

ACME UNITED CORP
Form 10-Q
November 13, 2009
+

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, 2009

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 001-07698

ACME UNITED CORPORATION
(Exact name of registrant as specified in its charter)

CONNECTICUT
(State or other jurisdiction of incorporation or organization) 06-0236700
(I.R.S. Employer Identification No.)

60 ROUND HILL ROAD, FAIRFIELD, CONNECTICUT 06824
(Address of principal executive offices) (Zip Code)

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

Indicate by check mark whether the registrant (1) 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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405 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 []

1

Edgar Filing: ACME UNITED CORP - Form 10-Q

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 definition of “accelerated filer and large accelerated filer” 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, 2009, the registrant had outstanding 3,258,368 shares of its \$2.50 par value Common Stock.

ACME UNITED CORPORATION

Part I — FINANCIAL INFORMATION	Page
Item 1. Financial Statements (Unaudited)	
Condensed Consolidated Balance Sheets as of September 30, 2009 and December 31, 2008	4
Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2009 and 2008	6
Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2009 and 2008	7
Notes to Condensed Consolidated Financial Statements	8
Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations	12
Item 3. Quantitative and Qualitative Disclosure About Market Risk	16
Item 4T. Controls and Procedures	16
 Part II — OTHER INFORMATION	
Item 1. Legal Proceedings	17
Item 1A. Risk Factors	17
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	17
Item 3. Defaults Upon Senior Securities	17
Item 4. Submission of Matters to a Vote of Security Holders	17
Item 5. Other Information	17
Item 6. Exhibits	18
Signatures	19

ACME UNITED CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS

(all amounts in thousands)

	September 30, 2009 (unaudited)	December 31, 2008 (Note 1)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 6,599	\$ 5,225
Accounts receivable, less allowance	11,846	10,564
Inventories:		
Finished goods	16,906	20,825
Work in process	106	21
Raw materials and supplies	838	923
	17,850	21,769
Prepaid expenses and other current assets	1,207	1,088
Total current assets	37,502	38,646
Property, plant and equipment:		
Land	175	167
Buildings	2,579	2,966
Machinery and equipment	8,116	7,455
	10,870	10,587
Less accumulated depreciation	8,710	8,318
	2,160	2,269
Note receivable	1,905	2,000
Other assets	2,504	2,508
Total assets	\$ 44,071	\$ 45,424

See notes to condensed consolidated financial statements.

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

	September 30, 2009 (unaudited)	December 31, 2008 (Note 1)
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 3,305	\$ 3,669
Other accrued liabilities	4,680	5,158
Bank debt, due June 30, 2010	9,324	-
Total current liabilities	17,309	8,827
Bank debt, due June 30, 2010	-	11,719
Other	1,990	1,991
Total liabilities	19,299	22,536
STOCKHOLDERS' EQUITY		
Common stock, par value \$2.50: authorized 8,000,000 shares; issued - 4,313,024 shares in 2009 and 4,293,024 shares in 2008, including treasury stock		
	10,781	10,733
Additional paid-in capital	4,114	3,906
Retained earnings	20,098	18,319
Treasury stock, at cost - 1,054,656 shares in 2009 and 949,656 shares in 2008	(9,275)	(8,407)
Accumulated other comprehensive income:		
Translation adjustment	329	(388)
Unrecognized pension costs	(1,275)	(1,275)
	(946)	(1,663)
Total stockholders' equity	24,772	22,888
Total liabilities and stockholders' equity	\$ 44,071	\$ 45,424