

Mc Jeans maker's IPO all sewn up

Proceeds will fund local, Asean expansion

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Mc Group Plc, the maker of Mc jeans, expects to mobilise 2-3 billion baht from its listing on the Stock Exchange of Thailand (SET) by the end of next month to fund its expansion.

The 38-year-old company will float 200 million shares in an initial public offering (IPO), representing 25% of the total issued.

After the IPO, paid-up capital will increase to 400 million baht from 300 million. Share par value is 50 satang apiece.

Thanachart Securities is its financial adviser and lead underwriter.

Chief executive Sunee Seripanu said the proceeds will be used to expand the number of outlets nationwide to 700 from 530, launch new apparel brands, open a design centre and diversify its distribution centre on Rom Klao Road.

The company will late next month introduce its online shopping website, Wowme.co.th, offering big discounts for luxury brand-name products such as Gucci, Prada and Chanel as well as Thai brands such as Flynow and Mc product lines.

"We're also eyeing more Asean countries, particularly Indonesia and Vietnam. We already have six outlets in

Myanmar and one in Laos, and the feedback from local customers has been very good," said Ms Sunee.

Currently, 99% of Mc's sales revenue comes from local sales and only 1% from exports.

The company expects export sales will account for 10% of the total once the Asean Economic Community kicks off in 2016.

Mc achieved revenue of 2.55 billion baht last year, up by 42% from 2011, for a net profit of 599 million, up by 139%.

In the first half of this year, it recorded revenue of 673 million baht for a net profit of 180 million. The full-year revenue is expected to rise by 30%.

Director Pratana Mongkolkul said the listing will benefit Mc in terms of a heightened image and reputation when it expands elsewhere in the region, she said.

The company is also interested in acquiring some apparel-related businesses in other Asean countries.

The strength of Mc is its strong, years-long leadership in the local jeans market, beating international brands such as Levi's, Lee and Wrangler.

Mc controls almost 38% of the local jeans market, which grew by 15% last year.

As well, Mc has a lean manufacturing system that produces less waste while adding value to the products.

Its new factory in Soi On Nut can make 2 million pieces a year, quadruple the capacity of the past four years.

The company's gross profit margin stands at 44% and net margin at 20%.



Sunee: Initial Asean foray successful