Buybacks are when a business repurchases its own shares to cancel them and consequently push up metrics per share that should push up the stock price. Sounds like a great way to reward shareholders but it is not that straightforward. In this video we discuss **WHAT ARE BUYBACKS, BUYBACK STATS, GIVE EXAMPLES OF GOOD AND BAD BUYBACKS AND SHARE A SIMPLE RULE WHEN IT COMES TO INVESTING IN THE CURRENT BUYBACK MANIA ENVIRONMENT.**

10 Pros and cons:

- **1) PRO: To INCRESE Earnings and Dividends Per share, assuming that will push STOCK HIGHER**
- **2) CON: COMPANY IS FOCUSED ON BUBYACKS AND NOT ON REINVESTING INTO NEW BUSINESSES!**
- **3) PRO: Someone needs the money; we buy you out**
- **4) PRO: no dividend taxes**
- **5) CON: Investing is about price and long-term liquidity – not relevant for most managers!**
- **6) CON: Buybacks destroy book value**
- **7) CON: Management gets 25% of buybacks!**
- **8) PRO: Buybacks worked!**
- **9) CON: Leverage is often used for buybacks (looks smart at the moment, but….)**
- **10) CON: Financial Engineering or other, negative sum game!**
- **SIMPLE RULE: WHEN YOU LIKE THE PRICE AND THE BUSINESS, and they do buybacks: GREAT!!!!!!**

BUYBACKS VIDEO!