

THANACHART TO ADVISE McGROUP ON INITIAL PUBLIC OFFERING

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THE NATION

Mc Group Co has appointed Thanachart Securities as its financial adviser for the initial public offering planned for this year to fund expansion of its Mc jeans retail network.

"Our ambition is to become a lifestyle brand, not only in Thailand but also in the Asean market," CEO Sunee Seripanu said yesterday.

The regional expansion will go step by step to secure its investment, she said.

The 38-year-old firm with Bt400 million in registered capital is now in the process of filing its IPO, which it hopes will get a positive response from investors.

The firm declined to reveal details, but said becoming a listed company will help strengthen its strong fashion brand in the market.

There is still more room for growth, even with the competition intensifying due to the invasion of foreign brands.

The company believes it can keep expanding 20-25 per cent annually over the next five years by introducing new products to the market, especially accessories.

This year, the firm aims to increase its sales to Bt4 billion from Bt3.1 billion last year and its net profit to Bt700 million from Bt600 million. The firm recorded sales growth of 38 per cent annually in the past two years.

A local distributor has been appointed to sell Mc products in Myanmar and there are five shops there. The firm is also in talks with a Malaysian distributor and expects to finalise the deal this year, which would put its products on the shelves of the partner's 40 outlets there.

Indonesia and Cambodia are still in its focus. In particular, Indonesia is a promising market with a big population. In Vietnam, barriers remain, especially the higher cost of property.

The firm has five clothing lines in its portfolio - Mc, McLady, McPink, McMini and Bison. Bison is the fighting brand, which is sold in superstores. The sixth brand, Blue Brother, for premium jeans priced from Bt2,000, will be launched by the middle of this year.

Its products are sold via 512 shops nationwide and 110 of them are its own outlets. Its own stores will increase to 160-170 by year-end and to 250 in three years, when its products will be carried by more than 700 shops in total.