



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.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
Revenues per sh <sup>A</sup>	2.28	2.73	3.25	3.84	4.49	5.03	6.27	7.07	8.84	10.15	11.35	12.70	Revenues per sh <sup>A</sup>	18.00
"Cash Flow" per sh	.80	1.09	1.39	1.67	2.05	2.33	3.13	3.45	4.28	4.72	5.65	6.55	"Cash Flow" per sh	8.45
Earnings per sh <sup>ABE</sup>	.73	.98	1.25	1.55	1.90	2.27	2.62	2.84	3.48	4.42	5.30	6.20	Earnings per sh <sup>ABE</sup>	8.00
Div's Decl'd per sh <sup>F</sup>	.11	.13	.15	.22	.33	.42	.50	.59	.69	.88	1.04	1.20	Div's Decl'd per sh <sup>F</sup>	1.60
Cap'l Spending per sh <sup>D</sup>	.10	.08	.12	.14	.18	.22	.19	.25	.34	.35	.35	.35	Cap'l Spending per sh <sup>D</sup>	.40
Book Value per sh <sup>D</sup>	7.64	8.46	9.35	10.19	10.24	10.86	13.47	12.75	13.12	16.74	18.20	20.60	Book Value per sh <sup>D</sup>	26.60
Common Shs Outst'g <sup>C</sup>	3036.0	2956.0	2828.0	2712.0	2624.0	2524.0	2215.0	2133.0	2076.0	2031.0	1980.0	1965.0	Common Shs Outst'g <sup>C</sup>	1900.0
Avg Ann'l P/E Ratio	20.3	20.5	15.7	18.2	21.8	23.3	25.3	27.2	25.9	28.7	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	25.0
Relative P/E Ratio	1.35	1.30	.98	1.16	1.22	1.23	1.27	1.43	1.30	1.51			Relative P/E Ratio	1.40
Avg Ann'l Div'd Yield	.7%	.6%	.8%	.8%	.8%	.8%	.8%	.8%	.8%	.7%			Avg Ann'l Div'd Yield	.8%

**CAPITAL STRUCTURE as of 3/31/19**  
 Tot. Debt \$16.6 bill. Due in 5 yrs. \$4.7 bill.  
 LT Debt \$16.6 bill. (33% of cap'l)

6911.0	8065.0	9188.0	10421	11778	12702	13880	15082	18358	22500	25000	20609	22500	25000	Revenues (\$mill) <sup>AE</sup>	34200
54.5%	60.2%	62.5%	63.1%	64.8%	64.0%	68.9%	69.8%	70.2%	65.8%	66.0%	66.0%	66.0%	66.0%	Operating Margin	66.0%
226.0	265.0	288.0	333.0	397.0	435.0	494.0	502.0	556.0	613.0	650	700	650	700	Depreciation (\$mill)	850
2213.0	2966.0	3650.0	4203.0	4980.0	5438.0	6438.0	6862.0	8335.0	10301	10500	12200	10500	12200	Net Profit (\$mill) <sup>AB</sup>	15200
42.7%	36.1%	35.5%	33.4%	31.4%	29.6%	29.3%	29.1%	29.9%	19.6%	24.0%	24.0%	24.0%	24.0%	Income Tax Rate	24.0%
32.0%	36.8%	39.7%	40.3%	42.3%	42.8%	46.4%	45.5%	45.4%	50.0%	46.7%	48.8%	46.7%	48.8%	Net Profit Margin	44.5%

**Leases, Uncapitalized** Annual rentals \$76 mill.

4799.0	5236.0	5739.0	3832.0	3487.0	3556.0	5518.0	6267.0	9029.0	6911.0	8000	9000	8000	9000	Working Cap'l (\$mill)	12000
44.0	32.0	--	--	--	--	--	15882	16618	16630	17200	18000	17200	18000	Long-Term Debt (\$mill)	21000
23189	25011	26437	27630	26870	27413	29842	32912	32760	34006	36000	40500	36000	40500	Share Equity (\$mill)	50500
9.5%	11.8%	13.8%	15.2%	18.5%	19.8%	21.6%	14.5%	17.4%	21.0%	20.5%	21.0%	20.5%	21.0%	Return on Total Cap'l	21.0%
9.5%	11.9%	13.8%	15.2%	18.5%	19.8%	21.6%	20.8%	25.4%	30.3%	29.0%	30.0%	29.0%	30.0%	Return on Shr. Equity	30.0%
8.2%	10.4%	12.2%	13.1%	15.3%	16.2%	17.6%	20.3%	24.8%	21.1%	23.5%	24.0%	23.5%	24.0%	Retained to Com Eq	24.0%
14%	12%	12%	14%	17%	18%	18%	20%	19%	20%	20%	19%	20%	19%	All Div's to Net Prof	20%

**No Defined Benefits Plan**

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**Pfd Stock** None

9.5%	11.8%	13.8%	15.2%	18.5%	19.8%	21.6%	14.5%	17.4%	21.0%	20.5%	21.0%	20.5%	21.0%	Return on Total Cap'l	21.0%
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8.2%	10.4%	12.2%	13.1%	15.3%	16.2%	17.6%	20.3%	24.8%	21.1%	23.5%	24.0%	23.5%	24.0%	Retained to Com Eq	24.0%
14%	12%	12%	14%	17%	18%	18%	20%	19%	20%	20%	19%	20%	19%	All Div's to Net Prof	20%

**Common Stock** 1998.0 million shares

9.5%	11.8%	13.8%	15.2%	18.5%	19.8%	21.6%	14.5%	17.4%	21.0%	20.5%	21.0%	20.5%	21.0%	Return on Total Cap'l	21.0%
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**MARKET CAP: \$329 billion (Large Cap)**

CURRENT POSITION (\$MILL.)	2017	2018	3/31/19
Cash Assets	9874	8162	7648
Receivables	1132	1208	1404
Other	8017	8846	9438
Current Assets	19023	18216	18490
Accts Payable	179	183	119
Debt Due	1749	--	--
Other	8066	11122	11261
Current Liab.	9994	11305	11380

**ANNUAL RATES** Past 10 Yrs. Past 5 Yrs. Est'd '16-'18 to '22-'24

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%

**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 (12/18 proxy). Chairman: Robert W. Matschullat. CEO: Alfred F. Kelly, Jr. Inc.: DE. Address: P.O. Box 8999, San Francisco, CA 94128. Telephone: 415-932-2100. Internet: www.visa.com.

**At the midpoint of fiscal 2019, Visa is on track for another solid year.** (Year ends on September 30th.) During the fiscal second quarter, the electronic payments processor logged \$5.49 billion in revenues, representing an 8.3% gain from the prior-year level. Too, the company earned \$1.31 a share in the March term, which marked an 18.0% advance from last year's figure of \$1.11. (Our respective top- and bottom-line calls were \$5.64 billion and \$1.30 a share.)

**Transaction activity has been solid both at home and abroad.** In the latest three-month stretch, total volumes in Latin America, Asia/Pacific, and the segment comprised of Central Europe, the Middle East, and Africa increased 5.9%, 3.7%, and 7.8%, respectively, from the comparable span of fiscal 2018. Not to be outdone, business was again strong in North America, with total volumes up 6.9% and 6.6%, respectively, in the United States and Canada during the March period. (All figures are presented on a constant-dollar basis.)

**year.** Cross-border transactions climbed 4.0% in the most recent period, and ought to expand 5%-7% for the full year. Too, Visa processed a staggering 32.5 billion transactions in the fiscal second quarter, and that number should eclipse 130.0 billion for all of 2019. Our respective top- and bottom-line forecasts would be advances of 8%-10% and 19%-21% from fiscal 2018. At the same time, we're introducing fiscal 2020 revenue and share-net targets of \$25.0 billion and \$6.20, respectively, representing gains of 10%-12% and 16%-18% from our 2019 projections.

**Visa stock should appeal to a broad range of investors.** The board is returning more capital to shareholders, both in the form of annual dividend increases and stock buybacks. In addition, its operations remain rock solid, registering more swipes than its three closest competitors combined. Finally, although long-term total return potential is unremarkable, this timely issue (2, Above Average) carries our Highest rank for Safety (1), and the company garners a stellar mark for Financial Strength (A++).

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**May 10, 2019**

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**(A) Fiscal year ends Sept. 30th. (B) Egs. based on adj. dil. class-A shares. Excludes nonrecur. charges: '12, (\$1.03); '16, \$0.36. Next eggs. rep. due in late July. (C) In millions of adj., dil.**

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**class-A common shares outstanding. (D) Includes intangibles. As of 9/30/18: \$42.8 billion, \$21.05 per share. (E) May not sum due to rounding and/or change in share count. (F)**

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**Company's Financial Strength A++**

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**Stock's Price Stability 90**

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**Price Growth Persistence 95**

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**Earnings Predictability 100**

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