

Jewett-Cameron Announces Fiscal 2021 Financial Results

NORTH PLAINS, Ore., Nov. 29, 2021 — Jewett-Cameron Trading Company Ltd. (NASDAQ: JCTCF) today reported financial results for its fourth quarter and fiscal year ended August 31, 2021.

For the fiscal year ended August 31, 2021, Jewett-Cameron had sales of \$57.5 million and net income of \$3,454,953, or \$0.99 per share, compared to sales of \$44.9 million and net income of \$2,784,525, or \$0.77 per share, for fiscal 2020.

Sales for the fourth quarter of fiscal 2021 totaled \$15.1 million compared to sales of \$14.0 million in Q4 2020. Net income was \$605,114, or \$0.18 per share, compared to net income of \$1,568,436, or \$0.43 per share, in the fourth quarter of fiscal 2020.

“The continuing successful implementation of our corporate strategy is reflected in the higher sales and net income for fiscal 2021”, said CEO and Chairman Charlie Hopewell. “Our fourth quarter, however, was adversely affected by the ongoing disorder in the worldwide supply chain. This caused some shortages of some of our most popular products and a higher level of backorders, which had a negative effect on our operations and margins. Although we have taken steps to diversify our shipping arrangements and add to our logistics partners, we anticipate these logistical challenges to continue into fiscal 2022.”

As of August 31, 2021, the Company’s cash position was approximately \$1.8 million. Due to the continuing uncertainty caused by the worldwide shipping and logistical issues, the Company has recently increased its line of credit to \$10 million, of which \$5 million is available. The Board of Directors is discussing potential alternative sources of capital, which could include a future public offering of common shares. The proceeds from such an offering could be utilized both for short-term capital needs and to complement the Company’s future growth plans.

About Jewett-Cameron Trading Company Ltd.

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 INFINITY Euro fence systems brands; and Early Start, Spring Gardner 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. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Expressed in U.S. Dollars)

AS OF AUGUST 31

	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,184,313	\$ 3,801,037
Accounts receivable, net of allowance of \$Nil (August 31, 2020 - \$Nil)	7,086,503	6,274,426
Inventory, net of allowance of \$250,000 (August 31, 2020 - \$65,000)	14,391,365	9,198,146
Prepaid expenses	2,305,820	1,036,128
Prepaid income taxes	252,958	-
Total current assets	25,220,959	20,309,737
Property, plant and equipment, net	3,886,543	2,967,565
Intangible assets, net	30,897	659
Total assets	\$ 29,138,399	\$ 23,277,961
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 1,349,677	\$ 1,095,061
Bank indebtedness	3,000,000	-
Current portion of notes payable	-	342,326
Income taxes payable	-	40,596
Accrued liabilities	1,798,088	2,016,300
Total current liabilities	6,147,765	3,494,283
Long-term liabilities		
Notes payable	-	338,381
Deferred tax liability	116,945	96,952
Total liabilities	6,264,710	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	21,363,307	17,908,354
Total stockholders' equity	22,873,689	19,348,345
Total liabilities and stockholders' equity	\$ 29,138,399	\$ 23,277,961

JEWETT-CAMERON TRADING COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(Expressed in U.S. Dollars)

YEARS ENDED AUGUST 31

	2021	2020
SALES	\$ 57,501,543	\$ 44,945,263
COST OF SALES	43,354,897	32,472,080
GROSS PROFIT	14,146,646	12,473,183
OPERATING EXPENSES		
Selling, general and administrative	3,204,945	2,502,989
Depreciation and amortization	244,279	217,712
Wages and employee benefits	6,957,730	5,894,346
	10,406,954	8,615,047
Income from operations	3,739,692	3,858,136
OTHER ITEMS		
Gain on sale of property, plant and equipment	-	6,600
Gain on extinguishment of debt	687,387	-
Interest and other income (expense)	(2,871)	24,420
	684,516	31,020
Income before income taxes	4,424,208	3,889,156
Income taxes		
Current	949,262	1,068,883
Deferred (recovery)	19,993	35,748
Net income for the year	\$ 3,454,953	\$ 2,784,525
Basic earnings per common share	\$ 0.99	\$ 0.77
Diluted earnings per common share	\$ 0.99	\$ 0.77
Weighted average number of common shares outstanding:		
Basic	3,486,537	3,623,413
Diluted	3,486,537	3,623,413

JEWETT-CAMERON TRADING COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in U.S. Dollars)

YEARS ENDED AUGUST 31

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year	\$ 3,454,953	\$ 2,784,525
Items not affecting cash:		
Depreciation and amortization	244,279	217,712
Stock-based compensation expense	70,391	-
(Gain) on sale of property, plant and equipment	-	(6,600)
Gain on extinguishment of debt	(680,707)	-
Deferred income taxes	19,993	35,748
Changes in non-cash working capital items:		
(Increase) in accounts receivable	(812,077)	(3,438,474)
Decrease in note receivable	-	1,197
(Increase) in inventory	(5,193,219)	(2,820,341)
(Increase) in prepaid expenses	(1,269,692)	(642,589)
(Increase) decrease in prepaid income taxes	(252,959)	223,420
Increase in accounts payable and accrued liabilities	36,404	1,388,754
(Decrease) increase in income taxes payable	(40,596)	40,596
Net cash (used by) operating activities	(4,423,230)	(2,216,052)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds on sale of property, plant and equipment	-	400
Increase in intangible assets	(30,755)	-
Purchase of property, plant and equipment	(1,162,739)	(449,282)

Net cash (used in) provided by investing activities	(1,193,494)	(448,882)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank indebtedness	3,000,000	-
(Decrease) increase in notes payable	-	680,707
Redemption of common stock	-	(3,867,046)
Net cash provided (used) in financing activities	3,000,000	(3,186,339)
Net (decrease) in cash	(2,616,724)	(5,851,273)
Cash, beginning of year	3,801,037	9,652,310
Cash, end of year	\$ 1,184,313	\$ 3,801,037

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