

Jewett-Cameron Announces 1st Quarter Financial Results

NORTH PLAINS, Ore., Jan. 14, 2021 — Jewett-Cameron Trading Company Ltd. (NASDAQ: JCTCF) today reported financial results for the first quarter of fiscal 2021 ended November 30, 2020.

Sales for the first quarter of fiscal 2021 totaled \$10.3 million compared to sales of \$7.1 million for the first quarter of fiscal 2020. Net income for the current quarter was \$488,527, or \$0.14 per share, compared to a net loss of (\$6,621), or (\$0.00) per share, in the year-ago quarter.

“We continue to see strong demand from the DIY and pet product sectors which is elevating our brand and market presence. We feel the pandemic has bolstered our market penetration and accelerated our strategic campaign to rebrand our products to connect directly with consumers and expand our presence in more sales channels” said CEO Charlie Hopewell. “Even though the economic effects of the ongoing COVID-19 pandemic are uncertain, we remain committed to this strategy in fiscal 2021.”

As of November 30, 2020, the Company’s cash position was approximately \$5.8 million, and there was no borrowing against its \$3.0 million line of credit.

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, Animal House and AKC licensed products in the expanding pet market; fencing products under the Adjust-A-Gates, Fit-Right, Perimeter Patrol, and LIFETIME POST™ systems brands; Early Start, Spring Gardner, and Weatherguard for greenhouses; and TrueShade for patio umbrellas, furniture covers and canopies. Additional information about the Company and its products can be found the Company’s website at 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)

	November 30, 2020	August 31, 2020
ASSETS		
Current assets		
Cash and cash equivalents	\$ 5,839,952	\$ 3,801,037
Accounts receivable, net of allowance of \$Nil (August 31, 2020 - \$Nil)	4,246,957	6,274,426
Inventory, net of allowance of \$65,000 (August 31, 2020 - \$65,000)	9,421,159	9,198,146
Prepaid expenses	839,873	1,036,128
Total current assets	20,347,941	20,309,737
Property, plant and equipment, net	3,101,343	2,967,565
Intangible assets, net	599	659
Total assets	\$ 23,449,883	\$ 23,277,961
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 974,176	\$ 1,095,061
Current portion of notes payable	415,988	342,326
Income taxes payable	219,636	40,596
Accrued liabilities	1,682,324	2,016,300
Total current liabilities	3,292,124	3,494,283
Long-term liabilities		
Notes payable (note 8)	264,719	338,381
Deferred tax liability	56,168	96,952
Total liabilities	3,613,011	3,929,616
Stockholders' equity		
Capital stock		
Authorized		
21,567,564 common shares, without par value		
10,000,000 preferred shares, without par value		
Issued		
3,481,162 common shares (August 31, 2020 - 3,481,162)	821,284	821,284
Additional paid-in capital	618,707	618,707
Retained earnings	18,396,881	17,908,354
Total stockholders' equity	19,836,872	19,348,345
Total liabilities and stockholders' equity	\$ 23,449,883	\$ 23,277,961

JEWETT-CAMERON TRADING COMPANY LTD.

CONSOLIDATED STATEMENTS OF OPERATIONS

(Expressed in U.S. Dollars)

(Prepared by Management)

(Unaudited)

	Three Months Ended November 30, 2020	Three Months Ended November 30, 2019
SALES	\$ 10,316,284	\$ 7,055,178
COST OF SALES	7,353,385	5,006,835

GROSS PROFIT	2,962,899	2,048,343
OPERATING EXPENSES		
Selling, general and administrative expenses	694,628	649,010
Depreciation and amortization	50,529	48,148
Wages and employee benefits	1,593,959	1,362,059
	2,339,116	2,059,217
Income from operations	623,783	(10,874)
OTHER ITEMS		
Interest and other income	3,000	11,615
Income before income taxes	626,783	741
Income tax expense	(138,256)	(7,362)
Net income (loss)	\$ 488,527	\$ (6,621)
Basic earnings per common share	\$ 0.14	\$ (0.00)
Diluted earnings per common share	\$ 0.14	\$ (0.00)
Weighted average number of common shares outstanding:		
Basic	3,481,162	3,971,282
Diluted	3,481,162	3,971,282

JEWETT-CAMERON TRADING COMPANY LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in U.S. Dollars)

(Prepared by Management)

(Unaudited)

	Three Months Ended November 30, 2020	Three Months Ended November 30, 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ 488,527	\$ (6,621)
Items not involving an outlay of cash:		
Depreciation and amortization	50,529	48,148
Deferred income taxes	(40,784)	(14,101)
Changes in non-cash working capital items:		
Decrease in accounts receivable	2,027,469	671,926
(Increase) in inventory	(223,013)	(902,321)
Decrease in note receivable	-	200
Decrease (increase) in prepaid expenses	196,255	(175,276)
Decrease in accounts payable and accrued liabilities	(454,861)	(297,730)
Decrease in prepaid income taxes	-	21,464
Increase in income taxes payable	179,040	-
Net cash provided by (used by) operating activities	2,223,162	(654,311)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(184,247)	(28,750)
Net cash used in investing activities	(184,247)	(28,750)
Net increase (decrease) in cash	2,038,915	(683,061)
Cash, beginning of period	3,801,037	9,652,310
Cash, end of period	\$ 5,839,952	\$ 8,969,249

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