

Jewett-Cameron Announces 3rd Quarter Financial Results

NORTH PLAINS, Ore., July 15, 2021 — Jewett-Cameron Trading Company Ltd. (NASDAQ: JCTCF) today reported financial results for the third quarter and nine month periods of fiscal 2021 ended May 31, 2021.

Sales for the third quarter of fiscal 2021 totaled approximately \$21.6 million compared to sales of \$16.2 million for the third quarter of fiscal 2020. Income from operations was \$2,638,010 compared to \$1,913,582 for the third quarter ended May 31, 2020. Net income after other items and income taxes for the current quarter was \$2,414,477, or \$0.69 per share, compared to net income of \$1,396,973, or \$0.40 per share, in the same quarter of 2020.

For the nine months ended May 31, 2021, Jewett-Cameron reported sales of \$42.4 million compared to sales of \$30.9 million for the nine months ended May 31, 2020. Net income was \$2,849,839, or \$0.82 per share, compared to net income of \$1,216,089, or \$0.33 per share, in the first nine months of fiscal 2020.

Net income for both the three and nine month periods ended May 31, 2021 were positively affected by a one-time gain of \$687,387 related to the forgiveness of the Company's PPP loans.

"We are pleased with the higher level of sales and net income in the current periods, which continues to reflect the success of our ongoing corporate strategy," said CEO Charlie Hopewell. "All of our sales channels showed sales increases, with many customers boosting both the volume of individual products and the number of different products in their orders. However, the worldwide supply chain disorder is having a negative effect on our operations and margins, which may continue for the remainder of fiscal 2021 and into fiscal 2022."

As of May 31, 2021, the Company's cash position was approximately \$2.2 million. Due to higher customer demand and logistical issues, the Company tapped its line of credit in the third quarter. The borrowing totaled \$996,010 as of May 31, 2021. In June 2021, the Company's line of credit was increased from \$3.0 million to \$5.0 million.

About Jewett-Cameron Trading Company Ltd.

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, and seed processing and sales. Examples of the Company's brands include Lucky Dog®, Animal House® and AKC (used under license from the American Kennel Club) for pet enclosures and kennels; Adjust-A-Gate, Fit-Right™, LIFETIME POST™ and Perimeter Patrol® for gates and fencing; Early Start,

Spring Gardener™, and Weatherguard for greenhouses; and TrueShade® for patio umbrellas, furniture covers and canopies.

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)

	May 31, 2021	August 31, 2020
ASSETS		
Current assets		
Cash and cash equivalents	\$ 2,170,046	\$ 3,801,037
Accounts receivable, net of allowance of \$Nil (August 31, 2020 - \$Nil)	11,051,061	6,274,426
Inventory, net of allowance of \$250,000 (August 31, 2020 - \$65,000)	7,767,640	9,198,146
Prepaid expenses	2,580,856	1,036,128
Total current assets	23,569,603	20,309,737
Property, plant and equipment, net	3,799,402	2,967,565
Intangible assets, net	12,910	659
Total assets	\$ 27,381,915	\$ 23,277,961
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 1,557,721	\$ 1,095,061
Bank indebtedness	996,010	-
Current portion of notes payable	-	342,326
Income taxes payable	230,190	40,596
Accrued liabilities	2,290,235	2,016,300
Total current liabilities	5,074,156	3,494,283
Long-term liabilities		
Notes payable	-	338,381
Deferred tax liability	39,184	96,952
Total liabilities	5,113,340	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	687,211	618,707
Retained earnings	20,758,193	17,908,354
Total stockholders' equity	22,268,575	19,348,345
Total liabilities and stockholders' equity	\$ 27,381,915	\$ 23,277,961

JEWETT-CAMERON TRADING COMPANY LTD.

CONSOLIDATED STATEMENTS OF OPERATIONS

(Expressed in U.S. Dollars)

(Prepared by Management)

(Unaudited)

	Three Month Period Ended May 31,		Nine Month Period Ended May 31,	
	2021	2020	2021	2020
SALES	\$ 21,619,952	\$ 16,241,239	\$ 42,396,591	\$ 30,918,345
COST OF SALES	16,037,702	11,931,746	31,239,866	22,555,253
GROSS PROFIT	5,582,250	4,309,493	11,156,725	8,363,092
OPERATING EXPENSES				
Selling, general and administrative expenses	966,299	706,079	2,556,902	2,118,999
Depreciation and amortization	69,353	54,781	175,171	160,992
Wages and employee benefits	1,908,588	1,635,051	5,226,021	4,343,412
	2,944,240	2,395,911	7,958,094	6,623,403
Income from operations	2,638,010	1,913,582	3,198,631	1,739,689
OTHER ITEMS				
Gain on sale of property, plant and equipment	-	2,200	-	2,600
Gain on extinguishment of debt	687,387		687,387	
Interest and other income	(6,282)	3,217	(283)	21,414
	681,105	5,417	687,104	24,014
Income before income taxes	3,319,115	1,918,999	3,885,735	1,763,703
Income tax expense	(904,638)	(522,026)	(1,035,896)	(547,614)
Net income	\$ 2,414,477	\$ 1,396,973	\$ 2,849,839	\$ 1,216,089

Basic earnings per common share	\$	0.69	\$	0.40	\$	0.82	\$	0.33
Diluted earnings per common share	\$	0.69	\$	0.40	\$	0.82	\$	0.33
Weighted average number of common shares outstanding:								
Basic		3,489,161		3,481,162		3,485,525		3,672,858
Diluted		3,489,161		3,481,162		3,485,525		3,672,858

JEWETT-CAMERON TRADING COMPANY LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in U.S. Dollars)

(Prepared by Management)

(Unaudited)

	Nine Month Period Ended May 31,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 2,849,839	\$ 1,216,089
Items not involving an outlay of cash:		
Depreciation and amortization	175,171	160,992
Stock-based compensation expense	70,391	-
(Gain) on sale of property, plant and equipment	-	(2,600)
Gain on extinguishment of debt	(680,707)	-
Deferred income tax expense	(57,768)	39,571
Changes in non-cash working capital items:		
(Increase) in accounts receivable	(4,776,635)	(4,044,507)
Decrease (increase) in inventory	1,430,506	(408,282)
(Increase) in notes receivable	-	(561,813)
(Increase) in prepaid expenses	(1,544,728)	(942,541)
Decrease in prepaid income taxes	-	101,686
Increase in accounts payable and accrued liabilities	736,595	1,448,292
Increase in income taxes payable	189,594	-
Net cash (used in) provided by operating activities	(1,607,742)	(2,993,113)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,019,259)	(207,469)
Proceeds from sale of property, plant and equipment	-	3,900
Net cash provided by (used in) investing activities	(1,019,259)	(203,569)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank indebtedness	996,010	-
Increase in notes payable	-	680,707
Redemption of common stock	-	(3,867,046)
Net cash provided by (used in) financing activities	996,010	(3,186,339)

Net (decrease) in cash	(1,630,991)	(6,383,021)
Cash, beginning of period	3,801,037	9,652,310
Cash, end of period	\$ 2,170,046	\$ 3,269,289

Contact: Charlie Hopewell, Chief Executive Officer, (503) 647-0110

[View original](#)

content:<https://www.prnewswire.com/news-releases/jewett-cameron-announces-3rd-quarter-financial-results-301335195.html>

SOURCE Jewett-Cameron Trading Company Ltd.