

Daily Bulletin

December 2, 2025

FIRST MILLS acquires 60% stake in Al-Kenan Al-Arabia Trading Company

Last Price: SAR 48.3 | Consensus Target Price: SAR 66.0 | YTD Performance: -20.2%

First Milling Co. (FIRSTMIL AB) has finalized the acquisition of a 60% stake in Al-Kenan Al-Arabia Trading Co. for SAR 48 mn. Al-Kenan Al-Arabia Trading is a single-person limited liability company based in Saudi Arabia, engaged in the trading and distribution of feed products.

We highlighted that the company's feed production capacity stood at 1,350 tons/day in 3Q25, with an additional 120 tons/day expansion scheduled to come online in 2Q26. Feed segment remains the company's second-largest revenue contributor, accounting for 34% of total revenue in 3Q25. We believe that the acquisition of Al-Kenan Al-Arabia Trading, which operates in Jazan province outside First Mills' current operational regions, will help the company to expand its geographic footprint and further enhance its market share. Additionally, the deal is expected to support revenue growth by enhancing the feed segment's capacity, which should translate into higher revenues in the coming quarters.

First Milling Co. ranks as the largest milling player in the Saudi market with an overall market share of around 30% by the end of FY24. Based on 2022 figures, the company has a 34.1% market share in wheat flour and a 17.1% market share in animal feed, respectively. Company is currently operating in Jeddah, Qassim, Tabuk, and Al-Ahsa.

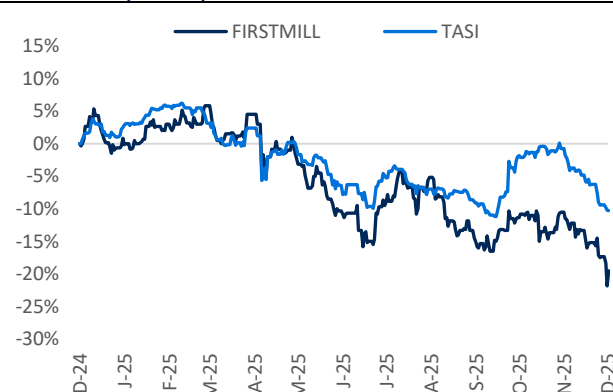
First Milling share price declined 19.5% YoY, significantly underperforming TASI, which fell 10.3% over the same period. The stock is currently trading at a forward P/E of 9.6x. The stock has a consensus target price of SAR 66.0/share, implying a potential upside of 36.6% from the close of December 02, 2025.

Segment capacities

Categories	Jeddah	Qassim	Tabuk	Ahsa	Total
Silos Storage	120K mt	60K mt	10Kmt	30Kmt	220K mt
Milling Capacity	2,750	900	600	600	4,850 t/d
Feed Capacity	750	600	-	-	1,350 t/d
Durum Milling Capacity	300				300 t/d

Source: Earnings presentation, anbc research

Relative price performance



Source: TASI, anbc research

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