

(MA US)

mastercard



**MasterCard** is an American technology company that offers financial transaction processes. MasterCard runs 4 brands, MasterCard, Maestro and Cirrus. MasterCard’s main segments are Domestic Assessments, Cross-Border Volume Fees, Transaction Processing and Other Revenues.

Fintech Partnerships

Since the pandemic, MasterCard, Visa and other payment companies have been increasingly leaning in on fintech to provide consumers with new services and offerings that would suit the changing consumer lifestyle.

MasterCard’s Crypto and Litecoin partnerships have allowed MasterCard to offer crypto services to financial institutions as well as link with Paxos for Crypto Source, the crypto trading platform used by PayPal.

MasterCard’s Checkout.com partnership strengths its foothold in Asia-Pacific, specifically in Singapore with regards to its cross-border payments volume.

MasterCard’s DP World partnership aims to provide services regarding payment flows of the port ecosystem to help digitize global cargo and supply chains.

Bid for Pismo

Pismo is MasterCard’s latest target to be added to their list of partnerships. Pismo is a Brazilian fintech company that provides cloud-based payment and banking platforms. The company is currently working with Goldman Sachs on sales (valued at \$1 billion) with interested companies such as MasterCard and Visa.

Pismo could bring a plethora of benefits such as streamlining product development processes, accelerating time-to-market, add cloud based payment and banking platforms to portfolios. Most recent offer was submitted a 2nd time by Visa at \$1.4 billion (according to those familiar with the matter).

Competition

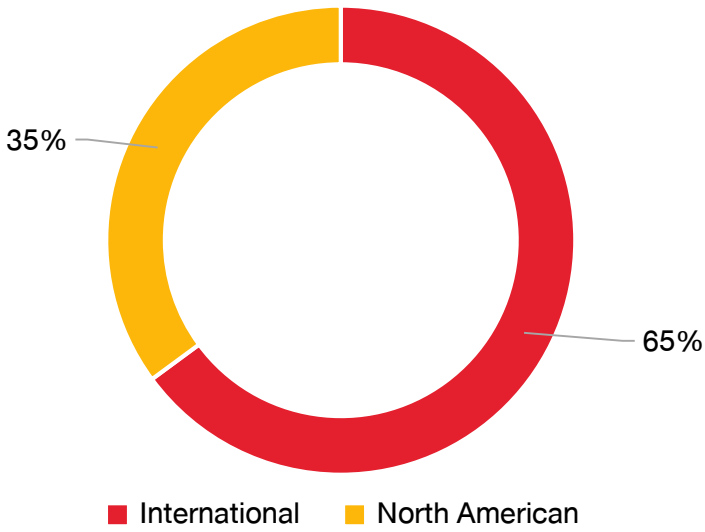
In comparison to MasterCard’s direct competitors, it has a larger PE ratio of 34.94 (compared to VISA’s 31.5 and American Express’s 16.37) but is still lower than the overall industry average of 41.99. PBV value is also larger than competitors at 55.67 compared to 11.66 and 4.45. Their 2.85 PEG value is in between VISA’s and American Express’s 3.43 and 1.96 values respectively. **MasterCard is relatively fair valued compared to the industry and direct competitors.**

Industry	Payments and Processes
Last Price	USD 366.76
Bloomberg TP	USD 426.46
Upside/Downside	+16.3%

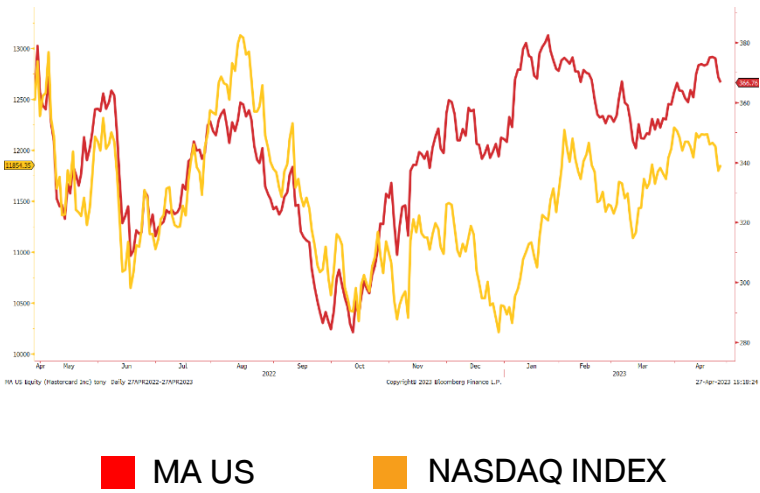
Financial (USD)	22A	23E	24E
Revenue (bn)	22.23	25.12	28.53
Net Profit (bn)	10.20	11.59	13.46
Profit Margin	45.9%	46.2%	47.2%
EBITDA Margin	60.2%	61.2%	62.2%
Earning Per Share	10.50	12.21	18.7

Valuation	21A	23E	24E
P/E (x)	34.94	30.03	25.31
P/B (x)	55.67	43.16	29.28

Revenue Breakdown



1 Year Return VS Nasdaq Index (27/04/22 – 27/04/23)



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