

Jewett-Cameron Announces 2nd Quarter Financial Results

NORTH PLAINS, Ore., April 15, 2024 — Jewett-Cameron Trading Company Ltd. (NASDAQ: JCTCF) today reported financial results for the second quarter and six month periods of fiscal 2024 ended February 29, 2024.

Sales for the second quarter of fiscal 2024 were \$8.23 million compared to sales of \$8.14 million for the second quarter of fiscal 2023. Loss from operations was (\$726,687) compared to a loss of (\$1,210,085) for the quarter ended February 28, 2023. Net loss was (\$534,145), or (\$0.15) per share compared to a net loss of (\$972,038), or (\$0.28) per share, in the year-ago quarter.

For the six months ended February 29, 2024, sales totaled \$18.0 million compared to sales of \$20.7 million for the six months ended February 28, 2023. Loss from operations was (\$1,515,911) compared to a loss of (\$1,216,883) for the six months ending February 28, 2023. After a one-time gain from a favorable arbitration settlement, net income of the current six months was \$757,395, or \$0.22 per share, compared to a net loss of (\$1,045,798), or (\$0.30) per share, for the first six months of fiscal 2023.

“Consumer spending continues to be negatively affected by inflation and general economic pressures,” said CEO Chad Summers. “In response, we are focusing on innovation and growing our core product lines of fencing, pet containment and the new MyEcoWorld® line of sustainable bag products. These efforts include the addition of new customers and complementary new products, while working to identify cost reductions and improving our margins.”

As of February 29, 2024, the Company’s cash position was approximately \$1.15 million, and there was no borrowing against our bank line of credit. We requested the bank reduce our line of credit from \$10 million to \$5 million as our forecasts do not anticipate the need to borrow above that level. Our bank has decided that we do not currently meet their criteria for a line of credit, and the revised \$5 million line will expire on June 30, 2024. We are currently in negotiations with other lenders, including asset based lenders, on establishing a new line of credit of \$5 million or less. We anticipate having one or more new funding and banking arrangements in place by May 31, 2024.

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®, Infinity Euro Fence, 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.

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 29, 2024	August 31, 2023
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,149,316	\$ 83,696
Accounts receivable, net of allowance of \$0 (August 31, 2023 - \$0)	4,676,317	5,634,924
Inventory, net of allowance of \$410,325 (August 31, 2023 - \$497,884)	17,576,787	18,339,048
Prepaid expenses	796,393	630,788
Total current assets	24,198,813	24,688,456
Property, plant and equipment, net	4,450,788	4,655,427
Intangible assets, net	112,639	134,845
Deferred tax assets	226,148	319,875
Total assets	\$ 28,988,388	\$ 29,798,603
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 2,190,006	\$ 2,181,194
Bank indebtedness	-	1,259,259
Income taxes payable	172,722	147,629
Accrued liabilities	1,738,874	2,113,194
Total liabilities	4,101,602	5,701,276
Stockholders' equity		
Capital stock		
Authorized		
21,567,564 common shares, no par value		
10,000,000 preferred shares, no par value		
Issued		
3,504,802 common shares (August 31, 2023 - 3,498,899)	826,861	825,468
Additional paid-in capital	795,726	765,055
Retained earnings	23,264,199	22,506,804
Total stockholders' equity	24,886,786	24,097,327

Total liabilities and stockholders' equity

\$ 28,988,388 \$ 29,798,603

JEWETT-CAMERON TRADING COMPANY LTD.

CONSOLIDATED STATEMENTS OF OPERATIONS

(Expressed in U.S. Dollars)

(Prepared by Management)

(Unaudited)

	Three Month Periods to the end of February		Six Month Periods to the end of February	
	2024	2023	2024	2023
SALES	\$ 8,229,192	\$ 8,143,421	\$ 18,035,033	\$ 20,720,921
COST OF SALES	6,164,676	6,222,879	14,014,436	15,940,679
GROSS PROFIT	2,064,516	1,920,542	4,020,597	4,780,242
OPERATING EXPENSES				
Selling, general and administrative expenses	967,426	1,096,090	1,915,907	1,922,897
Depreciation and amortization	91,039	88,079	188,943	199,615
Wages and employee benefits	1,732,738	1,946,458	3,431,658	3,874,613
	2,791,203	3,130,627	5,536,508	5,997,125
(Loss) income from operations	(726,687)	(1,210,085)	(1,515,911)	(1,216,883)
OTHER ITEMS				
Other income	-	-	2,450,000	-
Interest income (expense)	19,819	(114,530)	12,964	(201,082)
(Loss) gain on sale of assets	(568)	-	89,087	-
	19,251	(114,530)	2,552,051	(201,082)
(Loss) income before income taxes	(707,436)	(1,324,615)	1,036,140	(1,417,965)
Income tax recovery (expense)	173,291	352,577	(278,745)	372,167
Net (loss) income	(534,145)	\$ (972,038)	757,395	\$ (1,045,798)
Basic (loss) earnings per common share	\$ (0.15)	\$ (0.28)	0.22	\$ (0.30)
Diluted (loss) earnings per common share	\$ (0.15)	\$ (0.28)	0.22	\$ (0.30)
Weighted average number of common shares outstanding:				
Basic	3,504,348	3,498,899	3,501,623	3,497,543
Diluted	3,504,348	3,498,899	3,501,623	3,497,543

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, 2024		Six Month Period at the end of February, 2023	
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income (loss)	\$	757,395	\$	(1,045,798)
Items not involving an outlay of cash:				
Depreciation and amortization		188,943		199,615
Stock-based compensation expense		32,064		23,303
Gain on sale of property, plant and equipment		(89,087)		-
Write-down of intangible assets		21,790		-
Deferred income taxes		93,727		(372,992)
Changes in non-cash working capital items:				
Decrease in accounts receivable		958,607		2,930,390
Decrease (increase) in inventory		762,261		(2,447,334)
(Increase) decrease in prepaid expenses		(165,605)		318,009
(Decrease) in accounts payable and accrued liabilities		(365,508)		(1,020,411)
Decrease (increase) in prepaid income taxes		-		825
Increase in income taxes payable		25,093		-
Net cash provided by (used in) operating activities		2,219,680		(1,414,393)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds on sale of property, plant and equipment		105,199		-

Purchase of property, plant and equipment	-	(301,681)
Net cash used in investing activities	105,199	(301,681)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment) proceeds from bank indebtedness	(1,259,259)	1,500,000
Net cash provided by (used in) financing activities	(1,259,259)	1,500,000
Net increase (decrease) in cash	1,065,620	(216,074)
Cash, beginning of period	83,696	484,463
Cash, end of period	\$ 1,149,316	\$ 268,389

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