

**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): **April 19, 2021**

ACME UNITED CORPORATION

(Exact name of registrant as specified in its charter)

Connecticut

(State or other jurisdiction
of incorporation or organization)

55 Walls Drive, Fairfield, Connecticut

(Address of principal executive offices)

001-07698

(Commission file number)

06-0236700

(I.R.S. Employer
Identification No.)

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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$2.50 par value per share	ACU	NYSE American

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On April 19, 2021, Acme United Corporation (the “Company”) issued a press release announcing its financial results for the quarter ended March 31, 2021. 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>
99.1	Press release dated April 19, 2021.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

ACME UNITED CORPORATION**NEWS RELEASE**

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FOR IMMEDIATE RELEASE April 19, 2021**ACME UNITED REPORTS 22% SALES INCREASE AND 44% EPS INCREASE FOR FIRST QUARTER OF 2021**

SHELTON, CT – April 19, 2021 – Acme United Corporation (NYSE American: ACU) today announced that net sales for the quarter ended March 31, 2021 were \$43.5 million compared to \$35.8 million in the first quarter of 2020, an increase of 22%.

Net income was \$2,046,000 or \$0.52 per diluted share for the quarter ended March 31, 2021 compared to \$1,277,000, or \$0.36 per diluted share, for the comparable period last year, an increase of 60% in net income and 44% in diluted earnings per share.

Chairman and CEO Walter C. Johnsen said, “Net sales in first quarter of 2021 continued the strong performance we achieved in 2020, with revenues in all of our operating units increasing. We had particularly strong sales of our Westcott cutting tools and DMT sharpeners, and our European business had a record first quarter. Sales in Canada at First Aid Central continued to grow. First quarter 2021 revenues included approximately \$0.9 million from the sales of Med-Nap products.”

Mr. Johnsen added, “We continue to gain market share and new placements with existing customers. We have introduced new Westcott craft cutting tools and first aid items, and we have new production coming on stream at DMT and Med-Nap. We are optimistic about the next three quarters of 2021 and beyond.”

For the first quarter of 2021, net sales in the U.S. segment increased 18% compared to the same period in 2020. The sales growth was primarily attributable to growth in sales of Westcott cutting tools and strong sales of first aid and safety products.

European net sales for the first quarter of 2021 increased 42% in U.S. dollars and 31%

in local currency compared to the first quarter of 2020, mainly due to growth in the e-commerce channel across all product lines, and continued growth of DMT sharpening products.

Net sales in Canada for the first quarter of 2021 increased 38% in U.S. dollars and 31% in local currency compared to the same period in 2020, due to higher sales of First Aid Central products, principally in the e-commerce channel.

Gross margin was 35.8% in the first quarter of 2021 versus 37.8% in the comparable period last year. The lower gross margin was mainly due to product mix and higher ocean freight costs as a result of a scarcity of shipping containers and congestion at global ports.

The Company's bank debt less cash on March 31, 2021 was \$43.4 million compared to \$32.9 million on March 31, 2020. During the twelve-month period ended March 31, 2021, the Company paid approximately \$9.3 million for the acquisition of the assets of Med-Nap LLC., distributed \$1.7 million in dividends on its common stock, and generated \$1.5 million in free cash flow. Inventory increased approximately \$12 million due primarily to anticipated growth in our business as well as the acquisition of product to offset the impact of potential supply chain interruptions related to COVID-19.

Conference Call and Webcast Information

Acme United will hold a conference call to discuss its quarterly results, which will be broadcast on Monday, April 19, 2021, at 12:00 p.m. EDT. To listen or participate in a question and answer session, dial 800-367-2403. International callers may dial 334-777-6978. The confirmation code is 7892281. You may access the live webcast of the conference call through the Investor Relations section of the Company's website, 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 safety solutions and cutting technology to the school, home, office, hardware, sporting goods and industrial markets. Its leading brands include First Aid Only®, First Aid Central®, PhysiciansCare®, Pac-Kit®, Spill Magic®, Westcott®, Clauss®, Camillus®, Cuda®, DMT®, and Med-Nap. For more information, visit 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 the impact that the global COVID-19 pandemic has had and will continue to have on the Company's business, operations and financial results. These include, the extent of the COVID-19 pandemic, including the duration, spread, severity, and any recurrence of the COVID-19 pandemic including through any new variant strains of the underlying virus; the effectiveness and availability of vaccines; the duration and scope of pandemic-related government orders and restrictions on commercial and other activities, including retail store, office, school and restaurant closures; the duration and scope of the Company's actions to maintain employee health at our offices, production facilities and distribution centers; the extent of the impact of the COVID-19 pandemic on overall demand for the Company's products; the pace of recovery when an effective vaccine is widely available or when the pandemic otherwise subsides and the heightened impact the pandemic has on many of the risks described herein, including, without limitation, risks relating to the on-going world-wide economic downturn, and potential disruptions in our supply chain, any of which could adversely impact the Company's ability to manufacture, source or distribute its products, both domestically and internationally.

These risks and uncertainties further include, 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, whether caused by COVID-19 or otherwise, including the impact on the Company's suppliers and customers; (iii) changes in client needs and consumer spending habits, including COVID-19 related changes; (iv) the impact of competition; (v) the impact of technological changes including, specifically, the growth of online marketing and sales activity; (vi) the Company's ability to manage its growth effectively, including its ability to successfully integrate any business it might acquire; (vii) the Company's ability to effectively manage its inventory in a rapidly changing business

environment, including additional inventory acquired to respond to COVID-19 related uncertainties; (viii) currency fluctuations; (ix) 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 (x) other risks and uncertainties indicated from time to time in the Company's filings with the Securities and Exchange Commission.

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ACME UNITED CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FIRST QUARTER REPORT 2021
(Unaudited)

Amounts in 000's except per share data	Quarter Ended March 31, 2021	Quarter Ended March 31, 2020
Net sales	\$ 43,525	\$ 35,775
Cost of goods sold	<u>27,938</u>	<u>22,244</u>
Gross profit	15,587	13,531
Selling, general and administrative expenses	<u>12,619</u>	<u>11,521</u>
Operating income	2,968	2,010
Interest expense	226	322
Interest income	<u>(5)</u>	<u>(8)</u>
Net interest expense	221	314
Other expense, net	<u>78</u>	<u>44</u>
Income before income tax expense	2,669	1,652
Income tax expense	<u>623</u>	<u>375</u>
Net income	\$ 2,046	\$ 1,277
Shares outstanding - basic	<u>3,347</u>	<u>3,349</u>
Shares outstanding - diluted	<u><u>3,911</u></u>	<u><u>3,519</u></u>
Earnings per share - basic	\$ 0.61	\$ 0.38
Earnings per share - diluted	0.52	0.36

ACME UNITED CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
FIRST QUARTER REPORT 2021
(Unaudited)

Amounts in \$000's

	<u>March 31, 2021</u>	<u>March 31, 2020</u>
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 3,857	\$ 4,272
Accounts receivable, net	31,592	27,413
Inventories	49,389	36,250
Prepaid expenses and other current assets	<u>2,477</u>	<u>1,926</u>
Total current assets	87,315	69,861
Plant, property and equipment, net	21,137	14,097
Operating lease right of use asset	3,961	2,711
Intangible assets, less accumulated amortization	18,361	15,478
Goodwill	4,800	5,886
Other assets	<u>-</u>	<u>89</u>
Total assets	<u>\$ 135,574</u>	<u>\$ 108,122</u>
<u>Liabilities and stockholders' equity</u>		
Current liabilities:		
Accounts payable	\$ 8,151	\$ 5,186
Operating lease liability - short term	1,074	1,003
Mortgage payable - short term	267	267
Other current liabilities	<u>11,290</u>	<u>6,955</u>
Total current liabilities	20,781	13,411
Long-term debt	40,626	33,853
Long term debt - PPP loan	3,508	-
Mortgage payable - long term	2,844	3,111
Operating lease liability - long term	3,044	1,765
Other non-current liabilities	<u>144</u>	<u>157</u>
Total liabilities	70,948	52,297
Total stockholders' equity	<u>64,626</u>	<u>55,825</u>
Total liabilities and stockholders' equity	<u>\$ 135,574</u>	<u>\$ 108,122</u>