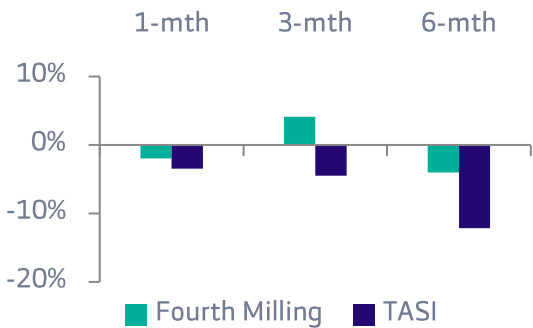


Market Data	
52-week high/low	SAR 5.79/3.34
Market Cap	SAR 2,186 mln
Shares Outstanding	540 mln
Free-float	30%
12-month ADTV	4,745,902
Bloomberg Code	FOURTHMI AB



■ Subsidy Continues; Profits In Line

August 06, 2025

Upside to Target Price32.9%

Expected Dividend Yield6.7%

Expected Total Return39.6%

Rating

Last Price

12-mth target

Buy

SAR 4.04

SAR 5.37

MC4	2Q2025	2Q2024	Y/Y	1Q2025	Q/Q	RC Estimate
Sales	141	137	3%	170	(17%)	157
Gross Profit	62	57	9%	82	(24%)	67
Gross Margins	44%	42%		48%		43%
Operating Profit	38	37	1%	54	(30%)	42
Net Profit	34	33	3%	53	(35%)	39

(All figures are in SAR mln)

- MC4 posted 2Q revenues of SAR 141 mln, up +3% Y/Y, and down -17% Q/Q, below estimates due to a reclassification impact – which would be in line excluding this effect. Y/Y growth was attributed to a +6.2% increase in flour sales to SAR 93.6 mln, despite a -3.4% decline in feed and bran sales to SAR 47.0 mln. On a Q/Q basis, the slowdown was driven by typical seasonality, fading after the Ramadan high season, which typically boosts flour sales.
- Gross margin for the quarter came in above expectation at 44.4% versus our 42.7% estimate, and up from 41.8% last year, supported by higher volumes and improved production efficiency. This translated into gross profit of SAR 62 mln (+9% Y/Y, -24% Q/Q), in line with our SAR 67 mln estimate. OPEX increased to SAR 25 mln, up from SAR 20 mln last year, and in line with our SAR 26 mln estimate. Consequently, operating margin came in relatively flat Y/Y at 27%, ahead of our estimates.
- Net profit came in at SAR 34 mln (+3% Y/Y, -35% Q/Q), in line with our SAR 39 mln estimate. Y/Y growth was driven by a stronger topline and gross margin, while Q/Q decline reflected seasonal factors. The company announced a SAR 0.11 DPS for 1H2025. Additionally, the company announced that wheat subsidies will continue, as no policy changes have been received from GFSA following the end of the commitment period. With subsidies intact, we maintain our target price and rating unchanged.

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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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