

# ModernGraham Valuation

Company Name:

Visa Inc

Company Ticker V

Date of Analysis

6/24/2016



## 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	\$182,963,238,414	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	4.74	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	890.00%	Pass
6. Moderate PEmg Ratio	PEmg < 20	32.33	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	6.19	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	4.74	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.83	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	\$2.32
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$89.37</b>
MG Value based on 3% Growth	\$33.66
MG Value based on 0% Growth	\$19.73
Market Implied Growth Rate	11.91%

### MG Opinion

Current Price	\$75.05
% of Intrinsic Value	83.97%
<b>Opinion</b>	<b>Fairly Valued</b>
<b>MG Grade</b>	<b>C</b>

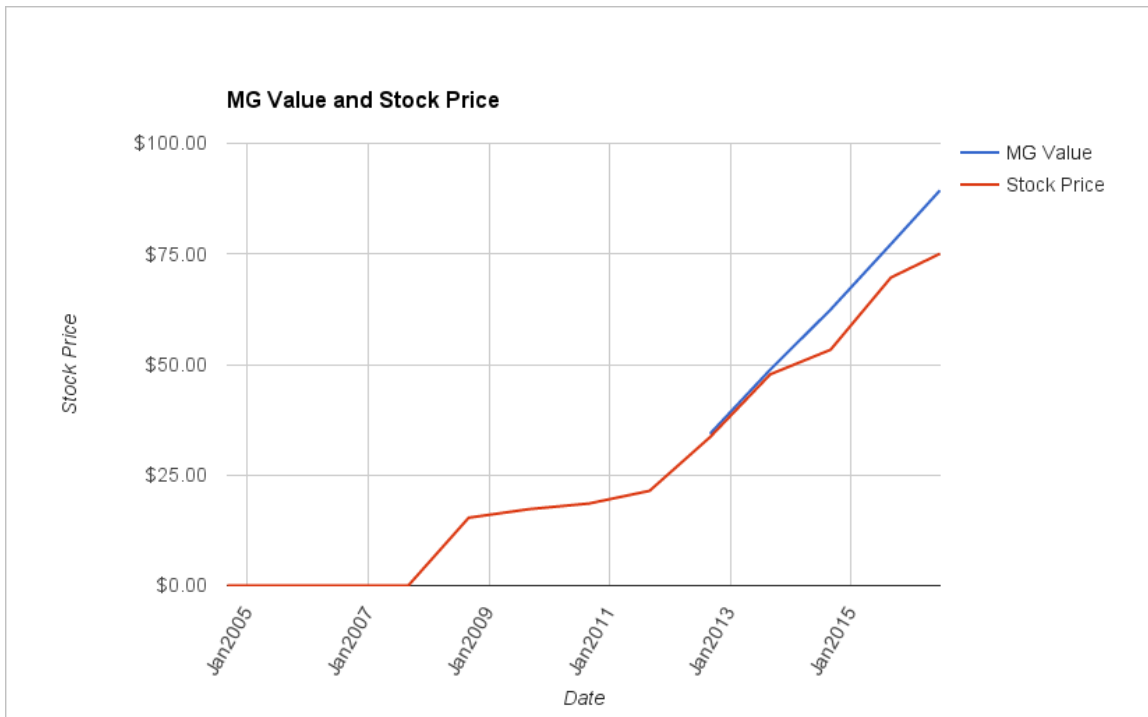
## Stage 3: Information for Further Research

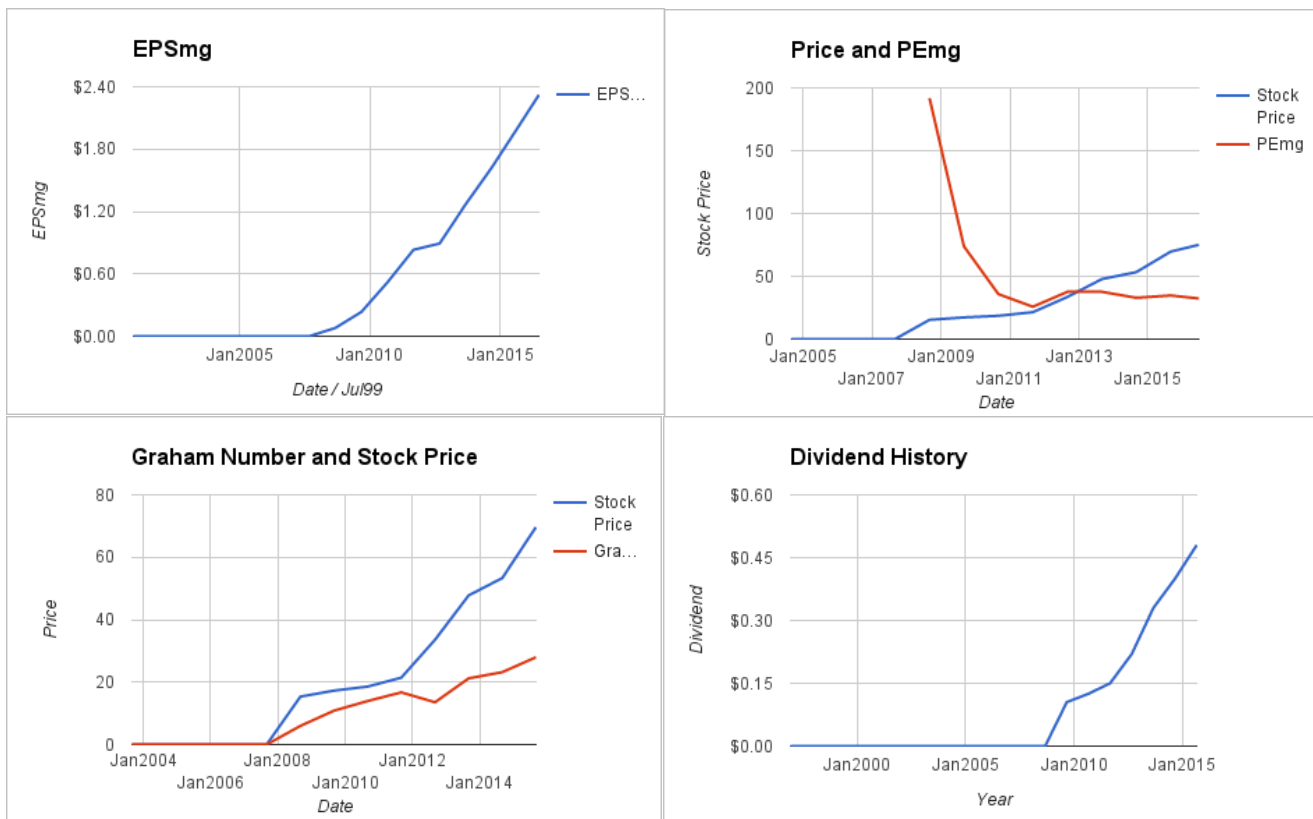
Net Current Asset Value (NCAV)	-\$0.37
Graham Number	\$28.51
PEmg	32.33
Current Ratio	4.74
PB Ratio	6.19
Current Dividend	\$0.52
Dividend Yield	0.69%
Number of Consecutive Years of Dividend Growth	8

### 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>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.69	Next Fiscal Year Estimate	\$2.32
Sep2015	\$2.58	Sep2015	\$2.01
Sep2014	\$2.16	Sep2014	\$1.62
Sep2013	\$1.90	Sep2013	\$1.27
Sep2012	\$0.79	Sep2012	\$0.89
Sep2011	\$1.29	Sep2011	\$0.83
Sep2010	\$1.00	Sep2010	\$0.52
Sep2009	\$0.51	Sep2009	\$0.23
Sep2008	\$0.24	Sep2008	\$0.08
Sep2007	\$0.00	Sep2007	\$0.00
Sep2006	\$0.00	Sep2006	\$0.00
Sep2005	\$0.00	Sep2005	\$0.00
Sep2004	\$0.00	Sep2004	\$0.00
Sep2003	\$0.00	Sep2003	\$0.00
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Dec2001	\$0.00
Dec2000	\$0.00	Dec2000	\$0.00
Dec1999	\$0.00	<b>Balance Sheet Information 3/1/2016</b>	
Dec1998	\$0.00	Total Current Assets	\$24,303,000,000
Dec1997	\$0.00	Total Current Liabilities	\$5,125,000,000
Dec1996	\$0.00	Long-Term Debt	\$15,876,000,000
		Total Assets	\$54,326,000,000
		Intangible Assets	\$23,171,000,000
		Total Liabilities	\$25,195,000,000
		Shares Outstanding (Diluted Average)	2,401,000,000





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

- [9 Best Stocks For Value Investors This Week – 11/28/15](#)
- [Visa Inc Valuation – November 2015 Update \\$V](#)
- [The Best Stocks of the Financial Services Industry – September 2015](#)
- [19 Best Stocks For Value Investors This Week – 8/29/15](#)
- [Visa Inc. Analysis – August 2015 Update \\$V](#)

Other  
ModernGraham  
posts about related  
companies

- [Morgan Stanley Valuation – June 2016 \\$MS](#)
- [BlackRock Inc Valuation – June 2016 \\$BLK](#)
- [Goldman Sachs Group Inc Valuation – June 2016 \\$GS](#)
- [Ameriprise Financial Inc Valuation – June 2016 \\$AMP](#)
- [American Express Company Valuation – May 2016 \\$AXP](#)
- [T.Rowe Price Group Inc Stock Valuation – February 2016 \\$TROW](#)
- [Moody's Corporation Stock Valuation – February 2016 \\$MCO](#)
- [KKR & Co LP Stock Valuation – February 2016 \\$KKR](#)
- [Capital One Financial Corp Valuation – January 2016 Update \\$COF](#)
- [Franklin Resources Inc Valuation – January 2016 Update \\$BEN](#)