

Argus Updates Equity Research Report Coverage of Dogness (International) Corp. (DOGZ); Sees \$4 Fair Value Estimate for DOGZ Shares (NasdaqGM: DOGZ)

NEW YORK, Dec. 16, 2020 (GLOBE NEWSWIRE) -- Argus Research, an independent investment research firm, continues its Equity Research Report coverage on **Dogness (International) Corporation** (NasdaqGM: DOGZ)

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Highlights, as conveyed by Argus Analyst Steve Silver, include:

COMPANY HIGHLIGHTS

DOGZ: A leading developer, manufacturer and distributor of Dogness-branded, OEM and private label pet products, with a track record of innovation in the smart tech segment.

- In our view, Dogness has continued to execute despite a challenging fiscal 2020, and is well positioned to return to profitability in fiscal 2021. We expect favorable pet market trends, accelerated by people spending more time at home as a result of COVID-19, to continue in fiscal 2021, with an abatement of headwinds, including a trade dispute between China and the United States, which has resulted in higher export tariffs and reduced sales in the United States.
- During the first half of fiscal 2021, Dogness has leveraged its sales, marketing and distribution relationships with leading specialty, brick & mortar, mass market and online/e-commerce companies. These include Petco, Chewy, Amazon, Walmart, Costco, Target, Sam's Club, Wayfair, and JD.com, among others.
- The Company also opened a new manufacturing factory in China, integrating key operating and management functions, along with implementing the latest in technology developments.
- In aggregate, this should help Dogness to enhance its long-term sales and gross-margin profile. Indeed, we expect Dogness to continue its evolution into a higher-margin technology-focused pet product company with a diversified global footprint, and to capitalize on favorable long-term global trends in the pet care industry.
- Sales of the smart pet product line, which launched in calendar 2018 and includes connected collars, harnesses, feeders, and play robots, totaled \$4.3 million in fiscal 2020, more than double prior-year results. The unit accounted for 22.6% of total sales during fiscal 2020, compared with just 8% in fiscal 2019.
- As of June 30, 2020, Dogness had approximately \$4.8 million in cash and short-term investments on its balance sheet. We anticipate Dogness will return to positive operational cash flow during fiscal 2021, but think the company could raise capital during the year on more favorable terms, as its recovery takes hold.
- DOGZ shares are trading at roughly 9-times our EPS estimate of \$0.23 for fiscal 2022. In our view, the current valuation does not reflect Dogness' recent initiatives to help drive enhanced revenue and margin expansion, and the significant accelerated growth of the pet market due to COVID-19. We view the shares as having upside and, based on our forward P/E analysis, a fair value of \$4.00.

INVESTMENT THESIS ([click here](#) to view full Argus Equity Research Report & Investment Thesis)

About Dogness (International) Corporation (NasdaqGM: DOGZ) www.dognesspet.com or ir.dogness.com

Dogness (International) Corporation was founded in 2003 from the belief that pet dogs and cats are important, well-loved family members. Through its smart products, hygiene products, health and wellness products, and leash products, Dogness is able to simplify pet lifestyles, make them more scientific, and enhance the relationship between pets and pet caregivers. The Company ensures industry-leading quality through its fully integrated vertical supply chain and world-class research and development capabilities, which has resulted in over 200 patents and patents pending. Dogness products reach families worldwide through global chain stores and distributors.

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About Argus Research Corp.

Headquartered in NYC, Argus Research (www.argusresearch.com) is a leading independent equity research firm (est. 1934)– providing fundamental and quantitative research coverage on more than 1,500 companies across all 11 sectors of the S&P 500, as well as macroeconomic and equity market forecasts, thematic research, model portfolios and pre-IPO research. In addition, Argus has recently committed to providing a sponsored research solution for small & mid-cap companies seeking coverage. Our Asset Management, Bank Trust, sell-side advisor and self-directed investor clients value Argus’s proprietary equity research methodology, analysis and commentary. Argus’s Equity Research/earnings estimates are available on major research / earnings estimate aggregator platforms, including Bloomberg, Thomson Reuters, Factset and S&P Global.

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