

# ModernGraham Valuation

Company Name:

Visa Inc

Company Ticker V

Date of Analysis

8/22/2015



## Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

*Defensive Investor; must pass 6 out of the following 7 tests.*

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	Fail
3. Earnings Stability	Positive EPS for 10 years prior	Fail
4. Dividend Record	Dividend Payments for 10 years prior Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	Fail
5. Earnings Growth		Pass
6. Moderate PEmg Ratio	PEmg < 20	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	Fail

*Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.*

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	Pass
3. Earnings Stability	Positive EPS for 5 years prior	Pass
4. Dividend Record	Currently Pays Dividend	Pass
5. Earnings Growth	EPSmg greater than 5 years ago	Pass

Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	1.98
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$76.36</b>
MG Value based on 3% Growth	\$28.76
MG Value based on 0% Growth	\$16.86
Market Implied Growth Rate	13.70%

*MG Opinion*

Current Price	\$71.21
% of Intrinsic Value	93.26%
<b>Opinion</b>	<b>Fairly Valued</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$0.30
PEmg	35.91
Current Ratio	1.74
PB Ratio	6.09
Dividend Yield	0.65%
Number of Consecutive Years of Dividend Growth	7

Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.51	Next Fiscal Year Estimate	\$1.98
Sep14	\$2.16	Sep14	\$1.62
Sep13	\$1.90	Sep13	\$1.29
Sep12	\$0.79	Sep12	\$0.92
Sep11	\$1.29	Sep11	\$0.87
Sep10	\$1.00	Sep10	\$0.57
Sep09	\$0.78	Sep09	\$0.30
Sep08	\$0.15	Sep08	\$0.05
Sep07	\$0.00	Sep07	\$0.00
Sep06	\$0.00	Sep06	\$0.00
Sep05	\$0.00	Sep05	\$0.00
Sep04	\$0.00	Sep04	\$0.00
Sep03	\$0.00	Sep03	\$0.00
Sep02	\$0.00	Sep02	\$0.00
Sep01	\$0.00	Sep01	\$0.00
Sep00	\$0.00	Sep00	\$0.00
Sep99	\$0.00	Sep99	\$0.00
Sep98	\$0.00	<b>Balance Sheet Information Jun15</b>	
Sep97	\$0.00	Total Current Assets	\$10,068,000,000
Sep96	\$0.00	Total Current Liabilities	\$5,789,000,000
Sep95	\$0.00	Long-Term Debt	\$0
		Total Assets	\$39,429,000,000
		Intangible Assets	\$23,200,000,000
		Total Liabilities	\$10,802,000,000
		Shares Outstanding (Diluted Average)	2,448,000,000



**Disclaimer:**

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

## Recommended Reading:

Other  
ModernGraham  
posts about the  
company

[Visa Inc. Quarterly Valuation – May 2015 \\$V](#)  
[5 Most Undervalued Companies for the Enterprising Investor – May 2015](#)  
[5 Undervalued Dow Components to Research – May 2015](#)  
[10 Companies Benjamin Graham Would Invest In Today – April 2015](#)  
[5 Undervalued Dow Components to Research – April 2015](#)

Other  
ModernGraham  
posts about related  
companies

[Ameriprise Financial Inc. Analysis – August 2015 Update \\$AMP](#)  
[SLM Corporation Analysis – August 2015 Update \\$SLM](#)  
[Western Union Company Analysis – 2015 Update \\$WU](#)  
[American Express Company Analysis – August 2015 Update \\$AXP](#)  
[Main Street Capital Corporation Analysis – Initial Coverage \\$MAIN](#)  
[BlackRock Inc. Analysis – July 2015 Update \\$BLK](#)  
[Navient Corporation Analysis – Initial Coverage \\$NAVI](#)  
[KKR & Co. LP Analysis – Initial Coverage \\$KKR](#)  
[McGraw Hill Financial Inc. Analysis – 2015 Update \\$MHFI](#)  
[Bank of New York Mellon Analysis – July 2015 Update \\$BK](#)