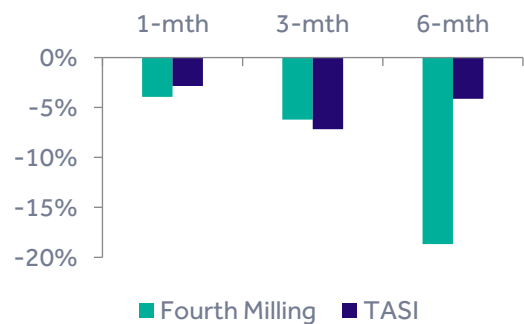


Market Data	
52-week high/low	SAR 5.79/3.70
Market Cap	SAR 2,106 mln
Shares Outstanding	540 mln
Free-float	30%
12-month ADTV	6,511,333
Bloomberg Code	FOURTHMI AB



■ Strategic Flour Gains and Seasonality Boost Profits

May 05, 2025

Upside to Target Price	37.7%	Rating	Buy
Expected Dividend Yield	6.9%	Last Price	SAR 3.90
Expected Total Return	44.6%	12-mth target	SAR 5.37

MC4	1Q2025	1Q2024	Y/Y	4Q2024	Q/Q	RC Estimate
Sales	170	166	3%	167	2%	178
Gross Profit	82	79	3%	81	1%	89
Gross Margins	48%	48%		49%		50%
Operating Profit	54	55	(1%)	54	1%	65
Net Profit	53	49	8%	42	25%	59

(All figures are in SAR mln)

- MC4 posted 1Q revenues at SAR 170 mln (up +3% Y/Y, and +2% Q/Q), in line with our estimates. Y/Y growth was attributed to a +4.3% increase in flour sales, supported by enhanced sales strategies, reaching SAR 123.8 mln, matching our estimates. This came despite a marginal -0.2% decline in feed and bran sales to SAR 57.4 mln, also in line. However, we slightly underestimated the discounts line item, which came in at SAR (11.1) mln versus our SAR (7.5) mln estimate. The increase in this item was due to a reclassification from OPEX. On a Q/Q basis, growth was driven by Ramadan season, lifting flour sales by +6.4%, despite a -5.6% drop in feed and bran sales due to rainy season.
- Gross margin for the quarter came in lower than expected at 48%, compared to 49% last quarter and similar to last year. This translated into a gross profit of SAR 82 mln, up +3% Y/Y and +1% Q/Q. OPEX slightly increased to SAR 28 mln from SAR 25 mln last year and SAR 27 mln last quarter, higher than estimates. Consequently, operating margin stood at 32%, below 33% last year but similar to last quarter.
- Net profit came in at SAR 53 mln, marking an increase of +8% Y/Y and +25% Q/Q, broadly in line with our SAR 59 mln estimate. This was supported by a SAR +1.3 mln Y/Y increase in finance income, coupled with a SAR -2.3 mln Y/Y decline in deferred tax liability.
- The company announced the construction of flour mill and feed plant in Alkharj worth SAR ~265 mln, adding +750 tons to Alkharj plant's daily wheat milling capacity, reaching 1,350 tons (up +125%), in addition to a daily feed capacity of 240 tons. The project will be financed through a mix of bank facilities and company resources. Commercial operations are anticipated to start in 2H2026 and 2H2027 for the feed mill and flour mill, respectively. We maintain our target price and rating.

**Abdulrahman M Barghouth**  
abdulrahman.barghouth@riyadcapital.com  
+966-11-203-6815

## ■ Stock Rating

Buy	Neutral	Sell	Not Rated
Expected Total Return Greater than +15%	Expected Total Return between -15% and +15%	Expected Total Return less than -15%	Under Review/ Restricted

The expected percentage returns are indicative, stock recommendations also incorporate relevant qualitative factors  
For any feedback on our reports, please contact [research@riyadcapital.com](mailto:research@riyadcapital.com)

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