Understanding Shareholder Value

Essentials – Approx 2 Hours

By the end of the course, you will have a good understanding of shareholder value, including what it means from a shareholder’s point of view; what it means from a company’s point of view; the levers a company can pull to create more value; making the link with strategic actions that drive value creation and communicating shareholder value.

OUTCOMES

• Understand what shareholder value really means
• See how companies drive value internally and externally
• Understand the cost of capital and efficient balance sheets
• Make the link with strategic actions that drive value creation

WHAT YOU WILL LEARN

Introduction

The Shareholders Perspective
• Key shareholder value concepts
• Driving total shareholder return

The Company Perspective
• Return on equity
• The impact of leverage
• Return on capital employed
• Management’s task

Capital Management
• Efficient capital structures
• Changing the capital structure
• Cost of capital
• Capital management
• Real company examples

Capital Allocation
• Reminder
• Allocating capital
• Capital allocation examples

Growth and Returns
• Growth
• Profitability

Communicating Shareholder Value
• Expectations management
• Telling a great investment story – real company examples