



Mastercard Inc.

3Q23 Earnings Results

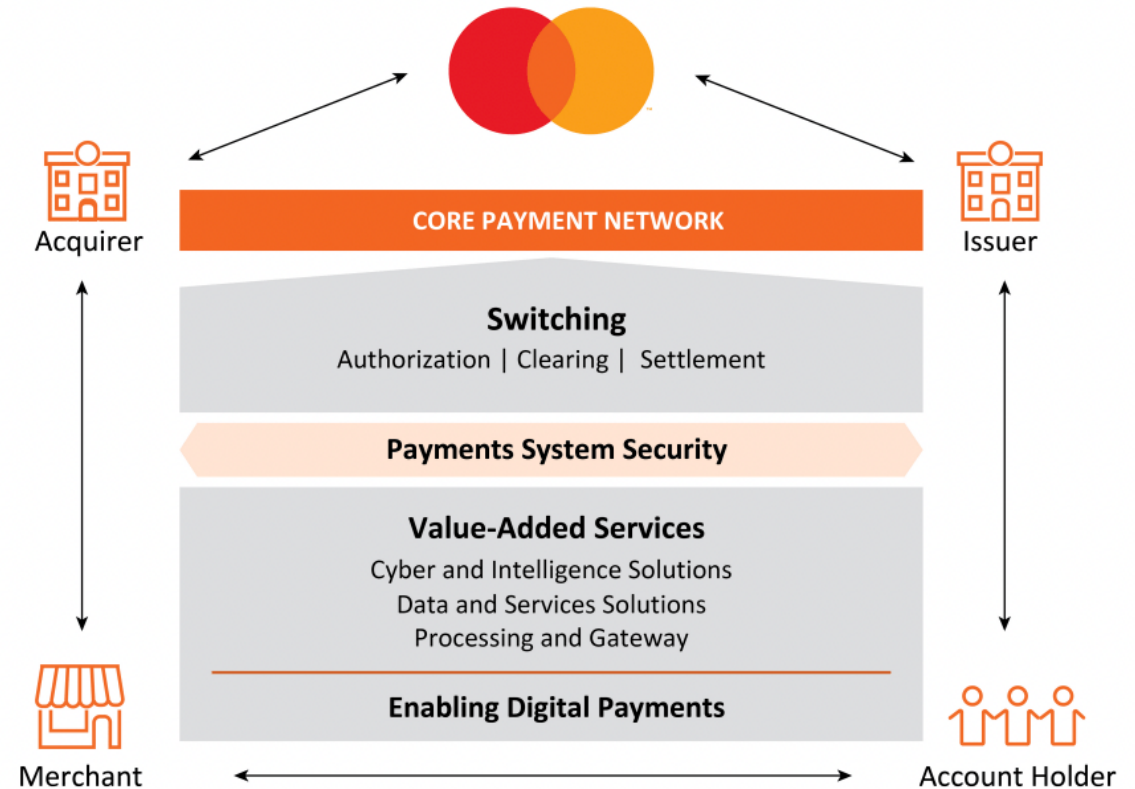
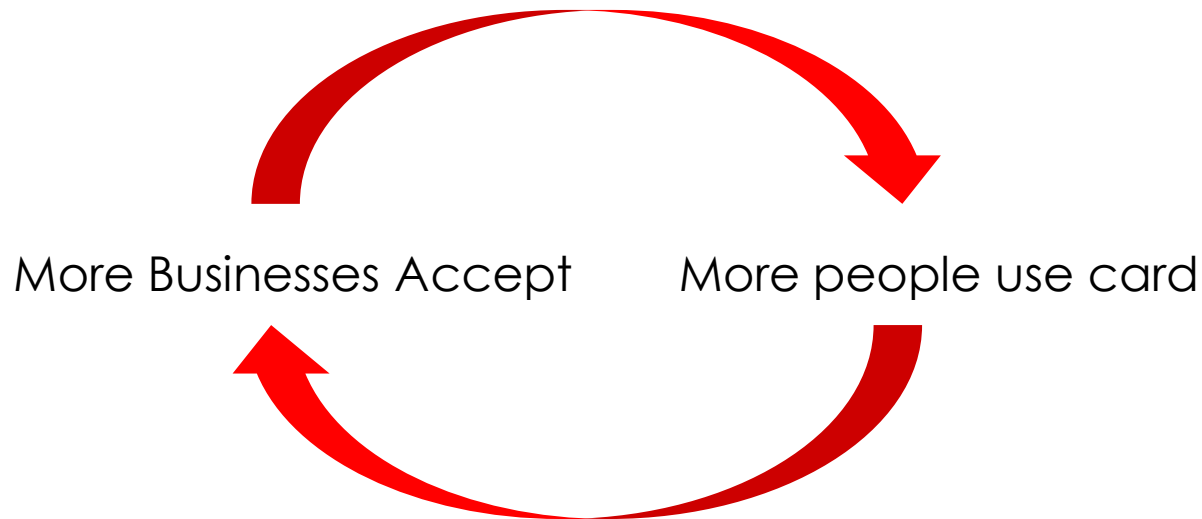
By: Pablo Samanez



Economic Moat

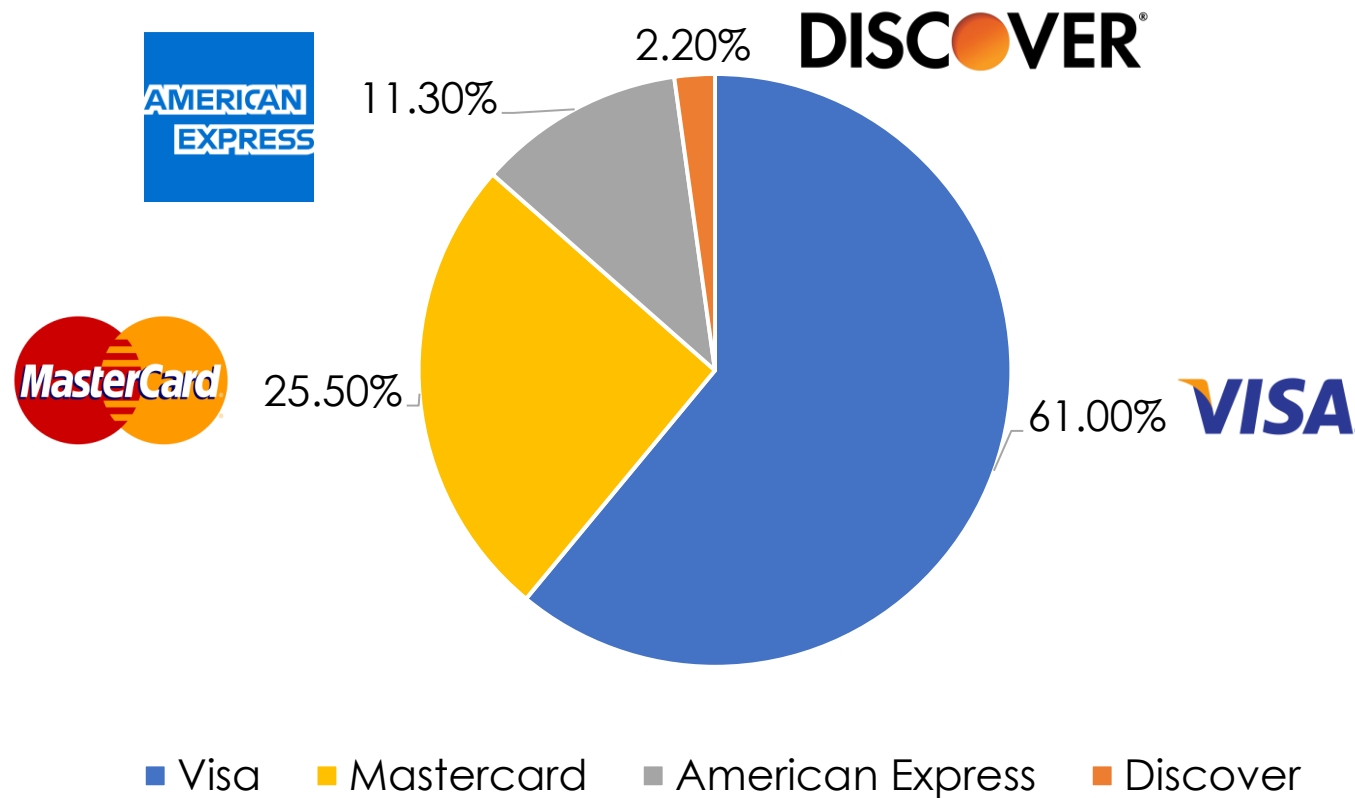
Network Effect:

- The more that use the network the more valuable it becomes



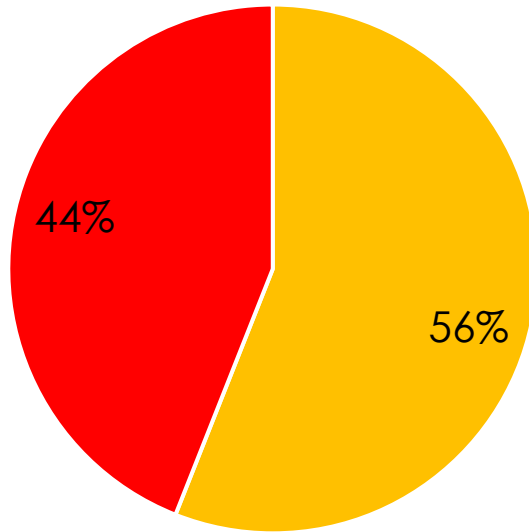
Visa vs Mastercard Market Share

Market Share Based On Value of Transaction (2022)



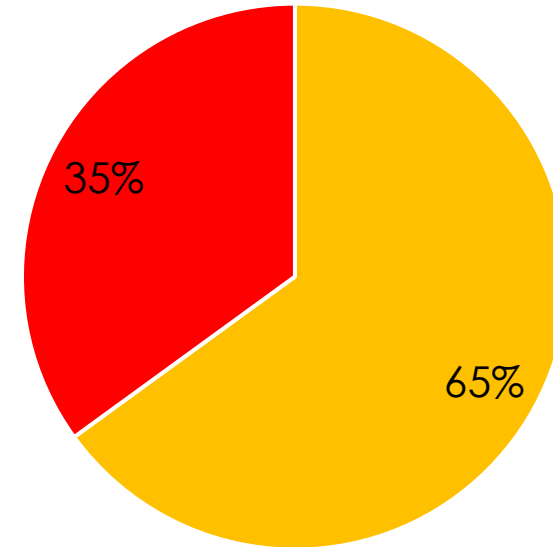
Visa vs. Mastercard Revenue

Visa



■ International ■ United States

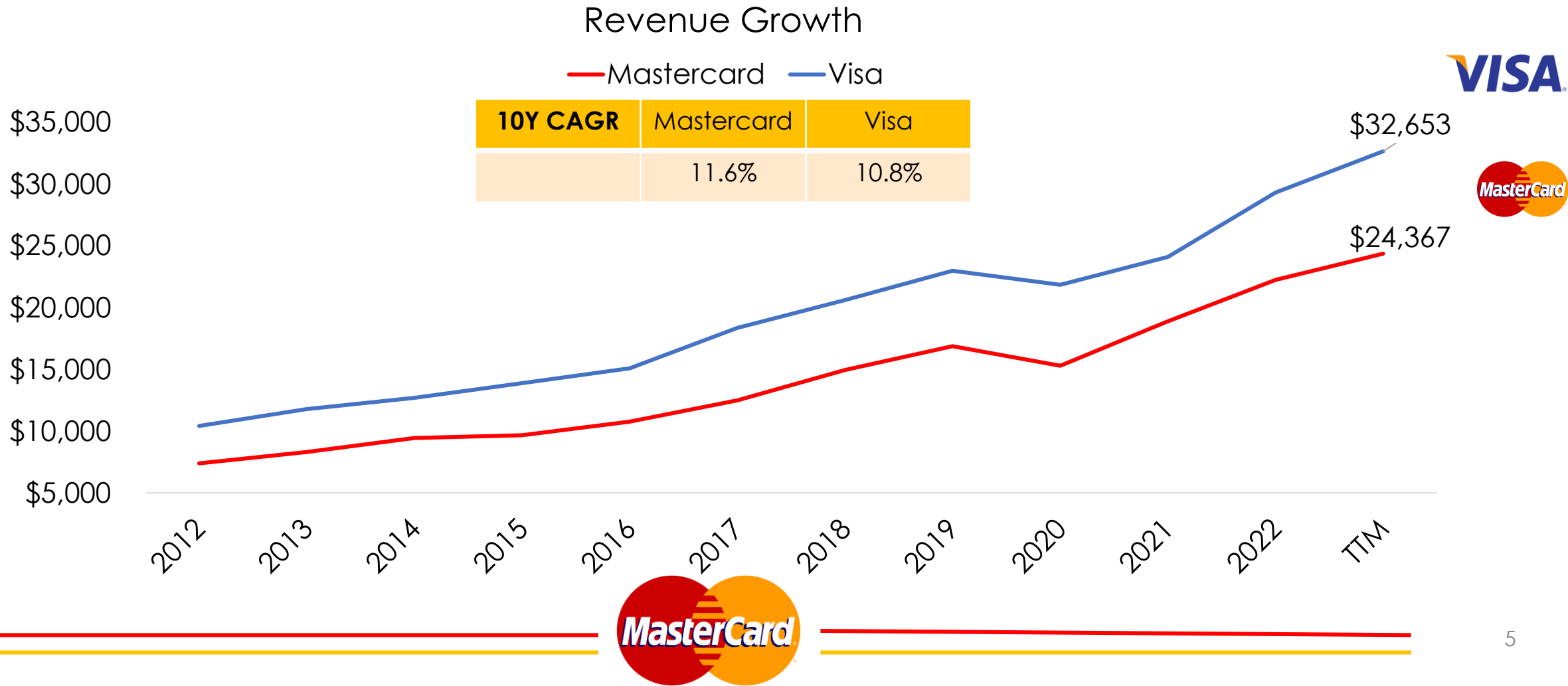
Mastercard



■ International ■ United States



Visa vs. MasterCard



Beat or Miss

- Revenue Growth
 - Beat Expectation by 0.1%
- EPS
 - Beat expectation by 5.4%



Revenue

Revenue Growth up 11%:

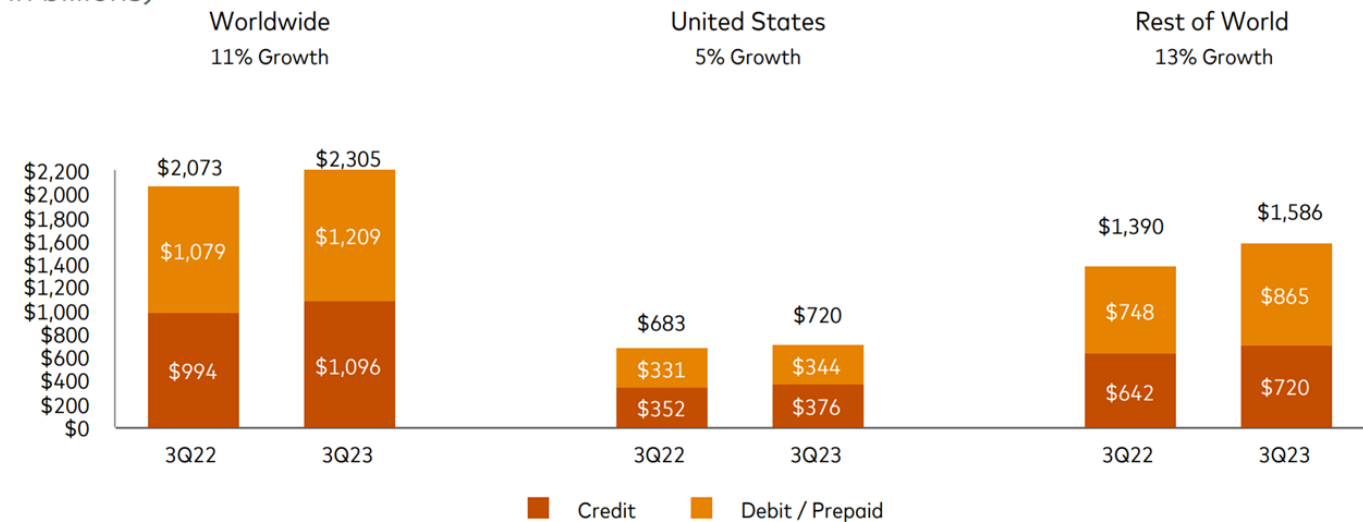
- Resistant Domestic Consumer Spending & Cross border value growth
- Strong labor market impacted = people are being paid

Segments:

- Value added services increased 14%
- Payment network increased 10%

3rd Quarter Gross Dollar Volume (GDV)

(\$ in billions)



Notes: Growth rates are shown in local currency.
Figures may not sum due to rounding.



Expenses

- Operating margin increased 480bps or 4.8% to 58.8%
- Adjusted operating margin increased 110 bps or 1.1% to 58.8%
 - Litigation expense in prior year
- Net margin increased 730bps or 7.3% to 52.1%
 - Higher investment income
 - Lower tax rate

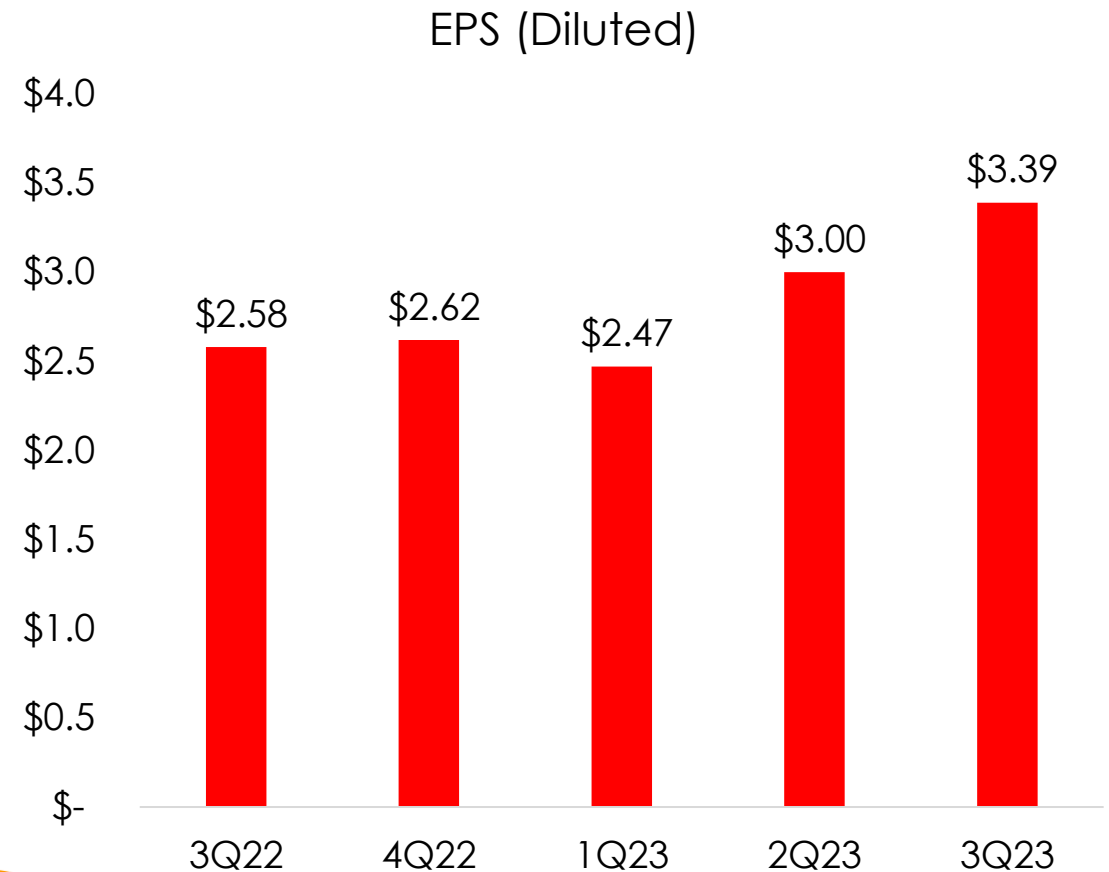


EPS

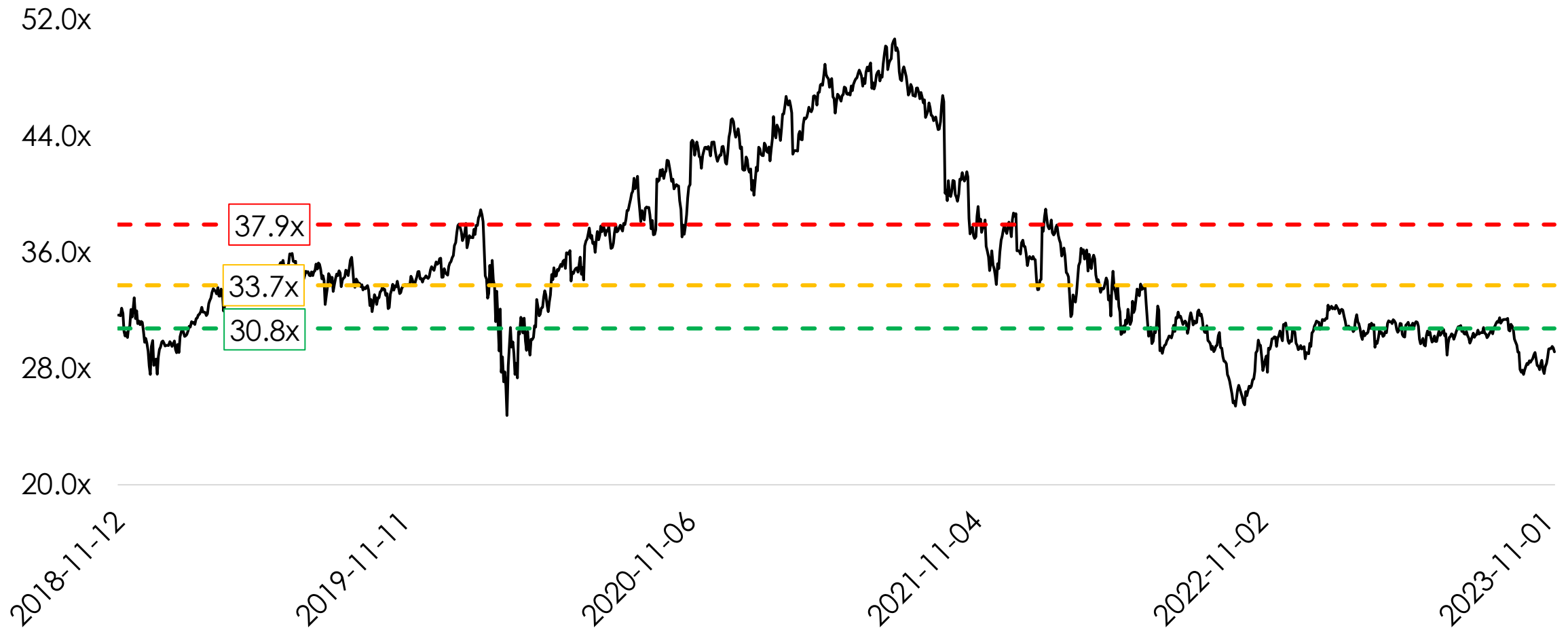
EPS grew 29% to \$3.39

Drivers:

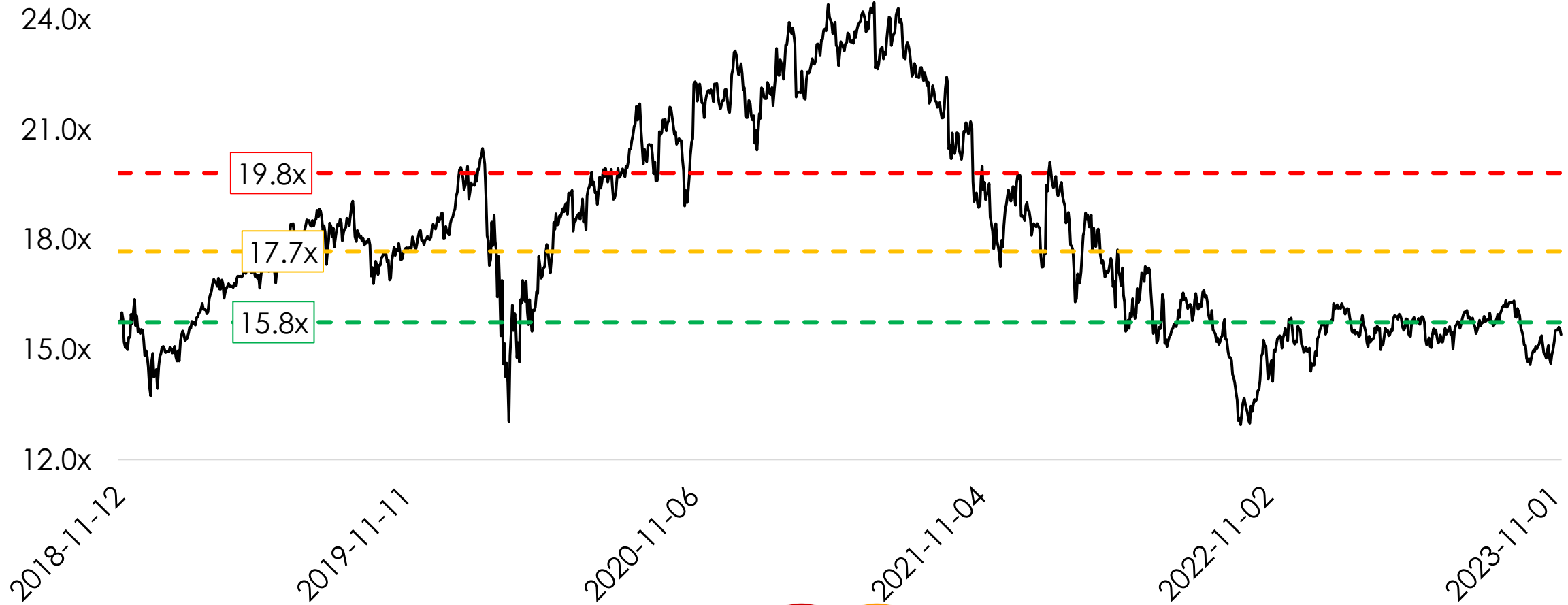
- Strong top line growth of 11%
- Margin expansion
- Share repurchases of \$1.4B
 - Shares outstanding declined 2.4% YoY
- Lower tax rate of 15% from 18.6%



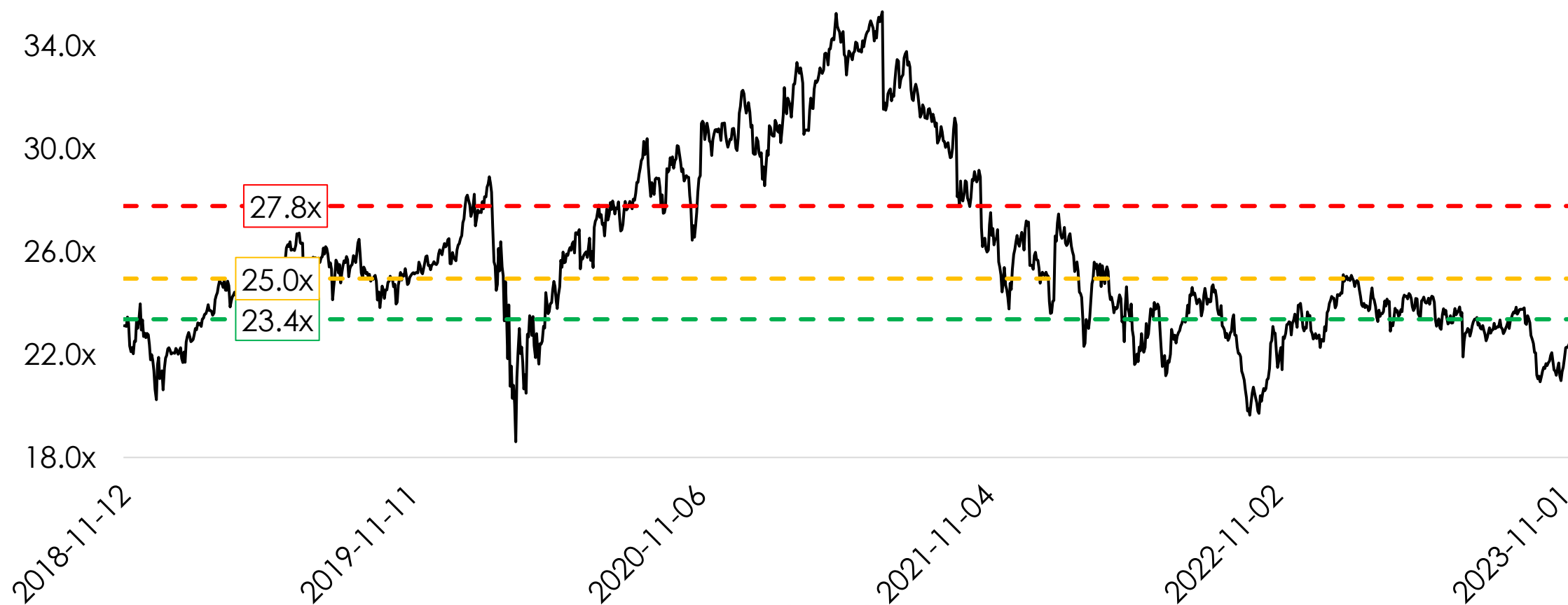
PE Ratio



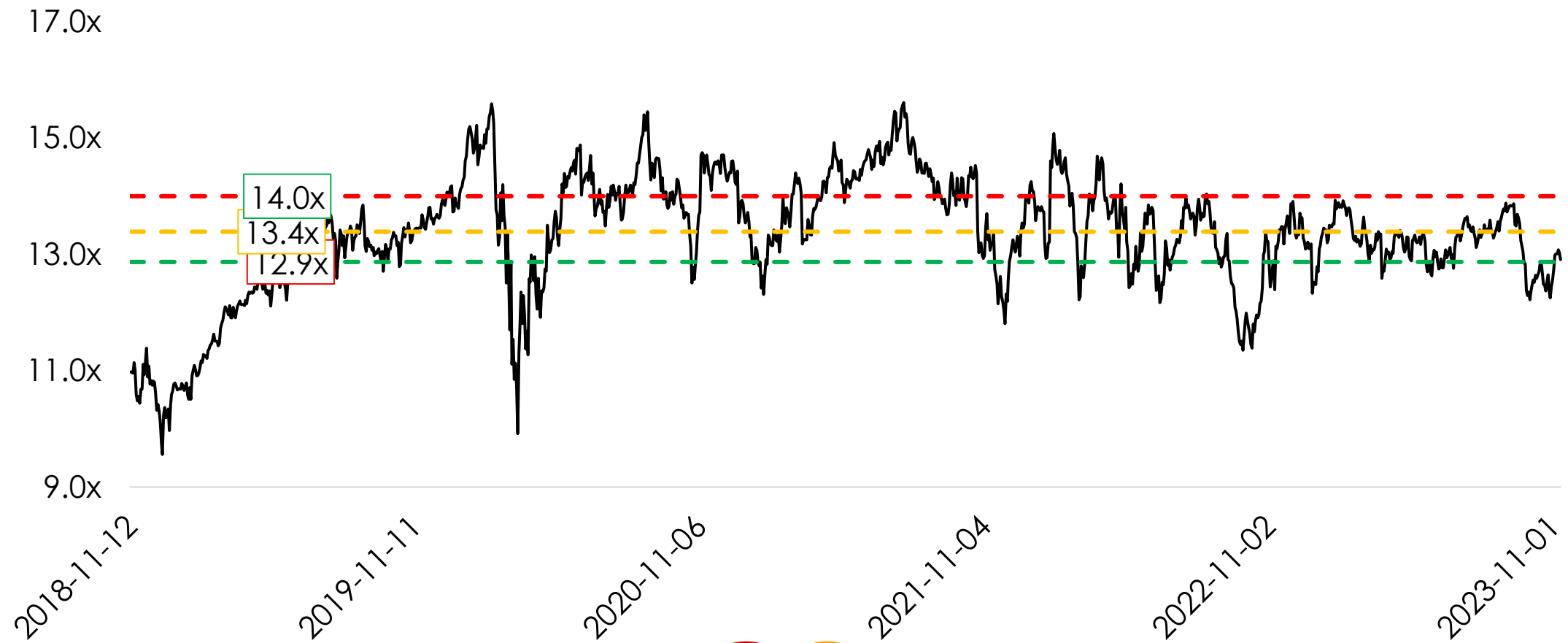
PS Ratio



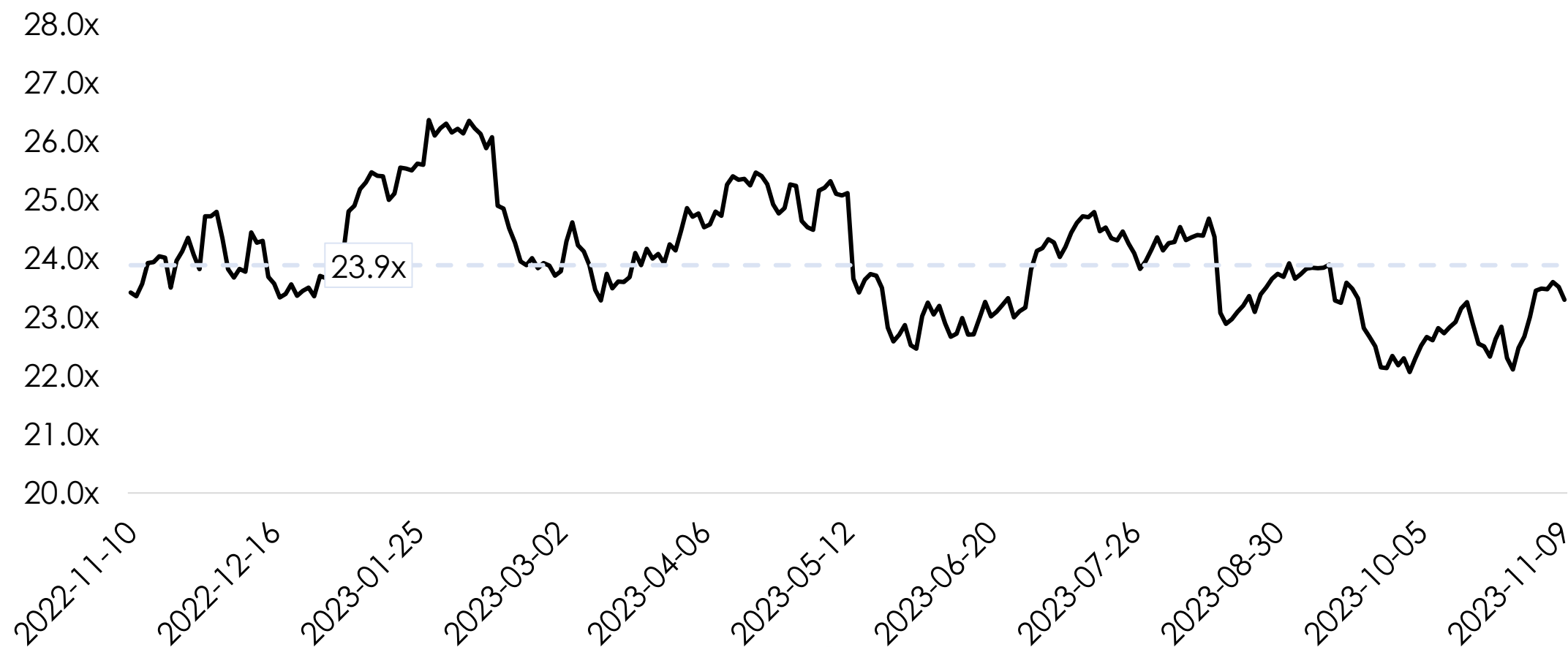
Enterprise Value to EBITDA



Price to Book Value



Forward Price to Earnings



Suggestion

HOLD

