

# SHOPRITE HOLDINGS LIMITED

## Investment Summary – Discounted Cash Flow Valuation

Metric	Value
Current Market Price	R264.00
Bear Case Intrinsic Value	R79.13 (-70.0%)
Base Case Intrinsic Value	R147.27 (-44.2%)
Bull Case Intrinsic Value	R220.50 (-16.5%)

A multi-scenario discounted cash flow valuation suggests intrinsic equity value below the current market price across downside, base, and upside assumptions. The base case valuation of R147.27 per share implies approximately 44% downside relative to the prevailing market price of R264.00. Even under optimistic assumptions incorporating margin expansion and a lower cost of capital, the implied valuation of R220.50 remains below market levels. Current pricing therefore appears to embed stronger long-term growth and profitability expectations than those supported by projected free cash flows under modeled assumptions.

This analysis applies a structured intrinsic valuation framework to assess valuation risk and return asymmetry. While market pricing may reflect forward expectations beyond modeled inputs, the DCF framework indicates limited margin of safety at current levels under reasonable operating and capital cost assumptions.