



NYSE: V	Current Price: \$342.06	52 wk H/L: \$375.51-\$280.78
Target Price: \$389.00 Avg	Stop Loss: \$290.75	Market Cap: \$659.01B
P/E: 33.5x	Div Yield: \$2.36 or .69%	Vol/Avg: 1.31 Bil / 6.30 Bil
EPS: \$11.45 (Annual Estimate)	Credit Rating: AA-/A-1+	Beta: 0.9

Company Background

Visa Inc. operates as a payment technology company in the United States and internationally. Visa is the largest payment processor in the world. In fiscal 2024, it processed almost \$16 trillion in total volume. Visa operates in over 200 countries and processes transactions in over 160 currencies. Its systems can process over 65,000 transactions per second. The company operates VisaNet, a transaction processing network that enables authorization, clearing, and settlement of payment transactions. It also offers credit, debit, and prepaid card products; tap to pay, tokenization, and click to pay services; Visa Direct, a solution that facilitates the delivery of funds to eligible cards, bank accounts, and digital wallets; Visa B2B Connect, a multilateral business-to-business cross-border payments network; Visa Cross-Border Solution, a cross-border consumer payments solution; and Visa DPS that provides a range of value-added services, including fraud mitigation, dispute management, data analytics, campaign management, a suite of digital solutions, and contact center services.

Industry Outlook

Credit cards delivered 45% of payment processor market revenue in 2024 and remain central owing to global acceptance footprints. The payment processor market size for e-wallet transactions is projected to expand at a 15.12% CAGR, targeting USD 25 trillion in wallet volume by 2027. Debit card flows rise through A2A rails, meeting millennial demands for instant fund access. Processors that add stablecoin settlement capture emerging crypto-to-fiat volumes, highlighted by Stripe's USD 1.1 billion Bridge deal, which positions its platform for compliant stablecoin processing.

Intense competition centers on unified platforms supporting cards, wallets, A2A transfers and regulated digital assets. Legacy networks pursue partnerships over direct blockchain integration, while technology-first processors pursue native crypto rails. Merchants favor orchestration engines that dynamically route traffic toward the lowest-cost or highest-acceptance method, lowering overall tender costs and reducing cart abandonment.

Source: <https://www.mordorintelligence.com/industry-reports/payment-processor-market>

Investment Thesis

Visa stands as the world's largest payment processor, operating in over 200 countries and processing nearly \$16 trillion in annual volume. Its scale, brand strength, and entrenched relationships with financial institutions create a formidable moat in the global payments ecosystem. *Visa controls roughly 45% of global payment processing outside China, with Mastercard at ~25%. This duopoly benefits from powerful network effects, making displacement by new entrants challenging.* Visa is investing heavily in AI, fraud prevention, and blockchain/stablecoin settlement, partnering with fintechs to future-proof its business. Its Visa Direct and B2B Connect platforms are expanding global reach and use cases.

I propose that we take a small position in Visa as one of the premier payment processing and credit card providers, then invest in one or two of the emerging fintech "challengers" in the coming weeks.

Visa v. Mastercard

Visa's dominant market position, superior financial discipline, and ongoing investments in technology and partnerships make it a compelling long-term investment. While Mastercard offers higher growth in certain segments and is more aggressive in fintech integration, Visa's scale, profitability, and adaptability provide a more conservative risk profile.

Catalysts & Drivers [\(Source\)](#)

- The current stock price is around \$343, reflecting strong market confidence in Visa's growth potential.
- Visa has a robust market capitalization of approximately \$628.73 billion, indicating its significant presence and stability in the financial transaction services industry.
- The company has recently expanded its services, including Visa Direct, which facilitates quick fund transfers to various accounts, enhancing its value proposition to consumers and businesses.
- Visa's diverse product offerings, such as advanced fraud mitigation and risk management solutions, position it well to adapt to changing market demands and consumer needs.
- Institutional investors hold a substantial portion of Visa's stock, with over 82% owned by hedge funds and other entities, suggesting strong institutional confidence in the company's future performance.

Investment Risks [\(Source\)](#)

- Visa's stock has shown some volatility, with a 52-week high of \$375.51 and a low of \$277.99, indicating potential risks associated with price fluctuations. Visa's revenue is tied to the amount and volume of consumer purchases, which creates significant macroeconomic sensitivity.

- The company operates in a highly competitive market, facing challenges from emerging payment technologies and fintech companies that could impact its market share.
 - Challenger banks (e.g., Chime, Revolut), BNPL providers (Affirm, Klarna), and payment platforms (Stripe, Adyen, PayPal) are rapidly gaining market share by offering seamless, flexible, and lower-cost payment solutions. These players leverage open banking APIs, embedded finance, and crypto rails to bypass traditional card networks.
 - Visa (and Mastercard) are responding with strategic acquisitions, partnerships, and investments in digital wallets, contactless payments, and AI-driven fraud prevention. Their entrenched relationships and global infrastructure remain significant advantages, but the pace of innovation from fintechs is accelerating.
- Visa's debt-to-equity ratio stands at 0.52, which, while manageable, suggests that the company does carry some level of debt that could affect its financial flexibility.
- Recent market trends indicate a shift towards alternative payment methods, which could pose a threat to Visa's traditional card-based revenue model.
- Regulatory changes in the financial services sector could impact Visa's operations and profitability, introducing uncertainty for investors.

Residual Income Analysis

		Most Conservative	Moderate	Optimistic
Book Value (m)	38,664.00			
Net Income (m)	20,286.00			
Equity Charge (m)	3,291.85			
Residual Income (m)	16,994.15			
Growth Forecast		6.00%	10.00%	13.63%
Present Value Growth: 2025 - 2030		88,687.62	97,240.97	105,761.16
Terminal Value (US GDP of 3.5%)		453,570.05	545,856.48	642,066.60
Intrinsic Value (m)		580,921.67	681,761.45	786,491.75
Intrinsic Value per Share		301.53	353.87	408.23
Market Price per Share		342.73	342.73	342.73
Over or Under Valued		(41.20)	11.14	65.50

Financial Performance

Key Statistics

	12 Months Sep-30-2023A	12 Months Sep-30-2024A	12 Months Jun-30-2025A	12 Months Sep-30-2025E	12 Months Sep-30-2026E
Total Revenue	32,653.00	35,926.00	38,893.00	39,887.90	44,136.86
Growth Over Prior Year	11.4%	10.0%	11.4%	11.0%	10.7%
Gross Profit Margin %	97.7%	97.8%	97.8%	80.0%	80.0%
EBITDA Margin %	70.0%	69.5%	70.0%	70.6%	70.7%
EBIT Margin %	67.2%	66.6%	67.0%	67.6%	68.1%
Net Income Margin %	52.9%	55.0%	52.2%	56.3%	55.7%
Diluted EPS Excl. Extra Items	8.28	9.73	10.24	11.44	12.85
Diluted EPS Excl. Extra Items...	18.3%	17.5%	9.6%	13.8%	12.3%

Analyst Opinions

Visa Inc. (V)

NYSE:V · Real-Time Price · USD

🔔 Watchlist

🔍 Compare

343.45 +1.56 (0.46%)

Oct 20, 2025, 1:15 PM EDT - Market open

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Visa Analyst Ratings

All Analysts

Top Analysts 🔒

Total Analysts ⁱ 25	Consensus Rating ⁱ Strong Buy	Price Target ⁱ \$389.08	Upside ⁱ +13.29%
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Source: [Visa Inc. \(V\) Analyst Ratings](#)

According to data from [MarketBeat.com](#), the stock currently has a consensus rating of "Moderate Buy" and a consensus target price of \$389.00.

Articles:

- [Why Visa Could Be the Safest Stock in Your Portfolio](#)
- [Visa: Elevated Valuation Clouds An Otherwise Exceptional Business \(NYSE:V\) | Seeking Alpha](#)
- [Visa - Visa Introduces Trusted Agent Protocol: An Ecosystem-Led Framework for AI Commerce](#)

Investor Relations site: [Visa - Investor Relations](#)

Peer Analysis

Next Twelve Months (NTM)

Company Name	Day Close Price Latest	Shares Outstanding Latest	Market Capitalization Latest	NTM Revenue (Capital IQ)	NTM EBITDA (Capital IQ)	NTM EPS (Capital IQ)
PayPal Holdings, Inc. (NasdaqGS:PYPL)	66.05	955.4	63,102.70	33,963.17	7,252.29	5.38
Mastercard Incorporated (NYSE:MA)	549.88	904	497,098.00	34,512.69	21,426.48	17.58
Fiserv, Inc. (NYSE:FI)	118	543.6	64,144.00	21,652.11	10,619.76	10.9
Global Payments Inc. (NYSE:GPN)	83.66	242.6	20,296.50	9,518.00	4,709.05	12.88
Block, Inc. (NYSE:XYZ)	74.54	609.6	45,436.80	25,902.25	3,756.84	3.1
Corpay, Inc. (NYSE:CPAY)	277.5	70.6	19,595.50	4,677.48	2,506.09	22.61
Marqeta, Inc. (NasdaqGS:MQ)	4.57	448.2	2,048.40	651.53	92.71	-0.02
Fidelity Nat Info Services (NYSE:FIS)	65.81	522.4	34,377.70	10,751.04	4,469.45	6.07
Shift4 Payments, Inc. (NYSE:FOUR)	74.08	68.6	5,084.10	4,912.16	1,166.13	5.81
Jack Henry (NasdaqGS:JKHY)	152.94	72.7	11,113.40	2,492.53	799.64	6.32
Visa Inc. (NYSE:V)	335.4	1,926.60	646,181.90	43,014.53	30,427.88	12.41

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