



## Visa Inc. Reports Fiscal Second Quarter 2019 Results

San Francisco, CA, April 24, 2019 – Visa Inc. (NYSE: V)

- Net income of \$3.0B or \$1.31 per share, increases of 14% and 17%, respectively
- Net revenues of \$5.5B, an increase of 8%
- Payments volume and processed transactions growth remained healthy; cross-border growth slowed in-line with expectations
- Increased earnings per share outlook for the fiscal full-year 2019 based on strong performance in the first half
- Returned \$2.6B of capital to shareholders in the form of share repurchases and dividends

### Q2 2019 Results

(Ending March 31, 2019)

<i>in billions, except percentages and per share data</i>	USD	YoY Change
<b>Net Revenues</b>	\$5.5	8%
<b>Net Income</b>	\$3.0	14%
<b>Earnings Per Share</b>	\$1.31	17%

Alfred F. Kelly, Jr., Chief Executive Officer, Visa Inc., commented on the results:

“Visa had another solid quarter demonstrating the power of the business model. We continue to invest heavily behind important strategic initiatives while delivering net income and earnings per share growth of 14% and 17%, respectively.”

### Q2 2019 Key Business Drivers

(YoY growth, volume in constant dollars)

**Payments volume**

+8%

**Cross-border volume**

+4%

**Processed transactions**

+11%

## Fiscal Second Quarter 2019 — Financial Highlights

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Net income in the fiscal second quarter was \$3.0 billion or \$1.31 per share, increases of 14% and 17%, respectively, over prior year's results. Exchange rate shifts versus the prior year negatively impacted earnings per share growth by approximately 1.5 percentage points. All references to earnings per share assume fully-diluted class A share count.

Net revenues in the fiscal second quarter were \$5.5 billion, an increase of 8%, driven by continued growth in payments volume, cross-border volume and processed transactions. Exchange rate shifts versus the prior year negatively impacted reported net revenues growth by approximately 1.5 percentage points. The Company adopted the new revenue accounting standard effective October 1, 2018, which positively impacted reported net revenues growth by 0.8 percentage points.

Payments volume for the three months ended December 31, 2018, on which fiscal second quarter service revenues are recognized, grew 11% over the prior year on a constant-dollar basis.

Payments volume for the three months ended March 31, 2019, grew 8% over the prior year on a constant-dollar basis.

Cross-border volume growth, on a constant-dollar basis, was 4% for the three months ended March 31, 2019. Growth was 6% in the quarter adjusting for an e-commerce platform reorienting acquiring within Europe from cross-border to domestic, which had minimal revenue impact.

Total processed transactions, which represent transactions processed by Visa, for the three months ended March 31, 2019, were 32.5 billion, an 11% increase over the prior year.

Fiscal second quarter service revenues were \$2.4 billion, an increase of 7% over the prior year, and are recognized based on payments volume in the prior quarter. All other revenue categories are recognized based on current quarter activity. Data processing revenues rose 14% over the prior year to \$2.4 billion. International transaction revenues grew 3% over the prior year to \$1.8 billion. Other revenues of \$327 million rose 42% over the prior year. Client incentives, which are a contra revenue item, were \$1.5 billion and represent 21.2% of gross revenues.

Operating expenses were \$1.9 billion for the fiscal second quarter, a 7% increase over the prior year's results, primarily driven by personnel and general and administrative costs. The new revenue accounting standard increased reported operating expense growth by 2.8 percentage points.

Non-operating income was \$36 million for the fiscal second quarter driven by investment gains, higher interest income on cash and investments, and lower interest expense.

Effective income tax rate was 19.0% for the quarter ended March 31, 2019.

Cash, cash equivalents and investment securities were \$15.0 billion as of March 31, 2019.

The weighted-average number of diluted shares of class A common stock outstanding was 2.28 billion for the quarter ended March 31, 2019.

## Fiscal Second Quarter 2019 — Other Notable Items

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During the three months ended March 31, 2019, the Company recognized \$84 million of investment gains recorded in non-operating income. Several private companies in which the Company has strategic investments executed transactions or funding rounds during the quarter, which established new and higher valuations. The Company adopted the accounting standard ASU 2016-01 in fiscal year 2019 that requires companies to recognize unrealized gains and losses in their income statement each quarter.

During the three months ended March 31, 2019, the Company repurchased 14.0 million shares of class A common stock, at an average price of \$145.40 per share, using \$2.0 billion of cash on hand. In the six months ended March 31, 2019, the Company repurchased a total of 30.9 million shares of class A common stock, at an average price of \$141.26 per share, using \$4.4 billion of cash on hand. The Company has \$8.3 billion of authorized funds available for share repurchase as of March 31, 2019.

On April 16, 2019, the board of directors declared a quarterly cash dividend of \$0.25 per share of class A common stock (determined in the case of class B and C common stock and series B and C convertible participating preferred stock on an as-converted basis) payable on June 4, 2019, to all holders of record as of May 17, 2019.

## Financial Outlook for Fiscal Full-Year 2019

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### **Visa Inc. reaffirms its fiscal full-year 2019 financial outlook for the following metrics:**

- Annual net revenue growth: Low double-digits on a nominal basis, with approximately 1 percentage point of negative foreign currency impact and de minimus impact from the new revenue accounting standard
- Annual operating expense growth: Mid-single digit decrease on a GAAP basis and mid-to-high single digit increase adjusted for special items in fiscal 2018 (see note below). GAAP and non-GAAP growth includes an approximately 1.5 to 2 percentage point increase from the new revenue accounting standard

### **Visa Inc. updates its fiscal full-year 2019 financial outlook for the following metrics:**

- Client incentives as a percentage of gross revenues: 22% to 23% range for the second half of the fiscal year and low end of 22% to 23% range for the full fiscal year
- Effective tax rate: Approximately 20%
- Annual diluted class A common stock earnings per share growth: Low twenties on a GAAP nominal dollar basis and high-end of mid-teens on an adjusted, non-GAAP nominal dollar basis (see note below). Both include approximately 1.5 percentage points of negative foreign currency impact

*Note: Annual adjusted operating expense growth is derived from adjusted full-year 2018 operating expenses of \$6.9 billion. Annual adjusted diluted class A common stock earnings per share growth is derived from adjusted full-year 2018 earnings per share results of \$4.61. Refer to the accompanying financial tables for details and a reconciliation of the adjusted fiscal full-year 2018 results.*

## Fiscal Second Quarter 2019 Earnings Results Conference Call Details

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**Visa's executive management team will host a live audio webcast beginning at 5:00 p.m. Eastern Time (2:00 p.m. Pacific Time) today** to discuss the financial results and business highlights. All interested parties are invited to listen to the live webcast at <http://investor.visa.com>. A replay of the webcast will be available on the Visa Investor Relations website for 30 days. Investor information, including supplemental financial information, is available on Visa Inc.'s Investor Relations website at <http://investor.visa.com>.

# Forward-Looking Statements

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This press release contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 that relate to, among other things, our future operations, prospects, developments, strategies, business growth and financial outlook for fiscal full-year 2019. Forward-looking statements generally are identified by words such as “believes,” “estimates,” “expects,” “intends,” “may,” “projects,” “outlook”, “could,” “should,” “will,” “continue” and other similar expressions. All statements other than statements of historical fact could be forward-looking statements, which speak only as of the date they are made, are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, many of which are beyond our control and are difficult to predict.

Actual results could differ materially from those expressed in, or implied by, our forward-looking statements due to a variety of factors, including, but not limited to:

- increased oversight and regulation of the global payments industry and our business;
- impact of government-imposed restrictions on international payment systems;
- outcome of tax, litigation and governmental investigation matters;
- increasingly intense competition in the payments industry, including competition for our clients and merchants;
- proliferation and continuous evolution of new technologies and business models;
- our ability to maintain relationships with our clients, merchants and other third parties;
- brand or reputational damage;
- management changes;
- impact of global economic, political, market and social events or conditions;
- exposure to loss or illiquidity due to settlement guarantees;
- uncertainty surrounding the impact of the United Kingdom’s withdrawal from the European Union;
- a disruption, failure, breach or cyber-attack of our networks or systems;
- our ability to successfully integrate and manage our acquisitions and other strategic investments; and
- other factors described in our filings with the U.S. Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended September 30, 2018, and our subsequent reports on Forms 10-Q and 8-K.

Except as required by law, we do not intend to update or revise any forward-looking statements as a result of new information, future events or otherwise.

## About Visa Inc.

Visa Inc. (NYSE: V) is the world’s leader in digital payments. Our mission is to connect the world through the most innovative, reliable and secure payment network - enabling individuals, businesses and economies to thrive. Our advanced global processing network, VisaNet, provides secure and reliable payments around the world, and is capable of handling more than 65,000 transaction messages a second. Our relentless focus on innovation is a catalyst for the rapid growth of connected commerce on any device, and a driving force behind the dream of a cashless future for everyone, everywhere. As the world moves from analog to digital, Visa is applying our brand, products, people, network and scale to reshape the future of commerce. For more information, visit [usa.visa.com/about-visa.html](http://usa.visa.com/about-visa.html), [usa.visa.com/visa-everywhere/blog.html](http://usa.visa.com/visa-everywhere/blog.html) and @VisaNews.

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# Fiscal Second Quarter 2019 — Financial Summary

## Q2 FISCAL 2019 INCOME STATEMENT SUMMARY

	Three Months Ended March 31, 2019	YoY Change
<i>(in millions, except percentages and per share data)</i>		
<b>Revenues</b>		
Service revenues	\$ 2,417	7%
Data processing revenues	2,432	14%
International transaction revenues	1,796	3%
Other revenues	327	42%
Client incentives	(1,478)	15%
<b>Net revenues</b>	<b>5,494</b>	<b>8%</b>
<b>Operating Expenses</b>		
Personnel	894	8%
Marketing	241	(8%)
Network and processing	171	1%
Professional fees	101	(7%)
Depreciation and amortization	160	4%
General and administrative	264	19%
Litigation provision	22	NM
<b>Total operating expenses</b>	<b>1,853</b>	<b>7%</b>
<b>Operating income</b>	<b>3,641</b>	<b>9%</b>
<b>Non-operating Income (Expense)</b>		
Non-operating income	36	NM
Effective tax rate	19.0%	0 ppt
<b>Net income</b>	<b>\$ 2,977</b>	<b>14%</b>
<b>Earnings per share</b>	<b>\$ 1.31</b>	<b>17%</b>
NM - Not Meaningful		

## Q2 FISCAL 2019 KEY BUSINESS DRIVERS

	YoY Change	
	Constant	Nominal
Payments volume	8%	4%
Cross-border volume	4%	(2%)
Processed transactions	11%	11%

# Visa Inc. Consolidated Balance Sheets (unaudited)

	March 31, 2019	September 30, 2018
(in millions, except par value data)		
<b>Assets</b>		
Cash and cash equivalents	\$ 7,648	\$ 8,162
Restricted cash equivalents—U.S. litigation escrow	899	1,491
Investment securities	3,876	3,547
Settlement receivable	1,574	1,582
Accounts receivable	1,404	1,208
Customer collateral	1,735	1,324
Current portion of client incentives	589	340
Prepaid expenses and other current assets	765	562
Total current assets	18,490	18,216
Investment securities	3,506	4,082
Client incentives	1,664	538
Property, equipment and technology, net	2,456	2,472
Goodwill	15,088	15,194
Intangible assets, net	26,966	27,558
Other assets	1,695	1,165
Total assets	\$ 69,865	\$ 69,225
<b>Liabilities</b>		
Accounts payable	\$ 119	\$ 183
Settlement payable	2,081	2,168
Customer collateral	1,735	1,325
Accrued compensation and benefits	578	901
Client incentives	3,484	2,834
Accrued liabilities	1,207	1,160
Deferred purchase consideration	1,262	1,300
Accrued litigation	914	1,434
Total current liabilities	11,380	11,305
Long-term debt	16,630	16,630
Deferred tax liabilities	4,911	4,618
Other liabilities	2,669	2,666
Total liabilities	35,590	35,219
<b>Equity</b>		
Preferred stock, \$0.0001 par value, 25 shares authorized and 5 shares issued and outstanding as follows:		
Series A convertible participating preferred stock, none issued (the "class A equivalent preferred stock")	—	—
Series B convertible participating preferred stock, 2 shares issued and outstanding at March 31, 2019 and September 30, 2018 (the "UK&I preferred stock")	2,286	2,291
Series C convertible participating preferred stock, 3 shares issued and outstanding at March 31, 2019 and September 30, 2018 (the "Europe preferred stock")	3,178	3,179
Class A common stock, \$0.0001 par value, 2,001,622 shares authorized, 1,741 and 1,768 shares issued and outstanding at March 31, 2019 and September 30, 2018, respectively	—	—
Class B common stock, \$0.0001 par value, 622 shares authorized, 245 shares issued and outstanding at March 31, 2019 and September 30, 2018	—	—
Class C common stock, \$0.0001 par value, 1,097 shares authorized, 12 shares issued and outstanding at March 31, 2019 and September 30, 2018	—	—
Right to recover for covered losses	(163)	(7)
Additional paid-in capital	16,547	16,678
Accumulated income	12,513	11,318
Accumulated other comprehensive income (loss), net:		
Investment securities	1	(17)
Defined benefit pension and other postretirement plans	(67)	(61)
Derivative instruments	96	60
Foreign currency translation adjustments	(116)	565
Total accumulated other comprehensive income (loss), net	(86)	547
Total equity	34,275	34,006
Total liabilities and equity	\$ 69,865	\$ 69,225

# Visa Inc. Consolidated Statements of Operations (unaudited)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2019	2018	2019	2018
	(in millions, except per share data)			
Net revenues	\$ 5,494	\$ 5,073	\$ 11,000	\$ 9,935
<b>Operating Expenses</b>				
Personnel	894	824	1,701	1,503
Marketing	241	261	517	484
Network and processing	171	169	344	329
Professional fees	101	108	192	200
Depreciation and amortization	160	153	319	298
General and administrative	264	222	540	458
Litigation provision	22	—	29	—
<b>Total operating expenses</b>	<b>1,853</b>	<b>1,737</b>	<b>3,642</b>	<b>3,272</b>
Operating income	3,641	3,336	7,358	6,663
<b>Non-operating Income (Expense)</b>				
Interest expense, net	(140)	(153)	(285)	(307)
Investment income and other	176	34	234	100
<b>Total non-operating income (expense)</b>	<b>36</b>	<b>(119)</b>	<b>(51)</b>	<b>(207)</b>
Income before income taxes	3,677	3,217	7,307	6,456
Income tax provision	700	612	1,353	1,329
<b>Net income</b>	<b>\$ 2,977</b>	<b>\$ 2,605</b>	<b>\$ 5,954</b>	<b>\$ 5,127</b>
<b>Basic Earnings Per Share</b>				
Class A common stock	\$ 1.31	\$ 1.12	\$ 2.61	\$ 2.19
Class B common stock	\$ 2.13	\$ 1.84	\$ 4.25	\$ 3.61
Class C common stock	\$ 5.23	\$ 4.46	\$ 10.44	\$ 8.76
<b>Basic Weighted-average Shares Outstanding</b>				
Class A common stock	1,748	1,798	1,754	1,805
Class B common stock	245	245	245	245
Class C common stock	12	12	12	13
<b>Diluted Earnings Per Share</b>				
Class A common stock	\$ 1.31	\$ 1.11	\$ 2.61	\$ 2.19
Class B common stock	\$ 2.13	\$ 1.84	\$ 4.25	\$ 3.60
Class C common stock	\$ 5.23	\$ 4.46	\$ 10.42	\$ 8.74
<b>Diluted Weighted-average Shares Outstanding</b>				
Class A common stock	2,279	2,337	2,285	2,345
Class B common stock	245	245	245	245
Class C common stock	12	12	12	13

# Visa Inc. Consolidated Statements of Cash Flows (unaudited)

	Six Months Ended March 31,	
	2019	2018
(in millions)		
<b>Operating Activities</b>		
Net income	\$ 5,954	\$ 5,127
Adjustments to reconcile net income to net cash provided by operating activities:		
Client incentives	2,934	2,615
Share-based compensation	211	153
Depreciation and amortization of property, equipment, technology and intangible assets	319	298
Deferred income taxes	256	(945)
Right to recover for covered losses recorded in equity	(162)	(4)
Other	(106)	(10)
Change in operating assets and liabilities:		
Settlement receivable	(23)	(1,039)
Accounts receivable	(203)	(113)
Client incentives	(3,142)	(2,177)
Other assets	(245)	41
Accounts payable	(48)	(26)
Settlement payable	(38)	986
Accrued and other liabilities	170	975
Accrued litigation	(519)	(152)
Net cash provided by operating activities	<u>5,358</u>	<u>5,729</u>
<b>Investing Activities</b>		
Purchases of property, equipment and technology	(313)	(354)
Investment securities:		
Purchases	(1,806)	(2,342)
Proceeds from maturities and sales	2,038	1,771
Acquisitions, net of cash acquired	—	(196)
Purchases of / contributions to other investments	(236)	(16)
Proceeds / distributions from other investments	10	—
Other investing activities	(89)	—
Net cash used in investing activities	<u>(396)</u>	<u>(1,137)</u>
<b>Financing Activities</b>		
Repurchase of class A common stock	(4,331)	(3,850)
Repayments of long-term debt	—	(1,750)
Dividends paid	(1,141)	(948)
Cash proceeds from issuance of common stock under employee equity plans	89	103
Restricted stock and performance-based shares settled in cash for taxes	(103)	(88)
Net cash used in financing activities	<u>(5,486)</u>	<u>(6,533)</u>
Effect of exchange rate changes on cash and cash equivalents	(171)	206
Decrease in cash, cash equivalents, restricted cash and restricted cash equivalents	(695)	(1,735)
Cash, cash equivalents, restricted cash and restricted cash equivalents at beginning of period	10,977	12,011
Cash, cash equivalents, restricted cash and restricted cash equivalents at end of period	<u>\$ 10,282</u>	<u>\$ 10,276</u>
<b>Supplemental Disclosure</b>		
Income taxes paid, net of refunds	\$ 1,381	\$ 1,197
Interest payments on debt	\$ 269	\$ 276
Accruals related to purchases of property, equipment and technology	\$ 51	\$ 21



# Visa Inc. Fiscal 2019 and 2018 Quarterly Results of Operations (unaudited)

	Fiscal 2019 Quarter Ended		Fiscal 2018 Quarter Ended		
	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018
	(in millions)				
Net revenues	\$ 5,494	\$ 5,506	\$ 5,434	\$ 5,240	\$ 5,073
<b>Operating Expenses</b>					
Personnel	894	807	815	852	824
Marketing	241	276	264	240	261
Network and processing	171	173	188	169	169
Professional fees	101	91	134	112	108
Depreciation and amortization	160	159	163	152	153
General and administrative	264	276	457	230	222
Litigation provision	22	7	7	600	—
<b>Total operating expenses</b>	<b>1,853</b>	<b>1,789</b>	<b>2,028</b>	<b>2,355</b>	<b>1,737</b>
<b>Operating income</b>	<b>3,641</b>	<b>3,717</b>	<b>3,406</b>	<b>2,885</b>	<b>3,336</b>
<b>Non-operating Income (Expense)</b>					
Interest expense, net	(140)	(145)	(150)	(155)	(153)
Investment income and other	176	58	282	82	34
<b>Total non-operating income (expense)</b>	<b>36</b>	<b>(87)</b>	<b>132</b>	<b>(73)</b>	<b>(119)</b>
Income before income taxes	3,677	3,630	3,538	2,812	3,217
Income tax provision	700	653	693	483	612
<b>Net income</b>	<b>\$ 2,977</b>	<b>\$ 2,977</b>	<b>\$ 2,845</b>	<b>\$ 2,329</b>	<b>\$ 2,605</b>

# Visa Inc. Reconciliation of Non-GAAP Financial Results (unaudited)

Our financial results for the six months ended March 31, 2018 reflected the impact of certain significant items that we believe were not indicative of our operating performance in these or future periods, as they were either non-recurring or had no cash impact. As such, we believe the presentation of adjusted financial results excluding the following items provides a clearer understanding of our operating performance for the periods presented. There were no comparable adjustments recorded for the three and six months ended March 31, 2019 and the three months ended March 31, 2018.

- *Remeasurement of deferred tax balances.* During the six months ended March 31, 2018, in connection with the Tax Cuts and Jobs Act's reduction of the corporate income tax rate, we remeasured our net deferred tax liabilities as of the enactment date, resulting in the recognition of a non-recurring, non-cash income tax benefit of \$1.1 billion.
- *Transition tax on foreign earnings.* During the six months ended March 31, 2018, in connection with the Tax Cuts and Jobs Act's requirement that we include certain untaxed foreign earnings of non-U.S. subsidiaries in our fiscal 2018 taxable income, we recorded a one-time transition tax estimated to be approximately \$1.1 billion.

Adjusted financial results are non-GAAP financial measures and should not be relied upon as substitutes for measures calculated in accordance with U.S. GAAP. The following table reconciles our as-reported financial measures, calculated in accordance with U.S. GAAP, to our respective non-GAAP adjusted financial measures for the six months ended March 31, 2018. There were no comparable adjustments recorded for the three and six months ended March 31, 2019 and the three months ended March 31, 2018.

(in millions, except percentages and per share data)	Six Months Ended March 31, 2018				
	Income Before Income Taxes	Income Tax Provision	Effective Income Tax Rate <sup>(1)</sup>	Net Income	Diluted Earnings Per Share <sup>(1)</sup>
As reported	\$ 6,456	\$ 1,329	20.6 %	\$ 5,127	\$ 2.19
Remeasurement of deferred tax balances	—	1,133		(1,133)	(0.48)
Transition tax on foreign earnings	—	(1,147)		1,147	0.49
As adjusted	\$ 6,456	\$ 1,315	20.4 %	\$ 5,141	\$ 2.19

<sup>(1)</sup> Figures in the table may not recalculate exactly due to rounding. Effective income tax rate, diluted earnings per share and their respective totals are calculated based on unrounded numbers.

# Visa Inc. Reconciliation of Non-GAAP Financial Results – continued (unaudited)

Our financial outlook for fiscal full-year 2019 annual operating expense growth and annual diluted class A common stock earnings per share growth are based on adjusted non-GAAP fiscal full-year 2018 results, which are reconciled to their closest comparable U.S. GAAP financial measure below.

Our financial results during the twelve months ended September 30, 2018 reflected the impact of certain significant items that we believe were not indicative of our ongoing operating performance in these or future periods as they were either non-recurring or had no cash impact. As such, we believe the presentation of adjusted financial results excluding the following items provides a clearer understanding of our operating performance for the periods presented.

- *Charitable contribution.* During the three months ended September 30, 2018, we donated available-for-sale investment securities to the Visa Foundation and recognized a non-cash general and administrative expense of \$195 million, before tax, and recorded \$193 million of realized gain on the donation of these investments as non-operating income. Net of the related cash tax benefit of \$51 million, determined by applying applicable tax rates, adjusted net income decreased by \$49 million.
- *Litigation provision.* During the twelve months ended September 30, 2018, we recorded a litigation provision of \$600 million and related tax benefits of \$137 million associated with the interchange multidistrict litigation. The tax impact is determined by applying applicable federal and state tax rates to the litigation provision. Under the U.S. retrospective responsibility plan, we recover the monetary liabilities related to the U.S. covered litigation through a reduction to the conversion rate of our class B common stock to shares of class A common stock.
- *Remeasurement of deferred tax balances.* During the twelve months ended September 30, 2018, in connection with the Tax Cuts and Jobs Act's reduction of the corporate income tax rate, we remeasured our net deferred tax liabilities as of the enactment date, resulting in the recognition of a non-recurring, non-cash income tax benefit of \$1.1 billion.
- *Transition tax on foreign earnings.* During the twelve months ended September 30, 2018, in connection with the Tax Cuts and Jobs Act's requirement that we include certain untaxed foreign earnings of non-U.S. subsidiaries in our fiscal 2018 taxable income, we recorded a one-time transition tax estimated to be approximately \$1.1 billion.

Adjusted financial results are non-GAAP financial measures and should not be relied upon as substitutes for measures calculated in accordance with U.S. GAAP. The following table reconciles our as-reported financial measures, calculated in accordance with U.S. GAAP, to our respective non-GAAP adjusted financial measures for the twelve months ended September 30, 2018.

Twelve Months Ended September 30, 2018								
(in millions, except percentages and per share data)	Operating Expenses	Operating Margin <sup>(1),(2)</sup>	Non-operating (Expense) Income	Income Before Income Taxes	Income Tax Provision	Effective Income Tax Rate <sup>(1)</sup>	Net Income	Diluted Earnings Per Share <sup>(1)</sup>
As reported	\$ 7,655	63 %	\$ (148)	\$ 12,806	\$ 2,505	19.6 %	\$ 10,301	\$ 4.42
Charitable contribution	(195)	1 %	(193)	2	51		(49)	(0.02)
Litigation provision	(600)	3 %	—	600	137		463	0.20
Remeasurement of deferred tax liability	—	— %	—	—	1,133		(1,133)	(0.49)
Transition tax on foreign earnings	—	— %	—	—	(1,147)		1,147	0.49
As adjusted	\$ 6,860	67 %	\$ (341)	\$ 13,408	\$ 2,679	20.0 %	\$ 10,729	\$ 4.61

<sup>(1)</sup> Figures in the table may not recalculate exactly due to rounding. Operating margin, effective income tax rate, diluted earnings per share and their respective totals are calculated based on unrounded numbers.

<sup>(2)</sup> Operating margin is calculated as operating income divided by total operating revenues.