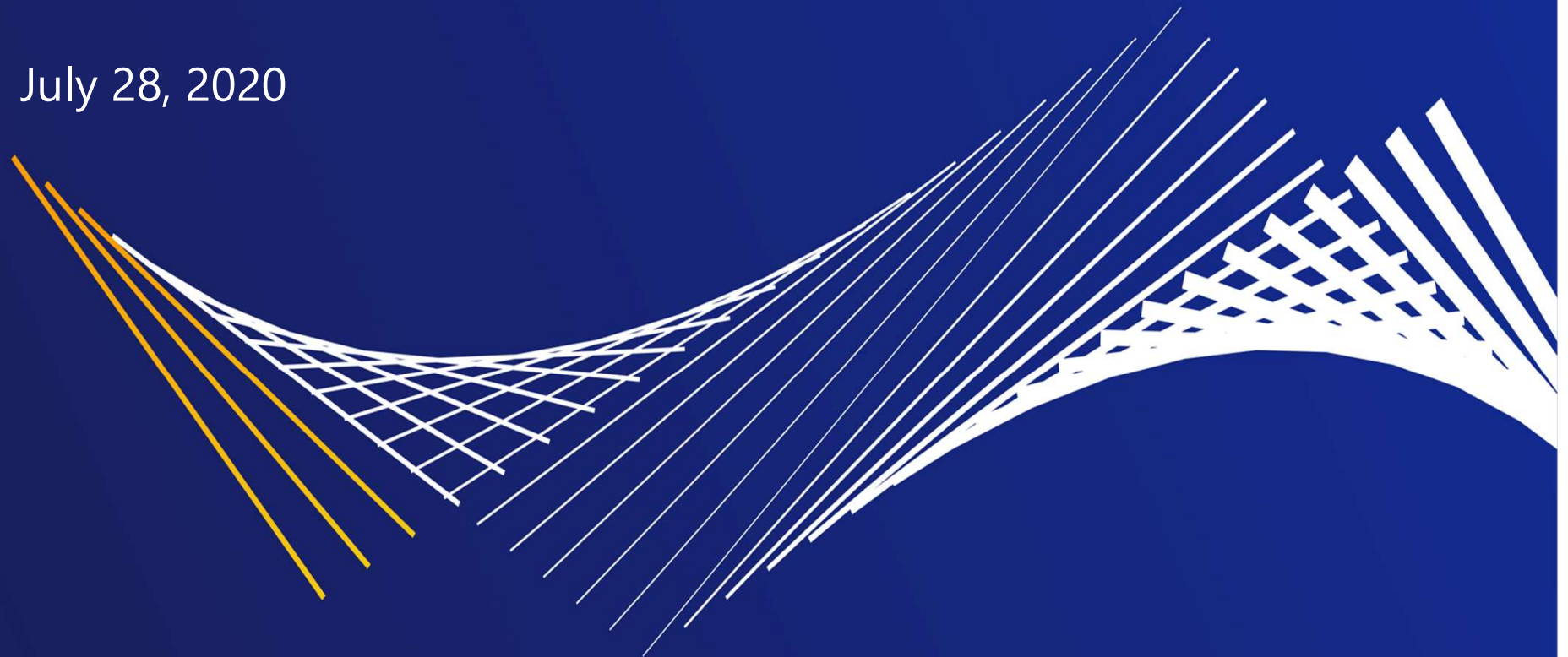


# Visa Inc. Fiscal Third Quarter 2020 Financial Results

July 28, 2020



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Everywhere You Want To Be  
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**VISA**

# Fiscal Third Quarter 2020 Results

YoY Increase / (Decrease)	Net Revenues	Client Incentives as a % of Gross Revenue	Operating Expense	Effective Tax Rate	Diluted Class A Common Stock Earnings Per Share
<b>GAAP Nominal-Dollar Basis</b>			(5%)	19.1%	(22%)
<b>Non-GAAP Nominal-Dollar Basis<sup>(1)</sup></b>	(17%)	23.8%	(5%)	19.0%	(23%)
Foreign Currency Impact	~0.5%		~0.5%		~1%
Acquisition Impact	(~0.5%)	0.1%	(~2.5%)	0%	~0.5%
<b>Adjusted Constant-Dollar Basis<sup>(2)</sup></b>	(17%)	23.9%	(7%)	19.0%	(21%)

<sup>(1)</sup> Non-GAAP results exclude equity investment gains and losses, amortization of acquired intangible assets for acquisitions in fiscal year 2019 and subsequent periods, and non-recurring acquisition-related costs.

<sup>(2)</sup> Adjusted financial results are on a constant-dollar basis and exclude the impact of the non-GAAP items and operating revenues and expenses of the acquired entities that were not in the entire quarter of the previous year and the incremental interest expense or forgone interest income as a result of funding the acquisition through debt or cash, respectively. Adjusted diluted class A common stock earnings per share growth is derived from adjusted third quarter 2019 earnings per share results of \$1.37, which excludes \$9 million of net equity investment gains and \$5 million related to the amortization of acquired intangible assets and non-recurring acquisition-related costs.

Note: Refer to the Adjusted Constant-Dollar Results Footnote for further information.

# Non-GAAP and Adjusted Constant-Dollar Results

## Footnote

We consider the non-GAAP measures useful to investors because they provide greater transparency into management's view and assessment of the Company's ongoing operating performance by removing items management believes are not representative of our continuing operations and may distort our longer-term operating trends. We believe these measures to be useful to enhance the comparability of our results from period to period and with our competitors, as well as to show ongoing results from operations distinct from items that are infrequent or not associated with the Company's core operations. The Company does not, nor does it suggest investors should, consider such non-GAAP financial measures in isolation from, or as a substitute for, GAAP financial information.

We exclude the following to arrive at our Adjusted Constant-Dollar Financial Results:

- non-GAAP impacts of (refer to the financial tables in the earnings release for further details):
  - special items;
  - equity investment gains and losses;
  - amortization of acquired intangible assets for acquisitions in fiscal year 2019 and subsequent periods;
  - non-recurring acquisition-related costs;
- impact of foreign currency to provide currency-neutral growth rates which management believes are a better reflection of the underlying performance of our business; and
- impact of acquisitions, which include operating revenues and expenses of the acquired entities that were not in the entire quarter of the previous year and the incremental interest expense or forgone interest income as a result of funding the acquisition through debt or cash, respectively, which management believes enhances the comparability of our results. These amounts will be adjusted until we lap the quarter that the entity was acquired in, at which time there will be comparable results within each reported period.

# Fiscal Third Quarter 2020 Results

- While the underlying business drivers declined year-over-year due to the continuing impact of COVID-19, they improved each month throughout the quarter – meaningfully for payments volume and processed transactions and marginally for cross-border volume
- Returned \$1.6B of capital to shareholders in the form of share repurchases and dividends

*in billions, except percentages and per share data*

	GAAP		Non-GAAP <sup>(1)</sup>	
	USD	YoY Change	USD	YoY Change
<b>Net Revenues</b>	\$4.8	(17%)	\$4.8	(17%)
<b>Net Income</b>	\$2.4	(23%)	\$2.3	(24%)
<b>Earnings Per Share</b>	\$1.07	(22%)	\$1.06	(23%)

<sup>(1)</sup> Non-GAAP results exclude equity investment gains and losses, amortization of acquired intangible assets and non-recurring acquisition-related costs.

## Q3 2020 Key Business Drivers

*(YoY increase / (decrease), volume in constant dollars)*

**Payments Volume**  
(10%)

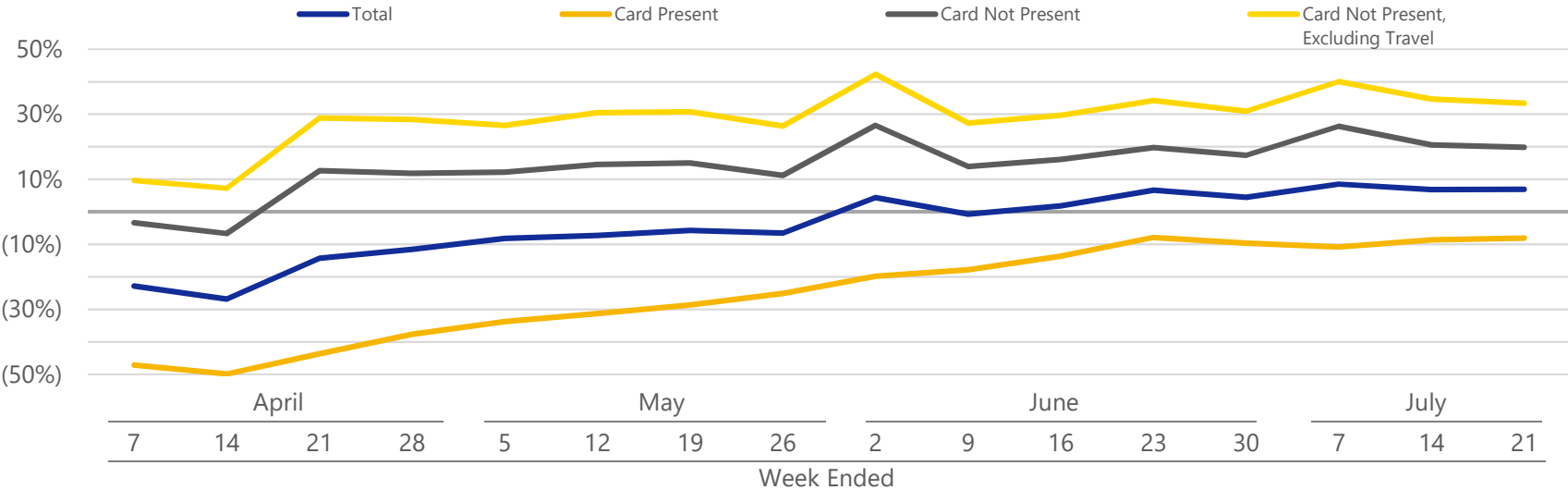
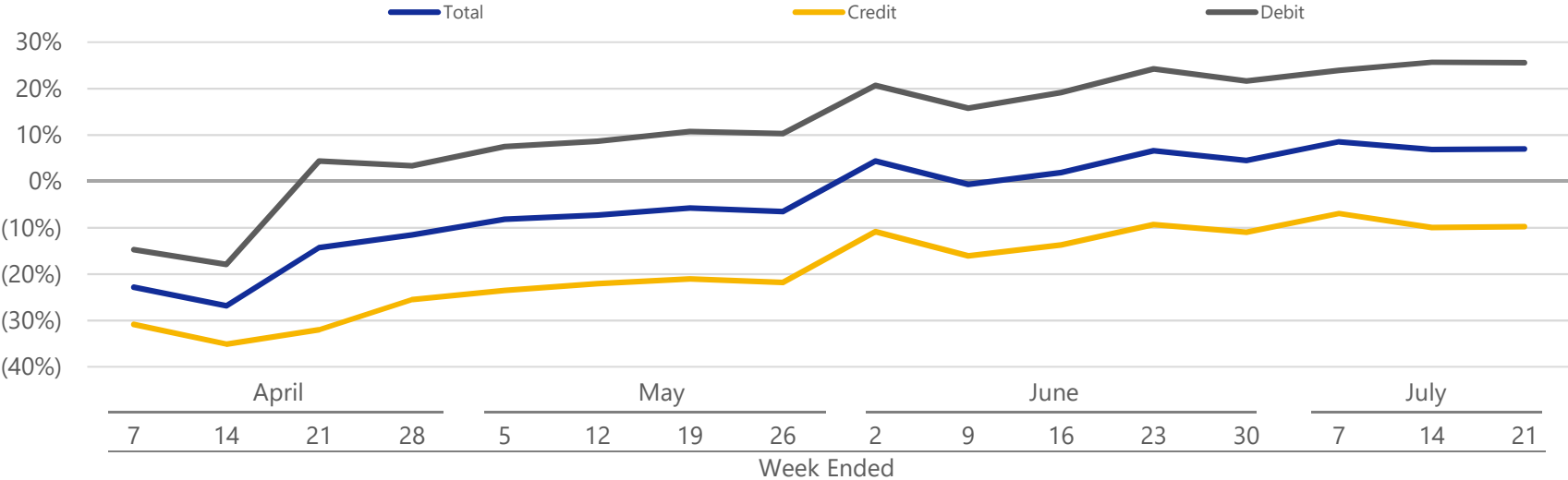
**Cross-Border Volume**  
Excluding Intra-Europe<sup>(1)</sup>: (47%)  
Total: (37%)

**Processed Transactions**  
(13%)

<sup>(1)</sup> Cross-border volume excluding transactions within Europe.

# Operational Performance Metrics Weekly Summary

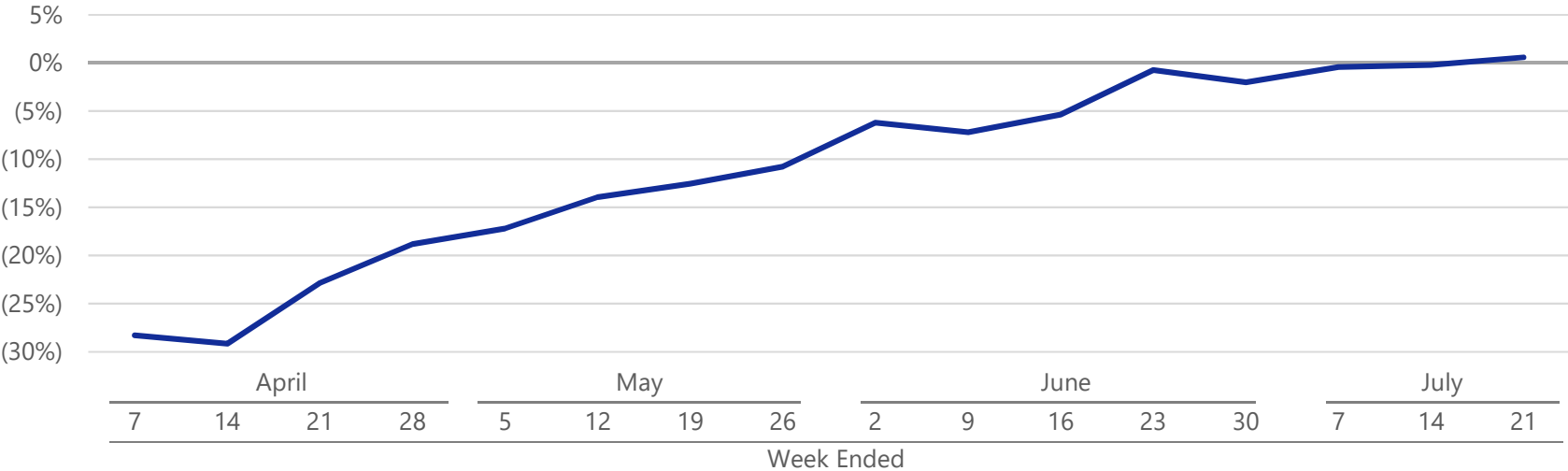
## U.S. Payments Volume Results



Note: Results are calculated over the comparable prior-year period. Refer to Operational Performance Data footnote for further information on these metrics.

# Operational Performance Metrics Weekly Summary

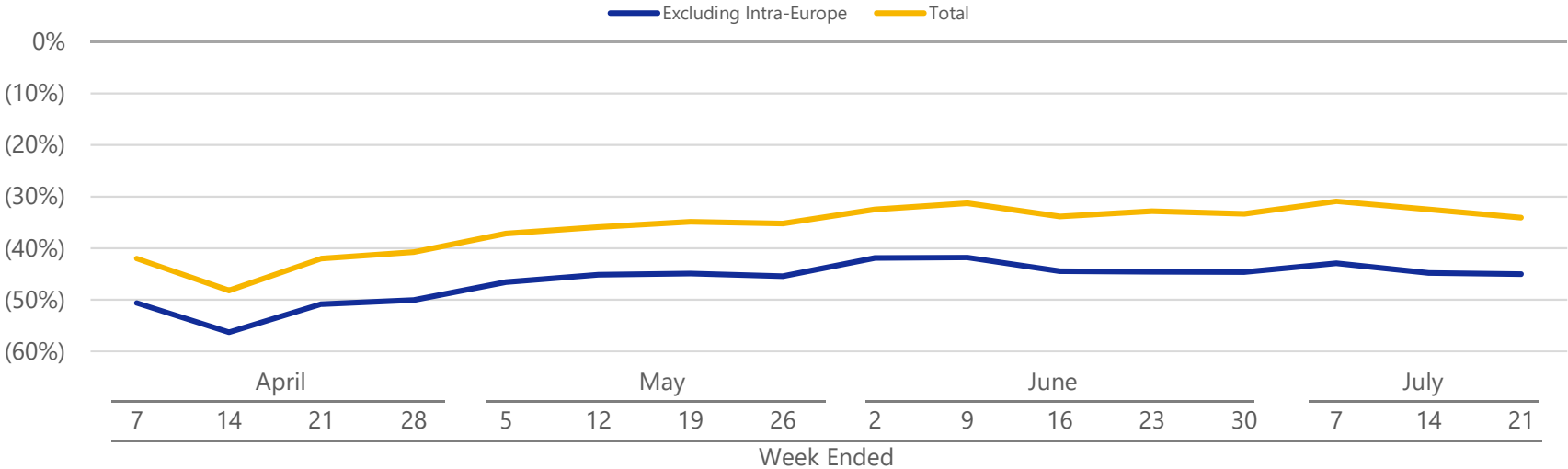
## Processed Transactions Results



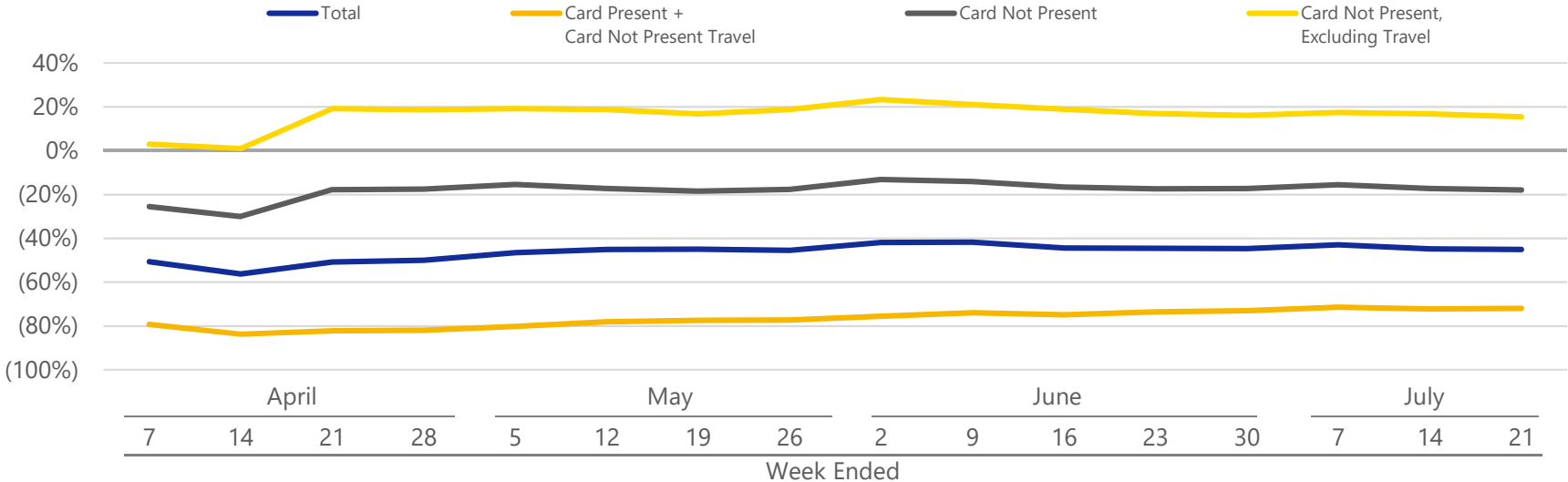
Note: Results are calculated over the comparable prior-year period. Refer to Operational Performance Data footnote for further information on these metrics.

# Operational Performance Metrics Weekly Summary

## Cross-Border Volume Results (Constant Dollar)



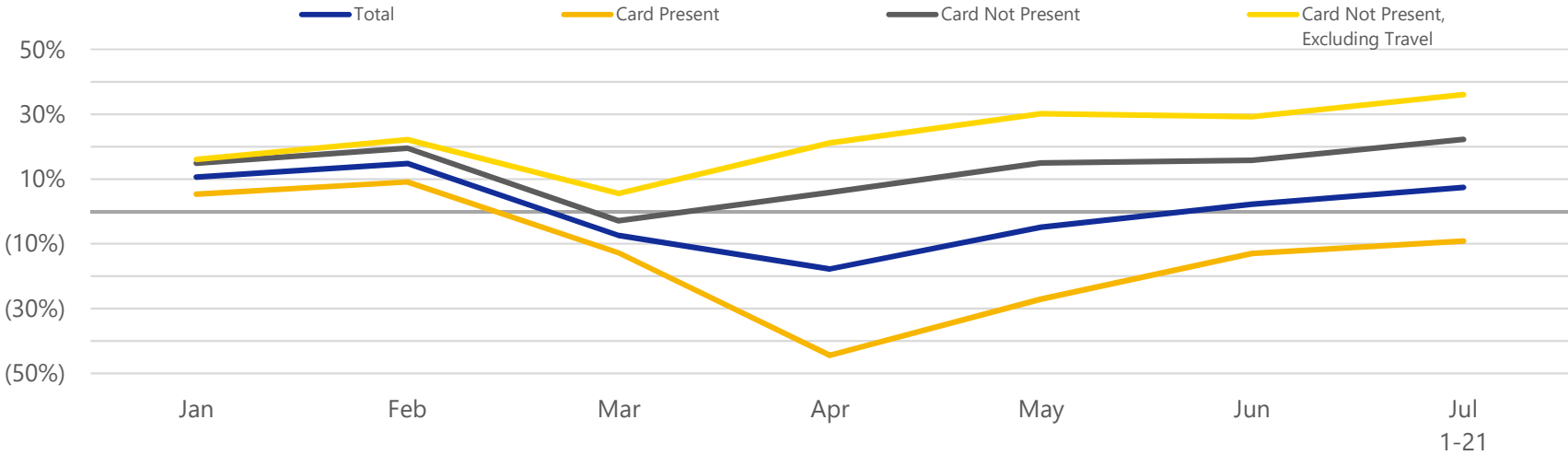
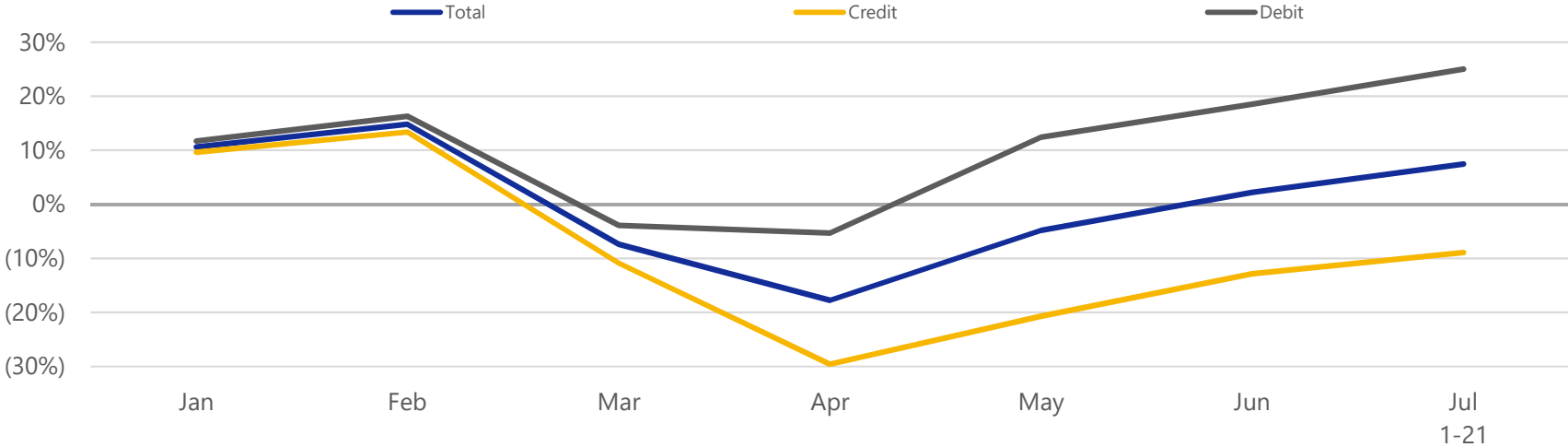
## Cross-Border Volume Excluding Intra-Europe Results (Constant Dollar)



Note: Results are calculated over the comparable prior-year period. Refer to Operational Performance Data footnote for further information on these metrics.

# Operational Performance Metrics Monthly Summary

## U.S. Payments Volume Results

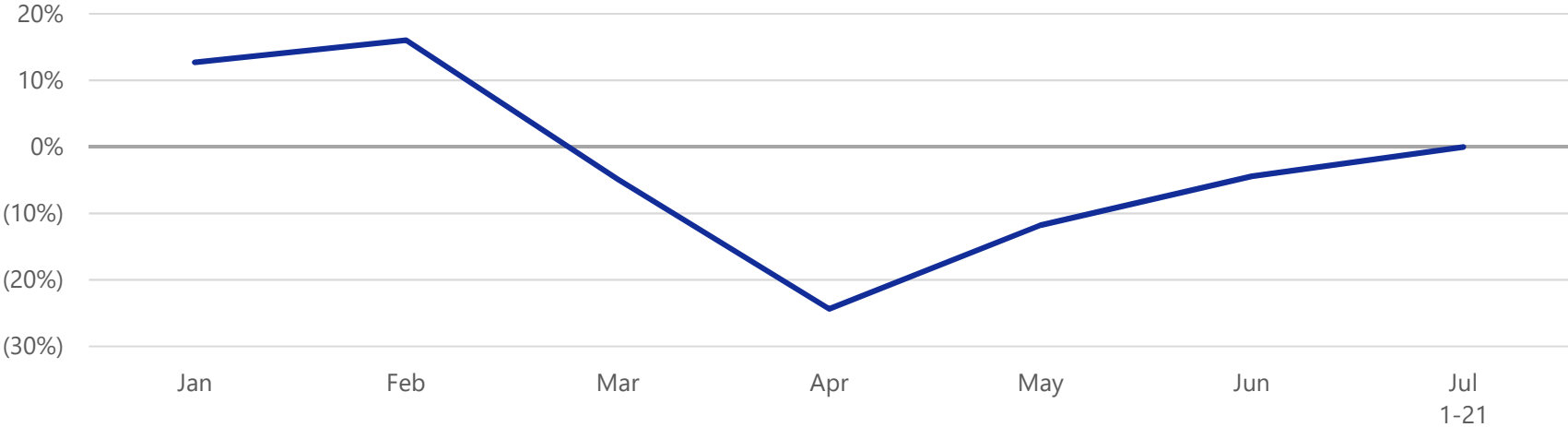


Note: Results are calculated over the comparable prior-year period. Refer to Operational Performance Data footnote for further information on these metrics.



# Operational Performance Metrics Monthly Summary

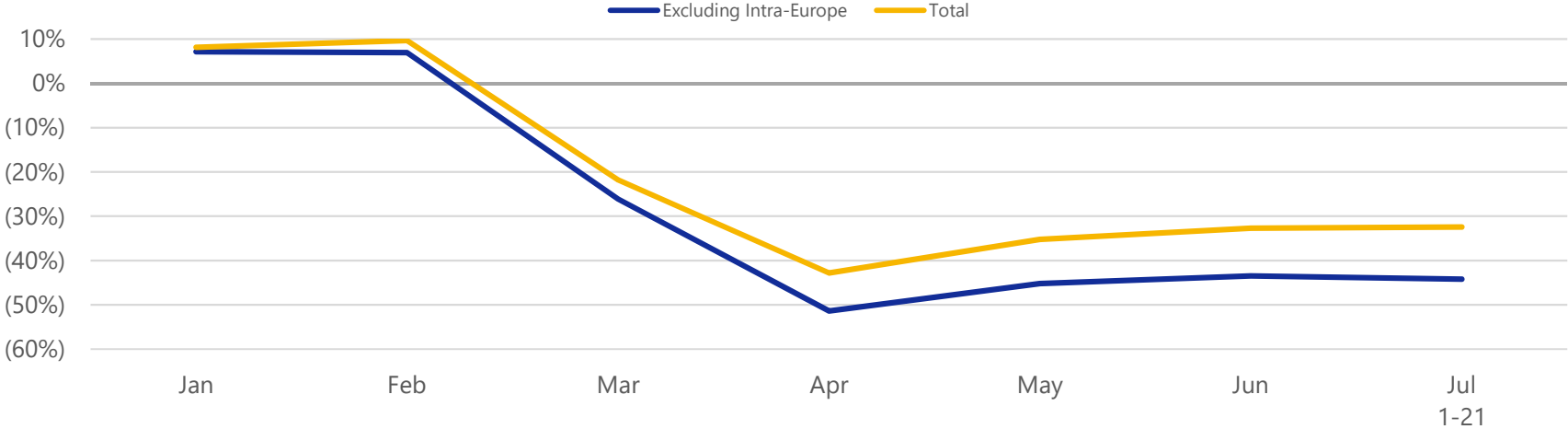
## Processed Transactions Results



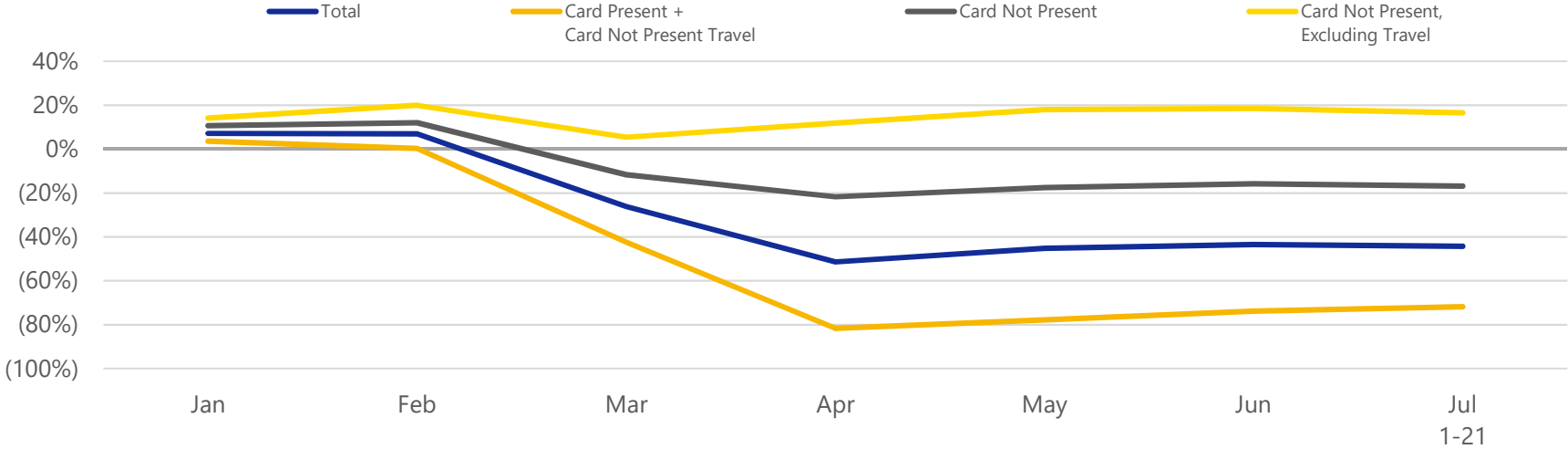
Note: Results are calculated over the comparable prior-year period. Refer to Operational Performance Data footnote for further information on these metrics.

# Operational Performance Metrics Monthly Summary

## Cross-Border Volume Results (Constant Dollar)



## Cross-Border Volume Excluding Intra-Europe Results (Constant Dollar)



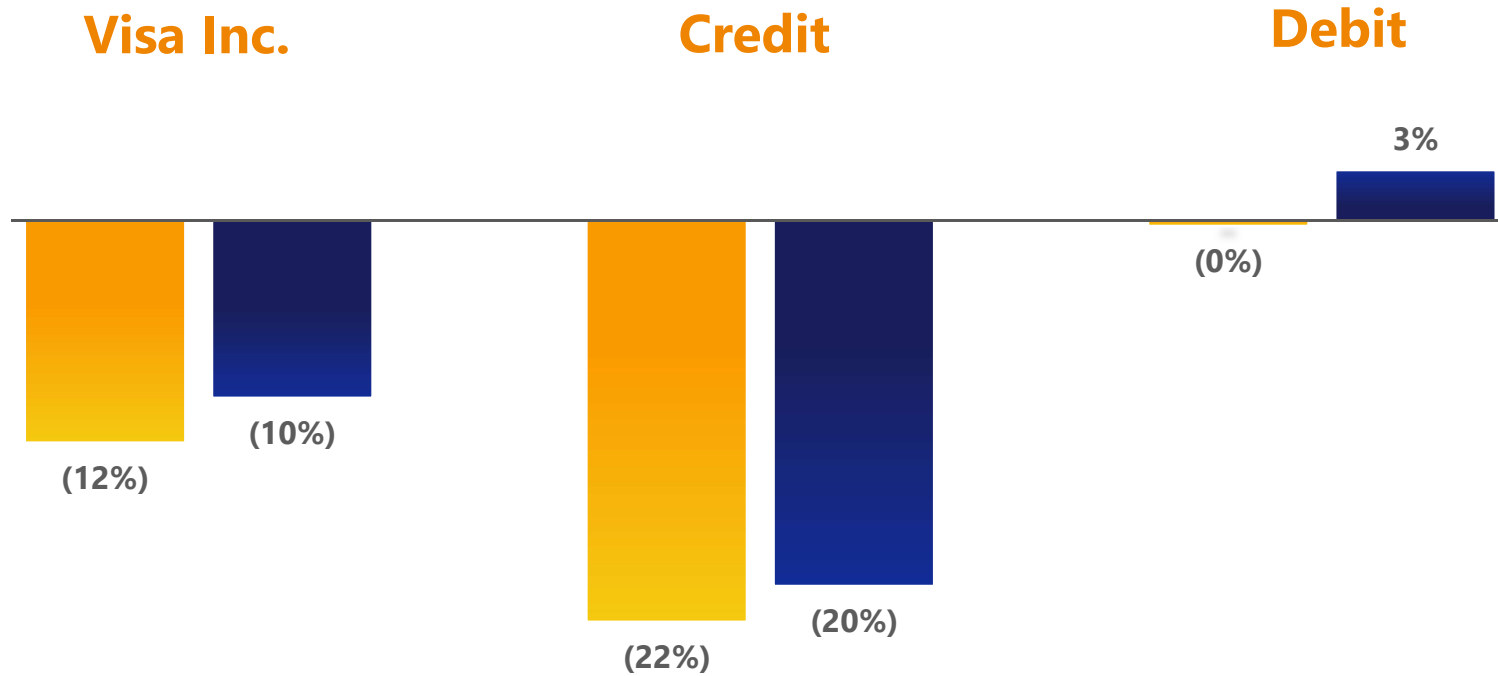
Note: Results are calculated over the comparable prior-year period. Refer to Operational Performance Data footnote for further information on these metrics.

# Payments Volume Results

Q3 FY2020

■ Nominal

■ Constant



## Nominal USD (in billions)

U.S.	\$949	\$417	\$532
International	\$1,004	\$529	\$475
Total	\$1,953	\$946	\$1,007

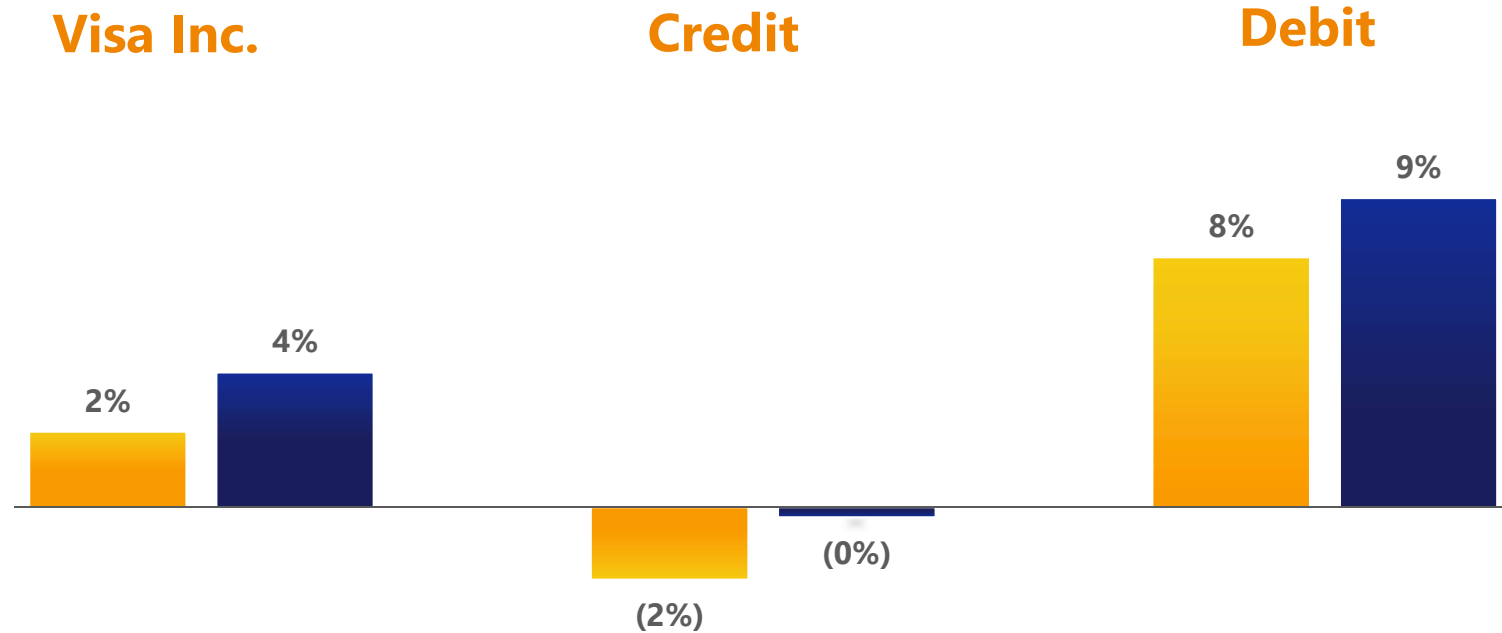
Note: The chart results are calculated over the comparable prior-year period. Refer to Operational Performance Data footnote for further information on these metrics.

# Payments Volume Results

Q2 FY2020

Nominal

Constant



## Nominal USD (in billions)

U.S.	\$983	\$492	\$491
International	\$1,147	\$624	\$523
Total	\$2,130	\$1,116	\$1,014

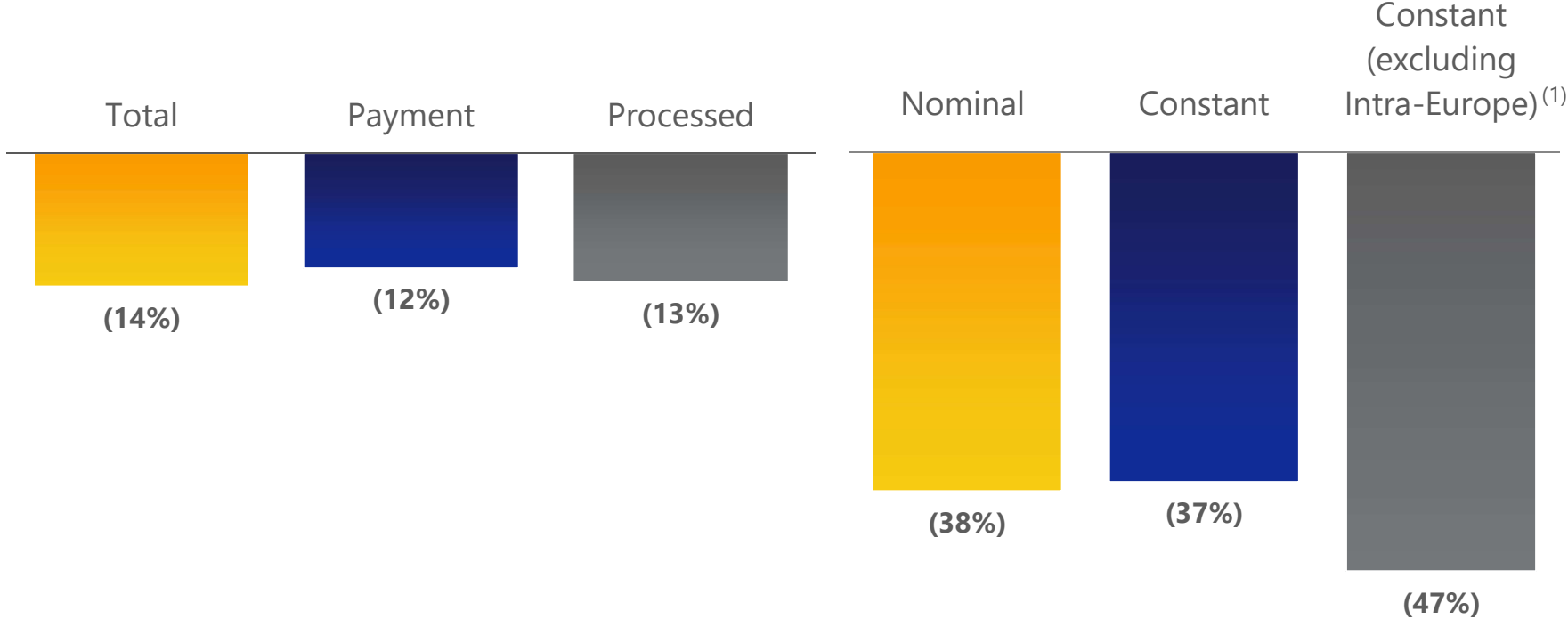
Note: The chart results are calculated over the comparable prior-year period. Refer to Operational Performance Data footnote for further information on these metrics.

# Transactions and Cross-Border Volume Results

Q3 FY2020

## Transactions

## Cross-Border



### Transaction Count (in millions)

Credit	14,364	14,223	
Debit	30,071	26,456	
Total	44,435	40,679	30,676

<sup>(1)</sup> Cross-border volume excluding transactions within Europe.

Note: The chart results are calculated over the comparable prior-year period. Refer to Operational Performance Data footnote for further information on these metrics.

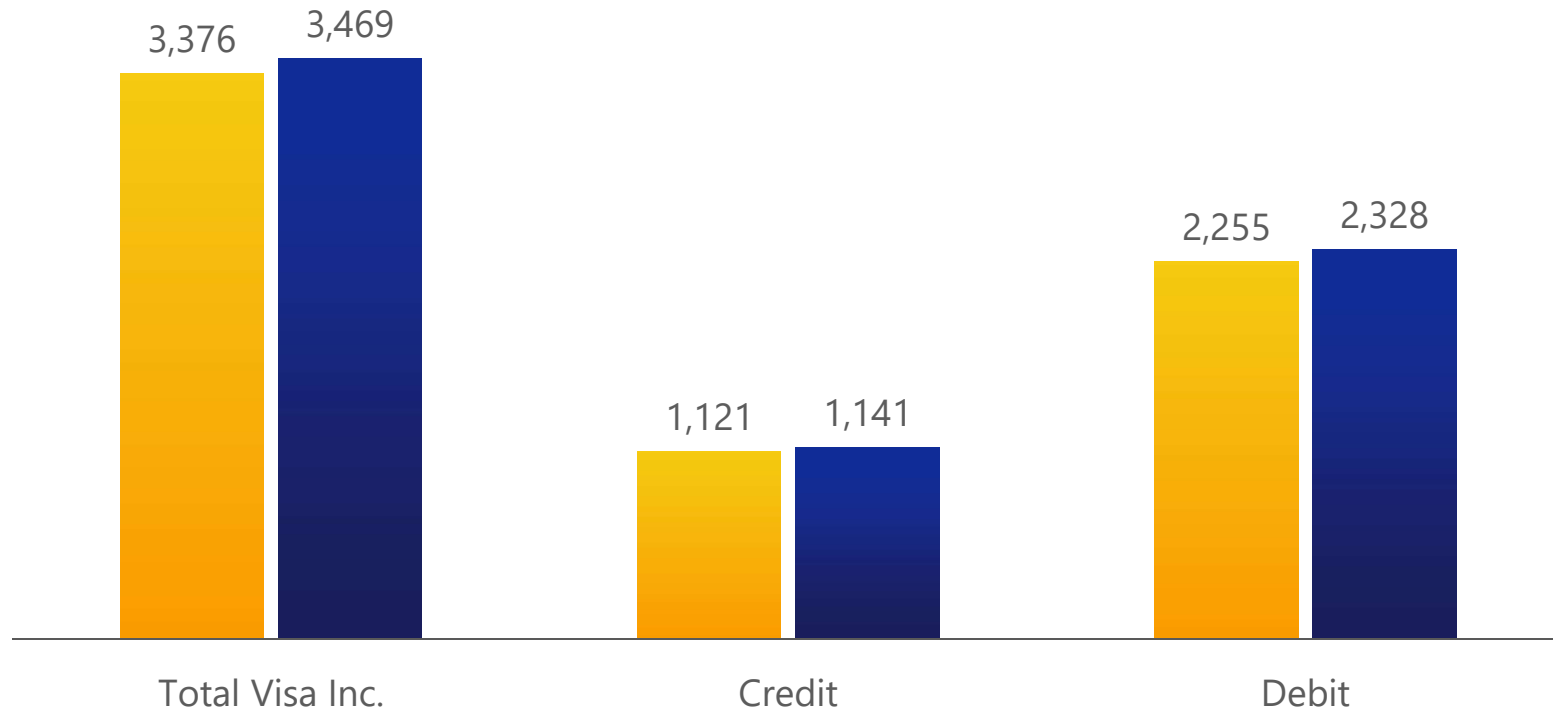
# Total Cards

(in millions)

Q2 FY2020

2019

2020



**YoY Change**

**3%**

**2%**

**3%**

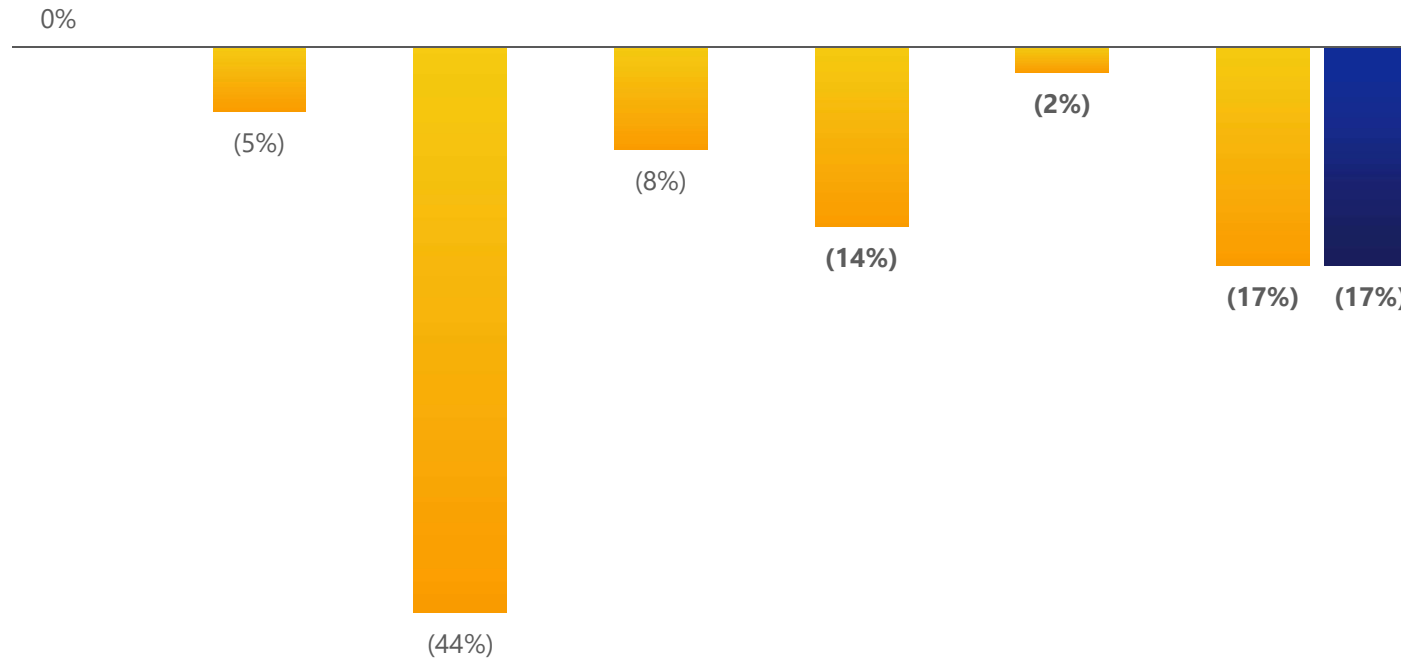
Note: The chart results are calculated over the comparable prior-year period. Refer to Operational Performance Data footnote for further information on these metrics.

# Revenue Results

Q3 FY2020

■ Reported

■ Adjusted



	Service Revenues	Data Processing Revenues	International Transaction Revenues	Other Revenues	Gross Revenues	Client Incentives	Net Revenues
Reported Nominal USD (in millions)	\$2,409	\$2,525	\$1,102	\$314	\$6,350	\$1,513	\$4,837

Client Incentives % of Gross Revenues

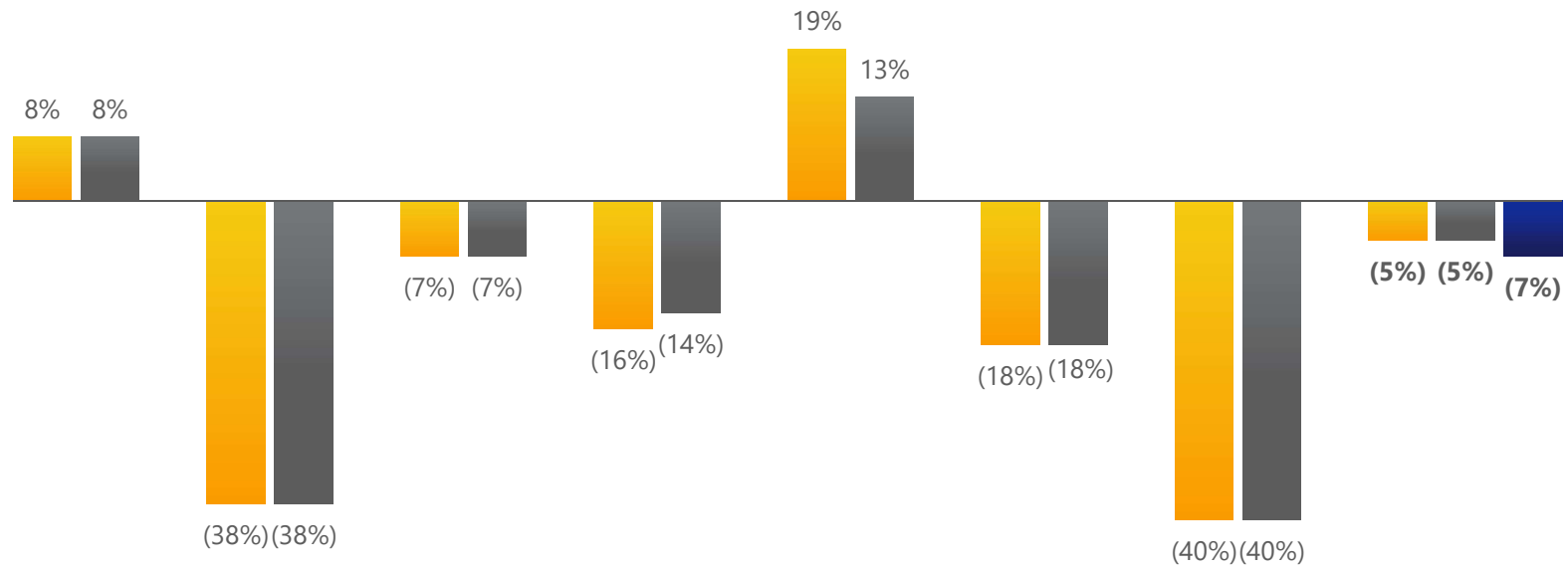
23.8%

Note: The chart results are calculated over the comparable prior-year period. Refer to the Adjusted Constant-Dollar Results Footnote for further information on adjusted results. Percentage changes are calculated based on unrounded numbers.

# Operating Expense Results

## Q3 FY2020

■ Reported  
■ Non-GAAP  
■ Adjusted



	Personnel	Marketing	Network & Processing	Professional Fees	Depreciation & Amortization	General & Administrative	Litigation Provision	Total Operating Expenses
Reported Nominal USD (in millions)	\$941	\$174	\$172	\$95	\$197	\$258	\$1	\$1,838

Note: The chart results are calculated over the comparable prior-year period. Refer to the Adjusted Constant-Dollar Results Footnote for further information on adjusted results. Percentage changes are calculated based on unrounded numbers. Refer to the financial tables in the earnings release for further details and a reconciliation of the non-GAAP measures presented.



# Other Financial Results and Highlights

- COVID-19 continues to have an impact globally. In the fiscal third quarter we saw spending improve each month as most countries began to relax domestic restrictions. In the U.S., as the quarter progressed, payments volume meaningfully improved, driven by the relaxing of shelter-in-place restrictions in a number of states. This helped to lift card present spending while eCommerce excluding travel spend remained consistently elevated, as consumers continued to shift their spend online. International markets are at various stages of reopening and recovery, with many large markets having a trajectory comparable to the U.S. Global processed transaction growth has slightly lagged payments volume growth, as the mix of spending shifted away from smaller purchases. Cross-border volume has improved only marginally through the quarter as travel has been heavily affected by most country borders remaining closed, partially offset by strong eCommerce spend excluding travel.
- On April 2, 2020 Visa issued fixed-rate senior notes in an aggregate principal amount of \$4.0 billion, with maturities ranging between 7 and 20 years, and interest rates from 1.9% to 2.7%. The weighted average interest rate is 2.16%. The net proceeds will be used for general corporate purposes.

# Operational Performance Data Footnote

Current quarter payments volume and other select metrics are provided in the operational performance data supplement in the earnings release to provide more recent operating data. Service revenues continue to be recognized based on payments volume in the prior quarter.

Total transactions represent payments and cash transactions as reported by Visa clients on their operating certificates. Processed transactions represent transactions involving cards and other form factors carrying the Visa, Visa Electron, Interlink, V PAY and PLUS cards processed on Visa's networks.

On occasion, reported payments volume, transaction and card information may be updated to reflect revised client submissions or other adjustments. Prior-period updates, other than the change to the payments volume definition, are not material. Figures may not recalculate exactly due to rounding. Percentage changes and totals are calculated based on unrounded numbers. Constant-dollar growth rates exclude the impact of foreign currency fluctuations against the U.S. dollar in measuring performance.

# Free Cash Flow

*(USD in millions)*

The Company had cash, cash equivalents and investment securities of \$17.2 billion as of June 30, 2020.

Calculation of Free Cash Flow	Q3 FY2020 QTD	Q3 FY2020 YTD
Net cash provided by operating activities	\$3,002	\$8,344
Less: capital expenditures	(161)	(568)
<b>Free Cash Flow<sup>(1)</sup></b>	<b>\$2,841</b>	<b>\$7,776</b>

<sup>(1)</sup> Free Cash Flow is cash provided by operating activities adjusted to reflect capital investments made in the business

Cash Returned to Shareholders	Q3 FY2020 QTD	Q3 FY2020 YTD
Stock Repurchases	\$933	\$6,486
Dividends	\$663	\$2,002

Note: Management believes that this presentation is useful to measure Visa's generation of cash available to first re-invest in the business, and then return excess cash to shareholders through stock repurchases and cash dividends.

# Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 that relate to, among other things, the impact on our underlying business drivers and other volume and transaction trends as a result of COVID-19, our future operations, prospects, developments, strategies and business growth. Forward-looking statements generally are identified by words such as “anticipates,” “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:

- impact of global economic, political, market, health and social events or conditions, including the impact of COVID-19;
- 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;
- 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;
- risks, uncertainties and the failure to achieve the anticipated benefits with respect to 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, 2019, 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.