Dividends and buybacks: cash back to shareholders

Name: _____ Class: _____ Date: _____

Companies can send cash back to their owners in two main ways: dividends and buybacks. In this lesson you will find both in real filings.

What to do

1. Read the four company cards below with a partner.
2. Fill in Part C of your worksheet, then solve the Snap puzzle in Part D.
3. The exit ticket is on page 2 of your worksheet. Your teacher will tell you when to answer it.

Part A. Warm-up: the juice stand (made-up numbers)

10 owners, 1 share each, $50 of spare cash.

A1. Choice A (dividend): each owner gets $_____.

A2. Choice B (buyback of one share for $50): who gets cash? _____ What part of the stand does each remaining owner have? _____

Part B. Two words

Write each definition in your own words.

1. Dividend

   _____

   _____

2. Buyback

   _____

   _____

3. B1. In which part of the cash flow statement are dividends and buybacks paid?

   _____

   _____

Part C. Four companies

Use the cards. Percent change = (new − old) ÷ old × 100.

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Apple: Dividend? Yes / No. Dividend per share FY2021 $_____ FY2026 $_____. Percent change _____%. Buybacks FY2026 $_____

Coca-Cola: Dividend? Yes / No. Dividend per share FY2021 $_____ FY2025 $_____. Percent change _____%. Buybacks FY2025 $_____

Berkshire Hathaway: Dividend? Yes / No. Buybacks FY2021 $_____ FY2025 $_____

Snap: Dividend? Yes / No. Buybacks FY2025 $_____

1. C1. Which company paid a dividend in every year shown and bought back stock too? Name both that did.

_____

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Part D. The Snap puzzle

Snap bought back shares every year from FY2022. Its shares plus stock awards rose from 1,825.7 million (Dec 31, 2024) to 1,931.7 million (Sep 30, 2026). Clue: Snap paid $1,016.8 million of stock-based compensation in FY2025.

1. D1. By how many million did the count rise? _____ By what percent? _____%

2. D2. Use the clue to explain how the count could rise despite the buybacks.

Advanced (optional)

Payout ratio = dividends per share ÷ diluted earnings per share × 100. Apple's FY2026 payout ratio was 11.8% (Cityfort calculation from the FY2026 10-K).

1. What does that percent tell you about Apple's dividend and its earnings per share? Write one sentence with no judging words.

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Exit ticket

1. In one sentence each: what is a dividend, and what is a buyback?

2. True or false? A buyback pays cash to every shareholder.

3. A made-up company's dividend per share went from $2.00 to $2.50. What is the percent change?

4. Name one reason a company's share count can rise even when it buys back shares.

Word bank

Dividend	Cash a company pays to every shareholder, an equal amount per share.
Buyback	When a company buys its own shares from shareholders who want to sell.
Dividends per share	The total dividend paid on one share during the year.
Stock-based compensation	Pay given to employees in shares instead of cash.
Percent change	(New − old) ÷ old × 100.

Sentence starters

- In FY____, ____ paid $____ per share in dividends and spent $____ on buybacks.
- ____'s dividend per share changed by ____% from FY____ to FY____.
- Snap's share count rose because ____.

student page

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