

Jewett-Cameron Announces 1st Quarter Financial Results

North Plains, Oregon, January 17, 2017 – Jewett-Cameron Trading Company Ltd. (NASDAQ: JCTCF) today reported financial results for the first quarter of fiscal 2017 ended November 30, 2016.

Sales for the first quarter of fiscal 2017 totaled \$10.4 million compared to sales of \$11.9 million for the first quarter of fiscal 2016. Income from operations was \$792,505 compared to \$885,204 for the first quarter ended November 30, 2016. Net income after other items and income taxes for the current quarter was \$485,920, or \$0.21 per share, compared to \$532,245, or \$0.21 per share, in the year-ago quarter.

“Our new warehouse expansion is now complete, and we will begin to utilize the additional space for both existing and new products this year,” said CEO Don Boone. “In November, we added Charlie Hopewell as our new Chief Operating Officer. Charlie’s extensive experience will help us grow our product lines and sales channels going forward.”

As of May 31, 2016, the Company’s cash position was \$4.9 million, and there was no borrowing against its \$3.0 million line of credit. The Company has historically utilized its cash position by implementing share repurchase programs as an effective method of enhancing shareholder value.

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 specialty metal products and wholesale distribution of wood products to home centers and other retailers located primarily in the United States. Greenwood Products is a processor and distributor of industrial wood and other specialty building products principally to customers in the marine and transportation industries in the United States. MSI-PRO is an importer and distributor of pneumatic air tools, industrial clamps, and the Avenger Products line of sawblades and other products. Jewett-Cameron Seed Company is a processor and distributor of agricultural seeds. JC USA provides professional and administrative services, including accounting and credit services, to its subsidiary companies.

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)

	November 30, 2016	August 31, 2016
ASSETS		
Current assets		
Cash	\$ 4,899,362	\$ 4,519,922
Accounts receivable, net of allowance of \$Nil (August 31, 2016 - \$Nil)	3,386,389	3,342,204
Inventory, net of allowance of \$167,584 (August 31, 2016 - \$176,717) (note 3)	7,688,609	8,069,017
Prepaid expenses	862,118	832,895
Prepaid income taxes	-	596
Total current assets	16,836,478	16,764,634
Property, plant and equipment, net (note 4)	3,129,753	2,954,595
Intangible assets, net (note 5)	132,367	150,543
Total assets	\$ 20,098,598	\$ 19,869,772
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 618,293	\$ 839,972
Accrued liabilities	1,130,568	1,473,792
Income taxes payable	310,974	-
Total current liabilities	2,059,835	2,313,764
Deferred tax liability (note 6)	28,188	31,353
Total liabilities	2,088,023	2,345,117
Contingent liabilities and commitments (note 12)		
Stockholders' equity		
Capital stock (note 8, 9)		
Authorized		
21,567,564 common shares, without par value		
10,000,000 preferred shares, without par value		
Issued		
2,286,294 common shares (August 31, 2016 – 2,286,294)	1,078,759	1,078,759
Additional paid-in capital	600,804	600,804
Retained earnings	16,331,012	15,845,092
Total stockholders' equity	18,010,575	17,524,655
Total liabilities and stockholders' equity	\$ 20,098,598	\$ 19,869,772

JEWETT-CAMERON TRADING COMPANY LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Expressed in U.S. Dollars)
(Prepared by Management)
(Unaudited)

	Three Months Ended	
	November 30,	
	2016	2015
SALES	\$ 10,421,804	\$ 11,941,508
COST OF SALES	8,027,362	9,561,653
GROSS PROFIT	2,394,442	2,379,855
OPERATING EXPENSES		
Selling, general and administrative expenses	551,048	542,793
Depreciation and amortization	68,640	75,513
Wages and employee benefits	982,249	876,345
	1,601,937	1,494,651
Income from operations	792,505	885,204
OTHER ITEM		
Interest and other income	1,820	8,734
	1,820	8,734
Income before income taxes	794,325	893,938
Income tax expense	(308,405)	(361,693)
Net income	\$ 485,920	\$ 532,245
Basic earnings per common share	\$ 0.21	\$ 0.21
Diluted earnings per common share	\$ 0.21	\$ 0.21
Weighted average number of common shares outstanding:		
Basic	2,286,294	2,476,832
Diluted	2,286,294	2,476,832

JEWETT-CAMERON TRADING COMPANY LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in U.S. Dollars)
(Prepared by Management)
(Unaudited)

	Three Month Periods	
	Ended November 30,	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 485,920	\$ 532,245
Items not involving an outlay of cash:		
Depreciation and amortization	68,640	75,513
Deferred income taxes	(3,165)	12,805
Interest income on litigation	-	(6,661)
Changes in non-cash working capital items:		
Increase in accounts receivable	(44,185)	(631,579)
Decrease in inventory	380,408	189,334
Decrease in note receivable	-	950
Decrease in prepaid income taxes	596	26,570
(Increase) in prepaid expenses	(29,223)	(333,009)
(Decrease) increase in accounts payable and accrued liabilities	(564,903)	88,686
Increase in income taxes payable	310,974	-
Net cash provided by (used by) operating activities	605,062	(45,146)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(225,622)	(10,526)
Net cash used in investing activities	(225,622)	(10,526)
Net increase (decrease) in cash	379,440	(55,672)
Cash, beginning of period	4,519,922	4,416,297
Cash, end of period	\$ 4,899,362	\$ 4,360,625

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Source: Jewett-Cameron Trading Company Ltd.