



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 9/30/21**  
**Tot. Debt** \$21.0 bill. **Due in 5 yrs.** \$9.1 bill.  
**LT Debt** \$20.0 bill. **LT Interest** \$540.0 mill.  
 (35% of Cap'l)

**Leases, Uncapitalized Annual rentals** \$108 mill.  
**No Defined Benefits Plan**

**Pfd. Stock** \$3.1 bill. **Pfd. Div'd Nil**

**Common Stock** 1932.0 million shares  
 (Includes 1677.0 mill. class-A shares; 245.0 mill. class-B shares; 10.0 mill. class-C shares)

**MARKET CAP: \$390 billion (Large Cap)**

CURRENT POSITION (\$MILL.)	2019	2020	9/30/21
Cash Assets	7838	16289	16487
Receivables	1542	1618	1968
Other	11590	9738	9152
Current Assets	20970	27645	27607
Accts Payable	156	174	266
Debt Due	--	2999	999
Other	13259	11337	14474
Current Liab.	13415	14510	15739

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '18-'20 to '24-'26
Revenues	16.5%	16.0%	10.0%
"Cash Flow"	21.5%	19.0%	9.5%
Earnings	20.5%	16.5%	12.0%
Dividends	28.5%	20.5%	10.5%
Book Value	7.0%	5.5%	8.0%

Fiscal Year Ends	QUARTERLY REVENUES (\$ mill.) <sup>AD</sup>				Full Fiscal Year
	Dec.31	Mar.31	Jun.30	Sep.30	
2018	4862	5073	5240	5434	20609
2019	5506	5494	5840	6137	22977
2020	6054	5854	4837	5101	21846
2021	5687	5729	6130	6559	24105
2022	6925	6875	7275	7725	28800

Fiscal Year Ends	EARNINGS PER SHARE <sup>ABD</sup>				Full Fiscal Year
	Dec.31	Mar.31	Jun.30	Sep.30	
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	1.42	1.38	1.49	1.62	5.91
2022	1.72	1.65	1.89	1.79	7.05

Cal-endar	QUARTERLY DIVIDENDS PAID <sup>E</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2018	.21	.21	.21	.25	.88
2019	.25	.25	.25	.30	1.05
2020	.30	.30	.30	.32	1.22
2021	.32	.32	.32	.375	1.34
2022					

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	© VALUE LINE PUB. LLC	24-26
Revenues per sh <sup>A</sup>	3.25	3.84	4.49	5.03	6.27	7.07	8.84	10.18	11.64	11.27	12.48	14.95		19.45
"Cash Flow" per sh	1.39	1.67	2.05	2.33	3.13	3.45	4.28	5.39	6.45	6.00	6.79	7.50		10.35
Earnings per sh <sup>ABD</sup>	1.25	1.55	1.90	2.27	2.62	2.84	3.48	4.42	5.32	5.04	5.91	7.05		9.70
Div'ds Decl'd per sh <sup>E</sup>	.15	.22	.33	.42	.50	.59	.69	.88	1.05	1.22	1.34	1.55		1.90
Cap'l Spending per sh <sup>C</sup>	.12	.14	.18	.22	.19	.25	.34	.35	.38	.38	.36	.40		.45
Book Value per sh <sup>C</sup>	9.35	10.19	10.24	10.86	13.47	12.75	13.12	14.09	14.80	16.05	17.86	19.15		23.85
Common Shs Outst'g	2828.0	2712.0	2624.0	2524.0	2215.0	2133.0	2076.0	2025.0	1974.0	1939.0	1932.0	1925.0		1800.0
Avg Ann'l P/E Ratio	15.7	18.2	21.8	23.3	25.3	27.2	25.9	28.4	29.2	38.3	37.5			28.0
Relative P/E Ratio	.98	1.16	1.22	1.23	1.27	1.43	1.30	1.53	1.56	1.96	2.08			1.55
Avg Ann'l Div'd Yield	.8%	.8%	.8%	.8%	.8%	.8%	.8%	.7%	.7%	.7%	.6%			.7%
Revenues (\$mill) <sup>A</sup>	9188.0	10421	11778	12702	13880	15082	18358	20609	22977	21846	24105	28800		35000
Operating Margin	62.5%	63.1%	64.8%	64.0%	68.9%	69.8%	70.2%	66.5%	68.1%	68.0%	68.9%	68.0%		68.0%
Depreciation (\$mill)	288.0	333.0	397.0	435.0	494.0	502.0	556.0	613.0	656.0	767.0	804.0	910		1150
Net Profit (\$mill) <sup>AB</sup>	3650.0	4203.0	4980.0	5438.0	6438.0	6862.0	8335.0	10301	12080	10866	12311	13550		17500
Income Tax Rate	35.5%	33.4%	31.4%	29.6%	29.3%	29.1%	29.9%	19.6%	18.8%	21.2%	23.4%	21.0%		21.0%
Net Profit Margin	39.7%	40.3%	42.3%	42.8%	46.4%	45.5%	45.4%	50.0%	52.6%	49.7%	51.1%	48.4%		50.0%
Working Cap'l (\$mill)	5739.0	3832.0	3487.0	3556.0	5518.0	6267.0	9029.0	6911.0	7555.0	13135	11868	11750		15000
Long-Term Debt (\$mill)	--	--	--	--	--	15882	16618	16630	16729	21071	19978	24000		28000
Shr. Equity (\$mill)	26437	27630	26870	27413	29842	32912	32760	34006	34684	36210	37589	40000		48000
Return on Total Cap'l	13.8%	15.2%	18.5%	19.8%	21.6%	14.5%	17.4%	20.9%	24.0%	19.4%	21.8%	22.0%		23.5%
Return on Shr. Equity	13.8%	15.2%	18.5%	19.8%	21.6%	20.8%	25.4%	30.3%	34.8%	30.0%	32.8%	34.0%		36.5%
Retained to Com Eq	12.2%	13.1%	15.3%	16.2%	17.6%	20.3%	24.8%	29.4%	33.6%	26.4%	23.5%	26.5%		32.0%
All Div'ds to Net Prof	12%	14%	17%	18%	18%	20%	19%	19%	19%	25%	23%	22%		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. Officers and directors own less than 1.0% of common stock; The Vanguard Group, 8.5%; BlackRock Inc., 7.5% (12/21 proxy). Chairman and Chief Executive Officer: Alfred F. Kelly, Jr. Inc.: DE. Address: P.O. Box 8999, San Francisco, CA 94128. Telephone: 415-932-2100. Internet: www.visa.com.

**In all likelihood, Visa's revenues and share earnings bounced back in the first quarter of fiscal 2022.** (Fiscal year ends on September 30th; the electronic payments processor was scheduled to announce December-period financials shortly after this Issue went to press.) Our top- and bottom-line forecasts for the latest quarter, at \$6.93 billion and \$1.72 per share, respectively, would each mark annual recoveries of 21%–22%.

**Volumes have been on the mend over the last several periods.** During fiscal 2020, Visa saw total dollar volumes decline (down less than 1%) for the first time in the company's history, with travel and buying activity hindered by the global COVID-19 pandemic. Volumes rebounded in fiscal 2021 (up 13.2%), as government-mandated restrictions began to ease and travel started to resume, albeit still below normal levels. We expect transaction activity to pick up further this year, with volumes probably rising 12%–13% in fiscal 2022, driven by Latin America, the United States, and Canada.

**Our top- and bottom-line estimates for fiscal 2022 are \$28.8 billion and \$7.05**

**per share, respectively.** The operating environment has improved over the last two years, though a number of challenges remain. On the one hand, there have been a couple of encouraging developments, most notably the wider acceptance of coronavirus vaccines. But on the other hand, the emergence of new COVID-19 variants such as Omicron has been an overhang on economic activity. On balance, we look for revenues and share earnings to advance for a second-straight year, with both measures rising 19%–20%.

**Timely (1, Highest) Visa shares should appeal to investors of all stripes.** The board remains stockholder friendly, including a recent dividend hike (up 17%), and the repurchase of 40 million shares during fiscal 2021 at a cost of \$8.7 billion. Visa is the global leader in the electronic payments space, processing more transactions than its three closest competitors (American Express, Discover Financial Services, and MasterCard) combined. The company garners our highest rank for Financial Strength (A++), and the stock carries our top mark for Safety (1).

Sharif Abdou February 4, 2022

(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; '20, \$0.14; '21, \$0.28. Next earnings report due in late April. (C) Includes intangibles. As of 9/30/21: \$43.6 billion, \$22.58 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.	<b>Company's Financial Strength</b> A++
	<b>Stock's Price Stability</b> 95
	<b>Price Growth Persistence</b> 100
	<b>Earnings Predictability</b> 90

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