

Jewett-Cameron Announces 1st Quarter Financial Results

Written by Australian Business

NORTH PLAINS, Ore., Jan. 13, 2014 /PRNewswire/ -- Jewett-Cameron Trading Company Ltd. (NASDAQ: [JCTCF](#)) today reported financial results for the first quarter of fiscal 2014 ended November 30, 2013

Sales were \$8.01 million for the first quarter of fiscal 2014 compared to sales of \$9.30 million for the first quarter of fiscal 2013. For the quarter, income from operations was \$543,924 compared to \$772,385 in the year-ago quarter. Net income for the quarter was \$332,579, or \$0.11 per share, compared to net income of \$480,746, or \$0.15 per share, in the first quarter of fiscal 2013. Per share amounts have been adjusted for the 2 for 1 stock split of the common shares effective May 2, 2013

"Our markets have become much more competitive," said CEO Don Boone. "In response, we have increased our efforts to obtain new business and expand our customer base to smaller and mid-size customers. These initiatives resulted in higher selling expenses during the quarter."

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As of November 30, 2013, the Company's cash position was \$8.096 million, and currently there is no borrowing against its \$5.0 million line of credit. Today, the Company announced a new share re-purchase plan where it can repurchase for cancellation up to 313,493 common shares representing 10% of the approximately 3.1 million common shares outstanding. This share repurchase plan may commence on January 20, 2014 and will remain in place until May 16, 2014 but may be limited or terminated at any time without prior notice.

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,

2013

August 31,

2013

ASSETS

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Current assets

Cash

\$ 8,096,072

\$ 8,308,445

Accounts receivable, net of allowance

of \$Nil (August 31, 2013 - \$Nil)

2,237,734

3,344,777

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Inventory, net of allowance

of \$134,259 (August 31, 2013 - \$134,259) (note 3)

8,374,751

8,520,991

Note receivable

-

15,000

Prepaid expenses

883,172

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587,609

Prepaid income taxes

43,744

270,423

Total current assets

19,635,473

21,047,245

Property, plant and equipment, net

2,247,334

2,241,950

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Intangible assets, net (note 5)

350,486

368,662

Total assets

\$ 22,233,293

\$ 23,657,857

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities

Accounts payable

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\$ 453,525

\$ 1,715,458

Litigation reserve (note 13(a))

137,442

144,103

Accrued liabilities

665,897

1,149,882

Total current liabilities

1,256,864

3,009,443

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Deferred tax liability (note 6)

45,829

50,393

Total liabilities

1,302,693

3,059,836

Contingent liabilities and commitments (note 6)

Stockholders' equity

Capital stock (note 8)

Authorized

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21,567,564 common shares, without par value

10,000,000 preferred shares, without par value

Issued

3,134,936 common shares (August 31, 2013 - 3,134,936)

1,479,246

1,479,246

Additional paid-in capital

600,804

600,804

Retained earnings

18,850,550

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18,517,971

Total stockholders' equity

20,930,600

20,598,021

Total liabilities and stockholders' equity

\$ 22,233,293

\$ 23,657,857

JEWETT-CAMERON TRADING COMPANY LTD.

CONSOLIDATED STATEMENTS OF OPERATIONS

(Expressed in U.S. Dollars)

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(Prepared by Management)

(Unaudited)

Three Months Ended

November 30,

2013

2012

SALES

\$ 8,006,281

\$ 9,296,405

COST OF SALES

6,156,502

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7,305,399

GROSS PROFIT

1,849,779

1,991,006

OPERATING EXPENSES

Selling, general and administrative expenses

391,886

335,820

Depreciation and amortization

70,019

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57,494

Wages and employee benefits

843,950

825,307

1,305,855

1,218,621

Income from operations

543,924

772,385

OTHER ITEMS

Interest and other income

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6,661

16,710

Gain on sale of equipment

4,109

-

10,770

16,710

Income before income taxes

554,694

789,095

Income tax expense

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(222,115)

(308,349)

Net income

\$ 332,579

\$ 480,746

Basic earnings per common share

\$ 0.11

\$ 0.15

Diluted earnings per common share

\$ 0.11

\$ 0.15

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Weighted average number of common shares outstanding:

Basic

3,134,936

3,135,942

Diluted

3,134,936

3,135,942

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CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in U.S. Dollars)

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(Prepared by Management)

(Unaudited)

Three Month Periods

Ended November 30,

2013

2012

CASH

FLOWS FROM OPERATING ACTIVITIES

Net income

\$ 332,579

\$ 480,746

Items not involving an outlay of cash:

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Depreciation and amortization

70,019

57,494

Gain on sale of equipment

(4,109)

-

Deferred income taxes

(4,564)

14,323

Interest income on litigation

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(6,661)

(6,661)

Changes in non-cash working capital items:

Decrease in accounts receivable

1,107,043

426,020

Decrease in inventory

146,240

1,324,365

Decrease in note receivable

15,000

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20,000

Decrease in prepaid income taxes

226,679

-

Increase in prepaid expenses

(295,563)

(1,579,612)

Decrease in accounts payable and accrued liabilities

(1,745,918)

(971,229)

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Increase in accrued income taxes

-

293,754

Net cash provided (used) by operating activities

(159,255)

59,200

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment

(57,918)

(112,133)

Proceeds from sale of equipment

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4,800

-

Net cash used in investing activities

(53,118)

(112,133)

Net decrease in cash

(212,373)

(52,933)

Cash, beginning of period

8,308,445

7,309,388

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Cash, end of period

\$ 8,096,072

\$ 7,256,455

Contact: Don Boone, President & CEO, (503) 647-0110

SOURCE Jewett-Cameron Trading Company Ltd.

RELATED LINKS <http://www.jewettcameron.com>