

Jewett-Cameron Announces Fiscal 2023 Financial Results

NORTH PLAINS, Ore., Nov. 28, 2023 — Jewett-Cameron Trading Company Ltd. (NASDAQ: JCTCF) today reported financial results for its fourth quarter and fiscal year ended August 31, 2023.

For the fiscal year ended August 31, 2023, Jewett-Cameron had sales of \$54.3 million and a net loss of (\$20,626), or (\$0.01) per share, compared to sales of \$62.9 million and net income of \$1,164,123, or \$0.33 per share, for fiscal 2022.

Sales for the fourth quarter of fiscal 2023 totaled \$14.6 million compared to sales of \$15.0 million in Q4 2022. Net income in the current fourth quarter was \$290,221, or \$0.08 per share, compared to a net loss of (\$208,666), or (\$0.06) per share, in the fourth quarter of fiscal 2022.

“Our results were hurt by the extended winter weather across the US which delayed, and then reduced, purchases of our outdoor lines” said CEO Chad Summers. “Inflationary pressures also negatively affected results as consumers reduced their discretionary spending, particularly on home improvement and pet products. During the year, we improved our operations and favorably adjusted key supply and logistic agreements. We are continuing the launch of our new MyEcoWorld® sustainable bag products as a less seasonal product line while firmly focusing on our strengths and core product lines.”

The Company has successfully ended cleaning operations at its Jewett-Cameron Seed segment effective August 31, 2023. Full closure of the facility is expected to be completed by the end of calendar 2023.

As of August 31, 2023, the Company’s cash position was approximately \$84 thousand and had borrowed \$1.26 million against its \$10 million line of credit. Subsequent to the end of the fiscal year, the Company repaid the remaining balance borrowed against the line of credit.

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 and sustainable bag products, and wholesale distribution of wood products. 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; MyEcoWorld® for sustainable bag products; 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

	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	\$ 83,696	\$ 484,463
Accounts receivable, net of allowance of \$0 (August 31, 2022 - \$0)	5,634,924	7,191,646
Inventory, net of allowance of \$497,884 (August 31, 2022 - \$800,000)	18,339,048	20,632,313
Prepaid expenses	630,788	1,112,575
Prepaid income taxes	-	208,963
Total current assets	24,688,456	29,629,960
Property, plant and equipment, net	4,655,427	4,828,420
Intangible assets, net	134,845	33,358
Deferred tax assets	319,875	24,998
Total assets	\$ 29,798,603	\$ 34,516,736
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 2,181,194	\$ 1,566,047
Bank indebtedness	1,259,259	7,000,000
Income taxes payable	147,629	-
Accrued liabilities	2,113,194	1,856,039
Total liabilities	5,701,276	10,422,086
Stockholders' equity		
Capital stock		
Authorized		
21,567,564 common shares, no par value		
10,000,000 preferred shares, no par value		
Issued		
3,498,899 common shares (August 31, 2022 - 3,495,342)	825,468	824,629
Additional paid-in capital	765,055	742,591
Retained earnings	22,506,804	22,527,430
Total stockholders' equity	24,097,327	24,094,650
Total liabilities and stockholders' equity	\$ 29,798,603	\$ 34,516,736

JEWETT-CAMERON TRADING COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(Expressed in U.S. Dollars)

YEARS ENDED AUGUST 31

	2023	2022
SALES	\$ 54,289,303	\$ 62,901,831

COST OF SALES	42,042,178	49,108,772
GROSS PROFIT	12,247,125	13,793,059
OPERATING EXPENSES		
Selling, general and administrative	3,973,055	4,008,166
Depreciation and amortization (notes 4, 5)	397,922	319,617
Wages and employee benefits	7,445,464	7,495,723
	11,816,441	11,823,506
Income from operations	430,684	1,969,553
OTHER ITEMS		
Gain on sale of property, plant and equipment	70,250	4,526
Other income (loss) (note 14)	-	(230,034)
Interest expense	(458,463)	(163,045)
	(388,213)	(388,553)
Income before income taxes	42,471	1,581,000
Income taxes (note 6)		
Current	(63,097)	(558,820)
Deferred recovery	-	141,943
Net (loss) income for the year	\$ (20,626)	\$ 1,164,123
Basic (loss) earnings per common share	\$ (0.01)	\$ 0.33
Diluted (loss) earnings per common share	\$ (0.01)	\$ 0.33
Weighted average number of common shares outstanding:		
Basic	3,498,236	3,493,807
Diluted	3,498,236	3,493,807

JEWETT-CAMERON TRADING COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in U.S. Dollars)

YEARS ENDED AUGUST 31

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) income for the year	\$ (20,626)	\$ 1,164,123
Items not affecting cash:		
Depreciation and amortization	397,922	319,617
Stock-based compensation expense	23,303	56,838
Gain on sale of property, plant and equipment	(70,250)	(4,526)
Deferred income taxes	(294,877)	(141,943)
Changes in non-cash working capital items:		
Decrease (increase) in accounts receivable	1,556,722	(105,143)
Decrease (increase) in inventory	2,293,265	(6,240,948)
Decrease in prepaid expenses	481,787	1,193,245
Decrease in prepaid income taxes	208,963	43,995
Increase in accounts payable and accrued liabilities	872,302	274,321
Increase in income taxes payable	147,629	-
Net cash and cash equivalents provided by (used by) operating activities	5,596,140	(3,440,421)
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in intangible assets	(102,500)	(3,535)
Proceeds on sale of property, plant and equipment	70,250	-
Purchase of property, plant and equipment	(223,916)	(1,255,894)
Net cash and cash equivalents used in investing activities	(256,166)	(1,259,429)
CASH FLOWS FROM FINANCING ACTIVITIES		

(Repayment) proceeds from bank indebtedness	(5,740,741)	4,000,000
Net cash and cash equivalents provided by (used in) financing activities	(5,740,741)	4,000,000
Net (decrease) in cash and cash equivalents	(400,767)	(699,850)
Cash and cash equivalents, beginning of year	484,463	1,184,313
Cash and cash equivalents, end of year	\$ 83,696	\$ 484,463

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