

Mastercard Incorporated

First Quarter 2025 Financial Results Conference Call

May 1, 2025



Business Update

Business Highlights

Financial Overview



1st Quarter Selected Financial Performance

(\$ in millions, except per share data)

	1Q 25	1Q 24	YOY Growth	
	Non-GAAP	Non-GAAP	As adjusted	Currency-neutral
Net revenue	\$ 7,250	\$ 6,348	14%	17%
Adjusted operating expenses	2,950	2,617	13%	14%
Adjusted operating income	4,300	3,731	15%	19%
<i>Adjusted operating margin</i>	59.3 %	58.8 %	0.5 ppt	0.9 ppt
Adjusted net income	\$ 3,406	\$ 3,093	10%	13%
Adjusted diluted EPS	\$ 3.73	\$ 3.31	13%	16%
Adjusted effective tax rate		19.1%	15.9 %	

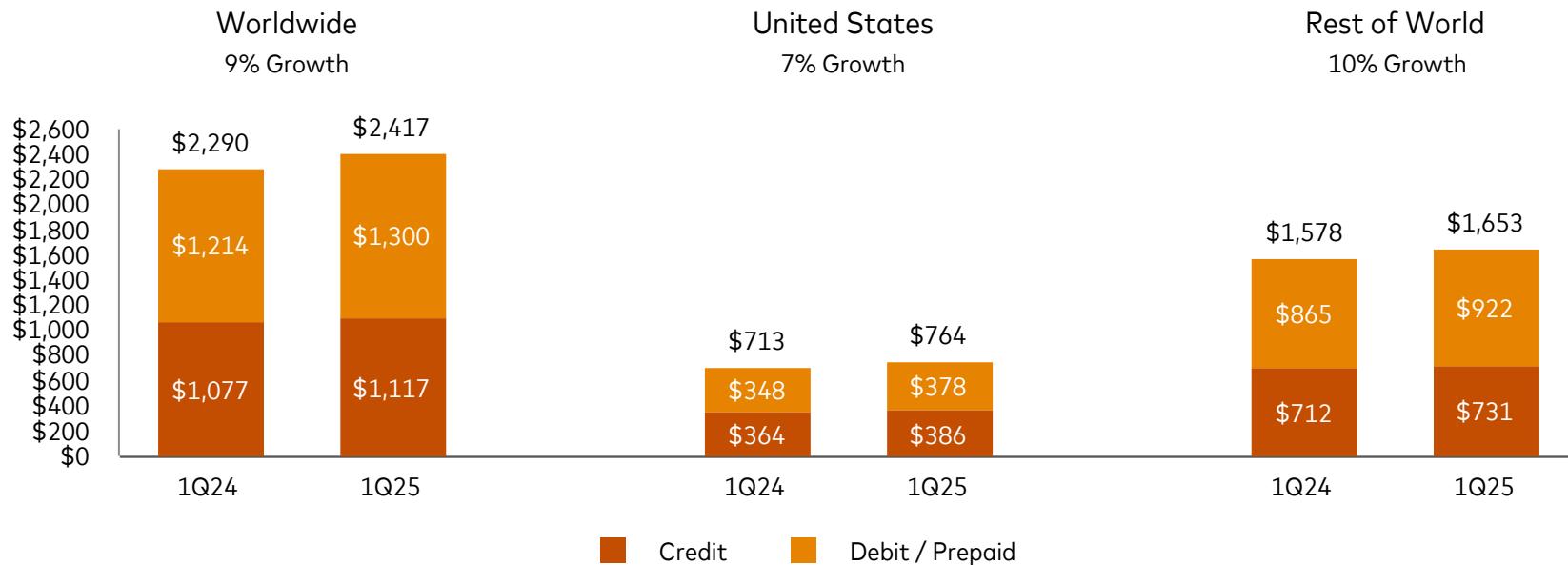
Note: See Appendix A for Non-GAAP reconciliation.

Figures may not sum due to rounding.



1st Quarter Gross Dollar Volume (GDV)

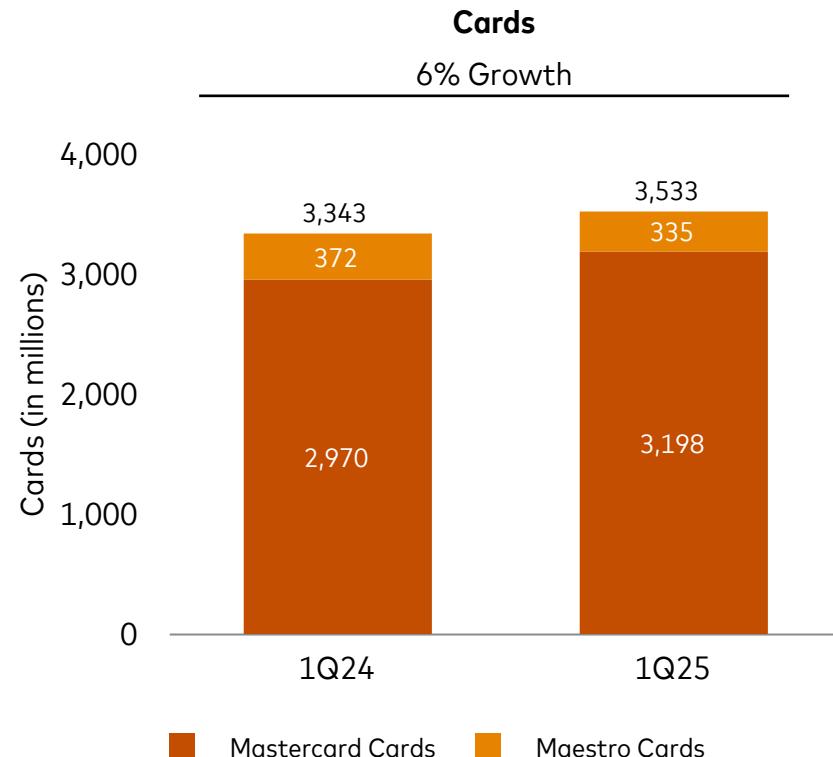
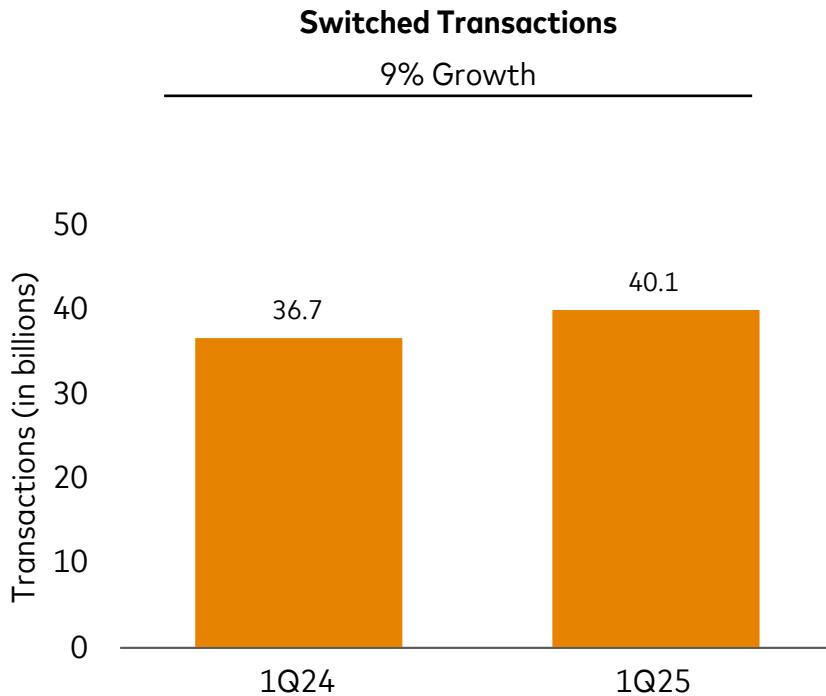
(\$ in billions)



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



1st Quarter Switched Transactions and Cards

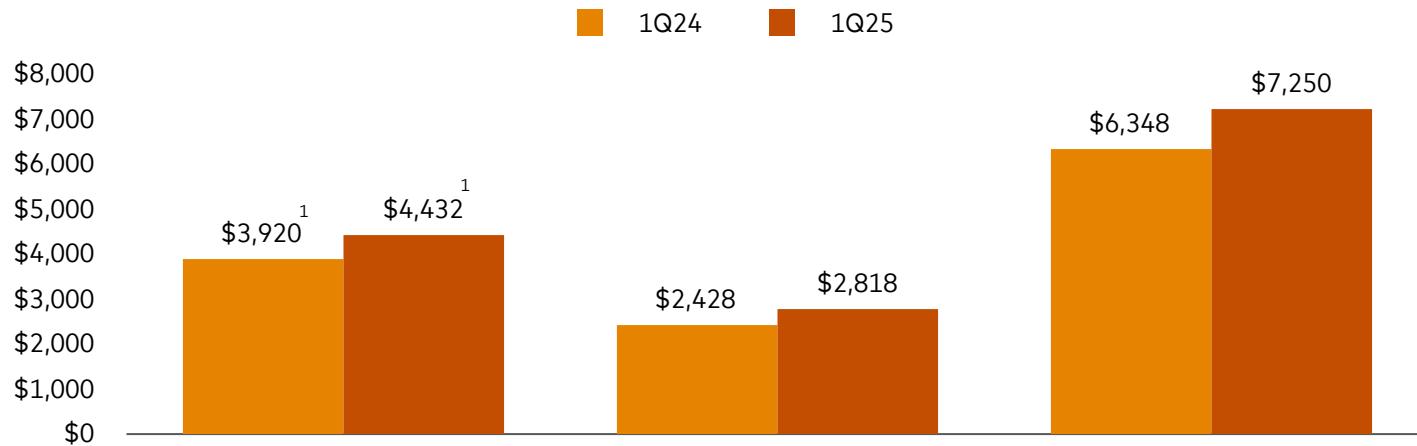


Note: Figures may not sum due to rounding.



1st Quarter Net Revenue

(\$ in millions)



Growth	Payment Network	Value-added Services and Solutions	Total Net Revenue
GAAP	13%	16%	14%
Currency-neutral	16%	18%	17%

¹ Payment Network is presented net of rebates and incentives of \$4,579 million and \$4,100 million for Q1'25 and Q1'24, respectively, which grew year-over-year by 12%, or 15% on a currency-neutral basis.



1st Quarter Key Metrics related to the Payment Network

(\$ in millions)

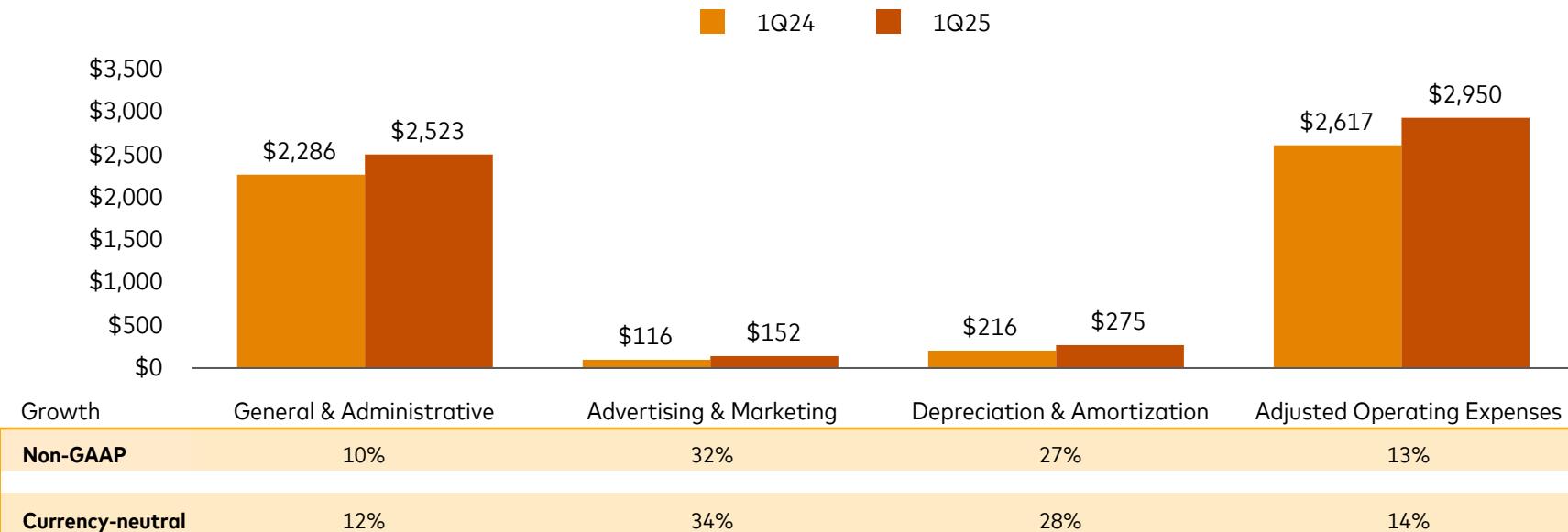


Increase/(Decrease)	8%	16%	14%	2%
Increase/(Decrease) Currency-neutral	12%	18%	17%	3%



1st Quarter Adjusted Operating Expenses

(\$ in millions)



Note: See Appendix A for Non-GAAP reconciliation. Figures may not sum due to rounding.



Business Update Through April 28th

Year-over-year growth %

	2024	2025					
		Q4	Jan	Feb	Mar	Q1	Apr 28 MTD
Switched volume¹	13%	14%	8%	11%	11%	12%	
United States	9%	11%	4%	7%	7%	8%	
Worldwide less U.S.	16%	16%	12%	13%	14%	15%	
Switched transactions	11%	12%	7%	10%	9%	11%	
Cross-border volume¹	20%	18%	14%	14%	15%	17%	
Intra-Europe	20%	16%	13%	15%	15%	19%	
Other Cross-border	20%	19%	14%	13%	16%	15%	
XB CNP ex travel	21%	20%	18%	20%	19%	20%	
XB Travel (CP + CNP travel)	18%	16%	11%	10%	12%	14%	

1. Mastercard-branded programs only; on a local currency basis.



Looking Ahead

Further thoughts on 2025



Appendices



Appendix A

Non-GAAP Reconciliation

(\$ in millions, except per share data)

	Three Months Ended March 31, 2025						
	Operating expenses	Operating income	Operating margin	Other income (expense)	Effective income tax rate	Net income	Diluted earnings per share
Reported - GAAP	\$ 3,101	\$ 4,149	57.2 %	\$ (118)	18.6 %	\$ 3,280	\$ 3.59
(Gains) losses on equity investments ¹	**	**	**	29	— %	25	0.03
Litigation provisions ²	(151)	151	2.1 %	**	0.5 %	102	0.11
Adjusted - Non-GAAP	<u>\$ 2,950</u>	<u>\$ 4,300</u>	<u>59.3 %</u>	<u>\$ (89)</u>	<u>19.1 %</u>	<u>\$ 3,406</u>	<u>\$ 3.73</u>

	Three Months Ended March 31, 2024						
	Operating expenses	Operating income	Operating margin	Other income (expense)	Effective income tax rate	Net income	Diluted earnings per share
Reported - GAAP	\$ 2,744	\$ 3,604	56.8 %	\$ (46)	15.4 %	\$ 3,011	\$ 3.22
(Gains) losses on equity investments ¹	**	**	**	(6)	— %	(5)	(0.01)
Litigation provisions ³	(126)	(126)	2.0 %	**	0.5 %	87	0.09
Adjusted - Non-GAAP	<u>\$ 2,617</u>	<u>\$ 3,731</u>	<u>58.8 %</u>	<u>\$ (52)</u>	<u>15.9 %</u>	<u>\$ 3,093</u>	<u>\$ 3.31</u>

Note: Figures may not sum due to rounding.

** Not applicable.

¹ Represents Q1'25 net pre-tax losses of \$29 million and Q1'24 net pre-tax gains of \$6 million primarily related to unrealized fair market value adjustments on marketable and nonmarketable equity securities.

² Represents Q1'25 pre-tax charges of \$151 million primarily as a result of a change in estimate related to the claims of merchants who opted out of the U.S. merchant class litigation.

³ Represents Q1'24 pre-tax charges of \$126 million primarily due to a legal provision associated with the ATM non-discrimination rule surcharge complaints.



Appendix A (continued)

Non-GAAP Reconciliation

Three Months Ended March 31, 2025 as compared to the Three Months Ended March 31, 2024

	Increase/(Decrease)					
	Operating expenses	Operating income	Operating margin	Effective income tax rate	Net income	Diluted earnings per share
Reported - GAAP	13 %	15 %	0.4 ppt	3.3 ppt	9 %	11 %
(Gains) losses on equity investments ¹	**	**	**	— ppt	1 %	1 %
Litigation provisions ^{2,3}	— %	— %	0.1 ppt	— ppt	— %	— %
Adjusted - Non-GAAP	13 %	15 %	0.5 ppt	3.2 ppt	10 %	13 %
Currency impact ⁴	2 %	3 %	0.4 ppt	0.2 ppt	3 %	3 %
Adjusted - Non-GAAP - currency-neutral	<u>14 %</u>	<u>19 %</u>	<u>0.9 ppt</u>	<u>3.4 ppt</u>	<u>13 %</u>	<u>16 %</u>

Note: Figures may not sum due to rounding.

** Not applicable.

¹ Represents Q1'25 net pre-tax losses of \$29 million and Q1'24 net pre-tax gains of \$6 million primarily related to unrealized fair market value adjustments on marketable and nonmarketable equity securities.

² Represents Q1'25 pre-tax charges of \$151 million primarily as a result of a change in estimate related to the claims of merchants who opted out of the U.S. merchant class litigation.

³ Represents Q1'24 pre-tax charges of \$126 million primarily due to a legal provision associated with the ATM non-discrimination rule surcharge complaints.

⁴ Represents the translational and transactional impact of currency and the related impact of the company's foreign exchange derivative contracts designated as cash flow hedging instruments (specifically those that manage the impact of foreign currency variability on anticipated revenues and expenses).



Appendix B

Non-GAAP Reconciliation

2025 financial outlook

	Prior 2025 vs. 2024 Increase/(Decrease)		Updated 2025 vs. 2024 Increase/(Decrease)	
	Net Revenue	Operating Expenses	Net Revenue	Operating Expenses
Forecasted Growth - GAAP¹	Low double digits	Mid-single digits	Low teens	High single digits
Litigation provisions²	**	6%	**	5%
Restructuring charge³	**	2%	**	2%
Non-GAAP Growth	Low double digits	Low teens	Low teens	Mid-teens
Currency impact⁴	-2%	1-2%	~0%	~0%
Acquisitions⁵	(1-1.5)%	~(5)% ⁶	(1-1.5)%	~(5)% ⁶
Non-GAAP Growth, currency-neutral, excl. acq.	High end of low double digits to low teens	Low end of low double digits	High end of low double digits to low teens	Low end of low double digits

** Not applicable.

¹ GAAP - FY2025 forecast versus FY2024 reported results.

Full Year Special Items

² Impact of FY2024 litigation provisions (\$680M) and Q1'25 litigation provisions (\$151M).

³ Impact of FY2024 restructuring charge (\$190M).

Other Notes

⁴ Represents the projected translational and transactional impact of currency and the related impact of the company's foreign exchange derivative contracts designated as cash flow hedging instruments (specifically those that manage the impact of foreign currency variability on anticipated revenues and expenses).

⁵ Acquisitions completed after the beginning of 2024.

⁶ Forecasted impact on operating expenses from acquisitions includes slightly more than 2.5ppt related to run rate expenses for operating the businesses and ~1ppt from amortization of acquired intangible assets, with the remaining impact related to integration costs and other one-time expenses, which were contemplated in the three-year performance objectives shared at the Mastercard Investment Community Meeting in November 2024.



Appendix C

Non-GAAP Reconciliation

Second quarter 2025 financial outlook

	Q2'25 vs. Q2'24 Increase/(Decrease)	
	Net Revenue	Operating Expenses
Forecasted Growth - GAAP ¹	Mid-teens	Low end of low double digits
Litigation provisions ²	**	4%
Non-GAAP Growth	Mid-teens	Mid-teens
Currency impact ³	~0%	~0%
Acquisitions ⁴	(1-1.5)%	(4-5)%
Non-GAAP Growth, currency-neutral, excluding acquisitions	Low teens	Low end of low double digits

** Not applicable.

¹ GAAP - Q2'25 forecast versus Q2'24 reported results.

Second Quarter Special Items

² Impact of Q2'24 litigation provisions (\$98M).

Other Notes

³ Represents the projected translational and transactional impact of currency and the related impact of the company's foreign exchange derivative contracts designated as cash flow hedging instruments (specifically those that manage the impact of foreign currency variability on anticipated revenues and expenses).

⁴ Acquisitions completed after the beginning of 2024.



Forward-Looking Statements

This earnings presentation contains forward-looking statements pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts may be forward-looking statements. When used in this earnings presentation, the words "believe", "expect", "could", "may", "would", "will", "trend" and similar words are intended to identify forward-looking statements. Examples of forward-looking statements include, but are not limited to, statements that relate to the company's future prospects, developments and business strategies. We caution you to not place undue reliance on these forward-looking statements, as they speak only as of the date they are made. Except for the company's ongoing obligations under the U.S. federal securities laws, the company does not intend to update or otherwise revise the forward-looking information to reflect actual results of operations, changes in financial condition, changes in estimates, expectations or assumptions, changes in general economic or industry conditions or other circumstances arising and/or existing since the preparation of this earnings presentation or to reflect the occurrence of any unanticipated events.

Many factors and uncertainties relating to our operations and business environment, all of which are difficult to predict and many of which are outside of our control, influence whether any forward-looking statements can or will be achieved. Any one of those factors could cause our actual results to differ materially from those expressed or implied in writing in any forward-looking statements made by Mastercard or on its behalf, including, but not limited to, the following factors:

- regulation related to the payments industry (including regulatory, legislative and litigation activity with respect to interchange rates and surcharging)
- the impact of preferential or protective government actions
- regulation of privacy, data, AI, information security and the digital economy
- regulation that directly or indirectly applies to us based on our participation in the global payments industry (including anti-money laundering, countering the financing of terrorism, economic sanctions and anti-corruption, account-based payments systems, and issuer and acquirer practices regulation)
- the impact of changes in tax laws, as well as regulations and interpretations of such laws or challenges to our tax positions
- potential or incurred liability and limitations on business related to any litigation or litigation settlements
- the impact of competition in the global payments industry (including disintermediation and pricing pressure)
- the challenges relating to rapid technological developments and changes
- the challenges relating to operating a real-time account-based payments system and to working with new customers and end users
- the impact of information security incidents, account data breaches or service disruptions
- issues related to our relationships with our stakeholders (including loss of substantial business from significant customers, competitor relationships with our customers, consolidation amongst our customers, merchants' continued focus on acceptance costs and unique risks from our work with governments)
- the impact of global economic, political, financial and societal events and conditions, including adverse currency fluctuations and foreign exchange controls
- reputational impact, including impact related to brand perception and lack of visibility of our brands in products and services
- the impact of environmental, social and governance matters and related stakeholder reaction
- the inability to attract and retain a highly qualified workforce, or maintain our corporate culture
- issues related to acquisition integration, strategic investments and entry into new businesses
- exposure to loss or illiquidity due to our role as guarantor as well as other contractual obligations and discretionary actions we may take
- issues related to our Class A common stock and corporate governance structure

For additional information on these and other factors that could cause the company's actual results to differ materially from expected results, please see the company's filings with the Securities and Exchange Commission, including the company's Annual Report on Form 10-K for the year ended December 31, 2024 and any subsequent reports on Forms 10-Q and 8-K.

