



**Acme United Corporation**

(NYSE American: ACU)

# Investor Presentation

September 2020

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# Safe Harbor Statement

Forward-looking statements in this presentation, 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 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, including the impact on the Company's suppliers and customers; (iii) changes in client needs and consumer spending habits; (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; (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.

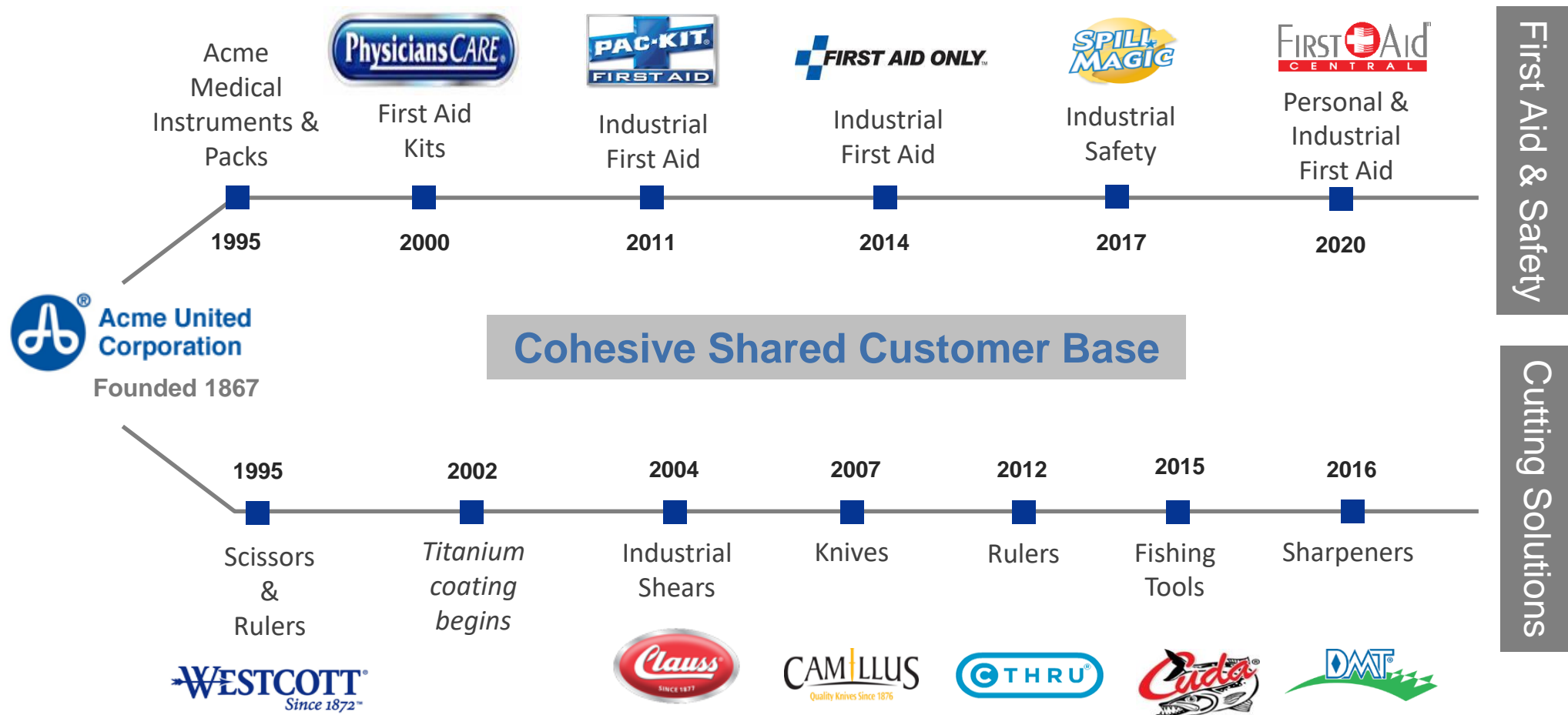
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# NYSE American: ACU

- 1 Leader in innovative safety solutions and cutting technology
- 2 On track for 10th consecutive year of record sales
- 3 Driving growth through innovation
- 4 Premier and diversified customer base
- 5 Successful history of acquisitions
- 6 Strong balance sheet enhances ability to take advantage of opportunities

# Corporate Overview

- Growth fueled by a combination of brands, technology and expanding distribution
- Successful series of opportunistic acquisitions in two adjacent areas over 50 years
- Leverage growth through shared technologies, cross-brand collaboration and cross-selling that drive value across ACU's platform



# Acquisition of First Aid Central

- Canadian first aid & safety supplier acquired in January 2020
- Complete line of first aid kits, refills & safety products for a broad range of customers
- Expanded ACU's distribution capabilities, product offerings and online presence
- 2019 revenues of C\$4.3 million
- Acquisition accretive to date in 2020

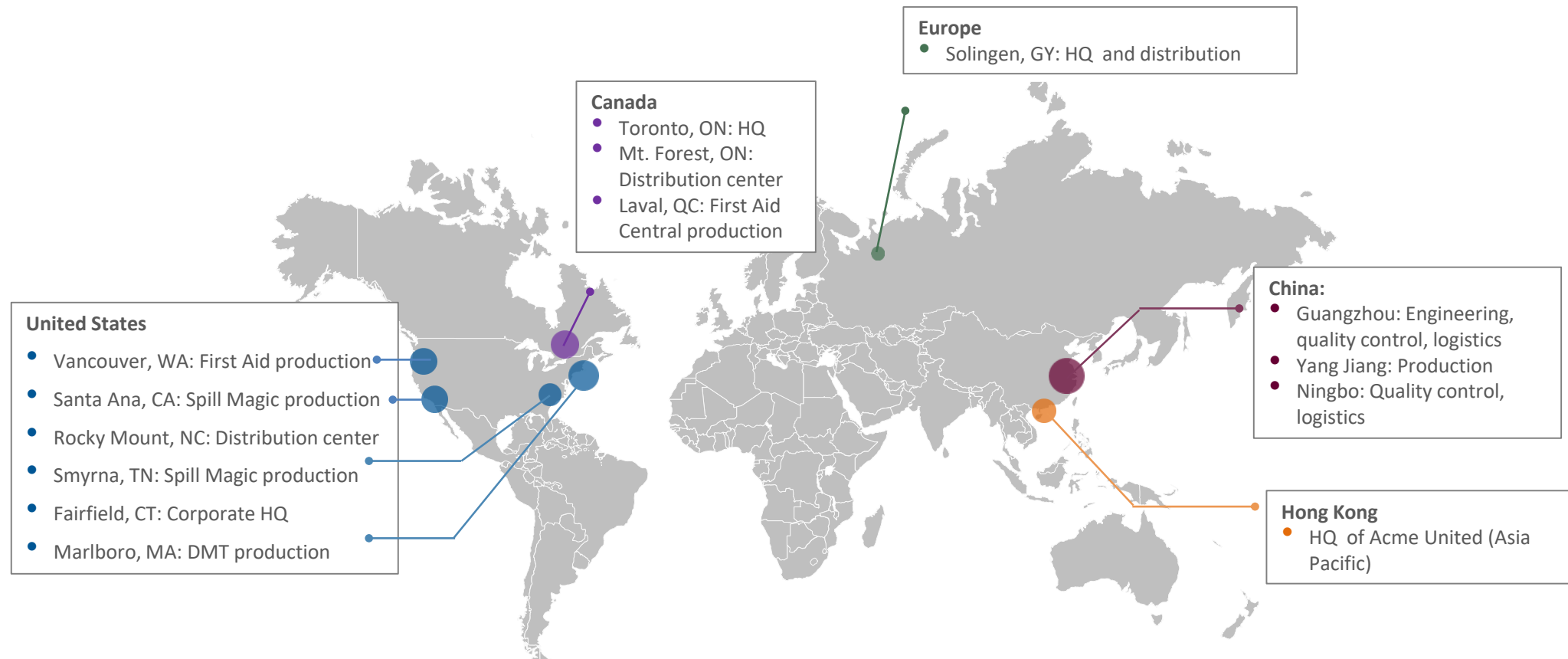


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# Impact of COVID-19

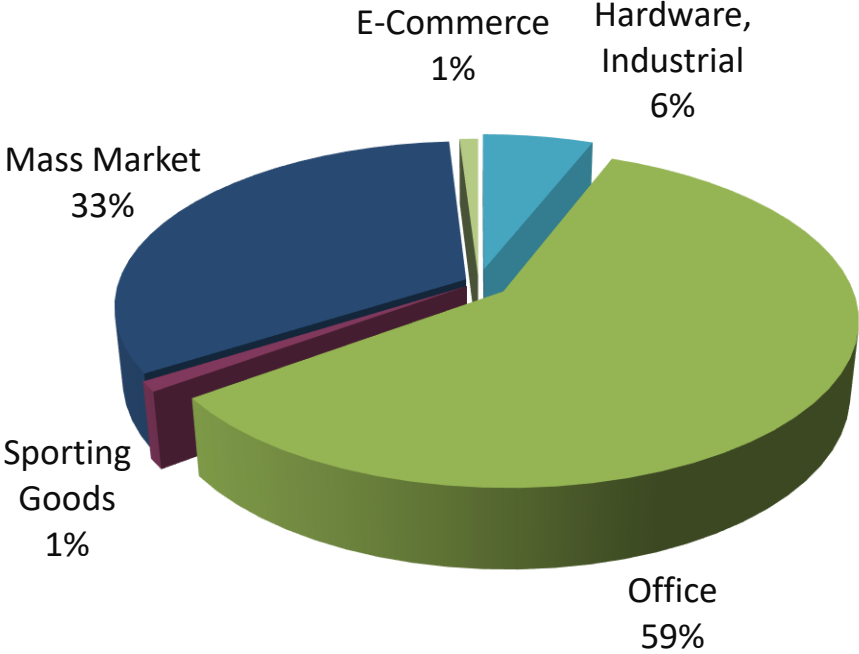
- Shipping record levels of a wide array of products
  - Fishing tools, hunting knives, craft scissors, sharpening tools, first aid & safety products
- Operating safely throughout the pandemic
  - Managing challenges of worldwide supply chain
  - Operating domestic and international production and distribution centers
  - Sales and office associates successfully working remotely
- Developing new products to meet customers' new needs
- Improving content online and enhancing online search and contact capabilities
- Expanding workforce to meet demand

# Acme United International Footprint

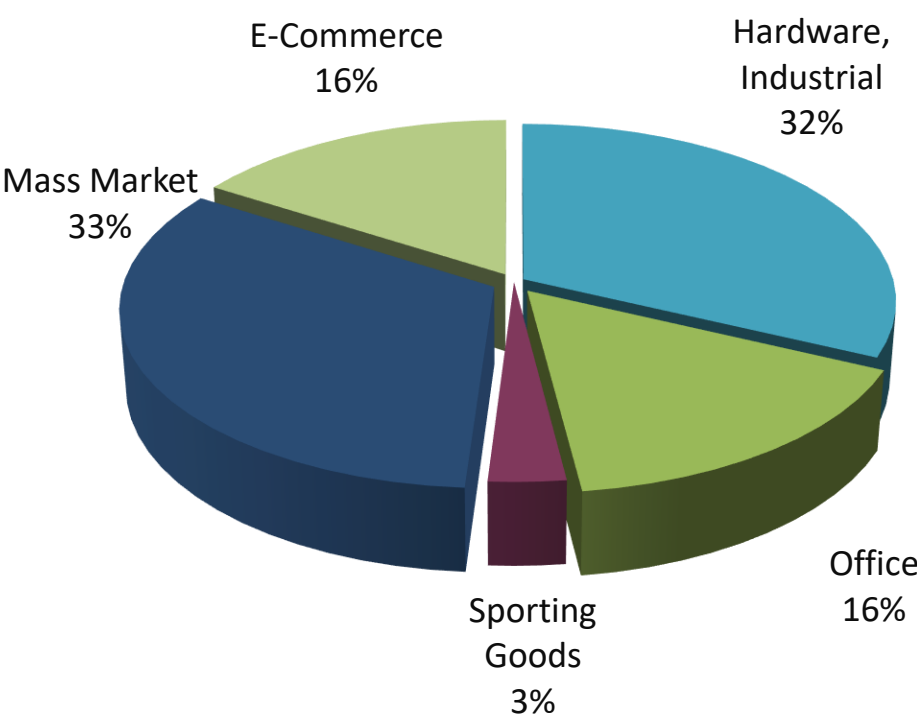


# Expanding Distribution

2010



1H 2020



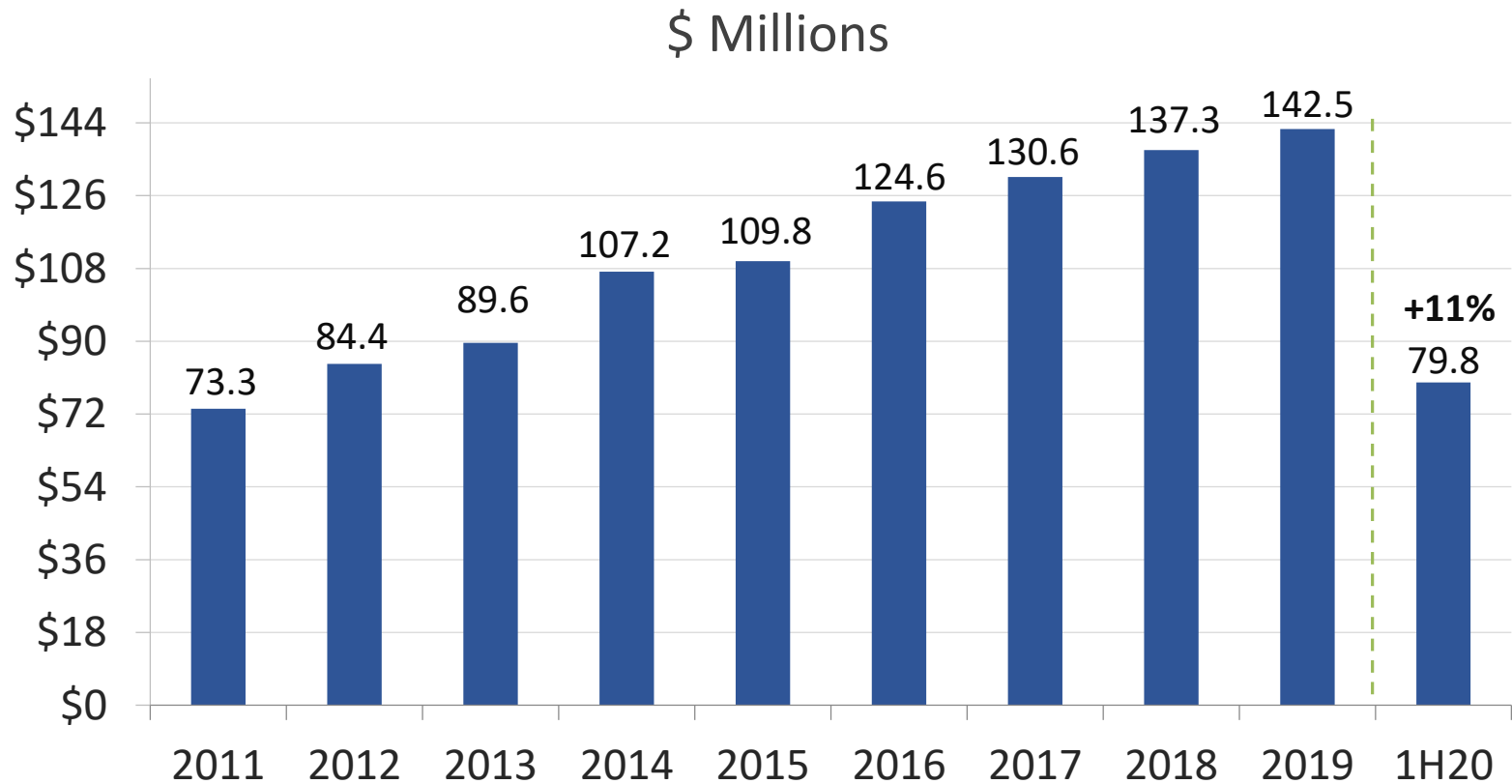
Diversified distribution network;  
strong growth in e-commerce channel



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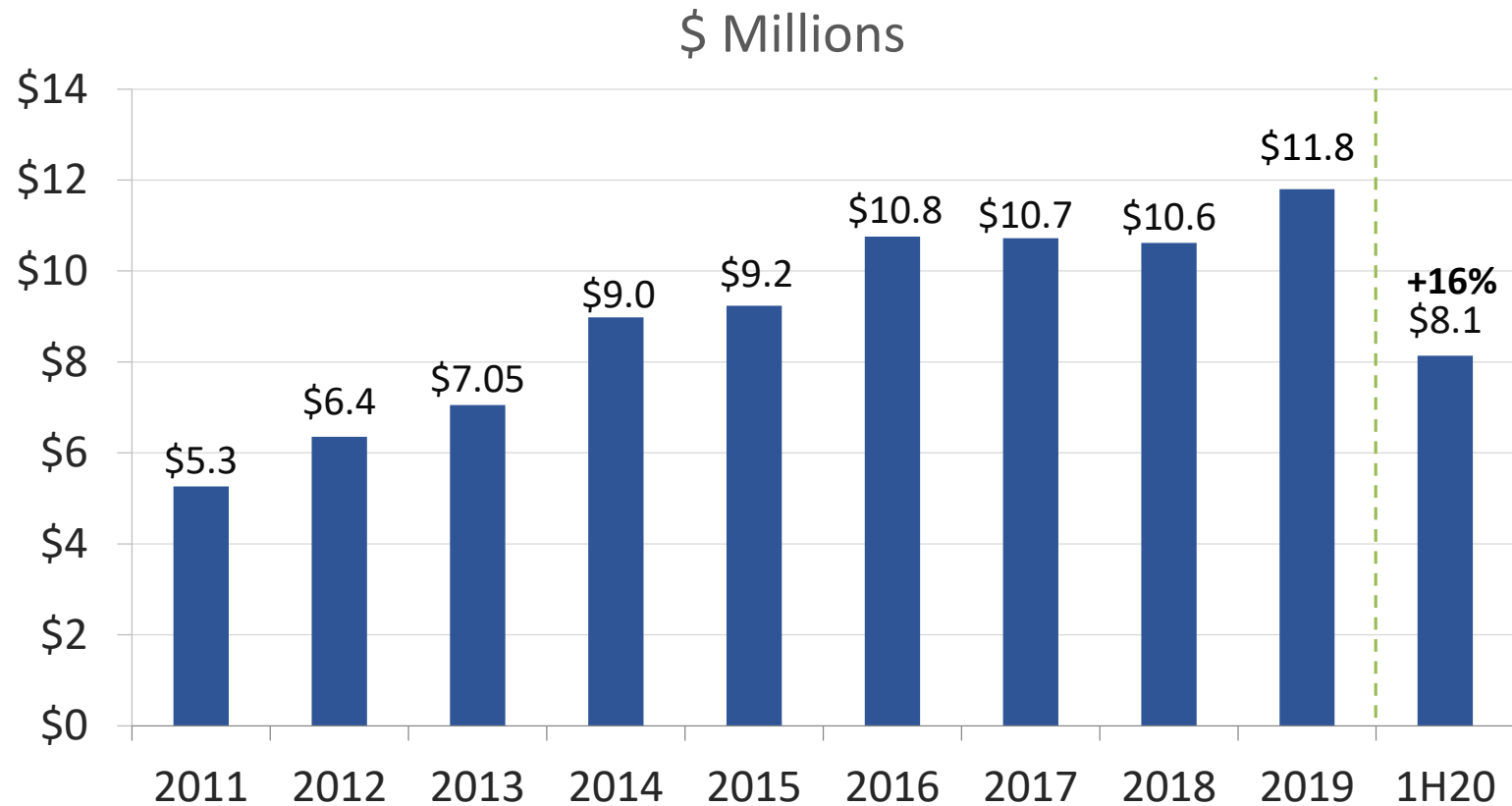
# Financial Results

# Net Sales



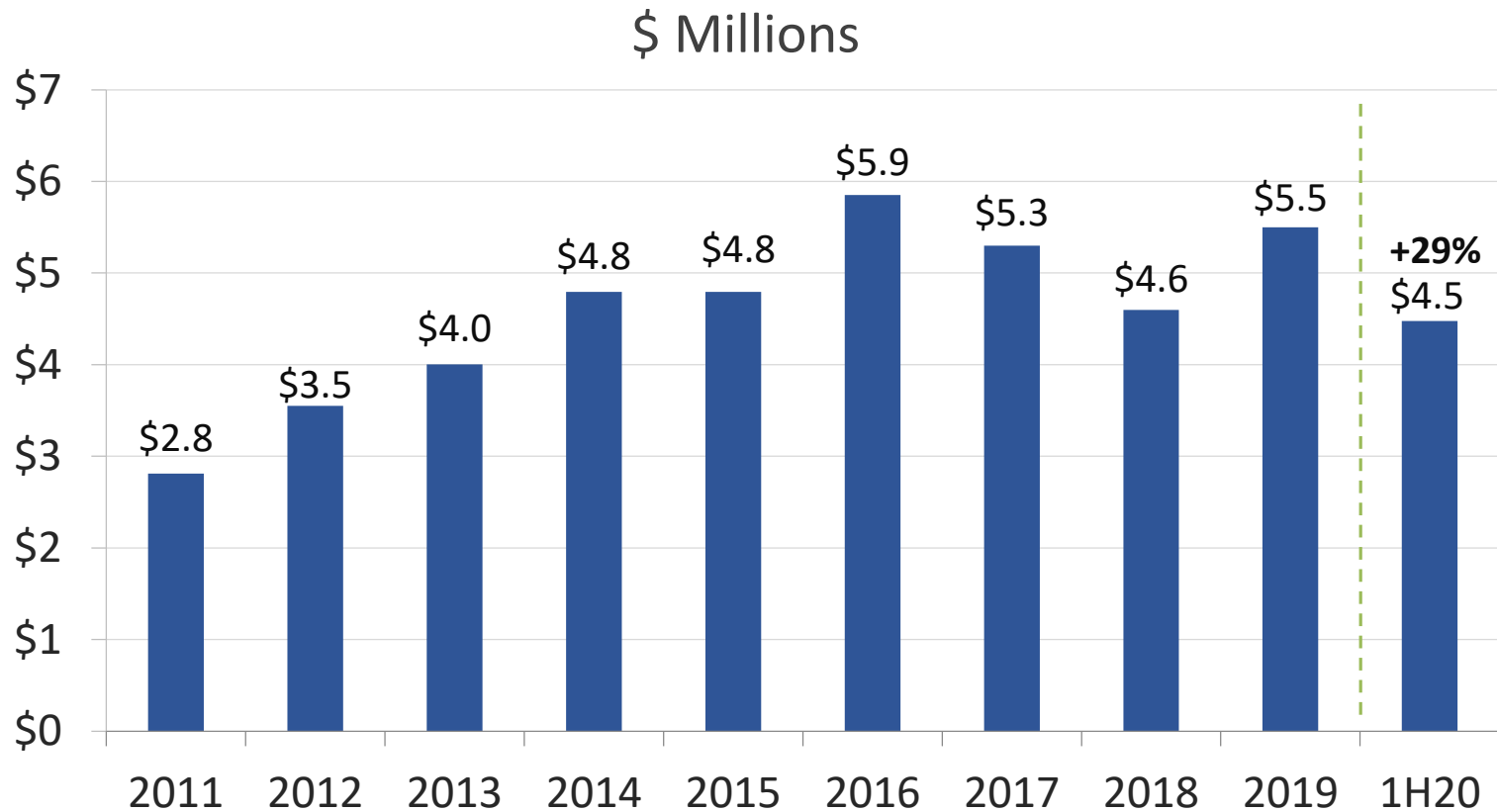
On track for tenth consecutive year of record sales in 2020, driven by new products and market share gains

# EBITDA

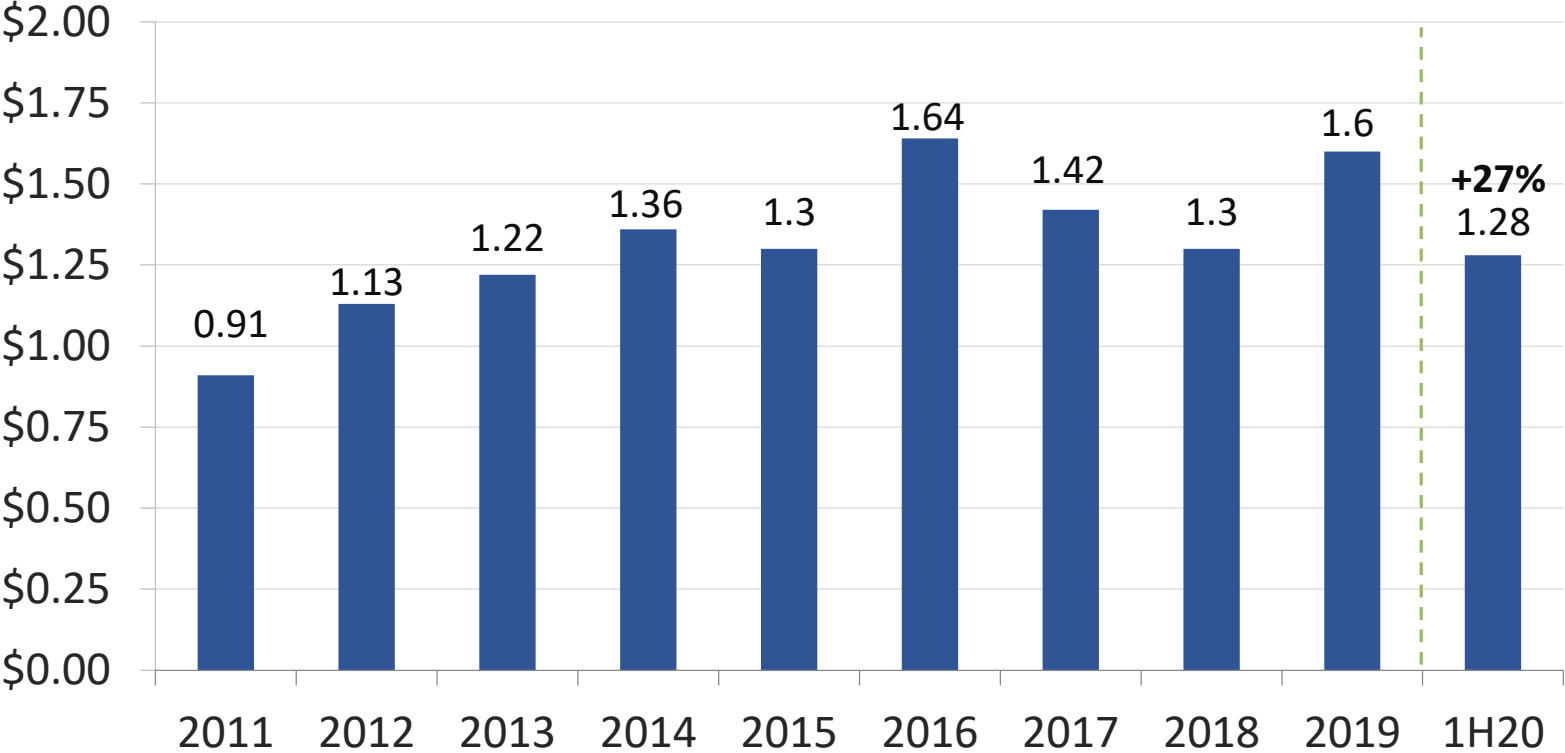


Strong and growing EBITDA

# Net Income



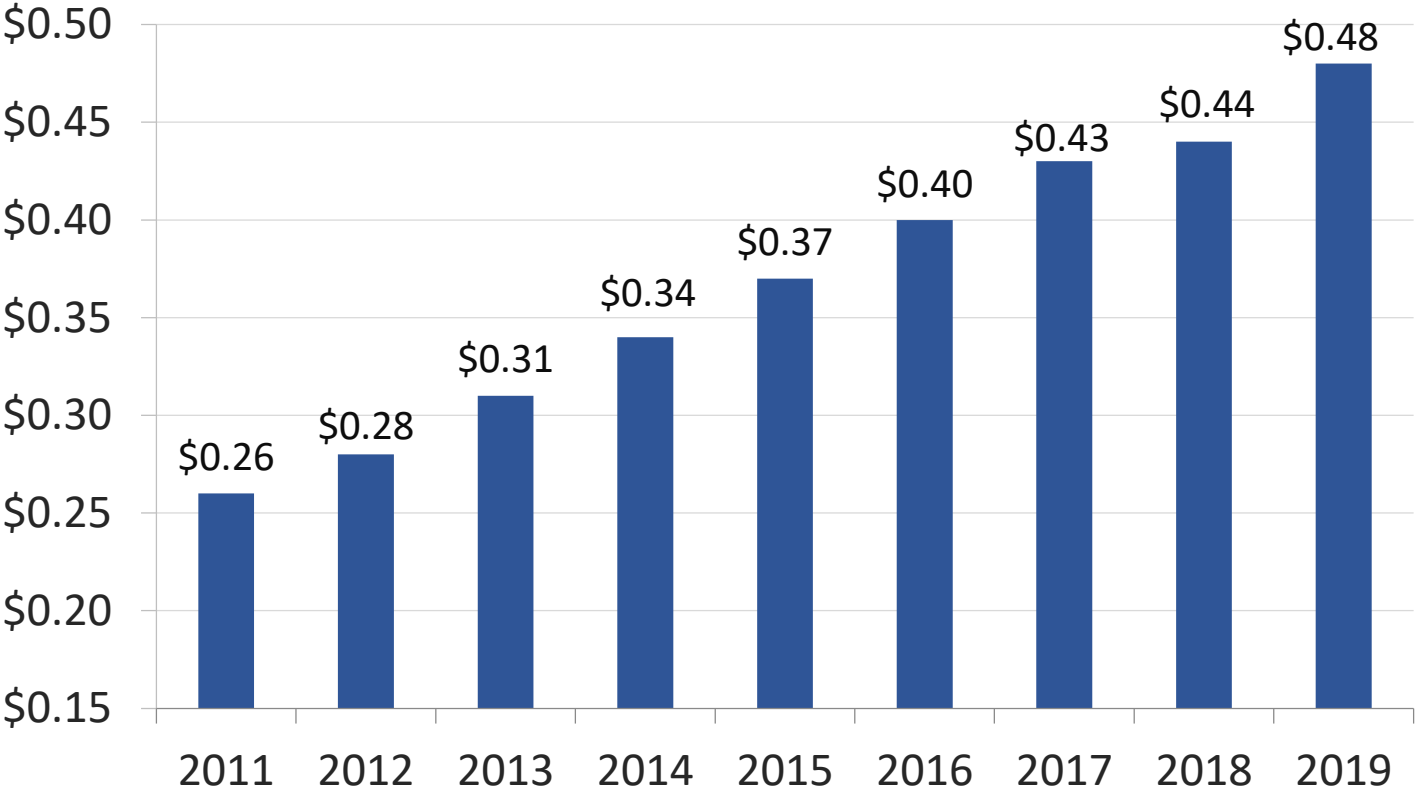
# Earnings Per Share



EPS on record-setting pace in 1H 2020

# Dividend History

Dividends Per Share



Strong and consistent dividend growth

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# Focus on Innovation

# Smart Compliance Complete

- Physical safety solution pairs with virtual SafetyHub
- Complete safety solution center
- Preparing for advancements in IoT
- Push-to-open feature
- Gaining placement at major industrial sites

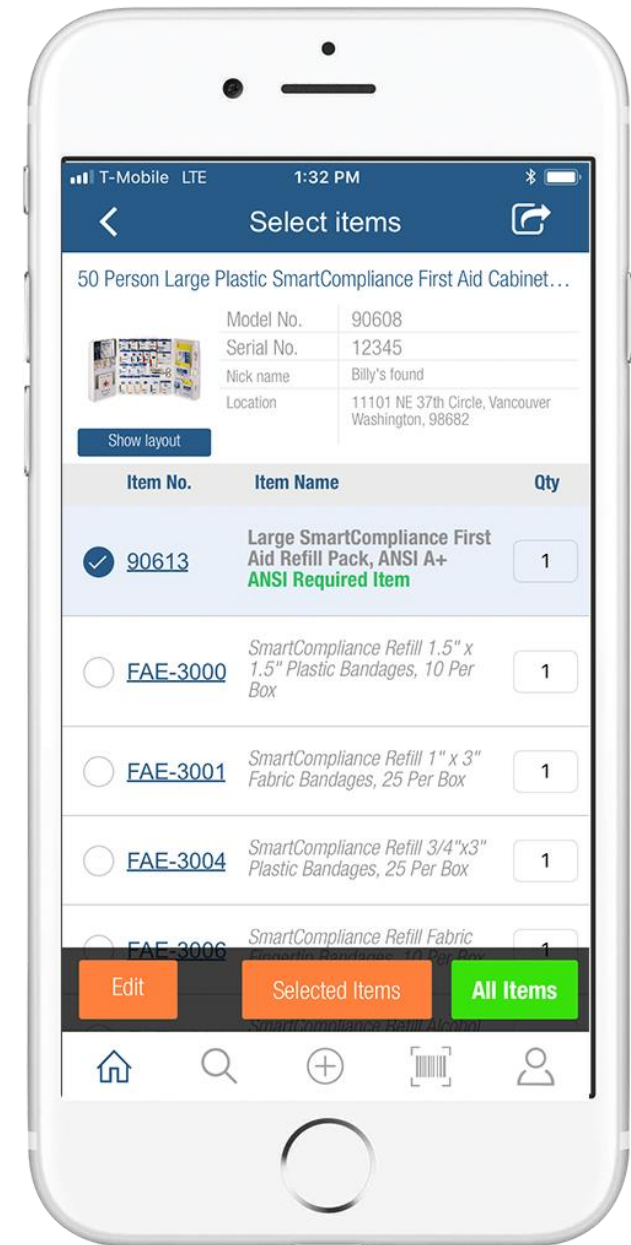




# SafetyHub App Overview

- Fast, easy way to requisition and manage safety items
- Set push notifications to check cabinet, perform physical inventory and establish annual budgets
- Creates an OSHA log and ensures compliance
- Manages facility items that need to be replenished, serviced or calibrated
- SmartData provides business intelligence and benchmarks consumption

Targeting \$700MM  
Van Service Market



# Glide Technology Scissor Expansion

- Cascade technology down to mid-tier scissors
- Westcott tradition of first-to-market innovations
- Glide first mechanical technology in 50+ years
- Composite fulcrum and patent-pending utility patent available across premium cutting technologies
- Adjustable tension for cutting materials or user preference



# Specialized Ceramic Cutters

- Continue penetration into industrial cutting
- Multi-depth settings
- Premium features and retail price points
- Sliding handle, utility patent pending
- Rear depth dial, utility patent pending



# Craft Market Expansion

- Continue the 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



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# DMT Sharpeners

- Best hand tools for sharpening in the industry
  - Highest concentration of diamonds
  - Most consistent diamond dispersion
  - Flattest sharpening surface
  - World's finest sharpeners
- Expanding in the home and culinary markets
- Strong performance in 1H 2020



# Clauss® **BLACKLINE™** **TI-CARBIDE™**

- Black titanium blades
- Serrated carbide edge for superior edge retention
- Oversized bows for leverage and comfort
- Knife edges for precision cutting
- Available in 8", 9", and 10"



Oversize  
Bow



**BLACKLINE™**  
**TI-CARBIDE™**

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# Growth Drivers

# Growth Drivers - First Aid & Safety

- New first aid programs at large industrial, food service and other distributors
- Growing refill business
- Acquisition of First Aid Central in January 2020
- Expanding product placement of Spill Magic
- Cross sell all safety products into customer base



## Compliance

Simplifies compliance with OSHA regulations and ANSI standards.



SmartTab  
ezRefill System





# 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



# Financial Goals

- Generate solid revenue growth
- Drive e-commerce
- Continue developing and introducing new products
- Increasing inventory to reduce supply chain risk and take advantage of opportunities
- Drive ongoing profits and reduce debt to fund future acquisitions and growth
- Continue ACU's history of regularly increasing dividends
- Seek additional tuck-in acquisitions

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





# Acme United Corporation

## Company Contact

Walter Johnsen, Chairman & CEO

800-835-2263

[W.Johnsen@AcmeUnited.com](mailto:W.Johnsen@AcmeUnited.com)

## Investor Relations

Harriet Fried, SVP

LHA

212.838.3777

[HFried@lhai.com](mailto:HFried@lhai.com)