

Visa Inc.

# Fiscal Second Quarter 2021 Financial Results

April 27, 2021



VISA

# Fiscal Second Quarter 2021 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>			<b>11%</b>	<b>16.6%</b>	<b>0%</b>
	<b>(2%)*</b>	<b>25.8%</b>			
<b>Non-GAAP Nominal-Dollar Basis<sup>(1)</sup></b>			<b>3%</b>	<b>16.8%</b>	<b>(1%)</b>
Foreign Currency Impact	(~0.5%)		(~3%)		~0.5%
Acquisition Impact	~0%	0%	~0%	0%	~0%
<b>Adjusted Constant-Dollar Basis<sup>(2)</sup></b>	<b>(3%)</b>	<b>25.8%</b>	<b>0%</b>	<b>16.8%</b>	<b>0%</b>

\* Had we recognized service revenues on current quarter payments volume and other revenue components remained unchanged, net revenues would have been approximately flat.

<sup>(1)</sup> Non-GAAP results exclude a special item, 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.

Note: Refer to Non-GAAP and Adjusted Constant-Dollar Results Footnote for further information.

# Non-GAAP and Adjusted Constant-Dollar Results Footnote

We consider 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, as they may be non-recurring or have no cash impact, 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 item(s);
  - 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 Second Quarter 2021 Results

- Our key business driver growth rates are starting to ramp up, reflecting the depressed levels in 2020 due to COVID-19 and making year-over-year comparisons difficult to interpret
- Compared to fiscal second quarter 2019 levels, payments volume and processed transactions were both 16 percentage points higher, while cross-border volumes excluding intra-Europe remained 25 percentage points lower. All business drivers were consistent or improved from the fiscal first quarter's results indexed to 2019
- Returned \$2.4B of capital to shareholders in the form of share repurchases and dividends

*In billions, except percentages and per share data. % change is calculated over the comparable prior-year period.*

	Q2 2021	
	USD	% Change
Net Revenues	\$5.7	(2%)
GAAP Net Income	\$3.0	(2%)
GAAP Earnings Per Share	\$1.38	0%
Non-GAAP Net Income <sup>(1)</sup>	\$3.0	(2%)
Non-GAAP Earnings Per Share <sup>(1)</sup>	\$1.38	(1%)

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

## Q2 2021 Key Business Drivers

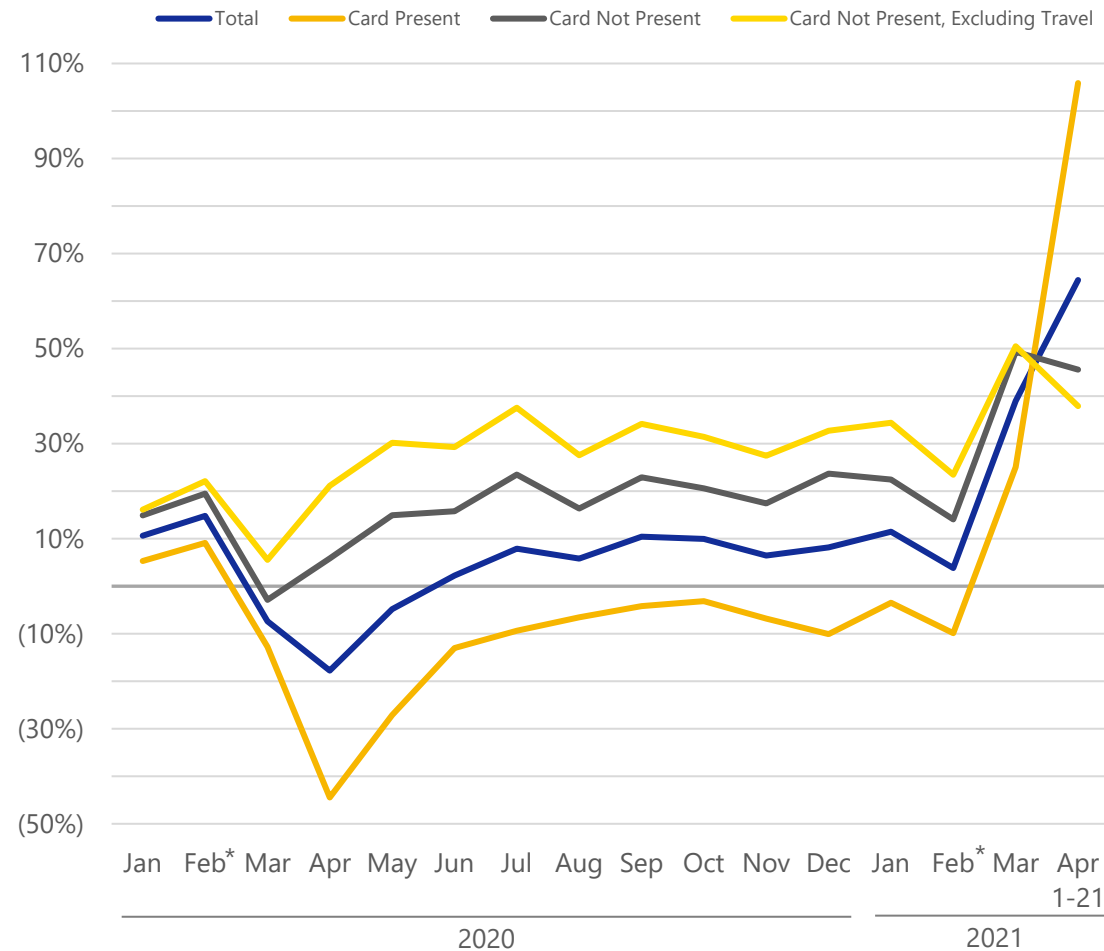
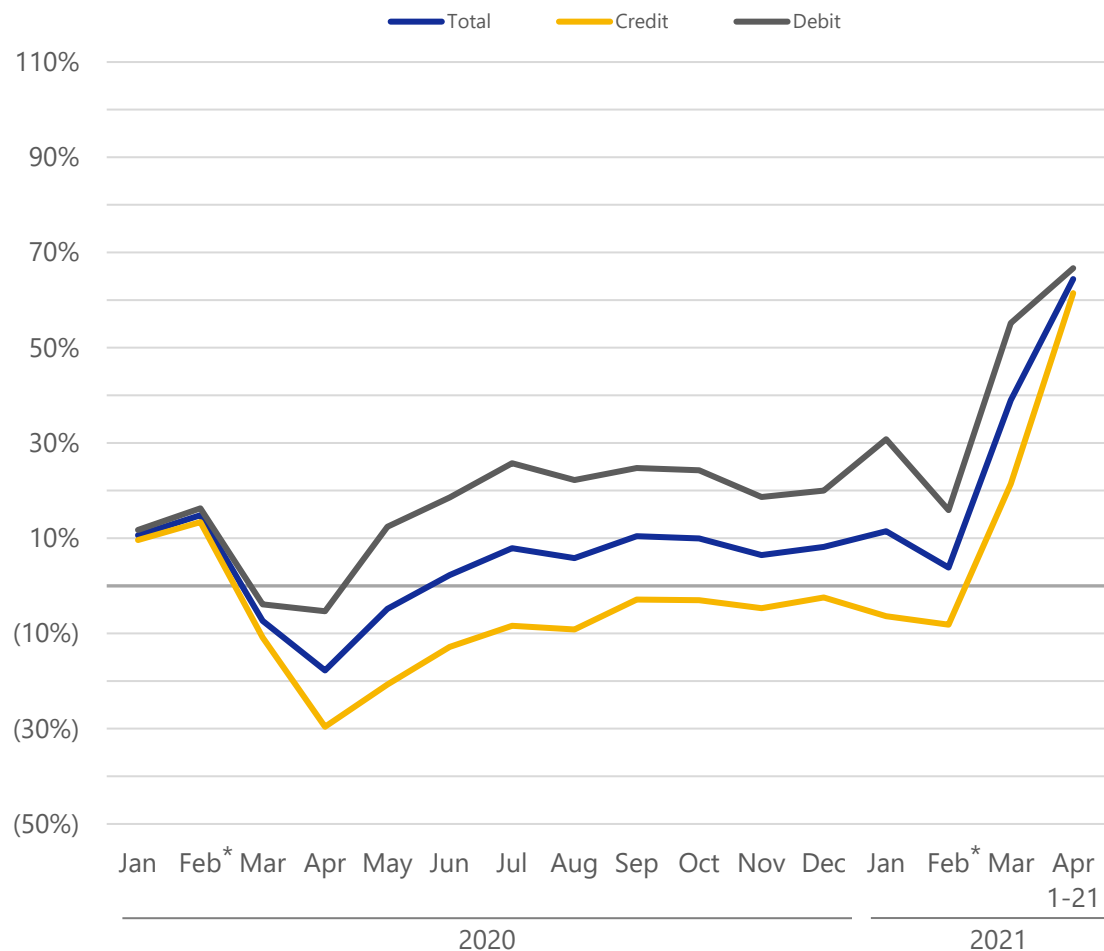
*(YoY increase / (decrease), volume in constant dollars)*

	Q2 2021
Payments Volume	11%
Cross-Border Volume Excluding Intra-Europe <sup>(1)</sup>	(21%)
Cross-Border Volume Total	(11%)
Processed Transactions	8%

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

# Operational Performance Metrics Monthly Growth

## U.S. Payments Volume



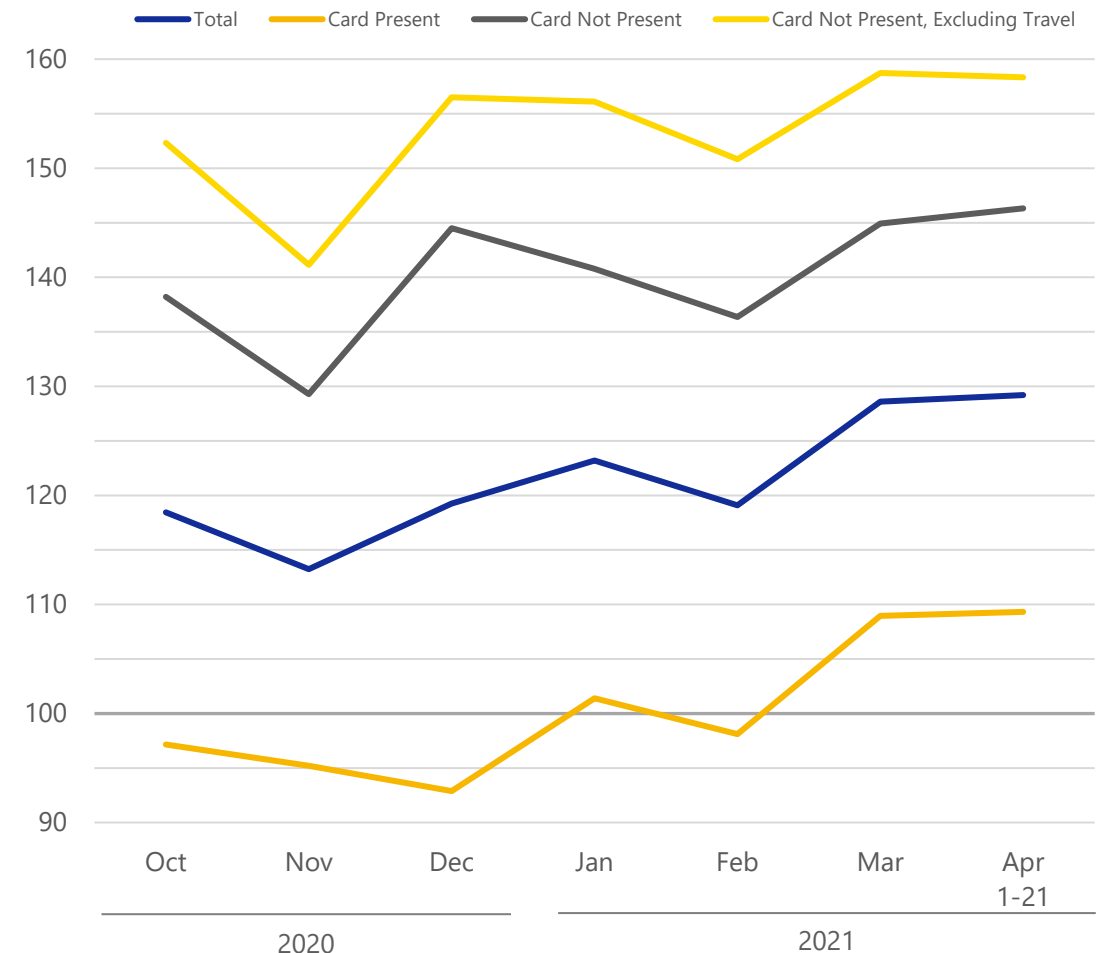
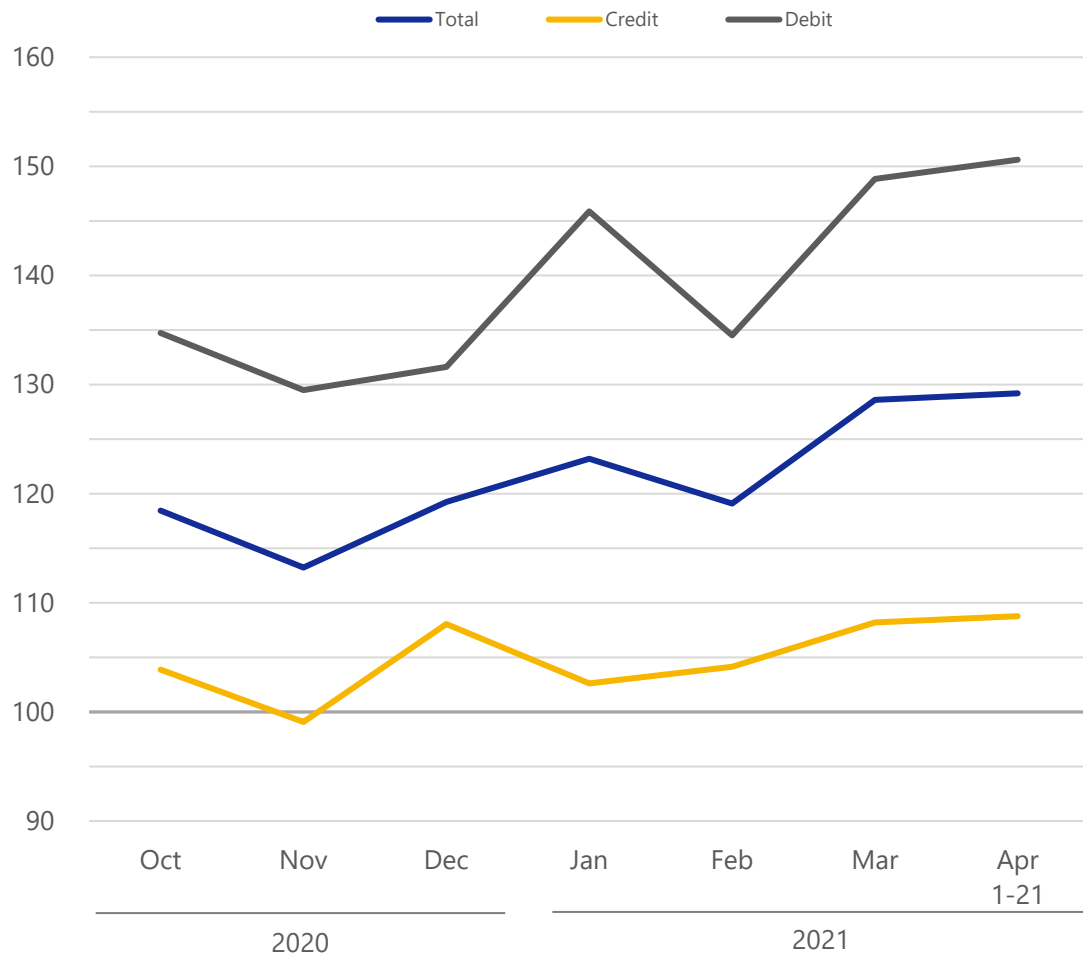
\* February growth rates for total U.S. payments volume would have been 10% and 9% in 2020 and 2021, respectively, if the impact of February 29, 2020 was excluded.

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 Index vs. FY 2019

Fiscal year 2021 results are indexed to the corresponding period in fiscal year 2019, with a baseline of 100

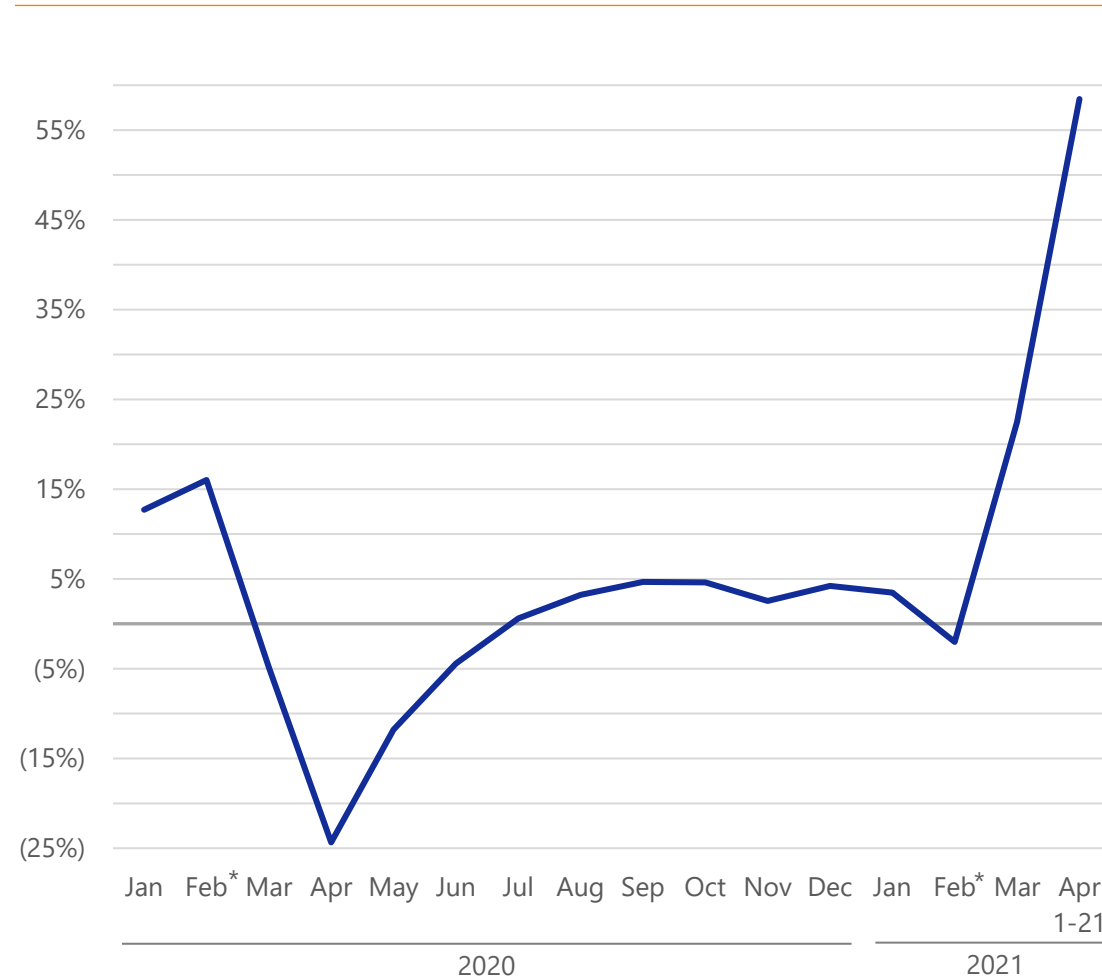
## U.S. Payments Volume



Note: Refer to Operational Performance Data footnote for further information on these metrics.

# Operational Performance Metrics Monthly Growth

## Processed Transactions

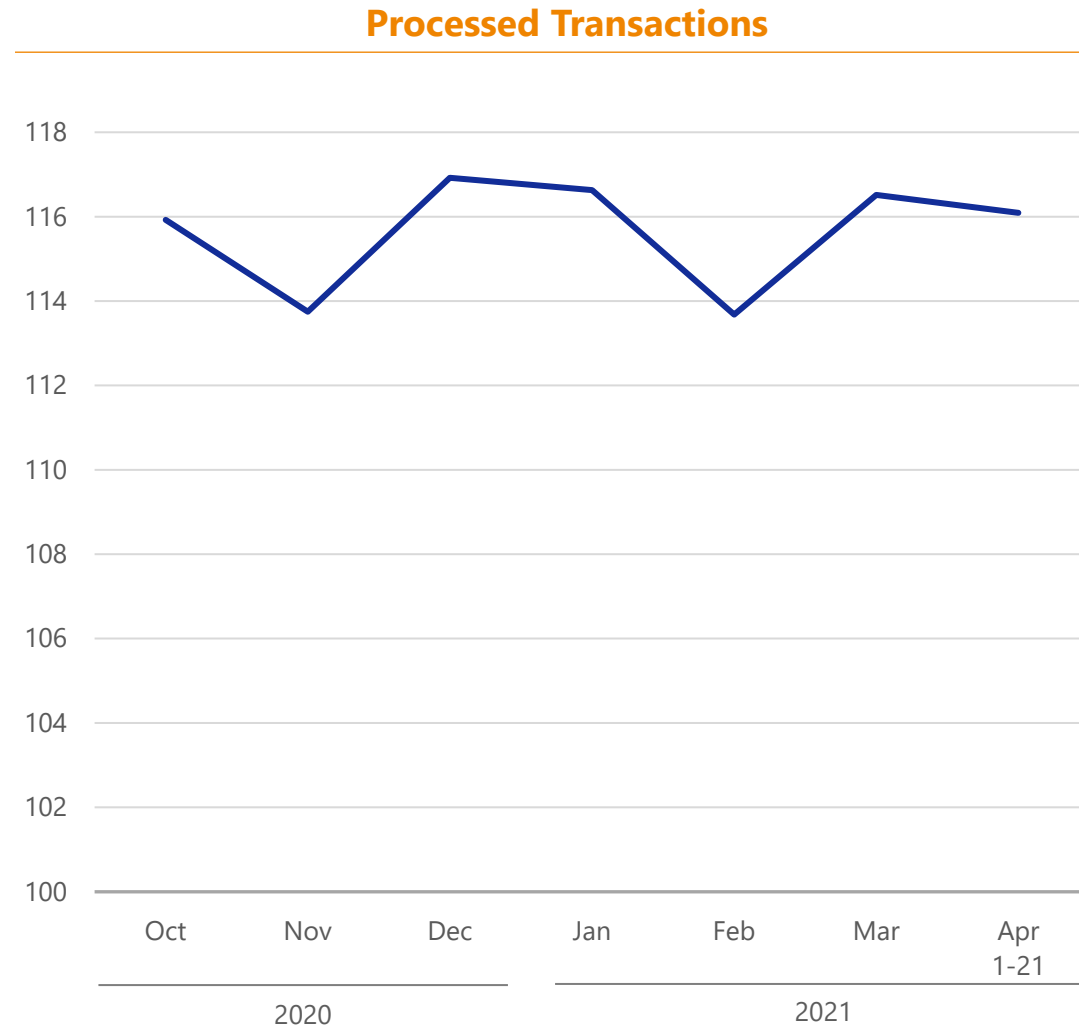


\* February growth rates would have been 12% and 2% in 2020 and 2021, respectively, if the impact of February 29, 2020 was excluded.

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 Index vs. FY 2019

Fiscal year 2021 results are indexed to the corresponding period in fiscal year 2019, with a baseline of 100

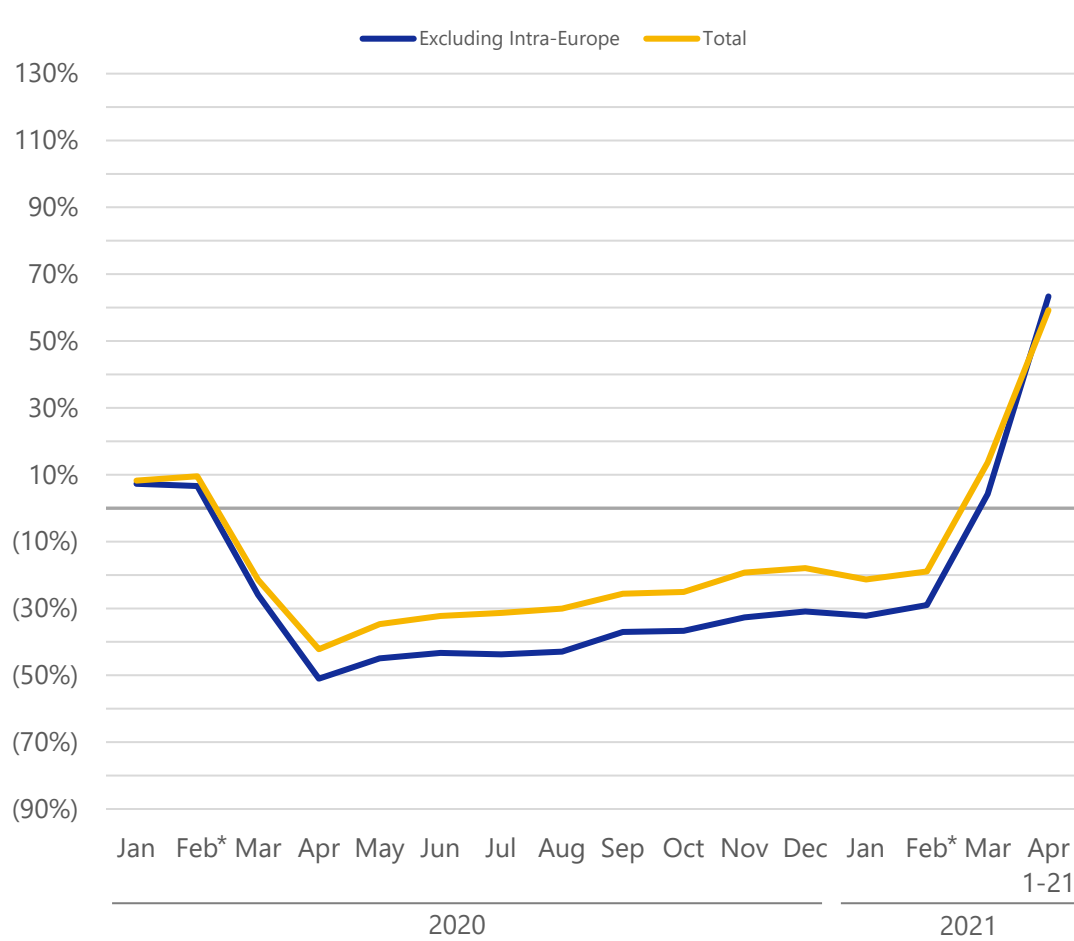


Note: Refer to Operational Performance Data footnote for further information on these metrics.

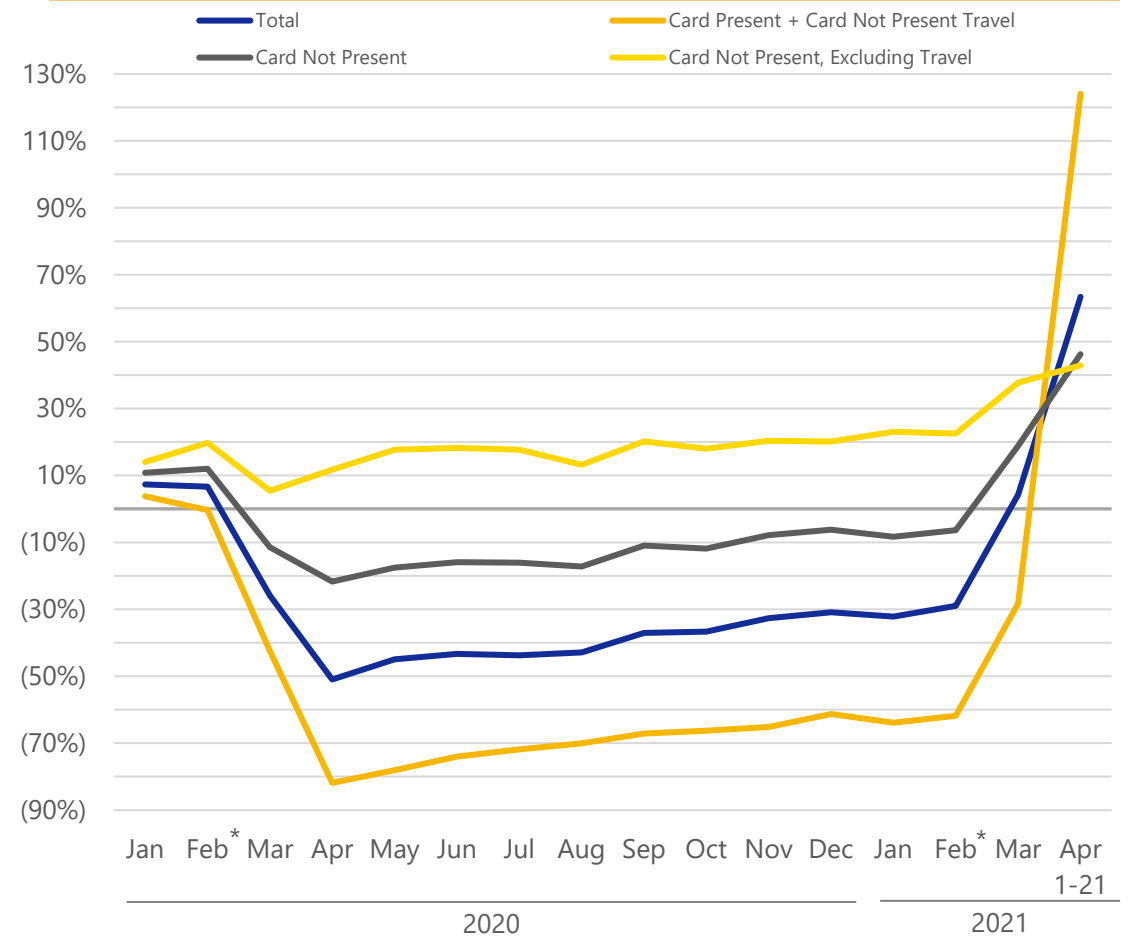


# Operational Performance Metrics Monthly Growth

## Cross-Border Volume (Constant Dollar)



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



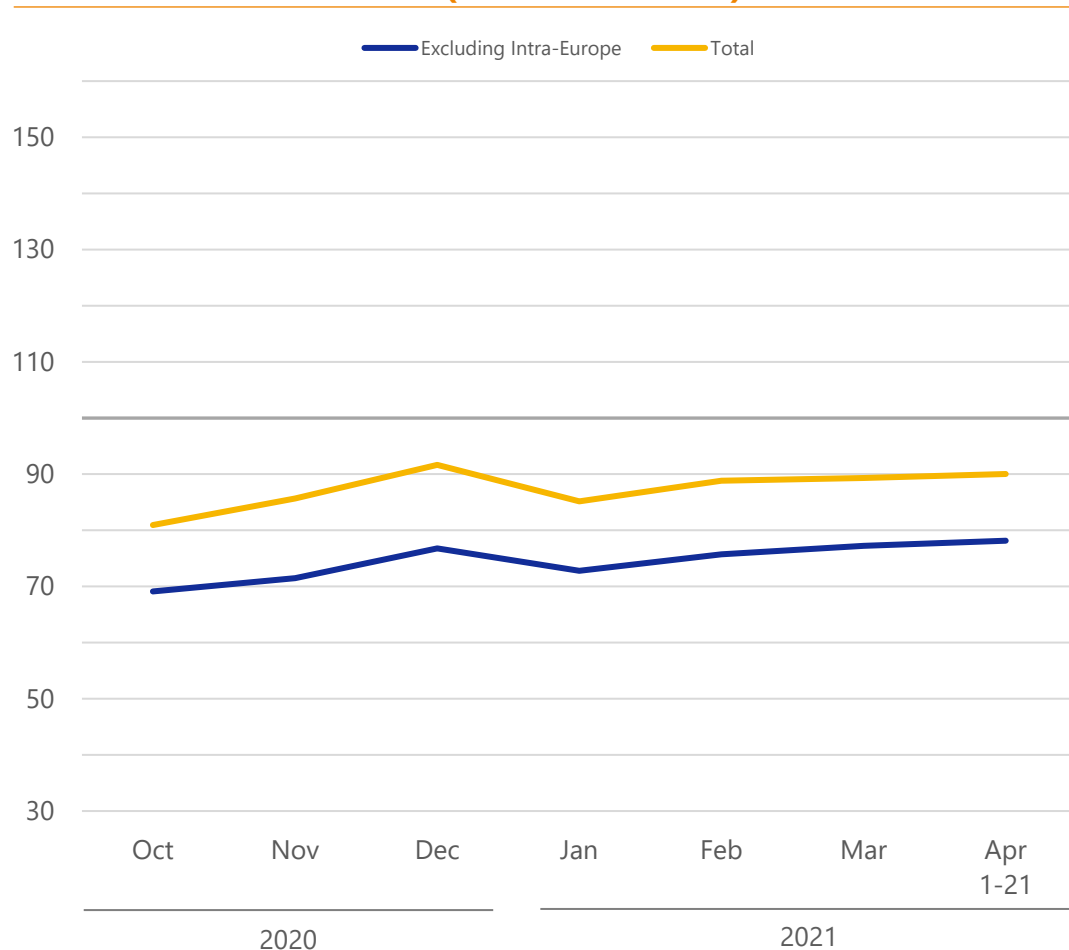
\* February growth rates for cross-border volume excluding intra-Europe and total cross-border volume would have been 3% and 6% in 2020, respectively, and (26%) and (16%) in 2021, respectively, if the impact of February 29, 2020 was excluded.

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

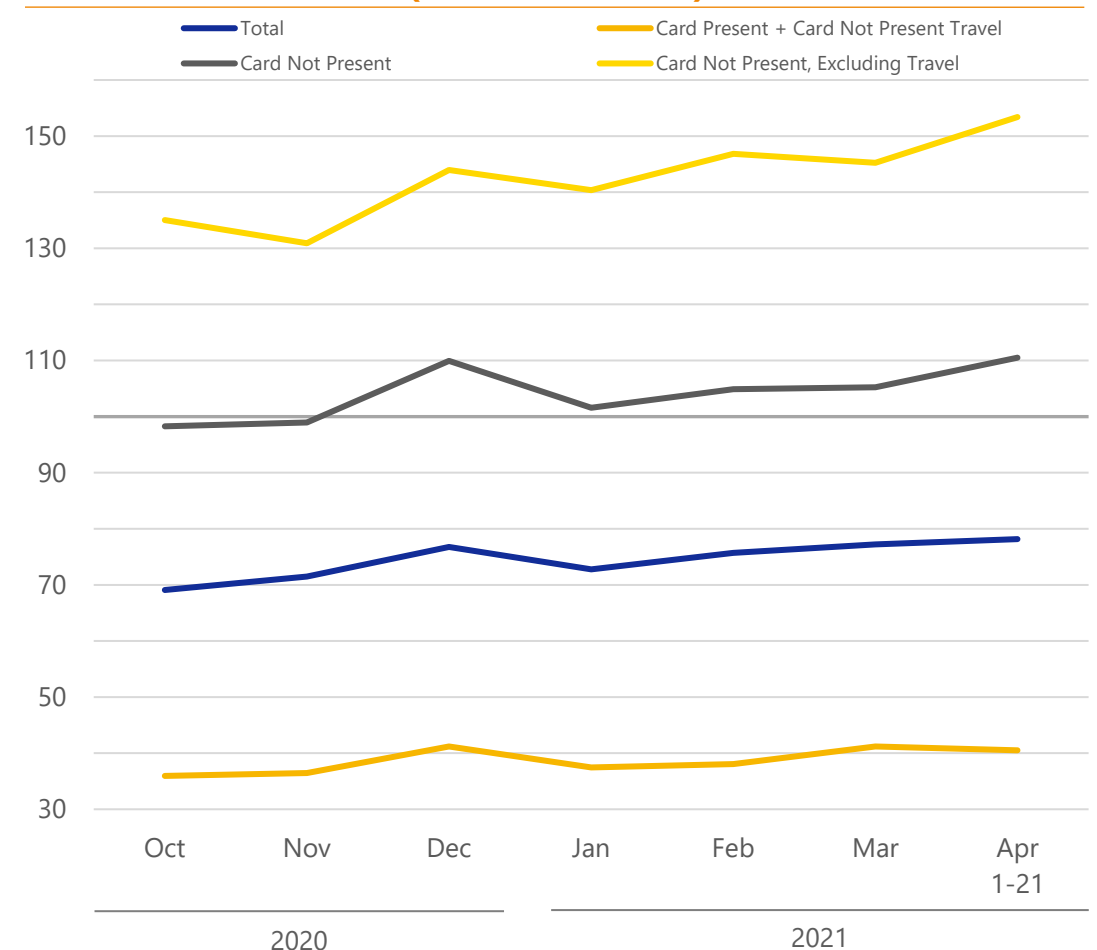
# Operational Performance Metrics Monthly Index vs. FY 2019

Fiscal year 2021 results are indexed to the corresponding period in fiscal year 2019, with a baseline of 100

### Cross-Border Volume (Constant Dollar)



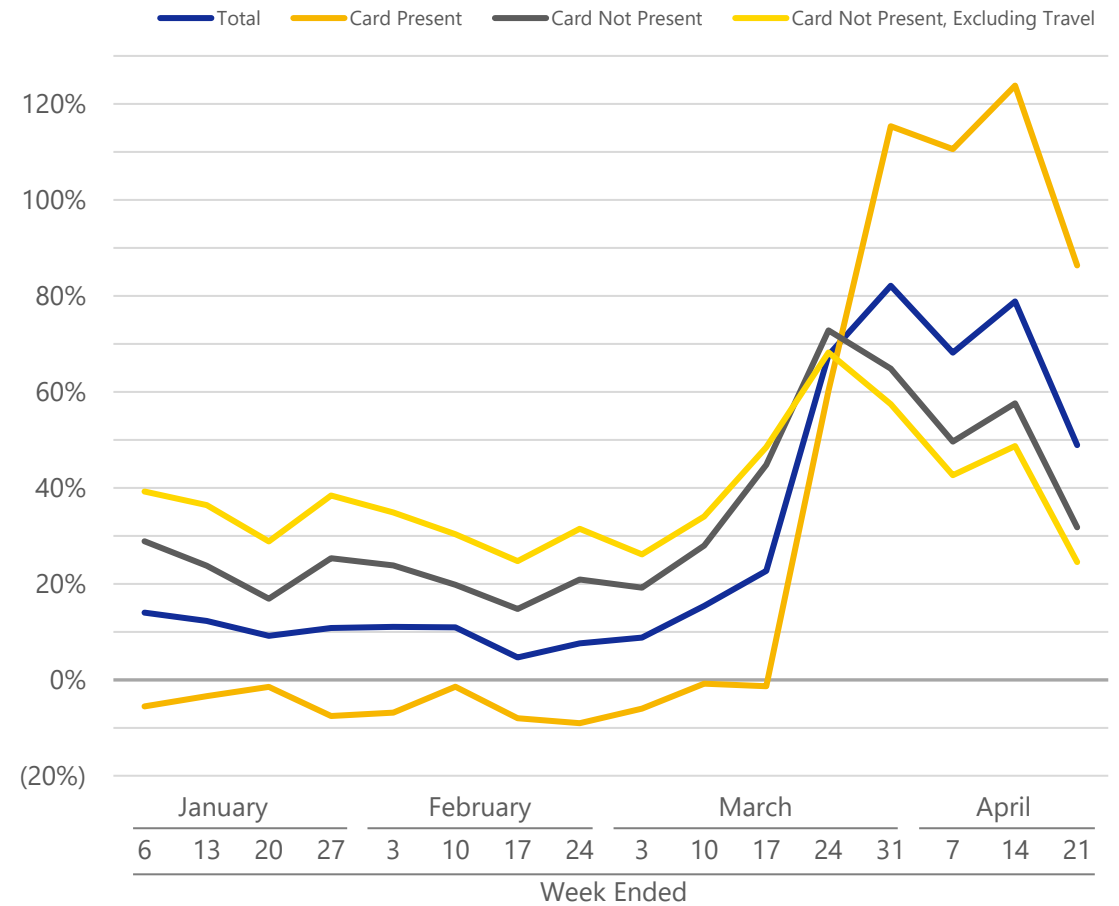
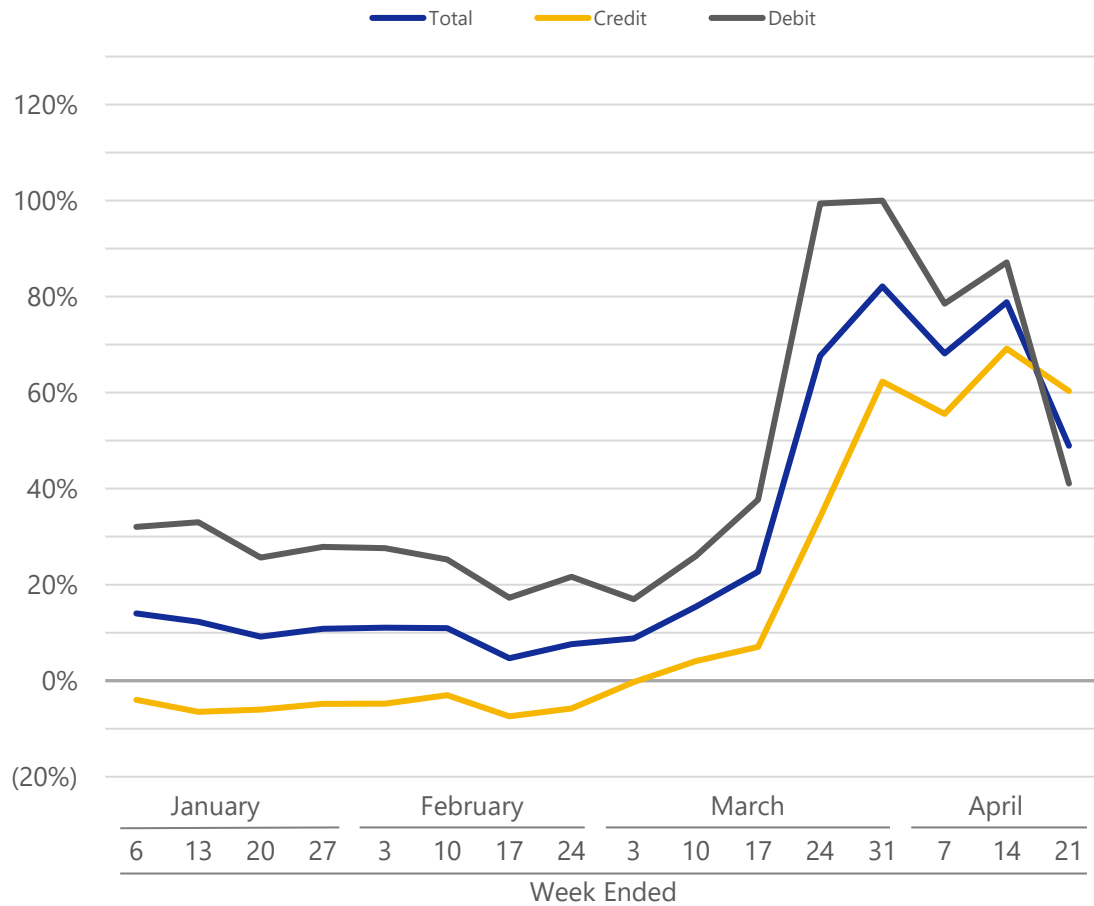
### Cross-Border Volume Excluding Intra-Europe (Constant Dollar)



Note: Refer to Operational Performance Data footnote for further information on these metrics.

# Operational Performance Metrics Weekly Growth

## U.S. Payments Volume

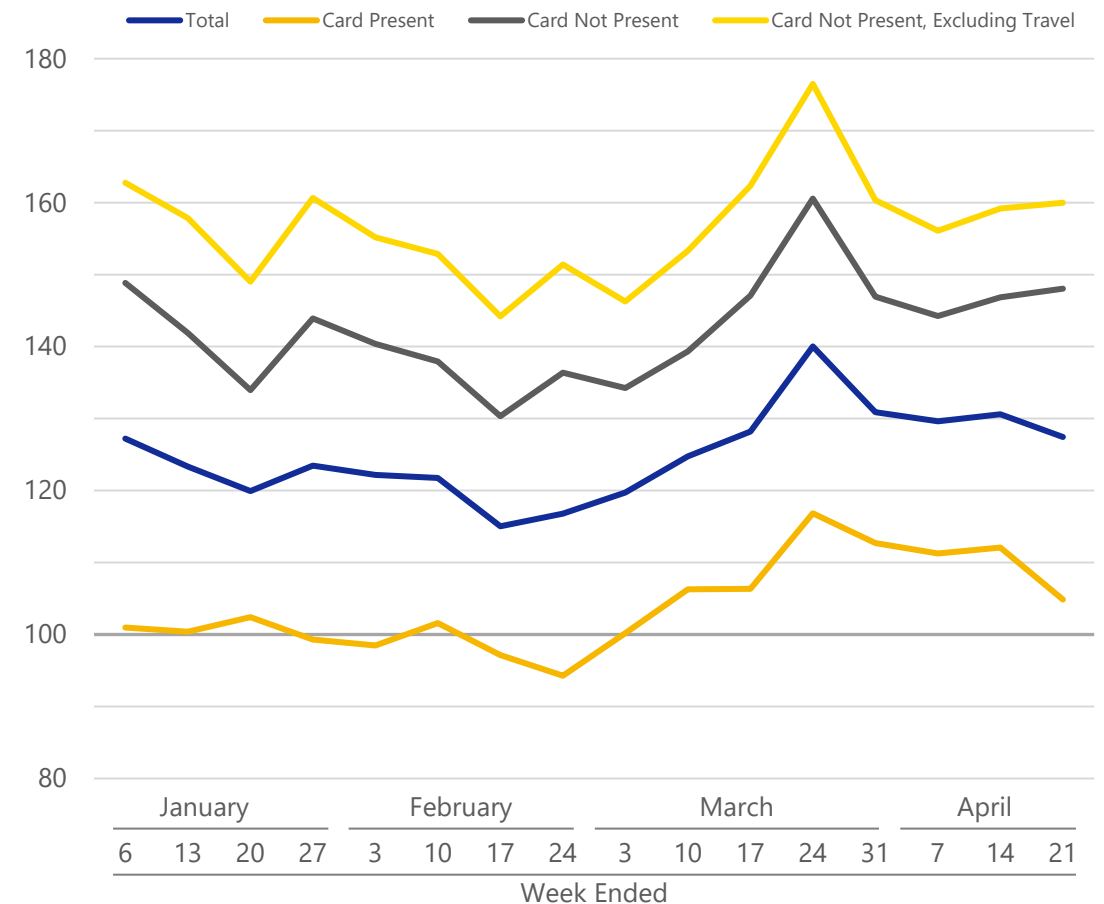
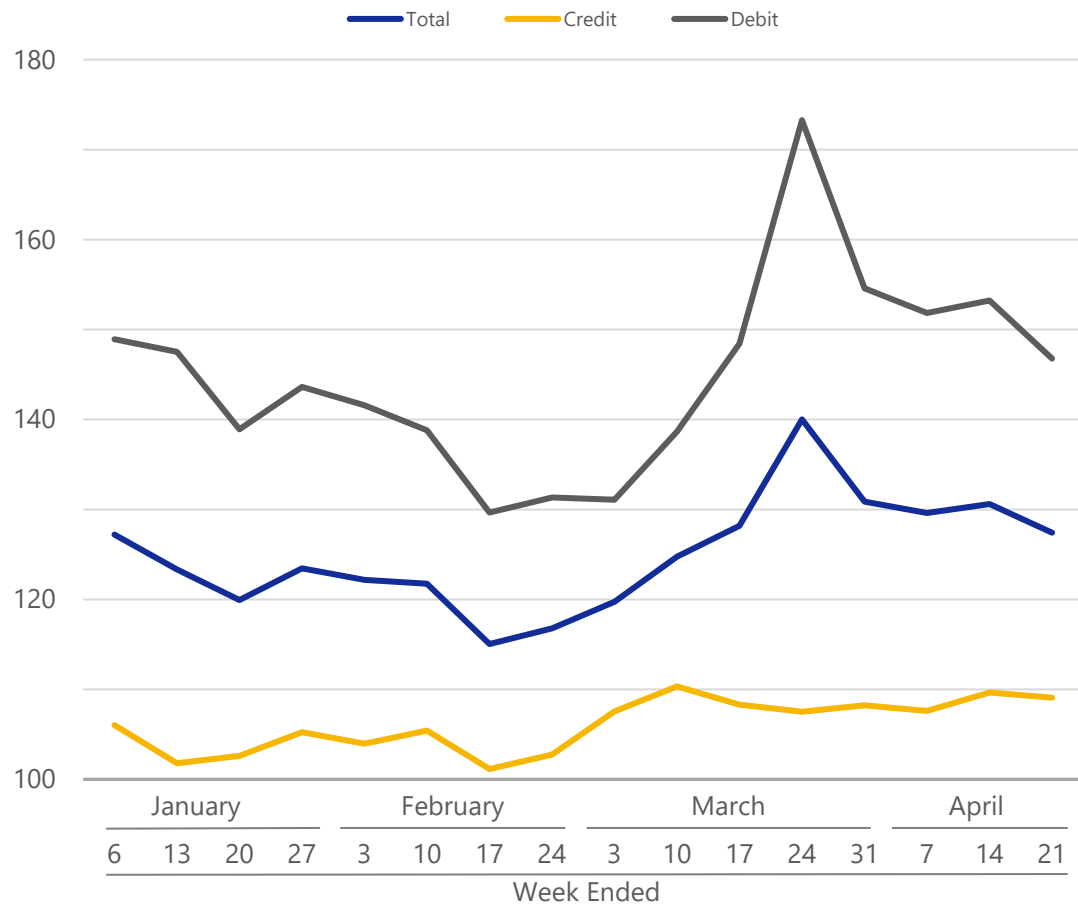


Note: Results are calculated over the comparable prior-year period. Refer to Operational Performance Data footnote for further information on these metrics.

# Operational Performance Metrics Weekly Index vs. FY 2019

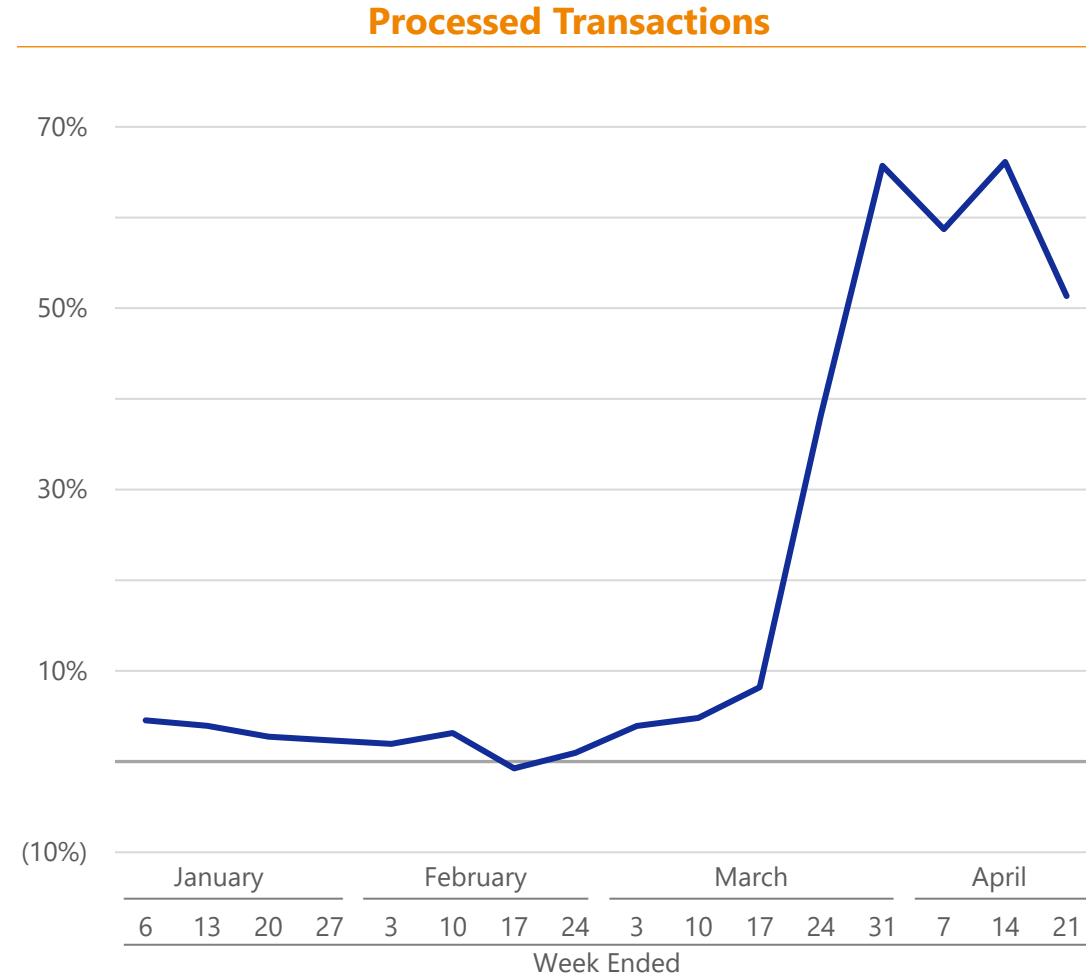
Fiscal year 2021 results are indexed to the corresponding period in fiscal year 2019, with a baseline of 100

## U.S. Payments Volume



Note: Refer to Operational Performance Data footnote for further information on these metrics.

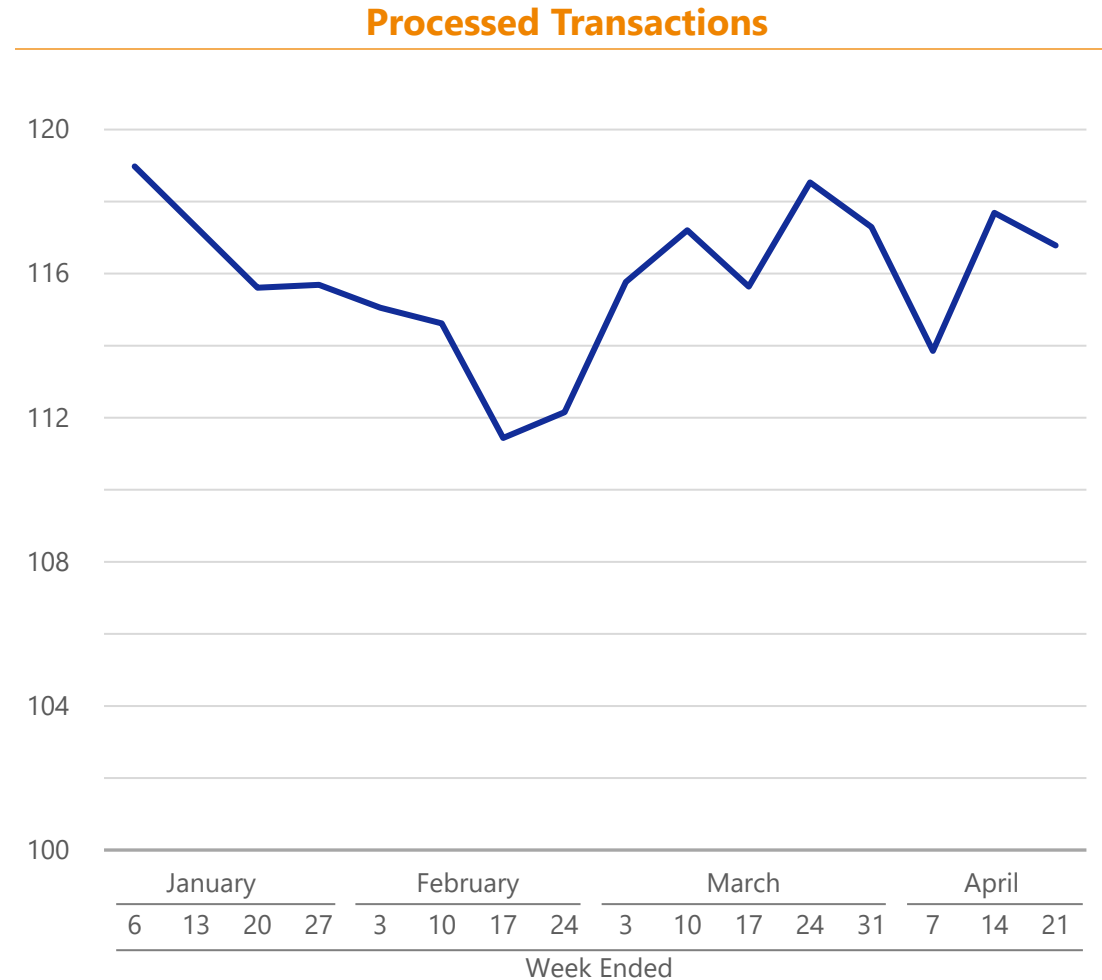
# Operational Performance Metrics Weekly Growth



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 Index vs. FY 2019

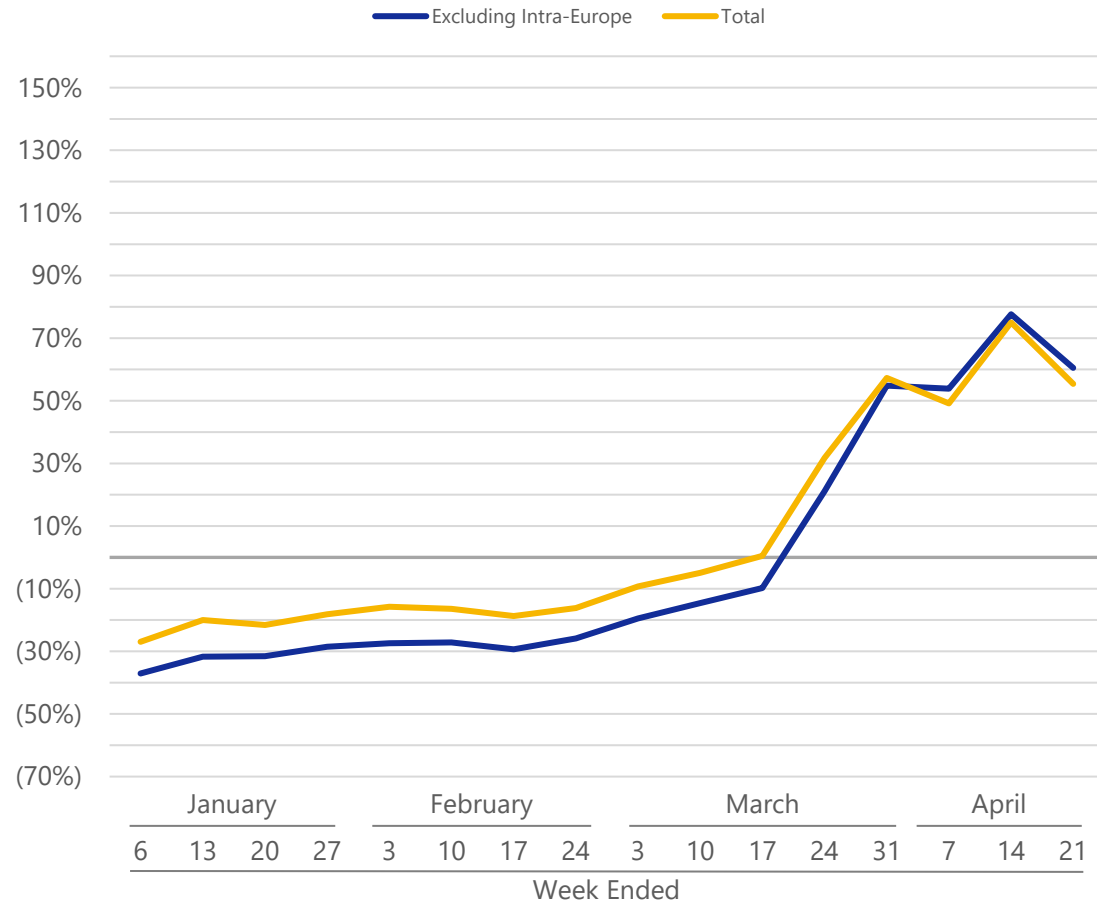
Fiscal year 2021 results are indexed to the corresponding period in fiscal year 2019, with a baseline of 100



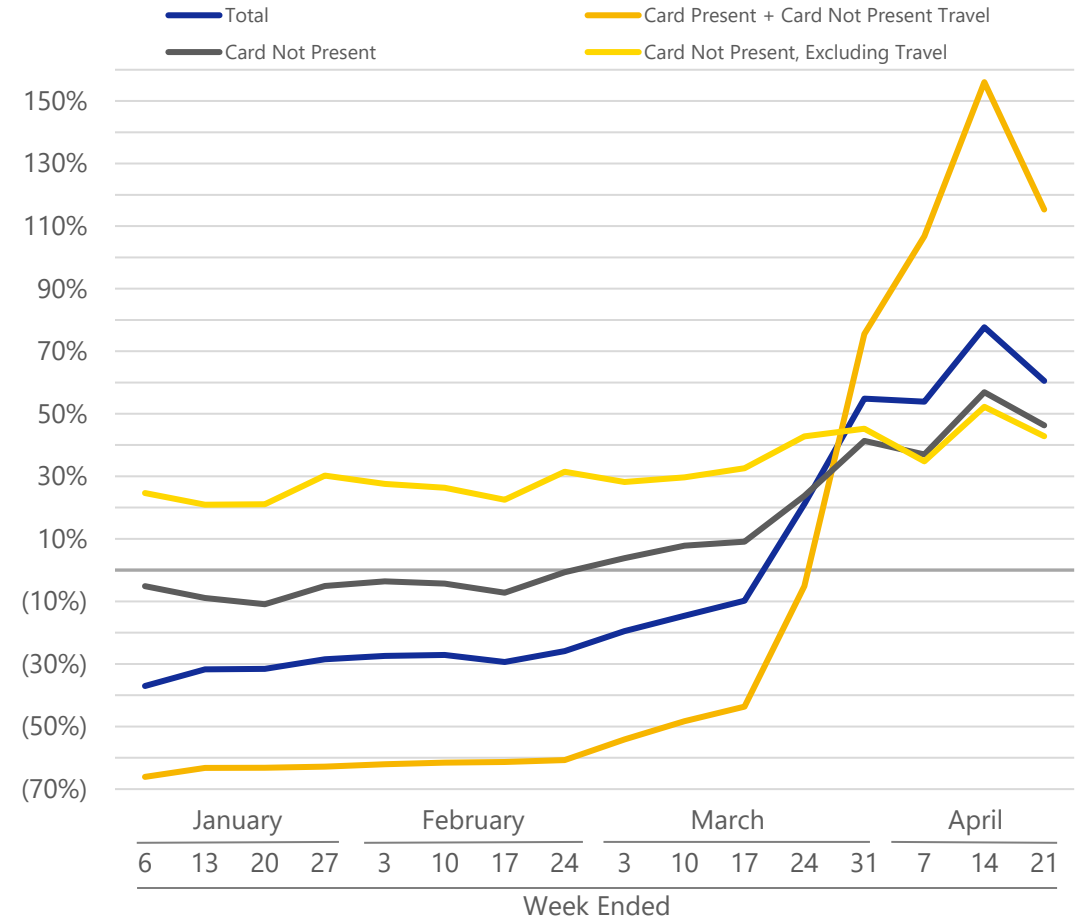
Note: Refer to Operational Performance Data footnote for further information on these metrics.

# Operational Performance Metrics Weekly Growth

## Cross-Border Volume (Constant Dollar)



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

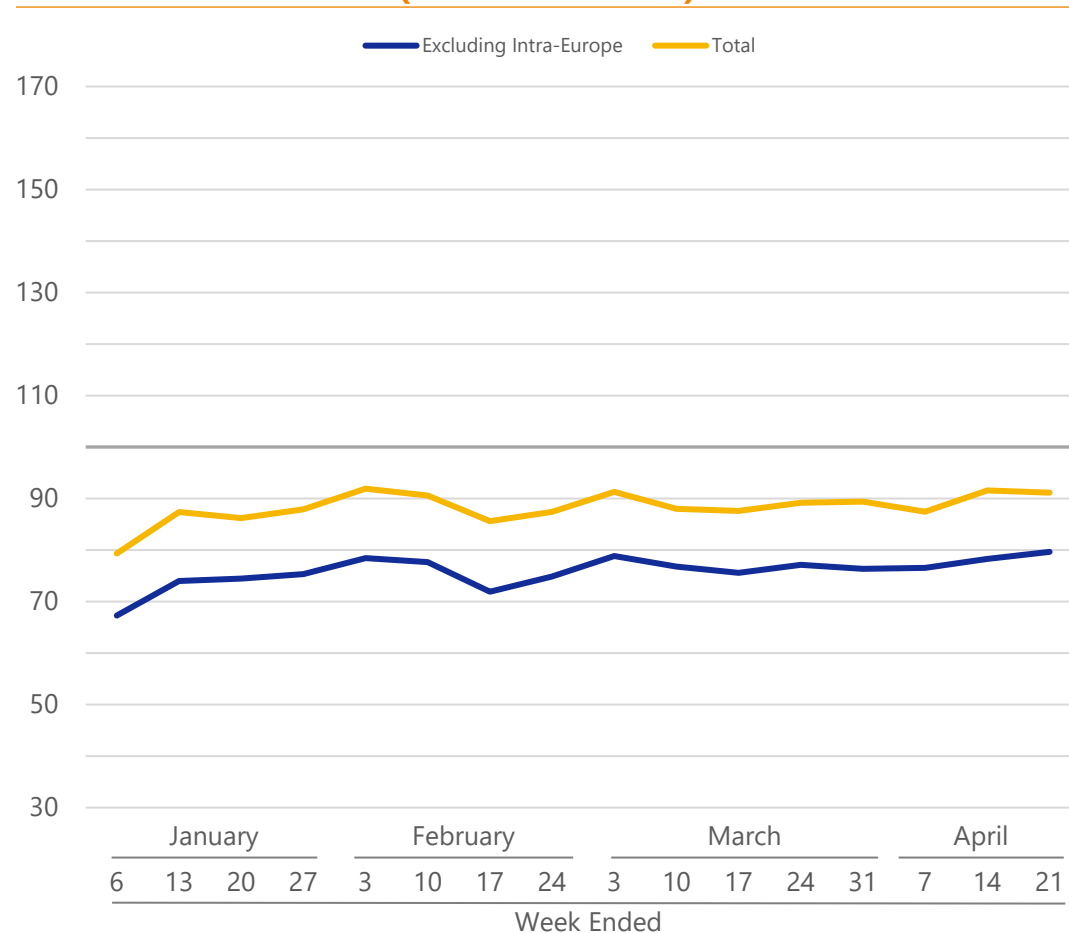


Note: Results are calculated over the comparable prior-year period. Refer to Operational Performance Data footnote for further information on these metrics.

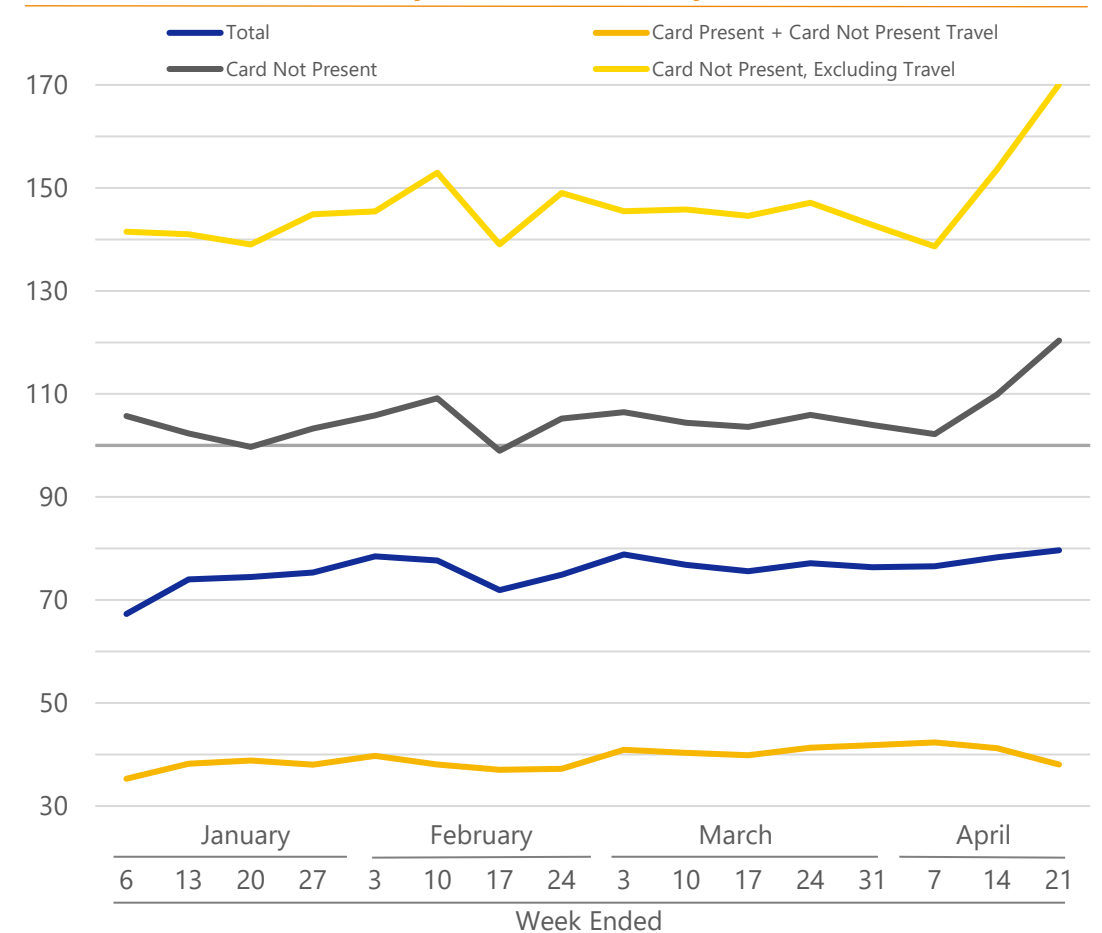
# Operational Performance Metrics Weekly Index vs. FY 2019

Fiscal year 2021 results are indexed to the corresponding period in fiscal year 2019, with a baseline of 100

### Cross-Border Volume (Constant Dollar)



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



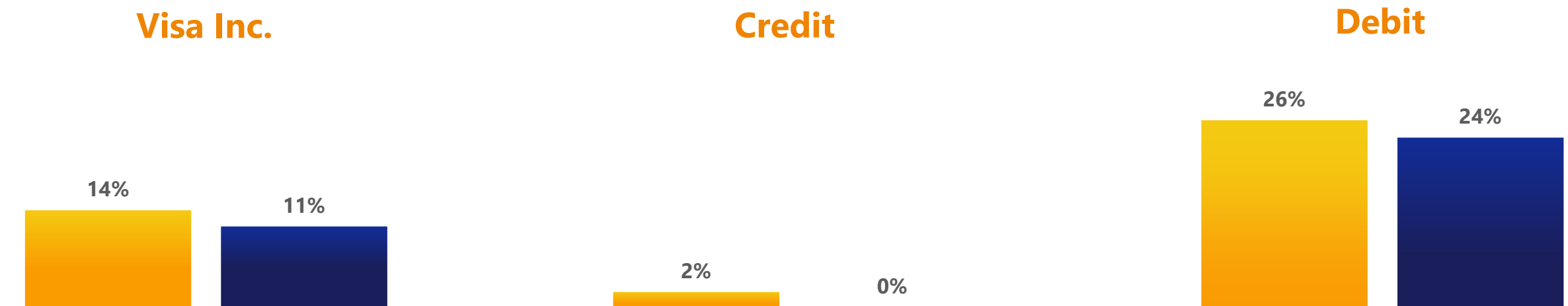
Note: Refer to Operational Performance Data footnote for further information on these metrics.



# Payments Volume Results

Q2 FY2021

■ Nominal  
■ Constant



## Nominal USD (in billions)

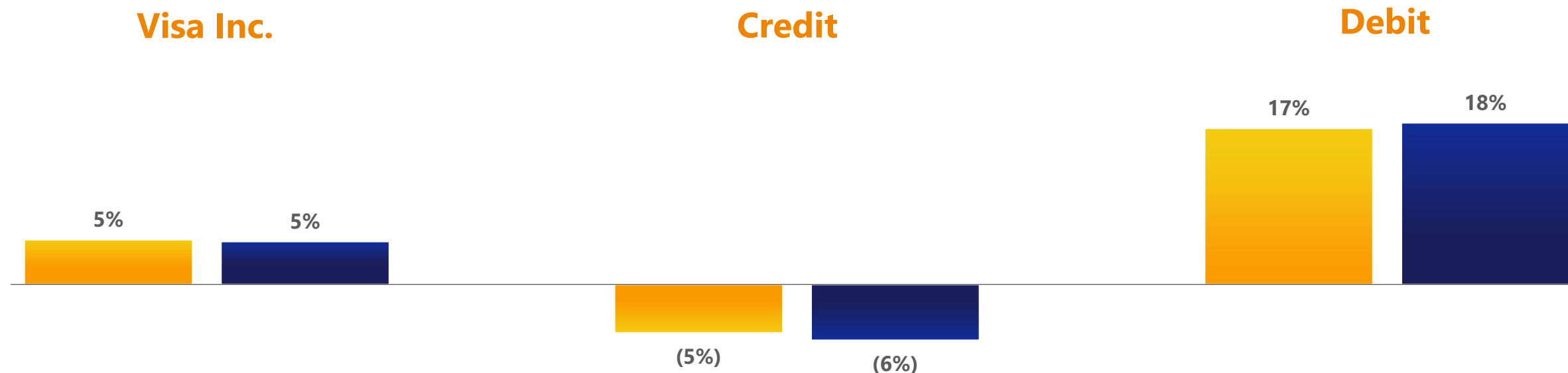
U.S.	\$1,157	\$500	\$657
International	\$1,266	\$643	\$623
Total	\$2,423	\$1,143	\$1,280

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

Q1 FY2021

■ Nominal  
■ Constant



## Nominal USD (in billions)

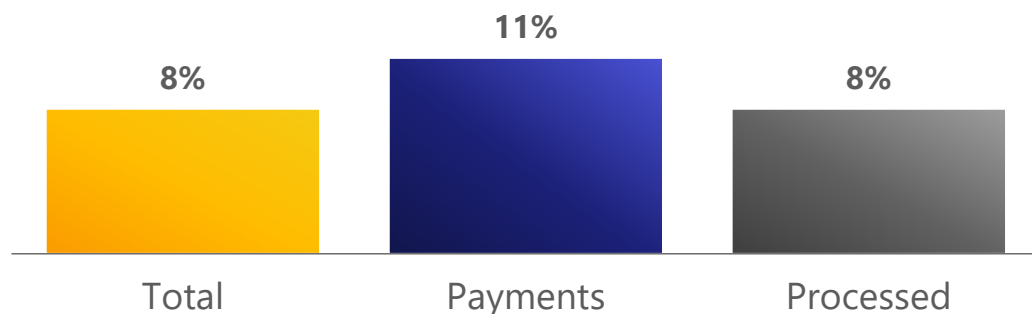
U.S.	\$1,140	\$535	\$605
International	\$1,335	\$680	\$655
Total	\$2,475	\$1,216	\$1,260

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

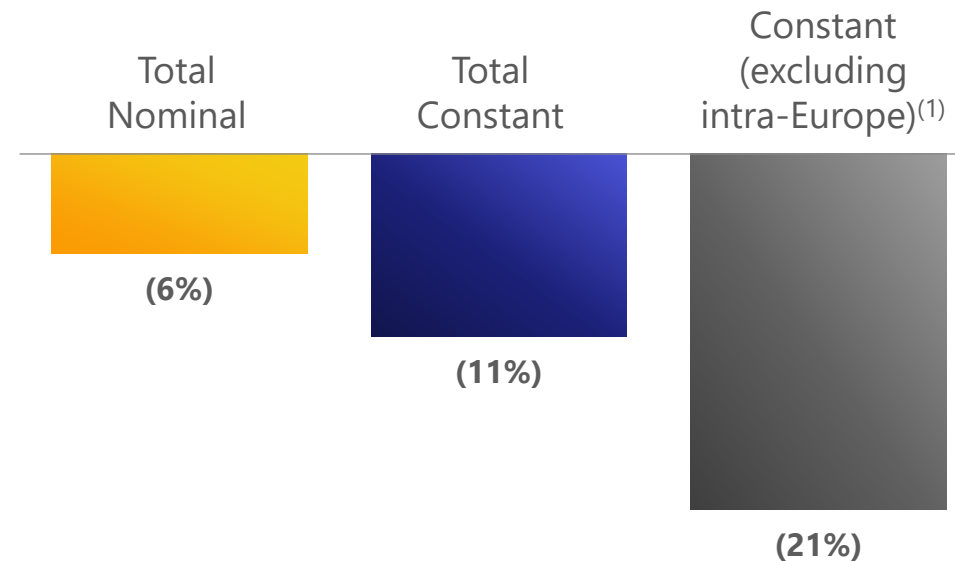
# Transactions and Cross-Border Volume Results

Q2 FY2021

## Transactions



## Cross-Border



### Transaction Count (in millions)

Credit	17,030	16,875	
Debit	37,848	33,776	
Total	54,878	50,651	37,644

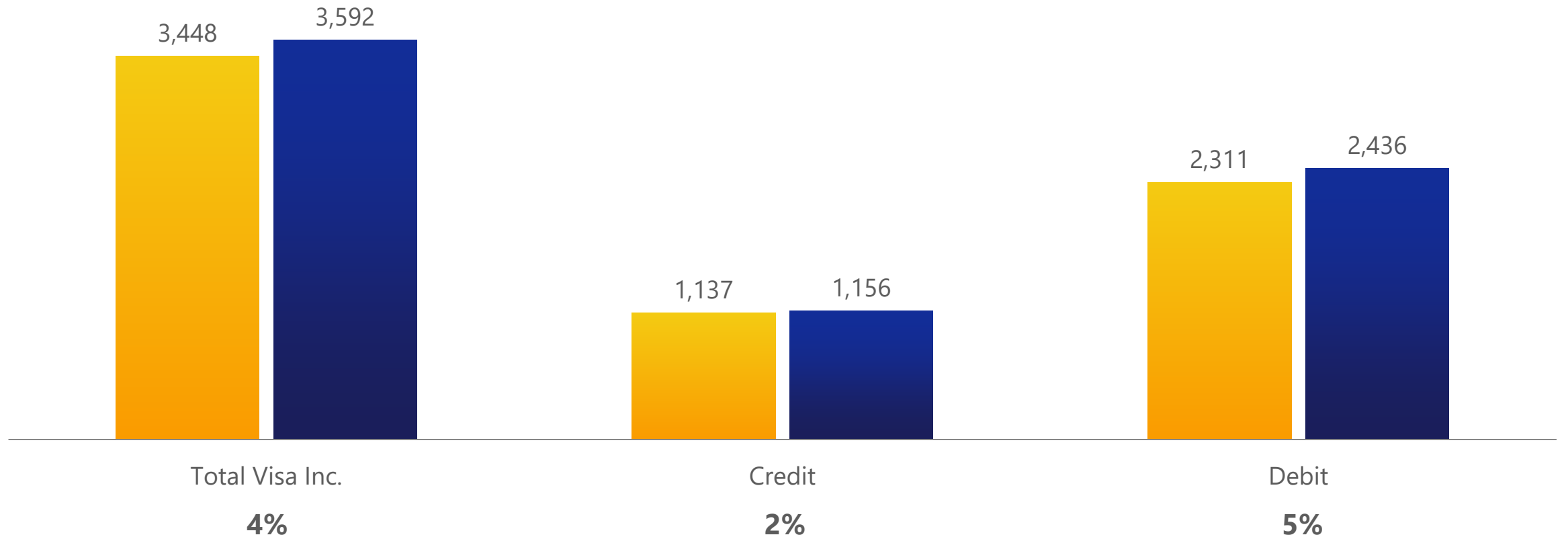
<sup>(1)</sup> Cross-border volume excluding transactions within Europe.

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)*

Q1 FY2021

2020  
2021

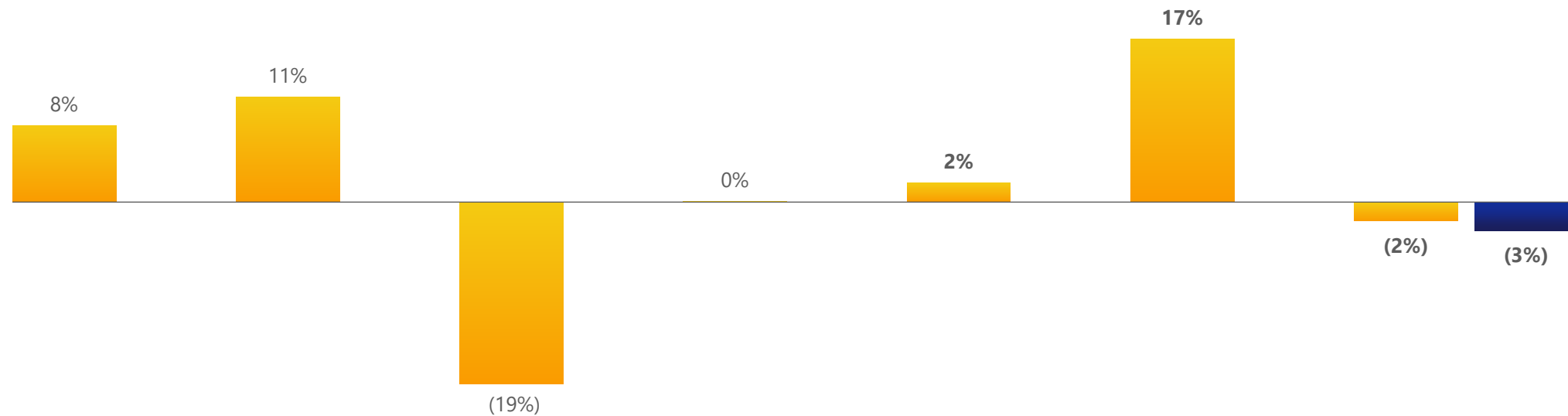


Note: The chart results are calculated over the comparable prior-year period. Refer to Operational Performance Data footnote for further information on these metrics.

# Revenue Results

Q2 FY2021

■ Reported  
■ Adjusted



Service Revenues	Data Processing Revenues	International Transaction Revenues	Other Revenues	Gross Revenues	Client Incentives	Net Revenues
<u>Reported Nominal USD (in millions)</u>						
\$2,845	\$2,996	\$1,488	\$392	\$7,721	\$1,992	\$5,729
					<b>Client Incentives as a % of Gross Revenues</b>	
					25.8%	

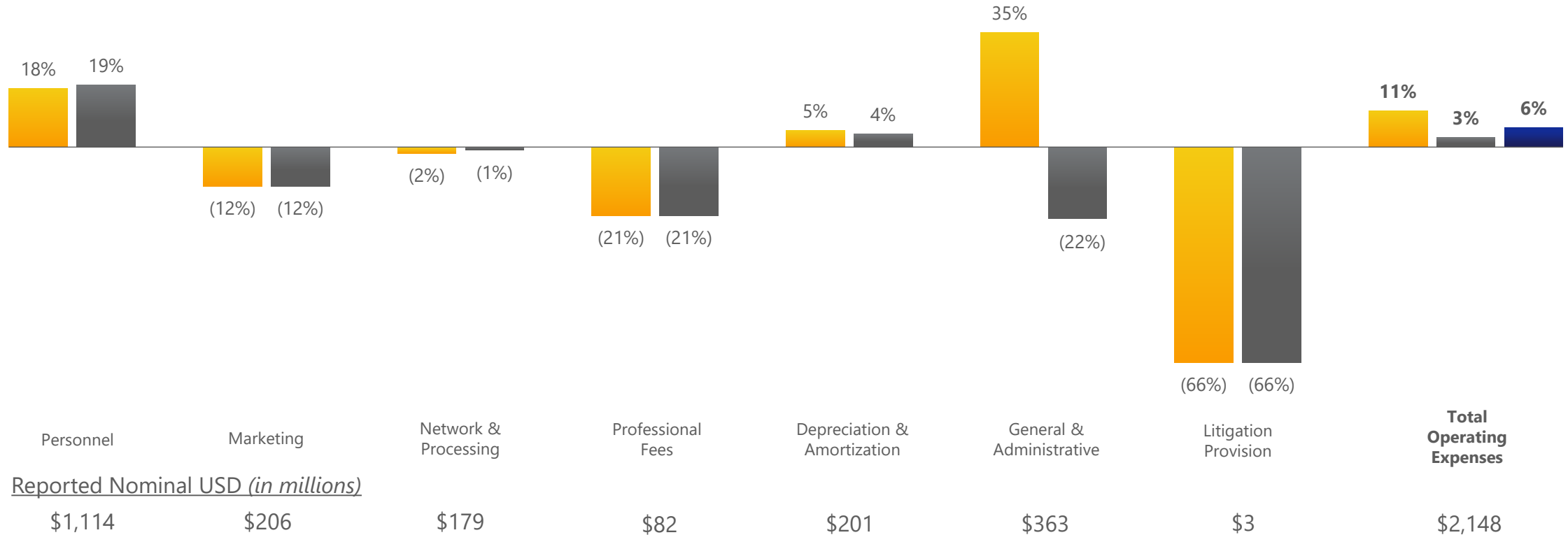
Note: The chart results are calculated over the comparable prior-year period. Refer to Non-GAAP and Adjusted Constant-Dollar Results Footnote for further information on adjusted results. Percentage changes are calculated based on unrounded numbers.



# Operating Expense Results

Q2 FY2021

■ Reported  
■ Non-GAAP  
■ Adjusted



Note: The chart results are calculated over the comparable prior-year period. Refer to Non-GAAP and Adjusted Constant-Dollar Results Footnote for further information on non-GAAP and 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.

# 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

We had cash, cash equivalents and investment securities of \$18.7 billion as of March 31, 2021.

*(USD in millions)*

Calculation of Free Cash Flow	Q2 2021 QTD	Q2 2021 YTD
Net cash provided by operating activities	\$3,329	\$6,842
Less: capital expenditures	(158)	(318)
<b>Free Cash Flow<sup>(1)</sup></b>	<b>\$3,171</b>	<b>\$6,524</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	Q2 2021 QTD	Q2 2021 YTD
Share repurchases	\$1,731	\$3,497
Dividends	\$701	\$1,404

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 obligations and/or 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, acquirers, processors, merchants and other third parties;
- brand or reputational damage;
- exposure to loss or illiquidity due to settlement guarantees;
- 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, 2020, 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.