

Mc Group's SET debut a success, closes Bt1 above IPO price

THE NATION

Mc Group, the maker of Mc Jeans, made a successful debut on the Stock Exchange of Thailand yesterday, rising 6.67 per cent above its initial public offering price.

Mc's shares opened at Bt17.20, up Bt2.20 above its IPO price of Bt15 a share at the end of the morning session and closed at Bt16 on turnover of Bt2.37 billion.

Pratana Mongkolkul, a director of Mc Group, expressed satisfaction with investors showing their strong confidence in the firm's fundamentals.

"In the first quarter of this year, the company posted more than 30-per-cent rise in profit year on year. So we've decided to pay an interim dividend [of Bt0.225 per share]. Given the company's consistent profits, we have received a positive response from investors," she said.

This year, the company has been negotiating with prospective authorised distributors in Malaysia and Indonesia. It expects to finalise the deals this year and start selling products there early next year.

POINTS OF SALE

Mc Group has 537 points of sale - 530 in Thailand and seven in other countries. It has six distributors in Myanmar and one in Laos.

"We choose Malaysia and Indonesia as Malaysia has very high purchasing power and Indonesia has the largest population in the region. This will enlarge our customer base.

Now, we are selecting distributors in each country, given differences in distribution and customer access," she said.

Kasikorn Securities in a research note recommended "buy" for Mc Group's shares at Bt23.5 because of its satisfactory first-quarter earnings performance. With continuing branch expansion, rising production efficiency and strong branding, the company is expected to earn Bt770 million this year and grow its profit by 25 per cent next year and 22 per cent in the following year.

SET president Charamporn Jotikasthira said that despite the stock-market volatility, those planning to mobilise funds through the SET should not encounter problems, given the high level of the SET Index.



MANAGERS of the Stock Exchange of Thailand and Mc Group join in celebrating the first day of trading yesterday. Mc's stock closed at Bt16, up 6.67 per cent from the IPO price of Bt15 per share.