

RELATIVE VALUATION OF AXIS BANK BY  
NAMAN JAIN

Amount in crores

Comparable Company Valuation

		Market Data				Financials			Valuation			
Company	Ticker	Share Price	Shares Outstanding	Equity Value	Net Debt	Enterprise Value	Revenue	EBITDA	Net Income	EV/Revenue	EV/EBITDA	P/E
Axis Bank		1,246	310	3,86,712	13,76,933	17,65,367	1,29,273	38,489	26,134	13.7x	45.9x	14.8x
HDFC Bank		1,004	1,536	15,41,901	32,65,450	48,07,351	3,46,185	1,00,047	75,079	13.9x	48.1x	20.5x
ICICI Bank		1,363	714	9,73,921	17,46,774	27,20,695	1,92,685	75,481	56,975	14.1x	36.0x	17.1x
SBI		930	923	8,58,677	59,11,591	67,70,267	4,98,424	1,10,357	82,550	13.6x	61.3x	10.4x
Kotak Mah. Bank		2,161	199	4,29,697	5,67,194	9,96,891	67,852	29,930	18,574	14.7x	33.3x	23.1x
Bank of Baroda		277	517.14	1,43,038	15,39,154	16,82,192	1,30,143	29,086	19,618	12.9x	57.8x	7.3x
Punjab Natl. Bank		121	1149.29	1,39,016	16,77,139	18,16,155	1,29,503	26,973	17,110	14.0x	67.3x	8.1x
Canara Bank		130	907.07	1,17,836	14,59,323	15,77,159	1,23,951	23,895	16,826	12.7x	66.0x	7.0x
Indian Bank		853	134.70	1,14,398	7,94,391	9,08,789	64,543	15,406	11,278	14.1x	59.0x	10.1x
Union Bank (I)		147	763.36	1,12,469	12,52,017	13,64,486	1,09,365	24,508	18,813	12.5x	55.7x	6.0x
High										14.7x	67.3x	23.1x
75th Percentile										14.1x	60.8x	16.5x
Average										13.6x	53.0x	12.5x
Median										13.8x	56.8x	10.3x
25th Percentile										13.1x	46.4x	7.5x
Low										12.5x	33.3x	6.0x

Cipla Comparable Valuation						EV/Revenue	EV/EBITDA	P/E
Implied Enterprise Value						17,80,265	21,84,448	16,45,401
Net Debt						13,76,933	13,76,933	13,76,933
Implied Market Value						4,03,332	8,07,515	2,68,468
Shares Outstanding						310.30	310.30	310.30
Implied Value per Share						1,299.8	2,602.4	865.2

Source: Screener.in, Groww, Template by Valuation School

Undervalued Undervalued Overvalued

Relative valuation is preferred over DCF in banking due to irregular cash flows, regulatory influences, and complex balance sheets, making cash flow forecasting unreliable.

The Indian banking sector exemplifies these challenges, and relative valuation using P/B and P/E multiples offers a more practical and market-reflective approach for assessing bank value.