

ModernGraham Valuation

Company Name:

Visa Inc

Company Ticker V

Date of Analysis

11/21/2018



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	\$301,247,162,015	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.61	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	302.21%	Pass
5. Earnings Growth	PEmg < 20	34.17	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	9.19	Fail
7. Moderate Price to Assets			

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	1.61	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.41	Fail
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 Score		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.97
MG Growth Estimate	14.65%
MG Value	\$150.00
MG Value based on 3% Growth	\$57.54
MG Value based on 0% Growth	\$33.73
Market Implied Growth Rate	12.84%

MG Opinion

Current Price	\$135.60
% of Intrinsic Value	90.40%
Opinion	Fairly Valued
MG Grade	C

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$7.38
Graham Number	\$38.16
PEmg	34.17
Current Ratio	1.61
PB Ratio	9.19
Current Dividend	\$0.83
Dividend Yield	0.61%
Number of Consecutive Years of Dividend Growth	11

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Sep2018	\$5.18	Sep2018	\$3.97
Sep2017	\$4.42	Sep2017	\$3.20
Sep2016	\$2.80	Sep2016	\$2.53
Sep2015	\$2.48	Sep2015	\$2.25
Sep2014	\$2.58	Sep2014	\$2.01
Sep2013	\$2.16	Sep2013	\$1.62
Sep2012	\$1.90	Sep2012	\$1.29
Sep2011	\$0.79	Sep2011	\$0.93
Sep2010	\$1.29	Sep2010	\$0.88
Sep2009	\$1.00	Sep2009	\$0.59
Sep2008	\$0.78	Sep2008	\$0.32
Sep2007	\$0.24	Sep2007	\$0.08
Sep2006	\$0.00	Sep2006	\$0.00
Sep2003	\$0.00	Sep2003	\$0.00
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Dec2001	\$0.00
Dec2000	\$0.00	Balance Sheet Information	
Dec1999	\$0.00	9/1/2018	
Dec1998	\$0.00	Total Current Assets	\$18,216,000,000
Dec1997	\$0.00	Total Current Liabilities	\$11,305,000,000
		Long-Term Debt	\$16,630,000,000
		Total Assets	\$69,225,000,000
		Intangible Assets	\$42,752,000,000
		Total Liabilities	\$35,219,000,000
		Shares Outstanding (Diluted Average)	2,305,000,000





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.

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