

Jewett-Cameron Announces 2nd Quarter Financial Results

NORTH PLAINS, Ore., April 14, 2021 — Jewett-Cameron Trading Company Ltd. (NASDAQ: JCTCF) today reported financial results for the second quarter and six month periods of fiscal 2021 ended February 28, 2021.

Sales for the second quarter of fiscal 2021 totaled \$10.46 million compared to sales of \$7.62 million for the second quarter of fiscal 2020. Loss from operations was (\$63,162) compared to a loss of (\$163,020) for the quarter ended February 29, 2020. Net loss was (\$53,164), or (\$0.02) per share, compared to a net loss of (\$174,262), or (\$0.05) per share, in the year-ago quarter.

For the six months ended February 28, 2021, sales totaled \$20.8 million compared to sales of \$14.7 million for the six months ended February 29, 2020. Income from operations was \$560,621 compared to income of \$536,634 for the six months ending in February 29, 2020. Net income was \$435,363, or \$0.12 per share, compared to net loss of (\$180,884), or (\$0.05) per share, in the first six months of fiscal 2020.

“Our increased sales in the current six months reflect the success of our ongoing corporate strategy to expand our sales channels and introduce new products,” said CEO Charlie Hopewell. “We remain committed to this strategy. However, COVID-19 issues continue to cause uncertainty for the remainder of fiscal 2021. The pandemic has also caused a shortage of shipping containers and seaborne shipping space. This is now causing some delivery delays of our China manufactured products and is increasing our shipping costs, which may continue through the remainder of fiscal 2021”.

As of February 28, 2021, the Company’s cash position was approximately \$2.89 million, and there was no borrowing against its \$3.0 million line of credit. The Company has historically utilized its cash position by implementing share repurchase programs as an effective method of enhancing shareholder value.

Jewett-Cameron Trading Company is a holding company that, through its subsidiaries (Jewett-Cameron Companies), operate out of facilities located in North Plains, Oregon. Those businesses consist of the manufacturing and distribution of patented and patent pending specialty metal products, wholesale distribution of wood products, seed processing and sales, and sales of industrial tools and clamps. 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 INFINITY Euro fence systems brands; Early Start, Spring Gardener, 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)

	February 28, 2021	August 31, 2020
ASSETS		
Current assets		
Cash and cash equivalents	\$ 2,891,734	\$ 3,801,037
Accounts receivable, net of allowance of \$Nil (August 31, 2020 - \$Nil)	5,089,561	6,274,426
Inventory, net of allowance of \$250,000 (August 31, 2020 - \$65,000)	10,035,546	9,198,146
Prepaid expenses	1,498,213	1,036,128
Prepaid income taxes	307,433	-
Total current assets	19,822,487	20,309,737
Property, plant and equipment, net	3,411,132	2,967,565
Intangible assets, net	539	659
Total assets	\$ 23,234,158	\$ 23,277,961
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 756,881	\$ 1,095,061
Current portion of notes payable	529,439	342,326
Income taxes payable	-	40,596
Accrued liabilities	1,929,599	2,016,300
Total current liabilities	3,215,919	3,494,283
Long-term liabilities		
Notes payable	151,268	338,381
Deferred tax liability	12,872	96,952
Total liabilities	3,380,059	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		
3,489,161 common shares (August 31, 2020 - 3,481,162)	823,171	821,284
Additional paid-in capital	618,707	618,707
Retained earnings	18,412,221	17,908,354
Total stockholders' equity	19,854,099	19,348,345
Total liabilities and stockholders' equity	\$ 23,234,158	\$ 23,277,961

JEWETT-CAMERON TRADING COMPANY LTD.

CONSOLIDATED STATEMENTS OF OPERATIONS

(Expressed in U.S. Dollars)

(Prepared by Management)

(Unaudited)

**Three Month
Periods at the
end of February**

**Six Month
Periods at the
end of February**

	2021	2020	2021	2020
SALES	\$ 10,460,355	\$ 7,621,927	\$ 20,776,639	\$ 14,677,105
COST OF SALES	7,848,779	5,616,672	15,202,164	10,623,507
GROSS PROFIT	2,611,576	2,005,255	5,574,475	4,053,598
OPERATING EXPENSES				
Selling, general and administrative expenses	895,974	763,910	1,590,603	1,412,920
Depreciation and amortization	55,290	58,063	105,818	106,211
Wages and employee benefits	1,723,474	1,346,302	3,317,433	2,708,361
	2,674,738	2,168,275	5,013,854	4,227,492
(Loss) income from operations	(63,162)	(163,020)	560,621	(173,894)
OTHER ITEMS				
Gain on sale of property, plant and equipment	-	400	-	400
Interest and other income	3,000	6,584	6,000	18,198
	3,000	6,984	6,000	18,598
(Loss) income before income taxes	(60,162)	(156,036)	566,621	(155,296)
Income tax recovery (expense)	6,998	(18,226)	(131,258)	(25,588)
Net (loss) income	\$ (53,164)	(174,262)	\$ 435,363	\$ (180,884)
Basic (loss) earnings per common share	\$ (0.02)	(0.05)	\$ 0.12	\$ (0.05)
Diluted (loss) earnings per common share	\$ (0.02)	(0.05)	\$ 0.12	\$ (0.05)
Weighted average number of common shares outstanding:				
Basic	3,486,495	3,562,630	3,483,814	3,811,956
Diluted	3,486,495	3,562,630	3,483,814	3,811,956

JEWETT-CAMERON TRADING COMPANY LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in U.S. Dollars)

(Prepared by Management)

(Unaudited)

**Six Month Period
at the end of February,
2021 2020**

CASH FLOWS FROM OPERATING ACTIVITIES

Net income (loss)	\$ 435,363	\$ (180,884)
Items not involving an outlay of cash:		
Depreciation and amortization	105,818	106,211
(Gain) on sale of property, plant and equipment	-	(400)
Deferred income taxes	(84,080)	24,592
Changes in non-cash working capital items:		
Decrease in accounts receivable	1,184,865	135,288
(Increase) in inventory	(837,400)	(870,743)
Decrease in note receivable	-	300
(Increase) in prepaid expenses	(462,085)	(474,253)
(Increase) in prepaid income taxes	(307,433)	(146,582)
(Decrease) in accounts payable and accrued liabilities	(424,881)	(351,259)
Net cash used in operating activities	(389,833)	(1,757,730)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment	(519,470)	(152,403)
Proceeds from sale of property, plant and equipment	-	400
Net cash used in investing activities	(519,470)	(152,003)

CASH FLOWS FROM FINANCING ACTIVITIES

Redemption of common stock	-	(3,867,046)
Net cash used in financing activities	-	(3,867,046)
Net decrease in cash	(909,303)	(5,776,779)
Cash, beginning of period	3,801,037	9,652,310
Cash, end of period	\$ 2,891,734	\$ 3,875,531

Contact: Charlie Hopewell, President & CEO, (503) 647-0110

 View original

content:<http://www.prnewswire.com/news-releases/jewett-cameron-announces-2nd-quarter-financial-results-301269150.html>

SOURCE Jewett-Cameron Trading Company Ltd.