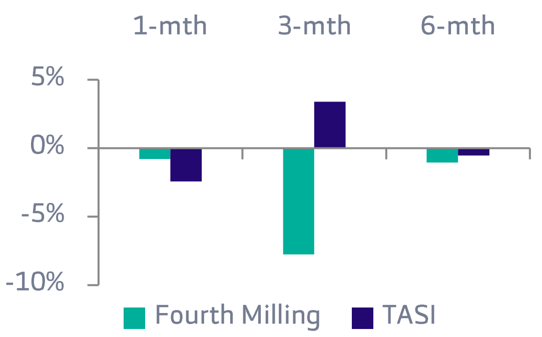
Non-Operating Items Boost Profits

November 09, 2025

Upside to Target Price	23.7%	Rating	Buy
Expected Dividend Yield	7.1%	Last Price	SAR 3.80
Expected Total Return	30.8%	12-mth target	SAR 4.70

Market Data	
52-week high/low	SAR 4.92/3.34
Market Cap	SAR 2,052 mln
Shares Outstanding	540 mln
Free-float	30%
12-month ADTV	2,474,402
Bloomberg Code	FOURTHMI AB



MC4	3Q2025	3Q2024	Y/Y	2Q2025	Q/Q	RC Estimate
Sales	169	160	6%	141	20%	161
Gross Profit	79	77	3%	62	27%	78
Gross Margins	47%	48%		44%		48%
Operating Profit	53	53	0%	38	41%	51
Net Profit	52	47	11%	34	53%	48

(All figures are in SAR mln)

- MC4 recorded 3Q2025 revenues of SAR 169 mln (+6% Y/Y, +20% Q/Q), above our estimate of SAR 161 mln. Y/Y growth was attributed to a +16.6% increase in flour sales volumes, offsetting a decline in feed and bran revenues, likely due to lower prices. Q/Q growth was supported by both flour revenue rising +20% and bran revenue +25%, with flat feed revenue.
- Gross margin contracted by -124 bps Y/Y to 47.0% (from 48.3% last year), likely due to a different product mix, and came below our 48.1% estimate. This resulted in +3% Y/Y gross profit growth, lagging revenue growth due to margin contraction. Additionally, OPEX increased to SAR 26 mln from SAR 24 mln last year, mainly due to higher logistics, employee, and marketing expenses, and was in line with our SAR 27 mln estimate. Consequently, operating margin contracted further by -170 bps Y/Y to 31.4% (from 33.1% last year), marginally below estimates.
- Net profit for the quarter reached SAR 52 mln (+11% Y/Y, +53% Q/Q), in line with our SAR 48 mln estimate. Y/Y growth was supported by higher Murabaha income and lower Zakat expenses, offsetting margin contraction, despite a one-off capital work in progress write-off of SAR 2.7 mln recorded last year. While Q/Q surge reflected seasonal factors. Regarding the flour mill and feed plant expansion, the company announced the signing of a civil works agreement with a specialized developer for the construction of the factory building, warehouse, and related infrastructure. We trim our target price to SAR 4.70 due to margin contraction, but maintain our Buy rating.

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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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