



Acme United Corporation



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(NYSE American: ACU)

Investor Presentation

March 2019





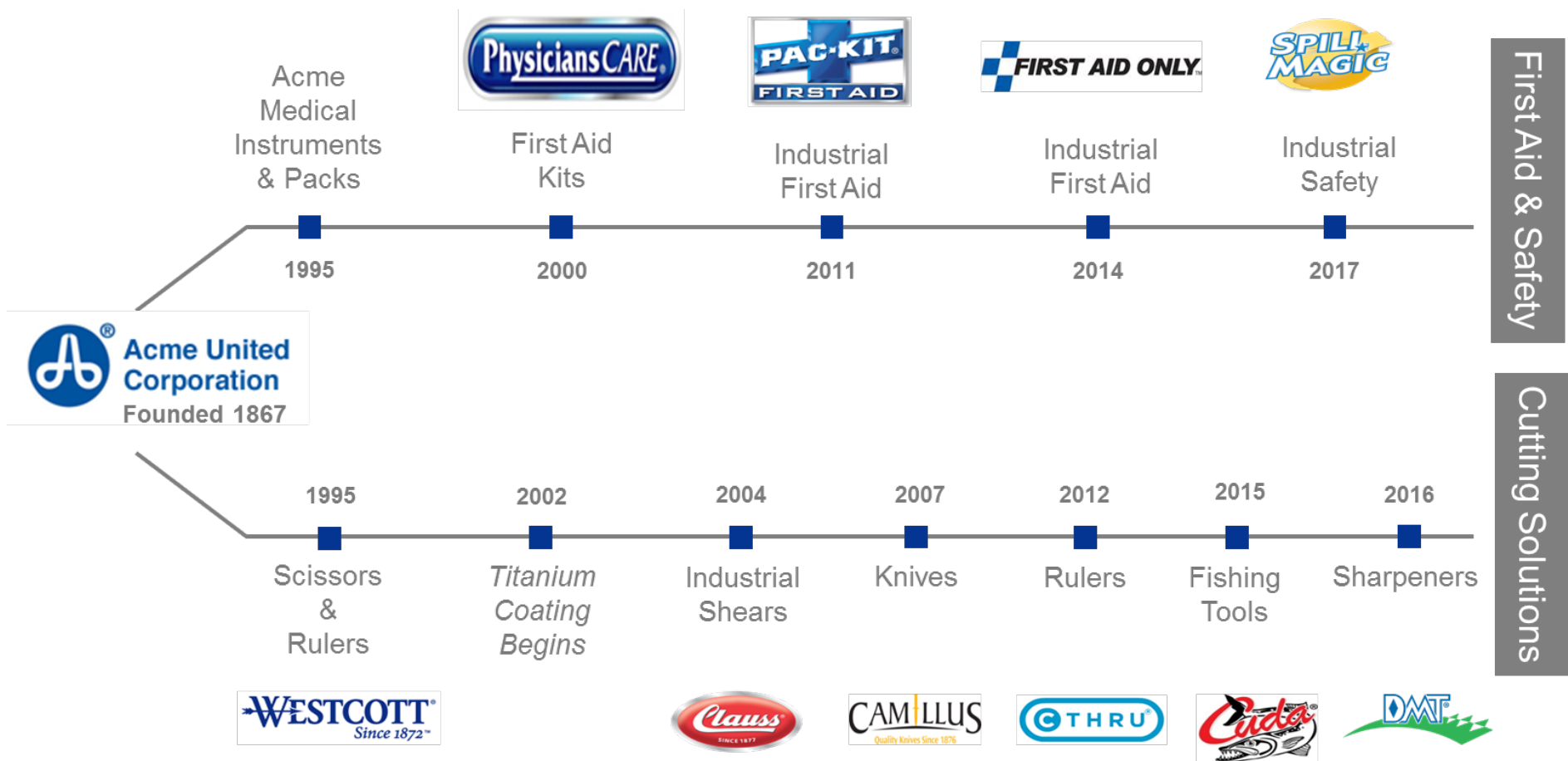
Forward-looking statements in this presentation, including without limitation, statements related to the Company's plans, strategies, objectives, expectations, intentions and adequacy of resources, are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that such forward-looking statements involve risks and uncertainties including, 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 and technological changes on the Company; (v) the Company's ability to manage its growth effectively, including its ability to successfully integrate any business it might acquire; (vi) currency fluctuations; (vii) increases in the cost of borrowings resulting from rising interest rates; and (viii) other risks and uncertainties indicated from time to time in the Company's filings with the Securities and Exchange Commission.



- Leader in innovative safety solutions and cutting technology
- Eight consecutive years of record sales (2010 – 2018)
- Innovation rate approaching 30%
- Premier and diversified customer base
- Successful history of acquisitions
- Comprehensive cost reduction program implemented to realize \$2 million in savings annually

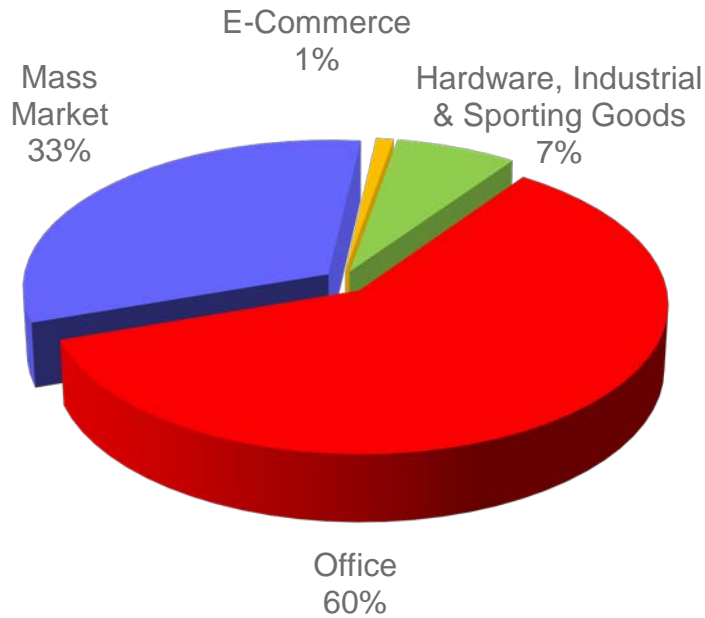


- Growth fueled by a combination of brands, technology and expanding distribution
- Successful series of opportunistic acquisitions in two adjacent areas over 50 years
- Leveraging ACU's growth platform through shared technologies, cross-brand collaboration and cross selling that drive value across the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

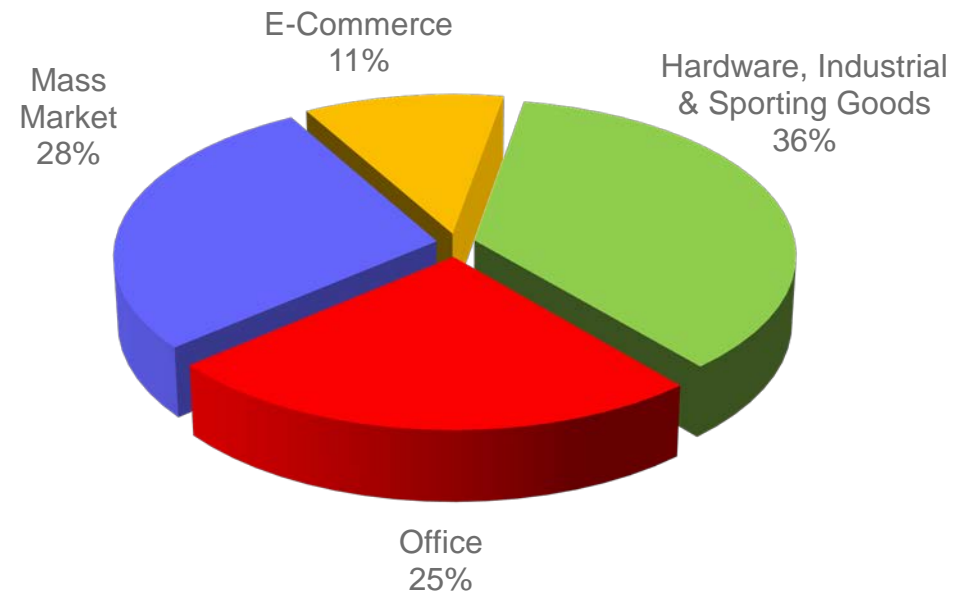




2010



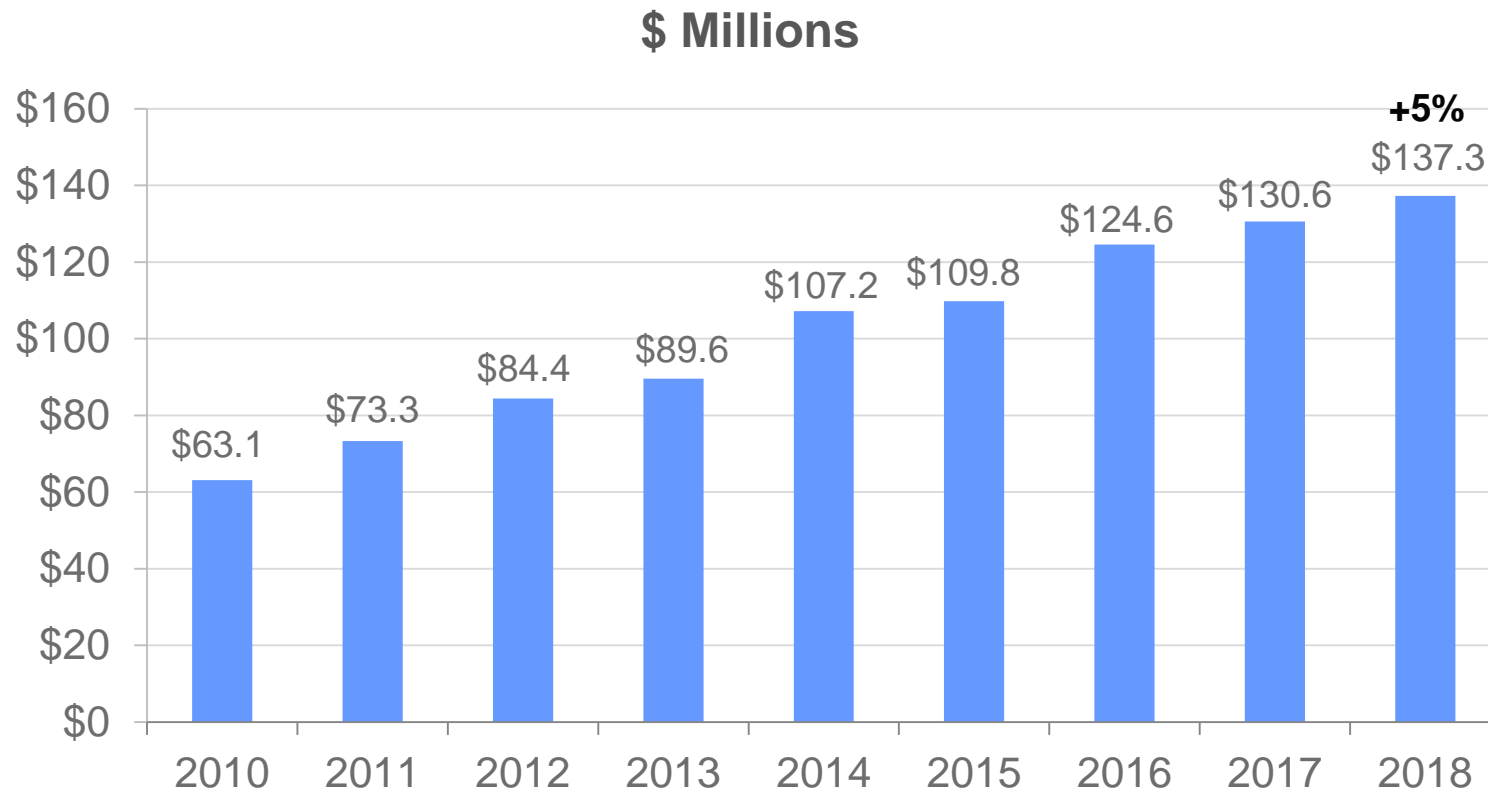
2018



Diversified distribution network.
Strong growth in e-commerce channel.



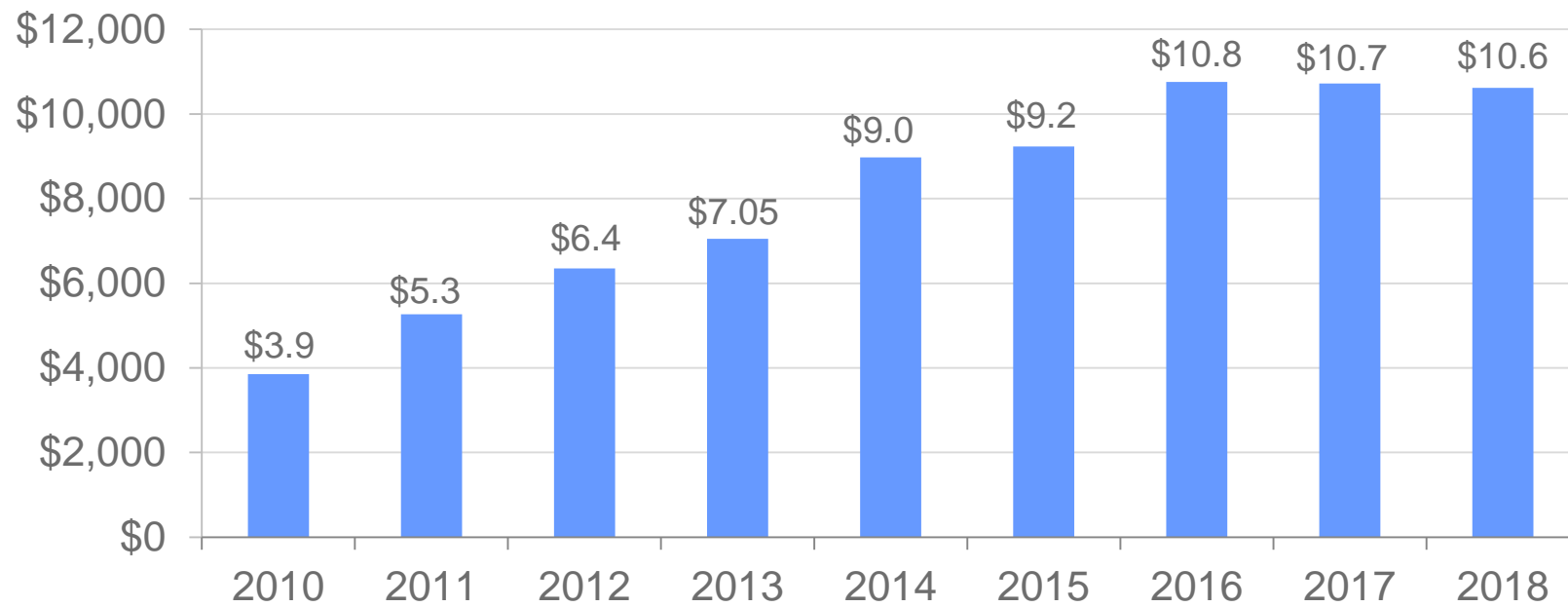
Financial Results



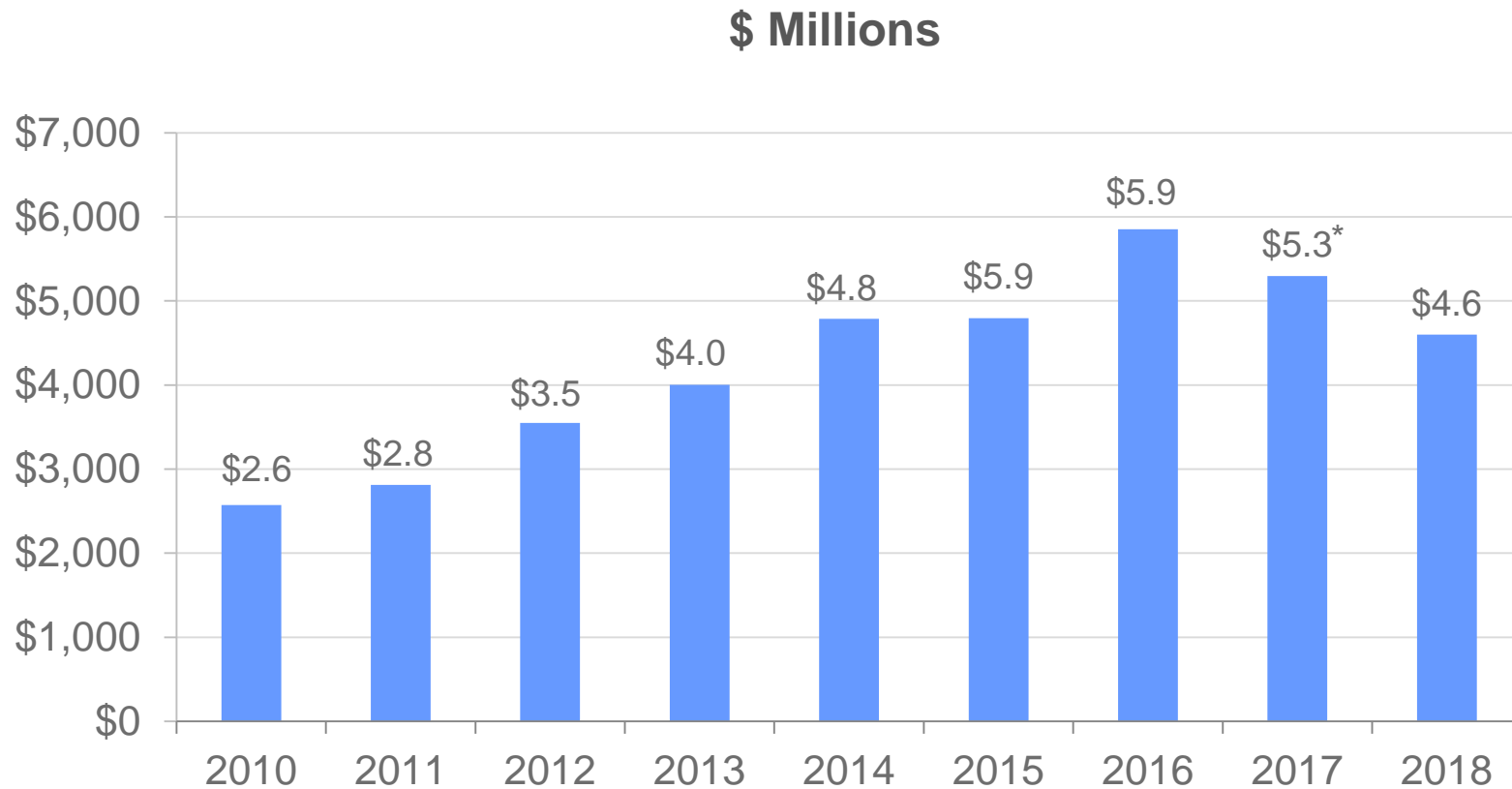
Sales increases worldwide contributed to making 2018
Acme United's 8th consecutive year of record sales.



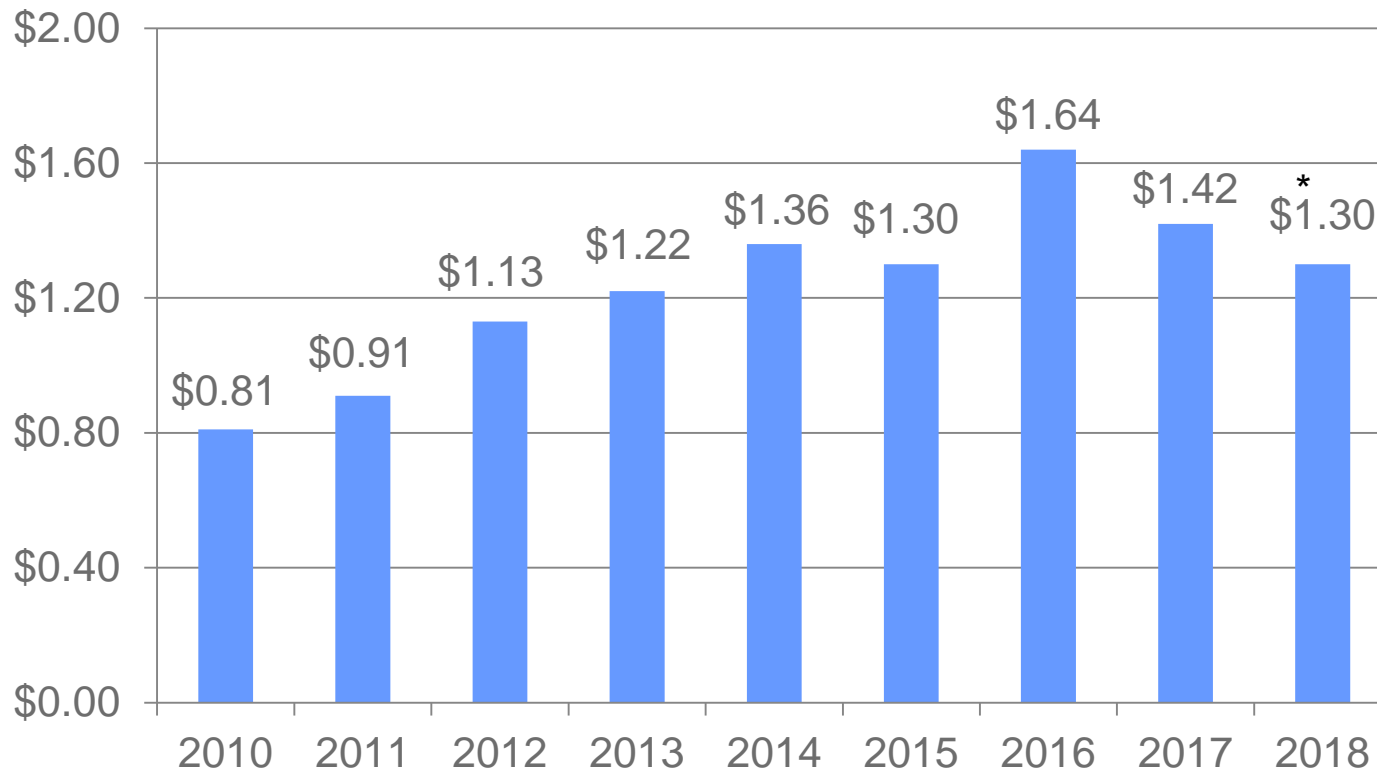
\$ Millions



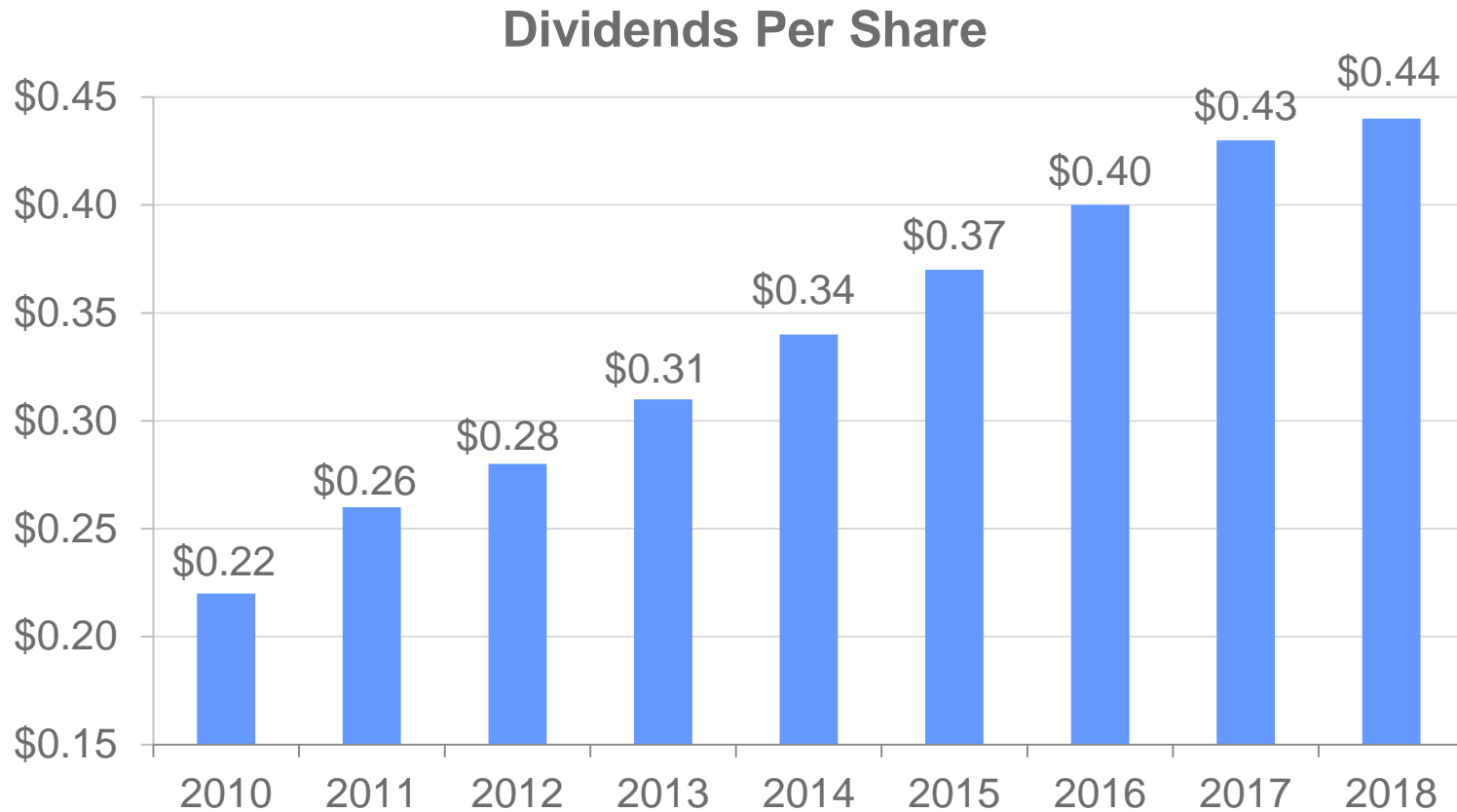
Strong and consistent EBITDA



*Note: 2017 results adjusted for \$1.25 million tax expense related to U.S. Tax Cuts and Jobs Act.



4Q 2018 EPS rose 6% YOY after adjusting 2017 for \$1.25 million tax expense related to U.S. Tax Cuts and Jobs Act.



Dividend increased 9%, to \$0.12 per share, in November 2018.



Focus on Innovation



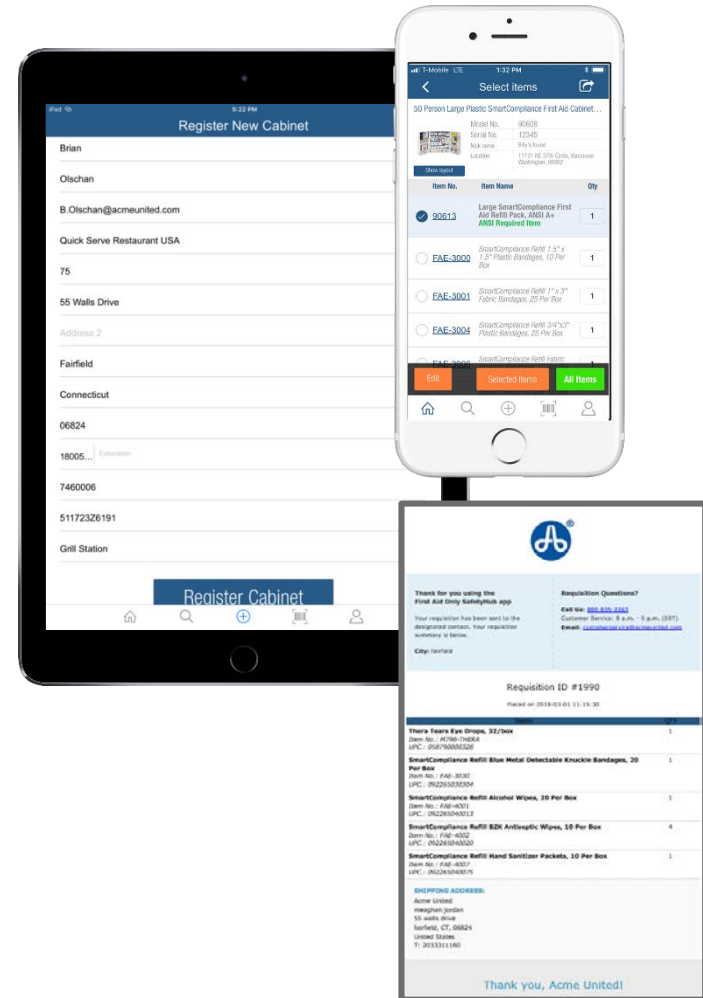
- SmartCompliance® simplifies maintaining OSHA compliance
- Easy to monitor and maintain
 - Patented SmartTab® indicator tells customers when to reorder
 - New refill app provides for automatic replenishment
- Gaining placement with new customers – e.g., large food service chains
- Expanding into larger solutions for key vertical markets – e.g., for major industrial sites





How Does it Work?

- New Devices Are Registered via App
 - Enterprise users can import by spreadsheet
 - Cabinets can be assigned to one or more users
- Easy, Fast Way to Build Requisitions
 - Search for loaded cabinet or item
 - Scan package or cabinet
 - Review and submit requisition
- Reminders, Expirations and Inventory Checks
 - Set reminders and require physical inventory checks of cabinets or safety devices





- Fresh modern design
- Modular construction enables custom design for different industries
- ANSI 2015 compliant first aid case
- Handle-less opening facilitates ease of use
- Option for lockable compartments





- New Westcott scissor family
- Smooth precision cutting
- Launched in September 2018;
broad distribution in 2019
- Strong customer response





- Carbonitride-titanium bonded blades 8x harder than untreated stainless steel
- Stay sharper longer
- High-leverage, ergonomic comfort bows
- Reinforced high-strength handle
- Unique ergonomic over mold handle
- Manufacturer's lifetime warranty
- Good Design award winner





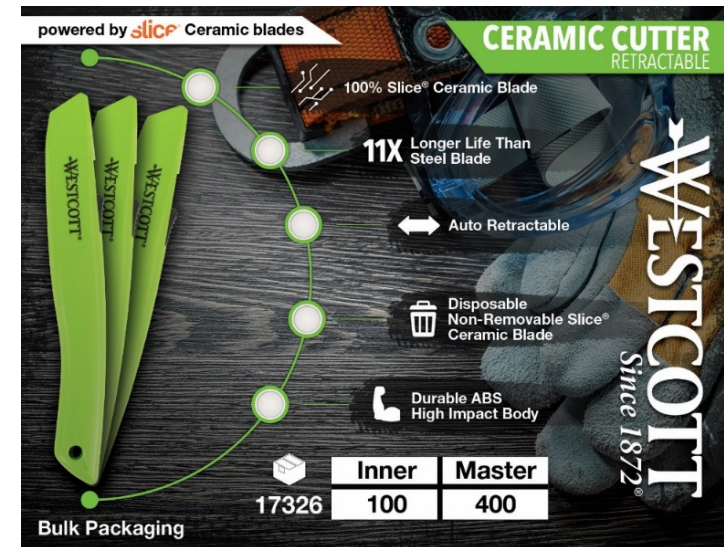
Signed distribution agreement in Sept. 2018 to build and sell an array of safe cutting tools with ceramic blades designed by Slice, Inc.

Safe Slice® Ceramic Blades

- To be sold under the Westcott® brand
- Last 11x longer than steel
- Strong, lightweight plastic body
- Replaceable blades for extended use

Saber-Safety Cutters

- Safe box-opening solution
- Steel blade box plunger
- Safe blade guard
- Durable plastic handle
- Built-in measuring scale



SABER-SAFETY CUTTERS

- Safe box opening solution
- Steel blade box plunger
- Safe blade guard
- Durable plastic handle
- Built-in measuring scale

PRODUCT #	DESCRIPTION	Inner Master	
		50	400
17345	Safety Cutter - Black Bulk Pack		
17406	Safety Cutter - Orange Bulk Pack		



17406 Orange

17345 Black





Glue Pen

- Color-changing nozzle
- Easy glue dispense trigger
- Quick glue stick release
- Glue dispense control



ProjectMate®
WESTCOTT
Since 1872®

Glue Gun

- Color-changing nozzle
- Glue stick storage
- Large ergonomic handle





- New program to supply official Eagle Scout knives
- Shipping now underway
- Potential to expand relationship with:
 - Camping knives and tools
 - Hatchets
 - First aid kits





Growth Drivers



- New first aid programs at large industrial, food service and other distributors
- 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





- Leverage technologies
- Patented titanium nitride coatings
- Proprietary non-stick coatings
- Antimicrobial plastics for school and office
- Enhanced carbonitride-titanium industrial tools





- Enable growth through outstanding products with excellent reviews, strong content, and search and promotional strategies
- Investments made in 2018 in software, logistics, warehouse operations and human resources to optimize effectiveness
- Extending categories and products with online retailers





- Goal: \$2+ million in annual cost reductions in 2019 and thereafter
 - Enterprise software implemented across all of the company's domestic, Asian and Canadian businesses
 - SG&A headcount reduced by \$7000,000 annually
 - Operational efficiencies realized at Rocky Mount, NC distribution center
 - Commissions reduced through use of direct salesforce vs. third-party sales representatives
 - Realizing gross margin improvements from product mix, plant productivity, price increases and sourcing gains

4Q 2018 results demonstrate operational leverage that can be achieved.
Sales rose 3%; operating income rose 39%.



- Expecting another year of record sales, driven by new products and market share gains
- Continue driving cost-cutting programs
 - Net sales: \$140 - \$143 million
 - Net income: \$5.0 - \$5.3 million
 - Diluted EPS: \$1.41 - \$1.50





- Generate solid revenue growth
- Advance e-commerce strategy
- Continue developing and introducing new products
- Manage inventory and expenses tightly
- Drive ongoing profits
- Continue ACU's history of regularly increasing dividends
- Seek additional tuck-in acquisitions



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