

Fourth Milling Company Reports Strong Q3 2024 Results with 17% Revenue Growth and 21.5% Net Profit Increase

Dammam, Saudi Arabia, 31 October 2024: Fourth Milling Company ("MC4" or the "Company"), a leading flour production company in the Kingdom of Saudi Arabia, announced today its financial results for the third quarter ended September 30, 2024, highlighting significant revenue and profitability gains driven by strong demand across key product segments.

Q3 2024 Financial Highlights

- Revenue: SAR 159.9 million, a 17% increase from SAR 136.7 million in Q3 2023, driven by strong sales across flour, feed, and bran categories.
- Gross Profit: SAR 77.2 million, up 29.3% year-over-year, reflecting improved gross margin of 48.2%, compared to 43.7% in Q3 2023, due to production efficiencies.
- Operating Profit: SAR 52.9 million, a 25.1% increase year-over-year, demonstrating strong operational control.
- Net Profit after Zakat and Tax: SAR 47.1 million, a 21.5% increase over SAR 38.7 million in the same quarter last year, supported by revenue growth and margin improvements.

Year-to-Date 2024 Performance (Nine Months Ending September 30, 2024)

- Revenue: SAR 462.3 million, up 12.6% from SAR 410.7 million in the same period of 2023, driven by a 15.7% increase in flour and a 7.4% rise in feed and bran.
- Gross Profit: SAR 213.7 million, up 18.2% year-over-year, as MC4 continued to improve efficiencies across its operations.
- Operating Profit: SAR 144.8 million, a 15.2% increase over the prior-year period.
- Net Profit after Zakat and Tax: SAR 128.8 million, a 19.7% increase year-over-year, driven by strong topline growth and improved gross margin from 44% to 46.2%.

Performance highlights

In Q3 2024, MC4 achieved significant growth across its key product segments. Flour sales increased by 14.9% year-over-year, driven by the strong performance of its flagship brand, FOOM, which continued to capture demand across various product categories. The feed and bran segments also showed strong performance, with revenue growing by 20.3% compared to the previous year, further diversifying the Company's revenue base. Sequentially, Q3 revenue rose by 15.8% from Q2, supported by a 7.8% increase in flour sales and a substantial 30.5% rise in feed and bran. These gains reflect MC4's strategic focus on operational efficiency and its ability to meet Saudi Arabia's growing demand for essential food products.

Khalid Al Maktary, CEO of Fourth Milling Company, said: *"Our Q3 results underscore the strength of our operational focus and the sustained demand for our products across Saudi Arabia. The growth in both revenue and net profit reflects our commitment to operational excellence, strategic market positioning, and the strong brand equity we have built through FOOM. As we advance, we are committed to enhancing shareholder value and supporting the Kingdom's food security objectives through continued, sustainable growth."*

Rabih Nahas, CFO of Fourth Milling Company, said: *"We have again delivered significant revenue and profit growth testament to the strategy which we are executing and strong financial discipline. We have achieved growth across all our key product segments and continue to have competitive advantage derived from an extremely strong balance sheet with no debt. We look forward to continuing success."*

Outlook

With a successful listing on the Saudi Exchange, Fourth Milling Company remains focused on leveraging its market position, expanding production capacity, and driving further efficiencies. Positioned well for macroeconomic growth and increasing food demand in Saudi Arabia, MC4 aims to deliver consistent returns and build on its established foundation in the Kingdom's food production sector.

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About Fourth Milling Company (MC4):

Fourth Milling Company (MC4) is a leading flour production company in Saudi Arabia, established in 2017 as part of the Saudi milling industry privatization initiative. With over 40 years of heritage, MC4 specializes in producing high-quality flour, wheat derivatives, and animal feed products that meet the demands of the Kingdom's growing population. Its flagship brand, FOOM, is the top local flour brand, recognized for its quality and market-leading position. Strategically headquartered in Dammam, MC4 operates state-of-the-art production facilities across Dammam, Madinah, and Al-Kharj, covering more than 80% of the Kingdom's population. Committed to operational excellence, sustainability, and Saudi Arabia's Vision 2030 goals, MC4 continues to drive innovation in food security and create long-term value for its stakeholders.

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