

The background of the entire page is a dark, semi-transparent financial chart. It features a grid with various data series, including candlesticks and line graphs. A prominent line graph in the upper right corner shows a peak and a subsequent decline, with a label '52.34%' indicating a percentage change. Other smaller text and numbers are scattered across the chart, but they are not legible due to the low opacity.

HAVEN

EQUITIES

Equity Research Report

Research Standards

HAVEN Report Standards (Mandatory)

1. Structure

- Do not remove sections.
- Pages may be duplicated for depth.
- Every report must include thesis, industry, financials, valuation, risks, and conclusion.

2. Clarity

- Use bullet points, not long paragraphs.
- If crowded → create a new page.
- Visuals > text walls.

3. Evidence

All claims must be supported by:

- Financial data
- Industry comparisons
- Historical performance
- Valuation logic

4. Professional Formatting

- Maintain layout, fonts, and spacing.
- No casual language.
- No opinions without reasoning.

Equity Research Report



Visa Inc. (V)
Credit Services | Financial Services

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Date: 18/06/2026

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Investment Overview

Visa Inc. (V)

Sector: Credit Services | Industry: Financial Services | Price: \$330.38

Thesis:

Visa operates one of the world's most powerful financial networks, processing payments across more than 200 countries. The company earns a small fee on every transaction that flows through its network, making it a capital-light business with very high margins. Visa's core growth driver is the ongoing global shift from cash to digital payments, with billions of consumers in emerging markets still to convert. On top of this, Visa is actively positioning for the next wave of commerce, announcing a partnership with OpenAI to embed its payment systems into AI-driven transactions, and exploring stablecoin settlement infrastructure. Visa's consistent share buyback programme mechanically boosts earnings per share. Meanwhile, its value-added services, including fraud detection and data analytics, are growing at 27% annually.

Key Drivers:

- **Cash-to-Digital Conversion:** Card penetration below 50% in many markets provides a long runway for volume growth.
- **Cross-Border Volumes:** International travel and e-commerce drive higher-margin cross-border transactions, up 13% in FY2025.
- **Value-Added Services:** Grew to \$5B in H1 FY2025, much faster than core network revenue.
- **Share Buybacks:** 3% annual share count reduction mechanically boosts EPS growth.
- **Agentic Commerce:** AI agents making purchases represent a structural new volume source.

Key Risks:

- **Regulatory Risk:** DOJ antitrust scrutiny and potential interchange fee legislation could pressure Visa's pricing model.
- **Disintermediation:** Real-time payment rails (FedNow, UPI) allow banks to bypass card networks for some payment types.
- **Cross-Border Slowdown:** Slowing cross-border volumes flagged by investors post-Q3 remain a near-term concern.
- **Stablecoin Disruption:** Crypto-native settlement rails could reduce Visa's role over the long term.
- **Macro Sensitivity:** A consumer spending slowdown directly reduces transaction volumes.

Haven Rating:

Recommendation: Buy

Time Horizon: 12-18 months

Risk Level: Moderate

Catalyst Driven: Yes

Catalysts (Next 1-6 Months):

- **Q3 FY26 Earnings (Jul 28, 2026):** Strong recent momentum suggests continued beat potential on EPS and revenue.
- **OpenAI Partnership:** Integration into OpenAI's agentic commerce platform opens a structurally important new revenue channel.
- **Merchant Settlement:** Preliminary court approval (Jun 9) on the long-running interchange fee lawsuit removes a major legal overhang.
- **Stablecoin Platform:** Reported collaboration with Mastercard and Stripe signals Visa's intent to lead in next-generation payment infrastructure.

Quick Stats:

- **Price:** \$330.38
- **P/E Ratio:** 28.99x
- **Market Cap:** \$628.30B
- **Enterprise Value:** \$638.89B
- **Revenue (TTM):** \$43B
- **Cash:** \$13.91B
- **FCF:** \$21B
- **Beta (5Y):** 0.76

Company Snapshot

Business Description:

Visa Inc. is a global payments technology company that facilitates the movement of money between consumers, merchants, financial institutions, and governments across more than 200 countries and territories. Unlike banks or lenders, Visa does not issue credit cards or lend money, it simply provides the infrastructure (VisaNet) that processes transactions. Visa earns fees on volume without carrying any credit risk, which is why its margins are so much higher than a traditional bank. The company operates under several brands including Visa, Visa Electron, V PAY, Interlink, and PLUS.

Revenue Model:

- **Service Revenue:** Fees charged to financial institutions based on payments volume processed on the Visa network. \$17.5B in FY2025, up 9% YoY.
- **Data Processing Revenue:** Fees for transaction processing, authorisation, clearing and settlement services. \$20.0B in FY2025, up 13% YoY, the largest revenue line.
- **International Transaction Revenue:** Fees earned on cross-border transactions. \$14.2B in FY2025, up 12% YoY and highly margin-accretive.
- **Other Revenue (Value-Added Services):** Consulting, data analytics, fraud detection, and issuer solutions. \$4.1B in FY2025, up 27% YoY, the fastest-growing segment.

Why is Visa Structurally Advantaged?

Every time a Visa card is used, whether for a coffee in London or a hotel in Tokyo, Visa earns a fee. It doesn't matter whether the economy is growing or shrinking; as long as people are spending on cards, Visa earns. This makes it one of the most resilient revenue models available. The network also benefits from powerful two-sided network effects: the more merchants accept Visa, the more valuable it is to cardholders, which in turn attracts more merchants.

Operating Segments

Segment	% of Revenue
United States	~40%
International	~60%

Key Operating Metrics

- **Non-GAAP Operating Margin:** 65%+ - one of the highest of any large-cap company globally.
- **Payments Volume Growth:** Up 8% on a constant-dollar basis in FY2025.
- **Cross-Border Volume Growth:** Up 13% on a constant-dollar basis for FY2025, driving the high-margin international transaction revenue line.
- **Processed Transactions:** \$60.7 billion processed in H1 FY2026, up 9% YoY.
- **Net Revenue FY2025:** \$40.0B, up 11% YoY. Q1 FY2026 net revenue was \$10.9B, up 15% YoY.

Industry & Competition

Industry Overview

The global payments industry generated approximately \$2.5 trillion in revenue in 2025, growing at around 4% per year. Visa alone processed \$14.5 trillion in transaction volumes in 2025, cementing its position as the world's largest payment network by volume. The structural shift from cash to digital payments continues to accelerate globally, in many emerging markets, card penetration remains well below 50%, meaning the long term addressable market for Visa is enormous. Meanwhile, e-commerce growth, cross-border travel, and the rise of agentic AI commerce (where AI agents make purchases on behalf of consumers) are opening entirely new volume channels.

Trends

- **Cash-to-Digital:** The global shift away from physical cash continues. In markets like India, Southeast Asia, and Latin America, Visa is aggressively expanding its acceptance network to capture this growth.
- **Agentic Commerce:** AI agents making purchases autonomously on behalf of consumers are a genuinely new and fast-growing commerce channel. Visa's OpenAI partnership puts it at the centre of this trend.
- **Stablecoin & Real-Time Payments:** Newer payment systems and crypto-based currencies threaten to move money between people without needing Visa in the middle. Rather than ignoring this, Visa is actively investing in both, including building its own stablecoin platform.

Main Competitors

Competitor	Ticker	Market Cap	Additional Notes
Mastercard	MA	\$435.6B	Most direct competitor; 31% global credit card share vs Visa's 53%. Faster revenue growth but smaller scale.
American Express	AXP	\$232.36B	Runs its own network and issues cards directly to customers itself, without partnering with banks. It targets wealthier spenders with premium cards. Cheaper than Visa on valuation basis but takes on credit risk.
PayPal	PYPL	\$37.12B	Digital payments competitor; processed \$443.5B in Q2 2025. Operates partly on Visa systems.

Company Positioning

Visa holds 53% of global credit card transaction market share, nearly double Mastercard's 31%. Its scale gives it unmatched acceptance globally: a Visa card works almost anywhere in the world. Unlike American Express, Visa operates an open-loop model, meaning it partners with thousands of banks and financial institutions rather than issuing its own cards. This means Visa's growth is tied to the entire banking system's growth in digital payments, not just its own card programme. Visa's forward P/E of ~24x is more attractive than Mastercard's ~28x, making it the better value within the duopoly for risk-conscious investors.

Valuation

Current Valuation			
	Prev. Year	Current Year	Next Year (Projected)
EV/Revenue	18.56x	14.71x	13x
P/S	21.47x	16.49x	
Market Cap	690.4B	622.33B	

Peer Comparison			
Company	P/E (TTM)	Forward P/E	Market Cap
Visa (V)	28.99x	~24x	\$627B
Mastercard (MA)	~38.7x	~28x	~\$520B
American Express (AXP)	~20.6x	~18x	~\$220B
PayPal (PYPL)	~16x	~14x	~\$70B

Fundamental Analysis

Quantitative Analysis (Financial Health)

Visa generated \$40.0B in net revenue in FY2025, up 11% year-over-year, and followed that up with \$10.9B in Q1 FY2026, a further 15% increase. Non-GAAP net income for Q1 FY2026 was \$6.1B, up 12% over the prior year, with non-GAAP diluted EPS of \$3.17, up 15%. Visa carries \$23.98B in total debt against \$13.91B in cash, leaving a net debt position of approximately \$10B. For context, Visa generates around \$22.9B in free cash flow annually, meaning it could theoretically pay off its entire debt in under six months. Return on equity stands at 60.35% and return on invested capital at approximately 31%, both figures reflect the quality of the underlying business. Visa has just authorised a new \$20B share repurchase programme, signalling strong management confidence in its own outlook.

Key Ratios

- P/E Ratio (TTM)28.99x
- Forward P/E~24x
- Profit Margin~51%
- Return on Equity60.35%
- Return on Invested Capital~31%
- Debt/Equity Ratio0.67
- Total Debt\$23.98B
- Cash\$13.91B
- Revenue Growth YoY+11% (FY2025)
- EPS Growth+15% YoY (Q1 FY26)
- FCF (TTM)~\$22.9B
- Beta (5Y)0.78

Quantitative Analysis (Business Fundamentals)

CEO Ryan McInerney has led Visa since early 2023, continuing the company's long track record of disciplined capital allocation and network expansion. Visa's VisaNet infrastructure processes transactions in approximately 130 milliseconds across 200+ countries, and replicating it would require decades and hundreds of billions of dollars. Value-added services, including fraud detection and consulting, are growing at 27% YoY, diversifying revenue beyond pure transaction fees and deepening relationships with financial institution clients.

Technical Analysis

Price Action and Charts

Visa has had a volatile 52-week period. After reaching a high of \$375.51 in mid-2025, the stock sold off sharply to a 52-week low of \$293.89 in April 2026, before recovering to its current level of approximately \$330. The recovery since April has been meaningful, roughly +12%, and the stock now sits near its 200-day moving average, suggesting a potential inflection point. The selling was driven by investor concern over slowing cross-border payment volumes and broader macro uncertainty, rather than any structural deterioration in Visa's business model.

- 52-Week High: \$375.51 | 52-Week Low: \$293.89
- Support Level: ~\$310–315, where the stock built a base in May 2026.
- Resistance Level: ~\$355–360, near the prior consolidation zone.

Common Technical Indicators

- Current Price: \$330.38
- 52-Week High: \$375.51
- 52-Week Low: \$293.89
- % Below 52-Week High: -12%
- Beta (5Y): 0.78 - lower than market avg
- Average Daily Volume: 6.8M shares
- Analyst Consensus: Strong Buy (39 analysts)
- Avg. Price Target: \$398.83 (+20% upside)

Core Assumption

Visa's current valuation of \$330 reflects near-term anxiety about cross-border volume deceleration and macro uncertainty, but prices in very little of the structural growth opportunities in agentic commerce, stablecoin infrastructure, and continued emerging-market expansion. At a forward P/E of 24x, well below Mastercard's 28x, Visa looks attractively valued relative to its long term earnings growth trajectory. The consensus analyst price target of \$398.83 implies approximately 20% upside from current levels over the next 12 months, and the newly authorised \$20B buyback programme provides downside support.

Conclusion/Recommendation

Investment Recommendation

BUY

Target Price & Potential Returns

Target Price: \$385
Potential Upside: 16.5%

Core Thesis Summary

Visa is one of the few businesses in the world that gets paid every time someone makes a purchase, without taking on any of the risk of that transaction. It has done this for decades, compounding revenue and earnings at a consistent pace. At ~\$330, trading 12% below its 52-week high and at a discount to its closest peer Mastercard, the stock offers a compelling entry point. The pipeline of structural catalysts: agentic commerce, stablecoin infrastructure, emerging-market expansion, and value-added services growth, means the business is accelerating. For a 12-18 month holding period, the risk-reward here is appealing.

Key Catalysts

- Q3 FY2026 Earnings Release (Jul 28, 2026)
- OpenAI Agentic Commerce Integration
- Merchant Interchange Settlement Completion
- Stablecoin Platform Launch (Visa/Mastercard/Stripe)
- Emerging Market Expansion

Key Risks:

- **Regulatory Risk:** DOJ scrutiny and potential interchange fee caps could compress Visa's pricing power and margins.
- **Cross-Border Slowdown:** Any deterioration in global travel or international e-commerce would directly impact the highest-margin revenue line.
- **Disintermediation:** Real-time payment systems and crypto settlement networks represent genuine long term structural threats to Visa's role as an intermediary.

Key Financial Metrics

Revenue: \$43.04B
Non-GAAP Operating Margin: 65%
Cash Balance: \$13.91B
Market Cap: \$622.33B
P/E Ratio: 28.99x
EPS: \$11.47

Stock Type

Asset Class: Growth
Size: Large Cap
Dividend: Yes

Company Snapshot

Ticker: V
Current Price: \$330.38