

Jewett-Cameron Announces 3rd Quarter Financial Results

North Plains, Oregon, July 15, 2024 – Jewett-Cameron Trading Company Ltd. (NASDAQ: JCTCF) today reported financial results for the third quarter and nine-month periods of fiscal 2024 ended May 31, 2024.

Sales for the third quarter of fiscal 2024 totaled approximately \$15.9 million compared to sales of \$18.9 million for the third quarter of fiscal 2023. Income from operations was \$55,595 compared to \$1,251,019 for the third quarter ended May 31, 2023. Net income after other items and income taxes for the current quarter was \$154,862, or \$0.04 per share, compared to net income of \$734,951, or \$0.21 per share, in the 3rd quarter of 2023.

For the nine months ended May 31, 2024, Jewett-Cameron reported sales of approximately \$33.9 million compared to sales of \$39.7 million for the nine months ended May 31, 2023. After a one-time gain from a favorable arbitration settlement, net income was \$912,257, or \$0.26 per share, compared to a net loss of (\$310,847), or (\$0.09) per share, for the first nine months of fiscal 2023.

“Economic factors and restrained consumer spending, particularly in the home improvement and pet categories, continue to challenge our sales and margins” said CEO Chad Summers. “In response, we are continuing to focus on our core products and increase our visibility and brand recognition with consumers. This includes the expansion of our successful in-store product placement campaign for several of our core fence products into more stores in the 4th quarter and into fiscal 2025”.

As of May 31, 2024, the Company’s cash position was approximately \$1.05 million. Subsequent to the end of the 3rd quarter, we established a new asset-based line with Northrim Funding Services for short-term operating capital as needed. Although the interest rate on the new line is higher than we were previously paying, it does provide us with additional financial flexibility. We currently have no borrowing against this new line.

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 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.
CONSOLIDATED BALANCE SHEETS
(Expressed in U.S. Dollars)
(Prepared by Management)
(Unaudited)

	May 31, 2024	August 31, 2023
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,054,704	\$ 83,696
Accounts receivable, net of allowance of \$0 (August 31, 2023 - \$0)	7,408,344	5,634,924
Inventory, net of allowance of \$90,536 (August 31, 2023 - \$497,884)	13,470,934	18,339,048
Prepaid expenses	1,402,472	630,788
Total current assets	23,336,454	24,688,456
Property, plant and equipment, net	4,482,130	4,655,427
Intangible assets, net	112,431	134,845
Deferred tax assets	396,788	319,875
Total assets	\$ 28,327,803	\$ 29,798,603
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 787,563	\$ 2,181,194
Bank indebtedness	-	1,259,259
Income taxes payable	244,108	147,629
Accrued liabilities	2,254,484	2,113,194
Total liabilities	3,286,155	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	23,419,061	22,506,804
Total stockholders' equity	25,041,648	24,097,327
Total liabilities and stockholders' equity	\$ 28,327,803	\$ 29,798,603

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,	
	2024	2023	2024	2023
SALES	\$ 15,896,017	\$ 18,945,738	\$ 33,931,050	\$ 39,666,658
COST OF SALES	12,944,941	14,532,366	26,959,377	30,473,044
GROSS PROFIT	2,951,076	4,413,372	6,971,673	9,193,614
OPERATING EXPENSES				
Selling, general and administrative expenses	1,026,071	961,566	2,941,978	2,884,463
Depreciation and amortization	79,406	99,962	268,349	299,577
Wages and employee benefits	1,790,004	2,100,825	5,221,662	5,975,438
	2,895,481	3,162,353	8,431,989	9,159,478
Income (loss) from operations	55,595	1,251,019	(1,460,316)	34,136
OTHER ITEMS				
Other income	-	-	2,450,000	-
Gain on sale of assets	1,450	-	90,537	-
Interest (expense) income	(1,437)	(152,905)	11,527	(353,987)
	13	(152,905)	2,552,064	(353,987)
Income (loss) before income taxes	55,608	1,098,114	1,091,748	(319,851)
Income tax expense (recovery)	(99,254)	363,163	179,491	(9,004)
Net income (loss)	\$ 154,862	\$ 734,951	\$ 912,257	\$ (310,847)
Basic earnings (loss) per common share	\$ 0.04	\$ 0.21	\$ 0.26	\$ (0.09)
Diluted earnings (loss) per common share	\$ 0.04	\$ 0.21	\$ 0.26	\$ (0.09)
Weighted average number of common shares outstanding:				
Basic	3,504,802	3,498,899	3,502,399	3,498,000
Diluted	3,504,802	3,498,899	3,502,399	3,498,000

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,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ 912,257	\$ (310,847)
Items not involving an outlay of cash:		
Depreciation and amortization	268,349	299,577
Stock-based compensation expense	32,064	23,303
Gain on sale of property, plant and equipment	(90,537)	-
Write-down of intangible assets	21,790	-
Deferred income tax expense	(76,913)	(366,566)
Changes in non-cash working capital items:		
Increase in accounts receivable	(1,773,420)	(338,489)
Decrease in inventory	4,868,114	103,083
(Increase) decrease in prepaid expenses	(771,684)	242,427
Decrease in prepaid income taxes	-	208,963
(Decrease) increase in accounts payable and accrued liabilities	(1,252,341)	1,541,107
Increase in income taxes payable	96,479	147,215
Net cash provided by operating activities	2,234,158	1,549,773
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in intangible assets	-	(102,500)
Proceeds on sale of property, plant and equipment	106,649	
Purchase of property, plant and equipment	(110,540)	(215,685)
Net cash used in investing activities	(3,891)	(318,185)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment to) proceeds from bank indebtedness	(1,259,259)	1,000,000
Net cash (used in) provided by financing activities	(1,259,259)	1,000,000
Net increase in cash	971,008	2,231,588
Cash, beginning of period	83,696	484,463
Cash, end of period	\$ 1,054,704	\$ 2,716,051

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Source: Jewett-Cameron Trading Company Ltd.