# Acme United Corporation

(NYSE American: ACU)

## INVESTOR PRESENTATION

DECEMBER 2023

# Safe Harbor Statement

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 that may impact the Company's business, operations and financial results. 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) the continuing adverse impact of inflation, including product costs, and interest rates; (iv) potential adverse effects on the Company, its customers, and suppliers resulting from the wars in Ukraine and the Middle East; (v) additional disruptions in the Company's supply chains, whether caused by pandemics, natural disasters, or otherwise, including trucker shortages, port closures and delays, and delays with container ships themselves; (vi) labor related costs the Company has and may continue to incur, including costs of acquiring and training new employees and rising wages and benefits; (vii) currency fluctuations including, for example, the fluctuation of the dollar against the euro; (viii) the Company's ability to effectively manage its inventory in a rapidly changing business environment; (ix) changes in client needs and consumer spending habits; (x) the impact of competition; (xi) the impact of technological changes including, specifically, the growth of online marketing and sales activity; (xii) the Company's ability to manage its growth effectively, including its ability to successfully integrate any business it might acquire; (xiii) international trade policies and their impact on demand for our products and our competitive position, including the imposition of new tariffs or changes in existing tariff rates; and (xiv) other risks and uncertainties indicated from time to time in the Company's filings with the Securities and Exchange Commission.

# NYSE American: ACU

- Leader in innovative safety solutions and cutting technology
- 13 consecutive years of record sales
- Driving growth through innovation
- Premier and diversified customer base
- Successful history of acquisitions
- Recently sold hunting and fishing product lines for $19.8M to generate strong liquidity
- Positioned for excellent financial performance and additional acquisitions

# Corporate Overview

- Growth fueled by a combination of **brands, technology and expanding distribution**
- Successful series of **opportunistic acquisitions** in two adjacent areas
- **Leveraging growth** through shared technologies, cross-brand collaboration and cross- selling that drive value across ACU's platform

## First Aid & Safety

| Year | Brand | Product |
|---|---|---|
| 1995 | Acme Medical Instruments & Packs | |
| 2000 | PhysiciansCARE | First Aid Kits |
| 2011 | PAC-KIT FIRST AID | Industrial First Aid |
| 2014 | FIRST AID ONLY | Industrial First Aid |
| 2017 | SPILL MAGIC | Industrial Safety |
| 2020 | MEDNAP / FIRST AID CENTRAL | Personal / Industrial First Aid |
| 2022 | SAFETY MADE | Personalized Safety Kits |
| 2023 | HAWKTREE SOLUTIONS | Emergency Safety Kits |

Acme United Corporation

Founded 1867

**Cohesive Shared Customer Base**

## Cutting Solutions

| Year | Product | Brand |
|---|---|---|
| 1995 | Scissors & Rulers | WESTCOTT Since 1872 |
| 2002 | *Titanium coating begins* | |
| 2004 | Industrial Shears | Clauss |
| 2012 | Rulers | C-THRU |
| 2016 | Sharpeners | DMT |

# Acquisition of Hawktree Solutions

- Supplies first aid & survival kits, medical supplies and training
- Exclusive license with Canadian Red Cross
- Acquired from receivership in September 2023
- Annual revenues of approx. $4.0MM; purchase price of approx. $1.0MM
- Expected to be accretive beginning in 4Q 2023
- Expands Acme United's product line of first aid & survival items focused on victims of natural disasters

# 2023 - Sale of Hunting and Fishing Product Lines

- Camillus and Cuda hunting and fishing product lines sold for $19.8 million on November 1, 2023
- Transaction enables increased focus on Acme United's primary product lines
- Company to use net proceeds to pay down $15.0 million of bank debt
- Expect the sale to be approximately earnings breakeven

CAMILLUS
Quality Knives Since 1876

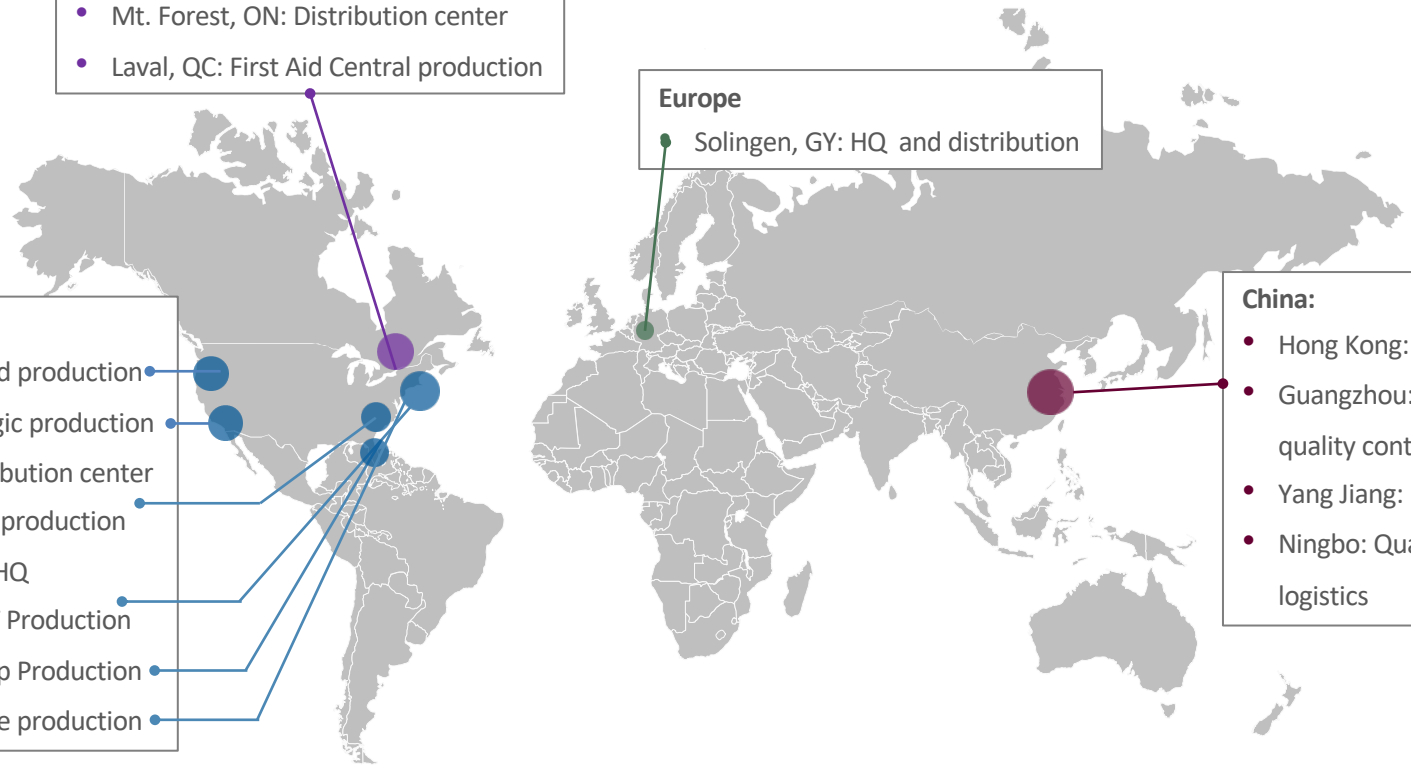
Cuda®

# Acme United International Footprint

**Canada**
- Toronto, ON: HQ
- Mt. Forest, ON: Distribution center
- Laval, QC: First Aid Central production

**Europe**
- Solingen, GY: HQ and distribution

**United States**
- Vancouver, WA: First Aid production
- Santa Ana, CA: Spill Magic production
- Rocky Mount, NC: Distribution center
- Smyrna, TN: Spill Magic production
- Shelton, CT: Corporate HQ
- Marlborough, MA: DMT Production
- Brooksville, FL: Med-Nap Production
- Keane, NH: Safety Made production



**China:**
- Hong Kong: Asia Pacific HQ
- Guangzhou: Engineering, quality control, logistics
- Yang Jiang: Production
- Ningbo: Quality control, logistics

Nine most recent acquisitions were U.S. or Canadian manufacturers

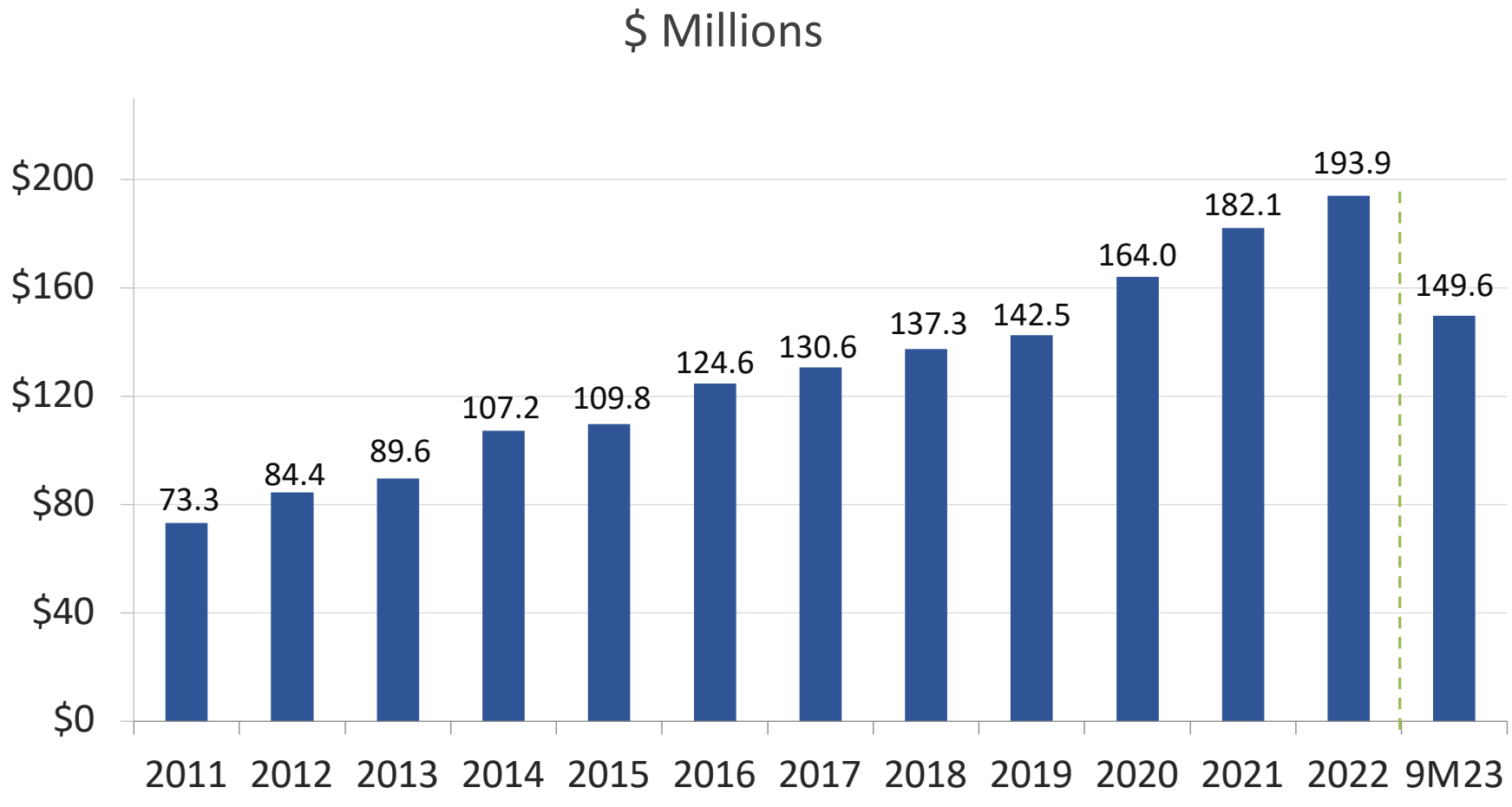
# Financial Results

# Productivity and Cost Savings in 2023

- Selling expenses reduced by **$800,000** annually
- Product cost savings of **$2.8 million** annually
- Labor costs reduced by **$1 million** annually
- New equipment at Med-Nap and Spill Magic to generate **$1.4 million** of additional gross profit

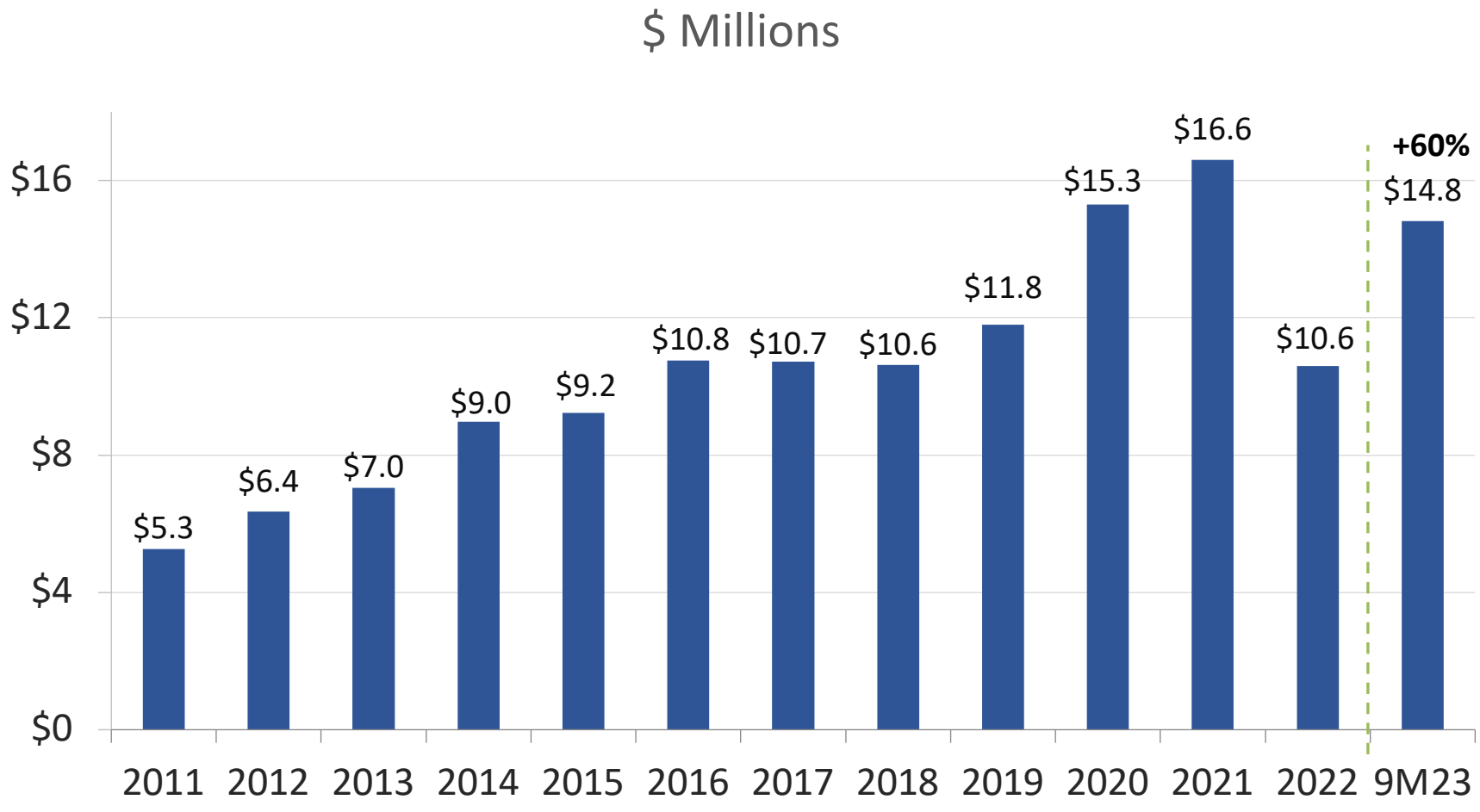
Productivity improvements and cost savings expected to generate **over $6.0 million in 2023** and to contribute to robust financial performance

# Net Sales



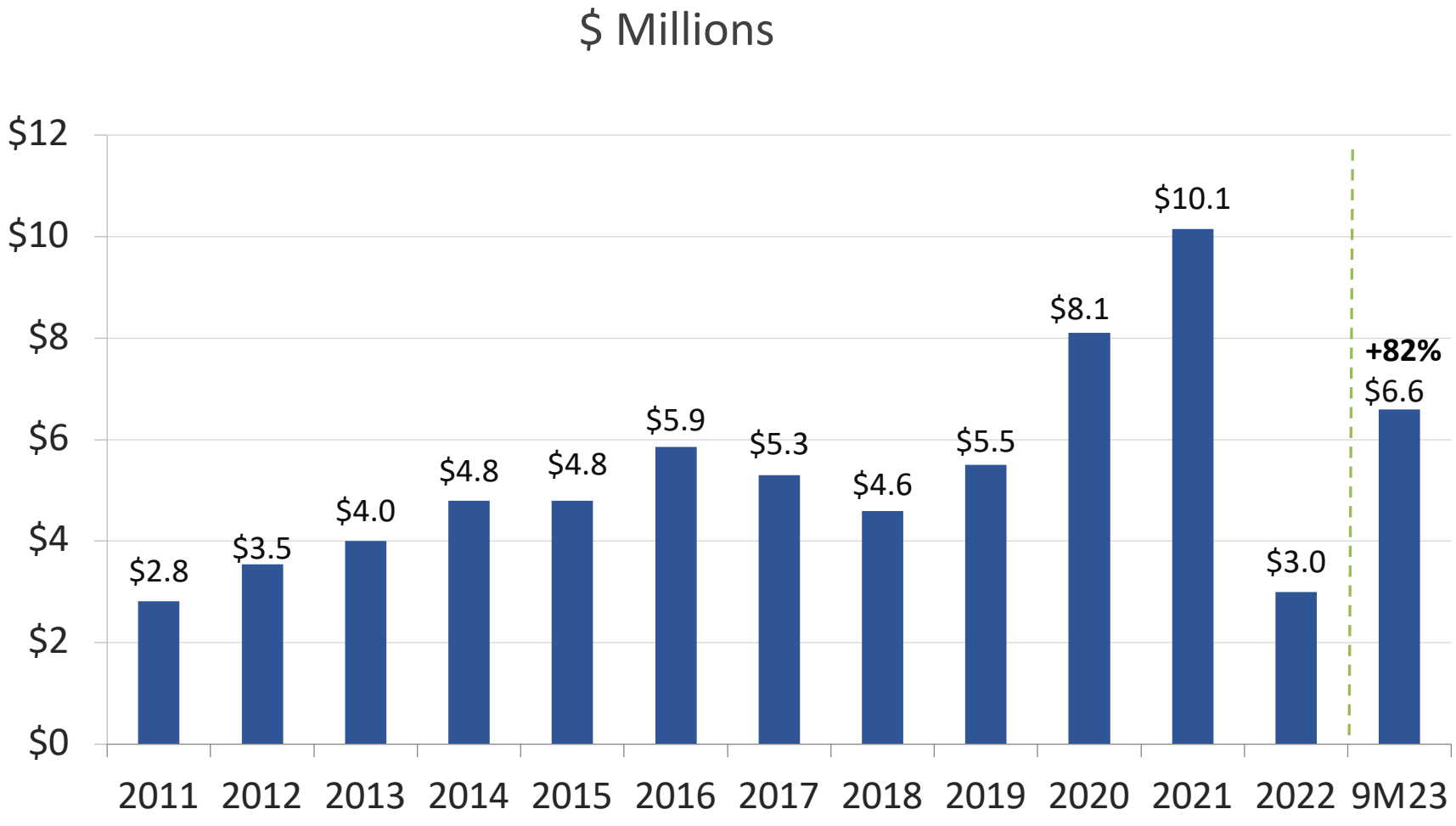

**13-year track record of consecutive sales increases,**
driven by new products and market share gains

# EBITDA



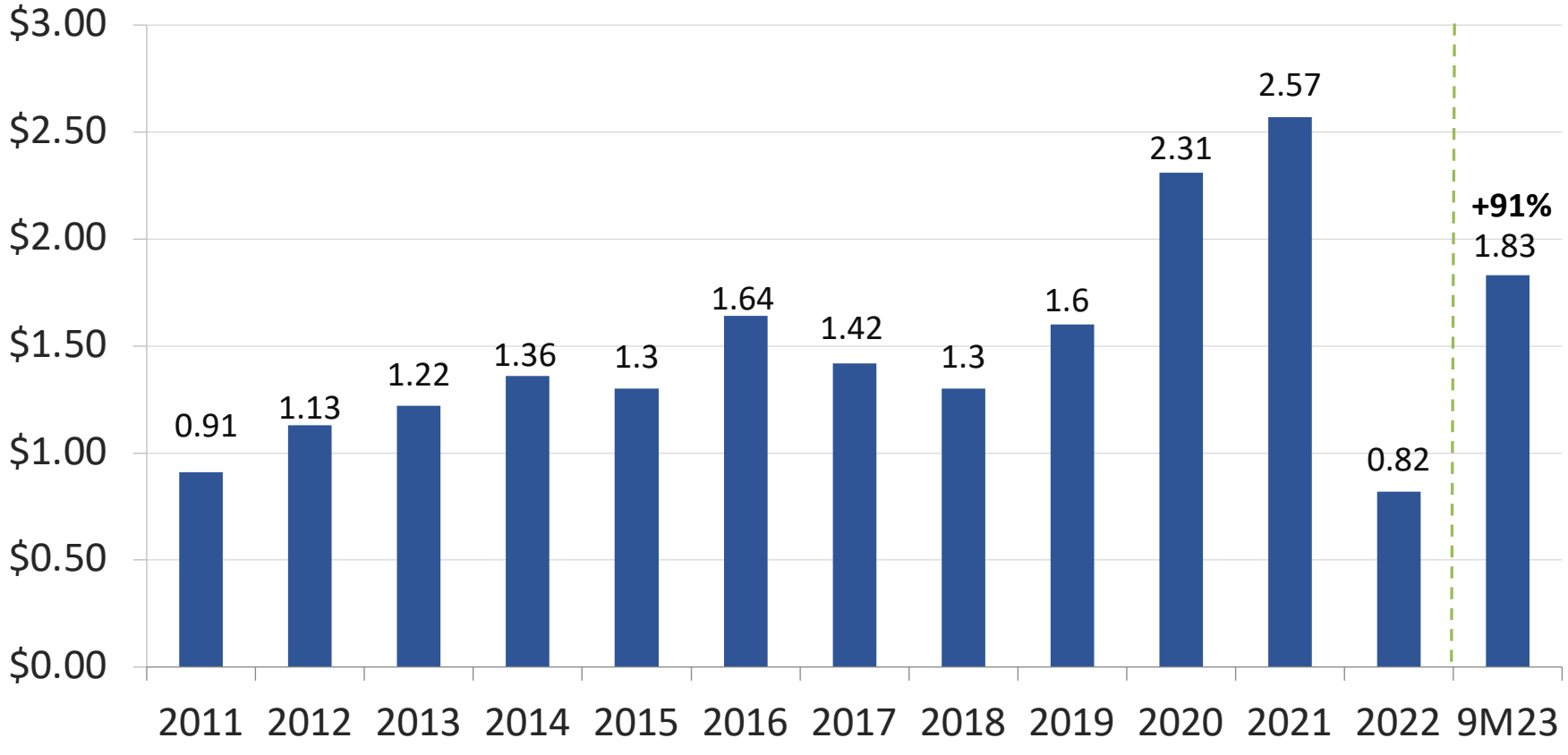

EBITDA, impacted by extra supply chain costs in 2022, has rebounded in 2023

# Net Income



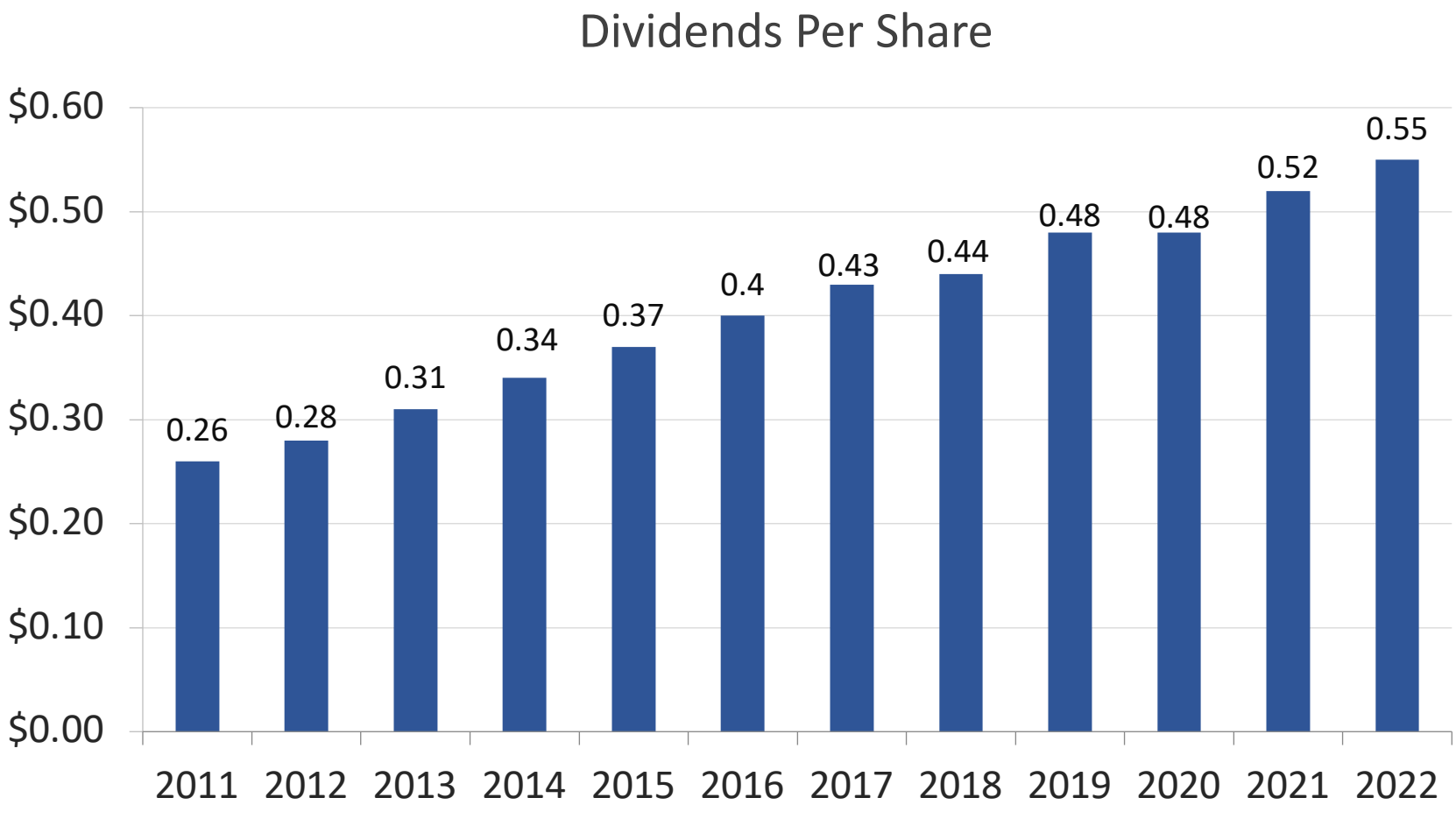

Net income, impacted by extra supply chain costs and rising interest rates in 2022, has risen sharply in 2023

# Earnings Per Share




EPS, impacted by challenging macro-environment in 2022
after reaching **record level in 2021**, has also rebounded in 2023

# Dividend History




Strong and consistent dividend growth for more than a decade

# Focus on Innovation

# SmartCabinet with Barcode Technology

Targeting $750MM Van Service Market

- Technology moves to cabinet, eliminating smartphone learning curve for **frictionless user experience**
- Scan yellow SmartTab card for **local replenishment**, ensuring OSHA compliance
- Full back-end SafetyHub business **intelligence and management tools**

# SmartTab Scanner

## The Next Generation of First Aid Innovation

- Refilling is automated right at the cabinet through state-of-the-art bar code scanning technology, manageable by everyone

# Emergency Response Bag

## Create a Complete First Aid Station with SmartCompliance

- Treats emergency injuries – burns, wounds, bleeding, eye injuries, sprains
- Easy-to-identify treatment packs can be quickly grabbed when needed
- Separate treatment packs make re-ordering easier
- Bonus bloodborne pathogen kit that meets OSHA regulations
- Metal hook with adhesive base included for easy attachment

# New Clear Case with Safety Light System

- Clear front case with integrated proprietary safety light system
- Point case for path lighting
- Removable magnetic flashlight allows use on car fenders or steel structures
- Flashlight has built-in safety whistle for emergencies

# Craft Market Expansion

- Continue strong growth in Sewing and Paper Crafting categories
  - Trade up the customer with unique technologies
  - Improve profitability with uniqueness and innovation
  - Improve customer loyalty
  - Build-the-basket with coordinated colors and patterns
  - Expand into adjacent product categories
- Leverage retail partnerships for growth in office and BTS

# Foldable Ceramic Safety Knife

## Features and Benefits

- Ceramic blades reduce worksite injuries
- Foldable for pockets or lanyards
- Lasts up to 11x longer than steel blades

# Westcott Dual Sided Ceramic Cutter

**Features and Benefits**

- Ceramic blades safer and longer lasting than steel blades
- Easily remove the top of the box with the guarded blade side
- Switch positions to expose the rear blade and use for general cutting

# Countertop Pull-thru Sharpeners

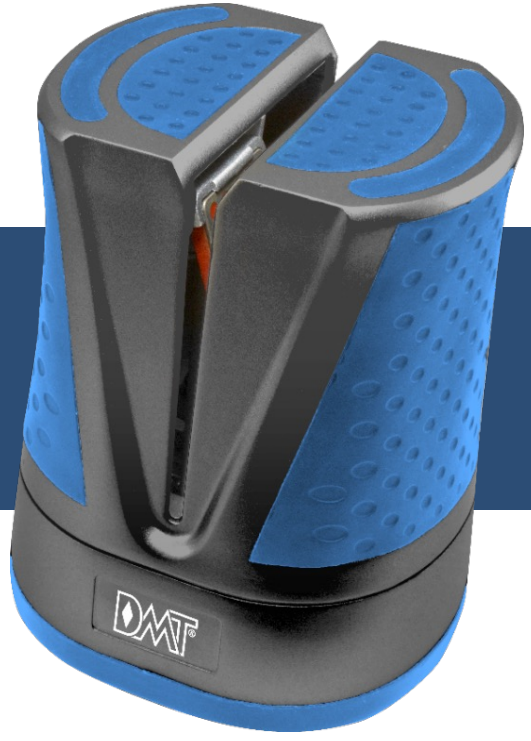
- DMT offers best hand tools for sharpening in the industry
- Increased manufacturing capacity in 2022
- Expanding in the home & culinary markets with a wide variety of tools, including versatile countertop pull-through sharpeners

MADE IN USA

# Simple Sharp Diamond Pull Through

**Unmet Needs:**

- USA Made Diamond
- Adjustable Angle
- Only Diamond Adjustable Pull Through



MADE IN USA

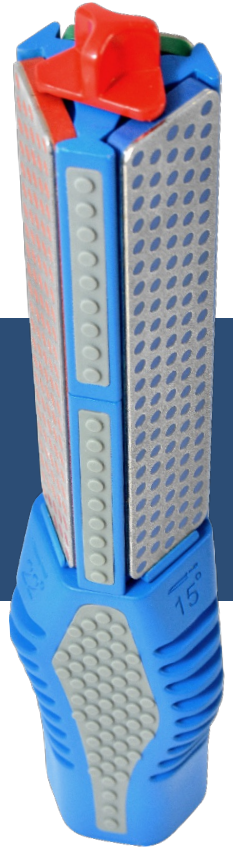
## Simple Sharp Benefits

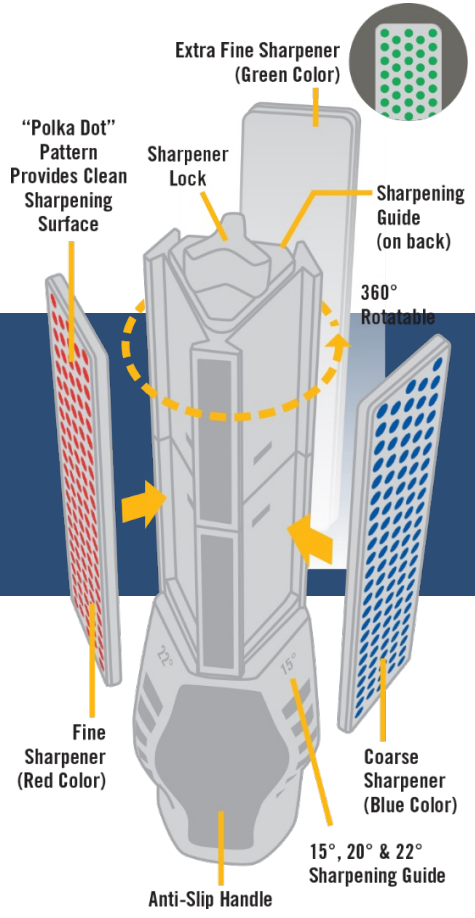
- Sharpens Both Edges Simultaneously
- Automatically Adjusts to Existing Edge-Grind

## Product Specs

- Fine Grit Diamond Knife V-Sharpeners
- Dual 70mm Diamond Stones
- USA Made DMT Fine Grit Diamond Stones
- Accepts DMT 70mm Stones

# TriStone Rotator Sharpener






HANDHELD

WORKBENCH

MADE IN USA

## Rotator Benefits:

- Handheld/Workbench Solution
- Three Stone Power – Endless Sharpening Solutions
- Triple Angle Guides Simplifies Sharpening
- Stones Made In The USA

## Product Specs:

- 8.75" Overall Length
- Tri Stone (Coarse / Fine Grits / Extra Fine)
- Rotating Angle Guides (15, 20, 22) Degrees
- Hybrid – Desktop & Handheld Sharpening

# Growth Drivers

# Growth Drivers - First Aid & Safety

- New bar code scanning technology expedites replenishment, ensuring OSHA compliance
- Growing refill business
- Emergency survival first aid category experiencing accelerating growth
- Cross sell all safety products into customer base

# Right Response Bleeding Control Kits

***Simplifying the purchasing decision by creating kits for different types of bleeding injuries***

- Many bleeding control kits have generic names like “Basic, Intermediate, or Advanced” that fail to explain what the product is good for.
- First Aid Only has created four bleeding control kits that identify which types of bleeding injuries each treats: Limbs, Torso, and/or Chest Bleeding Wounds

| The Right Response Kit Solution | Body Part it Treats | Possible Causes of Bleeding Injuries | Bleeding Components Needed to Stop Bleeding Fast |
|---|---|---|---|
| Limb | Arm or Leg | Power tools | Tourniquets |
| Limb & Torso | Arm, Leg or Torso | Sheet Metal, Sharp objects | Tourniquets & Hemostatic Gauze |
| Chest & Limb | Arm, Leg or Lungs | Falls, Crush and Impalements | Tourniquets & Chest Seals |
| Chest, Limb & Torso | Entire Body | All of the above including Active Shooter Situations | Tourniquets, Hemostatic Gauze & Chest Seals |

**Treats limb wounds**

**Windlass Tourniquet**
**Part No.:** 91160
Quickly restrict blood flow on limbs and extremities

**Treats chest wounds**

**Vented Chest Seal**
**Part No.:** 91194
Preserves lung function for critical puncture wounds

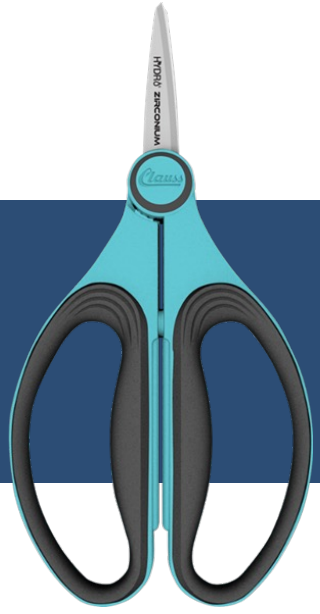
**Treats torso wounds**

**Hemostatic Gauze Pad**
**Part No.:** 91196
Rapid clotting on body parts where tourniquets cannot be applied

# Lens Care Category

- OSHA and safety requirements
- USA aging demographics - 64% of adults need vision correction
- Fashion trends

# Growth Drivers - Cutting




- Leverage technologies
- Patented titanium-nitride coatings
- Proprietary non-stick coatings
- Safety cutting tools with ceramic blades
- Antimicrobial plastics for school and office
- Enhanced carbonitride-titanium industrial tools

# Acme United Priorities

- Continue building on **solid revenue growth opportunities** in 2023 and beyond
- Continue driving ecommerce, **industrial and retail first aid sales**, and craft market expansion
- Continue developing and introducing **new products**
- Realize full benefits of new **productivity and cost savings initiatives**
- Continue history of **regularly increasing dividends**
- Seek additional tuck-in **acquisitions**

Acme United well positioned to deliver strong financial results and long-term growth

# Acme United Corporation

**Company Contact**
Walter Johnsen, Chairman & CEO
800-835-2263
W.Johnsen@AcmeUnited.com

**Investor Relations**
Harriet Fried, SVP
LHA Investor Relations
212.838.3777
HFried@lhai.com