

Market Data	
52-week high/low	SAR 4.23/3.34
Market Cap	SAR 2,187 mln
Shares Outstanding	540 mln
Free-float	30%
12-month ADTV	1,306,987
Bloomberg Code	FOURTHMI AB



Ramadan Fuels Consumer Flour Growth

May 03, 2026

Upside to Target Price	8.6%	Rating	Neutral
Expected Dividend Yield	6.2%	Last Price	SAR 4.05
Expected Total Return	14.8%	12-mth target	SAR 4.40

MC4	1Q2026	1Q2025	Y/Y	4Q2025	Q/Q	RC Estimate
Sales	175	166	5%	191	(8%)	185
Gross Profit	85	78	9%	93	(9%)	88
Gross Margins	49%	47%		49%		48%
Operating Profit	57	54	5%	67	(15%)	60
Net Profit	53	53	1%	62	(14%)	58

(All figures are in SAR mln)

- MC4 reported 1Q2026 revenues of SAR 175 mln (+5% Y/Y, -8% Q/Q), broadly in line with our SAR 185 mln estimate. Y/Y revenue growth was driven by a +9% increase in flour volumes and +4% growth in bran volumes, supported by better pricing, partially offset by lower feed volumes. The Q/Q decline reflected normal seasonality, which weighed on overall sales volumes (-9%), despite a strong increase in consumer flour volume (+20%) and feed segment (+15%).
- Gross profit rose to SAR 85 mln (+9% Y/Y, -9% Q/Q), in line with our SAR 88 mln estimate. OPEX increased to SAR 28 mln (+19% Y/Y, +6% Q/Q) on higher employee costs, selling and distribution expenses, and ECL, also in line with our estimate of SAR 28 mln. As a result, operating margin edged down by -10 bps Y/Y and -238 bps Q/Q to 32.5%, and this compares to our 32.6% estimate.
- Net profit reached SAR 53 mln (+1% Y/Y, -14% Q/Q), broadly in line with our SAR 58 mln estimate. Earnings growth was supported by topline expansion, partly offset by lower net margins, while the sequential decline reflected seasonal demand softness. We maintain our target price at SAR 4.40 per share, and downgrade the stock rating to Neutral following its recent share price performance.

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■ 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

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