

**JEAN GENIE**

The maker of Mc Jeans expects to report healthy revenue growth in 2018 after this year's business restructuring. **B4**

# Mc Group projects healthy sales rebound

## Restructure expected to bolster revenue

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SET-listed Mc Group Plc, the maker and marketer of Mc Jeans, expects to report healthy revenue growth next year, driven by higher consumer consumption and the completion of its business restructuring.

Bundit Praditsuktavorn, chief financial officer and head of business development at Mc Group Plc, said the company's revenues are predicted to grow by 15% next year, on par with the annual average rates seen during 2012-2016.

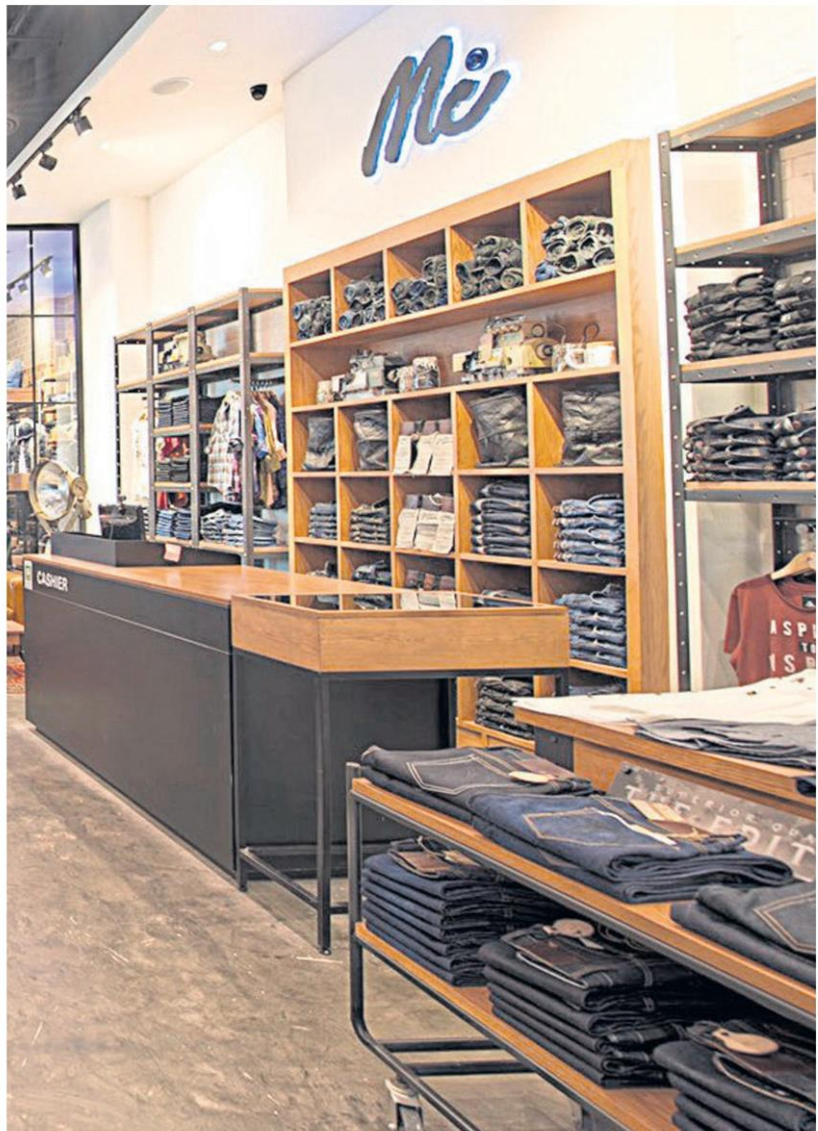
Mc Group's revenue is likely to grow by only 3% this year from 4.48 billion baht last year, he said, citing the country's sluggish economy and the company's business restructuring efforts.

Mr Bundit said the restructuring was completed in the first half of this year, which saw the merging of shops, improving the website, cutting inventory in Myanmar and increasing investment in information technology.

The company also opened new shops and expanded existing stores in areas with high potential, concentrating on omni-channels — a cross-channel business model combining online operations with offline.

"Mergers and acquisitions are part of our strategic plan to help us enter new markets faster next year, while we continue to seek new ventures and seek creative ideas from startup partners," he said.

Mc Group, which owns brands such as Mc Jeans, Mc Lady, and Mc Pink, reported sales revenue of 4.48 billion baht



A Mc store in a Bangkok mall. The company will focus on the omni-channel model.

last year, up 13.4% from 2015. Of the total, about 20 million baht was generated from exports to Myanmar, Cambodia, and Laos.

Mr Bundit said the company expects revenue from exports to be flat this year as the company has re-engineered its wholesales business structure in Myanmar, which is the main export market for Mc Group. Inventory in Myanmar was cut significantly and some underperforming shops were closed.

However, the company is positive that business in Myanmar will definitely recover next year.

Mc Group recently signed an agreement with a food company in Iran to distribute Mc Jeans in Iran this year.

Mr Bundit said the company is interested in Iran because the country has 80 million people, as well as a strong demand for jeans.

"We want to use Iran as the springboard to expand Mc Jeans to the Middle Eastern market," Mr Bundit said, adding the company expects first-year operations in Iran to fetch 10 million baht worth of revenue.

The company is also eyeing inbound Chinese tourists to build Mc Jeans' brand awareness via key opinion leaders (KOL) in China.

KOLs refer to influential public figures whom people perceive as experts in certain fields and are knowledgeable on many topics.

"We will feel more than satisfied if one-tenth of the people of China each purchase a pair of Mc Jeans," Mr Bundit said.

He said the new business structure and marketing give the company hope for revenues to reach 6 billion baht by 2019.

MC shares closed unchanged yesterday on the SET at 15 baht in trade worth 54.6 million baht.