VALUATION REPORT:

DROGUERÍA INTI S.A.

Name: Ricardo Ruiz Rea

2023

ÍNDICE

1. Introduction

This report provides a comprehensive valuation analysis of Droguería Inti S.A., aiming to determine the company's value and equity based on projected cash flows and discounting assumptions.

Projections were made using fundamentals, including historical growth rates and market news. In the final stage, scenario analysis will be conducted focusing on key variables to establish a range of values for both the company and its equity.

2. Company Overview

Droguería Inti S.A. is a Bolivian pharmaceutical company with a strong 87-year legacy, distinguished by its commitment to safeguarding life and health. With over 1,300 manufactured and distributed products, Droguería Inti reaches more than 5,000 pharmacies across the country. The company is headquartered in La Paz, Bolivia, and holds Good Manufacturing Practices certification from Bolivia's Ministry of Health and Sports, ensuring quality in its processes.

Guided by the principle "with health, anything is possible," Droguería Inti seeks not only to commercialize pharmaceutical products but also to make a positive impact on people's lives and well-being, positioning itself as a leader in the industry.

3. Company Valuation

3.1 Purpose of the Valuation

The objective of this valuation exercise is to establish an estimated value for Droguería Inti by applying a financial valuation model.

3.2 Business Analysis (Porter's Five Forces)

1. **Competitive Rivalry:**
   Droguería Inti operates in Bolivia's competitive pharmaceutical market, with a presence in various Latin American countries. Rivalry can be intense due to pressures to lead the market and maintain profit margins.
2. **Threat of New Entrants:**
   With plans for expansion into Latin American countries like Brazil, Mexico, and Ecuador, the threat of new competitors may rise, particularly in markets with low entry barriers.
3. **Bargaining Power of Suppliers:**
   In the pharmaceutical sector, suppliers of key raw materials can exert bargaining power.

Inti must manage supplier relationships to ensure efficient sourcing and competitive costs.

4. **Bargaining Power of Buyers:**
   Inti's clients, including public health entities and private companies, may negotiate pricing and terms. Maintaining product and service quality is essential for customer retention.
5. **Threat of Substitutes:**
   The threat of substitutes in pharmaceuticals is moderate and depends on product specificity and differentiation. Inti needs to innovate and stay attuned to market demands.

3.3 Forecasts

Droguería Inti is a well-established player in Bolivia's pharmaceutical industry, demonstrating growth in sales and cost-efficiency year over year. In the coming years, Inti expects to improve its financial performance through strategic investments, including new production plants and logistics centers in key cities. These actions, along with partnerships such as the recent collaboration with Roche, the world's leading biotechnology company, will expand Inti's product portfolio and reinforce its growth trajectory.

Overall, growth assumptions are projected to positively influence both the company's firm value and equity.

3.4 Selection of the Valuation Method

The selection of the Free Cash Flow Discounted Cash Flow (DFCF) method for valuing Droguería Inti S.A. is based on its status as the most comprehensive approach, especially relevant for a Bolivian company where market data is limited. This method offers a long-term perspective by focusing on projected future cash flows, effectively capturing the value of future cash generation. The flexibility of DFCF is crucial in a dynamic and evolving business environment within a developing country like Bolivia. Furthermore, the method's ability to account for risks through specific discount rates adds a critical dimension for assessing volatility, industry-specific uncertainties, and country-related risks.

Finally, in aiming to determine the company's intrinsic value, the DFCF method aligns with the interests of long-term investors who seek to understand the underlying worth of the company. Overall, the choice of DFCF is well-founded as a robust and comprehensive approach to assessing Inti's value in its specific context and with the data available.

3.5 Forecast Conversion (Valuation)

3.5.1 WACC Calculation

Beta Calculation

The Pureplay method, as described in the paper "Estimation of Cost of Equity and Capital Cost through Adjusted Risk Premium Rates" by the renowned finance expert Alejandro Vargas, Ph.D., was employed. By analyzing stock returns from comparable companies in the sector and using market returns from the Brazilian Stock Exchange (Bovespa), a beta value of 0.93 was derived. This beta was then re-leveraged with a debt-to-equity (D/E) ratio of 44%, based on 2022 data, resulting in a leveraged beta of 1.21, reflecting the company's debt level.

The following variables were used to calculate the Cost of Equity (Re) using the Capital Asset Pricing Model (CAPM) approach:

- Beta: 1.21
- Country Risk Premium for Bolivia (Moody's): 20%
- U.S. Treasury Bonds: 4.09%

These inputs yielded a Cost of Equity (Re) of 28%.

For the Cost of Debt (Rd) calculation, the risk-free rate for Bolivia was determined by adding the U.S. risk-free rate to Bolivia's EMBI rating, resulting in a risk-free rate of 21%. The interest coverage ratio was also factored in, with a risk rating scale ranging from 0.5% to 10%, depending on the company's position within the scale, leading to a risk rating of 2.5%. This combined to produce a Cost of Debt (Rd) of 24%.

$$R_{wacc} = r_e * \frac{E}{V} + r_d * (1 - Tax) * \frac{D}{V}$$

Finally, applying the WACC formula resulted in a Weighted Average Cost of Capital (WACC) of 24.72%.

3.5.2 Analysis of Variable Support

To optimize and enhance the accuracy of projections, an in-depth analysis was conducted on the most significant variables, focusing on both quantitative and qualitative aspects. This approach was applied sequentially to the income statement, cash flow statement, and finally the balance sheet.

Income Statement

- **Sales Growth**: Sales are the most critical variable in determining growth. To establish a basis for this variable, historical data was used, including information from the context of Inti's 2017 bond issuance (VI issuance), where Inti held a 21.1% market share of Bolivia's total pharmaceutical market, valued at 2 billion bolivianos. This market is expected to grow in line with Real GDP projections.

  By conducting a projection analysis and applying the average sales growth rate, we estimated future trends based on past financial statements, maintaining this trend for subsequent years. The average growth rate was calculated through this forecasting method to improve projection efficiency. Additionally, qualitative data was incorporated, such as expansion efforts through the opening of a new logistics center in Bolivia's fifth-largest city and the expansion of the El Alto plant.

  Finally, projected improvements in sales performance are expected due to strategic partnerships with international companies like Roche, the world's largest biotechnology firm, which has added new products to Inti's portfolio. These partnerships are anticipated to enhance Inti's offerings and support growth in sales.

Graph 1: Forecast GDP ARIMA (3,1,2)

Sample: 2 - 130 — Number of obs = 129
Log likelihood = -1812.351 — Wald chi2(5) = 12698.29 — Prob > chi2 = 0.0000

D.pib	Coef.	OPG Std. Err.	z	P>|z|	[95% Conf.	Interval]
pib						
_cons	57475.8	20883.04	2.75	0.006	16545.81	98405.8
ARMA						
ar						
L1.	-.960475	.1553477	-6.18	0.000	-1.264951	-.6559991
L2.	-.6752848	.2267532	-2.98	0.003	-1.119713	-.2308567
L3.	-.7116653	.0941971	-7.56	0.000	-.8962882	-.5270424
ma						
L1.	.5406342	.1763366	3.07	0.002	.1950208	.8862476
L2.	-.29466	.1369412	-2.15	0.031	-.5630597	-.0262602
/sigma	300480.3	10535.14	28.52	0.000	279831.9	321128.8

Note: The test of the variance against zero is one sided, and the two-sided confidence interval is truncated at zero.

```
. wntestq resid11

Portmanteau test for white noise
---------------------------------------
Portmanteau (Q) statistic =    26.4508
Prob > chi2(40)           =     0.9509
```

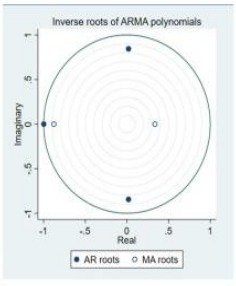


Table 1: GDP Growth Rate

2023	2.5%
2024	1.9%
2025	2.8%
2026	2.6%

Año	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
MERCARDO FARMACEUTICO BS	2,559,241,706.16	2,666,729,857.82	2,778,732,511.85	2,839,864,627.11	2,592,796,404.55	2,722,436,224.78	2,785,052,257.95	2,854,678,564.40	2,908,917,457.12	2,990,367,145.92	3,068,116,691.71
MARKET SHARE	21.10%	21.86%	23.56%	24.93%	25.83%	26.76%	27.72%	28.42%	29.44%	30.50%	31.60%
MARKET SHARE BS	540,000,000.00	582,936,480.00	654,798,557.51	708,017,965.07	669,691,536.58	728,490,453.50	772,074,580.35	811,160,855.98	856,329,537.08	911,997,807.63	969,395,301.65
							Tasa promedio	0.05856325			

Cost of Sales:

The cost of sales is expected to increase due to the depreciation of the Bolivian boliviano, which affects the cost of importing materials for pharmaceutical production. Currently, 30% of inputs are imported, and the currency has depreciated by 24% in the parallel market. This depreciation trend is anticipated to continue in the coming years, as recent policy measures have been merely temporary solutions to the currency crisis.

Based on an analysis of Bolivia's twin deficits and Net International Reserves (NIR), it is projected that the boliviano will continue depreciating at a similar rate. Consequently, the cost of sales is expected to rise by 7.2% annually on the 30% of costs attributed to imported inputs. The remaining 70% of inputs, sourced domestically, is estimated to grow at an average inflation rate of 3.3%, according to projections from the International Monetary Fund (IMF). This results in a weighted average increase in production costs over time.

Table 2: Cost of Sales

Cost of sales		
24%	30%	7.20%
70%	3.30%	2.31%
WEIGHTED AVERAGE		9.51%

Expenses and Taxes:

All expenses will be adjusted according to the inflation rate projected by the IMF, combined with the percentage they represented in previous years, to maintain a consistent trend. Taxes were calculated by working backward to derive Earnings Before Taxes (EBT) and determining the relative proportion, resulting in an average tax rate of 2.26%.

Exchange Rate Variance: The exchange rate variance is based on the assumption of continued depreciation of the boliviano, affecting a portion of imported materials necessary for pharmaceutical production.

Financial Expenses: Financial expenses were calculated using an amortization schedule for both financial obligations and accumulated bond issuances. Data from the bond prospectus and the 2022 annual report were used to further detail these expenses. The annual interest costs for each item were totaled.

Taxes: To determine the effective tax rate, the value of taxes was divided by net income (less taxes) based on historical data, confirming an effective tax rate of 2.26%.

Balance Sheet

Total Assets:
Total assets reflect an annual growth rate of 6.6%, based on the historical average, indicating ongoing investments in capital expenditures (CAPEX). Fixed assets also grow at this rate, with the average proportion from the vertical analysis used as the basis for this calculation.

Table 3: Assets Growth Rate

2019	1.80%
2020	6.62%
2021	9.80%
2022	6.71%
Promedio	6.23%

Accounts Receivable (AR): Accounts receivable are adjusted based on sales growth and maintain a consistent proportion of total assets. In 2022, the expansion of a commercial and logistics center in El Alto was recorded, which may impact AR levels.

Temporary Investments: Temporary investments, which first appeared in 2022, are projected to grow at an annual rate of 1.9% due to investments in financial notes. This increase reflects a favorable liquidity position aimed at enhancing profitability.

Inventory: Inventory levels are directly linked to projected sales growth, adjusting as the company's sales expand.

Fixed Assets: Fixed assets were analyzed using a horizontal growth rate, although there was an initial reduction to improve liquidity for ongoing projects. This adjustment assumes no additional debt will be acquired.

Liabilities and Equity

Total liabilities show a downward trend due to debt repayments through bonds and potential debt amortization. According to the bond issuance prospectus, capital is amortized variably over the projected years, with an average amortization rate used to aid in liquidity and leverage management within the simulations.

Equity increases as a result of rising retained earnings from sales growth, along with a substantial increase in capital contributed by partners to fund strategic investments.

Trade Payables: Trade payables were adjusted to reflect their importance within total liabilities, with an increase in financing from these accounts, as well as from suppliers.

Financial Obligations and Bonds: As explained in the financial expenses section, amortization schedules were created, with the paid capital being added progressively. To differentiate between short- and long-term obligations, the paid capital from a previous period was subtracted to monitor the remaining balance.

Legal Reserve: In accordance with regulations, 5% of profits must be retained until reaching 50% of paid capital.

Retained Earnings: The formula used for retained earnings was the sum of past retained earnings plus current period earnings, minus the annual change in the legal reserve and the dividends paid.

Dividends: Following Droguería Inti's policy and previous years' percentages, a dividend payout of 27% of net income was decided.

3.5.2 Projected Free Cash Flow

Below is the projected free cash flow (FCF) statement:

DROGUERÍA INTI S.A.				
	Proyección			
FLUJO DE EFECTIVO	2023	2024	2025	2026
Resultado Neto	84.548.453	98.506.064	115.963.288	132.517.848
Depreciación	-	-	-	-
Cuentas por Cobrar comerciales	(11.314.251)	(11.338.573)	(7.693.784)	(7.717.636)
Otras Cuentas por Cobrar	(2.217.298)	(940.873)	(638.429)	(640.408)
Pagos Anticipados	1.845.853	1.772.019	1.701.138	1.633.093
Inventarios	(44.283.738)	(32.266.969)	(21.894.737)	(21.962.617)
Inventarios LP	8.150.672	(4.066.024)	(2.758.999)	(2.767.553)
Otros Activos LP	(1.150.640)	(542.542)	(368.142)	(369.283)
Deudas comerciales	16.707.110	8.582.081	5.823.367	5.841.421
Deudas diversas	(15.786)	52.769	35.807	35.918
Impuestos y cargas sociales por pagar	2.929.077	8.192.877	5.559.273	5.576.508
Deudas comerciales LP	60.755.707	7.646.685	5.188.655	5.204.741
Previsión para indemnizaciones	5.471.084	5.490.975	3.725.898	3.737.450
Flujo de Efectivo de Operaciones	**121.426.243**	**81.088.488**	**104.643.335**	**121.089.481**
Inversiones Temporarias	(13.592.579)	(2.560.274)	(1.737.273)	(1.742.659)
Inversiones Permanentes	(5.759.344)	(3.619.099)	(2.455.738)	(2.463.351)
Activo Fijo	108.679.075	(23.213.151)	(15.751.273)	(15.800.106)
Flujo de Efectivo de Inversiones	**89.327.151**	**(29.392.524)**	**(19.944.284)**	**(20.006.116)**
Obligaciones financieras	(1.400.028)	296.864	311.432	326.714
Bonos y pagarés bursátiles	(1.606.030)	959.784	7.083.192	1.044.000
Obligaciones financieras LP	(6.049.788)	(6.346.652)	(6.658.083)	(6.984.797)
Bonos y pagarés bursátiles LP	(13.533.024)	(14.492.808)	(21.576.000)	(22.620.000)
Capital pagado	-	-	-	-
Ajuste de capital	3.362.933	4.654.271	3.158.153	3.167.944
Ajustes	198.285	274.424	186.210	186.788
Dividendo	(22.828.082)	(26.596.637)	(31.310.088)	(35.779.819)
Flujo de Efectivo de Financiamiento	**(41.855.735)**	**(41.250.754)**	**(48.805.184)**	**(60.659.170)**
Saldo Inicial de Efectivo	**320.186.324**	**489.083.984**	**499.529.194**	**535.423.061**
Saldo Final de Efectivo	**489.083.984**	**499.529.194**	**535.423.061**	**575.847.256**
Efectivo (Balance)	489.083.984	499.529.194	535.423.061	575.847.256
	-	-	-	-
FREE CASH FLOW TO THE FIRM	216.100.754,63	56.274.142,19	88.344.594,25	103.414.190,26
FREE CASH FLOW TO THE EQUITY	188.148.737,73	32.165.921,59	63.895.398,52	72.885.199,43

Table 4: Forecast Assumptions

Tax	25%
ROE	13%
ROC	10%
# of shares	3049576
DPS	8,20
EPS	30,43
be	73%
bf	52%
ge	9%
gf	5%
Margen Neto	12%
Re	26%
Rwacc	24%

- Using the growth assumptions for the accounts detailed above, projections were made for the balance sheet and income statement, leading to cash flow projections for the years 2024 to 2026. These projections allowed us to calculate the Free Cash Flow to the Firm (FCFF) and Free Cash Flow to Equity (FCFE), which will be used in the company's valuation.
- Different assumptions were applied to calculate both FCFF and FCFE, based on historical data from 2022 and using formulas from the book "Economic Valuation of Companies through Discounted Cash Flows, Value Creation Models, and Market Multiples" by Vargas, Ph.D.

4. Valuation Results

The valuation results provide an assessment of the firm value and equity value as of 2022 using both FCF methods.

Tiempo	1	2	3	4
Valor Presente FCFF	174.891.100	36.857.998	46.828.933	297.925.737
Valor Presente FCFE	149.482.025	20.303.519	32.042.956	221.420.621
Valor de la firma	556.503.768			
Valor del equity con FCFF	239.867.124			
Valor del equity con FCFE	423.249.121			
Valor Intrinsico según FCFF	79			
Valor Intrinsico según FCFE	139			

5. Scenario Analysis

A scenario analysis was conducted using Microsoft Excel's data analysis tools, incorporating projected cash flows and critical variables that directly impact present values, intrinsic values, and Return on Equity (ROE) for the year 2026.

This analysis helps evaluate potential outcomes based on varying assumptions, providing insights into the company's financial resilience under different market conditions.

Selection of Variables and Justification

The variables selected for adjustment across different scenarios include:

- **Sales Growth**: This is a critical variable as it directly impacts revenue and, therefore, the profitability of the company. It is sensitive to market conditions and consumer demand.
- **Increase in Costs**: Efficient cost management is essential for the company's sustainability and profitability. This variable influences the cost structure and profit margins.
- **Administrative, Operating, and Production Expenses**: These expenses reflect the company's operational efficiency and affect the final cash flow outcome.
- **Financial Obligations**: These represent the financial liabilities the company must manage to maintain solvency and investment capacity.
- **Bonds**: Changes in bond value impact the cost of capital and the company's financing structure.

These variables were adjusted in the following scenarios:

- **Pessimistic**: Assumes a decline in sales growth and an increase in costs and expenses, reflecting a contracting market and/or inefficient management.
- **Optimistic**: Represents a favorable market situation with an increase in sales and control over costs and expenses, maximizing profitability.
- **Conservative**: Maintains sales growth and cost control near current levels, providing a moderate projection that aligns closely with existing values.

These scenarios allow for a comprehensive analysis of the company's financial resilience under varying market and operational conditions, offering insights into potential impacts on profitability and financial stability.

6. Results Analysis

Scenario Summary				
	Current Values:	Pesimista	Optimista	Convservador
Changing Cells:				
Crecimiento de Ventas	5.86%	-2.00%	8.00%	5.85%
Incremento en Costos	0.0951	0.11	0.03	0.06
Gastos Administrativos	3.3%	5.0%	1.0%	3.3%
Gastos Operativos	3.3%	5.0%	1.0%	3.3%
Gastos de Producción	3.3%	5.0%	1.0%	3.3%
Obligaciones Fin	4.0%	2.0%	-0.1%	0.9%
Bonos	-0.0515625	-0.07	-0.15	-0.116
Result Cells:				
Valor Total Presente E con FCFF	Bs 131,342,976.69	Bs 31,229,088.99	Bs 271,382,564.18	Bs 174,660,686.69
Valor Total Presente FCFE	Bs 310,863,756.10	Bs 207,999,828.80	Bs 453,852,751.40	Bs 354,937,123.15
Valor Intrinsico con FCFF	Bs 43.07	Bs 10.24	Bs 88.99	Bs 57.27
Valor Intrinsico con FCFE	Bs 101.94	Bs 68.21	Bs 148.82	Bs 116.39
ROE 2026	9.38%	6.39%	12.43%	10.31%

The results generated by the model reveal significant variations across different scenarios, highlighting the company's sensitivity to both external and internal conditions. The Present Total Value adjusted by Free Cash Flow to Equity (FCFE) and Present Total Value adjusted by Free Cash Flow to Firm (FCFF) fluctuate considerably between scenarios, underscoring the importance of strategic management of the selected variables. The projected Return on Equity (ROE) for 2026 also reflects this variability, being highest in the optimistic scenario and lowest in the pessimistic scenario.

In conclusion, the scenario modeling has allowed us to identify how varying market conditions and management decisions can influence the company's financial performance. The choice of key variables aligns with the main determinants of the company's value and capital profitability. The adjustments made in each scenario are justified by potential changes in economic conditions and business management. It is recommended to adopt a flexible strategy that allows adaptation to economic fluctuations, maximizes shareholder value, mitigates risks in adverse scenarios, and seizes opportunities in favorable circumstances.

Monte Carlo Simulation in Excel

The following analysis is based on a Monte Carlo simulation performed to evaluate the probabilistic behavior of key financial variables. Using Visual Basic in Excel, 1,000 iterations were conducted to simulate the impact of variations in sales growth, costs, and expenses on intrinsic values calculated through Free Cash Flow to Firm (IVF), Free Cash Flow to Equity (IVE), and the Return on Equity (ROE) for 2026.

Simulation Technique

The Monte Carlo simulation was implemented using Visual Basic for Applications (VBA) in Excel, allowing for seamless integration with spreadsheets and direct manipulation of data and formulas. The simulation was designed to generate and analyze a set of probable outcomes for

the variables of interest: Intrinsic Value using FCFE (IVE), Intrinsic Value using FCFF (IVF), and ROE for the year 2026.

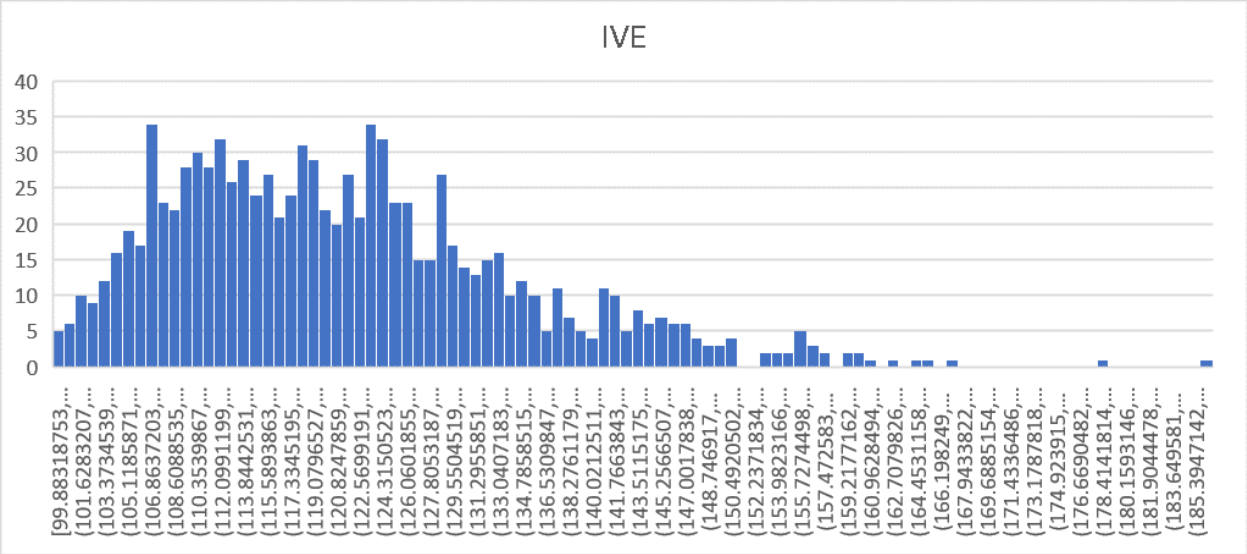
Random Number Generation

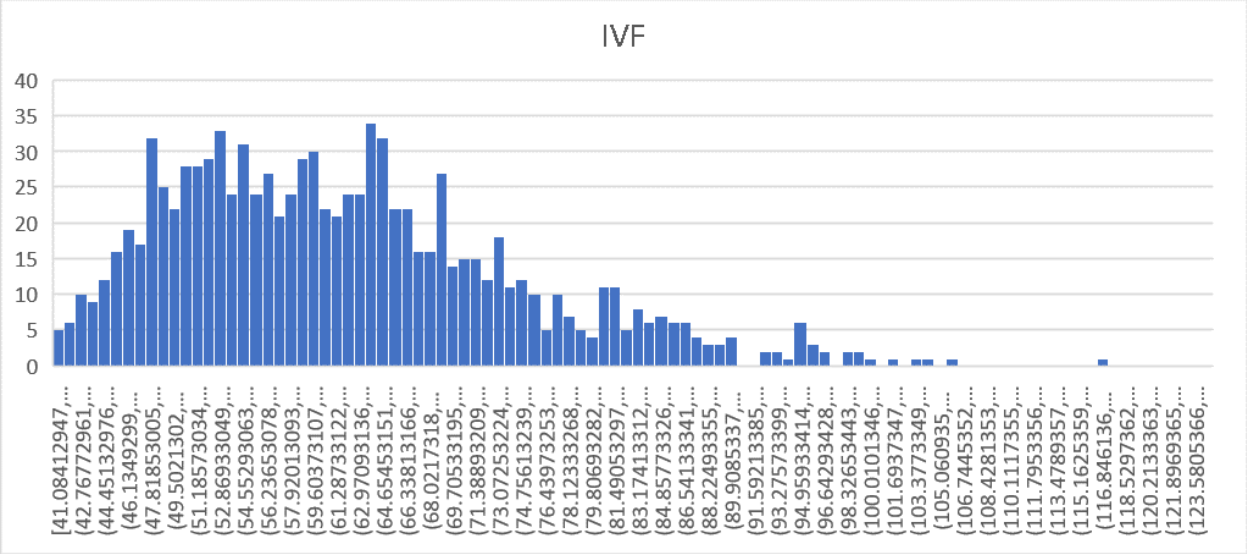
The simulation relies on generating random inputs following a specific distribution. In this case, the Box-Muller transform was used to create normally distributed random numbers, which were then applied as inputs for the model's independent variables.

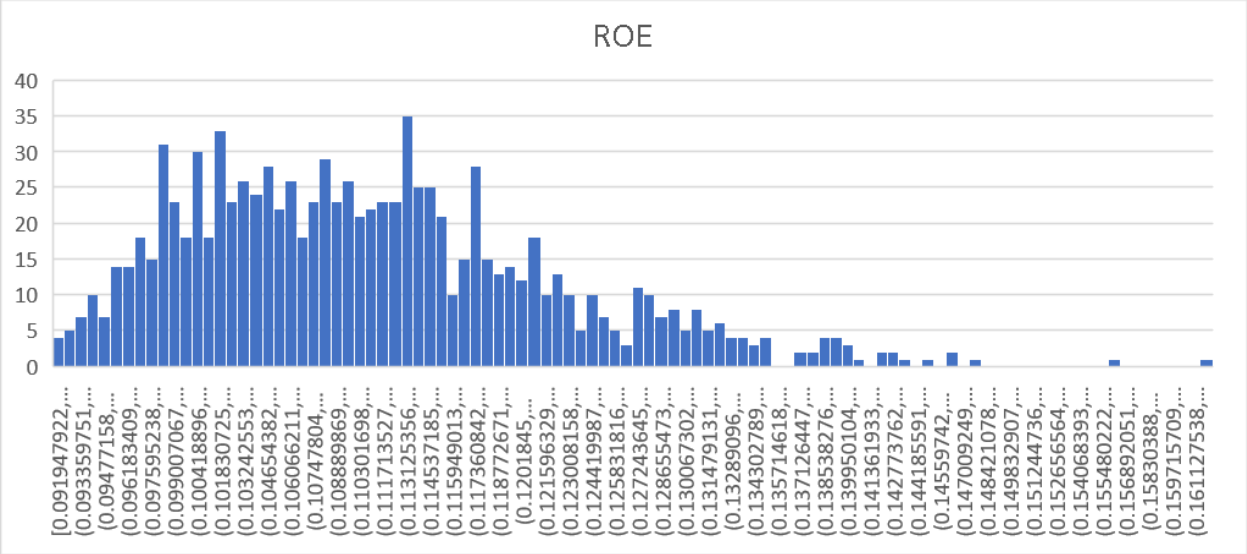
The results of the simulation are summarized in the following statistical table:

Estadístico	IVE (FCFE)	IVF (FCFF)	ROE 2026
Promedio (AV)	121.86	62.31	0.1113
Desviación Estándar (SD)	13.13	12.67	0.0111
Máximo (MAX)	187	125	0.1625
Mínimo (MIN)	100	41	0.0919
Mediana	119.9	60.42	0.1098
Curtosis (KURTOSIS)	1	1	0.6
Asimetría (SKEW)	0.91	0.91	0.79

These results suggest that both the intrinsic value and ROE exhibit a symmetric distribution around the mean, with variability remaining within a reasonable range. This indicates stability in the projected indicators under the model's assumptions.







6.1 Discussion

The analysis indicates that the company's projected intrinsic value and Return on Equity (ROE) for 2026 appear resilient against uncertainties in underlying economic factors. The similarity in skewness coefficients between the Intrinsic Value to Equity (IVE) and Intrinsic Value to Firm (IVF) suggests that both intrinsic values respond similarly to variations in sales, costs, and expenses.

The kurtosis, close to 1 for both intrinsic values, indicates a mesokurtic distribution, characteristic of a normal distribution. Conversely, ROE exhibits lower kurtosis and more pronounced skewness, implying that returns are more prone to extreme values than the intrinsic values.

Confidence Intervals for the Mean

The confidence interval for the mean is calculated as follows:

IC = Mean +/- Critical Value for 90% Confidence Level (1.645)* (SD/n)

	IVE		IVF		ROE
IC+	Bs	122.54	Bs	62.97	11.1854%
IC-	Bs	121.18	Bs	61.65	11.0700%

In this case, the 90% confidence intervals for IVE (FCFE), IVF (FCFF), and ROE provide the following insights:

- **For IVE (FCFE)**: The confidence interval ranges from Bs 121.18 to Bs 122.54. This means that, with 90% confidence, we can expect the intrinsic value using Free Cash Flow to Equity to fall within this range.
- **For IVF (FCFF)**: The interval ranges from Bs 61.65 to Bs 62.97. Similarly, we can be 90% confident that the intrinsic value using Free Cash Flow to the Firm will be within this range.
- **For ROE**: The confidence interval is from 11.0700% to 11.1854%. This indicates that, with 90% confidence, the Return on Equity for 2026 is likely to be between these percentage values.

These relatively narrow intervals indicate low dispersion around the mean in the simulation results, thus suggesting high precision in the estimates. Strategically, this implies a good level of certainty regarding the projections of these key financial indicators, which can be valuable for investment decision-making, financing, and strategic planning.

7. Valuation Conclusions

The valuation of Droguería INTI S.A. reveals a complex dynamic of overvaluation and undervaluation in the company's share price. Based on the equity value per share derived from Free Cash Flow to Equity (FCFE), the current price of Bs. 100 per share is lower than the estimated value of Bs. 69.13 per share, suggesting an overvaluation. Conversely, when considering the per-share value based on Free Cash Flow to Firm (FCFF), with an estimated value of Bs. 125.29, there is evidence of undervaluation, creating significant discrepancies in market pricing mechanisms. Given that the debt-to-equity structure fluctuates over time, the reference value per share is set at Bs. 69.13, as FCFF is often employed for companies with continuously changing capital structures.

The detailed financial analysis addressed the complexity of calculating the Weighted Average Cost of Capital (WACC) through precise estimations of Beta and other relevant parameters, underpinning the rigorous methodology used in the valuation.

The scenarios outlined in the report provide a comprehensive view of potential future trajectories for Droguería INTI S.A., accounting for critical variables such as sales growth, cost structure, operating expenses, and strategic alliances with international companies like Roche. These scenarios offer stakeholders insights into the company's adaptability and resilience under various market conditions.

The choice of the Discounted Free Cash Flow (DFCF) valuation method is justified by its thoroughness in capturing future cash flows effectively within a dynamic business environment like Bolivia's, where limited market data necessitates a long-term approach to accurately assess the intrinsic value of Droguería INTI S.A.

In conclusion, this valuation report for Droguería INTI S.A. represents a deep and detailed analysis that provides investors and stakeholders with a sophisticated understanding of the company's financial health and future prospects within Bolivia's competitive pharmaceutical sector.