

COURSE OUTLINE:

# Introduction to Corporate Finance

2 days  
16 CPE Credits

## Overview

Introduction to Corporate Finance provides participants with an understanding of shareholder value, the cost of capital and capital structure. In addition, the programme will provide an overview of the debt markets and equity capital markets, and review the fundamentals of mergers and acquisitions.

## Learning Objectives

Our objective is to provide you with the foundation for understanding and practicing corporate finance. Upon completion, you should expect to:

- » Understand the concept and drivers of shareholder value
- » Understand the major pillars of corporate finance theory, including the Capital Asset Pricing Model
- » Apply theory to reality while analyzing and designing a corporate's optimal capital structure
- » Describe the various approaches used in equity valuation
- » Understand the rationale, processes and valuation techniques used in mergers & acquisitions

## Who Should Attend

This program serves anyone involved in equity, debt or hybrid primary markets, or credit and corporate valuation. In addition, anyone unfamiliar with corporate finance or seeking to improve his or her understanding of the main topics covered should also attend.

## Program Level

**Program Level:** Introductory

**Advance Preparation:** None

**Delivery Method:** Group-Live

**Duration:** Two days

**Prerequisites:** Participants are expected to possess basic knowledge of bank finance and the capital markets.

## Accreditation

Moody's Analytics is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be submitted to the National Registry of CPE Sponsors through its website: [www.learningmarket.org](http://www.learningmarket.org).

Moody's Analytics is accredited with the CFA Institute and the UK Solicitors Regulation Authority.

## WHY MOODY'S ANALYTICS?

### Current and Consultative

Our seminars are created and updated utilizing the extensive experience, skills and research of Moody's Analytics. For in-house training, we work with you to understand the distinct needs of your organization and design, implement, and track the performance of your learning programs from end-to-end, including skills assessment, program design, implementation, evaluation, and enhancement.

### Comprehensive Coverage

We offer a broad set of technical and soft skills programs that can be combined and adapted to the needs of your staff. Our areas of expertise include banking, finance, sales negotiation and leadership development:

### Unparalleled Expertise

Our training solutions leverage over a century of experience in risk assessment and the comprehensive tools, data, and analysis of Moody's Analytics to deliver timely, in-depth, and comprehensive knowledge. In delivery, our people make the difference – they combine deep experiences as financial practitioners, intellectual passion for the content, and superior academic credentials with a commitment to delivering outstanding quality.

# Introduction to Corporate Finance – Agenda

## DAY ONE

### Session 1: Shareholder Value

- » Understanding shareholder value
- » Enterprise values and free cash flow
- » Cash flow modeling
- » The discounted cash flow model
- » Comparables Analysis
  - Trading
  - Transaction
- » Impact of defined benefit pension obligations and off-balance sheet items

### Session 2: Cost of Capital

- » Weighted average cost of capital
  - How is WACC used?
  - How is WACC abused?
- » Calculating the cost of debt in practice
- » Calculating the cost of equity
- » The Capital Asset Pricing Model
- » Risk and betas
- » Understanding the equity risk premium

### Session 3: Capital Structure

- » Factors determining capital structure
- » Revenue volatility as a key indicator of risk
- » Moody's ratings by sector, understanding ratios and risk migration
- » Arriving at the "optimal" capital structure
- » Asset and equity betas
- » Leverage and the cost of capital
- » Setting capital structure in practice

## DAY TWO

### Session 4: Equity capital markets

- » Back to enterprise value
- » Understanding equity value
- » Equity valuation approaches:
  - Dividend discount model
  - Ratio analysis
  - Discounted cash flows
  - The real option approach
  - Diluted earnings approach
  - Equity issuance mechanics and strategy

### Session 5: Debt Markets

- » Bond debt vs. bank debt
- » Bond issuance mechanics
- » High-yield vs. investment grade
- » Current market trends
- » Other financing instruments

### Session 6: Mergers & Acquisitions

- » Why do acquisitions happen?
- » M&A Fundamentals:
  - Buying shares or assets
  - Entire business or spinoff
  - Ordinary shares, other equity, assumption of debt
  - Forms of consideration
- » Understanding acquisition premia
- » Calculating synergies
- » Management issues
- » Advising the CEO
- » The market's response; hedge funds and risk arbitrage
- » Why mergers fail
- » M&A strategies
- » Pitching the transaction
  - Pro-forma modeling

## Tailor Any Seminar for Your Organization

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## Multiple Bookings

Special rates may be available for multiple seminar or group bookings. Please contact us at [TrainingAmericas@moody's.com](mailto:TrainingAmericas@moody's.com) for details.

## Fees & Cancellations

The fee listed is per participant and includes refreshments, lunches and seminar materials. Seminar fees do not include tax, transportation or hotel accommodations. Payment must be received in full prior to the start of the seminar. Registrations may be cancelled in writing via letter or email at least 30 days before the first date of the training for a full refund. Cancellations received less than 30 days in advance are eligible for substitution with another seminar, but fees will not be refunded. We reserve the right to cancel or reschedule seminars at any time. For further information on our refund and complaint policy, please contact us.

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