

TheStreet Quant Ratings

MASTERCARD INC

BUY						HOLD			SELL							BUY	RATING SINCE		03/14/2017	
A+	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E+	E	E-	F		TARGET PRICE		 \$591.41	
Annual Dividend Rate \$2.64					Annual Dividend Yield 0.55%				Beta 1.08			Market Capitalization \$443.9 Billion				52-Week Range \$340.28-\$482.00			Price as of 3/14/2024 \$479.48	

Sector: **Finance and Insurance** | Industry Group: **Activities Related to Credit Intermediation**

MA BUSINESS DESCRIPTION

Mastercard Incorporated, a technology company, provides transaction processing and other payment-related products and services in the United States and internationally.

STOCK PERFORMANCE (%)

	3 Mo.	1 Yr.	3 Yr (Ann)
Price Change	14.55	35.90	7.80

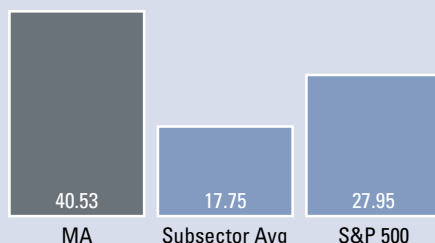
GROWTH (%)

	Last Qtr	12 Mo.	3 Yr CAGR
Revenues	12.56	13.05	17.93
Net Income	10.53	12.73	20.42
EPS	13.35	15.75	22.85

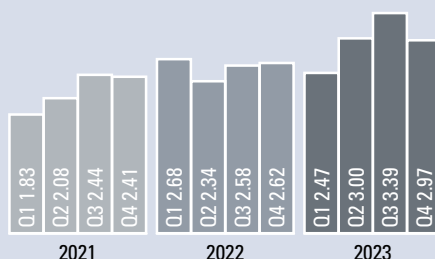
RETURN ON EQUITY (%)

	MA	Subsector Avg	S&P 500
Q4 2023	161.57	65.68	17.66
Q4 2022	157.67	61.40	19.00
Q4 2021	118.80	47.53	18.28

P/E COMPARISON



EPS ANALYSIS¹ (\$)

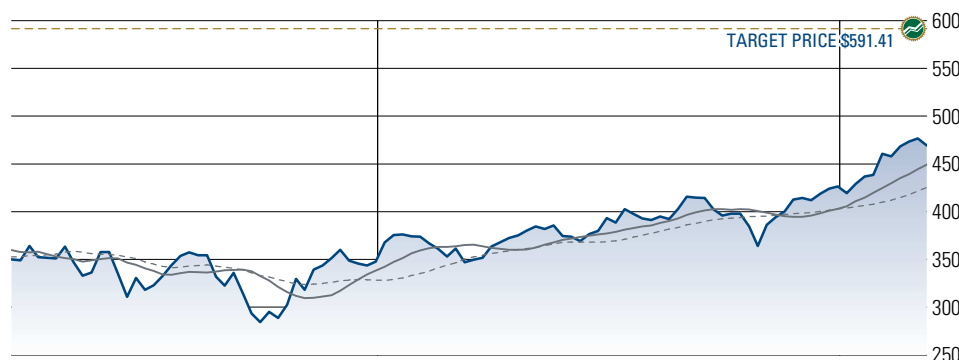


NA = not available NM = not meaningful

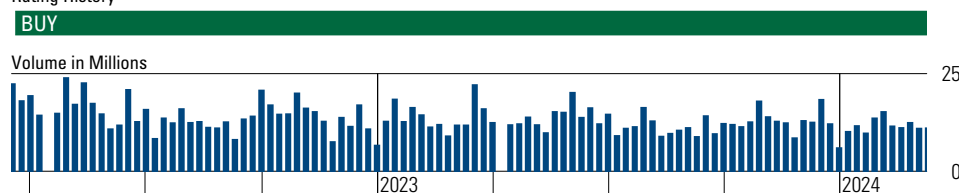
1 Compustat fiscal year convention is used for all fundamental data items.

Weekly Price: (US\$) | SMA (50) — SMA (100) ---

1 Year | 2 Years



Rating History



COMPUSTAT for Price and Volume, TheStreet Ratings, Inc. for Rating History

RECOMMENDATION

We rate MASTERCARD INC (MA) a BUY. This is based on the convergence of positive investment measures, which should help this stock outperform the majority of stocks that we rate. The company's strengths can be seen in multiple areas, such as its revenue growth, notable return on equity, expanding profit margins, good cash flow from operations and growth in earnings per share. We feel its strengths outweigh the fact that the company has had generally high debt management risk by most measures that we evaluated.

HIGHLIGHTS

MASTERCARD INC has improved earnings per share by 13.4% in the most recent quarter compared to the same quarter a year ago. The company has demonstrated a pattern of positive earnings per share growth over the past two years. We feel that this trend should continue. During the past fiscal year, MASTERCARD INC increased its bottom line by earning \$11.83 versus \$10.22 in the prior year. This year, the market expects an improvement in earnings (\$14.45 versus \$11.83).

Despite its growing revenue, the company underperformed as compared with the subsector average of 22.4%. Since the same quarter one year prior, revenues rose by 12.6%. Growth in the company's revenue appears to have helped boost the earnings per share.

The return on equity has improved slightly when compared to the same quarter one year prior. This can be construed as a modest strength in the organization. Compared to other companies in the Credit Intermediation and Related Activities subsector and the overall market, MASTERCARD INC's return on equity significantly exceeds that of both the subsector average and the S&P 500.

The gross profit margin for MASTERCARD INC is rather high; currently it is at 59.33%. It has increased from the same quarter the previous year. Along with this, the net profit margin of 42.62% significantly outperformed against the subsector average.

Net operating cash flow has increased to \$4,130.00 million or 33.22% when compared to the same quarter last year. In addition, MASTERCARD INC has also vastly surpassed the subsector average cash flow growth rate of -34.96%.

TheStreet Quant Ratings

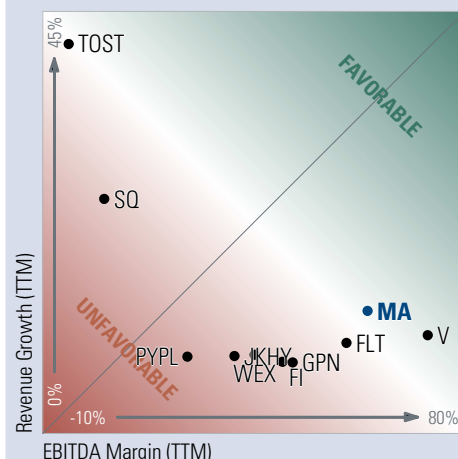
MASTERCARD INC

Sector: Finance and Insurance | Activities Related to Credit Intermediation

Annual Dividend Rate \$2.64	Annual Dividend Yield 0.55%	Beta 1.08	Market Capitalization \$443.9 Billion	52-Week Range \$340.28-\$482.00	Price as of 3/14/2024 \$479.48
---------------------------------------	---------------------------------------	---------------------	---	---	--

PEER GROUP ANALYSIS

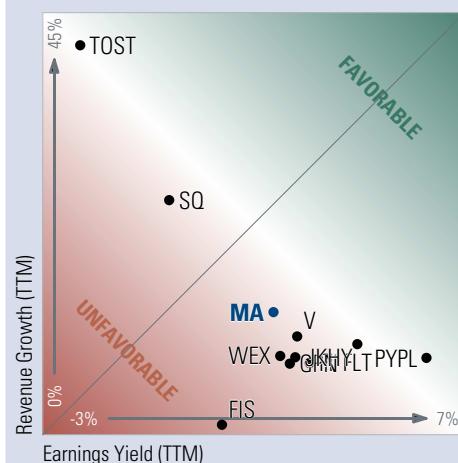
REVENUE GROWTH AND EBITDA MARGIN*



Companies with higher EBITDA margins and revenue growth rates are outperforming companies with lower EBITDA margins and revenue growth rates. Companies for this scatter plot have a market capitalization between \$9.8 Billion and \$453 Billion. Companies with NA or NM values do not appear.

*EBITDA – Earnings Before Interest, Taxes, Depreciation and Amortization.

REVENUE GROWTH AND EARNINGS YIELD



Companies that exhibit both a high earnings yield and high revenue growth are generally more attractive than companies with low revenue growth and low earnings yield. Companies for this scatter plot have revenue growth rates between 1% and 41.5%. Companies with NA or NM values do not appear.

SUBSECTOR ANALYSIS

MASTERCARD INC falls within the Finance and Insurance sector and the Activities Related to Credit Intermediation industry group of the North American Industry Classification System or NAICS. More precisely, a significant portion of company activities involve Financial Transactions Processing, Reserve, and Clearinghouse Activities .

TheStreet Quant Ratings is currently tracking 793 companies in the Finance and Insurance sector that total around \$9,151 billion in market capitalization as well as \$5,719 billion in annual sales.

The Credit Intermediation and Related Activities subsector accounts for 52.3% of those revenues.

Industries in the Credit Intermediation and Related Activities subsector group establishments that (1) lend funds raised from depositors; (2) lend funds raised from credit market borrowing; or (3) facilitate the lending of funds or issuance of credit by engaging in such activities as mortgage and loan brokerage, clearinghouse and reserve services, and check cashing services.

PEER GROUP: Credit Intermediation and Related Activities

Ticker	Company Name	Recent Price (\$)	Market Cap (\$M)	Price/Earnings	Net Sales TTM (\$M)	Net Income TTM (\$M)
MA	MASTERCARD INC	479.48	443,866	40.53	25,098.00	11,195.00
WEX	WEX INC	233.95	9,764	37.98	2,548.00	266.60
FI	FISERV INC	149.94	88,525	29.99	19,093.00	3,068.00
PYPL	PAYPAL HOLDINGS INC	63.00	67,520	16.41	29,771.00	4,246.00
V	VISA INC	286.41	452,983	32.96	33,351.00	17,984.00
SQ	BLOCK INC	81.24	45,103	NA	21,915.62	9.77
FIS	FIDELITY NATIONAL INFO SVCS	68.22	39,327	80.26	9,821.00	-6,654.00
GPN	GLOBAL PAYMENTS INC	132.00	34,054	34.92	9,654.42	986.23
FLT	FLEETCOR TECHNOLOGIES INC	295.90	21,262	22.42	3,757.72	981.89
JKHY	HENRY (JACK) & ASSOCIATES	170.81	12,447	33.43	2,160.26	372.97
TOST	TOAST INC	24.16	10,558	NM	3,865.00	-246.00

The peer group comparison is based on Major Credit Intermediation and Related Activities companies of comparable size.

TheStreet Quant Ratings

MASTERCARD INC

Sector: Finance and Insurance | Activities Related to Credit Intermediation

Annual Dividend Rate \$2.64	Annual Dividend Yield 0.55%	Beta 1.08	Market Capitalization \$443.9 Billion	52-Week Range \$340.28-\$482.00	Price as of 3/14/2024 \$479.48
---------------------------------------	---------------------------------------	---------------------	---	---	--

COMPANY DESCRIPTION

Mastercard Incorporated, a technology company, provides transaction processing and other payment-related products and services in the United States and internationally. The company offers integrated products and value-added services for account holders, merchants, financial institutions, digital partners, businesses, governments, and other organizations, such as programs that enable issuers to provide consumers with credits to defer payments; payment products and solutions that allow its customers to access funds in deposit and other accounts; prepaid programs services; and commercial credit, debit, and prepaid payment products and solutions. It also provides solutions that enable businesses or governments to make payments to businesses, including Virtual Card Number, which is generated dynamically from a physical card and leverages the credit limit of the funding account; a platform to optimize supplier payment enablement campaigns for financial institutions; and treasury intelligence platform that offers corporations with recommendations to enhance working capital performance and accelerate spend on cards. In addition, the company offers Mastercard Send, which partners with digital messaging and payment platforms to enable consumers to send money directly within applications to other consumers; and Mastercard Cross-Border Services enables a range of payment flows through a distribution network with a single point of access to send and receive money globally through various channels, including bank accounts, mobile wallets, cards, and cash payouts. Further, it provides cyber and intelligence solutions; insights and analytics, consulting, marketing, loyalty, processing, and payment gateway solutions for e-commerce merchants; and open banking and digital identity services. The company offers payment solutions and services under the MasterCard, Maestro, and Cirrus name. Mastercard Incorporated was founded in 1966 and is headquartered in Purchase, New York.

MASTERCARD INC
2000 Purchase Street
Purchase, NY 10577
USA
Phone: 914 249 2000
<http://www.mastercard.com>

STOCK-AT-A-GLANCE

Below is a summary of the major fundamental and technical factors we consider when determining our overall recommendation of MA shares. It is provided in order to give you a deeper understanding of our rating methodology as well as to paint a more complete picture of a stock's strengths and weaknesses. It is important to note, however, that these factors only tell part of the story. To gain an even more comprehensive understanding of our stance on the stock, these factors must be assessed in combination with the stock's valuation. Please refer to our Valuation section on page 5 for further information.

FACTOR	SCORE					
Growth	5.0 out of 5 stars	★	★	★	★	★
Measures the growth of both the company's income statement and cash flow. On this factor, MA has a growth score better than 90% of the stocks we rate.		weak				strong
Total Return	5.0 out of 5 stars	★	★	★	★	★
Measures the historical price movement of the stock. The stock performance of this company has beaten 90% of the companies we cover.		weak				strong
Efficiency	5.0 out of 5 stars	★	★	★	★	★
Measures the strength and historic growth of a company's return on invested capital. The company has generated more income per dollar of capital than 90% of the companies we review.		weak				strong
Price volatility	5.0 out of 5 stars	★	★	★	★	★
Measures the volatility of the company's stock price historically. The stock is less volatile than 90% of the stocks we monitor.		weak				strong
Solvency	5.0 out of 5 stars	★	★	★	★	★
Measures the solvency of the company based on several ratios. The company is more solvent than 90% of the companies we analyze.		weak				strong
Income	3.0 out of 5 stars	★	★	★	☆	☆
Measures dividend yield and payouts to shareholders. The company's dividend is higher than 50% of the companies we track.		weak				strong

THESTREET QUANT RATINGS RESEARCH METHODOLOGY

TheStreet Quant Ratings' stock model projects a stock's total return potential over a 12-month period including both price appreciation and dividends. Our Buy, Hold or Sell ratings designate how we expect these stocks to perform against a general benchmark of the equities market and interest rates. While our model is quantitative, it utilizes both subjective and objective elements. For instance, subjective elements include expected equities market returns, future interest rates, implied industry outlook and forecasted company earnings. Objective elements include volatility of past operating revenues, financial strength, and company cash flows.

Our model gauges the relationship between risk and reward in several ways, including: the pricing drawdown as compared to potential profit volatility, i.e. how much one is willing to risk in order to earn profits; the level of acceptable volatility for highly performing stocks; the current valuation as compared to projected earnings growth; and the financial strength of the underlying company as compared to its stock's valuation as compared to projected earnings growth; and the financial strength of the underlying company as compared to its stock's performance. These and many more derived observations are then combined, ranked, weighted, and scenario-tested to create a more complete analysis. The result is a systematic and disciplined method of selecting stocks.

TheStreet Quant Ratings

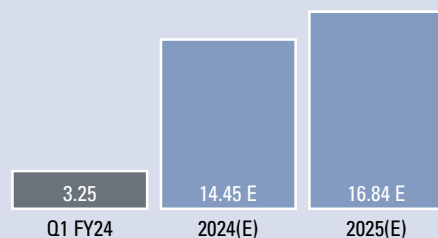
MASTERCARD INC

Sector: Finance and Insurance | Activities Related to Credit Intermediation

Annual Dividend Rate \$2.64	Annual Dividend Yield 0.55%	Beta 1.08	Market Capitalization \$443.9 Billion	52-Week Range \$340.28-\$482.00	Price as of 3/14/2024 \$479.48
---------------------------------------	---------------------------------------	---------------------	---	---	--

Consensus EPS Estimates² (\$)

IBES consensus estimates are provided by Thomson Financial



INCOME STATEMENT

	Q4 FY23	Q4 FY22
Net Sales (\$mil)	6,548.00	5,817.00
EBITDA (\$mil)	3,885.00	3,383.00
EBIT (\$mil)	3,680.00	3,199.00
Net Income (\$mil)	2,791.00	2,525.00

BALANCE SHEET

	Q4 FY23	Q4 FY22
Cash & Equiv. (\$mil)	9,305.00	8,102.00
Total Assets (\$mil)	42,448.00	38,724.00
Total Debt (\$mil)	16,456.00	14,793.00
Equity (\$mil)	6,929.00	6,298.00

PROFITABILITY

	Q4 FY23	Q4 FY22
Gross Profit Margin	59.33%	58.16%
EBITDA Margin	59.33%	58.15%
Operating Margin	56.20%	54.99%
Sales Turnover	0.59	0.57
Return on Assets	26.37%	25.64%
Return on Equity	161.57%	157.67%

DEBT

	Q4 FY23	Q4 FY22
Current Ratio	1.17	1.17
Debt/Capital	0.70	0.70
Interest Expense	148.00	127.00
Interest Coverage	24.86	25.19

SHARE DATA

	Q4 FY23	Q4 FY22
Shares outstanding (mil)	935	956
Div / share	0.57	0.49
EPS	2.97	2.62
Book value / share	7.41	6.59
Institutional Own %	NA	NA
Avg Daily Volume	2,423,723	2,582,016

² Sum of quarterly figures may not match annual estimates due to use of median consensus estimates.

FINANCIAL ANALYSIS

MASTERCARD INC's gross profit margin for the fourth quarter of its fiscal year 2023 is essentially unchanged when compared to the same period a year ago. The company has grown its sales and net income during the past quarter when compared with the same quarter a year ago, and although its growth in net income has outpaced the subsector average, its revenue growth has not. MASTERCARD INC has weak liquidity. Currently, the Quick Ratio is 0.91 which shows a lack of ability to cover short-term cash needs. The company's liquidity has decreased from the same period last year.

During the same period, stockholders' equity ("net worth") has increased by 10.01% from the same quarter last year. Overall, the key liquidity measurements indicate that the company is in a position in which financial difficulties could develop in the future.

STOCKS TO BUY: TheStreet Quant Ratings has identified a handful of stocks that can potentially TRIPLE in the next 12-months. To learn more visit www.TheStreetRatings.com.

TheStreet Quant Ratings

MASTERCARD INC

Sector: Finance and Insurance | Activities Related to Credit Intermediation

Annual Dividend Rate \$2.64	Annual Dividend Yield 0.55%	Beta 1.08	Market Capitalization \$443.9 Billion	52-Week Range \$340.28-\$482.00	Price as of 3/14/2024 \$479.48
---------------------------------------	---------------------------------------	---------------------	---	---	--

RATINGS HISTORY

Our rating for MASTERCARD INC has not changed since 7/31/2009. As of 3/14/2024, the stock was trading at a price of \$479.48 which is .5% below its 52-week high of \$482.00 and 40.9% above its 52-week low of \$340.28.

2 Year Chart



MOST RECENT RATINGS CHANGES

Date	Price	Action	From	To
3/14/22	\$328.59	No Change	Buy	Buy

Price reflects the closing price as of the date listed, if available

RATINGS DEFINITIONS & DISTRIBUTION OF THESTREET RATINGS

(as of 3/14/2024)

31.74% Buy - We believe that this stock has the opportunity to appreciate and produce a total return of more than 10% over the next 12 months.

30.61% Hold - We do not believe this stock offers conclusive evidence to warrant the purchase or sale of shares at this time and that its likelihood of positive total return is roughly in balance with the risk of loss.

37.64% Sell - We believe that this stock is likely to decline by more than 10% over the next 12 months, with the risk involved too great to compensate for any possible returns.

The Arena Group
200 Vesey Street, 24th Floor
New York, NY 10281
www.thestreet.com

Research Contact: 212-321-5381

Sales Contact: 866-321-8726

VALUATION

BUY. MASTERCARD INC's P/E ratio indicates a significant premium compared to an average of 17.75 for the Credit Intermediation and Related Activities subsector and a significant premium compared to the S&P 500 average of 27.95. For additional comparison, its price-to-book ratio of 64.67 indicates a significant premium versus the S&P 500 average of 4.68 and a significant premium versus the subsector average of 8.64. The price-to-sales ratio is well above both the S&P 500 average and the subsector average, indicating a premium. Upon assessment of these and other key valuation criteria, MASTERCARD INC proves to trade at a premium to investment alternatives.

Price/Earnings

1	2	3	4	5
premium				discount

MA 40.53

Peers 17.75

- Premium. A higher P/E ratio than its peers can signify a more expensive stock or higher growth expectations.
- MA is trading at a significant premium to its peers.

Price/Projected Earnings

1	2	3	4	5
premium				discount

MA 28.47

Peers 13.86

- Premium. A higher price-to-projected earnings ratio than its peers can signify a more expensive stock or higher future growth expectations.
- MA is trading at a significant premium to its peers.

Price/Book

1	2	3	4	5
premium				discount

MA 64.67

Peers 8.64

- Premium. A higher price-to-book ratio makes a stock less attractive to investors seeking stocks with lower market values per dollar of equity on the balance sheet.
- MA is trading at a significant premium to its peers.

Price/Sales

1	2	3	4	5
premium				discount

MA 17.85

Peers 4.87

- Premium. In the absence of P/E and P/B multiples, the price-to-sales ratio can display the value investors are placing on each dollar of sales.
- MA is trading at a significant premium to its subsector.

Price/CashFlow

1	2	3	4	5
premium				discount

MA 37.40

Peers 20.18

- Premium. The P/CF ratio, a stock's price divided by the company's cash flow from operations, is useful for comparing companies with different capital requirements or financing structures.
- MA is trading at a significant premium to its peers.

Price to Earnings/Growth

1	2	3	4	5
premium				discount

MA 1.83

Peers 1.78

- Average. The PEG ratio is the stock's P/E divided by the consensus estimate of long-term earnings growth. Faster growth can justify higher price multiples.
- MA trades at a valuation on par to its peers.

Earnings Growth

1	2	3	4	5
lower				higher

MA 15.75

Peers 24.72

- Lower. Elevated earnings growth rates can lead to capital appreciation and justify higher price-to-earnings ratios.
- However, MA is expected to significantly trail its peers on the basis of its earnings growth rate.

Sales Growth

1	2	3	4	5
lower				higher

MA 13.05

Peers 44.87

- Lower. A sales growth rate that trails the subsector implies that a company is losing market share.
- MA significantly trails its peers on the basis of sales growth.

DISCLAIMER:

The opinions and information contained herein have been obtained or derived from sources believed to be reliable, but TheStreet Quant Ratings cannot guarantee its accuracy and completeness, and that of the opinions based thereon. Data is provided via the COMPUSTAT® Xpressfeed product from Standard & Poor's, a division of The McGraw-Hill Companies, Inc., as well as other third-party data providers.

TheStreet Quant Ratings is a division of TheStreet, Inc., which is a publisher. This research report contains opinions and is provided for informational purposes only. You should not rely solely upon the research herein for purposes of transacting securities or other investments, and you are encouraged to conduct your own research and due diligence, and to seek the advice of a qualified securities professional, before you make any investment. None of the information contained in this report constitutes, or is intended to constitute a recommendation by TheStreet Quant Ratings of any particular security or trading strategy or a determination by TheStreet Quant Ratings that any security or trading strategy is suitable for any specific person. To the extent any of the information contained herein may be deemed to be investment advice, such information is impersonal and not tailored to the investment needs of any specific person. Your use of this report is governed by TheStreet, Inc.'s Terms of Use found at <http://www.thestreet.com/static/about/terms-of-use.html>.

NAICS is the North American Industry Classification System which provides the Sector, Subsector, and Industry Group structure used in this report. As many companies are diversified, the companies may also operate in other industry segments than the one listed.