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

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: September 30, 2024

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from: to

Commission file number: 01-07698

ACME UNITED CORPORATION
(Exact Name of Registrant as Specified in Its Charter)

Connecticut	**06-0236700**
State or Other Jurisdiction of Incorporation or Organization	I.R.S. Employer Identification No.
1 Waterview Drive, Shelton, Connecticut	**06484**
Address of Principal Executive Offices	Zip Code

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

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

Title of each class	Trading Symbol	Name of each exchange on which registered
$2.50 par value Common Stock	**ACU**	**NYSE American**

Indicate by check mark whether the registrant (l) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (sec. 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of “large accelerated filer”, “accelerated filer”, “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act (Check one).

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller Reporting Company	☒
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(s) of the Exchange Act ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Registrant had 3,741,453 shares of its $2.50 par value Common Stock outstanding as of November 1, 2024.

ACME UNITED CORPORATION

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Part I - FINANCIAL INFORMATION

Item 1: Financial Statements

ACME UNITED CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(all amounts in thousands)

	September 30, 2024 (unaudited)	December 31, 2023 (Note 1)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 5,702	$ 4,796
Accounts receivable, less allowance of $492 in 2024 and $567 in 2023	31,349	26,234
Inventories	55,990	55,470
Prepaid expenses and other current assets	5,733	4,773
Restricted cash	-	750
Total current assets	98,774	92,023
Property, plant and equipment:		
Land	2,699	2,387
Buildings	18,586	17,502
Machinery and equipment	37,773	34,705
	59,058	54,594
Less: accumulated depreciation	28,166	26,568
Net property, plant and equipment	30,892	28,026
Operating lease right-of-use asset, net	4,808	2,002
Goodwill	8,189	8,189
Intangible assets, less accumulated amortization	22,810	19,001
Total assets	$ 165,473	$ 149,241

See Notes to Unaudited Condensed Consolidated Financial Statements.

ACME UNITED CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS (continued)
(all amounts in thousands, except par value and share amounts)

	September 30, 2024 (unaudited)	December 31, 2023 (Note 1)
LIABILITIES		
Current liabilities:		
Accounts payable	$ 7,008	$ 12,102
Operating lease liability - current portion	1,550	1,099
Current portion of mortgage payable	433	419
Other current liabilities	13,403	12,393
Total current liabilities	22,394	26,013
Non-current liabilities:		
Long-term debt	22,018	13,105
Mortgage payable, net of current portion	9,970	10,284
Operating lease liability - non-current portion	3,357	1,026
Deferred income taxes	899	899
Other non-current liabilities	518	16
Total liabilities	59,156	51,343
Commitments and contingencies (see note 2)		
STOCKHOLDERS' EQUITY		
Common stock, par value $2.50:		
authorized 8,000,000 shares;		
5,286,325 shares issued and 3,741,453 shares outstanding in 2024 and		
5,190,072 shares issued and 3,645,200 shares outstanding in 2023	13,207	12,966
Additional paid-in capital	17,483	15,918
Retained earnings	93,353	86,716
Treasury stock, at cost - 1,544,872 shares in 2024 and 2023	(15,996)	(15,996)
Accumulated other comprehensive loss:		
Translation adjustment	(1,730)	(1,706)
Total stockholders’ equity	106,317	97,898
Total liabilities and stockholders’ equity	$ 165,473	$ 149,241

See Notes to Unaudited Condensed Consolidated Financial Statements.

ACME UNITED CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)
(all amounts in thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net sales	$ 48,166	$ 50,384	$ 148,547	$ 149,559
Cost of goods sold	29,602	30,881	89,960	93,752
Gross profit	18,564	19,503	58,587	55,807
Selling, general and administrative expenses	15,638	15,846	46,728	44,711
Operating income	2,926	3,657	11,859	11,096
Non-operating items:				
Interest:				
Interest expense	568	816	1,622	2,595
Interest income	(33)	(32)	(105)	(78)
Interest expense, net	535	784	1,517	2,517
Other (income) expense, net	(17)	55	(90)	9
Income before income tax expense	2,408	2,818	10,432	8,570
Income tax expense	182	666	2,117	1,984
Net income	$ 2,226	$ 2,152	$ 8,315	$ 6,586
Basic earnings per share	$ 0.60	$ 0.60	$ 2.26	$ 1.85
Diluted earnings per share	$ 0.54	$ 0.58	$ 2.03	$ 1.83
Weighted average number of common shares outstanding-denominator used for basic per share computations	3,726	3,578	3,686	3,558
Weighted average number of dilutive stock options outstanding	378	143	401	38
Denominator used for diluted per share computations	4,104	3,721	4,087	3,596
Dividends declared per share	$ 0.15	$ 0.14	$ 0.45	$ 0.42

See Notes to Unaudited Condensed Consolidated Financial Statements.

ACME UNITED CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)
(all amounts in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net income	$ 2,226	$ 2,152	$ 8,315	$ 6,586
Other comprehensive income (loss) :				
Foreign currency translation adjustment	403	(305)	(24)	(82)
Comprehensive income	$ 2,629	$ 1,847	$ 8,291	$ 6,504

See Notes to Unaudited Condensed Consolidated Financial Statements.

ACME UNITED CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(UNAUDITED)
(all amounts in thousands, except share amounts)

For the three months ended September 30, 2023

	Outstanding Shares of Common Stock	Common Stock	Treasury Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total
Balances, June 30, 2023	3,568,006	$ 12,773	$ (15,996)	$ 14,333	$ (1,865)	$ 74,406	$ 83,651
Net income						2,152	2,152
Other comprehensive loss					(305)		(305)
Stock compensation expense				674			674
Distributions to shareholders						(503)	(503)
Issuance of common stock	14,875	37		200			237
Net share settlement of stock options	2,189	6		(6)			—
Balances September 30, 2023	3,585,070	$ 12,816	$ (15,996)	$ 15,201	$ (2,170)	$ 76,055	$ 85,906

For the three months ended September 30, 2024

	Outstanding Shares of Common Stock	Common Stock	Treasury Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total
Balances, June 30, 2024	3,694,966	$ 13,091	$ (15,996)	$ 17,306	$ (2,133)	$ 91,689	$ 103,957
Net income						2,226	2,226
Other comprehensive income					403		403
Stock compensation expense				944			944
Distributions to shareholders						(562)	(562)
Issuance of common stock	16,921	$ 42		369			411
Cash settlement of stock options				(83)			(83)
Net share settlement of stock options	29,566	$ 74		(1,053)			(979)
Balances September 30, 2024	3,741,453	$ 13,207	$ (15,996)	$ 17,483	$ (1,730)	$ 93,353	$ 106,317

For the nine months ended September 30, 2023

	Outstanding Shares of Common Stock	Common Stock	Treasury Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total
Balances, December 31, 2022	3,538,179	$ 12,699	$ (15,996)	$ 13,448	$ (2,088)	$ 70,967	$ 79,030
Net income						6,586	6,586
Other comprehensive loss					(82)		(82)
Stock compensation expense				1,487			1,487
Distributions to shareholders						(1,498)	(1,498)
Issuance of common stock	35,577	89		437			526
Net share settlement of stock options	11,314	28		(171)			(143)
Balances September 30, 2023	3,585,070	$ 12,816	$ (15,996)	$ 15,201	$ (2,170)	$ 76,055	$ 85,906

For the nine months ended September 30, 2024

	Outstanding Shares of Common Stock	Common Stock	Treasury Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total
Balances, December 31, 2023	3,645,200	$ 12,966	$ (15,996)	$ 15,918	$ (1,706)	$ 86,716	$ 97,898
Net income						8,315	8,315
Other comprehensive loss					(24)		(24)
Stock compensation expense				1,826			1,826
Distributions to shareholders						(1,678)	(1,678)
Issuance of common stock	61,729	154		1,229			1,383
Cash settlement of stock options				(379)			(379)
Net share settlement of stock options	34,524	87		(1,111)			(1,024)
Balances September 30, 2024	3,741,453	$ 13,207	$ (15,996)	$ 17,483	$ (1,730)	$ 93,353	$ 106,317

See Notes to Unaudited Condensed Consolidated Financial Statements.

ACME UNITED CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(all amounts in thousands)

	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Cash flows from operating activities:		
Net income	$ 8,315	$ 6,586
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	2,589	2,191
Amortization of intangible assets	1,880	1,541
Non-cash lease adjustment	(22)	(15)
Stock compensation expense	1,826	1,487
Provision for credit losses	367	76
Amortization of deferred financing costs	30	29
Changes in operating assets and liabilities:		
Accounts receivable	(5,269)	(1,572)
Inventories	582	8,707
Prepaid expenses and other assets	(750)	(221)
Accounts payable	(5,091)	(935)
Other accrued liabilities	1,147	3,788
Total adjustments	(2,711)	15,076
Net cash provided by operating activities	5,604	21,662
Cash flows from investing activities:		
Purchase of property, plant and equipment	(5,452)	(3,477)
Acquisition of Elite First Aid	(6,141)	-
Contingent payment related to the acquisition of Safety Made	(750)	(750)
Purchase of intangible assets	-	(296)
Net cash used in investing activities	(12,343)	(4,523)
Cash flows from financing activities:		
Net borrowings (repayments) of long-term debt	8,894	(17,000)
Tax withholding on net share settlement of stock options	(1,024)	(143)
Cash settlement of stock options	(379)	-
Repayments on mortgage	(312)	(301)
Proceeds from issuance of common stock	1,383	526
Distributions to shareholders	(1,659)	(1,491)
Net cash provided by (used in) financing activities	6,903	(18,408)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(8)	(15)
Net change in cash, cash equivalents and restricted cash	156	(1,283)
Cash, cash equivalents and restricted cash at beginning of period	5,546	7,600
Cash, cash equivalents and restricted cash at end of period	$ 5,702	$ 6,317
Supplemental cash flow information:		
Cash paid for income taxes	$ 1,922	$ 776
Cash paid for interest	$ 1,443	$ 2,592
Non-cash financing activity		
Net share settlement of stock options	$ 87	$ 28

See Notes to Unaudited Condensed Consolidated Financial Statements.

1. Basis of Presentation

The accompanying condensed consolidated financial statements include all adjustments necessary to present fairly the financial position, results of operations and cash flows of Acme United Corporation (the “Company”). These adjustments are of a normal, recurring nature. However, the financial statements do not include all the disclosures normally required by accounting principles generally accepted in the United States or those normally made in the Company's Annual Report on Form 10-K. Please refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2023 for such disclosures. The condensed consolidated balance sheet as of December 31, 2023 was derived from the audited consolidated balance sheet as of that date. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year. The information included in this Quarterly Report on Form 10-Q should be read in conjunction with Management’s Discussion and Analysis of Financial Condition and Results of Operations and the financial statements and notes thereto included in the Company’s 2023 Annual Report on Form 10-K.

The Company has evaluated events and transactions subsequent to September 30, 2024 and through the date these condensed consolidated financial statements were issued.

Recently Issued Accounting Standards

In November 2023, the FASB issued ASU No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which requires the disclosure of additional segment information. ASU No. 2023-07 is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024; this ASU allows for early adoption. The Company is currently evaluating the impact of adopting ASU 2023-07.

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires disaggregated information about a reporting entity’s effective tax rate reconciliation as well as information on income taxes paid. ASU No. 2023-09 is effective for annual periods beginning after December 15, 2024. The guidance is to be applied on a prospective basis with the option to apply the standard retrospectively; this ASU allows for early adoption. The Company is currently evaluating the impact of adopting ASU 2023-09.

2. Commitment and Contingencies

There are no pending material legal proceedings to which the Company is a party, or, to the actual knowledge of the Company, contemplated by any governmental authority.

3. **Revenue from Contracts with Customers**

Nature of Goods and Services

The Company recognizes revenue from the sales of a broad line of products that are grouped into two main categories: (a) first aid and medical; and (b) cutting and sharpening. The first aid and medical category includes first aid kits and refills, over-the-counter medications and a variety of medical products. The cutting and sharpening category includes scissors, knives, paper trimmers, pencil sharpeners and other sharpening tools. Revenue recognition is evaluated through the following five steps: (i) identification of the contract or contracts with a customer; (ii) identification of the performance obligations in the contract; (iii) determination of the transaction price; (iv) allocation of the transaction price in the contract; and (v) recognition of revenue when or as a performance obligation is satisfied.

When Performance Obligations Are Satisfied

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer. A contract’s transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. Revenue is generated by the sale of the Company’s products to its customers. Sales contracts (purchase orders) generally have a single performance obligation that is satisfied at a point in time, upon shipment or delivery, depending on the terms of the underlying contract. Revenue is measured based on the consideration specified in the contract. The amount of consideration we receive and revenue we recognize is impacted by incentives ("customer rebates"), including sales rebates, which are generally tied to sales volume levels, in-store promotional allowances, shared media and customer catalog allowances and other cooperative advertising arrangements; freight allowance programs offered to our customers; and allowance for returns and discounts. We generally recognize customer rebate costs as a deduction to gross sales at the time that the associated revenue is recognized.

Significant Payment Terms

Payment terms for each customer are dependent on the agreed upon contractual repayment terms. Payment terms typically are between 30 and 90 days and vary depending on the size of the customer and its risk profile to the Company. Some customers receive discounts for early payment.

Product Returns

The Company accepts product returns in the normal course of business. The Company estimates reserves for returns and the related refunds to customers based on historical experience. Reserves for returned merchandise are included as a component of "Accounts receivable" in the condensed consolidated balance sheets.

Practical Expedient Usage and Accounting Policy Elections

For the Company's contracts that have an original duration of one year or less, the Company uses the practical expedient in ASC 606-10-32-18 applicable to such contracts and does not consider the time value of money in relation to significant financing components. The effect of applying this practical expedient election did not have an impact on the Company's condensed consolidated financial statements.

Per ASC 606-10-25-18B, the Company has elected to account for shipping and handling activities that occur after the customer has obtained control as a fulfillment activity instead of a performance obligation. Furthermore, shipping and handling activities performed before transfer of control of the product also do not constitute a separate and distinct performance obligation. The effect of applying this practical expedient election did not have an impact on the Company's condensed consolidated financial statements.

The Company has elected to exclude from the transaction price those amounts which relate to sales and other taxes that are assessed by governmental authorities and that are imposed on and concurrent with a specific revenue-producing transaction and collected by the Company from a customer.

Applying the practical expedient in ASC 340-40-25-4, *Other Assets and Deferred Costs,* the Company recognizes the incremental costs of obtaining contracts as an expense when incurred. These costs are included in "Selling, general and administrative expenses."

Disaggregation of Revenues

The following table represents external net sales disaggregated by product category, by segment (amounts in thousands):

For the three months ended September 30, 2024

	United States	Canada	Europe	Total
First Aid and Medical	$ 27,857	$ 2,321	$ 380	$ 30,557
Cutting and Sharpening	13,274	966	3,368	17,609
Total Net Sales	**$ 41,131**	**$ 3,287**	**$ 3,748**	**$ 48,166**

For the three months ended September 30, 2023

	United States	Canada	Europe	Total
First Aid and Medical	$ 27,854	$ 1,851	$ 364	$ 30,069
Cutting and Sharpening	15,834	1,454	3,027	20,315
Total Net Sales	**$ 43,688**	**$ 3,305**	**$ 3,391**	**$ 50,384**

For the nine months ended September 30, 2024

	United States	Canada	Europe	Total
First Aid and Medical	$ 83,845	$ 6,791	$ 867	$ 91,503
Cutting and Sharpening	42,734	3,593	10,717	57,044
Total Net Sales	**$ 126,579**	**$ 10,384**	**$ 11,584**	**$ 148,547**

For the nine months ended September 30, 2023

	United States	Canada	Europe	Total
First Aid and Medical	$ 81,293	$ 6,097	$ 1,007	$ 88,397
Cutting and Sharpening	46,450	4,841	9,871	61,162
Total Net Sales	**$ 127,743**	**$ 10,938**	**$ 10,878**	**$ 149,559**

4. Debt and Stockholders' Equity

Long-term debt consists of (i) borrowings under the Company's revolving loan agreement with HSBC Bank, N.A.("HSBC") and (ii) amounts outstanding under the fixed rate mortgage on the Company's manufacturing and distribution facilities in Rocky Mount, NC and Vancouver, WA. The revolving loan agreement provides for borrowings of up to $65 million at an interest rate of Secured Overnight Financing Rate ("SOFR") plus a margin of +1.75%; interest is payable monthly. The credit facility has an expiration date of May 31, 2026. The Company must pay a facility fee, payable quarterly, in an amount equal to one eighth of one percent (.125%) per annum of the average daily unused portion of the revolving credit line. The facility is intended to provide liquidity for growth, acquisitions, dividends, share repurchases, and other operating activities. Under the revolving loan agreement, the Company is required to maintain a specific ratio of funded debt to EBITDA, a fixed charge coverage ratio and must have annual net income greater than $0, measured as of the end of each fiscal year. As of September 30, 2024, the Company was in compliance with the covenants under the revolving loan agreement as then in effect.

As of September 30, 2024 and December 31, 2023, the Company had outstanding borrowings of $22,059,000 and $13,165,000, excluding deferred financing costs of $41,000 and $60,000 respectively, under the Company's revolving loan agreement with HSBC. The outstanding borrowings as of September 30, 2024 include amounts used to fund the acquisition of Elite First Aid, Inc. on May 23, 2024 (Note 13).

The Company's manufacturing and distribution facilities in Rocky Mount, NC and Vancouver, WA were financed by a fixed rate mortgage with HSBC at a fixed interest rate of 3.8%. The Company entered into the agreement on December 1, 2021. Commencing on January 1, 2022, payments of principal and interest are due monthly, with all amounts outstanding due on maturity on December 1, 2031. As of September 30, 2024 and December 31, 2023, long-term debt related to the mortgage consisted of the following (amounts in '000's):

	September 30, 2024	December 31, 2023
Mortgage payable - HSBC Bank N.A.	$ 10,511	$ 10,823
Less debt issuance costs	(108)	(120)
	10,403	10,703
Less current maturities	433	419
Long-term mortgage payable less current maturities	$ 9,970	$ 10,284

During the three and nine months ended September 30, 2024, the Company issued a total of 16,921 and 61,729 shares of common stock, respectively, and received aggregate proceeds of $411,000 and $1,383,000, respectively, upon exercise of employee stock options. Also, during the three and nine months ended September 30, 2024, the Company issued 29,566 and 34,524 shares of common stock, respectively, to optionees who had elected a net share settlement of certain of their respective options.

5. Segment Information

The Company reports financial information based on the organizational structure used by the Company's chief operating decision maker for making operating and investment decisions and for assessing performance. The Company's reportable business segments consist of: (1) United States; (2) Canada; and (3) Europe. As described below, the activities of the Company's Asian operations are closely linked to those of the U.S. operations; accordingly, the Company's chief operating decision maker reviews the financial results of both, on a consolidated basis, and as such, the results of the Asian operations have been aggregated with the results of the United States operations to form one reportable segment called the "United States segment" or "U.S. segment". Each reportable segment derives its revenue from the sales of first aid and medical products, cutting and sharpening devices and measuring instruments for school, office, home, hardware, sporting and industrial use.

Domestic sales orders are filled primarily from the Company's distribution centers in North Carolina, Washington, Massachusetts, Tennessee, Florida, New Hampshire and California. The Company is responsible for the costs of shipping, insurance, customs clearance, duties, storage and distribution related to such products. Orders filled from the Company's inventory are generally for less than container-sized lots.

Direct import sales are products sold by the Company's Asian subsidiary, directly to major U.S. retailers, who take ownership of the products in Asia. These sales are completed by delivering products to the customers' common carriers at the shipping points in Asia. Direct import sales are made in larger quantities than domestic sales, typically full containers. Direct import sales represented approximately 5% and 7% of the Company's total net sales for the three and nine months ended September 30, 2024 compared to approximately 7% for the same periods in 2023.

The chief operating decision maker evaluates the performance of each operating segment based on segment revenues and operating income. Segment revenues are defined as total revenues, including both external customer revenue and inter-segment revenue. Segment operating earnings are defined as segment revenues, less cost of goods sold and operating expenses. Identifiable assets by segment are those assets used in the respective reportable segment's operations. Inter-segment amounts are eliminated to arrive at consolidated financial results.

The following table sets forth certain financial data by segment for the three and nine months ended September 30, 2024 and 2023:

Financial data by segment:
(in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
Sales to external customers:	2024	2023	2024	2023
United States	$ 41,131	$ 43,688	$ 126,579	$ 127,743
Canada	3,287	3,305	10,384	10,938
Europe	3,748	3,391	11,584	10,878
Consolidated	$ 48,166	$ 50,384	$ 148,547	$ 149,559
Operating income:				
United States	$ 2,809	$ 3,420	$ 10,681	$ 9,451
Canada	59	34	803	995
Europe	58	203	375	650
Consolidated	$ 2,926	$ 3,657	$ 11,859	$ 11,096
Interest expense, net	535	784	1,517	2,517
Other (income) expense, net	(17)	55	(90)	9
Consolidated income before income taxes	$ 2,408	$ 2,818	$ 10,432	$ 8,570

Assets by segment:
(in thousands)

	September 30, 2024	December 31, 2023
United States	$ 144,634	$ 131,382
Canada	11,201	8,557
Europe	9,638	9,302
Consolidated	$ 165,473	$ 149,241

6. Stock Based Compensation

The Company recognizes share-based compensation at the fair value of the equity instrument on the grant date. Compensation expense is recognized over the required service period, which is generally the vesting period of the equity instrument. Share-based compensation expense was approximately $944,000 and $1,826,000 for the three and nine months ended September 30, 2024, respectively, compared to approximately $674,000 and $1,487,000 for the three and nine months ended September 30, 2023, respectively.

As of September 30, 2024, there was a total of $2,585,404 of unrecognized compensation cost, adjusted for estimated forfeitures, related to non-vested share-based payments granted to the Company’s employees. As of that date, the remaining unamortized expense was expected to be recognized over a weighted average period of approximately three years.

7. Fair Value Measurements

The carrying value of the Company’s bank debt is a reasonable estimate of fair value because of the nature of its payment terms and maturity. The Company’s contingent liability related to the acquisition of Elite First Aid is recorded at its fair value of $500,000 which is recorded in other non-current liabilities on the condensed consolidated balance sheet as of September 30, 2024.

8. Leases

The Company has operating leases for office and warehouse space and equipment under various arrangements which provide the right to use the underlying asset and require lease payments for the lease term. The Company’s lease portfolio consists of operating leases which expire at various dates through 2029.

Certain of the Company’s lease arrangements contain renewal provisions, exercisable at the Company's option. The Company’s lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Company determines if an arrangement is an operating lease at inception. Leases with an initial term of 12 months or less are not recorded on the balance sheet. All other leases are recorded on the balance sheet with right-of-use (“ROU”) assets representing the right to use the underlying asset for the lease term and lease liabilities representing the obligation to make lease payments arising from the lease.

Operating lease cost was $0.5 million for the three months ended September 30, 2024, of which $0.1 million was included in cost of goods sold and $0.4 million was included in selling, general and administrative expenses. Operating lease cost was $1.2 million for the nine months ended September 30, 2024, of which $0.4 million was included in cost of goods sold and $0.8 million was included in selling, general and administrative expenses in the accompanying condensed consolidated statements of operations.

Information related to leases (in thousands):

Operating cash flow information:	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023
Operating lease cost	$ 454	$ 343
Operating lease - cash flow	$ 451	$ 369
Non-cash activity:		
ROU assets obtained in exchange for lease liabilities	$ -	$ 240

Operating cash flow information:	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Operating lease cost	$ 1,182	$ 1,020
Operating lease - cash flow	$ 1,228	$ 1,062
Non-cash activity:		
ROU assets obtained in exchange for lease liabilities	$ 3,818	$ 581

	September 30, 2024	September 30, 2023
Weighted-average remaining lease term	4.0 years	2.0 years
Weighted-average discount rate	7%	5%

Future minimum lease payments under non-cancelable leases as of September 30, 2024:

2024 (remaining)	$ 485
2025	1,757
2026	1,070
2027	928
2028	962
Thereafter	357
Total future minimum lease payments	$ 5,559
Less: imputed interest	(652)
Present value of lease liabilities - current	1,550
Present value of lease liabilities - non-current	$ 3,357

9. Other Accrued Liabilities

Other current and non-current accrued liabilities consisted of (in thousands):

	September 30, 2024	December 31, 2023
Customer rebates	$ 7,072	$ 5,721
Contingent liability - Safety Made	—	750
Contingent liability - Elite	500	—
Accrued compensation	3,076	2,585
Dividend payable	561	547
Income tax payable	527	363
Other	2,185	2,442
Total:	$ 13,921	$ 12,408

10. Cash, Cash Equivalents and Restricted Cash

(in thousands):

	September 30, 2024	December 31, 2023
Cash and cash equivalents	$ 5,702	$ 4,796
Restricted cash - current	-	750
Total cash, cash equivalents and restricted cash	$ 5,702	$ 5,546

During the nine months ended September 30, 2024, the Company paid the final $750,000 due upon the satisfaction of certain financial targets associated with the Safety Made acquisition.

11. Intangible Assets and Goodwill

The Company's intangible assets and goodwill consisted of (in thousands):

	September 30, 2024	December 31, 2023
Tradename	$ 10,008	$ 10,008
Customer list	18,823	18,823
Non-compete	1,248	1,248
Patents	2,272	2,272
Elite First Aid Inc.	5,689 [1]	-
Subtotal	38,040	32,351
Less: Accumulated amortization	15,230	13,350
Intangible assets	$ 22,810	$ 19,001
Goodwill	$ 8,189	$ 8,189
Total:	$ 30,999	$ 27,190

The useful lives of the identifiable intangible assets range from 5 years to 15 years.

1 - This amount is subject to change once the business valuation becomes final.

12. Inventories

Inventories consisted of (in thousands):

	September 30, 2024	December 31, 2023
Finished goods	$ 41,662	$ 39,316
Work in process	264	208
Materials and supplies	14,064	15,946
	$ 55,990	$ 55,470

Inventories are stated at the lower of cost or net realizable value, determined by the first-in, first-out method.

13. Business Combination

On May 23, 2024, the Company acquired certain assets of Elite First Aid, Inc ("Elite First Aid"). Based in Wake Forest, NC, Elite First Aid is a leading supplier of tactical, trauma and emergency medical products.

The purchase price was allocated to assets acquired as follows (in thousands):

Assets:		
Accounts receivable	$	113
Inventory		1,127
Prepaid Expense		212
Intangible assets		5,689
Total assets	$	7,141

The acquisition was accounted for as a business combination, pursuant to ASC 805 – *Business Combinations*. All assets acquired in the acquisition are included in the Company's United States operating segment. Management's assessment of the valuation of intangible assets is preliminary and finalization of the Company's purchase price accounting assessment may result in changes to the valuation of the identified intangible assets.

The purchase price for the assets was $7,141,000. At closing, the Company paid $6,141,000 to Elite First Aid; the balance of the purchase price, $1,000,000, is subject to holdbacks as follows: (a) $500,000, the payment of which is contingent upon certain revenue milestones during any consecutive 12-month period from May 31, 2024 to December 31, 2025; and (b) $500,000, which is subject to a 13-month holdback as a non-exclusive source of recovery primarily to satisfy indemnification claims under the Asset Purchase Agreement. The $500,000 contingent payment is reported in other long term liabilities and the $500,000 holdback is reported in other current liabilities on the condensed consolidated balance sheet.

The Company has not disclosed separately the amount of revenue and earnings from the sales of Elite First Aid products since the acquisition on May 23, 2024 as these amounts were not material to the Company's consolidated financial statements.

Item 2: Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Information

The Company may from time to time make written or oral "forward-looking statements" including statements contained in this report and in other communications by the Company, which are made in good faith pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Such statements are based on our beliefs as well as assumptions made by and information currently available to us. When used in this document, words like "may," "might," "will," "except," "anticipate," "believe," "potential," and similar expressions are intended to identify forward-looking statements. Actual results could differ materially from our current expectations.

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.

These risks and uncertainties 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, including the impact on the Company's suppliers and customers; (iii) the continuing adverse impact of inflation, including product costs, transportation 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, including trucker shortages, port closures, port strikes or otherwise; (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) 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 (viii) changes in client needs and consumer spending habits; (ix) currency fluctuations; (x) the Company's ability to effectively manage its inventory in a rapidly changing business environment; (xi) the impact of competition; (xii) the impact of technological changes including, specifically, the growth of online marketing and sales activity; (xiv) the Company's ability to manage its growth effectively, including its ability to successfully integrate any business it might acquire; ; and (xv) other risks and uncertainties indicated from time to time in the Company's filings with the Securities and Exchange Commission.

For a more detailed discussion of these and other factors affecting the Company, see the Risk Factors described in Item 1A included in the Company's Annual Report on Form 10-K for the fiscal year December 31, 2023 and below under "Financial Condition". All forward-looking statements in this report are based upon information available to the Company on the date of this report. The Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise, except as required by law.

Critical Accounting Estimates

There have been no material changes to the Company's critical accounting estimates as previously reported in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

Results of Operations

Traditionally, the Company's sales and profits are stronger in the second and third quarters and weaker in the first and fourth quarters of the fiscal year, due to the seasonal nature of the Westcott back-to-school market.

Net sales

Consolidated net sales for the three months ended September 30, 2024 were $48,166,000 compared to $50,384,000 in the same period in 2023, a decrease of 4%. Excluding the impact of the Camillus and Cuda hunting and fishing product lines sold on November 1, 2023, sales for the third quarter of 2024 increased 4%, compared to the same period in 2023. Net sales for the nine months ended September 30, 2024 were $148,547,000 compared to $149,559,000 in the same period in 2023, a decrease of 1%. Excluding Camillus and Cuda, sales for the nine months ended September 30, 2024 increased 5% compared to the same period in 2023. These results reflect the fact that revenues and earnings of the Camillus and Cuda business historically have been seasonal, with the largest shipments occurring in the third quarter in connection with the hunting season, holiday sales and promotions. This disproportionately impacted the sales and earnings for the third quarter of 2024.

Net sales in the U.S. for the three months ended September 30, 2024 decreased 6% compared to the same period in 2023. Excluding the impact of Camillus and Cuda, net sales for the third quarter of 2024 increased 3% compared to the same period of 2023. Net sales for the nine months ended September 30, 2024 decreased 1% compared to the same period in 2023. Excluding the impact of Camillus and Cuda, net sales for the nine months ended September 30, 2024 increased 5% compared to the same period of 2023. The increase in net sales for the nine months ended September 30, 2024 was primarily related to market share gains in the craft channel, the kitchen sharpener market as well as first aid products.

Net sales in Canada for the three months ended September 30, 2024 decreased 1% in U.S. dollars but increased 2% in local currency compared to the same period in 2023. Excluding the impact of Camillus and Cuda, net sales for the third quarter of 2024 increased 6% compared to the same period of 2023. Net sales for the nine months ended September 30, 2024 decreased 5% in U.S. dollars and 4% in local currency, compared to the same period in 2023. Excluding the impact of Camillus and Cuda, net sales for the nine months ended September 30, 2024 were constant compared to the same period of 2023. Sales of first aid products were strong, however sales of school and office products declined due to a continuing soft economy.

European net sales for the three months ended September 30, 2024 increased 10% in both U.S. dollars and local currency compared to the same period in 2023. Excluding the impact of Camillus and Cuda, net sales for the third quarter of 2024 increased 15% compared to the same period of 2023. Net sales for the nine months ended September 30, 2024 increased 6% in both U.S. dollars and local currency compared to the same period in 2023. Excluding the impact of Camillus and Cuda, net sales for the nine months ended September 30, 2024 increased 10% compared to the same period of 2023. The increases in net sales for the three and nine months ended September 30, 2024 was due to market share gains in the office channel.

Gross profit

Gross profit for the three months ended September 30, 2024 was $18,564,000 (38.5% of net sales) compared to $19,503,000 (38.7% of net sales) in the same period in 2023. Gross profit for the nine months ended September 30, 2024 was $58,587,000 (39.4% of net sales) compared to $55,807,000 (37.3% of net sales) in the same period in 2023. The increase in gross profit for the nine months ended September 30, 2024 was primarily due to productivity improvements in the Company's manufacturing and distribution facilities.

Selling, general and administrative expenses

Selling, general and administrative ("SG&A") expenses for the three months ended September 30, 2024 were $15,638,000 (32.5% of net sales) compared with $15,846,000 (31.5% of net sales) in the same period in 2023, a decrease of $208,000. SG&A expenses for the nine months ended September 30, 2024 were $46,728,000 (31.5% of net sales) compared with $44,711,000 (29.9% of net sales) in the same period in 2023, an increase of $2,017,000. The increase in SG&A expenses for the nine months ended September 30, 2024 was primarily related to higher personnel related expenses.

Operating income

Operating income for the three months ended September 30, 2024 was $2,926,000 compared with $3,657,000 in the same period of 2023. Operating income for the nine months ended September 30, 2024 was $11,859,000 compared with $11,096,000 in the same period of 2023.

Operating income in the U.S. segment decreased by $611,000 for the three months ended September 30, 2024 compared to the same period in 2023. Operating income in the U.S. segment increased by $1,230,000 for the nine months ended September 30, 2024 compared to the same period in 2023. The increase in operating income for the nine months ended September 30, 2024 was primarily due to productivity improvements at our manufacturing and distribution facilities.

Operating income in the Canadian segment increased by $25,000 for the three months ended September 30, 2024 compared to the same period in 2023. Operating income in the Canadian segment decreased $192,000 for the nine months ended September 30, 2024 compared to the same period in 2023. The decrease in operating income for the nine months ended September 30, 2024 were primarily due to lower net sales of school and office products.

Operating income in the European segment decreased by $145,000 and $275,000 for the three and nine months ended September 30, 2024, respectively, compared to the same periods in 2023. The decrease in operating income for the three and nine months ended September 30, 2024 was primarily due to planned increases in headcount to support growth in the business.

Interest expense, net

Interest expense, net for the three months ended September 30, 2024 was $535,000 compared with $784,000 in the same period of 2023, a $249,000 decrease. Interest expense, net for the nine months ended September 30, 2024 was $1,517,000 compared with $2,517,000 in the same period of 2023, a $1,000,000 decrease. The decreases in interest expense for the three and nine months ended September 30, 2024 resulted from lower average outstanding borrowings.

Other (income) expense, net

Other income, net was $17,000 in the three months ended September 30, 2024 compared to other expense, net of $55,000 in the same period of 2023. Other income, net in the nine months ended September 30, 2024 was $90,000 compared to other expense, net of $9,000 in the same period of 2023.

Income taxes

The effective income tax rate for the three and nine months ended September 30, 2024 was 8% and 20% compared to 24% and 23% in the same periods of 2023. The lower effective income tax rate for the three and nine months ended September 30, 2024 was primarily due to excess tax benefits resulting from the exercise of stock options.

Financial Condition

Liquidity and Capital Resources

During the first nine months of 2024, working capital increased approximately $10.4 million. As a result of the acquisition of Elite First Aid, Inc., inventory increased approximately $0.5 million during the nine-month period. Inventory turnover, calculated using a twelve-month average inventory balance, was 2.1 at September 30, 2024 and December 31, 2023. Receivables increased approximately $5.1 million at September 30, 2024 compared to December 31, 2023. The average number of days sales outstanding in accounts receivable was 54 days at September 30, 2024 compared to 55 days at December 31, 2023. Accounts payable and other current liabilities decreased by approximately $4.1 million at September 30, 2024 compared to December 31, 2023.

The Company's working capital, current ratio and long-term debt to equity ratio are as follows (dollar amounts in thousands):

	September 30, 2024	**December 31, 2023**
Working capital	$ 76,380	$ 66,010
Current ratio	4.41	3.54
Long term debt to equity ratio	30.1%	23.9%

Long-term debt consists of (i) borrowings under the Company's revolving loan agreement with HSBC Bank, N.A. and (ii) amounts outstanding under the fixed rate mortgage on the Company's manufacturing and distribution facilities in Rocky Mount, NC and Vancouver, WA. The revolving loan agreement provides for borrowings of up to $65 million, at an interest rate of SOFR plus 1.75%; interest is payable monthly. The loan agreement has an expiration date of May 31, 2026. The Company must pay a facility fee, payable quarterly, in an amount equal to one eighth of one percent (.125%) per annum of the average daily unused portion of the revolving credit line. The facility is intended to provide liquidity for growth, share repurchases, dividends, acquisitions, and other business activities. Under the revolving loan agreement, the Company is required to maintain specific amounts of funded debt to EBITDA, a fixed charge coverage ratio and must have annual net income greater than $0, measured as of the end of each fiscal year. As of September 30, 2024, the Company was in compliance with the covenants under the revolving loan agreement as then in effect.

During the first nine months of 2024, total debt outstanding under the Company's revolving credit facility increased by approximately $8.9 million, compared to total debt thereunder at December 31, 2023. As of September 30, 2024, $22,059,000 was outstanding and $42,941,000 was available for borrowing under the Company's credit facility.

The Company's manufacturing and distribution facilities in Rocky Mount, NC and Vancouver, WA were financed by a fixed rate mortgage with HSBC Bank, N.A. at a rate of 3.8%. The Company entered into the agreement on December 1, 2021. Payments of principal and interest are due monthly, with all amounts outstanding due on maturity on December 1, 2031. At September 30, 2024, there was approximately $10.5 million outstanding on the mortgage.

On May 23, 2024, the Company acquired the assets of Elite First Aid, Inc ("Elite First Aid") for approximately $7.1 million, . Based in Wake Forest, NC, Elite First Aid is a leading supplier of tactical, trauma and emergency medical products.

The Company believes that cash generated from operating activities, together with funds available under its revolving loan agreement, will, under current conditions, be sufficient to finance the Company's operations over the next twelve months from the filing of this report.

Item 3: Quantitative and Qualitative Disclosure about Market Risk

Not applicable.

Item 4: Controls and Procedures

(a) Evaluation of Internal Controls and Procedures

Under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of September 30, 2024. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures were not effective as of September 30, 2024 as a result of an identified material weakness. As described in the Company's Form 10-K for the year ended December 31, 2023, the Company's information technology general controls (ITGCs) related to change management and logical controls were ineffective. The Company implemented changes to its Internal Controls Over Financial Reporting, as described in Item 4(b) below. Except as described below, there were no changes in the Company's internal control over financial reporting that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

(b) Changes in Internal Control over Financial Reporting

In response to the material weakness identified above, the Company has implemented changes to its internal control over financial reporting, including:

- The Company has implemented database change management and auditing software;
- The Company has designed and implemented associated management review procedures.

Management believes that, as a result of these changes, the material weakness, as described above, will be remediated. However, due to the nature of the material weakness, it will not be considered remediated until the applicable controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively. We expect that the remediation of this material weakness will be completed as of December 31, 2024.

PART II. OTHER INFORMATION

Item 1 — Legal Proceedings

There are no pending material legal proceedings to which the registrant is a party, or, to the actual knowledge of the Company, contemplated by any governmental authority.

Item 1A — Risk Factors

See Risk Factors set forth in Part I, Item 1A of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

Item 2 — Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3 — Defaults upon Senior Securities

None.

Item 4 — Mine Safety Disclosures

Not applicable.

Item 5 — Other Information

None.

Item 6 — Exhibits

Documents filed as part of this report:

Exhibit 31.1	Certification of Walter C. Johnsen pursuant to 18 U.S.C. Section 1350, as adopted pursuant Section 302 of the Sarbanes-Oxley Act of 2002
Exhibit 31.2	Certification of Paul G. Driscoll pursuant to 18 U.S.C. Section 1350, as adopted pursuant Section 302 of the Sarbanes-Oxley Act of 2002
Exhibit 32.1	Certification of Walter C. Johnsen pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
Exhibit 32.2	Certification of Paul G. Driscoll pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	Inline XBRL Instance Document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
104	The cover page for the Company’s Quarterly Report on Form 10-Q has been formatted in Inline XBRL and contained in Exhibit 101

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 thereunto duly authorized.

ACME UNITED CORPORATION

By /s/ Walter C. Johnsen

Walter C. Johnsen
Chairman of the Board and
Chief Executive Officer

Dated: November 8, 2024

By /s/ Paul G. Driscoll

Paul G. Driscoll
Vice President and
Chief Financial Officer

Dated: November 8, 2024

Exhibit 31.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, WALTER C. JOHNSEN, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Acme United Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By /s/ Walter C. Johnsen

Walter C. Johnsen
Chairman of the Board and
Chief Executive Officer

Dated: November 8, 2024

Exhibit 31.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, PAUL G. DRISCOLL, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Acme United Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By /s/ Paul G. Driscoll

Paul G. Driscoll
Vice President and
Chief Financial Officer

Dated: November 8, 2024

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned officer of Acme United Corporation (the "Company") hereby certifies to my knowledge that the Company's quarterly report on Form 10-Q for the quarterly period ended September 30, 2024 (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, fully complies with the requirements of section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company. This certification is provided solely pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed to be a part of the Report or "filed" for any purpose whatsoever.

By /s/ Walter C. Johnsen

Walter C. Johnsen
Chairman of the Board and
Chief Executive Officer

Dated: November 8, 2024

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Acme United Corporation and will be retained by Acme United Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned officer of Acme United Corporation (the "Company") hereby certifies to my knowledge that the Company's quarterly report on Form 10-Q for the quarterly period ended September 30, 2024 (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, fully complies with the requirements of section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company. This certification is provided solely pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed to be a part of the Report or "filed" for any purpose whatsoever.

By /s/ Paul G. Driscoll
Paul G. Driscoll
Vice President and
Chief Financial Officer

Dated: November 8, 2024

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Acme United Corporation and will be retained by Acme United Corporation and furnished to the Securities and Exchange Commission or its staff upon request.