

Advanced Financial Modeling & Valuation: Adani vs CBRE

Business Context

This project compares Adani Enterprises, an asset-heavy infrastructure conglomerate, with CBRE Group, an asset-light global real estate services firm. The comparison highlights how different capital structures and operating models impact valuation.

Modeling Approach

A five-year DCF model using Free Cash Flow to Firm (FCFF) was constructed. Terminal value was estimated using the Gordon Growth Method to reflect long-term sustainability.

Key Assumptions

Revenue growth assumptions reflected sector maturity. Margin assumptions were based on historical trends. Discount rates were derived from capital structure and business risk, without exposing formula-level details.

Valuation Output

Adani's intrinsic valuation indicates market pricing includes significant future growth optionality. CBRE's valuation reflects investor expectations of a cyclical recovery in global real estate markets.

Ratio Analysis Summary

Adani shows high leverage and capital intensity, while CBRE demonstrates strong capital efficiency and a lower-risk balance sheet.

Final Insights

Adani suits investors with high risk tolerance focused on long-term infrastructure growth. CBRE is better aligned with investors seeking steady cash generation and cyclical upside.