
Corporate Finance Strategy and Capital Structure Decisions Training Course

10 – 14 October 2027
Manama





Corporate Finance Strategy and Capital Structure Decisions Training Course

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Programme Summary

Corporate finance strategy and capital structure decisions is a one-week training course for senior finance leaders working at strategic level, culminating in a financing and capital allocation policy for their organisation. Leaders must decide how to fund growth, what return capital must earn and how much cash to return to shareholders as rates and credit markets shift. The approach links cost of capital, financing mix, payout, valuation and allocation. Mars Training Centre UK delivers this programme in corporate finance strategy.

The Business Case

Financing choices shape the cost of every investment and resilience when markets tighten. A hurdle rate set too low destroys value quietly; one set too high starves growth. Boards, lenders and rating agencies now expect finance leaders to explain why the balance sheet looks as it does. Leaders who defend a clear capital structure, payout policy and allocation process keep funding available on acceptable terms.

- Weighted Average Cost of Capital: Lowered through a deliberate mix of debt, equity and hybrid funding.
- Return on Invested Capital Relative to Its Cost: Improved by directing capital only to activities that beat their hurdle rate.
- Credit Rating and Financing Headroom: Protected by keeping leverage and interest cover within agreed limits.

Principles and Evidence Base

- Capital Asset Pricing Model CAPM: Sets the cost of equity and business unit risk premiums in Session 1.
- Modigliani-Miller Theorem with Trade-Off and Pecking Order Theories: Frame how taxes, distress costs and information shape the target debt level in Session 2.
- Discounted Cash Flow DCF Valuation: Underpins the valuation work in Session 4.
- Economic Value Added EVA: Links capital charges to performance and allocation in Sessions 4 and 5.

Intended Participants

- Executives accountable for the funding strategy and balance sheet of a group or public entity.
- Senior leaders who approve dividends, buybacks and new capital raising.
- Finance heads who set hurdle rates and allocate capital between businesses.
- Leaders who present financing proposals to boards, lenders and rating agencies.



The programme serves finance, treasury and corporate development functions in listed companies, family groups and state-owned enterprises.

Learning Outcomes

1. Participants will be able to estimate a defensible weighted average cost of capital for the group and its business units.
2. Participants will be able to justify a target capital structure using credit metrics and capital structure theory.
3. Participants will be able to compare debt, equity, sukuk and hybrid funding for a defined need.
4. Participants will be able to evaluate dividend and share buyback choices against signalling and flexibility effects.
5. Participants will be able to construct a valuation showing the value impact of financing decisions.
6. Participants will be able to prioritise capital allocation across businesses using value-based measures.

Programme Structure

Day 1: Corporate Finance Strategy and the Cost of Capital

What return must capital earn in each business?

- Shareholder Value as the Corporate Finance Objective
- Cost of Equity Using the Capital Asset Pricing Model CAPM
- Cost of Debt, Credit Spreads and Tax Shields
- Weighted Average Cost of Capital WACC Construction
- Divisional and Country Risk-Adjusted Hurdle Rates

Day 2: Capital Structure Theory and the Target Debt Level

How much debt should the organisation carry, and why?

- Modigliani-Miller Theorem and Its Real-World Limits
- Trade-Off Theory: Tax Benefits Against Distress Costs
- Pecking Order Theory and Information Asymmetry
- Leverage, Interest Cover and Rating Agency Metrics
- Target Capital Structure Range Setting

Day 3: Financing Choices and Capital Markets

Which instruments and markets best fund a defined need?

- Bank Loans, Bonds and Sukuk Compared
- Equity Issuance, Rights Issues and Private Placements
- Hybrid Capital and Convertible Instruments
- Covenants, Security and Refinancing Risk
- Investor and Lender Communication Planning



Day 4: Payout Policy, Valuation and Value-Based Management

How should cash be returned, and how is value measured?

- Dividend Policy and Signalling Effects
- Share Buybacks and Special Distributions
- Enterprise and Equity Valuation Using Discounted Cash Flow DCF
- Trading Multiples as a Valuation Cross-Check
- Economic Value Added EVA and Return on Invested Capital

Day 5: Applying Corporate Finance Strategy to Capital Allocation

How do the earlier decisions combine into one policy?

- Portfolio Capital Allocation Across Business Units
- Re-testing the Group Hurdle Rate on a Participant Case
- Financing Plan Stress Testing Under Rate and Credit Scenarios
- Board Simulation on a Funding and Distribution Proposal
- Financing and Capital Allocation Policy Presentation

Methodology

The programme relies on case analysis of financing, payout and allocation decisions in manufacturing, energy, telecommunications and real estate. Participants estimate hurdle rates, test leverage scenarios and value businesses, then defend recommendations before a peer finance committee.

- Suggested activity: Estimating divisional hurdle rates for a diversified group.
- Suggested activity: Choosing a bond, sukuk or rights issue to fund an acquisition.
- Suggested activity: Recommending a dividend and buyback mix for a cash-rich company.

Capstone Output

Each participant completes a financing and capital allocation policy for their organisation, setting out hurdle rates, a target capital structure range, a preferred funding mix, a payout policy and allocation rules, ready for the board or finance committee.

Frequently Asked Questions

Is corporate finance strategy suitable for senior leaders without a finance background?

It suits leaders who already read financial statements and take funding decisions. It assumes familiarity with balance sheets and basic discounting, and builds strategic judgement rather than teaching accounting.



Which models does the corporate finance strategy and capital structure programme rest on?

It rests on the Capital Asset Pricing Model, the Modigliani-Miller theorem with trade-off and pecking order theories, discounted cash flow valuation and Economic Value Added.

How is the corporate finance strategy capstone policy used at work?

The policy briefs the board, sets hurdle rates in the planning cycle, guides talks with lenders and gives business units clear rules for requesting capital.