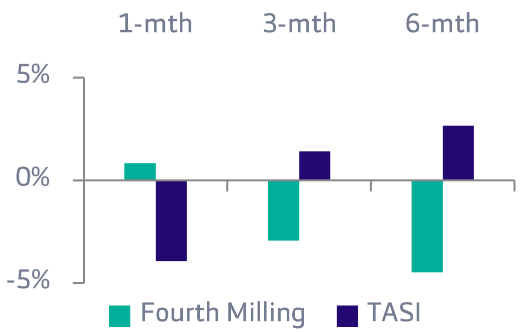
Flour Flourishes, Feed Weakens

March 08, 2026

Upside to Target Price	21.2%	Rating	Buy
Expected Dividend Yield	6.9%	Last Price	SAR 3.63
Expected Total Return	28.1%	12-mth target	SAR 4.40

Market Data	
52-week high/low	SAR 4.23/3.34
Market Cap	SAR 1,960 mln
Shares Outstanding	540 mln
Free-float	30%
12-month ADTV	1,358,207
Bloomberg Code	FOURTHMI AB



MC4	4Q2025	4Q2024	Y/Y	3Q2025	Q/Q	RC Estimate
Sales	181	155	16%	169	7%	173
Gross Profit	83	69	19%	79	4%	82
Gross Margins	46%	45%		47%		47%
Operating Profit	67	54	25%	53	26%	56
Net Profit	62	42	47%	52	19%	54

(All figures are in SAR mln)

- MC4 reported 4Q2025 revenues of SAR 181 mln (+16% Y/Y, +7% Q/Q), in line with our SAR 173 mln estimate. Revenue growth was likely driven by stronger flour sales. For FY2025, revenues reached SAR 660 mln (+7% Y/Y), supported mainly by the flour segment, with total flour volumes rising 13% Y/Y, driven by broad-based growth across all flour categories. Bran revenues also improved, supported by better pricing despite flat volumes, while feed volumes declined 17% Y/Y, partially offsetting the overall topline growth.
- 4Q gross margin expanded by 100 bps Y/Y to 45.7% from 44.7% in 4Q2024, likely reflecting a more favorable product mix, although it came below our 47.4% estimate. OPEX came in better than expected at SAR 16 mln, flat Y/Y. As a result, operating margin increased by 250 bps Y/Y to 37.0% from 34.5% a year earlier, above our expectations.
- Net profit reached SAR 62 mln (+47% Y/Y, +19% Q/Q), above our SAR 54 mln estimate, supported by stronger operating profitability. For FY2025, net profit increased 17% Y/Y to SAR 201 mln. Excluding last year's one-off SAR 4.4 mln CWIP write-off and SAR 4.0 mln in penalties, adjusted earnings growth would have been 12%. The company declared a 2H2025 DPS of SAR 0.13, bringing full year DPS to SAR 0.24, a 65% payout. We trim our target price to SAR 4.40 due to weak feed and flat bran volumes, 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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