



Financial Analysis: Visa Inc. (V) & Mastercard Incorporated (MA)

EWU: BADM 531

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Company and Industry Background

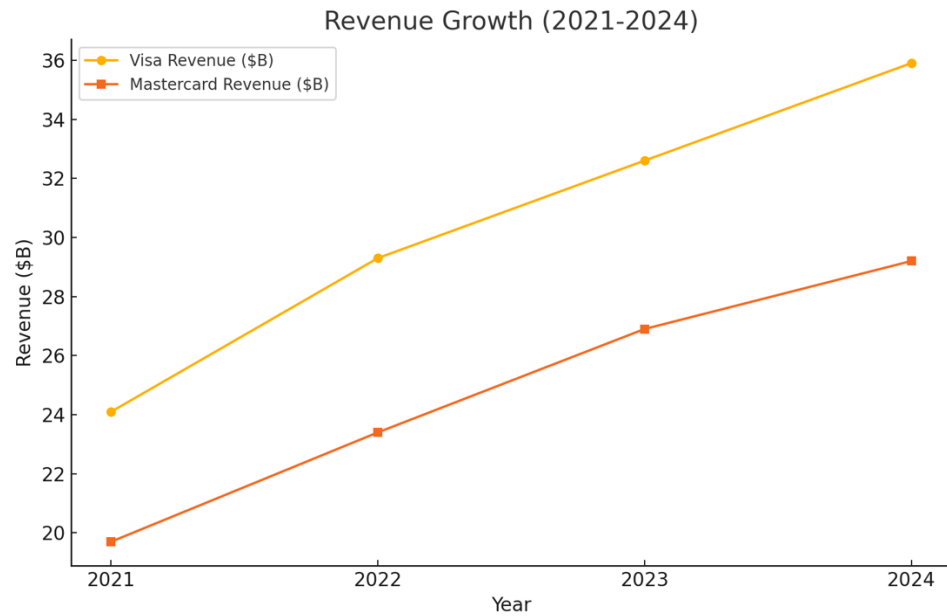
- Visa Inc. (V): Founded in 1958, operates in over 200 countries.
- Mastercard Inc. (MA): Founded in 1966, operates in over 210 countries.

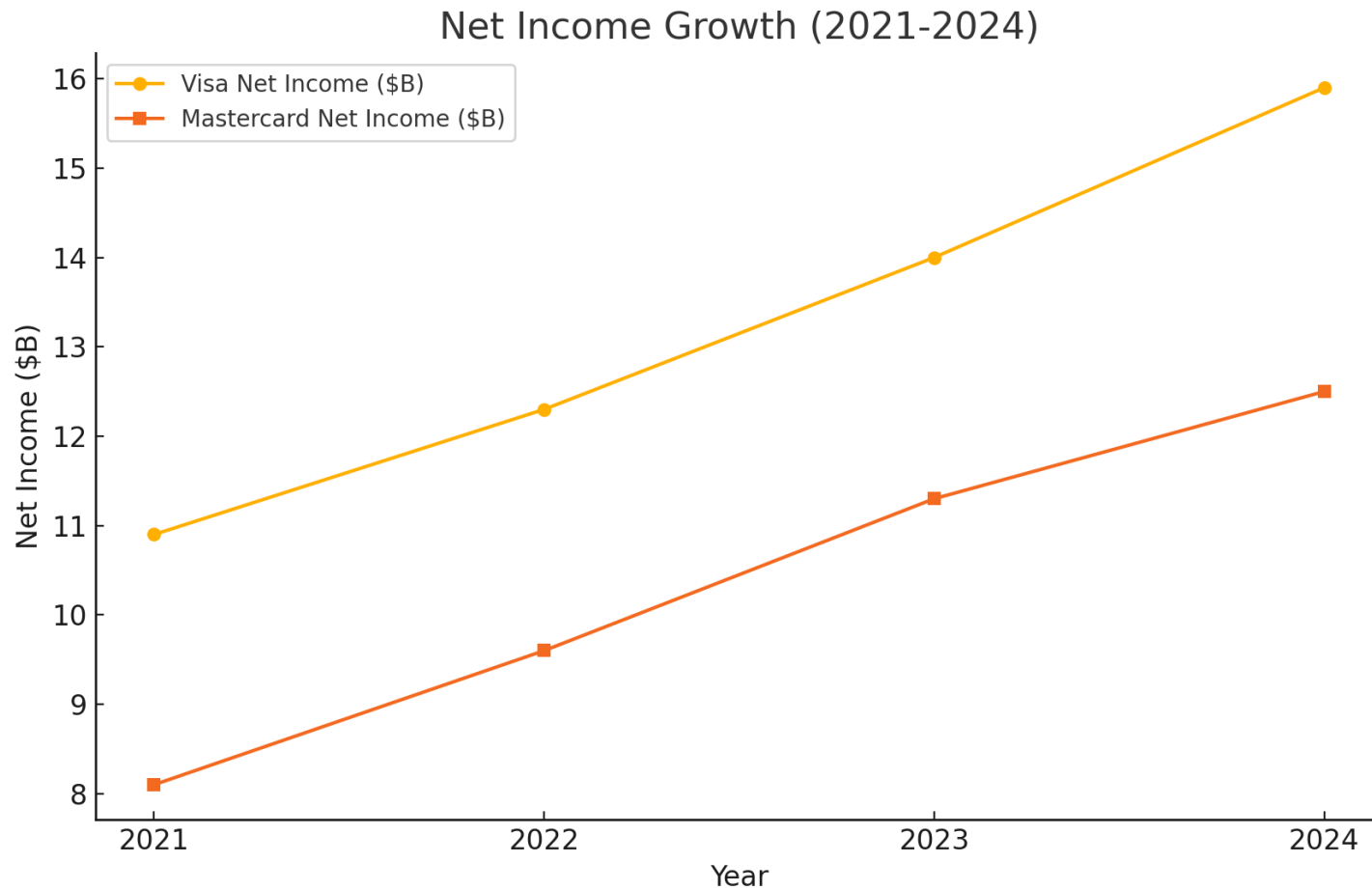


Financial Ratios Comparison (2024)

Metric	Visa	Mastercard
Current Ratio	1.62	1.33
Debt-to-Equity	1.25	4.51
ROE (%)	41.5	45.2
Asset Turnover	0.18	0.20
Net Profit Margin (%)	55.0	52.3

Revenue Growth (2021-2024)

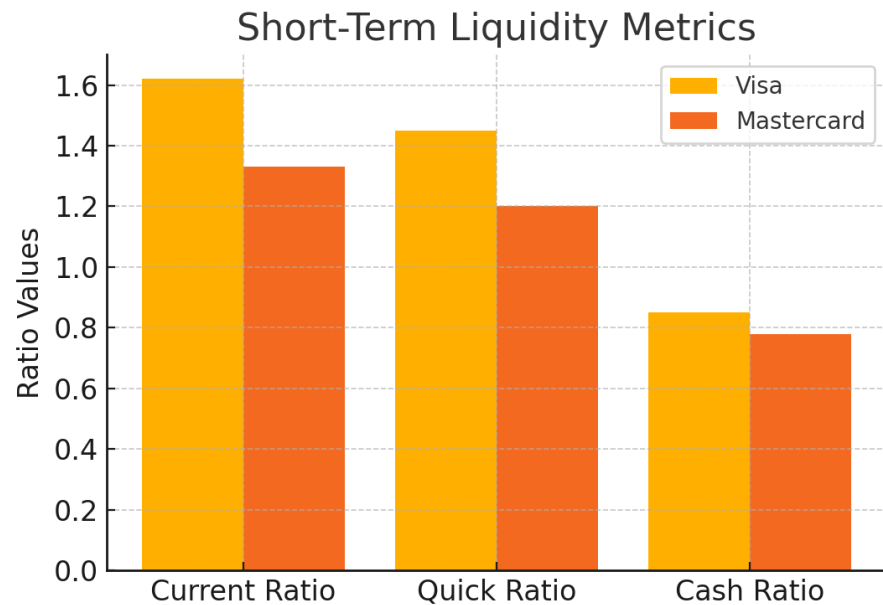




Net Income Growth (2021-2024)

Short-Term Liquidity

- Visa - Current Ratio: 1.62.
- Mastercard - Current Ratio: 1.33.
- Higher ratio indicates better short-term liquidity.



Stock Analysis

Visa Stock Analysis (2021-2024)

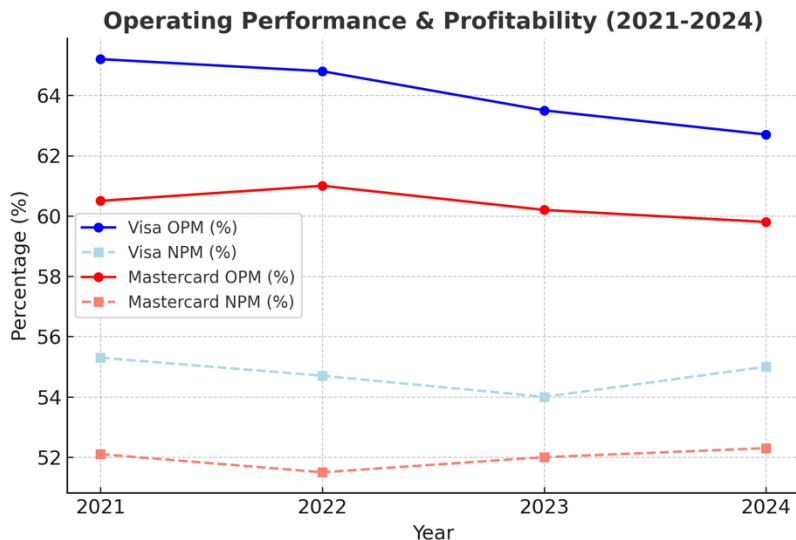
Metric	2021	2022	2023	2024
Price-Earnings Ratio	38.5	35.8	37.2	33.9
Dividend-Yield Ratio (%)	0.55	0.58	0.53	0.57
Share Price (\$)	225.1	245.3	265.45	341.8
Dividend per Share (\$)	1.5	1.6	1.75	2.0

Mastercard Stock Analysis (2021-2024)

Metric	2021	2022	2023	2024
Price-Earnings Ratio	42.1	40.5	41.8	39.99
Dividend-Yield Ratio (%)	0.5	0.52	0.48	0.51
Share Price (\$)	310.2	350.15	400.1	555.43
Dividend per Share (\$)	1.4	1.55	1.7	1.9

- Visa - Stock Price: \$341.80, P/E Ratio: 33.9.
- Mastercard - Stock Price: \$555.43, P/E Ratio: 39.99.
- Both stocks are performing well, with Mastercard trading at a higher valuation.

Operating Performance & Profitability

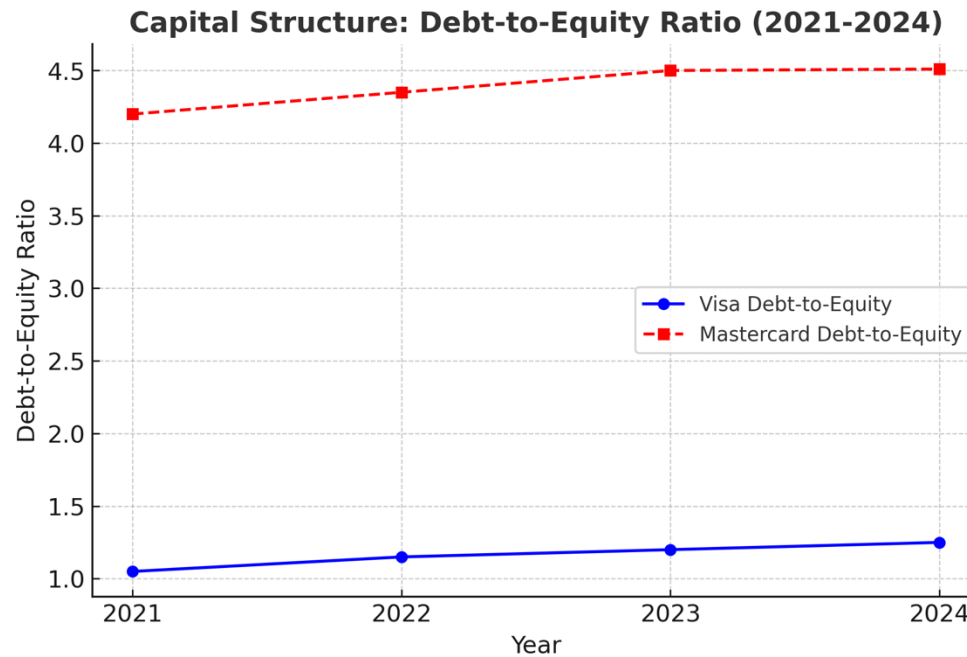


- Visa - Net Profit Margin: 55.0%.
- Mastercard - Net Profit Margin: 52.3%.
- Visa has a slightly higher profit margin.

Return on Capital & Investments (2024)

Metric	Visa (2024)	Mastercard (2024)
Return on Net Operating Assets (%)	22.4	25.1
Return on Common Equity (%)	41.5	45.2
Return on Long-Term Debt and Equity (%)	18.2	20.5

- Visa - ROE: 41.5%.
- Mastercard - ROE: 45.2%.
- Both companies exhibit strong returns, with Mastercard slightly leading.



- Visa - Debt-to-Equity Ratio: 1.25.
- Mastercard - Debt-to-Equity Ratio: 4.51.
- Visa maintains a more conservative capital structure.

Capital Structure



Forecasting

- Visa - Projected revenue growth in 2025: Low double-digit %.
- Mastercard - Projected revenue growth in 2025: Low double-digit %.
- Visa focuses on expanding digital payment solutions.
- Mastercard emphasizes technological advancements.



The Pick: Visa

- Superior profit margins.
- More conservative capital structure.
- Strong liquidity position.
- Consistent revenue growth.

References

- Visa Inc. Annual Report 2024.
- Mastercard Inc. Annual Report 2024.
- Market reports from Investors.com, Barron's, and MarketWatch.