



Visa Inc. is the result of the merger of Visa USA, Visa International, Visa Canada, and Inovant. The reorganization was completed in October 2007. In March of 2008, the company went public, offering 1.62 billion shares at an initial price of \$11 (figures adjusted for 3/15 stock split). It raised \$17.9 billion in the largest IPO in U.S. history to date. Lead underwriters were J.P. Morgan and Goldman Sachs, which led a team of other main underwriters and several small banks.

CAPITAL STRUCTURE as of 9/30/20
 Tot. Debt \$24.1 bill. Due in 5 yrs. \$9.1 bill.
 LT Debt \$21.1 bill. LT Interest \$540.0 mill.
 (37% of cap'l)

Leases, Uncapitalized Annual rentals \$108 mill.

No Defined Benefits Plan

Pfd. Stock \$5.1 bill. Pfd. Div'd \$703 mill.

Common Stock 2208.0 million shares

MARKET CAP: \$444 billion (Large Cap)

CURRENT POSITION (\$MILL.)	2018	2019	9/30/20
Cash Assets	8162	7838	16289
Receivables	1208	1542	1618
Other	8846	11590	9738
Current Assets	18216	20970	27645
Accts Payable	183	156	174
Debt Due	--	--	2999
Other	11122	13259	11337
Current Liab.	11305	13415	14510

ANNUAL RATES Past of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
Revenues	--	17.5%	13.5%
"Cash Flow"	--	21.0%	13.0%
Earnings	--	19.0%	15.0%
Dividends	--	29.0%	15.0%
Book Value	--	7.0%	10.5%

Fiscal Year Ends	QUARTERLY REVENUES (\$ mill.) ^{AD}				Full Fiscal Year
	Dec.31	Mar.31	Jun.30	Sep.30	
2017	4461	4477	4565	4855	18358
2018	4862	5073	5240	5434	20609
2019	5506	5494	5840	6137	22977
2020	6054	5854	4837	5101	21846
2021	5525	5750	5900	6175	23350

Fiscal Year Ends	EARNINGS PER SHARE ^{ABD}				Full Fiscal Year
	Dec.31	Mar.31	Jun.30	Sep.30	
2017	.86	.86	.86	.90	3.48
2018	1.08	1.11	1.00	1.23	4.42
2019	1.30	1.31	1.37	1.34	5.32
2020	1.46	1.38	1.07	1.12	5.04
2021	1.28	1.35	1.40	1.47	5.50

Calendar	QUARTERLY DIVIDENDS PAID ^E				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2017	.165	.165	.165	.195	.69
2018	.21	.21	.21	.25	.88
2019	.25	.25	.25	.30	1.05
2020	.30	.30	.30	.32	1.22
2021					

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
Revenues per sh ^A	2.73	3.25	3.84	4.49	5.03	6.27	7.07	8.84	10.15	11.60	11.27	12.25		20.00
"Cash Flow" per sh	1.09	1.39	1.67	2.05	2.33	3.13	3.45	4.28	4.72	6.43	5.44	5.95		10.55
Earnings per sh ^{ABD}	.98	1.25	1.55	1.90	2.27	2.62	2.84	3.48	4.42	5.32	5.04	5.50		10.00
Div'ds Decl'd per sh ^E	.13	.15	.22	.33	.42	.50	.59	.69	.88	1.05	1.22	1.30		2.00
Cap'l Spending per sh ^C	.08	.12	.14	.18	.22	.19	.25	.34	.35	.38	.38	.30		.40
Book Value per sh ^C	8.46	9.35	10.19	10.24	10.86	13.47	12.75	13.12	16.74	14.80	16.05	17.00		28.50
Common Shs Outst'g	2956.0	2828.0	2712.0	2624.0	2524.0	2215.0	2133.0	2076.0	2031.0	1974.0	1939.0	1905.0		1755.0
Avg Ann'l P/E Ratio	20.5	15.7	18.2	21.8	23.3	25.3	27.2	25.9	28.7	29.9	34.9			25.0
Relative P/E Ratio	1.30	.98	1.16	1.22	1.23	1.27	1.43	1.30	1.51	1.61	1.94			1.40
Avg Ann'l Div'd Yield	.6%	.8%	.8%	.8%	.8%	.8%	.8%	.8%	.7%	.7%	.7%			.8%
Revenues (\$mill) ^A	8065.0	9188.0	10421	11778	12702	13880	15082	18358	20609	22977	21846	23350		35100
Operating Margin	60.2%	62.5%	63.1%	64.8%	64.0%	68.9%	69.8%	70.2%	65.8%	68.1%	68.0%	68.0%		67.0%
Depreciation (\$mill)	265.0	288.0	333.0	397.0	435.0	494.0	502.0	556.0	613.0	656.0	767.0	835		1000
Net Profit (\$mill) ^{AB}	2966.0	3650.0	4203.0	4980.0	5438.0	6438.0	6862.0	8335.0	10301	12080	10866	10500		17550
Income Tax Rate	36.1%	35.5%	33.4%	31.4%	29.6%	29.3%	29.1%	29.9%	19.6%	18.8%	21.2%	21.0%		21.0%
Net Profit Margin	36.8%	39.7%	40.3%	42.3%	42.8%	46.4%	45.5%	45.4%	50.0%	52.6%	49.7%	45.0%		50.0%
Working Cap'l (\$mill)	5236.0	5739.0	3832.0	3487.0	3556.0	5518.0	6267.0	9029.0	6911.0	7555.0	13165	10000		11500
Long-Term Debt (\$mill)	32.0	--	--	--	--	--	15882	16618	16630	16729	21071	22000		21500
Shr. Equity (\$mill)	25011	26437	27630	26870	27413	29842	32912	32760	34006	34684	36210	37500		50000
Return on Total Cap'l	11.8%	13.8%	15.2%	18.5%	19.8%	21.6%	14.5%	17.4%	21.0%	24.0%	19.4%	18.5%		25.0%
Return on Shr. Equity	11.9%	13.8%	15.2%	18.5%	19.8%	21.6%	20.8%	25.4%	30.3%	34.8%	30.0%	28.0%		35.0%
Retained to Com Eq	10.4%	12.2%	13.1%	15.3%	16.2%	17.6%	20.3%	24.8%	21.1%	28.8%	20.3%	24.5%		28.0%
All Div'ds to Net Prof	12%	12%	14%	17%	18%	18%	20%	19%	20%	20%	24%	24%		20%

BUSINESS: Visa Inc. is the world's largest retail electronic payments network providing processing services and payment product platforms. This includes credit, debit, prepaid, and commercial payments, which are offered under the Visa, Visa Electron, Interlink, and PLUS brands. Visa/PLUS is one of the largest global ATM networks. Visa's global network, VisaNet, delivers value-added processing, including fraud and risk management. Has about 19,500 employees. Off. and dir. own less than 1.0% of common stock; Vanguard Group, 8.7%; BlackRock Inc., 7.4%; FMR LLC, 5.2% (12/20 proxy). Chairman: Robert W. Matuschillat. CEO: Alfred F. Kelly, Jr. Inc.: DE. Address: P.O. Box 8999, San Francisco, CA 94128. Telephone: 415-932-2100. Internet: www.visa.com.

Visa likely saw revenues and share earnings regress in the first quarter of fiscal 2021. (Fiscal year ends on September 30th; the electronic payments processor was scheduled to release December-period financials shortly after this report went to press.) Our top- and bottom-line estimates for the most recent quarter, at \$5.53 billion and \$1.28 per share, would represent declines of 8%–9% and 12%–13% from the respective year-earlier figures, and would mark the third-consecutive period of year-over-year drops. Transaction activity was under pressure in the second half of fiscal 2020, and that trend is liable to continue in the early stages of the current fiscal year.

Volumes have been sluggish, but should turn more favorable later this year. For the first time ever, Visa's total dollar volumes were nominally lower in fiscal 2020, including declines in Asia/Pacific (down 8.7%), Canada (down 1.6%), and Europe (down less than 1%). The United States (up 3.3%), Latin America (up 1%), and the segment comprised of Central Europe, the Middle East, and Africa (up 2.6%) reported higher volumes,

though the rate of growth was much slower than in previous years. The silver lining is that transaction activity improved in the September period, sequentially, and we expect total dollar volumes to advance 4%–5% this fiscal year. (All figures are presented on a constant-dollar basis.)

The company's operating results ought to rebound in fiscal 2021, following last year's depressed performance. There have been some encouraging developments of late, including the rollout of two COVID-19 vaccines, and the passage of a stimulus package in Congress. Nevertheless, virus infections and deaths have spiked in recent months, and we don't anticipate a meaningful improvement in economic conditions until the middle of calendar 2021, at the earliest. Our revenue and earnings targets for fiscal 2021, at \$23.35 billion and \$5.50 per share, would mark annual recoveries of 6%–7% and 9%–10%, respectively.

Visa shares have decent long-term upside potential on a risk-adjusted basis (Safety: 1). The stock is ranked to keep pace with the market in the year ahead. *Sharif Abdou February 5, 2021*

(A) Fiscal year ends Sept. 30th. (B) Earnings based on adjusted diluted class-A shares. Excludes nonrecurring charges: '12, (\$1.03); '16, \$0.36; '19, \$0.17. Next earnings report due in late April. (C) Includes intangibles. As of 9/30/20: \$43.7 billion, \$19.80 per share. (D) May not sum due to rounding and/or change in share count. (E) Div'd historically paid in mid-Feb., mid-May, mid-Aug., and mid-Nov.

Company's Financial Strength	A++
Stock's Price Stability	95
Price Growth Persistence	100
Earnings Predictability	95

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