Louvain School of Management

Equity Research on Carrefour S.A.

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Abstract :

This thesis presents an equity research report on Carrefour S.A., one of the world's largest food retail groups. The study is structured around three main chapters, a strategic analysis, a financial analysis and a valuation.

The strategic analysis examines Carrefour's multi-format and omnichannel business model, covering its physical store network, e-commerce operations, financial services, and its retail media joint venture Unlimitail. It further assesses the competitive landscape, the group's positioning across its key geographies (France, Spain and Brazil) and the strategic roadmaps set out in the Carrefour 2026 and Carrefour 2030 plans, which focus on private label expansion, franchise development, and digital transformation.

The financial analysis reviews five years of historical performance, highlighting moderate revenue growth (5-year CAGR of 3.1%), a declining gross margin, and a sharp drop in net income in 2025, partly driven by the disposal of Carrefour Italy and a one-off tax in France. Balance sheet and cash flow analyses confirm a stable financial structure, with improving cash generation but persistent pressure on profitability relative to peers.

The valuation is conducted using two methodologies. A Discounted Cash Flow (DCF) model, built under base, worst-case, and best-case scenarios, yields a base-case intrinsic value of 67.84 euros per share, with a range of 35.43 to 74.70 euros. A relative valuation using a panel of 13 European food retailers reveals a significant discount of approximately 40% on the P/E ratio and 17% on the EV/EBITDA multiple compared to sector peers.

The recommendation is to buy with a target price of 35 euros per share.

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Chapter 1: Strategic Analysis

1. What is Carrefour ?

1.1. History

Carrefour was founded in 1959 and opened the first hypermarket in France in 1963. In order to fund its fast-growing operations, the company decided to go public in 1970, before the internationalization in 1973. Apart from expanding its geographical reach, Carrefour took steps towards differentiation and brand loyalty. The year 1976 saw the launch of private labels, followed by the introduction of the PASS card in 1981, which became an important step towards the development of the company's financial services business with high-profit margins. in 2016, the group shifted its focus toward the digital landscape by making significant investments in e-commerce and local formats. This strategy reached its peak in 2021, when Carrefour 2026 was launched, focusing on the transition to a digital-first and data-driven (Carrefour, 2026f).

1.2. Business Segments

Carrefour operates a multi-format and omnichannel model, allowing it to cover all consumer shopping journeys.

1.2.1. Physical Stores

The group’s physical stores are divided into complementary formats.

First, there are Hypermarkets and Supermarkets that remain the core historical segments for food and non-food assortments. In the hypermarkets, you can also find counters with various services such as banking or insurance services. Moreover, the group has been expanding aggressively in the number of convenience stores (Carrefour City, Express) to capture urban growth (Carrefour, 2026f).

Secondly, a key strategic driver is the Cash & Carry and warehouse-style segment, notably through Atacadão in Brazil and Sam’s Club (acquired via Grupo BIG in 2021). These formats focus on high-volume, wholesale pricing for both professionals and individuals, representing a major growth engine for the group's international revenue (Carrefour, 2026f).

To finish, the group also owns soft-discount stores under the Supeco banner. These stores offer Carrefour products and products from national brand clearance channels at approximately 20% lower prices (Carrefour, 2026f).

1.2.2. E-commerce and AI

Regarding Carrefour's e-commerce, the group offers a unique e-commerce site per country and allows its customers to order their groceries directly on it. Customers then have the choice between picking up their groceries at the drive-thru, in drive & collect, or even having their groceries delivered directly to their homes. E-commerce is directly integrated into the physical stores. Specifically, physical stores serve as logistics "hubs" for e-commerce. Currently, Carrefour is number 1 in home delivery in France, 1st in food e-commerce in Brazil, and 2nd in food e-commerce in Spain.

Carrefour has also implemented an AI agent on its e-commerce site to help its customers do their shopping. In summary, this means that a customer can log on to the Carrefour site and tell the AI agent, for example, that they want to make homemade pizzas for 4 people on Friday night. The AI agent will therefore do the shopping on the e-commerce site, pay with the customer's Carrefour card, and have the order delivered to the home.

1.2.3. Services

Regarding services, Carrefour offers financial services through Carrefour Banque (present only in France, Belgium, Spain, Brazil, and Argentina) and merchant services.

In terms of financial services, customers can obtain a bank card via the PASS Mastercard. This card is usable at Carrefour and elsewhere, with loyalty benefits. They also offer consumer credit, savings products, and insurance products for housing, cars, etc. These various financial services generated 1.6 billion euros in 2025 (Carrefour Banque, 2025c).

To finish on the services offered, Carrefour offers merchant services such as a travel agency, vehicle rental, and ticketing. It is also possible to purchase fuel after shopping at Carrefour gas stations, located next to its hypermarkets and supermarkets. In addition to this, via its subsidiary Carrefour Énergies, the group is also developing charging stations for electric vehicles in the parking lots of its hypermarkets and supermarkets (Carrefour, 2026f).

1.3. Complementary Activity

In 2021, Carrefour launched the Carrefour Links platform. It is a platform that allows Carrefour's industrial partners to carry out their marketing campaigns across all of the Group's channels and to measure their real impact from end to end.

Faced with the success of Carrefour Links, the Group partnered with an industry expert, Publicis, and its Epsilon technologies, to create in 2023 the joint subsidiary Unlimitail, 51% owned by Carrefour, which aims to become a leader in Retail Media in Europe, Brazil, and Argentina. Benefiting from both Publicis's advanced technologies and Carrefour's knowledge and expertise in the Retail Media field, Unlimitail aims to cover the entire value chain, from inventory creation to the full commercialization of solutions for advertisers and merchant sites in Europe and Latin America. Unlimitail now has 35 commercial partners in 21 countries, representing 220 million customers and 2 billion pages visited each month worldwide. Unlimitail therefore allows Carrefour to monetize its customer data as well as the data of other client entities (Carrefour, 2026f).

To summarize, Unlimitail allows brands to connect with consumers at the precise moment they are shopping. They sell digital services and advertising space.

Their three main sources of revenue are on-site advertising (brands pay to be highlighted on the e-commerce sites of Carrefour or its partners), data collaboration (brands want to understand why their sales are falling, so they go through Unlimitail to access anonymized data from Carrefour or its partners), and off-site advertising (Unlimitail allows a brand to target a customer of one of its partners even when they are elsewhere on the Internet, such as YouTube or Facebook).

1.4. Geographical Distribution

Established in more than 40 countries, the Group operates directly in 7 countries. In Europe, via France, Spain, Belgium, Romania[1], Poland[2] and in Latin America, via Brazil and Argentina. France, Spain, and Brazil together represent more than 81% of the consolidated turnover (Carrefour 2026f). In these geographies, Carrefour deploys its

[1] Carrefour is currently in discussion with Paval Holding Group in order to sell Carrefour Romania, which is expected to be completed in the second semester of 2026 (Carrefour, 2026a).

[2] The Jeronimo Martins group has shown interest in buying Carrefour Poland's activities. But no concrete discussion has yet taken place.

store network through integrated management and, increasingly, through franchising and lease management. In other zones (Asia, Middle East, Africa, etc.), the Group associates with local partners who manage and develop a network of stores under Carrefour banners. In 2025, the Group counts 15,719 stores under banners worldwide (see Appendix 1).

When looking at the turnover by region, one can notice that almost half of the global turnover is achieved in France with more than 41 billion euros, followed by Brazil with more than 17 billion euros and Spain with almost 11 billion euros (see Appendix 2).

1.5. The franchise

Lease management and franchising are at the heart of Carrefour's economic model. Since 2018, franchising has represented 90% of store openings in Europe. In 2025, Carrefour had 8,233 franchised stores in the seven countries operated directly (Carrefour, 2026f). There are no franchised stores in the Latin American market. The group also totals 4,208 stores operated with local franchise partners in France, Europe, and other regions of the world (Asia, Middle East, Africa, etc.), representing a total of 12,441 stores operated by third parties (see Appendix 3).

The difference between the franchised store count in integrated countries and the ones counted in CPI (Carrefour International Partnerships) is that in integrated countries, franchised stores are managed by the local branch of Carrefour, whereas with CPI they are managed by Carrefour globally. In most cases, this is when the franchisees are large groups operating many stores, rather than a single franchisee with one or two stores.

One can notice, when comparing the sales area of franchisees and their number of stores, that most franchisees are small-sized stores, whereas integrated stores have larger sales areas, such as hypermarkets for example.

1.6. Business Mix

Although the Group is diversifying its revenue sources via financial services and Retail Media (Unlimitail), its core business remains physical retail. In fact, 95% of its consolidated turnover comes from the sale of food and non-food goods (Carrefour, 2026b).

Carrefour's product mix today is overwhelmingly food-based, a segment that offers strong resilience in the face of inflation. In its stores, the Group relies on its "Fresh Food" expertise (butcher shop, fishmonger, bakery) to generate traffic, but the real key to its revenue structure lies in the rise of its Private Labels (MDD). Carrefour has set an ambitious goal for its own brands to represent 40% of its food sales (a goal nearly reached with 38% of food sales achieved in 2025 via Private Labels), as they allow for attractive prices for customers while generating significantly higher margins than those of major national brands.

Conversely, the non-food segment (textiles, home goods, electronics) is undergoing drastic rationalization. The Group is reducing sales areas dedicated to these less profitable products that are more exposed to e-commerce competition, sometimes preferring to delegate these departments to specialized partners.

Finally, Carrefour's revenue structure is based on a multi-faceted price positioning. The Group combines a generalist model in its hypermarkets, a premium and service offering in its convenience formats (Carrefour City, Contact) where prices are higher to compensate for operating costs, and a discount pillar via the Atacadão and Promocash formats. This segmentation allows the Group to capture all categories of consumers, from households seeking the lowest price to urban customers prioritizing time-saving.

2. Industry Analysis

2.1. Macroeconomic Pressures and Cost Structure (OPEX)

The sector is characterized by high capital intensity and structurally low net margins (often < 3%). The current environment is marked by an increase in operating expenses, notably through electricity used in stores or fuel used for logistics. These pressures create a "scissors effect" where distributors must absorb rising production costs without being able to pass them on in full to the final selling price, at the risk of losing market share.

2.2. Consumer Behavior

With the decline in purchasing power, consumers are increasingly prioritizing entry-level products. This explains the rise of soft discount in Europe with brands like Aldi or Lidl.

This shift in consumption means that more and more stores are offering private labels. Private labels (MDD) make it possible to meet consumer demand for products offering good value for money. They also offer retailers better control over the value chain, from design to marketing. This increased cost control generally translates into higher margins than those achieved on national brands sold in stores.

There is also an ecological awareness among a certain part of the population (mainly in Europe) which therefore values local products sourced from short supply chains.

2.3. Regional Dynamics

Since Carrefour is a geographically diverse group, it is important to look at the different perspectives of the food retail sector across various regions.

In France, the retail market is a mature and extremely competitive market with very little possible growth

In Europe (excluding France), the result is roughly the same, with a mature market and minimal growth. However, it should be noted that discount stores are taking market share from others.

In Latin America, primarily in Brazil and Argentina, the market is also quite mature with significant competition. On the other hand, growth perspectives are higher than in Europe.

2.4. Omnichannel, Digitalization, and Retail Media

The retail sector is undergoing a profound transformation of its economic model. The traditional concept of "everything under one roof" is giving way to omnichannel retail. The physical store is not disappearing but is transforming into a logistics hub. It is becoming the anchor point for the "last mile," whether for preparing Drive orders or serving as a starting point for home deliveries. This hybridization allows for optimized inventory turnover and meets the consumers' demand for immediacy.

At the same time, the emergence of Retail Media is transforming retailers into genuine advertising agencies. By monetizing their customer databases with industrial brands, retailers are creating a high-contribution incremental margin lever. This revenue stream is crucial to offset the structural weakness of margins on food products (often close to 2-3%).

Finally, the digitalization of the point of sale acts as a shield against rising operating costs. The widespread adoption of self-checkout and electronic labeling not only allows for reduced personnel costs but also enables a dynamic pricing strategy, thereby limiting waste and maximizing turnover per square meter.

2.5. Regulatory Framework and ESG Requirements

The sector is subject to tightening regulations, particularly in Europe (Egalim law in France, plastic directives, CSRD). These constraints impose heavy investments in the energy renovation of stores and waste management. ESG performance has become a major selection criterion for institutional investors, directly influencing the cost of capital for retail companies.

2.6. Intensification of Competition

There is also an intensification of competition with new entrants who are more digitally-oriented and an increase in the demand for hard-discount. This implies that traditional companies, which are heavily focused on the hypermarket model, must reinvent themselves and optimize their floor space to compensate for the decline in customer footfall.

3. Competitive Positioning

3.1. Market Share by Geographical Area

In France, the Carrefour Group has a significant presence in the retail landscape with different types of stores, thanks to its multi-format strategy. In terms of market share, Carrefour ranks second with 22% MS, just behind E. Leclerc, which is the leader of the French market with 24% MS. Hard discounters such as Lidl have an 8% MS in France.

In Belgium, Carrefour is in third position with 18% MS, behind the Colruyt Group and Ahold Delhaize, with 30% and 25% MS respectively. Lidl stands at 10% in Belgium. In Spain, Carrefour ranks second with 10% MS but is far behind the leader, Mercadona, which holds nearly 27% MS. Lidl is third with 6.5% MS. Regarding Romania and Poland, Carrefour is far from being a leader, with 10% and 2% MS respectively.

In Latin America, Carrefour is the leader with more than 22% MS in Brazil and is also well positioned in Argentina.

In conclusion, Carrefour is not the market leader in most European countries, although it holds a significant position in many of them.

3.2. Competitive Advantage

In France, although peripheral services (gasoline, rentals) have become market standards, Carrefour draws a competitive advantage from its integrated ecosystem. Unlike Leclerc, Carrefour's centralized structure allows it to maximize customer Lifetime Value through unified data exploitation (Retail Media) and an international private label (MDD) strategy (38% of food sales). Its strength lies in its ability to support the consumer across all formats (convenience, hypermarket, digital) under a single brand.

In Spain, unlike Mercadona, which focuses on a single supermarket model, Carrefour dominates through its diversity of formats. In a fragmented market, this multi-format strategy allows Carrefour to be more flexible than its competitors.

In Europe (excluding France and Spain), the Group has no real competitive advantage when compared to players like Ahold Delhaize in Belgium.

Finally, in Latin America, Carrefour is well-extended with more than 1,400 stores. In Brazil, the competitive advantage is structural. The Group benefits from a major logistical lead via Atacadão and financial firepower allowing it to consolidate the market, creating economies of scale inaccessible to regional players.

4. Management and Shareholding

4.1. The Board of Directors

The Board of Directors is composed of 14 members (7 men and 7 women), including 2 directors representing employees. This shows that there is indeed employee representation within the Board of Directors and that with 50% women, the company displays a commitment to gender balance and inclusion at the strategic level. Such a composition can positively influence the diversity of perspectives and decision-making (Carrefour, 2026f).

The independence rate of the board (excluding employee representatives) is 67%. This level is in line with good governance practices, as it means that a majority of the members are not linked to the shareholding, which promotes objectivity.

The Board relies on several specialized committees (Audit, Remuneration, Governance, CSR, Strategic), which is a guarantee of good governance. The role of these various committees is to examine specific subjects and transmit recommendations to the board.

4.2. General Management

The general management is organized around the CEO and an Executive Committee consisting of functional heads (finance, HR, digital, supply chain, transformation, ESG) and heads of geographical zones (France, Europe, Latin America).

The CEO Alexandre Bompard (in office since 2017) possesses solid experience in the transformation of consumer-facing players with high operational intensity. Before Carrefour, he led Fnac Darty, where he conducted a successful restructuring including a strong omnichannel repositioning and significant profitability gains.

Carrefour benefits from top management stability for several years now, which allows for a clear strategic vision, as exemplified by the Carrefour 2026 plan.

4.3. Remuneration

Carrefour's remuneration is divided into three parts. First, there is the fixed remuneration. Next, the variable remuneration, based on performance criteria. Finally, the long-term remuneration, which is not paid in cash but in performance shares. These shares are only definitively awarded after three years, subject to the achievement of several strategic objectives. There are four performance criteria, each weighing 25% of the overall envelope. These criteria are the recurring operating income (ROI), net free cash flow, total shareholder return (TSR), and CSR (See Appendix 4).

At the end of the 3 years, an average of the performance per criterion is calculated. If one of these criteria is below the minimum required threshold (median), then the number of shares granted for that specific criterion will be 0%. Only the TSR is different. Indeed, the TSR is calculated by comparing Carrefour's stock market performance with a panel of competitors. If Carrefour's performance is between rank 1 and 4 of this panel of competitors, then 100% of the shares for this criterion will be distributed; at rank 5 it will be 75%; at the panel median it will be 50%; and below this median it will be 0%.

Then, an average of the sum of the obtained averages is calculated, which gives the allocated share-based remuneration. From this remuneration, the CEO must retain at least 30% of the acquired shares until reaching a portfolio equivalent to 150% of the annual fixed salary. This long-term remuneration can reach up to 55% of the total remuneration (Carrefour, 2026f).

For the Group CEO, Mr. Alexandre Bompard, his remuneration for the 2025 fiscal year was 3.37 Millions of euros (See Appendix 5).

Regarding the variable remuneration, it is capped at 190% of the fixed amount. This amount is only possible if the overall performance is equal to or greater than 145%. This performance is calculated according to several criteria: 15% comes from sales, 25% from recurring operating income (ROI), 20% from net free cash flow, 20% from CSR, and 20% from operational and managerial performance (See Appendix 6).

4.4. Shareholders

The primary shareholder of the group is Galfa, the holding company of the Moulin family (owners of Galeries Lafayette), with over 69 million shares, representing 9.46% of the group (Bloomberg, n.d.). However, it is important to specify that there are 2 voting rights for each share held. We also find the Saadé family, which has just purchased 5% of the capital and will obtain a seat on the Board of Directors, replacing Peninsula (represented by Eduardo Rossi) following the sale of their stake in the company (the Peninsula group held 8% of the capital). The Saadé family's stake is held through Carrix SAS, an investment vehicle controlled by the family, which also owns the CMA CGM group, a French giant in transport and logistics (See Appendix 7).

Carrefour holds 36 million of its own shares, accounting for just under 5% of the capital.

Next, we find institutional investors including BlackRock, JPMorgan, Capital Group, Vanguard, and Morgan Stanley. These institutional shareholders are generally attentive to the company's long-term performance, as well as the quality of governance, financial transparency, and compliance with ESG criteria. Their weight in the capital ensures a notable influence on the group's strategic directions.

In total, 72.84% of the capital is public, 4.74% is held in treasury shares, and 1.62% is held by employees.

5. Vision and Strategy

5.1. Management Vision

Carrefour's vision is to assert itself as the world leader in the food transition for all, by operating its mutation from a traditional retailer toward a "Digital Retail Company" model focused on omnichannel, data valuation, and price accessibility.

The strategic vision is based on the group's technological transformation via the development of food e-commerce, the exploitation of data, and the development of retail media. This vision also involves competitive prices with the development of the group's private labels (MDD) and more fresh and local products in stores. Management also wants to improve the group's financial profile, notably through the development of franchising and a reduction in costs achieved, among other things, by extending the expiration dates on certain products in order to limit the group's food waste and the costs associated with it.

Finally, the group wishes to concentrate on its most profitable markets: France, Spain, and Brazil.

5.2. Carrefour 2026

For its strategy, the group follows its “Carrefour 2026” plan. This plan includes 2 essential pillars.

The first pillar focuses on strengthening Carrefour’s core retail model through affordability, scale, and product differentiation. A central lever is the expansion of private labels (MDD), which are expected to reach 40% of food sales by 2026, compared to 33% in 2022. This strategy allows the Group to improve competitiveness and margins while offering more affordable alternatives to branded products. In parallel, Carrefour accelerates its discount and cash-and-carry formats, particularly through Atacadão in Brazil, with a target of 470 stores by 2026, up from 2022. The Group also integrates sustainability into its commercial offer, targeting €8 billion in sales of certified sustainable products by 2026, alongside strict environmental requirements imposed on its top suppliers, including potential delisting if climate commitments are not met. Finally, e-commerce remains a key growth driver, with an objective of €10 billion in gross merchandise value by 2026, reinforcing Carrefour’s omnichannel positioning.

The second pillar aims at transforming the Group into a more efficient, digital, and diversified organisation. Operational processes are being redesigned through digitalisation and automation, supporting €4.2 billion in cost savings by 2026. Environmental efficiency is also central, with a target of a 20% reduction in energy consumption compared to 2019 and the development of renewable energy production in Europe and Brazil. Beyond core retail, Carrefour is building new revenue streams through Retail Media via its joint venture Unlimitail with Publicis, with the ambition of becoming a European leader in this segment. The Group is also enhancing value creation through real estate development, including mixed-use projects in France and the creation of a major private real estate platform in Brazil. In addition, Carrefour reinforces its social commitments, notably through diversity policies and the objective of employing 15,000 employees with disabilities by 2026, as well as employee shareholding schemes that align employees with long-term performance (Carrefour, 2026f).

Overall, the Carrefour 2026 plan reflects a dual transformation, which are reinforcing competitiveness in core retail while expanding into higher-margin activities such as digital services, retail media, and real estate. This strategy is fully aligned with Carrefour’s omnichannel model and its asset-light approach based on franchising and leasing, which enhances capital efficiency while supporting international scalability.

5.3. Carrefour 2030

Carrefour's new strategic plan is a continuation of the Carrefour 2026 plan, with increasingly ambitious figures in terms of cost reduction, ESG standards, ROI, and revenue growth in retail media and e-commerce.

What has changed is the decision to focus only on markets where Carrefour holds a strong position and which have the greatest growth potential. The three countries chosen by Carrefour are France, Spain, and Brazil. The objective for 2030 is to increase Carrefour's market share by 25% in France and 20% in Brazil, and to strengthen its position as number 2 in Spain. This will be possible, for example, through the expansion of high-growth formats such as Atacadão in Brazil and convenience stores in France and Spain. It will also be achieved through an acceleration of the franchise strategy for supermarkets and lease-management for hypermarkets in France (Cfarrefour, 2026c).

The other integrated countries that are not part of the list of three, such as Belgium, Poland, and Argentina, will now be classified under "Other countries" in the segment reporting. This means that in these countries, the goal will be to franchise as much as possible or to sell the various subsidiaries, similar to what they have already done for Italy and are currently doing for Romania.

5.4. Acquisitions and Partnerships

In March 2021, Carrefour Brazil purchased Grupo BIG for €1.1 billion in order to increase its supermarket, cash & carry, and proximity offering. In addition, this acquisition allowed Carrefour to expand its club store offering thanks to the license obtained from Walmart to operate Sam's Clubs in Brazil (Carrefour, 2026f).

In 2024, Carrefour acquired Supercor stores in Spain in order to strengthen its offering in the country.

On March 13, 2025, the French Competition Authority approved the acquisition of Cora and Match by the Carrefour Group. Ultimately, 60 Cora hypermarkets and 115 Match supermarkets were acquired. This acquisition is expected to increase market share in France by +2.4 percentage points (Carrefour 2026f). However, one may question the rationale behind acquiring hypermarkets and supermarkets, given that the Group's strategy is to expand as much as possible into franchised convenience stores.

In terms of partnerships, Carrefour has established logistics partnerships with groups such as Deliveroo and Mercado Libre to handle e-commerce deliveries. The Group also has several financial partnerships for its banking and insurance services. Within these partnerships, we find MoneyGram for transfers and Mastercard for the Carrefour card.

Carrefour has also signed a strategic partnership with Vusion to digitalize its stores, particularly hypermarkets and supermarkets in France. This partnership with Vusion illustrates management's desire to accelerate the digitalization of physical stores in order to improve operational efficiency, customer experience, and the Group's omnichannel integration (Carrefour, 2026d).

6. Non-financial reporting

The retail sector is particularly exposed to ESG (environmental, social, governance) issues and to new European regulations (CSRD, SFDR, carbon reporting, anti-waste measures). Carrefour has integrated these aspects into its strategy to reduce risks and create sustainable value.

6.1. Energy Transition Plans and Impact Reduction

Carrefour has implemented a clear plan with quantified objectives for scopes 1, 2, and 3. Carrefour's transition plan relies on various decarbonization levers.

For its direct operations (scopes 1 and 2), the Group aims to use 100% renewable electricity by 2030, achieve a 27.5% reduction in energy consumption by 2030 (compared to the 2019 level), and reach a 50% reduction in emissions related to the use of refrigerants by 2030 and 80% by 2040 (Carrefour, 2026f). All these changes will not only be beneficial for the planet but also for costs, because if Carrefour uses only electricity coming from solar panels on the roofs of stores or consumes less energy, this means that energy costs will also decrease (See Appendix 8).

Beyond its own operations, the Group extends its responsibility across the value chain (scope 3) by engaging suppliers in a 1.5°C trajectory, promoting regenerative agriculture, and addressing deforestation risks in key raw materials (Carrefour, 2026f). It also seeks to transform consumption patterns through the expansion of plant-based products, the reduction of packaging and food waste, and initiatives supporting more sustainable mobility, particularly by reducing emissions linked to fuel consumption (See Appendix 9).

6.2. Governance and monitoring of ESG criteria

In order to facilitate proper implementation, ESG considerations are incorporated within the governance framework of Carrefour through a multi-layered supervision process. Such processes include practical application by national executive boards, technical supervision by energy and climate working groups, and the final approval of investments by the Group Investment Board, where ESG considerations are considered during CAPEX investment decisions (Carrefour, 2026f).

7. SWOT

Strengths

- Diverse Product and Service Portfolio
- Global Presence
- Brand Reputation
- Large Consumer Data Ecosystem
- Diversified Distribution Network
- Extensive Franchise Network (Asset-light)
- Emerging Markets
- Private Label Brands

Weaknesses

- Dependence on French market
- Regulatory Compliance
- Pressure on the Hypermarkets Format
- Low Operating Margins and High Structural Costs
- Operational Complexity

Opportunities

- E-commerce Expansion
- Growing Demand for Fresh and Healthy Food
- Increase of Soft Discount
- Expension of Retail Media
- Labor Shortage as an Automation Catalyst

Threats

- Intense Competition
- Geopolitics & Tariff Volatility
- Regulatory Challenges
- Currency Fluctuations
- Changing Consumer Preferences
- Supply Chain Disruptions
- Hyper-Competitive Pricing Environment

Chapter 2: Financial Analysis

8. Income Statement Analysis

Carrefour's turnover has shown moderate but stable growth in recent years. The 5-year CAGR stands at 3.1%, whereas if we look at turnover growth over a shorter period, such as 2 years for example, it drops to -0.52% growth (Zonebourse, n.d.). This decrease is due to the sell of Carrefour Italy's activities during the year 2025. Indeed, if we look at the figures for the year 2024 including Italy, the group recorded a record total turnover of 87 billion compared to 84 billion for 2025. On the other hand, if we take the 2024 figures adjusted to IFRS 5 standards (meaning without the data from Italy, which is no longer part of the group), we find a total turnover of 83.5 billion, resulting in a growth of 0.7% for the year. It is also important to highlight that one of the group's strategies consists of transforming a portion of its own stores into franchised stores, which negatively influences the evolution of turnover (Carrefour, 2026b). Indeed, given that the group does not collect all of the franchisee's sales, the volume of money recovered from those stores is lower, which inevitably has a negative impact on turnover growth.

In terms of organic growth, Carrefour had a growth of 0.4% during the year 2025 in France (excluding the Cora and Match stores, which were being integrated during the year). This growth is driven by their Convenience & Others format with +4.4% (See Appendix 10). Regarding other countries, growth reached 1.9% in Spain and 2. 6% in

Brazil (See Appendix 11). In Latin American countries, forex had a negative impact on the group's growth, with -8% in Brazil and 38.7% in Argentina (Carrefour, 2026e).

Regarding gross margin, the group is at 18% in 2025. When looking at the trend over the last 5 years, the group's gross margins are decreasing with a drop of almost 2% compared to the gross margin in 2021 (See Appendix 12). This decrease in gross margin can be explained in part by Carrefour's franchise strategy. Indeed, gross margins on products are lower because the franchisee must also make a margin. On the other hand, this strategy should normally improve profitability and therefore net margin and operating margin given that it allows for a drastic reduction in costs.

The operating margin in 2025 is 2.56%, representing a slight improvement compared to the previous year (See Appendix 13). On the other hand, it is still far from the 3.06% seen in 2021, despite an increase in the number of franchisees. And compared to competitors like Ahold Delhaize which shows a 4.03% operating margin (Zonebourse, n.d.), Carrefour is lagging behind.

The group's result has strongly decreased with only 319 million euros in net income. This is 56% less than in 2024, which recorded 789 million and significantly worse than in 2023 with 1.66 billion. The group's net margin in 2025 has therefore inevitably dropped to 0.38%, which is a fairly significant decrease compared to its 2023 net margin of 1.96%. This drop in net margin is due to several factors. The first is the depreciation of Carrefour Italy's assets as well as the losses linked to Italy (657 million). The second is a new tax in France for companies with more than 3 billion in net sales over the year. This tax cost Carrefour an additional 55 million, which increased its effective tax rate to 33% instead of 22% in 2024 (Zonebourse, n.d.).

Sales, General and Administrative expenses (SG&A expenses) are fairly stable compared to last year despite the integration of Cora and Match at a cost of 95 M. This stability indicates that Carrefour is relatively controlling its costs despite energy and wage inflation. This result was possible thanks to a 70 million euros reduction in energy spending in one year (Carrefour, 2026b).

9. Balance Sheet Analysis

9.1. Assets and Liabilities

Carrefour possesses total assets of 55.2 billion euros in 2025, representing a decrease in total assets of 2 billion compared to 2024. If we look into the details of the assets, we find goodwill of 8.67 billion euros, down 300 million compared to 2024. There is also a significant drop in the value of property and equipment, going from 13 billion in 2024 to 12.17 billion in 2025. Inventories are slightly down compared to other years at 6.38 billion euros, indicating better inventory management. The right of use asset is valued at 4.6 billion, an increase of 80 million in one year (Zonebourse, n.d.). Regarding cash, it stands at 6.18 billion in 2025. Carrefour's cash has been fairly stable since 2023 with very little variation. However, if we look compared to 2021, we notice a strong increase in cash, rising from 3.7 billion to 6.18 billion euros (See Appendix 14).

Regarding Carrefour's liabilities, we can see an increase of 300 million in lease liabilities due in more than one year compared to 2024 to reach 4.27 billion euros (See Appendix 15). This increase is logical given that the right of use also increased.

The decrease in the value of property and equipment along with the increase in the value of right of use assets reflects the continuation of Carrefour's asset-light strategy. By monetizing its real estate assets, the group optimizes its balance sheet structure and improves its return on capital employed (ROCE), while accepting an increase in its lease commitments in return.

9.2. Key Ratio

Let’s now move on to key ratios for assessing a company’s profitability, namely ROA and ROE. For a capital-intensive company like Carrefour, these ratios are essential for determining whether the company is effectively using its assets to generate profit. The group’s 2025 Return on Assets (ROA) is 2.38% (See Appendix 16). This means that for every euro of assets, the company generates €0.0238 in net profit. This percentage is not very high, and what is even more concerning is that it does not appear to be increasing over time. When compared to its Belgian competitor Ahold Delhaize, the Carrefour SA group is lagging behind.

Regarding the 2025 Return On Equity (ROE), it stands at 8.64%, which means that the company generates €0.086 for every euro of invested capital (See Appendix 16). This result is also lower than a competitor like Ahold Delhaize. On the other hand, we can notice a nice improvement compared to the 2023 ROE. This increase in ROE may be due to Carrefour's asset-light strategy explained earlier. It is also important to specify that the ROE increased despite a very significant reduction in the number of share buybacks in 2025 (Zonebourse, n.d.). A decision that can be explained by the new 8% French tax on capital reductions via share cancellations for companies generating more than 1 billion in turnover (CMS Francis Lefebvre, 2025).

9.3. Debt

Currently, the group displays a current ratio of 0.87 (See Appendix 17). This figure is explained by short term assets (22.822 billion) being lower than short term liabilities (26.094 billion). We can observe that historically, the group's current ratio has always been below 1 and that it has been quite stable throughout all these years. It is also important to remember that for the retail sector, it is not abnormal to have a current ratio below 1 because one of the specificities of this sector is that inventories are generally very liquid, while suppliers are paid with a delay that varies between 30 and 90 days. This means that Carrefour collects the money from the sale even before having to pay the suppliers and therefore does not need to keep too much liquidity. According to the change in working capital requirements, Carrefour had a liquidity surplus of 475 million thanks to the fact that it receives money before paying suppliers (Carrefour, 2026b). A perfect situation that continues over time and explains why this ratio is below 1.

Regarding the debt-to-equity, it is 180% in 2025. We can observe an increase in debt over the last 5 years, rising from 134% in 2021 to 180% in 2025 (See Appendix 18). Concretely, this means that the company has €1.8 of debt for every €1 of equity. This indicates a strong dependence on debt to finance its growth, which is not bad in itself. Indeed, in the retail sector, cash flows are regular, which allows for debt repayment without issues. The increase is due to the issuance of new bonds. During the year 2025, the group issued 4 new bonds for a total amount of 2.15 billion and pre-paid certain bonds for 1.995 billion (Carrefour, 2026b).

The group's net debt, for its part, is therefore slightly increasing, rising from 3.78 billion in 2024 to 3.965 billion in 2025, an increase of 185 M€ of which 106 M€ is linked to the buyout of minority interests in Brazil and 181 M€ linked to support for the divestment of Italy. We also notice that a large part is due to the dividend distribution as well as the negative impact of Forex (See Appendix 19).

The Net Debt / EBITDA ratio, meanwhile, stands at 3.28 in 2025. This ratio has been slightly increasing since 2021 (See Appendix 20). It means that it would take Carrefour a little over 3 years to pay off its debt. In comparison, its Belgian competitor Ahold Delhaize has a ratio of 2.15 for 2025 (Zonebourse, n.d.). Carrefour therefore needs more time to repay its debt, but this is not necessarily alarming, as the sector generally tolerates moderate leverage levels as long as cash flows remain predictable.

Carrefour's objective is to continue using debt as leverage while wanting to maintain its BBB rating. It is therefore important to check whether the overall debt will decrease in the coming years or, at the very least, remain stable in order not to degrade the group's credit rating.

10. Cash Flow Analysis

The operating cash flow is 3.95 billion in 2025. A decrease can be observed since 2023 (See Appendix 21). Nevertheless, Carrefour's business remains profitable as they continue to generate cash, and the difference compared to 2024 is mainly due to the change in working capital requirement. The net Free Cash Flow, for its part, is down compared to last year because of the increase in interest paid, but also due to the divestment of Carrefour Italy, as net FCF would have increased without Italy.

In terms of Capex, a decrease can be observed compared to other years (Zonebourse, n.d.). This decrease is explained by Carrefour's strategic refocusing. Indeed, the fact of concentrating on 3 countries and selling directly owned activities in other countries means that the group needs to invest less than before. This group strategy of moving toward an asset-light model reduces the number of directly owned stores and increases franchises, which implies less Capex for purchasing stores, for example (Carrefour, 2026b). On the other hand, the group continues to invest in the modernization of its directly owned stores in the 3 target countries mentioned earlier, as well as in digitalization.

Regarding the dividend, Carrefour has decided to pay a dividend of €0.97 per share, an increase of 5% compared to last year, and there will also be a special dividend of €0.21 per share conditional on the sale of Carrefour Romania (Carrefour, 2026a). Looking back since 2021, we can see a significant progression in it (See Appendix 22). The ordinary dividend represents between 50 and 60% of the group's adjusted net income.

11. Future estimates of earnings and cash flows (5 years)

In this section, I will address the future growth prospects for earnings and cash flow, based on my understanding of the sector and Carrefour.

11.1. Revenue Growth

First, regarding revenue growth over the next 5 years. For France, I expect it to be equal to food inflation, given that the French market is a mature market with significant competition. I also do not expect Carrefour to gain significant market share in France, nor to lose any, given the importance of this brand to the French people. Over the last 4 years, revenue in France has increased by an average of 4% per year, but this is largely due to the acquisition of Cora and Match. There is also the Carrefour 2030 strategy, which indicates that the group plans to open more than 1,000 convenience stores by 2030, which will increase revenue. This is why I estimate revenue growth at 3% for the next 5 years.

For Spain, the observation on food inflation is the same as in France, but I would add that if we look at the evolution of revenue since 2023, it has increased by barely 1% per year, which is less than food inflation despite an increase in the number of stores (Carrefour, 2025b). This low revenue growth is explained by the fact that many openings are franchises, which positively impacts operating margins but negatively impacts revenue. On the other hand, Carrefour will now invest much more in Spain thanks to its strategic refocusing. According to Carrefour's strategic plan, they will open 450 new convenience stores in Spain by 2028, representing a 40% increase in the number of stores (Carrefour, 2026c). I would therefore say that I expect revenue growth of 4% per year for the next 5 years.

Next, in Latin America, food inflation is much higher than in Europe and the market is less mature. We could therefore expect higher growth than on the Old Continent, but when looking at the historical growth of Brazil and Argentina, we notice instead a decrease resulting from the devaluation of the local currency against the euro since 2022 (European Central Bank, n.d.).

For Brazil, this decrease has been more or less 4% per year since 2023, despite organic growth of 2.5% in 2025 and 4.4% in 2024 (Carrefour, 2025a). In addition to this, Carrefour intends to invest massively in Brazil with the opening of more than 70 Atacadão stores. I therefore expect growth of 3% for the next 5 years thanks to solid organic growth as well as an exchange rate that should stabilize. Regarding Argentina, I expect a decrease in sales due to the devaluation of the local currency, or even a sale of the subsidiary within the next 5 years due to the instability of the country.

As for the rest of the European countries (Belgium, Romania, and Poland), I expect revenue to decrease drastically due to the ongoing sale of the Romanian subsidiary (Carrefour, 2026a), as well as the possibility of selling the Polish subsidiary. Regarding Belgium, I expect them to move entirely to a franchise model, which would automatically lower the revenue from Belgium. This is why I expect a negative growth of 30% over 1 year due to the sale of Romania and a 70% decrease over the next 3 years with the sale of Poland and the franchising of Belgium. After these 3 years of transition, growth should return, but moderately, at 1% per year.

Finally, Carrefour's other revenues include financial income from Carrefour Banque, as well as income from additional services (rentals, fuel, etc.) and retail media income. I expect a growth of 8% per year over the next 5 years.

Overall, I therefore expect a decrease in revenue for the next 2 years of -1% before growing again by 3% per year.

11.2. Margin Growth

Regarding margin growth for the next 5 years, I expect gross margins to decrease slightly in the short term due to the sale of certain subsidiaries and the group's franchise strategy.

On the other hand, regarding operating margins, I expect them to increase following the sale of low-profit or unprofitable subsidiaries and the franchise strategy. Carrefour's focus on countries with higher margins, such as Brazil and Spain, should also drive the group's operating margins upward. Additionally, the target of 40% of food sales coming from private labels (MDD) will allow Carrefour to increase its margins (Carrefour, 2026f).

There is also the digitalization of stores and the growth of e-commerce, which will allow Carrefour to reduce its expenses. Finally, Carrefour's retail media with Unlimitail should grow in the coming years and thus significantly increase the group's margins.

It is for all these reasons that I expect growth in operating margins for the next 5 years, with operating margins rising to 3% by 2028 and 3.5% by 2030.

11.3. Evolution of Capex and FCF

Regarding Capex, I expect it to increase slightly compared to 2025. According to their strategic plan, Carrefour forecasts Capex between €1.8 and €2 billion per year through 2030 (Carrefour, 2026c). A large portion of this Capex will be used for the digitalization of infrastructure and the opening of new stores in France, Spain, and Brazil.

Next, for projected FCF, I expect them to grow over 5 years due to the increase in operating margins and controlled Capex spending. According to my estimates, they should increase by 1.47% per year. It is important to note that this 5-year growth is hampered by a 1% annual decrease over the first 2 years due to the decline in revenue.

12. Alternative scenarios

12.1. Worst case scenario

To test Carrefour's robustness, I have imagined a scenario where several major risks occur simultaneously by 2030. This scenario is primarily based on a sudden deterioration of the French domestic context. A sovereign debt crisis would force the State to adopt severe austerity measures, weighing not only on household purchasing power but also on the Group's cost structure through increased fiscal pressure. The introduction of exceptional taxes on large-scale retail or an increase in the Tascom (tax on commercial premises) would directly weaken operational profitability in France. In this hypothesis, the domestic operating margin would suffer a 60 basis point decrease, peaking at 1.4%, thereby limiting the self-financing capacity for structural transformations of the store network.

To this would be added instability in Brazil. If the Real drops by 20% against the Euro, the profits generated there will mechanically lose value once repatriated. Since Brazil accounts for a quarter of the group's results, this exchange rate shock would result in a loss of approximately 230 million euros in the global operating result. Even if local sales continue to grow, the currency effect would cancel out these efforts.

Finally, tensions in the Middle East could worsen the situation by causing the price of a barrel of oil to soar beyond 120 dollars. For Carrefour, the impact would be twofold. On one hand, this would increase the transport and electricity bills for the stores. On the other hand, it would trigger a new wave of food inflation, as oil drives up the price of fertilizers and agricultural production. Customers, already hit by the decline in their purchasing power due to the crisis in France, would have even more difficulty keeping up with the price increases on the shelves. As Carrefour would not be able to pass on all of this increase without losing its customers, the group's operating margin would lose a further 0.4%. Ultimately, with all these factors combined, the free cash flow would drop to 1.9 billion euros. The group would then likely have to decrease its dividend in order to manage its liquidity and avoid increasing its debt.

12.2. Optimist Scenario

Conversely to the downgraded scenario, I have modeled a trajectory where Carrefour benefits from a supportive macroeconomic environment and perfect execution of its strategic plan by 2030. This scenario is primarily based on a recovery in consumption in France. If inflation continues to slow down and household purchasing power recovers, Carrefour could benefit from a shift in sales toward higher-margin products, such as organic goods or premium private labels (MDD). Furthermore, if the State maintains stable taxation, the operational efficiency gains linked to the transition of many stores to lease-management would bear fruit. Under these conditions, the operating margin in France could increase by 0.5%, reaching 2.5%, a historic level for the group.

In Brazil, the situation could also become a major growth driver. Political stabilization leading to a 15% appreciation of the Real against the Euro would mechanically boost results once converted. In parallel, the opening of new Atacadão stores would strengthen Carrefour's leadership position in Brazil. This dynamic in Latin America, combined with the positive exchange rate effect, could add approximately 200 million euros to the group's recurring operating income.

Finally, an easing of geopolitical tensions would bring the price of a barrel of oil back to around 70 dollars. This decrease would immediately reduce transport costs and energy bills for warehouses. For Carrefour, this would mean a reduction in fixed costs at the very moment food inflation slows down, encouraging customers to increase their average basket. This context of "cost deflation" would allow the group's overall margin to improve by 0.3%. With free cash flow then exceeding 3 billion euros, Carrefour would have all the necessary flexibility to accelerate its growth without increasing its debt and to significantly increase the dividend paid to shareholders.

Chapter 3 : Valuation

13. DCF method

13.1. FCF Projection (Base-case scenario)

To calculate the DCF, I began by calculating my future free cash flow for the next 5 years. To achieve this, I used my revenue growth hypothesis of -1% per year for the next 2 years before growing again by 3% per year.

To this, I added my operating margin forecasts of 3% for 2030, by implementing a progressive growth from the 2.56% of 2025 to the 3% of 2030. Next, for the tax rate, I decided to use the average rate of the last 3 years to be conservative, which results in 30%. Regarding depreciation and amortization, I decided to take the average of the last 5 years, which was 2.32 billion.

Moving forward, to project future Capex, I based my figures on Carrefour's statements in the "Carrefour 2030" publications. In these, Carrefour anticipates a gradual increase in Capex to reach 1.8 billion in 2028 and 2 billion in 2030. I therefore started from the 1.52 billion in 2025, increasing the Capex linearly to reach the objectives set by the company.

Finally, to calculate the change in working capital, I based it on the average of this variation over the last 5 years, despite a significant increase in this variation over the last

3 years, in order to remain prudent. This gives me a change in working capital requirement of 425 million per year.

At the end, the forecast free cash flow for 2026 is 2.71 billion euros and is expected to decrease to 2.63 billion euros in 2030 (See Appendix 23).

13.2. Weighted Average Cost of Capital (WACC) Calculation

To calculate the WACC, I need the equity value, the debt value, the cost of debt, the tax rate, the risk-free rate, Carrefour's beta and the cost of equity. Initially, I used Carrefour's equity value from Zonebourse on April 21, 2026, which anounted to 12.30 billion euros.

Regarding the other indicators, I decided for the risk-free rate to use the current 10Y German Bonds rate (Investing.com, n.d.), which is 3%, and for the beta I took the adjusted beta available on Bloomberg.

For the expected market return, I applied the standard decomposition of the risk-free rate plus the equity risk premium. The equity risk premium for a French company was taken from Damodaran (5.01%), resulting in an implied market return of 8.01% (rounded to 8%).

The cost of debt was estimated using the BBB corporate credit spread from Damodaran combined with the 10-year German risk-free rate. This results in a theoretical cost of debt of approximately 4.11%. However, a rounded figure of 4.5% was used in the valuation to reflect market frictions, data timing differences, and to maintain consistency with observable financing conditions for investment-grade corporates.

For the tax rate, I used the same one as in my Free Cash Flow projections.

Next, I calculated the cost of equity based on the Capital Asset Pricing Model (CAPM). This gave me a cost of equity of 6.49%.

Finally, I calculated the proportion of equity and debt in order to calculate the WACC, which I estimated at 5.36% (See Appendix 24).

13.3. Terminal Value

Now that I have calculated my WACC, I am going to use it to calculate my terminal value, which will allow me to estimate the value of the company after the forecast period.

To calculate the terminal value, I used the perpetuity growth method (See Appendix 25). In my assumptions, I therefore have my WACC of 5.36% and a growth rate of 1.5%. I then used my last projected FCF, which is 2.63 billion. This gave me a terminal value of 69.20 billion (See Appendix 26).

13.4. Discounting Cash Flows (DCF)

In this part of the DCF, I will discount the free cash flows as well as the terminal value. After that, I will sum the two to obtain the enterprise value. The discount factor used to adjust the value of the FCF and the TV was calculated based on the WACC.

Which gives me an enterprise value of 64.67 billion euros (See Appendix 27).

13.5. Enterprise Value to Equity Value

This step is the last one in order to determine the share price at which Carrefour should, according to the model, be valued. To do this, I will take the enterprise value from which I will subtract the net debt. I then divide the calculated equity value by the number of shares, which results in a price per share of 67.84 euros (See Appendix 28).

14. DCF Valuation (Worst-case scenario)

14.1. FCF Projection

To calculate the free cash flow projection, I used the same values as in the base-case scenario and then updated them based on my assumptions for the worst-case scenario. The tax rate increased from 30% to 35% to reflect the rise in fiscal pressure. The operating margin decreased by 100 basis points (60 basis points due to the sovereign debt crisis in France and 40 basis points due to the increase in oil prices) and was kept at this level until the end of the forecast period. I also recalculated revenue by reducing by 20% the revenue generated in Brazil to reflect my assumption of a depreciation of the Brazilian real, representing a decrease of 3.7 billion euros.

At the end, the forecast free cash flow for 2026 is 1.92 billion euros and is expected to decrease to 1.58 billion euros in 2030 (See Appendix 29).

14.2. Weighted Average Cost of Capital (WACC) Calculation

To calculate the WACC, I used exactly the same values and the same process as in the base-case scenario. The only value that changed was the tax rate, which increased to 35% in the worst-case scenario.

My cost of equity, based on the CAPM, remains unchanged at 6.49%. Finally, my WACC changed as a result of the higher tax rate and is estimated at 5.24% (See Appendix 30).

14.3. Terminal Value

Now that I have calculated my WACC, I am going to use it to calculate my terminal value, which will allow me to estimate the value of the company after the forecast period.

To calculate the terminal value, I used the perpetuity growth method. In my assumptions, I therefore have my WACC of 5.24% and a growth rate of 1.5%. I then used my last projected FCF, which is 1.58 billion euros. This gave me a terminal value of 42.97 billion euros (See Appendix 31).

14.4. Discounting Cash Flows (DCF)

In this part of the DCF, I will discount the free cash flows as well as the terminal value. After that, I will sum the two to obtain the enterprise value. The discount factor used to adjust the value of the FCF and the TV was calculated based on the WACC. Which gives me an enterprise value of 40.81 billion euros (See Appendix 32).

14.5. Enterprise Value to Equity Value

This step is the last one in order to determine the share price at which Carrefour should, according to the model, be valued. To do this, I will take the enterprise value from which I will subtract the net debt. I then divide the calculated equity value by the number of shares, which results in a price per share of 35.43 euros (See Appendix 33).

15. DCF Valuation (Best-case scenario)

15.1. FCF Projection

To calculate the free cash flow projection, I used the same values as in the base-case scenario and then updated them based on my assumptions for the best-case scenario. The operating margin increase by 50 basis points (30 basis points due to the contexte of cost deflation + 20 basis points from a supportive macroeconomic environment which will increase the operating margin of 50 basis points in France, so approximately 20 basis points in global). I also recalculated revenue by increasing by 15% the revenue generated in Brazil to reflect my assumption of an appreciation of the Brazilian real, representing an increase of 2.7 billion euros.

At the end, the forecast free cash flow for 2026 is 3.06 billion euros and is expected to decrease to 2.82 billion euros in 2030 (See Appendix 34).

15.2. Weighted Average Cost of Capital (WACC) Calculation

To calculate the WACC, I used exactly the same values and the same process as in the base-case scenario.

My cost of equity, based on the CAPM, remains unchanged at 6.49%. Such as my WACC at 5.36%.

15.3. Terminal Value

Now that I have calculated my WACC, I am going to use it to calculate my terminal value, which will allow me to estimate the value of the company after the forecast period.

To calculate the terminal value, I used the perpetuity growth method. In my assumptions, I therefore have my WACC of 5.36% and a growth rate of 1.5%. I then used my last projected FCF, which is 2.82 billion euros. This gave me a terminal value of 74.23 billion euros (See Appendix 35).

15.4. Discounting Cash Flows (DCF)

In this part of the DCF, I will discount the free cash flows as well as the terminal value. After that, I will sum the two to obtain the enterprise value. The discount factor used to adjust the value of the FCF and the TV was calculated based on the WACC. Which gives me an enterprise value of 69.72 billion euros (See Appendix 36).

15.5. Enterprise Value to Equity Value

This step is the last one in order to determine the share price at which Carrefour should, according to the model, be valued. To do this, I will take the enterprise value from which I will subtract the net debt. I then divide the calculated equity value by the number of shares, which results in a price per share of 74.70 euros (See Appendix 37).

16. Relative Valuation

In order to evaluate the stock market valuation of Carrefour SA, I conducted a comparative analysis using market multiples based on a sample of 13 major European food retail companies (See Appendix 38). This panel, representative of the sector's diversity, includes benchmark players such as Ahold Delhaize, Tesco, Sainsbury's, as well as other strategic brands like Jeronimo Martins, Axfood, Colruyt, Marks & Spencer, Kesko, Sonae, Pepco Group, Dino Polska, Dia, and Casino. To perform this relative valuation of Carrefour, I decided to analyze it using two financial indicators. The price per earnings (P/E) ratio, which reflects investors' perception of future growth, and the EV/EBITDA enterprise multiple, which allows for evaluating the company's value based on its gross operating performance, independent of its financial structure. Finally, I will conclude my point with a reading of the growth and profitability fundamentals.

16.1. Valuation by P/E

The median P/E of the panel stands at 20.5x. Carrefour, meanwhile, is trading at 12.3x expected earnings, representing a discount of nearly 40% compared to the sector median. This discount is particularly pronounced when compared to peers such as Axfood (29.1x), Sonae (26.6x), or even Pepco Group (22.0x). Even against more mature actors of comparable size like Tesco (20.5x) or Jeronimo Martins (20.6x), Carrefour displays a significantly lower multiple. Only Colruyt (13.6x) and Sainsbury's (18.6x) come closer to Carrefour's valuation level, though these two groups also present a relative premium (Bloomberg, n.d.).

This P/E discount can be explained in part by the group's geographic structure, being exposed to emerging markets like Brazil or Argentina, which introduce an additional risk premium in the minds of investors. It also reflects net margins that have been historically squeezed in French mass retail, as well as a more measured revenue growth profile than some peers. Nevertheless, with earnings per share growth of 11.0% over the past fiscal year, Carrefour's earnings momentum is above the panel median (8.5%), which makes the valuation discount all the more difficult to justify based on fundamentals alone.

16.2. Valuation by EV/EBITDA

The median EV/EBITDA of the panel stands at 9.1x. Carrefour is trading at 7.6x EBITDA, representing a discount of approximately 17% compared to the median. This discount is less marked than on the P/E, which suggests that the market penalizes the group more at the level of financial structure and the conversion of operating income into net profit. By comparison, Tesco shows an EV/EBITDA of 10.6x, Kesko 13.4x, Sainsbury's 9.6x, and Jeronimo Martins 8.6x. Only Dino Polska (3.1x), Axfood (4.1x), and Colruyt (6.0x) are valued below Carrefour on this multiple, for reasons specific to their model or stage of development (Bloomberg, n.d.).

Carrefour's discount on EV/EBITDA remains difficult to fully justify by operational fundamentals alone. The group generates robust EBITDA, driven by its cost reduction efforts and its "Carrefour 2026" transformation program. It likely reflects a perception of country risk, particularly linked to positions in Latin America, and a certain market mistrust regarding the group's ability to maintain its margin trajectory in a competitive and inflationary environment.

16.3. Analysis of Underlying Fundamental

Beyond simple market multiples, an analysis of the fundamentals confirms the thesis of Carrefour's relative undervaluation, while highlighting points for vigilance. If we observe revenue growth (Carrefour, 2026b), Carrefour shows a modest progression of 0.7% for the fiscal year (using 2024 revenue under IFRS 5, thus excluding activities sold between the two periods), placing it at the bottom of the range compared to a sector median of 4.0%. However, this result is explained by an already very large revenue base and unfavorable exchange rate effects related to its activities outside the eurozone.

On the other hand, the dividend yield of 6.9% is the highest in the panel after Sainsbury's (7.1%), with the sector median standing at only 3.0%. This level of shareholder remuneration reflects a policy of generous returns and can serve as an argument for price support, even if, in certain market contexts, such a high dividend can also be perceived as a signal of a group whose high-profitability reinvestment opportunities remain limited.

Carrefour's ROE stands at 12.7%, below the updated panel median of 15.8%. Groups like Pepco (72.9%) or Axfood (33.4%) display significantly higher returns on equity, which may partially justify their valuation premium. Nevertheless, Carrefour's ROE remains positive and within a range consistent with its profile as a large integrated retailer operating in mature markets with low margins, unlike Casino, which shows a negative ROE of -32.8% reflecting a situation of financial distress beyond comparison with other panel members.

16.4. Conclusion of the relative analysis

In conclusion, Carrefour SA is trading at a significant discount compared to its peers across all analyzed multiples, around 40% on the P/E and 17% on the EV/EBITDA. This discount does not seem entirely justified by the group's operational fundamentals, as its earnings momentum, dividend policy, and profitability remain in acceptable ranges relative to the sector. Instead, it reflects an increased perception of risk, fueled by exposure to volatile emerging markets and persistent competitive pressure in the group's European markets. The comparison with peers suggests that a partial revaluation would be justifiable if Carrefour managed to demonstrate an acceleration in the conversion of its operating income into net profit and continued discipline regarding shareholder returns, two areas on which the market remains attentive.

17. Synthesis and valuation recommendation

The convergence of the two methodological approaches highlights a valuation anomaly. On the one hand, the DCF model reveals a theoretical value significantly higher than the current share price. On the other hand, the market multiples analysis confirms a structural discount of the stock compared to its European peers, although the latter is partly explainable by specific risk factors (exposure to emerging markets, pressure on net margins).

17.1. Synthesis of methods

The DCF model, based on conservative revenue growth assumptions and strict CAPEX discipline, highlights the group's ability to generate sustainable long-term cash flows. However, while the theoretical value obtained by this method is substantial, it must be tempered by the uncertainty related to the conversion of operating flows into net profits and by the cost of capital in a still volatile interest rate environment. The valuation should also be considered alongside the results obtained under the worst-case and best-case DCF scenarios, particularly given that elements of the worst-case scenario are already beginning to materialize.

In parallel, the comparative approach confirms that the market applies a discount for Carrefour's country risk and very low net margins. While the current multiples (P/E and EV/EBITDA) are low, they do not necessarily constitute an anomaly, but rather reflect the risk premium that investors demand to hold the stock.

17.2. Recommendation

The recommendation is to buy with a target price of 35 euros per share. This target does not aim to reflect the maximum value implied by the base or optimistic DCF scenarios, but instead is anchored in the downside (worst-case) DCF valuation. This conservative reference is justified by the fact that several of the assumptions embedded in this scenario are currently materialising in the market environment, particularly the rise in oil prices, which is putting pressure on transportation costs, supply chain expenses, and overall margins.

In parallel, the relative valuation analysis confirms that the market continues to apply a persistent discount to Carrefour, driven by country risk exposure and structurally low net margins. While current trading multiples (P/E and EV/EBITDA) appear low in absolute terms, they are not necessarily anomalous, but rather reflect the risk premium required by investors to hold the stock. However, when combined with the DCF worst-case anchor, this relative discount also reinforces the view that the current market price remains below a reasonable conservative fair value, supporting the 35 euros target as a justified re-rating level rather than an optimistic valuation outcome.

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19. Appendices

Appendix 1: Stores under banners at end-2025

(#)	Hypermarkets	Supermarkets	Convenience	Cash & Carry	Soft discount	Sam's Club	Total
France	**325**	**1,167**	**5,084**	**157**	**33**	**-**	**6,766**
Other European countries	**462**	**2,143**	**3,385**	**12**	**106**	**-**	**6,108**
Spain	204	162	1,159	-	70	-	1,595
Belgium	40	346	317	-	-	-	703
Romania	55	191	202	-	30	-	478
Poland	94	142	495	-	6	-	737
Others	69	1,302	1,212	12	-	-	2,595
Latin America	**188**	**103**	**668**	**422**	**-**	**58**	**1,439**
Brazil	108	26	141	385	-	58	718
Argentina	80	77	527	37	-	-	721
Others[1]	**214**	**694**	**426**	**72**	**-**	**-**	**1,406**
Total	**1,189**	**4,107**	**9,563**	**663**	**139**	**58**	**15,719**

(1) Africa, Middle-East, Dominican Republic and Asia

Note. This figure illustrates the stores owned by Carrefour at the end of 2025, by country and by format. Source: Carrefour (2026a)

Appendix 2: Net sales by country in 2025

(in millions of euros)	**2025**
France	**41,743**
Europe (excluding France)	**19,879**
Spain	10,958
Belgium	4,062
Romania	2,770
Poland	2,090
Latin America	**20,480**
Brazil	17,754
Argentina	2,725
TOTAL NET SALES	**82,102**

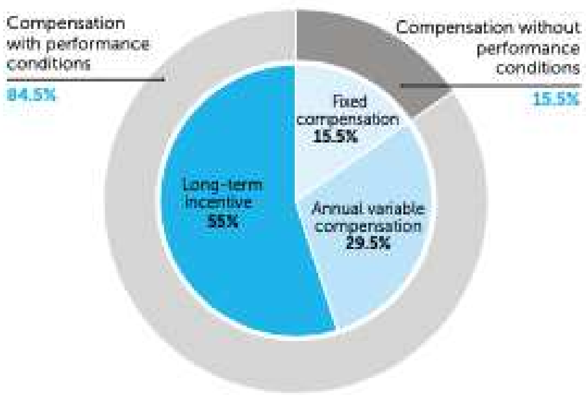
Note. This figure illustrates Carrefour's net sales by country in 2025. Source: Carrefour (2026b)

Appendix 3: Number of Integrated and Franchised stores in 2025

	Integrated		Franchised		TOTAL	
At December 31, 2025	**Stores**	**Total sales area** *(in thousands of sq.m.)*	**Stores**	**Total sales area** *(in thousands of sq.m.)*	**Stores**	**Total sales area** *(in thousands of sq.m.)*
France	615	2,565	5,944	3,932	6,559	6,497
Spain	510	1,890	1,085	239	1,595	2,128
Belgium	83	374	620	412	703	787
Romania	438	599	40	9	478	608
Poland	193	546	544	98	737	644
Brazil	718	3,026	-	-	718	3,026
Argentina	721	700	-	-	721	700
Total - 7 integrated countries	**3,278**	**9,700**	**8,233**	**4,690**	**11,511**	**14,390**
CPI France	-	-	207	184	207	184
CPI Europe	-	-	2,595	1,453	2,595	1,453
CPI Latam	-	-	-	-	-	-
CPI Other	-	-	1,406	2,140	1,406	2,140
Total - CPI	**-**	**-**	**4,208**	**3,777**	**4,208**	**3,777**
TOTAL	**3,278**	**9,700**	**12,441**	**8,467**	**15,719**	**18,167**

Note. This figure illustrates the number of integrated and franchised stores per country in 2025. It also illustrates the sales area in thousands of square meters per country, distinguishing between integrated and franchised stores. Source: Carrefour (2026f)

Appendix 4: Maximum compensation Structure



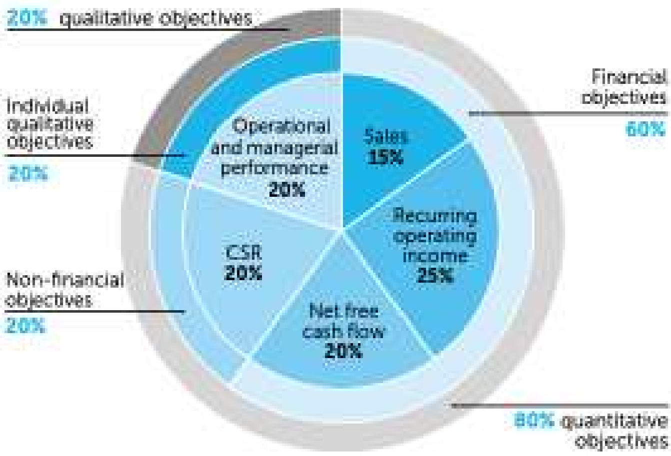
Note. This figure illustrates the percentage of compensation that the CEO of Carrefour can receive. Source: Carrefour (2026f)

Appendix 5: Compensation allocated/paid to the CEO

	2024		2025	
(in euros)	Amount paid(3)	Amount allocated(4)	Amount paid(5)	Amount allocated(6)
Alexandre Bompard Chairman and Chief Executive Officer				
Fixed compensation	1,600,000	1,600,000	1,600,000	1,600,000
Variable compensation	2,849,128	1,682,200	1,682,200	1,797,296
Compensation paid in respect of his directorship(1)	75,000	75,000	75,000	75,000
Benefits in kind(2)	17,870	17,870	18,101	18,101
TOTAL	**4,541,998**	**3,375,070**	**3,375,301**	**3,490,397**

Note. This figure illustrates the amount of compensation paid and allocated to the Carrefour's CEO in 2024 and 2025. Source: Carrefour (2026f)

Appendix 6: Annual Variable Compensation



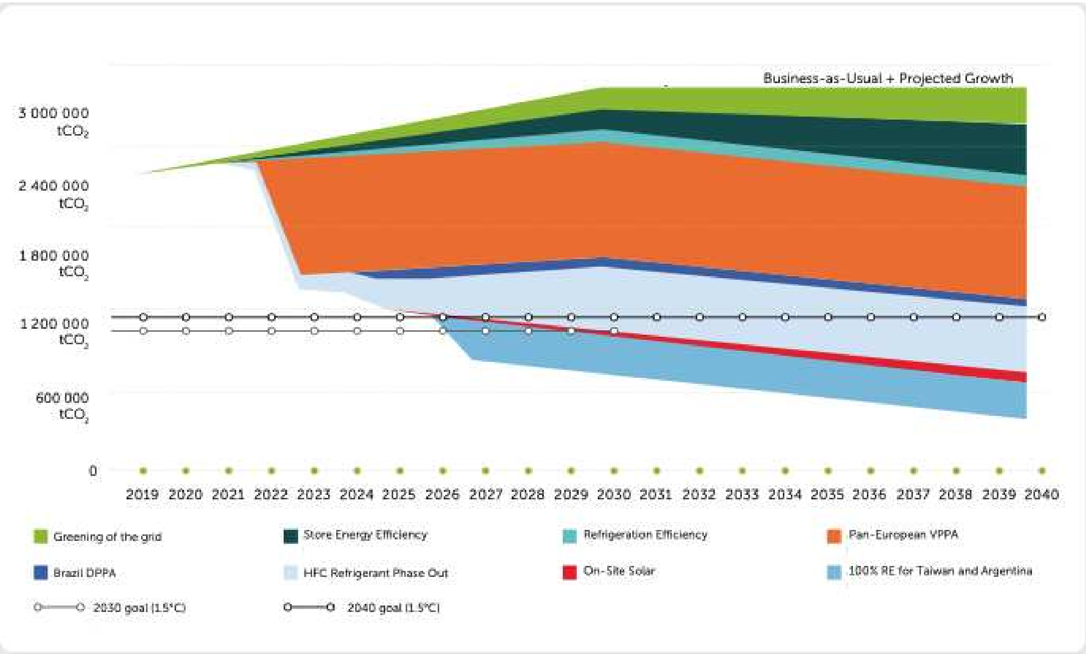
Note. This figure illustrates the criteria used (in percentage terms) to calculate variable compensation for the CEO of Carrefour. Source: Carrefour (2026f)

Appendix 7: Shareholder Structure

	Holder Name	Position↓	% Out
1.	Galfa SAS	69,624,211	9.46
2.	Blackrock Inc	37,120,777	5.04
3.	Carrix SAS	36,815,740	5.00
4.	CARREFOUR	36,559,594	4.97
5.	JPMorgan Chase & Co	33,430,160	4.54
6.	Capital Group Cos Inc/The	32,648,063	4.43
7.	Morgan Stanley	27,225,568	3.70
8.	Vanguard Group Inc/The	25,935,694	3.52
9.	Dimensional Fund Advisors LP	16,730,190	2.27
10.	Schroders PLC	9,124,003	1.24
11.	NORGES BANK	8,667,998	1.18
12.	Franklin Resources Inc	8,234,711	1.12
13.	Credit Agricole Group	7,895,177	1.07
14.	Brandes Investment Partners LP	7,665,081	1.04
15.	Sparinvest Fondsmaeglerselskab A/S	5,638,958	0.77
16.	FMR LLC	5,611,055	0.76
17.	St James's Place PLC	5,594,268	0.76
18.	Hartford Insurance Group Inc/The	4,937,701	0.67
19.	AQR Capital Management LLC	4,812,589	0.65
20.	UBS AG	4,794,589	0.65

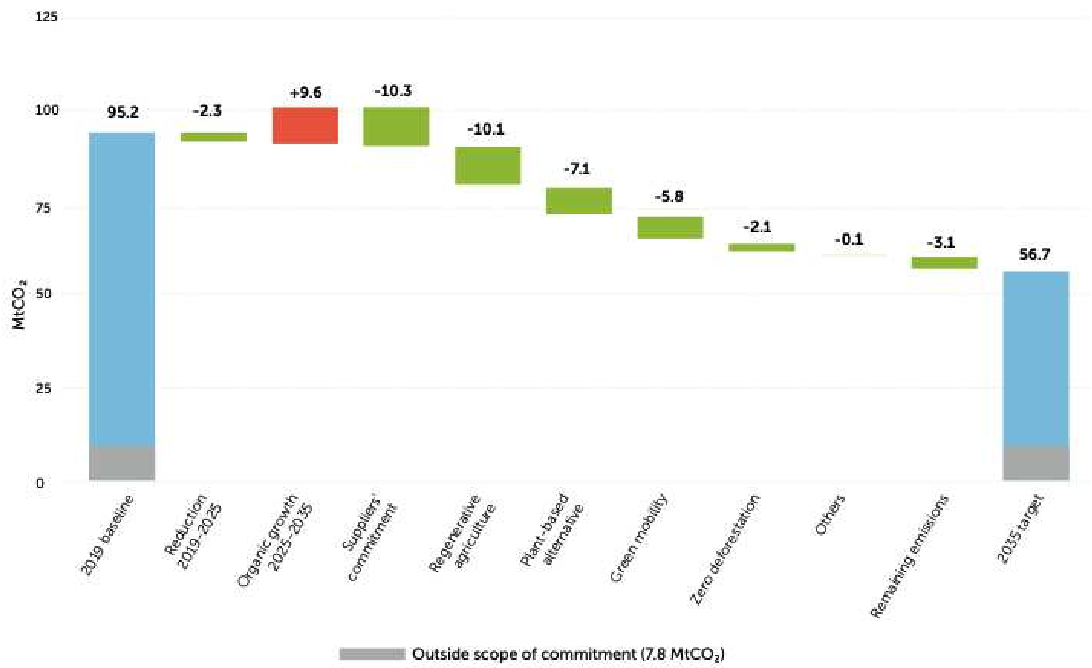
Note. This figure illustrates the shareholder structure of Carrefour. Source: Bloomberg. (n.d.)

Appendix 8: Breakdown of decarbonisation levers



Note. This figure illustrates the breakdown of actions plans designed by Carrefour to help achieve carbon neutrality through stores by 2040. Source: Carrefour (2026f)

Appendix 9: Scope 3 carbon-reduction roadmap



Note. This figure illustrates the Carrefour group's scope 3 carbon-reduction roadmap, broken down by decarbonisation levers. Source: Carrefour (2026f)

Appendix 10: Organic growth in France

LFL sales growth	Q4 25	FY 24	FY 25
France	**+0.4%**	**-2.3%**	**+0.4%**
› Hypermarkets	**-0.7%**	-4.2%	-1.1%
› Supermarkets	**+0.6%**	-1.4%	+0.2%
› Convenience & others	**+3.2%**	+0.7%	+4.4%
France ex. Cora & Match	***+0.8%***	***-2.3%***	***+0.7%***

Note. This figure illustrates Carrefour's organic growth in France during 2024 and 2025, as well as in Q4 2025. Source: Carrefour (2026a)

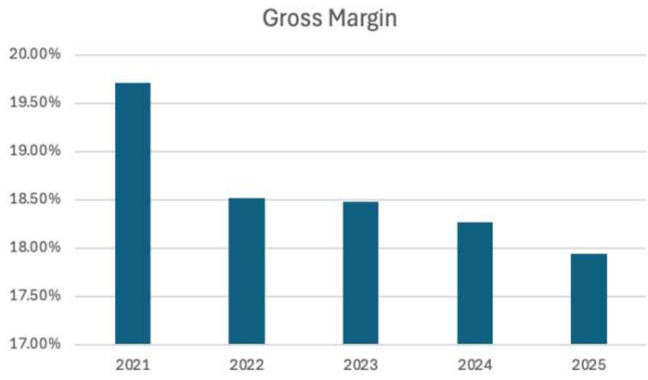
Appendix 11: Organic growth in Europe and Latam

LFL	Q4 25	FY 24	FY 25
LatAm	**+4.4%**	**+38.1%**	**+7.9%**
Brazil	**0.0%**	**+4.9%**	**+2.6%**
› *Atacadão*	*-0.4%*	*+5.4%*	*+3.2%*
› *Retail*	*+1.2%*	*+3.4%*	*+1.4%*
› *Sam's Club*	*+0.3%*	*+3.5%*	*-0.6%*
Argentina	**+24.3%**	**+176.0%**	**+33.6%**

LFL sales growth	Q4 25	FY 24	FY 25
Other Europe	**+0.9%**	**-0.6%**	**+1.2%**
› Spain	+2.0%	-0.2%	+1.9%
› Belgium	+0.2%	-1.6%	+0.8%
› Romania	+0.5%	+1.2%	+1.5%
› Poland	-2.8%	-3.0%	-1.7%

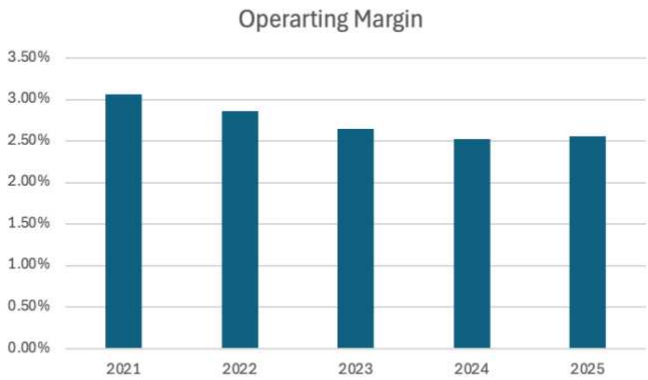
Note. This figure illustrates Carrefour's organic growth in Latam and Europe during 2024 and 2025, as well as in Q4 2025. Source: Carrefour (2026a)

Appendix 12: Gross Margin of Carrefour from 2021 to 2025



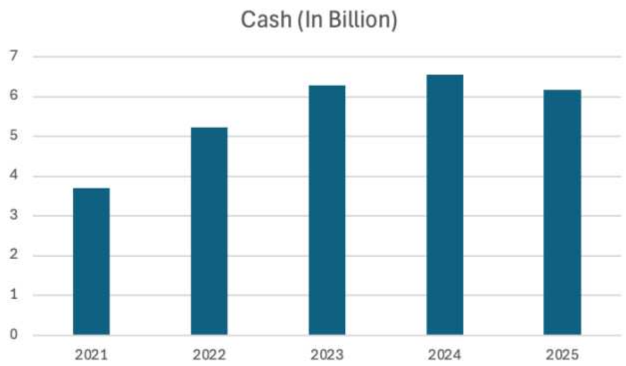
Note. This figure illustrates Carrefour's gross margin percentage from 2021 to 2025. Author's own elaboration based on data from Zonebourse (n.d.)

Appendix 13: Operating Margin of Carrefour from 2021 to 2025



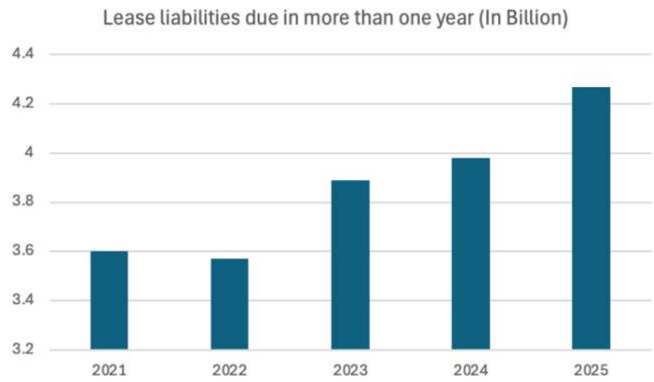
Note. This figure illustrates Carrefour's operating margin percentage from 2021 to 2025. Author's own elaboration based on data from Zonebourse (n.d.)

Appendix 14: Cash of Carrefour from 2021 to 2025



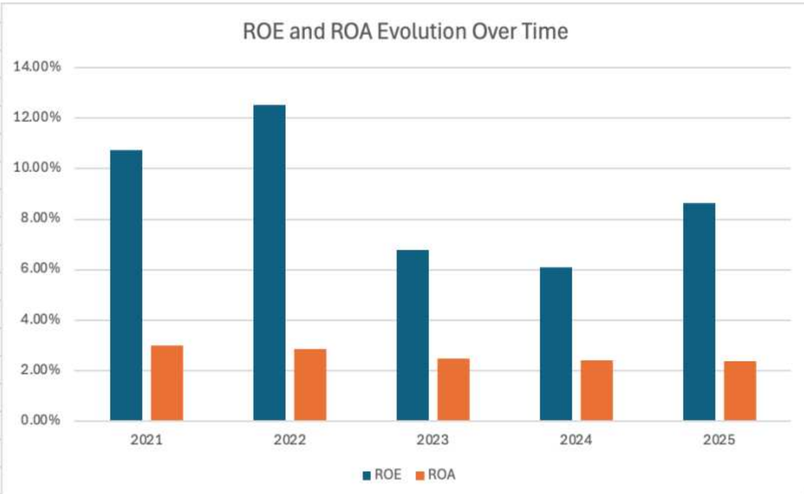
Note. This figure illustrates Carrefour's cash in Billion euros from 2021 to 2025. Author's own elaboration based on data from Zonebourse (n.d.)

Appendix 15: Lease liabilities due in more than one year from 2021 to 2025



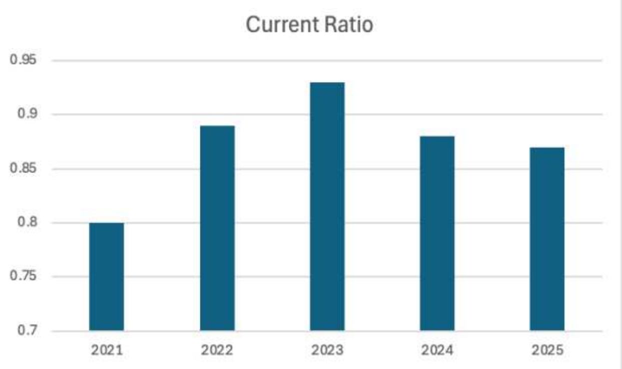
Note. This figure illustrates Carrefour's lease liabilities due in more than one year in Billion euros from 2021 to 2025. Author's own elaboration based on data from Zonebourse (n.d.)

Appendix 16: ROE and ROA of Carrefour from 2021 to 2025



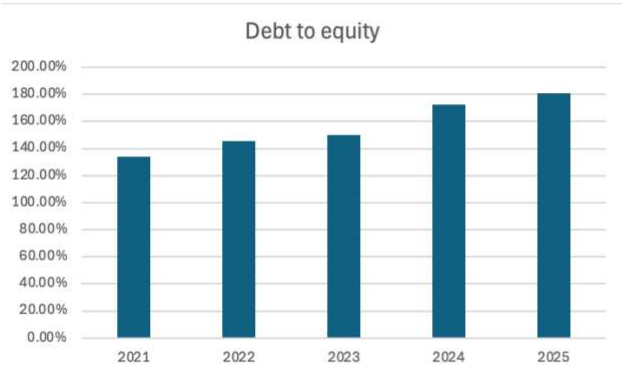
Note. This figure illustrates Carrefour's ROE and ROA percentage from 2021 to 2025. Author's own elaboration based on data from Zonebourse (n.d.)

Appendix 17: Current ratio of Carrefour from 2021 to 2025



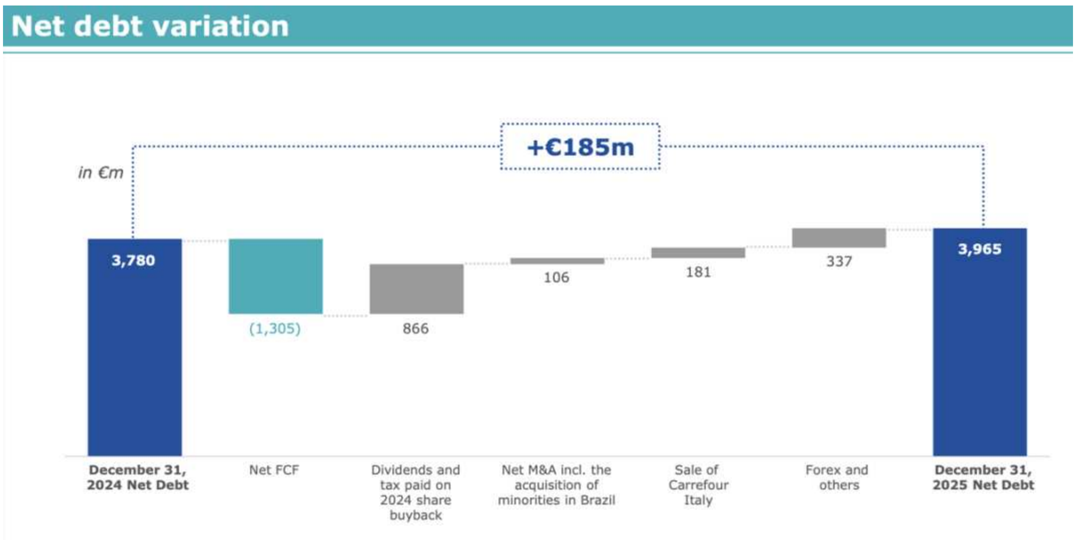
Note. This figure illustrates Carrefour's current ratio from 2021 to 2025. Author's own elaboration based on data from Zonebourse (n.d.)

Appendix 18: Debt to equity of Carrefour from 2021 to 2025



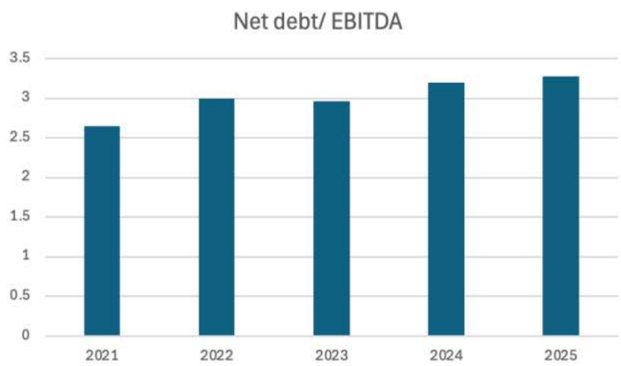
Note. This figure illustrates Carrefour's debt to equity percentage from 2021 to 2025. Author's own elaboration based on data from Zonebourse (n.d.)

Appendix 19: Net debt variation of Carrefour from 2024 to 2025



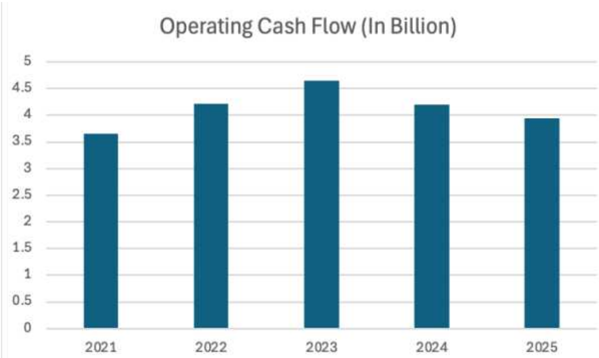
Note. This figure illustrates the variation in Carrefour's net debt between 2024 and 2025. Source: Carrefour (2026a)

Appendix 20: Net debt/ EBITDA of Carrefour from 2021 to 2025



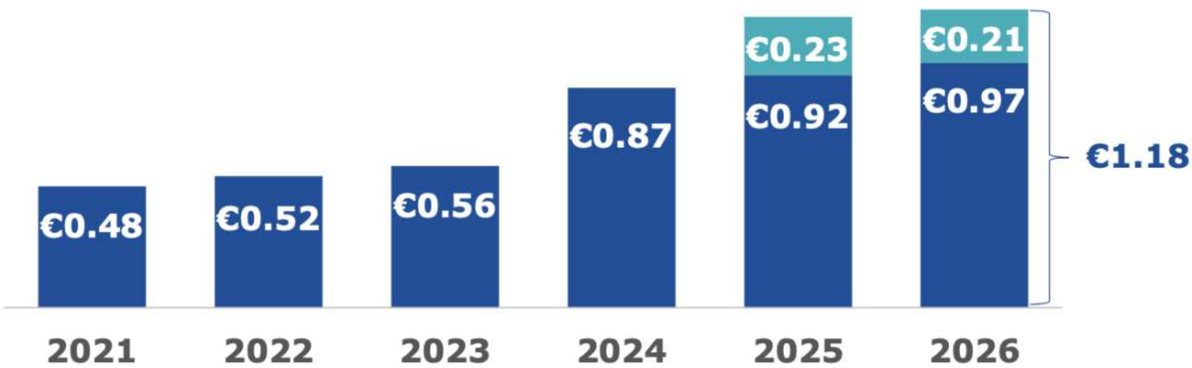
Note. This figure illustrates Carrefour's net debt to EBITDA from 2021 to 2025. Author's own elaboration based on data from Zonebourse (n.d.)

Appendix 21: Operating Cash flow of Carrefour from 2021 to 2025



Note. This figure illustrates Carrefour's Operating cash flow in Billion euros from 2021 to 2025. Author's own elaboration based on data from Zonebourse (n.d.)

Appendix 22: Dividend per share of Carrefour from 2021 to 2026



Note. This figure illustrates the evolution of dividend per share of Carrefour from 2021 to 2026. Source: Carrefour (2026a)

Appendix 23: Calculation of Forecast Free Cash Flows (base-case scenario)

Calculate the FCF

	Historical Data					Financial Forecasts				
Years	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Revenue (In Billion)	74.08	82.89	84.71	87.06	83.83	82.99	82.16	84.63	87.17	89.78
EBIT Margin	3.06%	2.86%	2.65%	2.52%	2.56%	2.70%	2.75%	2.85%	2.95%	3.00%
EBIT (In Billion)	2.27	2.37	2.24	2.19	2.15	2.24	2.26	2.41	2.57	2.69
Tax Rate %	23%	21%	33%	22%	33%	30%	30%	30%	30%	30%
Tax (In Billion)	0.52	0.49	0.74	0.49	0.71	0.67	0.68	0.72	0.77	0.81
Amortization and Depreciation (In Billion)	2.28	2.24	2.3	2.42	2.35	2.32	2.32	2.32	2.32	2.32
CapEx (In Billion)	-1.65	-1.88	-1.85	-1.77	-1.52	-1.6	-1.7	-1.8	-1.9	-2
Change in working capital requirement (In Billion)	-0.032	0.108	0.775	0.799	0.475	0.425	0.425	0.425	0.425	0.425
Free Cash Flow (In Billion)	2.35	2.35	2.73	3.16	2.74	2.71	2.63	2.63	2.64	2.63
Variation FCF 1Y		0.14%	16.41%	15.47%	-13.17%	-0.99%	-3.20%	0.25%	0.44%	-0.55%

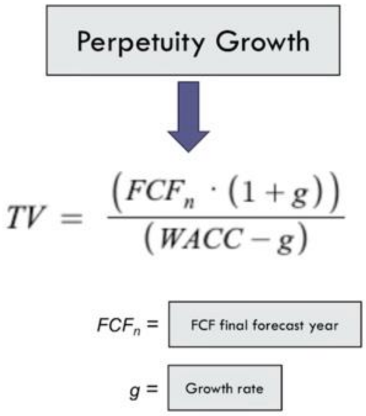
Note. This figure illustrates the data used to forecast FCF up to 2030. It is based on the author's own elaboration. The historical data are sourced from Zonebourse (n.d.), while the financial forecasts are based on the author's assumptions.

Appendix 24: WACC Calculation

WACC Calculation	
Equity value	12 303 823 650.00
Debt value	14 720 000 000.00
Cost of Debt	4.50%
Tax rate	30%
10y German Bonds	3%
Beta	0.697
Market Return	8%
Cost of Equity	6.49%
E / D +E	46%
D / D+E	54%
WACC	**5.36%**

Note. This figure illustrates the data used to calculate the WACC. It is based on the author's own elaboration using data from Zonebourse (n.d.); Damodaran, A. (2026a); Damodaran, A. (2026b); Bloomberg .(n.d.) and Investing.com. (n.d.).

Appendix 25: Perpetuity Growth Method



Note. This figure illustrates the perpetuity growth method. Author's own elaboration based from Pinto, J. E., Henry, E., Robinson, T. R., & Stowe, J. D. (2015)

Appendix 26: Terminal Value Calculation

Terminal Value Calculation

Assumptions						
WACC	5.36%					
Growth rate	1.50%					
Period	*0*	*1*	*2*	*3*	*4*	*5*
FCF (In Billions)		2.71	2.63	2.63	2.64	2.63
					TV (In Billions)	69.20

Note. This figure illustrates the data used to calculate the Terminal Value. It is based on the author's own elaboration.

Appendix 27: Enterprise Value Calculation

Discounting Cash Flows

Assumption						
WACC	5.36%					
Period	*0*	*1*	*2*	*3*	*4*	*5*
FCF (In Billion)		2.71	2.63	2.63	2.64	2.63
Terminal Value (In Billion)						69.20
Discount factor		0.95	0.90	0.86	0.81	0.77
PV of FCF (In Billion)		2.58	2.37	2.25	2.15	2.03
PV of TV (In Billion)						53.30
Enterprise Value (In Billion)	**64.67**					

Note. This figure illustrates the data used to calculate the enterprise value. It is based on the author's own elaboration.

Appendix 28: Share Price Calculation

Enterprise Value to Equity Value	
Enterprise Value	64 670 000 000.00
Net Debt	14 720 000 000.00
Equity Value	**49 950 000 000.00**
Shares Outstanding	736 315 000.00
Share Price	**67.84**

Note. This figure illustrates the data used to calculate the share price in euros under the DCF model. It is based on the author's own elaboration, and the data on shares outstanding are sourced from Bloomberg (n.d.).

Appendix 29: Calculation of Forecast Free Cash Flows (Worst-case scenario)

Calculate the FCF

	Historical Data					Financial Forecasts				
Years	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Revenue (In Billion)	74.08	82.89	84.71	87.06	83.83	79.29	78.50	80.85	83.28	85.78
EBIT Margin	3.06%	2.86%	2.65%	2.52%	2.56%	1.50%	1.50%	1.50%	1.50%	1.50%
EBIT (In Billion)	2.27	2.37	2.24	2.19	2.15	1.19	1.18	1.21	1.25	1.29
Tax Rate %	23%	21%	33%	22%	33%	35%	35%	35%	35%	35%
Tax (In Billion)	0.52	0.49	0.74	0.49	0.71	0.42	0.41	0.42	0.44	0.45
Amortization and Depreciation (In Billion)	2.28	2.24	2.3	2.42	2.35	2.32	2.32	2.32	2.32	2.32
CapEx (In Billion)	-1.65	-1.88	-1.85	-1.77	-1.52	-1.6	-1.7	-1.8	-1.9	-2
Change in working capital requirement (In Billion)	-0.032	0.108	0.775	0.799	0.475	0.425	0.425	0.425	0.425	0.425
Free Cash Flow (In Billion)	2.35	2.35	2.73	3.16	2.74	1.92	1.81	1.73	1.66	1.58
Variation FCF 1Y		0.14%	16.41%	15.47%	-13.17%	-30.01%	-5.62%	-4.26%	-4.40%	-4.56%

Note. This figure illustrates the data used to forecast FCF under the worst-case scenario up to 2030. It is based on the author's own elaboration. The historical data are sourced from Zonebourse (n.d.), while the financial forecasts are based on the author's assumptions.

Appendix 30: WACC Calculation (Worst-case scenario)

WACC Calculation	
Equity value	12 303 823 650.00
Debt value	14 720 000 000.00
Cost of Debt	4.50%
Tax rate	35%
10y German Bonds	3%
Beta	0.697
Market Return	8%
Cost of Equity	6.49%
E / D +E	46%
D / D+E	54%
WACC	**5.24%**

Note. This figure illustrates the data used to calculate the WACC under the worst-case scenario. It is based on the author's own elaboration using data from Zonebourse (n.d.);

Damodaran, A. (2026a); Damodaran, A. (2026b); Bloomberg .(n.d.) and Investing.com. (n.d.).

Appendix 31: Terminal Value Calculation (Worst-case scenario)

Terminal Value Calculation						
Assumptions						
WACC	5.24%					
Growth rate	1.50%					
Period	*0*	*1*	*2*	*3*	*4*	*5*
FCF (In Billions)		1.92	1.81	1.73	1.66	1.58
					TV (In Billions)	42.97

Note. This figure illustrates the data used to calculate the Terminal Value under the worst-case scenario. It is based on the author's own elaboration.

Appendix 32: Enterprise Value Calculation (worst-case scenario)

Discounting Cash Flows						
Assumption						
WACC	5.24%					
Period	*0*	*1*	*2*	*3*	*4*	*5*
FCF (In Billion)		1.92	1.81	1.73	1.66	1.58
Terminal Value (In Billion)						42.97
Discount factor		0.95	0.90	0.86	0.82	0.77
PV of FCF (In Billion)		1.82	1.63	1.49	1.35	1.23
PV of TV (In Billion)						33.29
Enterprise Value (In Billion)	**40.81**					

Note. This figure illustrates the data used to calculate the enterprise value under the worst-case scenario. It is based on the author's own elaboration.

Appendix 33: Share Price Calculation (Worst-case scenario)

Enterprise Value to Equity Value	
Enterprise Value	40 810 000 000.00
Net Debt	14 720 000 000.00
Equity Value	**26 090 000 000.00**
Shares Outstanding	736 315 000.00
Share Price	**35.43**

Note. This figure illustrates the data used to calculate the share price in euros under the DCF model for the worst-case scenario. It is based on the author's own elaboration, and the data on shares outstanding are sourced from Bloomberg (n.d.).

Appendix 34: Calculation of Forecast Free Cash Flows (Best-case scenario)

Calculate the FCF

	Historical Data					Financial Forecasts				
Years	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Revenue (In Billion)	**74.08**	**82.89**	**84.71**	**87.06**	**83.83**	85.69	84.83	87.38	90.00	92.70
EBIT Margin	3.06%	2.86%	2.65%	2.52%	2.56%	3.20%	3.20%	3.20%	3.20%	3.20%
EBIT (In Billion)	2.27	2.37	2.24	2.19	2.15	2.74	2.71	2.80	2.88	2.97
Tax Rate %	23%	21%	33%	22%	33%	30%	30%	30%	30%	30%
Tax (In Billion)	0.52	0.49	0.74	0.49	0.71	0.82	0.81	0.84	0.86	0.89
Amortization and Depreciation (In Billion)	2.28	2.24	2.3	2.42	2.35	2.32	2.32	2.32	2.32	2.32
CapEx (In Billion)	-1.65	-1.88	-1.85	-1.77	-1.52	-1.6	-1.7	-1.8	-1.9	-2
Change in working capital requirement (In Billion)	-0.032	0.108	0.775	0.799	0.475	0.425	0.425	0.425	0.425	0.425
Free Cash Flow (In Billion)	2.35	2.35	2.73	3.16	2.74	3.06	2.95	2.90	2.86	2.82
Variation FCF 1Y		0.14%	16.41%	15.47%	-13.17%	11.81%	-3.89%	-1.46%	-1.42%	-1.38%

Note. This figure illustrates the data used to forecast FCF under the best-case scenario up to 2030. It is based on the author's own elaboration. The historical data are sourced from Zonebourse (n.d.), while the financial forecasts are based on the author's assumptions.

Appendix 35: Terminal Value Calculation (Best-case scenario)

Terminal Value Calculation

Assumptions	
WACC	5.36%
Growth rate	1.50%

Period	*0*	*1*	*2*	*3*	*4*	*5*
FCF (In Billions)		3.06	2.95	2.90	2.86	2.82
					TV (In Billions)	74.23

Note. This figure illustrates the data used to calculate the Terminal Value under the best-case scenario. It is based on the author's own elaboration.

Appendix 36: Enterprise Value Calculation (Best-case scenario)

Discounting Cash Flows

Assumption	
WACC	5.36%

Period	*0*	*1*	*2*	*3*	*4*	*5*
FCF (In Billion)		3.06	2.95	2.90	2.86	2.82
Terminal Value (In Billion)						74.23
Discount factor		0.95	0.90	0.86	0.81	0.77
PV of FCF (In Billion)		2.91	2.65	2.48	2.32	2.17
PV of TV (In Billion)						57.18

Enterprise Value (In Billion)	**69.72**

Note. This figure illustrates the data used to calculate the enterprise value under the best-case scenario. It is based on the author's own elaboration.

Appendix 37: Share Price Calculation (Best-case scenario)

Enterprise Value to Equity Value	
Enterprise Value	69 720 000 000.00
Net Debt	14 720 000 000.00
Equity Value	**55 000 000 000.00**
Shares Outstanding	736 315 000.00
Share Price	**74.70**

Note. This figure illustrates the data used to calculate the share price in euros under the DCF model for the best-case scenario. It is based on the author's own elaboration, and the data on shares outstanding are sourced from Bloomberg (n.d.).

Appendix 38: Comparative analysis of 13 major European food retail companies

Ticker	Name	Mkt Cap (EUR)	Last Px (EUR)	Chg Pct 1D	Chg Pct 1M	Rev - 1 Yr Gr:Y	EPS - 1 Yr Gr:Y	P/E	ROE	Dvd 12M Yld	EV/EBITDA
Median	Median	7 973.22	12.42	-0.45	-0.78	4.00	8.48	20.54	15.80	3.02	9.14
CA FP Equity	CARREFOUR SA	12 241.23	16.63	1.00	7.26	0.71	11.03	12.34	12.71	6.92	7.59
CO FP Equity	CASINO GUICHARD PERRACHON	65.35	0.16	5.16	-9.65	-5.39	-98.43	0.03	-32.83	-	5.11
DNP PW Equity	DINO POLSKA SA	8 052.22	8.21	0.23	-15.49	14.90	5.06	21.93	19.98	-	3.09
AXFO SS Equity	AXFOOD AB	6 309.82	29.10	-0.76	-4.13	6.06	6.29	29.09	33.38	2.77	4.07
DIA SM Equity	DISTRIBUIDORA INTERNACIONAL	2 418.15	41.65	-0.60	3.74	-2.81	80.82	21.03	147.04	-	9.48
AD NA Equity	KONINKLIJKE AHOLD DELHAIZE N	36 272.63	41.02	-0.61	-2.59	3.35	4.41	16.28	16.22	3.02	9.38
JMT PL Equity	JERONIMO MARTINS	13 303.26	21.14	0.19	-5.29	7.55	13.59	20.60	20.26	2.79	8.56
TSCO LN Equity	TESCO PLC	34 520.04	5.41	-2.97	-3.86	2.54	16.92	20.49	16.30	3.03	10.56
COLR BB Equity	COLRUYT GROUP N.V	4 116.99	34.14	-1.61	0.71	1.10	-69.66	13.61	9.52	4.04	6.01
SON PL Equity	SONAE	3 992.00	2.00	-2.16	1.11	14.21	10.68	26.61	7.53	2.97	9.91
MKS LN Equity	MARKS & SPENCER GROUP PLC	8 481.04	4.11	-0.11	-0.42	5.96	12.28	367.06	12.14	1.06	10.18
KESKOB FH Equity	KESKO OYJ-B SHS	7 894.21	19.83	-0.30	-1.15	4.65	-2.43	19.63	15.37	4.52	13.39
PCO PW Equity	PEPCO GROUP NV	3 801.27	6.58	0.36	4.42	8.73	67.24	22.02	72.91	1.47	8.90
SBRY LN Equity	SAINSBURY (J) PLC	9 115.55	4.01	-0.77	0.61	1.78	-11.83	18.64	10.27	7.12	9.55

Note. This figure illustrates a comparative analysis of 13 major European food retail companies. Author's own elaboration based on data from Bloomberg (n.d.)