

## **Jewett-Cameron Announces 1st Quarter Financial Results**

NORTH PLAINS, Ore., Jan. 14, 2022 — Jewett-Cameron Trading Company Ltd. (NASDAQ: JCTCF) today reported financial results for the first quarter of fiscal 2022 ended November 30, 2021.

Sales for the first quarter of fiscal 2022 totaled \$12.9 million compared to sales of \$10.3 million for the first quarter of fiscal 2021. Net loss for the current quarter was (\$391,141), or (\$0.11) per share, compared to net income of \$488,527, or \$0.14 per share, in the year-ago quarter.

“Our sales quarter over quarter increased by 25%, reflecting the continued strong demand for our products, but higher costs for raw materials and global logistical issues significantly reduced our margins,” said CEO Chad Summers. “In response, we have now successfully increased our selling prices with our customers, but these inflationary pressures will remain an issue affecting our margins throughout fiscal 2022.”

As of November 30, 2021, the Company’s cash position was approximately \$1.2 million, and there was \$5.0 million borrowed against its \$10.0 million line of credit. Based on the timing of accounts receivable and the unused portion of the line of credit, the Company believes it has sufficient working capital available for the remainder of fiscal 2022.

Jewett-Cameron Trading Company is a holding company that, through its subsidiaries, operates out of facilities located in North Plains, Oregon. Jewett-Cameron Company’s business consists of the manufacturing and distribution of patented and patent pending specialty metal products, wholesale distribution of wood products, and seed processing and sales. The Company’s brands include Lucky Dog®, for pet products; Adjust-A-Gate™, Fit-Right®, Perimeter Patrol®, and Lifetime Post™ for gates and fencing; and Early Start, Spring Gardner™, Greenline®, and Weatherguard for greenhouses. Additional information about the Company and its products can be found the Company’s website at [www.jewettcameron.com](http://www.jewettcameron.com).

### **Forward-looking Statements**

The information in this release contains certain forward-looking statements that anticipate future trends and events. These statements are based on certain assumptions that may prove to be erroneous and are subject to certain risks, including but not limited to, the uncertainties of the Company’s new product introductions, the risks of increased competition and technological change in the Company’s industry, and other factors detailed in the Company’s SEC filings. Accordingly, actual results may differ, possibly materially, from predictions contained herein.

**JEWETT-CAMERON TRADING COMPANY LTD.**

## CONSOLIDATED BALANCE SHEETS

(Expressed in U.S. Dollars)

(Prepared by Management)

(Unaudited)

	<b>November 30,2021</b>	<b>August 31,2021</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 1,235,445	\$ 1,184,313
Accounts receivable, net of allowance of \$0 (August 31, 2021 - \$0)	5,806,987	7,086,503
Inventory, net of allowance of \$250,000 (August 31, 2021 - \$250,000)	17,223,927	14,391,365
Prepaid expenses	2,267,341	2,305,820
Prepaid income taxes	355,163	252,958
Total current assets	26,888,863	25,220,959
<b>Property, plant and equipment, net</b>	<b>4,407,548</b>	<b>3,886,543</b>
<b>Intangible assets, net</b>	<b>30,629</b>	<b>30,897</b>
<b>Total assets</b>	<b>\$ 31,327,040</b>	<b>\$ 29,138,399</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 2,084,438	\$ 1,349,677
Bank indebtedness	5,000,000	3,000,000
Accrued liabilities	1,594,834	1,798,088
Total current liabilities	8,679,272	6,147,765
<b>Deferred tax liability</b>	<b>125,834</b>	<b>116,945</b>
<b>Total liabilities</b>	<b>8,805,106</b>	<b>6,264,710</b>
<b>Stockholders' equity</b>		
Capital stock		
Authorized		
21,567,564 common shares, no par value		
10,000,000 preferred shares, no par value		
Issued		
3,492,842 common shares (August 31, 2021 -3,489,161)	824,039	823,171
Additional paid-in capital	725,729	687,211
Retained earnings	20,972,166	21,363,307
Total stockholders' equity	22,521,934	22,873,689
<b>Total liabilities and stockholders' equity</b>	<b>\$ 31,327,040</b>	<b>\$ 29,138,399</b>

**JEWETT-CAMERON TRADING COMPANY LTD.**

## CONSOLIDATED STATEMENTS OF OPERATIONS

(Expressed in U.S. Dollars)

(Prepared by Management)

(Unaudited)

	<b>Three Months Ended November 30, 2021</b>	<b>Three Months Ended November 30, 2020</b>
<b>SALES</b>	<b>\$ 12,917,724</b>	<b>\$ 10,316,284</b>
<b>COST OF SALES</b>	<b>10,452,861</b>	<b>7,353,385</b>
<b>GROSS PROFIT</b>	<b>2,464,863</b>	<b>2,962,899</b>
<b>OPERATING EXPENSES</b>		
Selling, general and administrative expenses	988,288	694,628
Depreciation and amortization	69,638	50,529
Wages and employee benefits	1,874,118	1,593,959
	2,932,044	2,339,116
(Loss) income from operations	(467,181)	623,783
<b>OTHER ITEMS</b>		
Other income	3,000	3,000

Interest expense	(20,276)	-
Total other items	(17,276)	3,000
(Loss) income before income taxes	(484,457)	626,783
Income tax recovery (expense)	93,316	(138,256)
<b>Net (loss) income</b>	<b>\$ (391,141)</b>	<b>\$ 488,527</b>
<b>Basic (loss) earnings per common share</b>	<b>\$ (0.11)</b>	<b>\$ 0.14</b>
<b>Diluted (loss) earnings per common share</b>	<b>\$ (0.11)</b>	<b>\$ 0.14</b>
<b>Weighted average number of common shares outstanding:</b>		
Basic	3,491,103	3,481,162
Diluted	3,491,103	3,481,162

**JEWETT-CAMERON TRADING COMPANY LTD.**

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in U.S. Dollars)

(Prepared by Management)

(Unaudited)

	<b>Three Months Ended November 30, 2021</b>	<b>Three Months Ended November 30, 2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) income	\$ (391,141)	\$ 488,527
Items not involving an outlay of cash:		
Depreciation and amortization	69,638	50,529
Stock-based compensation expense	39,386	-
Deferred income taxes	8,889	(40,784)
Changes in non-cash working capital items:		
Decrease in accounts receivable	1,279,516	2,027,469
(Increase) in inventory	(2,832,562)	(223,013)
Decrease in prepaid expenses	38,479	196,255
Increase (decrease) in accounts payable and accrued liabilities	531,507	(454,861)
(Increase) in prepaid income taxes	(102,205)	-
Increase in income taxes payable	-	179,040
Net cash (used by) provided by operating activities	(1,358,493)	2,223,162
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(590,375)	(184,247)
Net cash used in investing activities	(590,375)	(184,247)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from bank indebtedness	2,000,000	-
Net cash provided by financing activities	2,000,000	-
<b>Net increase in cash</b>	<b>51,132</b>	<b>2,038,915</b>
<b>Cash, beginning of period</b>	<b>1,184,313</b>	<b>3,801,037</b>
<b>Cash, end of period</b>	<b>\$ 1,235,445</b>	<b>\$ 5,839,952</b>

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