MERCURY

Corporate Valuation, Cost of Capital and Capital Structure

25 – 29 January 2027
London (UK)



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Ref: 15430_1079867 **Date:** 25 – 29 January 2027 **Location:** London (UK) **Fees:** 5800 Euro

Corporate Valuation, Cost of Capital and Capital Structure is a 1-week course for finance, treasury and investment staff who must put a value on a business or project and decide how to fund it. You build discounted cash flow valuations, estimate WACC, test debt and equity mixes and weigh financing risk, then leave with a Valuation and Financing Workbook in Excel. Mercury Training Center delivers this corporate valuation and capital structure course.

About This Course

Boards approve acquisitions, expansions and borrowing on numbers that often rest on a guessed discount rate and an untested debt level. This course gives you a method to check both. You should already read financial statements and use Excel at work. You practice on company accounts, forecast templates and financing scenarios.

Who It Is For

- Staff who prepare investment cases and valuations for senior leaders.
- Staff responsible for borrowing, liquidity and relations with lenders.
- Staff who set hurdle rates and review capital spending requests.
- Staff who analyze acquisition targets, partners or listed shares.
- Staff who plan funding and value for public bodies and state-owned entities.

This course is not for readers who need basic bookkeeping or statement preparation, who are better served by an accounting foundations course, nor for senior leaders seeking a broad two-week view of financial strategy and governance, who need a longer strategic finance course.

Competencies You Will Build

- Cash Flow Valuation: you build a free cash flow forecast and turn it into an enterprise value.
- Cost of Capital Estimation: you derive cost of equity with CAPM and combine it with cost of debt into WACC.
- Capital Structure Judgment: you recommend a gearing range and defend it against distress risk.
- Investment Appraisal: you rank projects by NPV and IRR and explain where IRR misleads.
- Financing Risk Control: you choose forwards, options or collars to protect cash flows.
- Value Communication: you present valuation ranges and funding options to decision makers.

What You Will Be Able to Do

By the end of the course you will be able to:

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- Given three years of financial statements, normalize earnings and build a five-year free cash flow forecast.
- Using market data on comparable firms, estimate beta, cost of equity and WACC for a business.
- From a forecast and WACC, calculate enterprise and equity value and show its sensitivity to key drivers.
- Given a proposed borrowing plan, model gearing, interest cover and the effect on earnings per share.
- Using project cash flows, compare NPV, IRR, payback and scenario results to support a go or no-go call.
- From currency and commodity exposures, select a hedge and show its effect on forecast cash flow.

Course Content

Day 1: Value and Financial Strategy

- Link Between Competitive Strategy And Financial Strategy
- Shareholder Value Measures, Share Price Drivers And Agency Theory
- Reading Financial Statements For Valuation Inputs
- Return On Investment And Cost Behavior Analysis
- Excel Model Layout And Cash Flow Forecasting Templates

Day 2: Discounted Cash Flow Valuation

- Free Cash Flow Build-Up From Operating Forecasts
- Terminal Value With The Gordon Growth Model
- Enterprise To Equity Value Bridge For Acquisitions
- Comparable Multiples As A Cross-Check On DCF Results
- Sensitivity And Scenario Tables For Valuation Ranges

Day 3: Cost of Capital

- Capital Asset Pricing Model And Beta Estimation
- Markowitz Portfolio Risk And Diversification Logic
- Cost Of Debt From Yields, Ratings And Tax Effects
- Weighted Average Cost Of Capital For Divisions And Projects
- NPV, IRR, Payback And Real Options In Capital Spending Choices

Day 4: Capital Structure and Financing Choices

- Equity And Debt Sources, Including Outsourcing And PFI Structures
- Modigliani And Miller Theory And Its Practical Limits
- Gearing, Interest Cover And Distress Prediction Scores
- Dividend Policy, Clientele And Tax Effects
- Hedging Currency And Commodity Risk With Forwards, Options, Futures And Collars

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Day 5: Valuation and Financing Practice

- Exercise: Valuing An Acquisition Target From Its Accounts
- Exercise: Setting A Hurdle Rate For A Capital Project
- Exercise: Testing Three Funding Mixes For An Expansion
- Governance, Restructuring And Board Approval Of Valuation Cases
- Valuation and Financing Workbook Completion And Peer Review

Case Studies and Exercises

The following are suggested activities used during the course:

- Case study: a manufacturing group considers buying a smaller competitor; you value the target and set a maximum bid.
- Case study: a utility plans a large network expansion; you choose between bond funding, bank debt and new equity.
- Exercise: for a retail chain, you estimate WACC and test which store projects clear the hurdle rate.
- Exercise: for a public body weighing outsourcing against in-house delivery, you compare the discounted costs of each option.

What You Take Back

You return with a Valuation and Financing Workbook built in Excel during the course. In your first month back, use it to check the discount rate in a current investment case, rerun a live valuation with your own data and brief your manager on funding options.

- A free cash flow and DCF valuation model.
- A WACC calculator with CAPM inputs.
- A capital structure and gearing test sheet.
- Sensitivity, scenario and hedging tables.

Quick Answers FAQ

What should I know before a corporate valuation and capital structure course?

You should read a balance sheet, income statement and cash flow statement with confidence and use Excel formulas. Prior exposure to discounting helps but is not required, as each calculation is built step by step.

How does a corporate valuation and capital structure course differ from a two-week strategic finance course?

A two-week strategic finance course spans strategy, governance, performance management and public sector analysis. This one-week course narrows to valuing businesses and projects, estimating cost of capital and choosing the debt and equity mix.

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How is the weighted average cost of capital calculated?

WACC weights the cost of equity and the after-tax cost of debt by their shares of total market value. Cost of equity usually comes from CAPM; cost of debt from current borrowing yields adjusted for tax relief.

What do I take back from valuation and cost of capital training?

You take back a Valuation and Financing Workbook: a DCF model, a WACC calculator, a capital structure test sheet and sensitivity tables, ready to use on your organization's own investment and funding cases.

For Your Manager

After this course, the team member will be able to value a business or project from cash flows, set a defensible discount rate, test borrowing levels and recommend hedges. They return with a Valuation and Financing Workbook, first used to review a current investment case and to support the next funding or acquisition decision.