

Strategic position strengthened more than the near-term earnings surprise

1 | KEY RESULTS VS. CONSENSUS

Metric	Reported	Consensus	vs. Cons.
Revenue	\$12.139 billion	\$12.090 billion	+0.4%
Net Income (adjusted)	\$6.55 billion	\$6.47 billion	+1.2%
Diluted EPS (adjusted)	\$3.48	\$3.44	+1.2%

2 | GUIDANCE AND OUTLOOK

Initial fiscal 2027 guidance calls for acquisition-adjusted, constant-dollar net revenue growth in the low-double-digits, operating expense growth modestly below revenue, and EPS growth in the low-double-digits to low-teens. VAS growth normalizes to the low-to-mid-20% range. Q1 EPS growth is expected at the low end of the mid-teens; Q2 is the revenue-growth low point, with pricing increasingly back-half-weighted. The tax rate rises to approximately 19% from 17.9%; non-operating expense is \$250 million to \$300 million. BioCatch is excluded from acquisition-neutral guidance.

3 | EARNINGS ANALYSIS

MODEST BEAT, HEAVIER INCENTIVES. Revenue exceeded consensus by approximately 0.4%, with service and data processing revenue contributing most of the gross outperformance. Higher incentives absorbed approximately 73% of the gross revenue beat, leaving a \$49 million net revenue beat. Payments volume was effectively in line; processed transactions and cross-border growth were modestly better. This was solid execution rather than a material positive demand surprise. International transaction revenue increased only 8.3% against 14% cross-border volume growth because of lower currency volatility and mix.

BELOW THE LINE MATTERED. Favorable tax and non-operating expense outcomes were sufficient to explain most of the \$0.04 EPS beat, although consensus component assumptions were unavailable. The non-GAAP tax rate was 18.4%, versus the prior expectation around 19%; claim-of-right benefits remained in adjusted earnings. Non-GAAP net income increased approximately 12.9%, while diluted shares declined approximately 3.2%. Buybacks amplified per-share growth rather than establishing faster underlying profit growth. Acquisition-adjusted revenue growth remained 12% in both Q3 and Q4.

MODEST LEVERAGE, RENEWAL PRESSURE. Comparable non-GAAP operating expenses increased 12.2%, below revenue growth of 13.2%. Operating margin improved approximately 30 basis points to 66.6%, broadly unchanged from Q3. Fiscal 2027 implies modest operating leverage, not a major cost reset. Approximately 25% of payments volume comes up for renewal, versus approximately 20% in fiscal 2026. Incentive growth is expected to step up; token pricing is already embedded in guidance rather than an undisclosed incremental earnings benefit.

CASH CONVERSION NEEDS SCRUTINY. Quarterly free cash flow was \$6.893 billion, approximately 105% of non-GAAP net income. Full-year free cash flow grew only approximately 2.2% to \$22.057 billion; conversion fell to approximately 87% from approximately 96%. Litigation timing and higher cash taxes mattered. Capital expenditure rose to \$1.671 billion. Capital return of approximately \$25.6 billion exceeded free cash flow, while approximate net debt rose to \$7.9 billion. The central question is retained economic value after incentives and reinvestment.

SERVICES GROWTH NEEDS QUALIFICATION. VAS generated approximately \$4 billion, growing 31% in constant dollars. Issuing, acceptance, and risk and security should collectively sustain growth above 20%; advisory and marketing face harder sporting-event comparisons. Prisma contributed, but acquisition and organic contributions were not quantified. Undisclosed margins preclude treating all VAS as uniformly high-margin software.

NO CASE TO ADD. Agent commerce remains financially very small; China preparation approval is not final authorization. Stablecoin adoption lacks disclosed unit economics. The quarter establishes neither accelerating organic revenue nor substantial margin expansion. The call alone does not justify incremental gross exposure; renewal profitability and pricing realization remain the tests.

4 | KEY READ-THROUGHS

MASTERCARD BENEFITS FROM STRONGER CROSS-BORDER DEMAND, BUT A VOLUME BEAT NEED NOT BECOME A REVENUE BEAT

Mastercard (MA) | Positive | Moderately positive
Greater international spending supports cross-border assessments, processing and associated services. Visa’s cross-border growth reached 14% and strengthened to 15% in October, supporting shared demand ahead of Mastercard’s October 29 results. But international transaction revenue rose only approximately 8%; lower volatility and mix constrained realization. Mastercard already cited lower FX-volatility revenue, while its rebates and incentives increased 20% on a currency-neutral basis.

PISMO’S DISTRIBUTION EXPANSION RAISES THE COMPETITIVE HURDLE FOR INCUMBENT BANK PROCESSORS

FIS (FIS); Fiserv (FISV) | Negative | Moderate and adverse
Pismo signings across 28 countries raise competition for modernization projects and renewals. Visa can bundle existing network relationships, processing and risk capabilities into bank discussions. Pressure likely appears first in investment and renewal concessions, not immediate revenue displacement. FIS owns the former TSYS issuer-processing business; Fiserv faces issuer and bank-account processing exposure. Sensitive migrations and incumbent installed bases limit demonstrated near-term earnings impact. FIS’s 6.1% pro forma Banking Solutions growth provides counterevidence to immediate incumbent deterioration.

VISA VALIDATES STABLECOIN UTILITY WHILE LIMITING THE CASE FOR EXCLUSIVE ISSUER ECONOMICS

Circle (CRCL) | Positive / Negative | Near-term earnings implications remain limited
Visa’s settlement run rate exceeding \$25 billion annually and USDC-based prefunding validate utility, not exclusive issuer economics. Support for 5 stablecoins and 10 blockchains gives distributors alternatives and bargaining power. Circle’s approximately \$668 million of reserve income dominated \$701 million of total revenue and reserve income. Throughput is not average circulation; Visa’s multi-asset settlement volume cannot be assigned entirely to USDC. USDC on-chain volume rose 151%, but total revenue and reserve income increased only 7%, underscoring the importance of balances, yields and distribution costs.

IMPROVING INTERNATIONAL TRAVEL IS MORE INCREMENTAL FOR BOOKING

Booking (BKNG); Expedia (EXPE) | Positive | Moderately positive
Travel-related cross-border growth accelerated from 10% to 13%, primarily through CEMEA improvement, supporting conversion of deferred international trips into bookings and commissions. Booking had identified conflict-related disruption and weaker long-haul travel as constraints; room-night growth slowed to approximately 5%. Expedia’s already strong results make this more corroborative there. Payment spending includes airfare, shopping and pricing, so it is not a room-night forecast. Booking’s November 3 and Expedia’s November 4 reports are the next catalysts.