Visa Q2 2026 Results

Share Price	$328.03
Date	04 May 2026

RESULTS SUMMARY

Visa reported a strong second quarter, with revenue rising 17% to US$11.2bn, well ahead of expectations (US$10.7bn). Underlying activity remained robust, with payment volumes up 11% and processed transactions increasing 9%. Higher-margin cross-border volumes grew 12%, supported by continued strength in e-commerce.

Growth was also boosted by an 18% increase in data processing revenue, driven by higher pricing for Visa's value-added services. These now account for roughly 30% of total revenue and carry higher margins. Adjusted net income rose 17% to US$6.3bn, while adjusted EPS increased 20% to US$3.31. Capital returns remained significant, with US$8bn returned through repurchases during the quarter, the highest in the company's history.

Following the strong performance, management raised full-year guidance, now expecting revenue growth in the low double digits to low teens, with EPS growing in the low teens. With Visa's share price coming under pressure since mid-last year and valuations having reset, we believe that this high-quality compounder is trading at attractive levels.

OUR LONG-TERM INVESTMENT VIEW

- Visa benefits from the global megatrend we are seeing as payments shift from cash to electronic and card-based. The key drivers of this trend are an increase in the number and size of transactions. We expect Visa's reported metrics for these drivers to continue to grow at double-digit rates in both developed and emerging markets.
- Visa has invested significantly in its payment network, VisaNet, which has seen the network report high reliability, security and speed - all of which are critical within the electronic payment industry. We believe that the strength of VisaNet, coupled with Visa's symbiotic relationship with financial institutions, presents a high barrier to entry for new entrants into the electronic payment platforms.
- Visa's business model allows the group to earn recurring revenues, maintain high margins and generate high levels of free cash flow in an industry dominated by very few players. We believe that these are the quintessential qualities of a great long-term investment.

UNPACKING THE Q2 2026 RESULTS

High-level numbers

- **Reported net revenue** (ex-incentive payments) rose 17% to US$11.2bn. This was well ahead of management's previous guidance of low double digits. Total processed transactions increased 9%. Service and Data Processing revenues were up 13% and 18%, respectively. International transaction revenue rose 10% y-o-y to US$3.6bn for the quarter. **Client incentives**, a

Strong volume growth

- **Payment volumes** increased 11%.The US reported 8% volume growth, the fastest growth in three years. Credit growth was strong for the quarter at 10%, with debit being slightly slower at 7%. Internationally, growth was 15% (10% in constant currency).
- **Cross-border volumes** increased 21%, 12% in constant currency. E-commerce volumes were once again strong, continuing to outpace

contra-revenue item paid to Visa's banking partners, totalled US$4.2bn and were up 14% y-o-y. Value-added services continued its 25%+ y-o-y growth, now contributing around 30% of revenue.

- **Total expenses** were down 4% for the quarter. However, this was primarily driven by a litigation provision recognised in the prior year. Adjusted operating expenses increased 17% led by a 44% increase in marketing spend.
- **Adjusted operating margin** for the quarter was flat y-o-y at 68%, but came in 120bps ahead of consensus expectations.
- **Adjusted net income** for the period increased 17% and adjusted **earnings per share** rose 20% to US$3.31.
- The group ended the quarter in a strong financial position, with **cash and equivalents** of US$14bn on its balance sheet, compared with US$24bn in debt.
- **Share buybacks** accelerated during the quarter to US$8bn, the largest amount in the company's history. A new US$20bn repurchase programme was authorised.

travel volumes. Concerns of a drastic slowdown in April due to the Middle East war were eased as growth decreased just slightly to 10% through to 21 April.

- Card volumes increased 6% to 5.1bn.

Looking ahead

Following a strong quarter, management raised full- year 2026 guidance. Organic revenue and operating expenses are now expected to grow in the low double digits to low teens, with earnings per share also growing in the low teens. While growth remains solid, Q3 is expected moderate slightly from the strong Q2 performance.

Visa continues to deliver impressive growth, with revenue becoming more diversified through faster-growing, higher-margin service offerings beyond its core payments business. With the share price under pressure since mid-2025 and valuations now back to levels last seen in 2022, we see this high-quality compounder trading at attractive levels.

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