

Jewett-Cameron Announces Fiscal 2016 Financial Results

North Plains, Oregon, November 2, 2016 – Jewett-Cameron Trading Company Ltd. (NASDAQ: JCTCF) today reported financial results for its fourth quarter and fiscal year ended August 31, 2016.

For the fiscal year ended August 31, 2016 Jewett-Cameron reported net income of \$2,125,099, or \$0.87 per share, on sales of \$48.11 million compared to net income of \$1,773,971, or \$0.69 per share, on sales of \$42.24 million reported for fiscal 2015.

Sales for the fourth quarter of fiscal 2016 totaled \$10.5 million compared to sales of \$11.5 million for the fourth quarter of fiscal 2015. Net income was \$552,164, or \$0.23 per diluted share, compared to net income of \$701,524, or \$0.27 per diluted share, in the fourth quarter of fiscal 2015.

“The continued acceptance of several new products we introduced beginning in fiscal 2015 has had a positive effect on our sales and financial results” said CEO Don Boone. “We are also continuing construction of a warehouse expansion at our North Plains headquarters which will support the distribution of additional new products in the future”.

During fiscal 2016, the Company settled all of the litigation with Greenwood Forest Products, Inc. The Company made a cash payment of \$200,000 to Greenwood Forest Products, Inc., as full settlement and termination of the litigation.

As of August 31, 2016, the Company’s cash position was \$4.5 million, and currently there is no borrowing against its \$3.0 million line of credit. During fiscal 2016, the Company repurchased and cancelled a total of 175,538 common shares at a cost of \$2,124,579, which represents an average price of \$12.10. Donald M. Boone, CEO, President and Director, also voluntarily returned 15,000 common shares to the Company’s treasury for cancellation in June 2016, which was in addition to the 15,000 common shares he returned for cancellation in August 2015. The Company paid Mr. Boone no consideration for the 30,000 shares. The Company’s most recent share repurchase plan terminated on August 25, 2016. The Board of Directors will consider implementing new share repurchase plans in the future as an effective use of the Company’s cash position.

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. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in U.S. Dollars)
AS OF AUGUST 31

	2016	2015
ASSETS		
Current assets		
Cash	\$ 4,519,922	\$ 4,416,297
Accounts receivable, net of allowance of \$Nil (August 31, 2015 - \$Nil)	3,342,204	3,688,247
Inventory, net of allowance of \$176,717 (August 31, 2015 - \$120,824)	8,069,017	8,351,575
Note receivable	-	1,310
Prepaid expenses	832,895	719,459
Prepaid income taxes	596	26,570
Total current assets	16,764,634	17,203,458
Property, plant and equipment, net	2,954,595	2,231,711
Intangible assets, net	150,543	223,250
Total assets	\$ 19,869,772	\$ 19,658,419
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 839,972	\$ 984,955
Litigation reserve	-	90,671
Accrued liabilities	1,473,792	1,024,358
Total current liabilities	2,313,764	2,099,984
Deferred tax liability	31,353	34,300
Total liabilities	2,345,117	2,134,284
Contingent liabilities and commitments		
Stockholders' equity		
Capital stock		
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, 2015 – 2,476,832)	1,078,759	1,168,712
Additional paid-in capital	600,804	600,804
Retained earnings	15,845,092	15,754,619
Total stockholders' equity	17,524,655	17,524,135
Total liabilities and stockholders' equity	\$ 19,869,772	\$ 19,658,419

JEWETT-CAMERON TRADING COMPANY LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Expressed in U.S. Dollars)
YEARS ENDED AUGUST 31

	2016	2015
SALES	\$ 48,110,998	\$ 42,238,151
COST OF SALES	38,374,405	33,821,114
GROSS PROFIT	9,736,593	8,417,037
OPERATING EXPENSES		
Selling, general and administrative	1,789,230	1,814,899
Depreciation and amortization	276,268	281,762
Wages and employee benefits	4,055,948	3,396,793
	6,121,446	5,493,454
Income from operations	3,615,146	2,923,583
OTHER ITEMS		
Gain on sale of property, plant and equipment	5,600	-
Interest and other income	15,164	31,993
Interest expense	(27)	-
Litigation expense	(115,990)	-
	(95,253)	31,993
Income before income taxes	3,519,893	2,955,576
Income taxes		
Current	1,394,794	1,208,277
Deferred	(2,947)	(26,672)
Net income for the year	2,125,099	1,773,971
Basic earnings per common share	\$ 0.87	\$ 0.69
Diluted earnings per common share	\$ 0.87	\$ 0.69
Weighted average number of common shares outstanding:		
Basic	2,435,650	2,581,850
Diluted	2,435,650	2,581,850

JEWETT-CAMERON TRADING COMPANY LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in U.S. Dollars)
YEARS ENDED AUGUST 31

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year	\$ 2,125,099	\$ 1,773,971
Items not affecting cash:		
Depreciation and amortization	276,268	281,762
Gain on sale of property, plant and equipment	(5,600)	-
Deferred income taxes	(2,947)	(26,672)
Interest income on litigation	(6,661)	(26,716)
Decrease in litigation reserve	(84,010)	-
Changes in non-cash working capital items:		
Decrease (increase) in accounts receivable	346,043	(1,245,319)
Decrease in note receivable	1,310	13,690
Decrease in inventory	282,558	802,554
(Increase) decrease in prepaid expenses	(113,436)	43,074
Decrease in prepaid income taxes	25,974	519,777
Increase in accounts payable and accrued liabilities	304,451	694,558
Net cash provided by operating activities	<u>3,149,049</u>	<u>2,830,679</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds on sale of property, plant and equipment	5,600	-
Purchase of property, plant and equipment	(926,445)	(293,380)
Net cash used in investing activities	<u>(920,845)</u>	<u>(293,380)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Redemption of common stock	(2,124,579)	(2,448,542)
Net cash used in financing activities	<u>(2,124,579)</u>	<u>(2,448,542)</u>
Net increase in cash	103,625	88,757
Cash, beginning of year	<u>4,416,297</u>	<u>4,327,540</u>
Cash, end of year	<u>4,519,922</u>	<u>4,416,297</u>

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Source: Jewett-Cameron Trading Company Ltd.