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|-------------------------|---------------------------|--|--------------------------------|-----------------------|-------------------|
| VISA INC. NYSE-V | RECENT PRICE 75.27 | P/E RATIO 27.3 (Trailing: 30.9 Median: NMF) | RELATIVE P/E RATIO 1.46 | DIV'D YLD 0.7% | VALUE LINE |
|-------------------------|---------------------------|--|--------------------------------|-----------------------|-------------------|

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|------------------------------------|--------------------------------|-----------------------------------|---------------------------|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------------------------------|
| TIMELINESS 3 Lowered 8/7/15 | SAFETY 1 Raised 5/16/14 | TECHNICAL 4 Raised 7/24/15 | BETA 1.00 (1.00 = Market) | High: 22.5 Low: 10.9 | 22.4 10.4 | 24.3 16.2 | 25.9 16.9 | 38.1 24.6 | 55.7 38.5 | 67.3 48.7 | 76.9 61.3 | Target Price Range 2018 2019 2020 |
|------------------------------------|--------------------------------|-----------------------------------|---------------------------|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------------------------------|



| 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. | 2005 | 2006 ^E | 2007 ^E | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | © VALUE LINE PUB. LLC | 18-20 |
|---|------|-------------------|-------------------|--------|--------|--------|--------|--------|--------|--------|--|-----------------------|-----------------------------------|--------|
| | -- | -- | -- | 2.03 | 2.28 | 2.73 | 3.25 | 3.84 | 4.49 | 5.03 | 6.20 | 6.75 | Revenues per sh ^{AE} | 8.75 |
| | -- | -- | -- | .63 | .80 | 1.09 | 1.39 | 1.67 | 2.05 | 2.44 | 2.90 | 3.25 | "Cash Flow" per sh | 4.30 |
| | -- | -- | -- | .56 | .73 | .98 | 1.25 | 1.55 | 1.90 | 2.27 | 2.65 | 3.00 | Earnings per sh ^{ABF} | 4.00 |
| | -- | -- | -- | .03 | .11 | .13 | .15 | .22 | .33 | .42 | .50 | .60 | Div'ds Decl'd per sh ^G | .80 |
| | -- | -- | -- | .13 | .10 | .08 | .12 | .14 | .18 | .22 | .25 | .27 | Cap'l Spending per sh | .30 |
| | -- | -- | -- | 6.86 | 7.64 | 8.46 | 9.35 | 10.19 | 10.24 | 10.86 | 12.60 | 13.50 | Book Value per sh ^D | 17.30 |
| | -- | -- | -- | 3080.0 | 3036.0 | 2956.0 | 2828.0 | 2712.0 | 2624.0 | 2524.0 | 2222.0 | 2223.0 | Common Shs Outst'g ^C | 2400.0 |
| | -- | -- | -- | 32.6 | 20.3 | 20.5 | 15.7 | 18.2 | 21.8 | 24.6 | Bold figures are Value Line estimates | | Avg Ann'l P/E Ratio | 25.0 |
| | -- | -- | -- | 1.96 | 1.35 | 1.30 | .98 | 1.16 | 1.22 | 1.30 | | | Relative P/E Ratio | 1.55 |
| -- | -- | -- | .1% | .7% | .6% | .8% | .8% | .8% | .8% | | | Avg Ann'l Div'd Yield | .8% | |

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|---|----|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------------------------|-------|
| CAPITAL STRUCTURE as of 6/30/15 Total Debt None | -- | 2948 | 3590 | 6263 | 6911 | 8065 | 9188 | 10421 | 11778 | 12702 | 13850 | 15000 | Revenues (\$mill) AEF | 21000 |
| Leases, Uncapitalized Annual rentals \$76 mill. | -- | 30.3% | 37.3% | 46.9% | 54.5% | 60.2% | 62.5% | 63.1% | 64.8% | 64.0% | 65.0% | 65.0% | Operating Margin | 65.0% |
| No Defined Benefits Plan | -- | 140 | 137 | 237 | 226 | 265 | 288 | 333 | 397 | 435 | 500 | 550 | Depreciation (\$mill) | 700 |
| Pfd Stock None | -- | 455 | 739 | 1700 | 2213 | 2966 | 3650 | 4203 | 4980 | 5438 | 5900 | 6670 | Net Profit (\$mill) AB | 9600 |
| Common Stock 2215.0 million shares (includes 1951.0 mill. shs. of class-A common stock) | -- | 34.8% | 36.0% | 23.8% | 42.7% | 36.1% | 35.5% | 33.4% | 29.6% | 31.4% | 33.0% | 33.0% | Income Tax Rate | 33.0% |
| MARKET CAP: \$167 billion (Large Cap) | -- | 15.4% | 20.6% | 27.1% | 32.0% | 36.8% | 39.7% | 40.3% | 42.3% | 42.8% | 42.6% | 44.5% | Net Profit Margin | 45.7% |
| CURRENT POSITION 2013 2014 6/30/15 (\$MILL.) | -- | 201 | d775 | 4009 | 4799 | 5236 | 5739 | 3832 | 3487 | 3556 | 3600 | 6250 | Working Cap'l (\$mill) | 7500 |
| Cash Assets | -- | 41 | -- | -- | 44 | 32 | -- | -- | -- | -- | Nil | Nil | Long-Term Debt (\$mill) | Nil |
| Receivables | -- | 583 | d501 | 21141 | 23189 | 25011 | 26437 | 27630 | 26870 | 27413 | 28000 | 30000 | Shr. Equity (\$mill) | 41500 |
| Other | -- | 73.1% | -- | 8.0% | 9.5% | 11.8% | 13.8% | 15.2% | 18.5% | 19.8% | 21.0% | 22.0% | Return on Total Cap'l | 23.0% |
| Current Assets | -- | 78.0% | -- | 8.0% | 9.5% | 11.9% | 13.8% | 15.2% | 18.5% | 19.8% | 21.0% | 22.0% | Return on Shr. Equity | 23.0% |
| Accts Payable | -- | 78.0% | -- | 7.6% | 8.2% | 10.4% | 12.2% | 13.1% | 15.3% | 16.2% | 16.0% | 17.0% | Retained to Com Eq | 18.0% |
| Debt Due | -- | -- | -- | 5% | 14% | 12% | 12% | 14% | 17% | 18% | 19% | 19% | All Div'ds to Net Prof | 20% |
| Other | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Current Liab. | -- | 4335 | 6006 | 5789 | | | | | | | | | | |

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|---|----------|-------|-------|-------|
| ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '12-'14 of change (per sh) | Revenues | -- | 15.5% | 10.0% |
| "Cash Flow" | -- | 23.0% | 11.5% | |
| Earnings | -- | 23.5% | 11.5% | |
| Dividends | -- | 37.5% | 14.5% | |
| Book Value | -- | 7.5% | 7.0% | |

| | | | |
|---------------|------|------|------|
| Other | 4151 | 5859 | 5700 |
| Current Liab. | 4335 | 6006 | 5789 |

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|---------------------|----------------|---------------|----------------------|
| ANNUAL RATES | Past | Past | Est'd '12-'14 |
| of change (per sh) | 10 Yrs. | 5 Yrs. | to '18-'20 |
| Revenues | -- | 15.5% | 10.0% |
| "Cash Flow" | -- | 23.0% | 11.5% |
| Earnings | -- | 23.5% | 11.5% |
| Dividends | -- | 37.5% | 14.5% |
| Book Value | -- | 7.5% | 7.0% |

After a so-so first half of fiscal 2015, Visa's operating performance revved up in the third quarter. (Years end September 30th.) In fact, the electronic payments processor reported stellar results in the June period; revenues advanced 12% from the year-earlier term, while earnings

ment comprised of Central Europe, the Middle East, and Africa advanced 11.5%, 10.8%, and 7.1%, respectively, during the three months ended in June. (Volumes generated outside North America represented 53% of the total.) Elsewhere, Visa's performance in the United States

| Fiscal Year Ends | QUARTERLY REVENUES (\$ mill.) AEF | | | | Full Fiscal Year |
|------------------------|-----------------------------------|--------|--------|--------|------------------------|
| | Dec.31 | Mar.31 | Jun.30 | Sep.30 | |
| 2012 | 2547 | 2578 | 2565 | 2731 | 10421 |
| 2013 | 2846 | 2958 | 3001 | 2973 | 11778 |
| 2014 | 3155 | 3163 | 3155 | 3229 | 12702 |
| 2015 | 3382 | 3409 | 3518 | 3541 | 13850 |
| 2016 | 3725 | 3735 | 3750 | 3790 | 15000 |

| Fiscal Year Ends | EARNINGS PER SHARE AFB | | | | Full Fiscal Year |
|------------------|------------------------|--------|--------|--------|------------------|
| | Dec.31 | Mar.31 | Jun.30 | Sep.30 | |
| 2012 | .37 | .40 | .39 | .39 | 1.55 |
| 2013 | .48 | .48 | .47 | .47 | 1.90 |
| 2014 | .55 | .63 | .54 | .55 | 2.27 |
| 2015 | .63 | .63 | .69 | .70 | 2.65 |
| 2016 | .74 | .74 | .76 | .76 | 3.00 |

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| 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, offering cash access in local currency in more than 200 countries. Visa's global network, VisaNet, delivers value-added processing, including fraud and risk management. Has about 8,500 employees. Off. and dir. own less than 1.0% of common stock (12/14 proxy). Chairman: Joseph W. Saunders. CEO: Charles W. Scharf. Inc.: DE. Address: P.O. Box 8999, San Francisco, CA 94128. Telephone: 415-932-2100. Internet: www.visa.com. | After a so-so first half of fiscal 2015, Visa's operating performance revved up in the third quarter. (Years end September 30th.) In fact, the electronic payments processor reported stellar results in the June period; revenues advanced 12% from the year-earlier term, while earnings jumped 28%, with both measures representing quarterly records for Visa. (We had looked for \$0.64 per share on the bottom line, on \$3.46 billion in revenues.) The world leader in credit and debit card transactions is recording staggering volumes. Indeed, payments volume increased 11% in the third quarter, to a whopping \$1.3 trillion; cross-border volume expanded 8% from the prior year; and total processed transactions improved 8%, to 18 billion swipes. (All figures are presented on a constant-dollar basis.) As an aside, debit cards now make up more than 50% of all transactions, which is not surprising, since this form of payment is often used for small day-to-day purchases, such as groceries and gas. Visa's vast international operations are leading the way. Total volumes in Latin America, Asia/Pacific, and the seg- | ment comprised of Central Europe, the Middle East, and Africa advanced 11.5%, 10.8%, and 7.1%, respectively, during the three months ended in June. (Volumes generated outside North America represented 53% of the total.) Elsewhere, Visa's performance in the United States and Canada wasn't too shabby, with volumes there increasing 7.9% and 5.1%, respectively, in the third quarter. We've lifted our top- and bottom-line targets for fiscal 2015. In light of the company's breakout third-quarter performance, we have added \$100 million and \$0.10 per share, respectively, to our current-year estimates for revenues and earnings. (Those respective figures would represent growth of 9% and 16%-17% from fiscal 2014.) Meantime, we are maintaining our fiscal 2016 projections at \$15 billion in revenues and \$3.00 per share on the bottom line. Total return potential here is decent, on a risk-adjusted basis. Much of the progress we foresee is owing to the company's ubiquitous brand name, proven business model, and solid financial position. <i>Sharif Abdou</i> <i>August 14, 2015</i> |
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| (A) Fiscal year ends Sept. 30th. (B) Egs. based on adj. dil. class-A shares. Excludes nonrecr. charges: '07, \$2550 mill; '08, \$0.32; '12, (\$1.03). Next egs. rep. due in late Oct. (C) In millions of adj., dil. class-A common shares outstanding. (D) Includes intangibles. As of 6/30/15: \$23.2 billion, \$10.47 per share. (E) Prior to '08, results are for Visa U.S.A. only. (F) May not sum due to rounding and/or change in share count. (G) Div'd historically paid in mid-Feb., mid-May, mid-Aug., and mid-Nov. | Company's Financial Strength A++ Stock's Price Stability 70 Price Growth Persistence 75 Earnings Predictability 100 |
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