

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 21, 2023

ACME UNITED CORPORATION

(Exact name of registrant as specified in its charter)

Connecticut

(State or other jurisdiction
of incorporation or organization)

1 Waterview Dr, Shelton, Connecticut

(Address of principal executive offices)

001-07698

(Commission file number)

06-0236700

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

06484

(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 21, 2023, Acme United Corporation (the “Company”) issued a press release announcing its financial results for the quarter ended March 31, 2023. 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 21, 2023.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

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

ACME UNITED CORPORATION

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

Dated: April 21, 2023

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

Dated: April 21, 2023

ACME UNITED CORPORATION

NEWS RELEASE

CONTACT:
Corporation

Paul G. Driscoll

Phone: (203) 254-6060

Acme United
1 Waterview Drive

Shelton, CT 06484

FOR IMMEDIATE RELEASE April 21, 2023

ACME UNITED REPORTS 6% SALES INCREASE AND 27% EPS INCREASE FOR FIRST QUARTER OF 2023

SHELTON, CT – April 21, 2023 – Acme United Corporation (NYSE American: ACU) today announced that net sales for the quarter ended March 31, 2023 were \$45.8 million compared to \$43.3 million for the quarter ended March 31, 2022, an increase of 6%.

Net income was \$990,000, or \$0.28 per diluted share, for the quarter ended March 31, 2023, compared to \$830,000, or \$0.22 per diluted share, for the comparable period last year, an increase of 19% in net income and 27% in diluted earnings per share.

Chairman and CEO Walter C. Johnsen said, “We are successfully executing our growth and productivity plans. Our net sales growth reflects expansion of our customer base and new product introductions in the first aid and medical segment, offset in part by continued inventory reductions by some large mass market customers. We realized over \$0.5 million in productivity savings during the quarter. Inventory declined by \$5.0 million from December 31, 2022, which reduced debt.”

Mr. Johnsen added, “The Company is on track to realize projected annual savings of \$5.0 million in 2023 due to the many productivity improvements we have been implementing. I am grateful to the Acme United team which has been intensely focused on delivering outstanding performance in 2023. We look forward to growth and improved profitability in 2023.”

For the first quarter of 2023, net sales in the U.S. segment increased 9% compared to the same period in 2022 mainly due to higher sales of first aid and medical products.

European net sales for the first quarter of 2023 decreased 6% in U.S. dollars and 2%

in local currency compared to the first quarter of 2022.

Net sales in Canada for the first quarter of 2023 decreased 10% in U.S. dollars and 5% in local currency compared to the same period in 2022, mainly due to retailer inventory reductions.

Gross margin was 35.5% in the first quarter of 2023 versus 34.5% in the comparable period last year. The increase in the quarter was primarily due to cost saving initiatives implemented in the fall of 2022.

Operating income in the first quarter of 2023 increased \$0.8 million, or 60%, compared to the same period last year, mainly due to higher sales and an improved gross margin.

Interest expense in the first quarter of 2023 increased \$0.6 million compared to the last year's same period due to higher interest rates.

The Company's bank debt less cash on March 31, 2023 was \$48.4 million compared to \$46.2 million on March 31, 2022. During the twelve-month period ended March 31, 2023, the Company paid approximately \$11 million for the acquisition of the assets of Live Safely Products, LLC, paid \$1.9 million in dividends on its common stock and generated approximately \$11 million in free cash flow, including a reduction in inventory of \$3 million.

Conference Call and Webcast Information

Acme United will hold a conference call to discuss its quarterly results, which will be broadcast on Friday, April 21, 2023, at 12:00 p.m. ET. To listen or participate in a question and answer session, dial 877-407-0784 . International callers may dial 201-689-8560. The confirmation code is 13737289. 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®, Med-Nap and Safety Made. For more information, visit www.acmeunited.com.

Forward Looking Statements

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, 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.

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) additional disruptions in the Company's supply chains, whether caused by COVID-19, natural disasters or otherwise; (iv) labor-related costs the Company has incurred and continues to incur, including costs of acquiring and training new employees and rising wages and benefits; (v) the continuing adverse impact of inflation on products costs and interest rates; (vi) the Company's ability to effectively manage its inventory in a rapidly changing business environment, including the additional inventory the Company acquired in anticipation of supply chain disruptions and uncertainties; (vii) potential adverse effects on the Company, its customers, and suppliers resulting from the war in Ukraine; (viii) changes in client needs and consumer spending habits; (ix) the impact of competition; (x) the impact of technological changes including, specifically, the growth of online marketing and sales activity; (xi) the Company's ability to manage its growth effectively, including its ability to successfully integrate any business it might acquire; (xii) currency fluctuations; (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.

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ACME UNITED CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FIRST QUARTER REPORT 2023
(Unaudited)

Amounts in 000's except per share data	Quarter Ended March 31, 2023	Quarter Ended March 31, 2022
Net sales	\$ 45,838	\$ 43,333
Cost of goods sold	<u>29,557</u>	<u>28,365</u>
Gross profit	16,281	14,968
Selling, general and administrative expenses	<u>14,093</u>	<u>13,597</u>
Operating income	2,188	1,371
Interest expense	919	309
Interest income	<u>(17)</u>	<u>(4)</u>
Net interest expense	902	305
Other income, net	<u>(23)</u>	<u>(2)</u>
Income before income tax expense	1,309	1,068
Income tax expense	<u>319</u>	<u>238</u>
Net income	\$ 990	\$ 830
Shares outstanding - basic	<u>3,541</u>	<u>3,521</u>
Shares outstanding - diluted	<u><u>3,541</u></u>	<u><u>3,848</u></u>
Earnings per share - basic	\$ 0.28	\$ 0.24
Earnings per share - diluted	0.28	0.22

ACME UNITED CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
FIRST QUARTER REPORT 2023
(Unaudited)

Amounts in \$000's

	<u>March 31, 2023</u>	<u>March 31, 2022</u>
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 2,764	\$ 5,307
Accounts receivable, net	32,972	34,605
Inventories	58,488	60,716
Prepaid expenses and other current assets	4,961	3,810
Total current assets	99,185	104,438
Property, plant and equipment, net	26,397	23,887
Operating lease right of use asset	2,675	3,064
Intangible assets, less accumulated amortization	20,272	16,888
Goodwill	8,189	4,800
Other assets	750	-
Total assets	\$ 157,468	\$ 153,077
<u>Liabilities and stockholders' equity</u>		
Current liabilities:		
Accounts payable	\$ 10,597	\$ 10,939
Operating lease liability - short term	1,216	1,112
Mortgage payable - short term	405	389
Other current liabilities	11,816	8,937
Total current liabilities	24,034	21,377
Long-term debt	40,135	40,151
Mortgage payable - long term	10,597	10,989
Operating lease liability - long term	1,628	2,187
Other non-current liabilities	957	600
Total liabilities	77,351	75,304
Total stockholders' equity	80,117	77,773
Total liabilities and stockholders' equity	\$ 157,468	\$ 153,077