magic progressed well during 2017, and its sales have grown through Acme United’s extensive distribution network. We see additional opportunities in 2018. We expect to provide financial guidance for 2018 in the company’s first-quarter earnings report.”

Mr. Johnsen concluded “The Company had approximately \$9.3 million in cash held offshore at the end of 2017. As a result of the favorable tax treatment of such funds under the Tax Cuts and Jobs Act, we have repatriated approximately \$5.8 million so far in 2018. We have used the proceeds to pay down debt and plan to finance expanded production at our DMT, Spill Magic, and first aid facilities in the U.S. We continue to look for new acquisitions that leverage our core competencies and capabilities.”

In the U.S. segment, net sales for the quarter ended December 31, 2017 increased 14% compared to the same period in 2016. The sales increase for the fourth quarter was mainly due to strong sales of first aid and safety products, including Spill Magic. Net sales for the year ended December 31, 2017 grew 4% over 2016 in the U.S. segment. Our acquisition of Spill Magic assets in February 2017 contributed \$1.6 million in net sales in the fourth quarter, and \$6.5 million for the year ended December 31, 2017. Excluding Spill Magic, net sales in the U.S. segment declined 2% for the year ended December 31, 2017.

Net sales in Canada for the three months ended December 31, 2017 increased 14% in U.S. dollars and 9% in local currency compared to the prior-year period. Net sales for the year ended December 31, 2017 increased 2% in U.S. dollars and were constant in local currency compared to the same period in 2016.

Net sales in Europe for the three months ended December 31, 2017 increased 19% in U.S. dollars and 8% in local currency compared to the same period in 2016. Net sales for the year ended December 31, 2017 increased 18% in U.S. dollars and 16% in local currency compared to last year. These increases were due to market share gains in the office products channel and higher sales of DMT products.

Gross margin was 35.2% in the three months ended December 31, 2017 compared to 37.2% in the same period in 2016. The lower gross margin was primarily due to heavier promotional spending in the Company's e-commerce business and to product mix. Gross margin was 36.7% for the year ended December 31, 2017 compared to 36.6% for last year's comparable period.

The Company's long-term debt less cash on December 31, 2017 was \$37.8 million compared to \$27.0 million on December 31, 2016. During the year, the Company paid approximately \$7.2 million for the acquisition of the assets of Spill Magic, purchased its manufacturing and distribution facility in Vancouver, WA for \$4.0 million and distributed \$1.4 million in dividends on its common stock. The Vancouver, WA facility was recently appraised at \$6.25 million. During the year, the Company generated \$1.7 million in free cash flow.

The Company believes that our presentation of non-GAAP financial measures, when presented together with the corresponding GAAP financial measures, provides a more complete understanding to investors of the Company's results of operations. Specifically, our use of non-GAAP measures facilitates comparisons of our financial results and operating performance with prior periods. In addition, our adjusted financial measures provide greater transparency to investors of supplemental information used by management in its financial and operational decision making. However, these non-GAAP financial measures should be considered as a supplement to, and not as a substitute for, the corresponding measures calculated in accordance with GAAP.

#### **Conference Call and Webcast Information**

Acme United will hold a conference call to discuss its quarterly results, which will be broadcast over the Internet on Tuesday, February 27, 2018, at 12:00 p.m. EST. To listen or participate in a question and answer session, dial 866-564-7439. International callers may dial 323-794-2094. You may access the live webcast of the conference call through the Investor Relations section of the Company's website, [www.acmeunited.com](http://www.acmeunited.com). A replay may be accessed under Investor Relations, Audio Archives.

## **About Acme United**

**ACME UNITED CORPORATION** is a leading worldwide supplier of innovative cutting, measuring and safety products to the school, home, office, hardware, sporting goods and industrial markets. Its leading brands include Westcott®, Clauss®, Camillus®, Cuda®, PhysiciansCare®, First Aid Only®, Pac-Kit®, DMT® and Spill Magic®. For more information, visit [www.acmeunited.com](http://www.acmeunited.com).

## **Forward Looking Statements**

Forward-looking statements in this report, including without limitation, statements related to the Company's plans, strategies, objectives, expectations, intentions and adequacy of resources, are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that such forward-looking statements involve risks and uncertainties including, without limitation, the following: (i) changes in the Company's plans, strategies, objectives, expectations and intentions, which may be made at any time at the discretion of the Company; (ii) the impact of uncertainties in global economic conditions, including the impact on the Company's suppliers and customers; (iii) changes in client needs and consumer spending habits; (iv) the impact of competition and technological changes on the Company; (v) the Company's ability to manage its growth effectively, including its ability to successfully integrate any business it might acquire; (vi) currency fluctuations; (vii) increases in the cost of borrowings resulting from rising interest rates; and (viii) other risks and uncertainties indicated from time to time in the Company's filings with the Securities and Exchange Commission.

###

ACME UNITED CORPORATION  
CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
YEAR END REPORT 2017  
(Unaudited)

Amounts in \$000's except per share data	Quarter Ended December 31, 2017	Quarter Ended December 31, 2016
Net sales	\$ 30,170	\$ 26,376
Cost of goods sold	19,544	16,564
Gross profit	10,626	9,812
Selling, general, and administrative expenses	9,860	9,105
Income from operations	766	707
Interest expense	(386)	(233)
Interest income	7	6
Net interest expense	(379)	(227)
Other expense, net	(19)	(38)
Total other expense, net	(398)	(265)
Pre-tax income	368	442
Income tax expense	1,023	(104)
Net (loss) income	\$ (655)	\$ 546
Shares outstanding - Basic	3,374	3,325
Shares outstanding - Diluted	3,676	3,668
Earnings per share basic	\$ (0.19)	\$ 0.16
Earnings per share diluted	(0.18)	0.15
<b>Reconciliation of Non-GAAP Financial Measures</b>		
GAAP net (loss) income	(655)	546
Adjustment for tax expense related to U.S. tax reform	1,245	
Non-GAAP net income	590	546
Earnings per share basic - Non GAAP	\$ 0.17	\$ 0.16
Earnings per share diluted - Non GAAP	0.16	0.15

ACME UNITED CORPORATION  
CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
YEAR END REPORT 2017 (cont.)  
(Unaudited)

Amounts in \$000's except per share data	Year Ended December 31, 2017	Year Ended December 31, 2016
Net sales	\$ 130,550	\$ 124,574
Cost of goods sold	82,651	79,019
Gross profit	47,899	45,555
Selling, general, and administrative expenses	40,103	37,113
Income from operations	7,796	8,442
Interest expense	(1,357)	(869)
Interest income	29	0
Net interest expense	(1,327)	(869)
Other income (expense), net	25	(76)
Total other expense, net	(1,302)	(945)
Pre-tax income	6,493	7,497
Income tax expense	2,441	1,646
Net income	<u>\$ 4,052</u>	<u>\$ 5,851</u>
Shares outstanding - Basic	3,356	3,328
Shares outstanding - Diluted	3,725	3,578
Earnings per share basic	\$ 1.21	1.76
Earnings per share diluted	1.09	1.64
<b>Reconciliation of Non-GAAP Financial Measures</b>		
GAAP net income	4,052	5,851
Adjustment for tax expense related to U.S. tax reform	1,245	
Non-GAAP net income	<u>5,297</u>	<u>5,851</u>
Earnings per share basic - Non GAAP	\$ 1.58	1.76
Earnings per share diluted - Non GAAP	1.42	1.64

ACME UNITED CORPORATION  
CONDENSED CONSOLIDATED BALANCE SHEETS  
YEAR END REPORT 2017  
(Unaudited)

Amounts in \$000's	December 31, 2017	December 31, 2016
<b>Assets:</b>		
<b>Current assets:</b>		
Cash	\$ 9,338	\$ 5,911
Accounts receivable, net	26,012	20,021
Inventories	40,087	37,238
Prepaid and other current assets	2,664	2,294
<b>Total current assets</b>	<b>78,102</b>	<b>65,464</b>
Property and equipment, net	13,728	7,973
Intangible assets, less amortization	17,896	13,988
Goodwill	4,682	3,948
Other assets	322	694
<b>Total assets</b>	<b>\$ 114,730</b>	<b>\$ 92,067</b>
<b>Liabilities and stockholders' equity:</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 11,151	\$ 7,339
Other current liabilities	5,632	5,481
<b>Total current liabilities</b>	<b>16,783</b>	<b>12,820</b>
<b>Non-current liabilities</b>		
Long term debt	43,450	32,936
Mortgage payable L/T	3,711	0
Other non current liabilities	847	190
<b>Total liabilities</b>	<b>64,792</b>	<b>45,946</b>
<b>Total stockholders' equity</b>	<b>49,938</b>	<b>46,121</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 114,730</b>	<b>\$ 92,067</b>