

Company	Visa Inc.	Ticker	V	Current Price	Industry:	Information Tech	Sub-Industry	Data Processing and Outsourced S	
Target Price	\$255.00	TTM P/E	30.06	\$211.20	Beta		0.95	Mkt Cap (B)	447.288
Stop Loss	\$168.96	Forward P/E	25.46		Credit Rating		Aa3	Avg Vol	6,878,251
52 wk High/Low	\$235.85	EPS	\$1.86	Rating Outlook (f		Positive	Div Yield	0.86%	
	\$168.96								

Company Background

Their strategy is to accelerate their revenue growth in consumer payments, new flows and value-added services, and fortify the key foundations of our business model. Visa Inc. is a public company headquartered in California with an estimated 21,500 employees. They are a digital payments company providing transactions between consumers, merchants, and banks and other financial institutions. The company's data processing operations generate the largest portion of revenue. Their largest market share is in the Credit Card Processing & Money Transferring industry, where they account for an estimated 23.4% of total industry revenue and are considered an All Star because they display stronger market share, profit and revenue growth compared to their peers.

Industry Outlook

Once concerns surrounding the COVID-19 (coronavirus) dissipate, economic activity is expected to once again begin to improve. Improved economic conditions will enable disposable income levels to rise during the outlook period. This should help provide consumers and businesses with increased certainty in their long-term financial stability. This stability will likely lead to increased demand for industry operators' services. Additionally, improved economic conditions should lead the Federal Reserve to increase the Federal Funds Rate (FFR) from the near zero-bound levels it dropped to amid the coronavirus pandemic in the prior period. Industry operators will significantly benefit from this, as it will lead the interest rates on the products they provide to increase as well. .

Investment Thesis

Visa Inc (Visa) is a global digital payment technology company that serves individual and commercial clients, financial institutions, government entities, and merchants. It facilitates global e-commerce through digital payments and information. Visa's transaction processing network, VisaNet, conducts clearing, authorization, and settlement of payment transactions. The company also routes payment information and related data. Its portfolio of offerings consists of mobile payments, payment cards, commercial payments, transaction processing services, merchant solutions, and other digital services. It also supports the local businesses. The company operates in the Americas, Europe, Asia-Pacific, the Middle East, and Africa. Visa is headquartered in Foster City, California, the US.

Investment Risks

- 1) Visa was an investor in FTX which recently shutdown due to liquidity issues and investing into their own coin to boost it's appearance to the public
- 2) Visa CEO AL Kelly is stepping down and being replaced by Ryan McInerney effective February 1st, 2023

3-5 takeaways from the last earnings call

- Debt-Equity ratio of .61, ROE of 40.88, and ROA of 17.88
- Visa has been superior to the S&P500 for the past year
- Had revenues of \$24.1B, payments volume of \$10.4T, and 164.7B transactions processed on their networks alone

Financial Performance

	2018	2019	2020	2021	2022
Revenue	20,609	22,977	21,846	24,105	29,310
Gross Profit	19,923	22,256	21,119	23,375	28,567
Net Income	10,301	12,080	10,866	12,311	14,957
Revenue Growth	12%	11%	-5%	10%	22%
EBITDA	14217	16094	14892	16655	20596
Operating Profit	—	—	—	—	—
Net Income Marg	—	—	—	—	—
D/E	48.90%	48.20%	68.00%	57.30%	65.50%
EPS	\$4.44	\$5.33	\$4.91	\$5.65	\$7.02
PE Ratio	32.62	35.09	31.7	48.19	26.16
Current Ratio	1.6x	1.6x	1.9x	1.8x	1.4x
RoE	31%	35%	31%	33%	41%
RoA	12.40%	13.60%	11.50%	12.10%	14.60%
Dividend per sha	0.88	1.05	1.22	1.34	1.58
FCF	10,562.00	9,343.60	8,243.60	11,959.30	13,771.10
NOPAT	10377	12138	11062	12068	15461

Discounted Cash Flow

	2018-21	2022-31
Avg Revenue Growth	7.2925	14.2
Avg Gross Margin	96.79%	97.47%
Avg EBITDA Margin	69.07%	70.27%
Avg NOPAT Margin	50.97%	52.75%
Avg FCF Margin	44.82%	46.98%
Tax Rate		18%
WACC		8.50%
Perpetuity growth rate		3%

Analyst Opinion

Buy: 29	Sell: 0	Hold: 3
Rating	Target	
S&P NetAdvantage	Buy	\$255.00
Bloomberg	Buy	\$250.00
Yahoo Finance	Buy	\$248.00

Financial Performance

Name (BI Peers)	Ticker	Mkt Cap (B)	MC to BV	Tot Assets/EV	P/S-Y	P/E-Y	P/FCF-Y	P/S-Y	GHY	EBIT/Net	RDEY	ROA-Y
Median		11,958	2.22	13.67B	4.22	34.14	19.44	4.22	48.31%	15.63%	10.09%	2.83%
010 VISA INC CLASS A SHARES	V US	456,058	13.71	85,50B	11.55	21.98	18.94	11.55	—	64.19%	47.04%	18.93%
011 MASTERCARD INC - A	MA US	336,278	52.86	37.67B	18.80	42.76	39.20	18.80	—	53.39%	121.62%	23.39%
012 PAYCOM HOLDINGS INC	PAYL US	80,495	4.61	25,88B	8.73	53.04	49.76	8.73	—	16.88%	20.11%	5.76%
014 FISERV INC	FISV US	65,158	2.15	76,25B	4.24	32.92	23.93	4.24	49.91%	14.10%	6.68%	2.80%
015 FIDELITY NATIONAL INFO SERV	FIS US	39,595	0.87	62,53B	4.85	34.14	14.97	4.85	37.44%	7.60%	4.11%	2.38%
016 BLOK INC	BQ US	37,726	2.29	13,98B	4.19	337.90	103.77	4.19	25.03%	0.91%	8.88%	2.02%
017 GLOBAL PAYMENTS INC	GN US	27,258	1.20	45,28B	4.64	31.04	17.29	4.64	55.70%	15.94%	4.83%	2.86%
018 HEELECOX TECHNOLOGIES INC	HLT US	13,938	6.25	13,40B	6.48	21.01	16.92	6.48	—	43.85%	28.77%	7.28%
019 GENESAC GLOBAL INC - CLASS A	GGN US	9,996	1.77	21,27B	5.71	11.73	4.17	5.71	—	39.24%	129.12%	36.88%
020 MEX INC	MEX US	7,058	4.35	10,31B	3.39	126.40	97.55	3.39	62.00%	18.60%	2.22%	0.55%
010 WESTERN UNION CO	WU US	5,548	10.49	8,82B	1.43	8.13	7.20	1.43	42.88%	22.15%	330.91%	9.79%
013 EURONET WORLDWIDE INC	EFT US	4,498	4.37	4,74B	2.09	52.97	19.93	2.09	36.56%	6.14%	8.92%	2.49%
014 ARRIFF HOLDINGS INC	ARRI US	3,952	1.54	6,57B	3.77	—	—	3.77	—	64.19%	6.21%	2.77%
016 ACI WORLDWIDE INC	ACW US	2,328	1.93	3,16B	2.97	29.76	20.38	2.97	53.39%	15.31%	11.26%	4.22%
013 EVO PAYMENTS INC - CLASS A	EVOP US	1,765	-1.92	1,75B	2.43	321.40	17.17	2.43	84.74%	14.37%	—	0.79%
010 HONEYWELL INTERNATIONAL INC	HQI US	1,046	-3.60	4,46B	0.55	42.39	—	0.55	46.70%	5.74%	—	0.37%

*Industry Avg. includes companies list

Total Return

Rating	Company	S&P 500	Industry Sect.	
YTD		-1.51%	-15.84%	-24.28%
2021		-0.92%	26.89%	33.35%
Last 3 years		64.25%	90.13%	180.76%
Last 5 years		177.76%	112.89%	278.17%

CSR Characteristics

Company	Peers (median)	
ESG Disclosure score	56.55	41.82
Governance disclosure score	91.24	87.48
Social Disclosure score	33.37	19.88
Environmental disclosure score	44.91	21.46

Prepared by Team Hartford (Month Day, Year) using Bloomberg, S&P Net Advantage, Mornin