

ACME Incorporated — Form 10-Q

Quarterly Report for the period ended March 31, 2026. Filed with the United States Securities and Exchange Commission. Commission file no. 001-EXAMPLE.

Part I — Financial Information

This part contains the unaudited condensed consolidated financial statements of ACME Incorporated for the quarter ended March 31, 2026, together with management's discussion and analysis of financial condition and results of operations.

Item 1. Financial Statements

The unaudited condensed consolidated balance sheets, statements of operations, and statements of cash flows are presented in the sections below. All figures in U.S. dollars in thousands unless otherwise noted.

Consolidated Balance Sheet

Total assets at March 31, 2026 were \$3,184,200, compared to \$3,061,500 at December 31, 2025. Cash and cash equivalents increased to \$412,300 from \$358,100 in the prior period, reflecting strong operating cash flow generation during the quarter.

(\$ in thousands)	Mar 31, 2026	Dec 31, 2025
Cash and cash equivalents	\$412,300	\$358,100
Accounts receivable, net	\$478,600	\$464,200
Inventory	\$582,400	\$591,800
Property, plant and equipment, net	\$1,124,500	\$1,108,700
Goodwill and intangibles	\$586,400	\$538,700
Total assets	\$3,184,200	\$3,061,500

Consolidated Statement of Operations

Net revenue for the quarter ended March 31, 2026 was \$547,800, an increase of 6.2% compared to \$515,800 in the prior-year period. The increase was driven by volume growth in the Widget Distribution segment and program ramps in the Precision Components segment. Adjusted EBITDA margin expanded 60 basis points year-over-year to 18.7%.

Consolidated Statement of Cash Flows

Cash provided by operating activities was \$128,400 for the quarter, compared to \$104,200 in the prior-year period. The increase reflects improved working capital performance, particularly a \$9,400 reduction in inventory days outstanding. Free cash flow (operating cash flow less maintenance capital expenditures) was \$91,200 for the quarter.

Item 2. Management's Discussion and Analysis

The following discussion and analysis should be read in conjunction with the unaudited condensed consolidated financial statements presented above and our Annual Report on Form 10-K for the year ended December 31, 2025.

Overview

ACME Incorporated operates as a diversified mid-cap industrial manufacturer with two reporting segments: Widget Distribution and Precision Components. Widget Distribution is our legacy core business, contributing approximately 64% of consolidated revenue and serving approximately 3,200 original equipment manufacturers across North America from 47 distribution centers. Precision Components contributes the remaining 36% of revenue and serves aerospace, medical device, and electric vehicle powertrain customers through custom-engineered manufacturing solutions.

Results of Operations

Net revenue grew 6.2% year-over-year, with Widget Distribution growing 4.1% and Precision Components growing 11.8%. Gross margin expanded 50 basis points year-over-year, driven by favorable mix shift toward higher-margin aftermarket and engineered widget revenue, partially offset by raw materials cost inflation that we substantially mitigated through our locked-in supplier contracts established in 2024. Selling, general, and administrative expenses increased 3.4% on lower marketing spend and headcount discipline, growing more slowly than revenue and contributing to operating margin expansion.

Segment Discussion — Widget Distribution

Widget Distribution revenue of \$351,400 grew 4.1% year-over-year. Volume growth of 2.8% reflected continued strength in industrial end markets, particularly in our engineered widget product lines that serve longer-cycle OEM customers. Price growth of approximately 1.3% reflected disciplined pricing in our aftermarket and service product lines, partially offset by competitive pressure on commodity widget categories. Segment adjusted operating margin expanded 40 basis points to 22.1%, driven by mix shift and continued automation of our distribution centers.

Segment Discussion — Precision Components

Precision Components revenue of \$196,400 grew 11.8% year-over-year. The growth primarily reflected the continued ramp of three aerospace programs that we secured in 2024 and began shipping in volume during the second half of 2025. Medical device revenue grew at a similar pace, supported by sustained demand from our orthopedic and cardiovascular customers. Segment adjusted EBITDA margin of 23.2% reflected the benefit of higher-content aerospace work, partially offset by program startup costs associated with two new electric vehicle powertrain contracts that begin shipping in the second half of 2026.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our market risk exposures consist primarily of interest rate risk on our credit facility and commodity price risk on raw materials. We mitigate interest rate exposure through a combination of fixed-rate term debt and an interest rate swap hedging program covering approximately 70% of our floating-rate exposure. Commodity price risk is mitigated through supplier contracts with price escalator and de-escalator clauses indexed to publicly available raw materials benchmarks.

Item 4. Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, management concluded that our disclosure controls and procedures were effective.

Part II — Other Information

This part covers legal proceedings, risk factor updates, unregistered sales of equity securities, defaults on senior securities, mine safety disclosures, and other information required to be disclosed pursuant to the Securities Exchange Act of 1934.

Item 1. Legal Proceedings

There have been no material developments in our legal proceedings since the disclosures contained in our most recent Annual Report on Form 10-K.

Item 1A. Risk Factors

There have been no material changes to the risk factors disclosed in our most recent Annual Report on Form 10-K. The risk factors disclosed in that report continue to represent the principal known risks to our business, financial condition, and results of operations.

Tariff and Trade Policy Risk

Our operations are subject to evolving tariff and trade policy environments. We continue to monitor the bilateral trade environment and have taken proactive steps to mitigate potential exposure, including supplier diversification, locked-in raw materials contracts, and qualified secondary supply sources for our highest-volume input categories. The ultimate financial impact of any tariff escalation or resolution remains uncertain.

Customer Concentration Risk

Our customer base is diversified across approximately 3,200 active accounts. Our largest single customer accounted for approximately 9.5% of consolidated revenue for the trailing twelve months. Our top five customers in aggregate accounted for approximately 28.1% of consolidated revenue. We believe this customer diversification represents a structural advantage relative to peers in our subsector.

Item 6. Exhibits

Certifications pursuant to Section 302 and Section 906 of the Sarbanes-Oxley Act of 2002 are filed herewith. Interactive data files in XBRL format are included as exhibits.