

Corporate Finance Fundamentals

Module 7: Capital Return

Term	Definition
Capital Return	The process of returning surplus capital to shareholders, often through dividends or share buybacks.
Dividend Yield	A financial ratio that shows how much a company pays out in dividends relative to its stock price.
Dividends	Payments made by a company to its shareholders, typically as a distribution of profits.
Earnings Per Share (EPS)	A measure of a company's profitability, calculated as net income divided by the number of outstanding shares.
Excess Cash	Cash reserves that exceed the company's operational and investment needs, often returned to shareholders.
Important Dividend Dates	Key dates in the dividend payment process, such as the declaration date, ex-dividend date, and payment date.
Retained Earnings	The portion of a company's profits that is kept in the business rather than distributed as dividends.
Return of Capital	A payment to shareholders that represents a return of their original investment rather than profit.
Share Buybacks	The repurchase of a company's own shares, reducing the number of shares outstanding and increasing share value.