

AB Dogman

Dogman's year, again!

Let us pick up where we left off last year. "Knowing what we have planned and that there is a positive buzz around us, we feel certain that 2015 will be Dogman's year too!" (Pierre Olofsson, statement from the CEO, Dogman 2014). With growth in 11 out of 12 months in 2015, it must be said that the year was once more Dogman's year. Overall, growth of 7% was generated, which meant sales of MSEK 395.6. If we broaden the perspective to include other financial figures, no apologies are made. The profit margin in the Group increased to 6.8% and a reduction in tied-up capital combined with increased sales resulted in a capital turnover rate of 3.5, which makes us an industry leader operating on a large scale. Return on total capital increased to just over 25%.

Two key performance factors were the relocation of the Norwegian warehouse to Sweden to give a central Nordic distribution hub and our focused, systematic work on streamlining having resulted in a stronger position with less tied-up capital. With the motto "satisfaction – a feeling, not a state", the company has created a culture that is constantly striving forward, which can clearly be seen regardless of which department we choose to take a closer look at.

If we go back to the start, we will remember that the start of 2015 was all about currencies and especially the dollar. During a six-month period, our purchasing prices increased in the range of 35-40%. Price increases which we had to work hard to absorb as the company had, in itself, already achieved a high level of efficiency. Following great efforts from the sales and procurement department, we managed to land on our feet and the damage was negligible.

During the year, the exchange of new products to the market has performed well and our news feed accounted for a substantial part of the generated growth.



CEO
Pierre Olofsson

The combination of increased staffing in our marketing department and clear focus on targets as well as the commissioning process from Category Managers have been key to success within this crucial area for Dogman.

A larger franchise project, "Friends for life," was developed and launched at the end of the year. A third-party solution with a POS system financed by Dogman, automated order suggestions, best prices, signage and training are only some of the benefits offered by the concept. The concept was initially presented at the pet exhibition "ZOORF" in Stockholm, where the majority of Swedish pet stores were present. From the end of 2015, we have seen that stores have started subscribing to the concept at regular intervals.

Two of the company's overall quality goals are customer satisfaction and employee satisfaction. The customer satisfaction index came in at 3.95 on a scale of 1-5, with a goal of 4. Customers have provided good input and next year (2016) we will throw the net wider. The company used the Great Place to Work measuring methods for the employee satisfaction survey. Dogman was compared to similar companies with regard to the number of employees. The three-year plan is to end up in the top 20 list. A strategy for 2016 has been to appoint a specially selected working group to represent all of the company's departments for the purpose of acting as the hub between management and employees in issues where the company has potential for improvement.

During the final stage of the year, work was also initiated on three main areas that had been determined as the focus for organisational development. With Management, Working Environment and Training as the foundations, we feel properly equipped to develop the company at individual level.

As a brand, the equestrian brand Jacson moved up a few more notches during the year, mainly through larger orders from chain customers, all linked to an even more competitive range. In 2016, one effect of the good performance will be a newly instated service that will provide purely equestrian sales for the brand.

One of our challenges for 2016 will be to maintain volumes to retailers, as we discontinued a logistics partnership with a feed supplier at the end of 2015. In total, this will affect sales to the tune of MSEK 100, but we feel adequately prepared from the efforts made during the previous year, including extensive freight procurement, allowing for deliveries with lower freight limits and alternative logistics solutions such as packages and half-pallets. Combined with the closure of the Norwegian warehouse and an increased gross margin, we believe that we will perform just as well in 2016 as we did in 2015. It is with great excitement that we approach the coming year and the plans we have in store!

Dogman
Vänner för livet