

Jewett-Cameron Announces Fiscal 2022 Financial Results

NORTH PLAINS, Ore., Nov. 29, 2022 — Jewett-Cameron Trading Company Ltd. (NASDAQ: JCTCF) today reported financial results for its fourth quarter and fiscal year ended August 31, 2022.

For the fiscal year ended August 31, 2022, Jewett-Cameron had sales of \$62.9 million and net income of \$1,164,123, or \$0.33 per share, compared to sales of \$57.5 million and net income of \$3,454,953, or \$0.99 per share, for fiscal 2021.

Sales for the fourth quarter of fiscal 2022 totaled \$15.0 million compared to sales of \$15.1 million in Q4 2021. Net loss in the current fourth quarter was (\$208,666), or (\$0.06) per share, compared to net income of \$605,114, or \$0.18 per share, in the fourth quarter of fiscal 2021.

“Jewett-Cameron has weathered the unprecedented supply chain challenges well over the past year given the extraordinary circumstances. We sold more units year over year in multiple categories”, said CEO Chad Summers. “Some products faced unique challenges that reduced their sales, but we have already met with customers to correct the issues going forward. We are excited to build upon our successes in the year ahead.”

As of August 31, 2022, the Company’s cash position was approximately \$484 thousand and had borrowed \$7 million against its \$10 million line of credit. The Company expects to purchase less goods in the first two quarters of fiscal 2023 than it typically does as its current inventory position will be sufficient to carry the Company into its historically busy season in the final two quarters of the fiscal year.

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. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Expressed in U.S. Dollars)

AS OF AUGUST 31

	2022	2021
ASSETS		
Current assets		
Cash and cash equivalents	\$ 484,463	\$ 1,184,313
Accounts receivable, net of allowance of \$0 (August 31, 2021 - \$0)	7,191,646	7,086,503
Inventory, net of allowance of \$800,000 (August 31, 2021 - \$250,000)	20,632,313	14,391,365
Prepaid expenses	1,112,575	2,305,820
Prepaid income taxes	208,963	252,958
Total current assets	29,629,960	25,220,959
Property, plant and equipment, net	4,828,420	3,886,543
Intangible assets, net	33,358	30,897
Deferred tax assets	24,998	-
Total assets	\$ 34,516,736	\$ 29,138,399
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 1,566,047	\$ 1,349,677
Bank indebtedness	7,000,000	3,000,000
Accrued liabilities	1,856,039	1,798,088
Total current liabilities	10,422,086	6,147,765
Deferred tax liability	-	116,945
Total liabilities	10,422,086	6,264,710
Stockholders' equity		
Capital stock		
Authorized		
21,567,564 common shares, no par value		
10,000,000 preferred shares, no par value		
Issued		
3,495,342 common shares (August 31, 2021 -3,489,161)	824,629	823,171
Additional paid-in capital	742,591	687,211
Retained earnings	22,527,430	21,363,307
Total stockholders' equity	24,094,650	22,873,689
Total liabilities and stockholders' equity	\$ 34,516,736	\$ 29,138,399

JEWETT-CAMERON TRADING COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(Expressed in U.S. Dollars)

YEARS ENDED AUGUST 31

	2022	2021
SALES	\$ 62,901,831	\$ 57,501,543
COST OF SALES	49,108,772	43,354,897
GROSS PROFIT	13,793,059	14,146,646
OPERATING EXPENSES		
Selling, general and administrative	4,008,166	3,204,945
Depreciation and amortization	319,617	244,279
Wages and employee benefits	7,495,723	6,957,730
	11,823,506	10,406,954
Income from operations	1,969,553	3,739,692
OTHER ITEMS		

Gain on sale of property, plant and equipment	4,526	-
Other income (loss)	(230,034)	12,450
Interest expense	(163,045)	(15,321)
Gain on extinguishment of debt	-	687,387
	(388,553)	684,516
Income before income taxes	1,581,000	4,424,208
Income taxes (note 6)		
Current	(558,820)	(949,262)
Deferred recovery (expense)	141,943	(19,993)
Net income for the year	\$ 1,164,123	\$ 3,454,953
Basic earnings per common share	\$ 0.33	\$ 0.99
Diluted earnings per common share	\$ 0.33	\$ 0.99
Weighted average number of common shares outstanding:		
Basic	3,493,807	3,486,537
Diluted	3,493,807	3,486,537

JEWETT-CAMERON TRADING COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in U.S. Dollars)

YEARS ENDED AUGUST 31

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year	\$ 1,164,123	\$ 3,454,953
Items not affecting cash:		
Depreciation and amortization	319,617	244,279
Stock-based compensation expense	56,838	70,391
(Gain) on sale of property, plant and equipment	(4,526)	-
Gain on extinguishment of debt	-	(680,707)
Deferred income taxes	(141,943)	19,993
Changes in non-cash working capital items:		
(Increase) in accounts receivable	(105,143)	(812,077)
(Increase) in inventory	(6,240,948)	(5,193,219)
Decrease (increase) in prepaid expenses	1,193,245	(1,269,692)
Decrease (increase) in prepaid income taxes	43,995	(252,959)
Increase in accounts payable and accrued liabilities	274,321	36,404
(Decrease) in income taxes payable	-	(40,596)
Net cash (used by) operating activities	(3,440,421)	(4,423,230)
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in intangible assets	(3,535)	(30,755)
Purchase of property, plant and equipment	(1,255,894)	(1,162,739)
Net cash used in investing activities	(1,259,429)	(1,193,494)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank indebtedness	4,000,000	3,000,000
Net cash provided by financing activities	4,000,000	3,000,000
Net (decrease) in cash	(699,850)	(2,616,724)
Cash, beginning of year	1,184,313	3,801,037
Cash, end of year	\$ 484,463	\$ 1,184,313

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