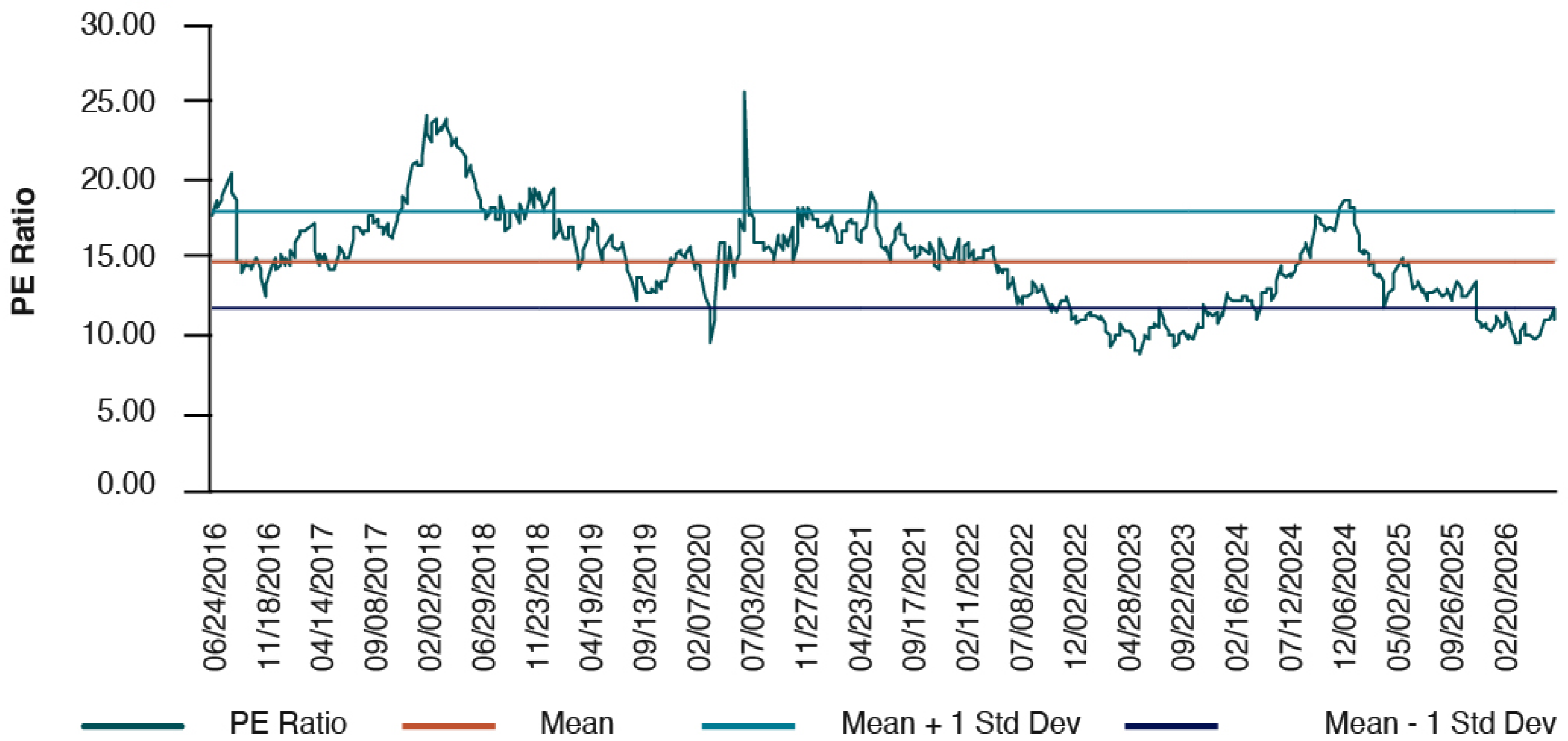


Mr Price mispriced?

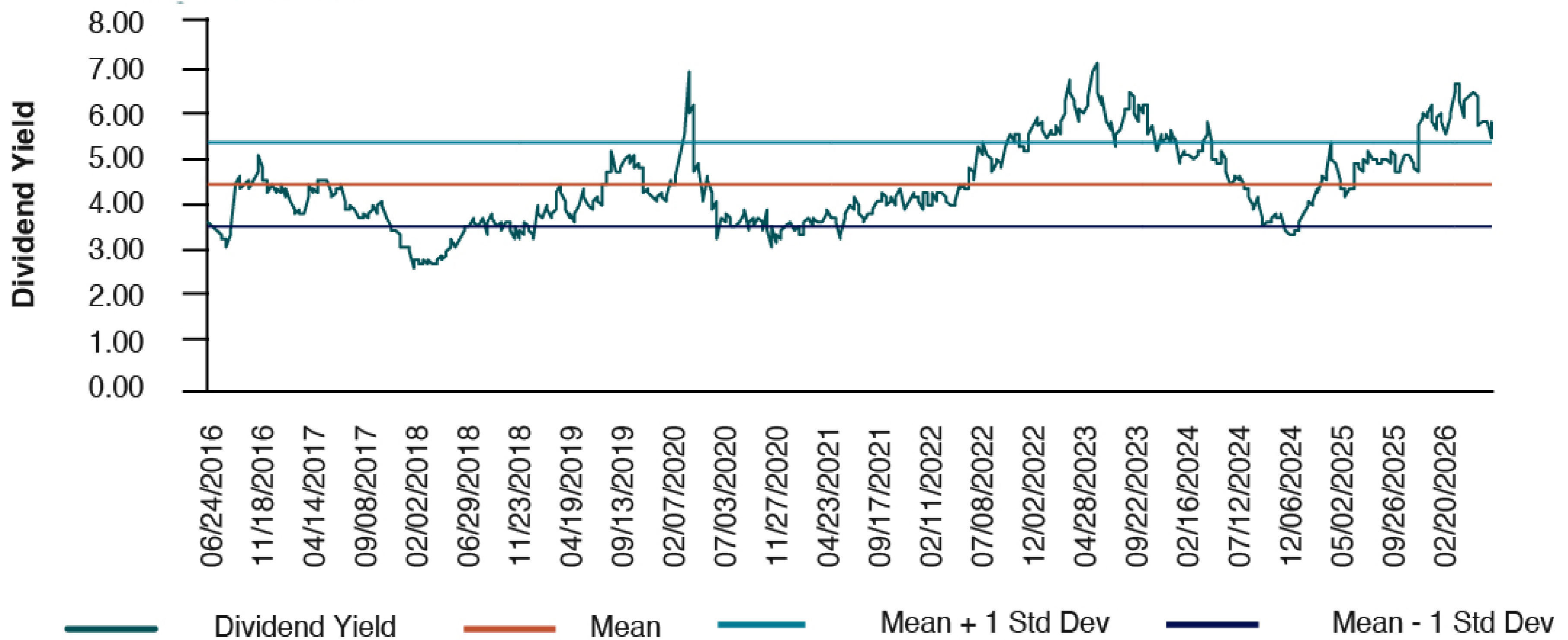
The market wiped off R14 billion in value of Mr Price after its acquisition of a European value retailer. Yet beneath the surface, the fundamentals tell a different story – one of resilience, strong cash generation, and long-term potential.

[Laurium Capital](#), investment manager of the [Curate Momentum Equity Fund](#), believes Mr Price is undervalued and has accumulated a position in the South African retailer.

PE Ratio Over Time



Dividend Yield Over Time



Source of chart: Bloomberg, 8 July 2026

Summary of chart

The announcement of Mr Price's acquisition of European value retailer NKD was not well received by the market, with the market wiping off R14 billion in value vs the NKD acquisition value of around R9.5 billion. Laurium believes Mr Price is undervalued, trading on 11x forward PE, with the lower share price both compressing the multiple and mechanically lifting the dividend yield. Despite this, it remains a highly cash-generative, high-return business. Its 6% forward dividend yield remains attractive and is supported by a 7% free cash flow yield, offering investors income and potential valuation upside if sentiment towards the share normalises.

How does this link to the positioning of the fund?

The position reflects the [Curate Momentum Equity Fund's](#) active, valuation-driven approach: adding exposure where the market has overreacted to near-term concerns, while maintaining focus on cash-generative businesses with resilient earnings, strong balance sheets and attractive dividend support within South African equities.



Why is this relevant?

- Mr Price's forward PE has fallen to an attractive level, suggesting the market may be underappreciating the quality and cash generative profile of its core SA business.
- The negative response to the NKD acquisition appears excessive, given that the resilient South African core business still contributes nearly 90% of profits.
- The dividend yield is compelling, supported by strong free cash flow, and provides investors with income while waiting for sentiment to improve.

Curate Momentum Equity Fund

Managed by [Laurium Capital](#) (FSP 34142)



Overview of the Curate Momentum Equity Fund

The [Curate Momentum Equity Fund](#) is designed for investors who want to build their wealth over the long term by holding shares in companies listed on stock exchanges both in South Africa and around the world. It looks to maximise returns for investors by identifying those shares with the best prospects over 5 to 7 years.

For more information, visit our website [here](#).

Disclosures

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