UConn Student Managed Fund Analyst Report

Date: 2/9/23

Research Analyst: (NAMES) Juan Perfumo

(Visa Inc.) (NASDAQ:(V))		Recommendation: BUY						
Target Price:	Market Cap: 486.13	8B	P/E Ratio: 31.95					
Current Price: 230	Dividend Yield: 0/	78	EV/EBITDA: 24.73					
Stop Loss: 190	Beta: 0.96		EBITDA Margin: 68%					
52 Week High/Low: 174.60 – 250.58	ROE: 43.29%		Gross Margin: 81%					

Company Background:

Visa is one of the world's leaders in digital payments. Our purpose is to uplift everyone, everywhere, by being the best way to pay and be paid. We facilitate global commerce and money movement across more than 200 countries and territories among a global set of consumers, merchants, financial institutions, and government entities through innovative technologies.

Industry Outlook:

Consumer spending has progressively moved away from cash. As non-cash transactions grow worldwide, payment processors are positioned to capture a portion of each of those dollars. Consumer spending will shift with the increased use of digital currencies and e-commerce.

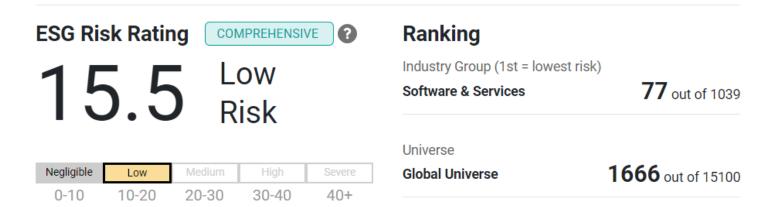
Investment Thesis:

- High Marginal Contribution
- Network Externality
- Scale Ability

Investment Risks:

- Government regulation
- Cyber Attacks

Financial Per	forman	ce													
A Income Statement	В	С	D E	F	G H	· i	J	K L	M	N O	P	Q	R	S	T
date symbol	V	/ V	/ V	V	2019-06-30 2019-09-30 2 V V V	/	V V	V	V	V V	V	V	V	V	V V
calendarYear period revenue							*2020 *2020 Q2 Q3 5,854	0 [*] 2020 Q4 4,837 5,10	Q1	2021 2021 Q2 Q3 5,729 6,	*2021 Q4 130 6,5	*2022 Q1 59 7.0	2022 Q2 059 7,189	72022 Q3 7,275	72022 72023 Q4 Q1 7,787
cost Of Revenue gross Profit	993 4,080	1,021 4,219	1,003 980 4,431 4,526	1,065 4,429	1,056 1,064 4,784 5,073	1,163 4,891	1,123	1,113 1,11 3,724 3,98	3 1,154		284 1,2	239 1,	315 1,416	1,461	1.541
selling General And Administrative other Expenses	e Exper 591 153	582 152	855 643 163 159	606 160	710 796 165 172	693 182	607 192	527 64 197 19	8 491 6 197	651 5 201 2	580 8 204 2	302 E	522 764 198 207	4 719 7 230	930 226
operating Income interest Expense total Other Income Expenses Net	3,336 153 (119)	2,885 155 (73)	3,406 3,717 150 145 132 (87)	3,641 - 36	3,908 3,735 128 120 (42) (24)	4,016 - (42)	3,924 118 (95)	2,999 3,14 142 14 (67) (8	5 136		131 1	125	776 4,800 134 134 121 (260	4 111	5,087 159 (219)
income Before Tax income Tax Expense	3,217 612	2,812 483	3,538 3,630 693 653	3,677 700	3,866 3,711 765 686	3,974 702	3,829 745	2,932 3,05 559 91	5 3,748 8 622	3,628 4,3 602 1,	889 4,2 814 7	98 4,8 714 9	897 4,542 938 895	2 3,829 5 418	4,868 928
net Income.x eps eps diluted	2,605 1.12 1.11	2,329 1.00 1.00	2,845 2,977 1.24 1.30 1.23 1.30	2,977 1.31 1.31	3,101 3,025 1.37 1.34 1.37 1.34	3,272 1.46 1.46	3,084 1.39 1.38	2,373 2,13 1.07 0.5 1.07 0.5	97 1.42	1.38		1.65	959 3,647 1.84 1.7 1.83 1.7	0 1.60	
weighted Average Shs Out weighted Average Shs Out Dil	2,055 2,594	2,041 2,578	2,049 2,017 2,586 2,548	2,005 2,536	1,992 1,999 2,522 2,529	1,969 2,496	1,959 2,484	1,946 1,94 2,470 2,47	6 1,953 9 2,456	1,950 1,9 2,449 2,4	946 1,9 139 2,4	946 1,9 143 2,	924 1,909 414 2,393	9 1,897 7 2,384	1,638 2,116
Valuation: D	3,523	3,119	3,851 3,934	3,837	4,159 4,003	4,156	4,139	3,271 3,39	6 4,081	3,950 4,7	24 4,6	25 5,2	229 4,883	3 4,170	5,253
Valuation. D	iscount		asii Fio	W A	marysis										
Variance of S&	P		0.000823	3											
Covariance of 0		SPY	0.000829	-											
Levered Beta			1.03	+											
Unlevered Beta	7		0.97	+											
Current share p	rice		\$ 230.71												
Current shares	outstandi	ng :	\$ 2,058												
Current market	cap.		\$474,838												
Total Debt			20,487	7											
Preferred Stock	ς .		()											
Cash & cash eq	uivalents		13,334	1			Bear			Bas	e		Bull		
Debt ratio			4.14%	Re	v Growth		2%			9%	5		17%	5	
Equity ratio			95.86%	ó											
Cost of equity	(CAPM)		8.3%	Co	st of Rever	nue	22.00	%		20.00	0%		17.00	%	
Unlevered beta	1		0.97												
Risk Free Rate			3.53%	6											
Market risk pre	mium		4.89%	6 Pri	ce Per Shar	e	\$190.0	00		\$	267		\$ 38	7	
Cost of Debt			2.64%	M	OS		-10%			169	6		69%	5	
Tax rate			16%	ó											
WACC			8.0%	ó						Target	Price	280			
Relative Valu	ation_			1											
А	В		С		D			Е		F		G			Н
	P/E		EV/EBITE	Α	P/Sales		Debt/E	quity	ROA		ROE	E		ROIC	
Visa		31.95		24.73		16.1		0.55		18.149			3.29%		28.869
Mastercard		36.36		27.9] 1	L6.21		2.28		26.80%			9.79%		49.069
American Express		17.54				2.46		1.83		3.779			1.15%		
Discover			N/A	10.0		2.39		1.57		3.779			34.12%	N/A	7.000
Paypal		40.49		19.9		3.44		0.53		3.05%			.0.86%	NI/A	7.929
Capital One		6.42	IWA			1.32		0.92	_	1.88%	0	1	.4.30%	N/A	



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