



# Acme United Corporation

(NYSE American: ACU)

## FIRST AID / MEDICAL



## OFFICE / COMMERCIAL



## SPORTING GOODS



## INVESTOR PRESENTATION

March 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 those risks and uncertainties resulting from the global COVID-19 pandemic, future waves of COVID-19, including through the Delta and Omicron variants and any new variant strains of the underlying virus; any future pandemics; the continuing effectiveness, global availability, and public acceptance of existing vaccines; the effectiveness, availability, and public acceptance of vaccines against variant strains of potential new viruses; and the heightened impact the pandemic has on many of the risks described herein, including, without limitation, risks relating to disruptions in our supply chain, and labor shortages, any of which could materially adversely impact the Company's ability to manufacture, source or distribute its products, both domestically and internationally.

# NYSE American: ACU

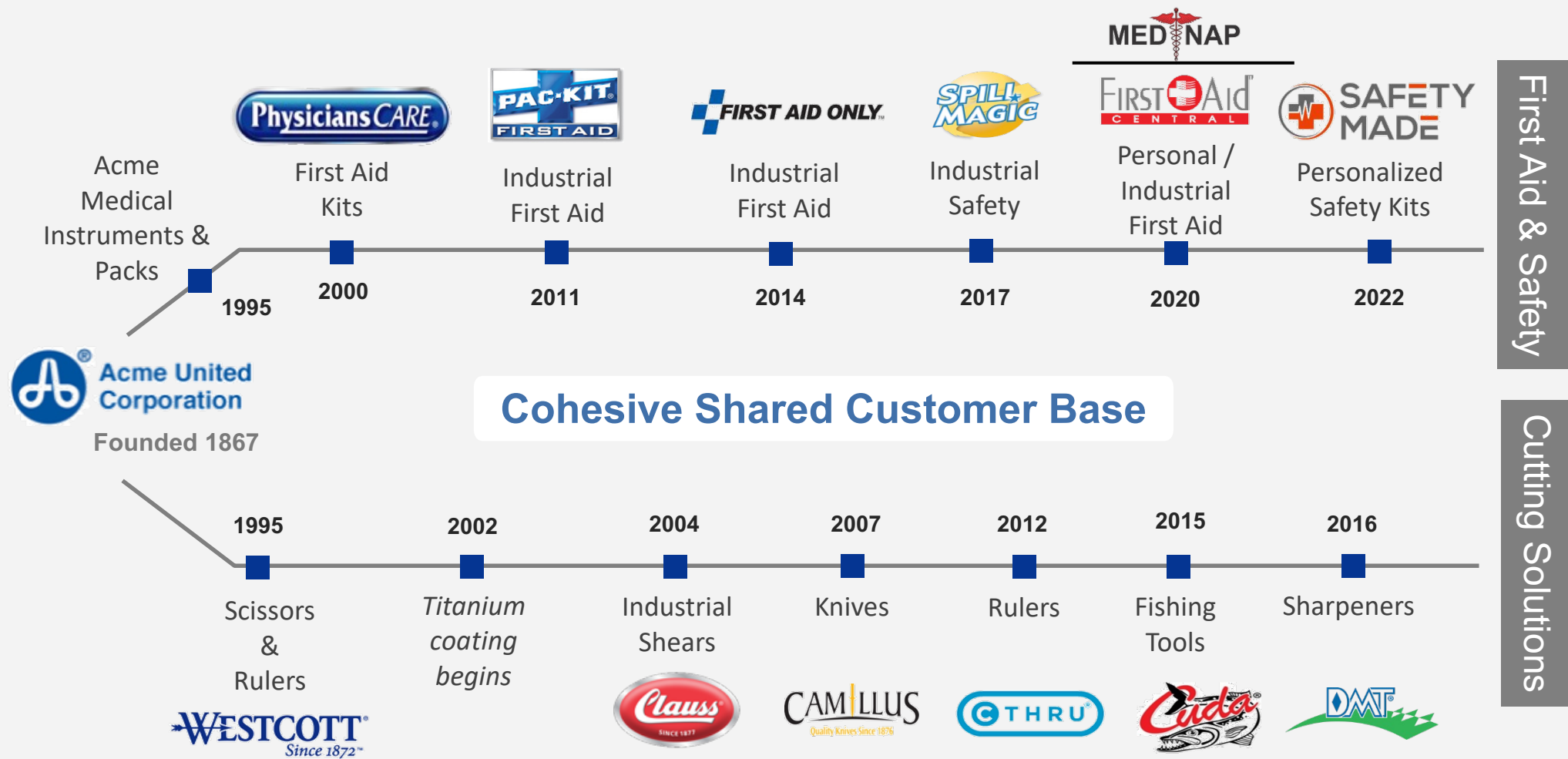
- › Leader in innovative safety solutions and cutting technology
- › 13 consecutive years of record sales
- › Driving growth through innovation
- › Premier and diversified customer base
- › Successful history of acquisitions
- › Driving productivity improvements and cost savings
- › Positioned for acquisitions





# 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





# Acquisition of Safety Made

- Leading manufacturer of first aid kits for the promotional products industry
- Acquired on June 1, 2022
- 2021 revenues of approx. \$4.9MM and EBITDA of approx. \$1.2MM
- Immediately accretive
- Provides a platform to expand sales of personalized products in all of Acme United's product categories



The advertisement for Safety Made 2022 features a circular inset image of a woman in a white shirt and blue jeans tending to a child's head injury. The child is wearing a blue long-sleeved shirt, khaki pants, and a red baseball cap. The background of the ad is dark blue. At the top left is the Safety Made logo, which consists of a red cross inside a circle followed by the text "SAFETY MADE". Below the logo is a red banner with the year "2022" in white. The main text "PREPARE FOR LIFE" is in large, white, bold letters. At the bottom, there is a row of various first aid products, including a red first aid kit, a blue first aid kit, a yellow first aid kit, a black first aid kit, a green first aid kit, and a black first aid kit. Below the products are the logos for Dorcy, Life Gear, and DieHard. At the very bottom, there is a red banner with the text "www.SafetyMade.com", "ASI/84514 PPAI/713525 SAGE/51275 UPIC/SAFEMADE", and a "2022 SAGE RATED SUPPLIER" logo.

**SAFETY MADE**

**2022**

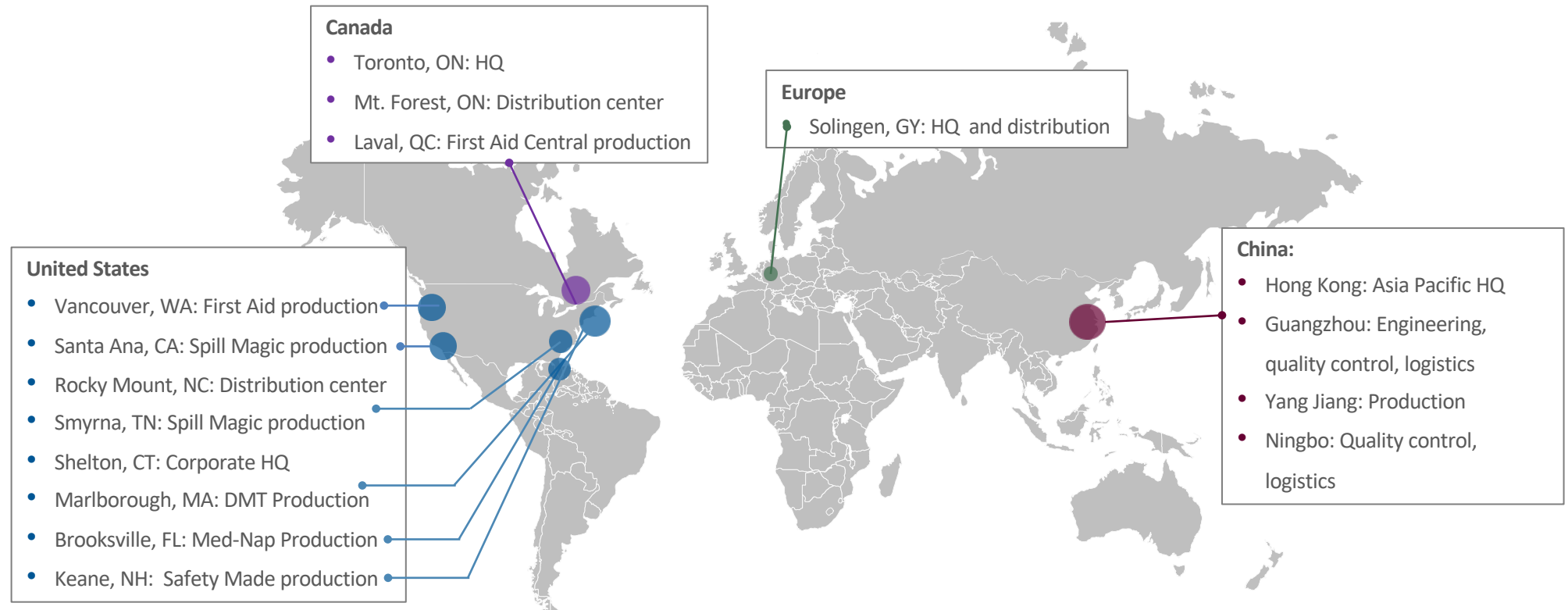
**PREPARE FOR LIFE**

**DORCY** **LIFE GEAR** **DieHard**

www.SafetyMade.com ASI/84514 PPAI/713525 SAGE/51275 UPIC/SAFEMADE

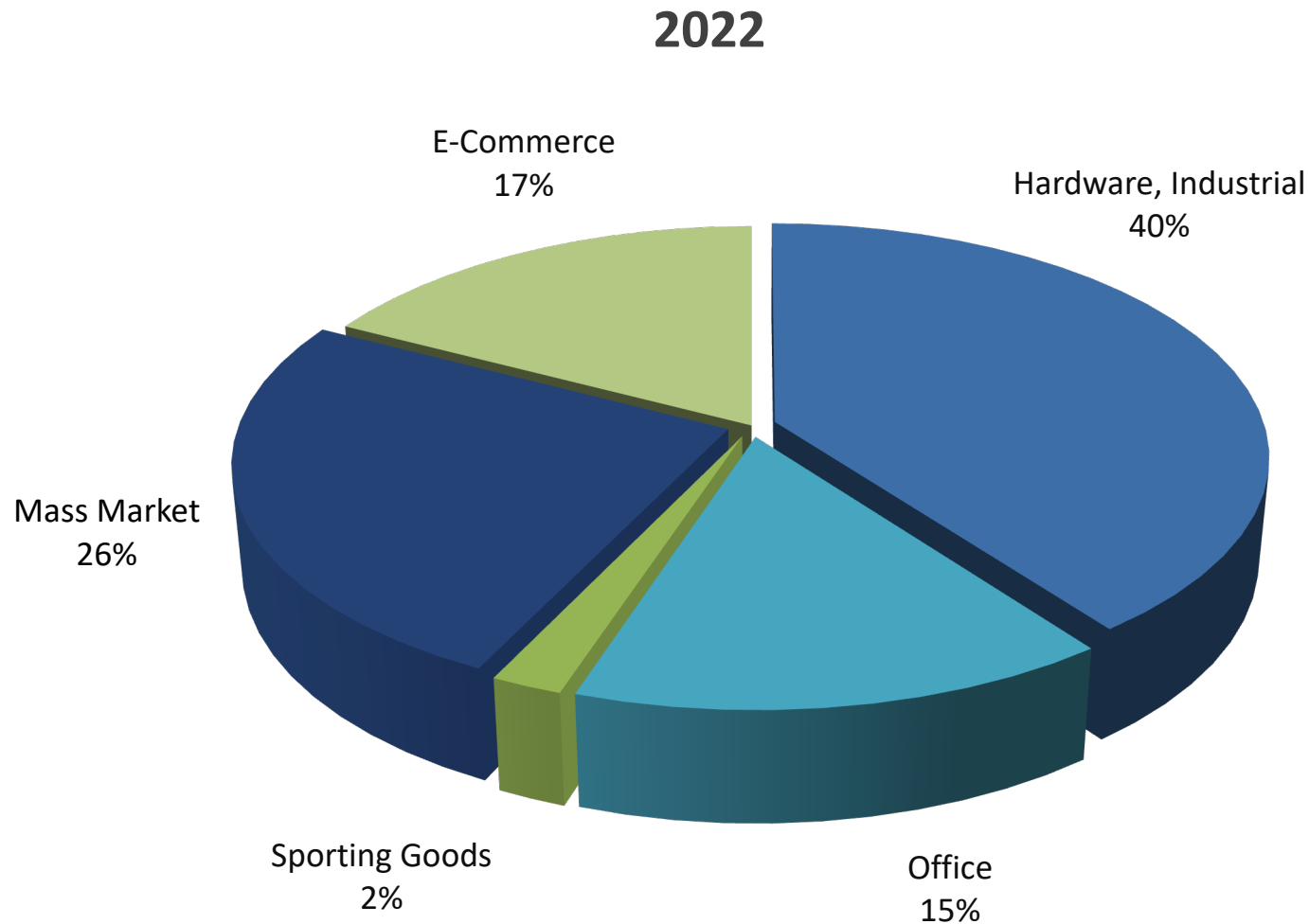
**2022 SAGE RATED SUPPLIER**

# Acme United International Footprint



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

# Diversified Distribution



Strong growth in e-commerce channel



# Financial Results

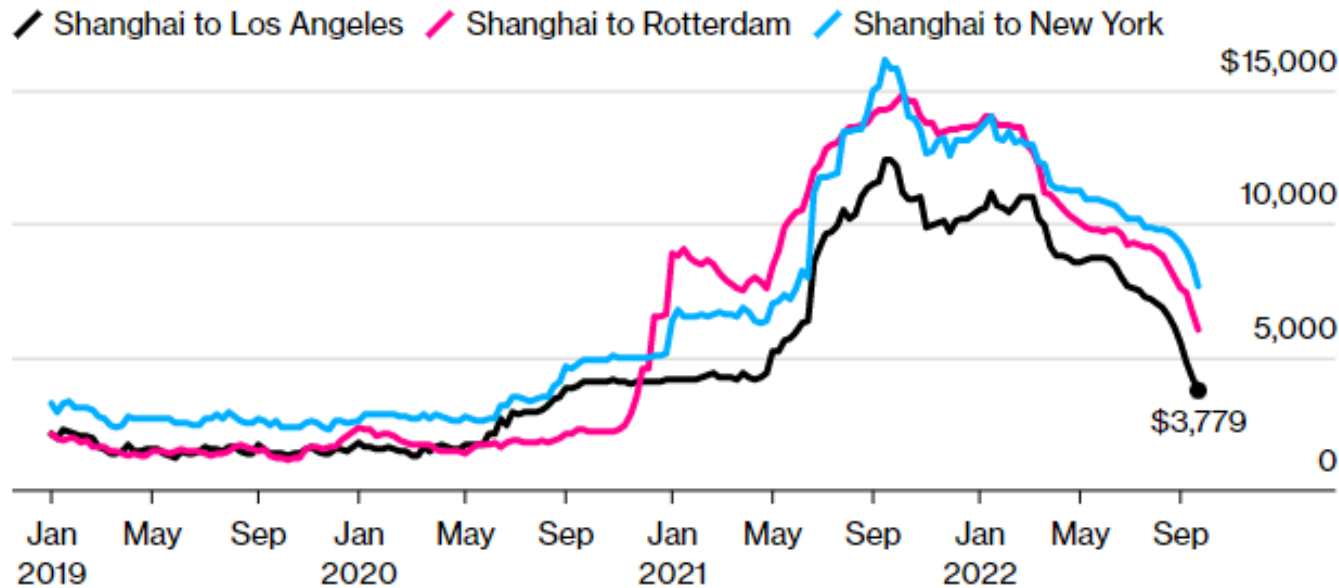
# 2022: Exceptional Supply Chain Costs

- War in Ukraine disrupted shipping lanes
- Ports were overwhelmed
- Container costs increased to \$20,000+ per transit
- Oil prices spiked
- Truckers unable to pick up goods
- Ports charged substantial demurrage fees
- \$4.4 million in unexpected shipping costs incurred

# Supply Chain Issues Have Abated

## Shipping Costs Slump

Cost to send a 40-foot container from Shanghai to Los Angeles has halved in last three months



Source: Drewry World Container Index – Oct. 2022

**Drewry's composite World Container Index decreased to \$1,860 per 40ft container in March 2023**

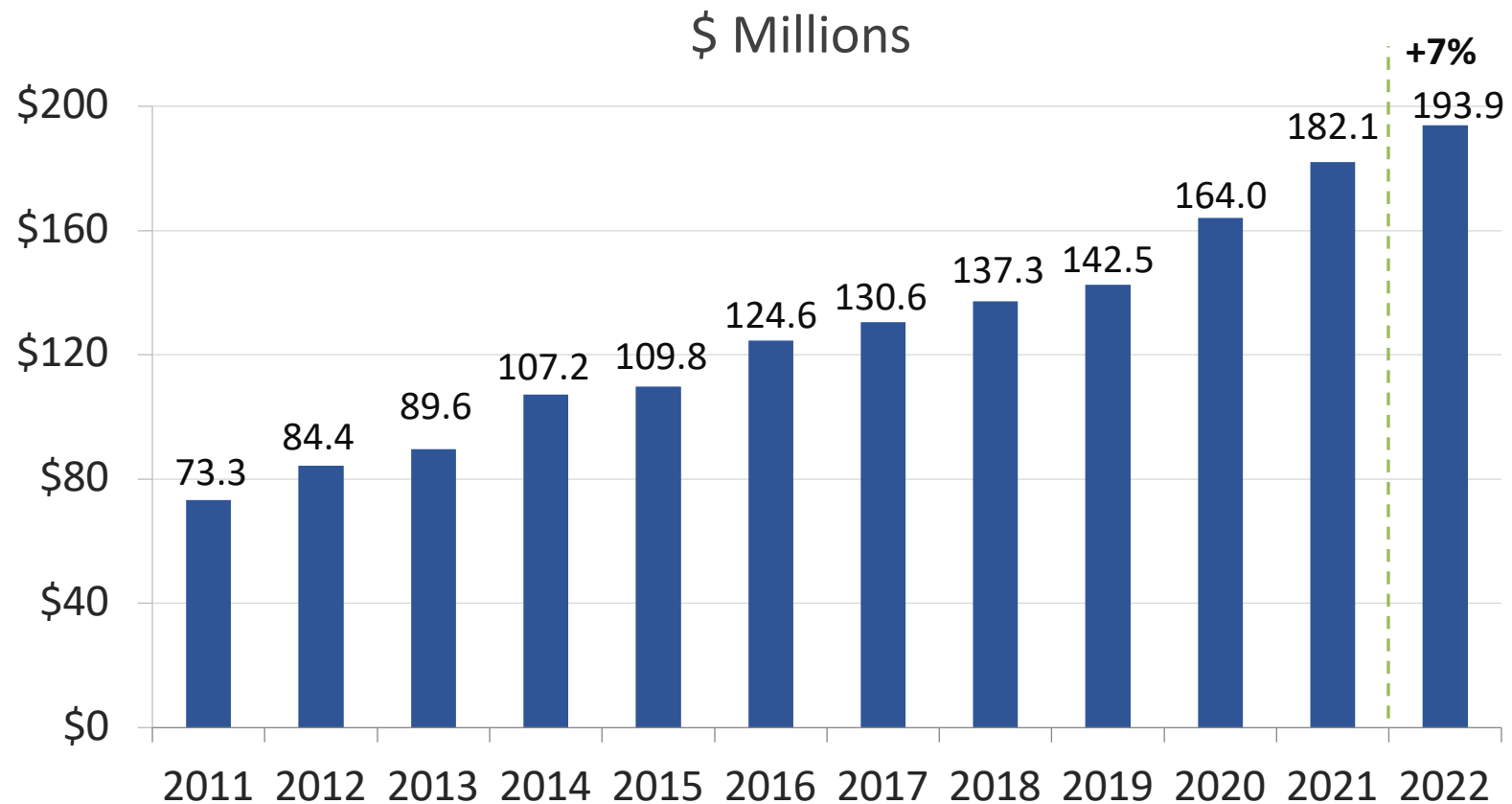


# Productivity and Cost Savings

- Selling expenses reduced by **\$600,000** annually
- Product cost savings of **\$2.4 million** annually
- Labor costs reduced by **\$800,000** annually
- New equipment at Med-Nap and Spill Magic to generate **\$1.2 million** of additional gross profit

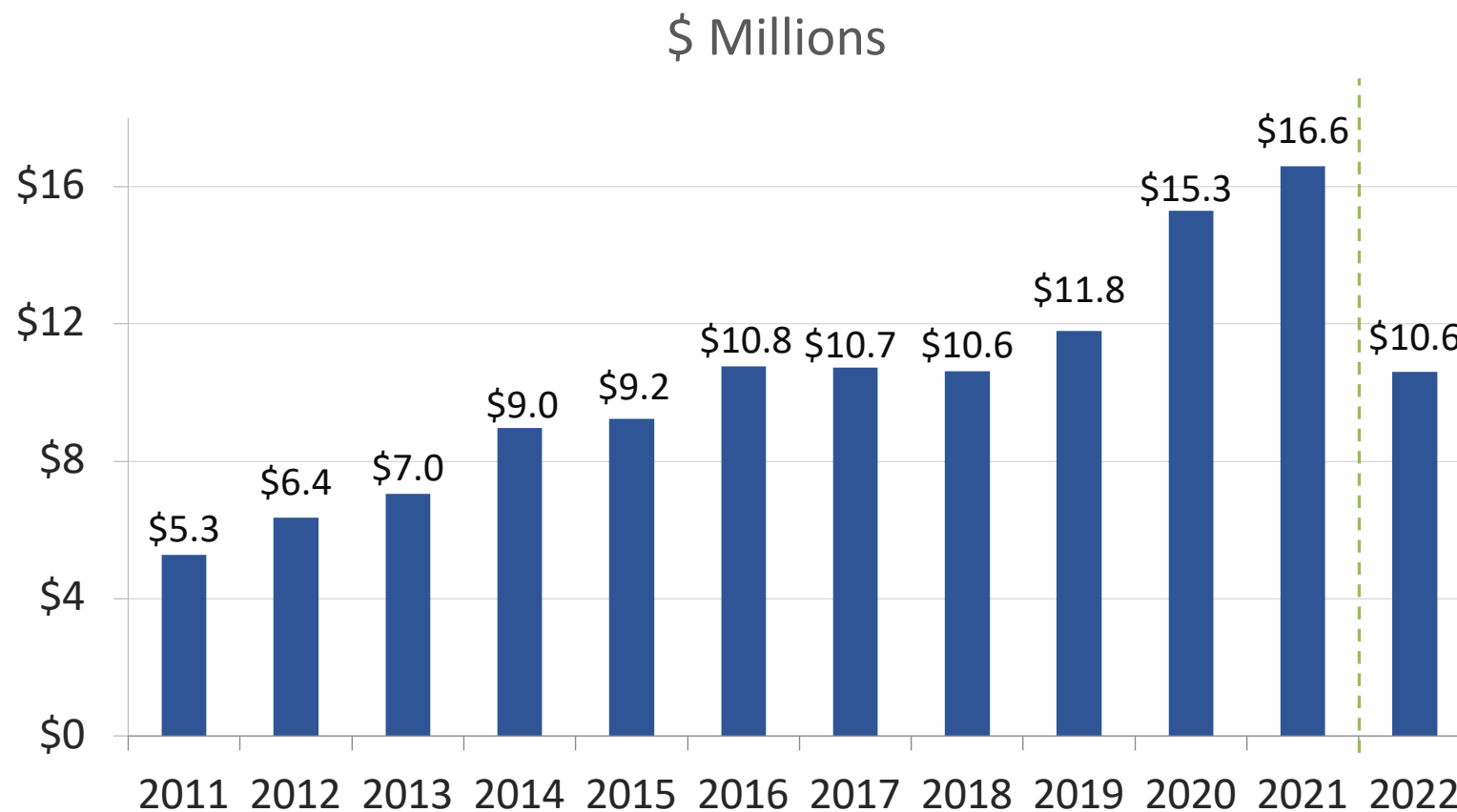
Productivity improvements and cost savings expected  
to generate over **\$5.0 million** in 2023

# Net Sales



13 consecutive years of record sales, driven by  
new products and market share gains

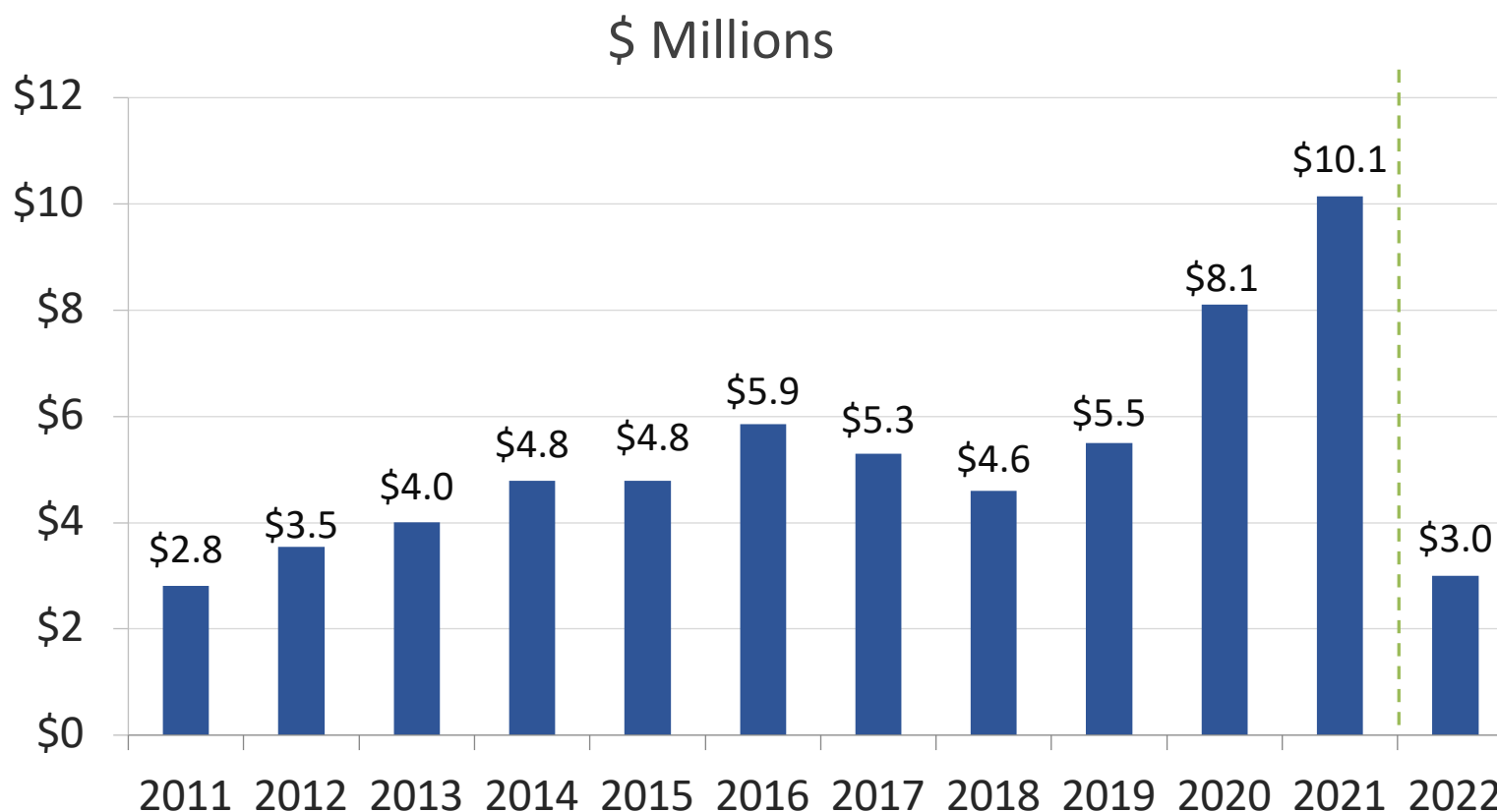
# EBITDA



EBITDA in 2022 impacted by extra supply chain costs

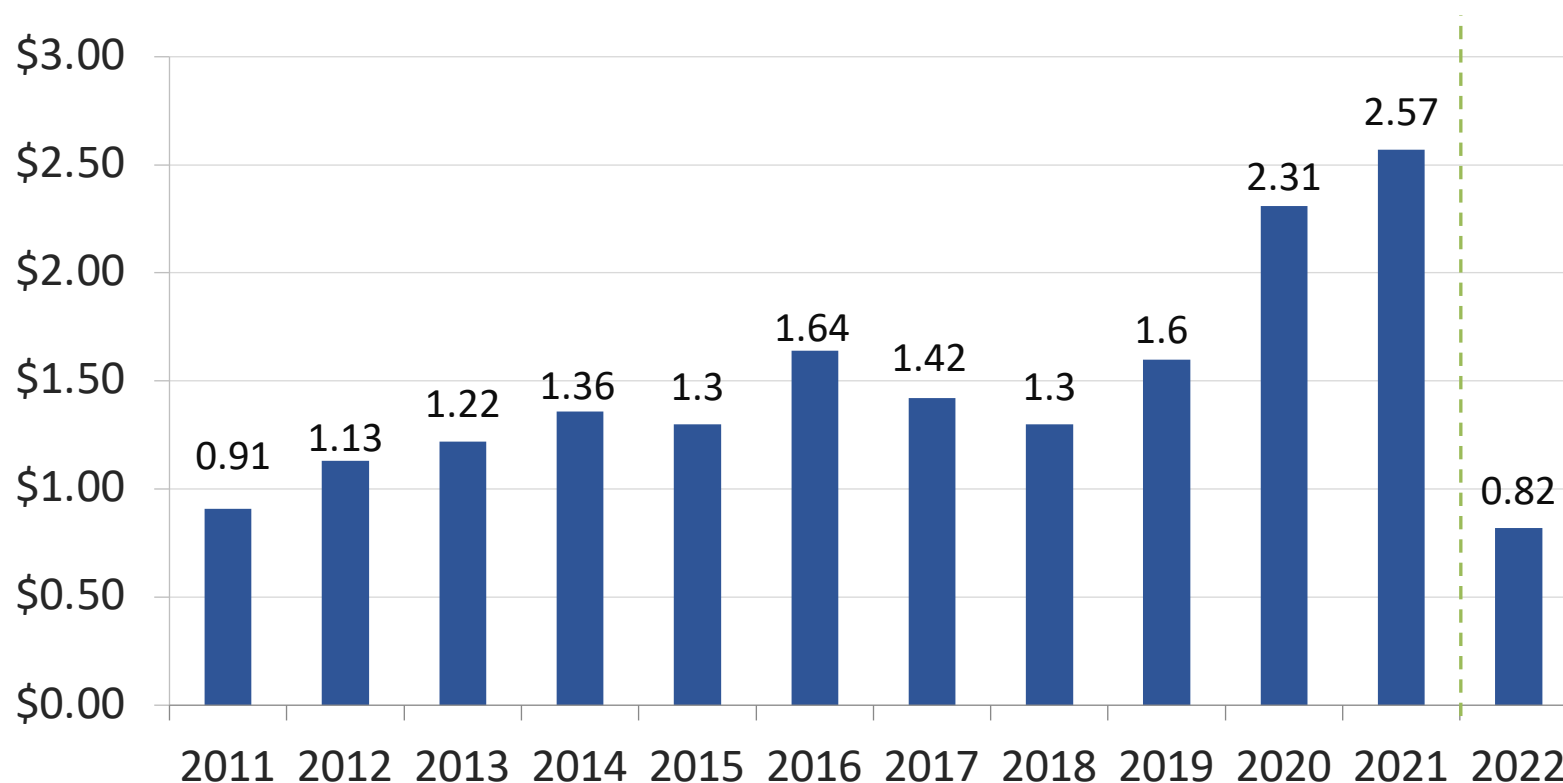


# Net Income



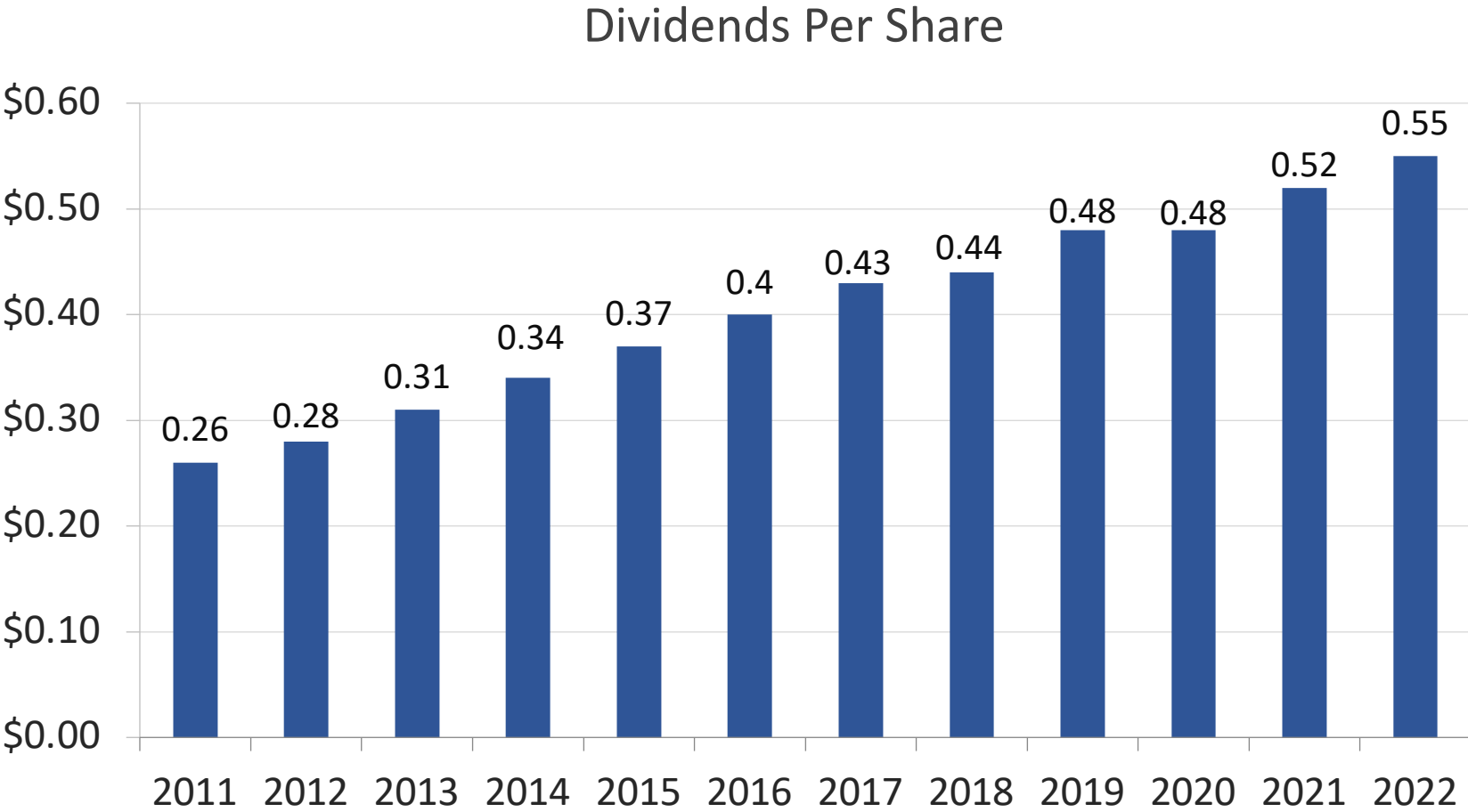
Net income in 2022 impacted by extra supply chain costs and rising interest rates

# Earnings Per Share



After reaching record level in 2021, EPS impacted by challenging macro-environment in 2022

# Dividend History



Strong and consistent dividend growth for more than a decade



The background is a solid dark blue color. It features several overlapping geometric shapes: a large, semi-transparent circle on the right side, a vertical rectangular bar on the left side, and a horizontal rectangular bar at the bottom. These shapes create a layered, modern aesthetic.

Focus on Innovation

# SmartCabinet with Barcode Technology

- 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



Targeting \$750MM Van Service Market

Easy Scan SmartTab

# 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



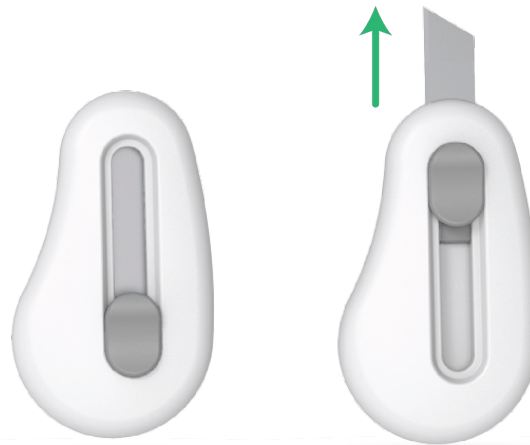


# Titanium Mini Craft Tools

TITANIUM BOND<sup>®</sup>



MINI ROTARY CUTTER



MINI RAZOR CUTTER



MINI SCISSORS



# 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



# Camillus Fixed Blade Knife

## Swedge Fixed Blade Knife



- 8.75" Overall
- 4.3" Blade
- 7mm Wide Spine
- Molded Sheath
- Chisel Tip



## Comb Fixed Blade Knife



- 7" Overall
- 3.5" Blade
- 420 Stainless
- Super Sheath
- Carbide Sharpener, Ceramic Sharpener, Quick Cut Slot, Bottle Opener & Molded Sheath



## Carnivore Inject Machete



- 18" Overall
- 12" Blade
- 10" Quadruple Grind Saw
- Titanium Bonded Stainless Steel
- SecureGrip Handle
- Stinger Knife with lanyard
- Stinger Knife stores in handle





# 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



# 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





# 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



# 2023 Priorities

- Build 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

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