

Mastercard Incorporated

First Quarter 2024 Financial Results Conference Call

May 1, 2024



Business Update

————— Key Trends

————— Business Highlights

————— Financial Overview



1st Quarter Selected Financial Performance

(\$ in millions, except per share data)

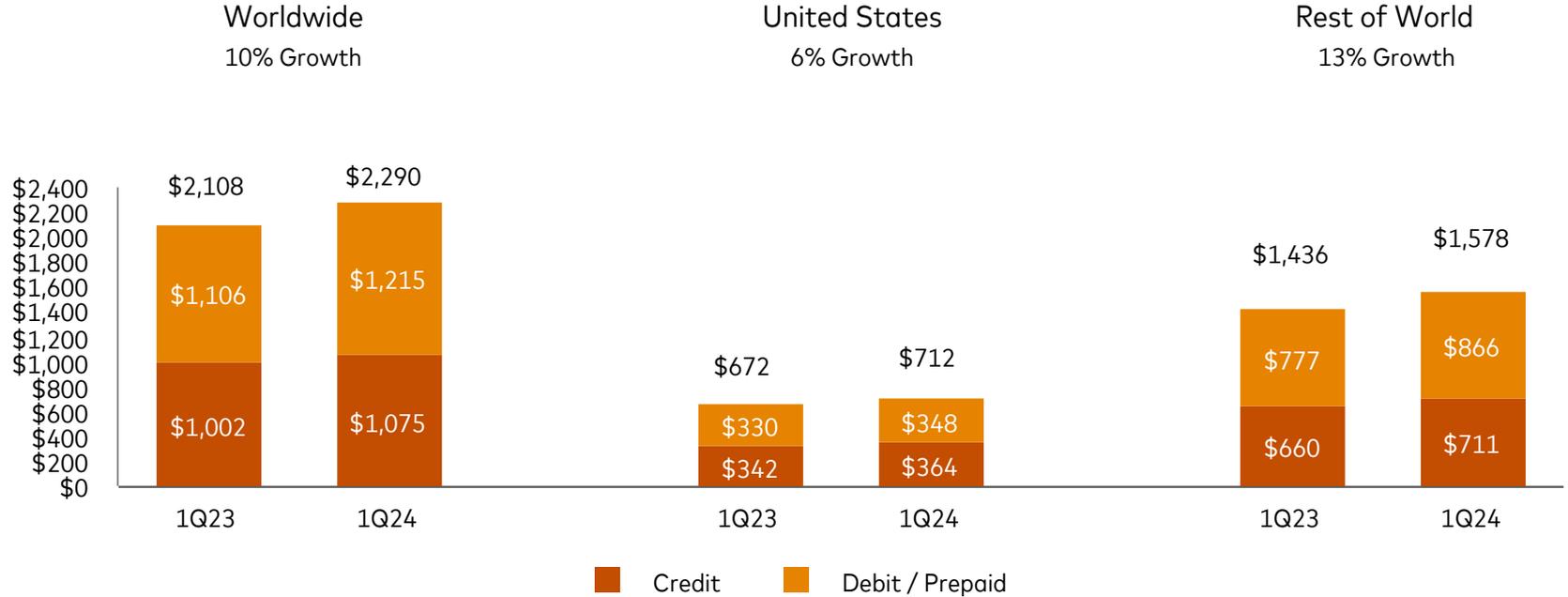
	1Q 24	1Q 23	YOY Growth	
	Non-GAAP	Non-GAAP	As adjusted	Currency-neutral
Net revenue	\$ 6,348	\$ 5,748	10%	11%
Adjusted operating expenses	2,617	2,401	9%	9%
Adjusted operating income	3,731	3,347	11%	12%
<i>Adjusted operating margin</i>	58.8 %	58.2 %	0.5 ppt	0.7 ppt
Adjusted net income	\$ 3,093	\$ 2,678	16%	16%
Adjusted diluted EPS	\$ 3.31	\$ 2.80	18%	19%
Adjusted effective tax rate	15.9%	18.3 %		

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



1st Quarter Gross Dollar Volume (GDV)

(\$ in billions)



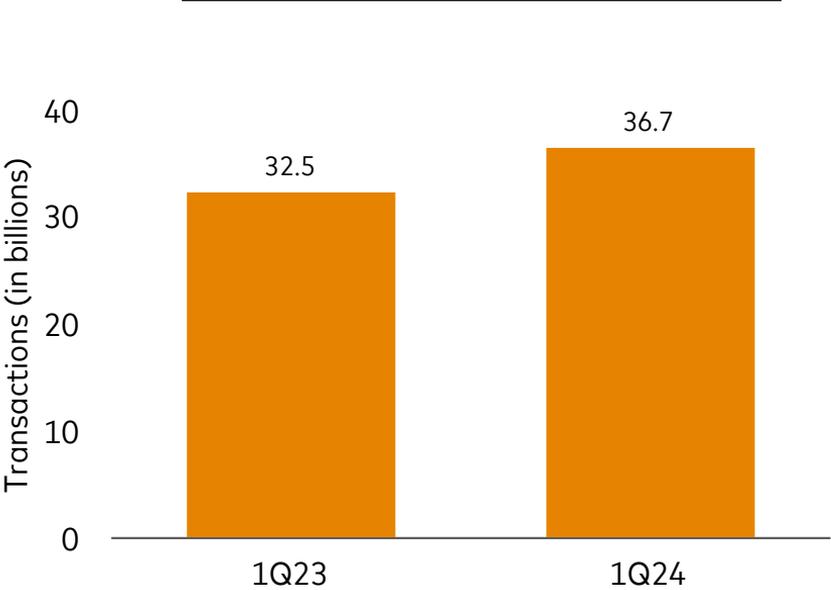
Notes: Growth rates are shown in local currency.
Figures may not sum due to rounding.



1st Quarter Switched Transactions and Cards

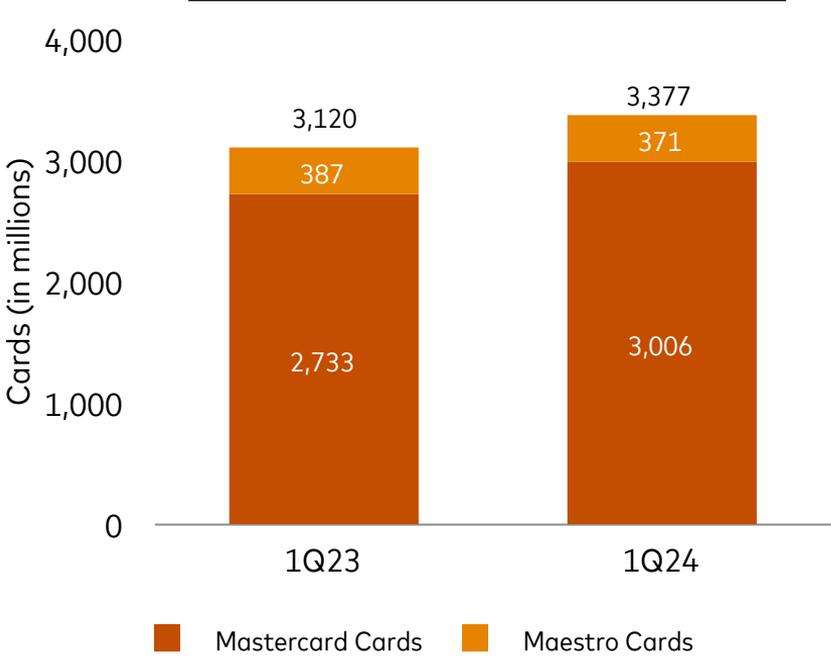
Switched Transactions

13% Growth



Cards

8% Growth

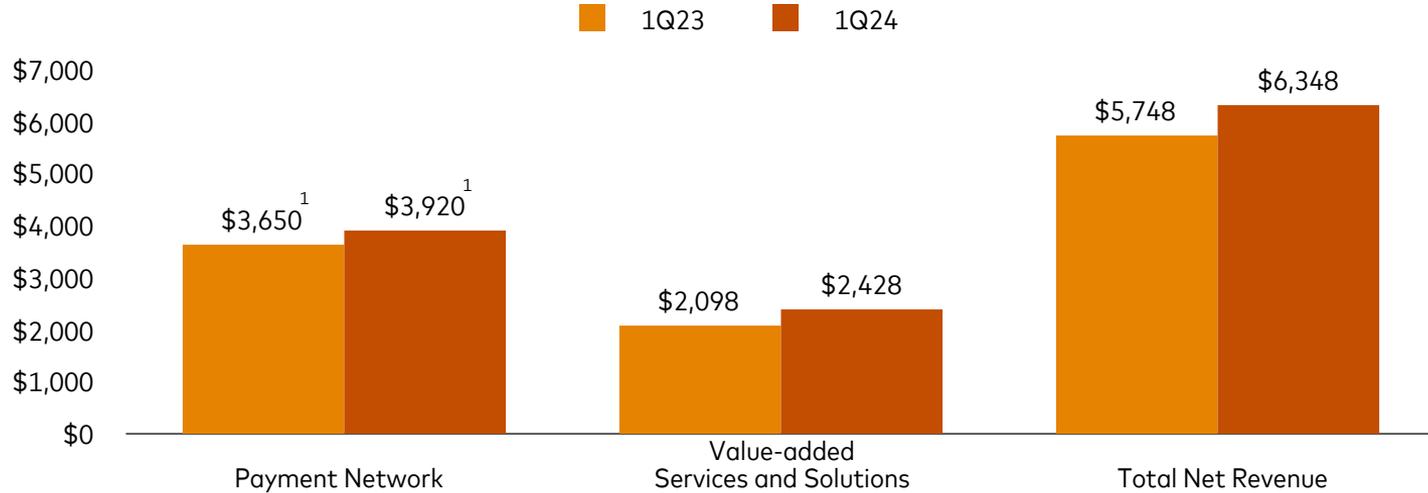


Note: Figures may not sum due to rounding.



1st Quarter Net Revenue

(\$ in millions)



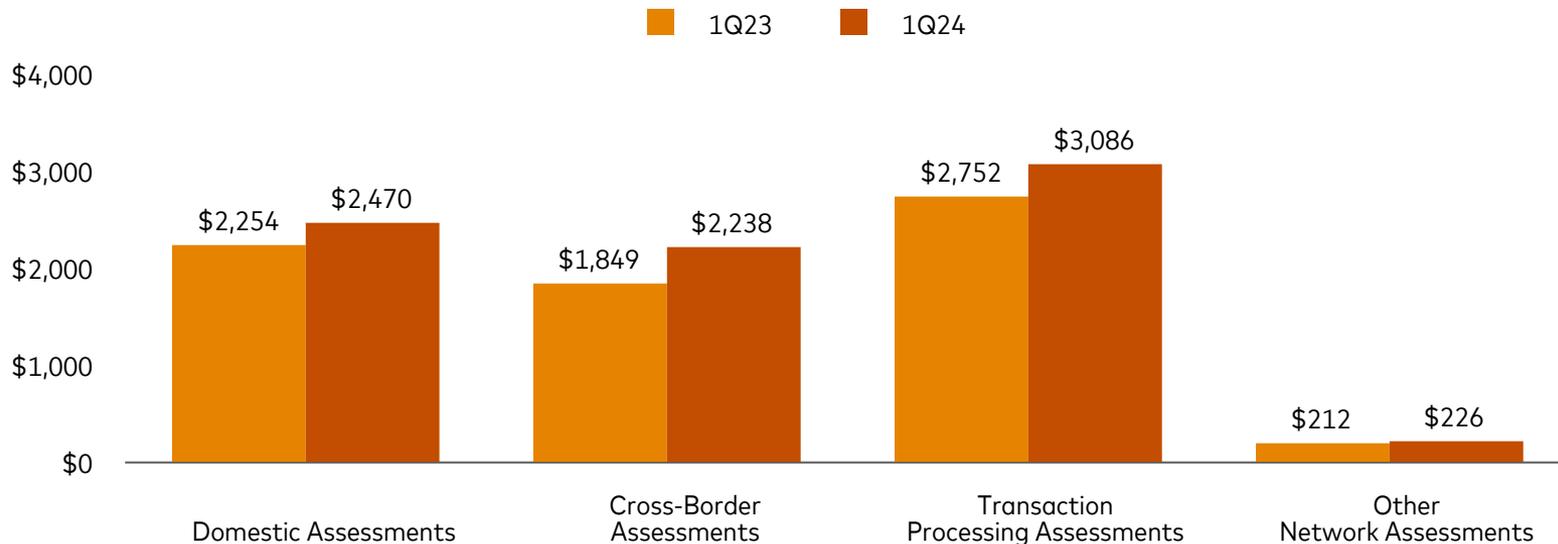
Growth	Payment Network	Value-added Services and Solutions	Total Net Revenue
GAAP	7%	16%	10%
Currency-neutral	8%	15%	11%

¹Payment Network is presented net of rebates and incentives of \$4,100 million and \$3,417 million for Q1'24 and Q1'23, respectively, and grew year-over-year by 20%, as reported and on a currency-neutral basis.



1st Quarter Key Metrics related to the Payment Network

(\$ in millions)

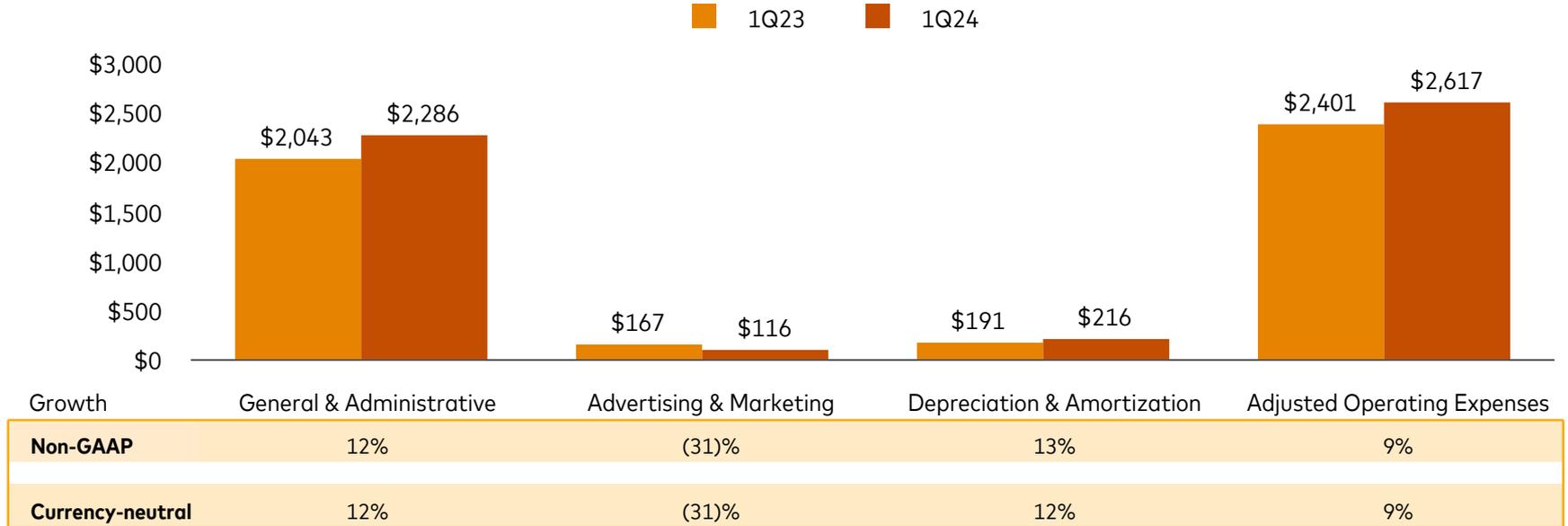


Increase/(Decrease)	10%	21%	12%	6%
Increase/(Decrease) Currency-neutral	10%	22%	12%	6%



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 %					
	2023	2024				
	Q4	Jan	Feb	Mar	Q1	Apr 28 MTD
Switched volume¹	11%	10%	14%	11%	12%	9%
United States	5%	4%	9%	6%	7%	6%
Worldwide less U.S.	15%	15%	18%	14%	15%	12%
Switched transactions	12%	11%	15%	12%	13%	11%
Cross-border volume¹	18%	19%	20%	16%	18%	16%
Intra-Europe	17%	18%	18%	15%	17%	13%
Other Cross-border	19%	20%	22%	17%	19%	19%
XB CNP ex travel	18%	22%	22%	18%	21%	20%
XB Travel (CP + CNP travel)	18%	17%	19%	15%	17%	13%

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

May 1, 2024



Looking Ahead

———— Further thoughts for 2024



Appendices



Appendix A

Non-GAAP Reconciliation

(\$ in millions, except per share data)

	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 ²	(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>

	Three Months Ended March 31, 2023						
	Operating expenses	Operating income	Operating margin	Other income (expense)	Effective income tax rate	Net income	Diluted earnings per share
Reported - GAAP	\$ 2,612	\$ 3,136	54.6 %	\$ (283)	17.2 %	\$ 2,361	\$ 2.47
(Gains) losses on equity investments ¹	**	**	**	212	— %	176	0.18
Litigation provisions ³	(211)	211	3.7 %	**	1.1 %	140	0.15
Adjusted - Non-GAAP	<u>\$ 2,401</u>	<u>\$ 3,347</u>	<u>58.2 %</u>	<u>\$ (71)</u>	<u>18.3 %</u>	<u>\$ 2,678</u>	<u>\$ 2.80</u>

Note: Figures may not sum due to rounding.

** Not applicable.

¹ Q1'24 net pre-tax gains of \$6 million and Q1'23 net pre-tax losses of \$212 million primarily related to unrealized fair market value adjustments on marketable and nonmarketable equity securities.

² Q1'24 pre-tax charges of \$126 million primarily due to a legal provision associated with the ATM non-discrimination rule surcharge complaints.

³ Q1'23 pre-tax charges of \$211 million as a result of a change in estimate related to the claims of merchants who opted out of the U.S. merchant class litigation.



Appendix A (continued)

Non-GAAP Reconciliation

Three Months Ended March 31, 2024 as compared to the Three Months Ended March 31, 2023

Increase/(Decrease)

	Operating expenses	Operating income	Operating margin	Effective income tax rate	Net income	Diluted earnings per share
Reported - GAAP	5 %	15 %	2.2 ppt	(1.9) ppt	28 %	30 %
(Gains) losses on equity investments ¹	**	**	**	— ppt	(9)%	(9)%
Litigation provisions ^{2,3}	4 %	(3)%	(1.7) ppt	(0.5) ppt	(3)%	(3)%
Adjusted - Non-GAAP	9 %	11 %	0.5 ppt	(2.3) ppt	16 %	18 %
Currency impact ⁴	— %	— %	0.1 ppt	(0.1) ppt	1 %	— %
Adjusted - Non-GAAP - currency-neutral	9 %	12 %	0.7 ppt	(2.4) ppt	16 %	19 %

Note: Figures may not sum due to rounding.

** Not applicable.

¹ Q1'24 net pre-tax gains of \$6 million and Q1'23 net pre-tax losses of \$212 million primarily related to unrealized fair market value adjustments on marketable and nonmarketable equity securities.

² Q1'24 pre-tax charges of \$126 million primarily due to a legal provision associated with the ATM non-discrimination rule surcharge complaints.

³ Q1'23 pre-tax charges of \$211 million as a result of a change in estimate related to the claims of merchants who opted out of the U.S. merchant class litigation.

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.



Appendix B

Non-GAAP Reconciliation

2024 financial outlook

	Prior 2024 vs. 2023 Increase/(Decrease)		Updated 2024 vs. 2023 Increase/(Decrease)	
	Net Revenue	Operating Expenses	Net Revenue	Operating Expenses
Forecasted Growth - GAAP¹	High-end of low-double-digits	Mid-single-digits	Low-end of low-double-digits	Mid-single-digits
Litigation provisions^{2,3}	**	-5%	**	-4%
Non-GAAP Growth	High-end of low-double-digits	Low-end of low-double-digits	Low-end of low-double-digits	Low-end of low-double-digits
Currency impact⁴	-0%	-0%	1-2%	0-1%
Acquisitions⁵	-0%	-0%	-0%	-0%
Non-GAAP Growth, currency-neutral, excl. acq.	High-end of low-double-digits	Low-end of low-double-digits	High-end of low-double-digits	Low-end of low-double-digits

** Not applicable.

¹ GAAP - FY2024 forecast versus FY2023 reported results.

Full Year Special Items

² Impact of FY2023 litigation provisions (\$539M).

³ Impact of Q1'24 litigation provisions (\$126M).

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.

⁵ Acquisitions completed after the beginning of 2023.



Appendix C

Non-GAAP Reconciliation

Second quarter 2024 financial outlook

	Q2'24 vs. Q2'23 Increase/(Decrease)	
	Net Revenue	Operating Expenses
Forecasted Growth - GAAP¹	High-end of high-single-digits	High-end of high-single-digits
Litigation provisions²	**	~1%
Non-GAAP Growth	High-end of high-single-digits	High-end of high-single-digits
Currency impact³	~2%	~1%
Acquisitions⁴	~0%	(0-1)%
Non-GAAP Growth, currency-neutral, excluding acquisitions	Low-double-digits	Low-end of low-double-digits

** Not applicable.

¹ GAAP - Q2'24 forecast versus Q2'23 reported results.

Second Quarter Special Items

² Impact of Q2'23 litigation provision (\$20M).

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.

⁴ Acquisitions completed after the beginning of 2023.

