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of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

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

As of November 2, 2011 the registrant had outstanding 3,127,587 shares of its \$2.50 par value Common Stock.

ACME UNITED CORPORATION

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

	September 30, 2011 (unaudited)	December 31, 2010 (Note 1)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 6,270	\$ 6,601
Accounts receivable, less allowance	16,661	12,331
Inventories:		
Finished goods	21,821	21,109
Work in process	71	172
Raw materials and supplies	912	1,012
	22,804	22,293
Prepaid expenses and other current assets	1,075	1,403
Total current assets	46,810	42,628
Property, plant and equipment:		
Land	295	160
Buildings	2,465	2,438
Machinery and equipment	9,546	8,905
	12,306	11,503
Less accumulated depreciation	9,925	9,287
	2,381	2,216
Note receivable	1,794	1,839
Intangible assets, net	3,326	1,866
Other assets	1,033	1,032
Total assets	\$ 55,344	\$ 49,581

See notes to condensed consolidated financial statements.

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

	September 30, 2011 (unaudited)	December 31, 2010 (Note 1)
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 4,435	\$ 5,679
Other accrued liabilities	3,869	3,539
Total current liabilities	8,304	9,218
Bank debt	18,106	13,522
Other	1,373	1,489
Total liabilities	27,783	24,229
STOCKHOLDERS' EQUITY		
Common stock, par value \$2.50: authorized 8,000,000 shares; issued - 4,416,824 shares in 2011 and 4,374,574 shares in 2010, including treasury stock		
	11,040	10,936
Additional paid-in capital	4,962	4,603
Retained earnings	24,349	22,399
Treasury stock, at cost - 1,315,237 shares in 2011 and 1,305,237 shares in 2010	(11,808)	(11,711)
Accumulated other comprehensive income:		
Foreign currency translation adjustment	174	281
Unrecognized pension costs	(1,156)	(1,156)
	(982)	(875)
Total stockholders' equity	27,561	25,352
Total liabilities and stockholders' equity	\$ 55,344	\$ 49,581

See notes to 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	
	2011	2010	2011	2010
Net sales	\$ 19,036	\$ 16,083	\$ 57,466	\$ 49,789
Cost of goods sold	12,396	10,426	36,835	31,468
Gross profit	6,640	5,657	20,631	18,321
Selling, general and administrative expenses	5,520	5,000	16,868	15,418
Operating income	1,120	657	3,763	2,903
Non-operating items:				
Interest:				
Interest expense	112	86	323	217
Interest income	(42)	(39)	(132)	(112)
Interest expense, net	70	47	191	105
Other expense (income), net	20	(3)	(2)	36
Total other expense	90	44	189	141
Income before income taxes	1,030	613	3,574	2,762
Income tax expense	348	1	1,029	371
Net income	\$ 682	\$ 612	\$ 2,545	\$ 2,391
Basic earnings per share	\$ 0.22	\$ 0.20	\$ 0.82	\$ 0.76
Diluted earnings per share	\$ 0.22	\$ 0.19	\$ 0.82	\$ 0.74
Weighted average number of common shares outstanding- denominator used for basic per share computations	3,102	3,111	3,090	3,147
Weighted average number of dilutive stock options outstanding	18	80	15	71
Denominator used for diluted per share computations	3,120	3,192	3,105	3,218
Dividends declared per share	\$ 0.07	\$ 0.06	\$ 0.19	\$ 0.16

See notes to condensed consolidated financial statements.

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

	Nine Months Ended September 30,	
	2011	2010
Operating Activities:		
Net income	\$ 2,545	\$ 2,391
Adjustments to reconcile net income to net cash used by operating activities:		
Depreciation	596	572
Amortization	122	86
Stock compensation expense	318	280
Changes in operating assets and liabilities:		
Accounts receivable	(3,817)	(4,302)
Inventories	693	(2,678)
Prepaid expenses and other current assets	364	(7)
Accounts payable	(1,579)	979
Other accrued liabilities	219	(315)
Total adjustments	(3,084)	(5,385)
Net cash used by operating activities	(539)	(2,994)
Investing Activities:		
Purchase of property, plant, and equipment	(599)	(644)
Purchase of patents and trademarks	(81)	(79)
Acquisition of Pac-Kit Safety Equipment Company	(3,127)	-
Net cash used by investing activities	(3,807)	(723)
Financing Activities:		