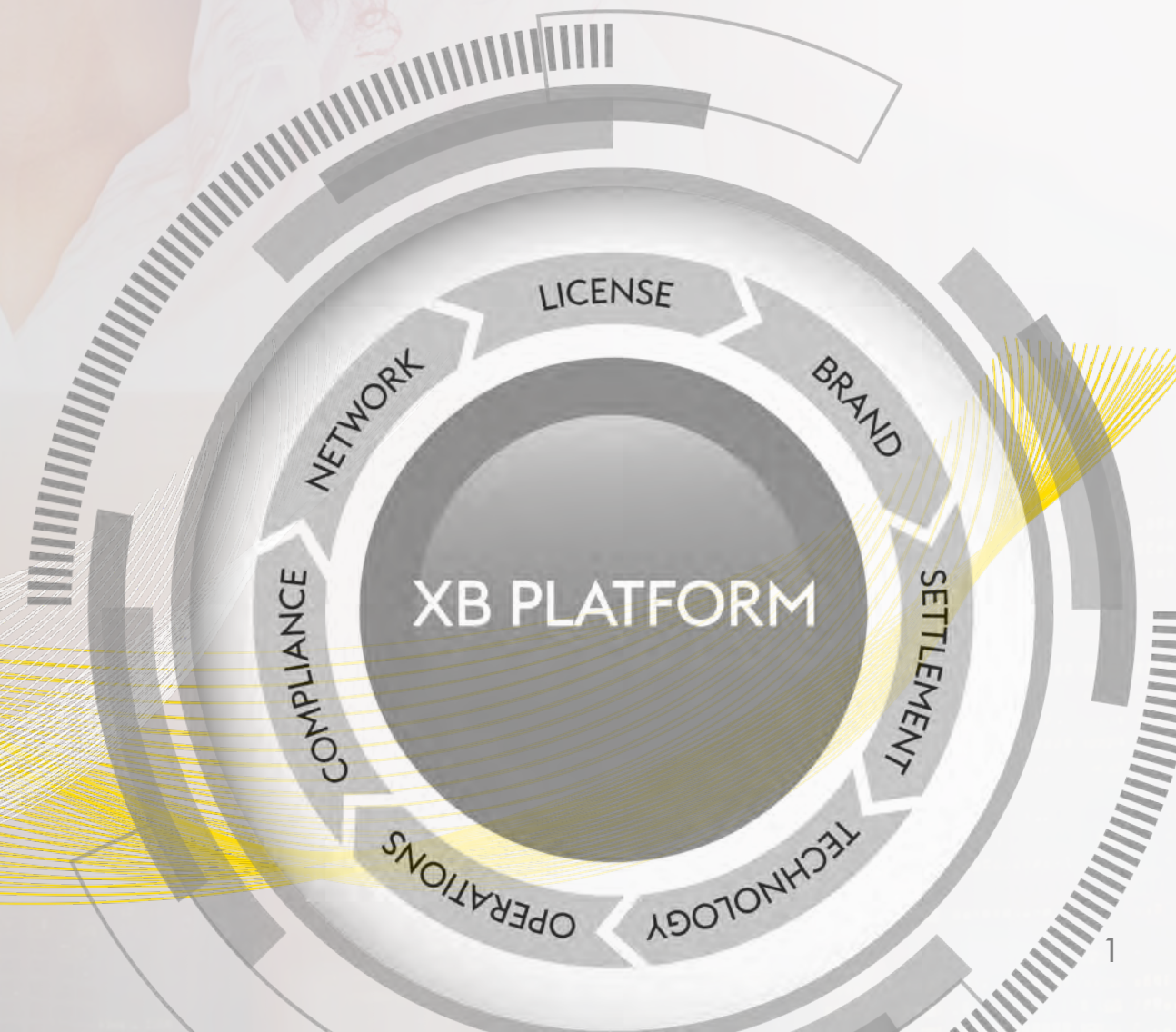


➤ Brad Windbigler

INVESTOR RELATIONS



Investor Day 2019 Agenda

Denver, September 24th, 2019

WesternUnion **WU**

8.30am MDT

Welcome, Windbigler

8.35am MDT

Strategy Overview, Ersek

- Open XB Platform, Ersek
 - Compliance, Molnar
 - Network, Farah
- Consumer Money Transfer, Fellahi
- Payments, Summerill & Loevenguth
- Other XB Platform Opportunities, Ersek

10.20am MDT — Break

10.40am MDT

Financial Outlook, Agrawal

11.00am MDT

Q&A, moderated by Windbigler

11.45am MDT

Closing

11.45am MDT

Exhibits

12.30pm MDT

Lunch and continued Exhibits

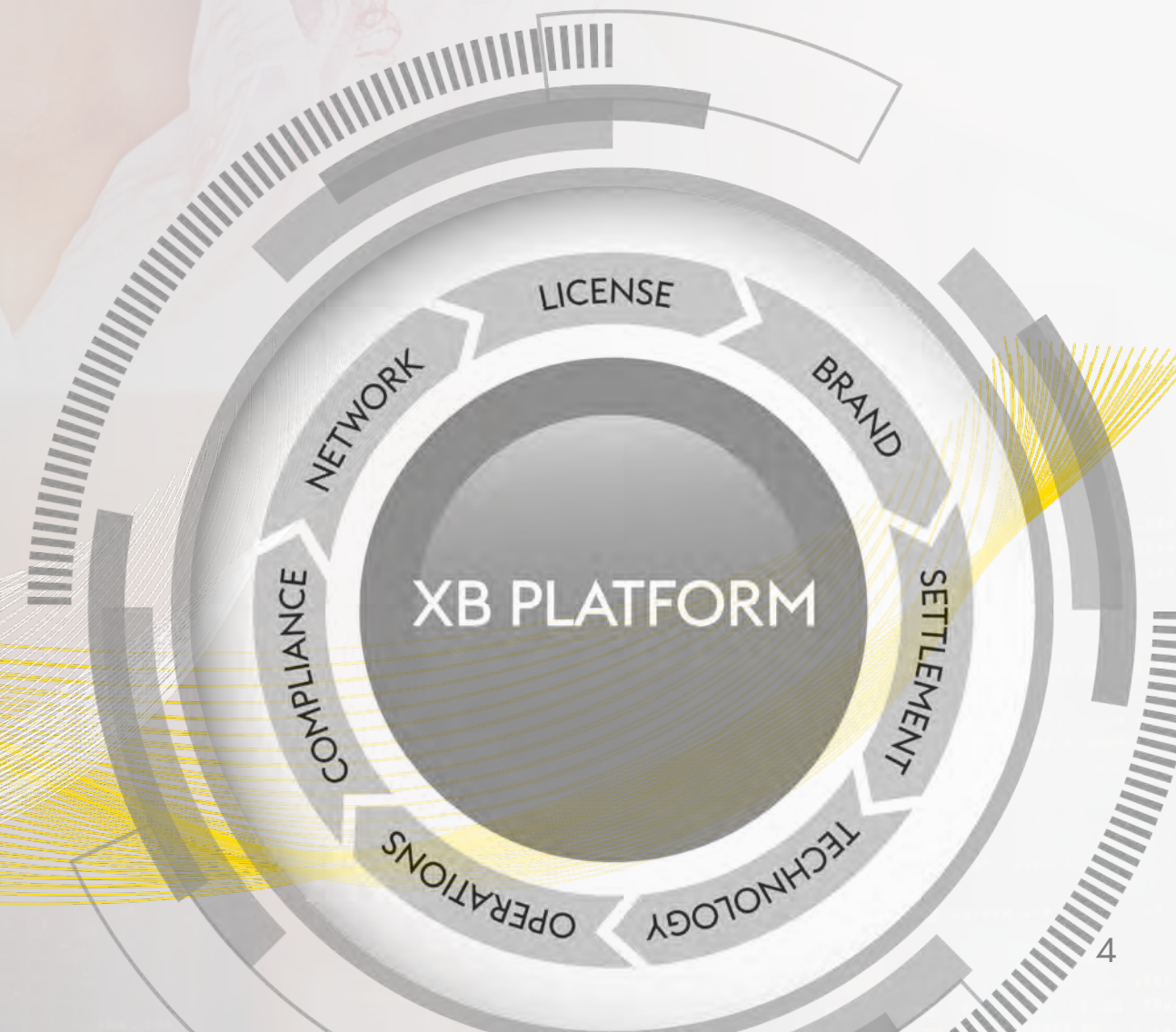
Safe Harbor

This presentation contains certain statements that are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Actual outcomes and results may differ materially from those expressed in, or implied by, our forward-looking statements. Words such as "expects," "intends," "targets," "anticipates," "believes," "estimates," "guides," "provides guidance," "provides outlook" and other similar expressions or future or conditional verbs such as "may," "will," "should," "would," "could," and "might" are intended to identify such forward-looking statements. Readers of this presentation of The Western Union Company (the "Company," "Western Union," "we," "our" or "us") should not rely solely on the forward-looking statements and should consider all uncertainties and risks discussed in the "Risk Factors" section and throughout the Annual Report on Form 10-K for the year ended December 31, 2018. The statements are only as of the date they are made, and the Company undertakes no obligation to update any forward-looking statement.

Possible events or factors that could cause results or performance to differ materially from those expressed in our forward-looking statements include the following: (i) events related to our business and industry, such as: changes in general economic conditions and economic conditions in the regions and industries in which we operate, including global economic downturns and trade disruptions, or significantly slower growth or declines in the money transfer, payment service, and other markets in which we operate, including downturns or declines related to interruptions in migration patterns, or non-performance by our banks, lenders, insurers, or other financial services providers; failure to compete effectively in the money transfer and payment service industry, including among other things, with respect to price, with global and niche or corridor money transfer providers, banks and other money transfer and payment service providers, including electronic, mobile and Internet-based services, card associations, and card-based payment providers, and with digital currencies and related protocols, and other innovations in technology and business models; political conditions and related actions, including trade restrictions and government sanctions, in the United States and abroad which may adversely affect our business and economic conditions as a whole, including interruptions of United States or other government relations with countries in which we have or are implementing significant business relationships with agents or clients; deterioration in customer confidence in our business, or in money transfer and payment service providers generally; our ability to adopt new technology and develop and gain market acceptance of new and enhanced services in response to changing industry and consumer needs or trends; changes in, and failure to manage effectively, exposure to foreign exchange rates, including the impact of the regulation of foreign exchange spreads on money transfers and payment transactions; any material breach of security, including cybersecurity, or safeguards of or interruptions in any of our systems or those of our vendors or other third parties; cessation of or defects in various services provided to us by third-party vendors; mergers, acquisitions, and the integration of acquired businesses and technologies into our Company, divestitures, and the failure to realize anticipated financial benefits from these transactions, and events requiring us to write down our goodwill; decisions to change our business mix; failure to manage credit and fraud risks presented by our agents, clients and consumers; failure to maintain our agent network and business relationships under terms consistent with or more advantageous to us than those currently in place, including due to increased costs or loss of business as a result of increased compliance requirements or difficulty for us, our agents or their subagents in establishing or maintaining relationships with banks needed to conduct our services; changes in tax laws, or their interpretation, including with respect to United States tax reform legislation enacted in December 2017 (the "Tax Act"), any subsequent regulation, and potential related state income tax impacts, and unfavorable resolution of tax contingencies; adverse rating actions by credit rating agencies; our ability to realize the anticipated benefits from business transformation, productivity and cost-savings, and other related initiatives, which may include decisions to downsize or to transition operating activities from one location to another, and to minimize any disruptions in our workforce that may result from those initiatives; our ability to protect our brands and our other intellectual property rights and to defend ourselves against potential intellectual property infringement claims; our ability to attract and retain qualified key employees and to manage our workforce successfully; material changes in the market value or liquidity of securities that we hold; restrictions imposed by our debt obligations; (ii) events related to our regulatory and litigation environment, such as: liabilities or loss of business resulting from a failure by us, our agents or their subagents to comply with laws and regulations and regulatory or judicial interpretations thereof, including laws and regulations designed to protect consumers, or detect and prevent money laundering, terrorist financing, fraud and other illicit activity; increased costs or loss of business due to regulatory initiatives and changes in laws, regulations and industry practices and standards, including changes in interpretations in the United States and abroad, affecting us, our agents or their subagents, or the banks with which we or our agents maintain bank accounts needed to provide our services, including related to anti-money laundering regulations, anti-fraud measures, our licensing arrangements, customer due diligence, agent and subagent due diligence, registration and monitoring requirements, consumer protection requirements, remittances, and immigration; liabilities, increased costs or loss of business and unanticipated developments resulting from governmental investigations and consent agreements with or enforcement actions by regulators, including those associated with the settlement agreements with the United States Department of Justice, certain United States Attorney's Offices, the United States Federal Trade Commission, the Financial Crimes Enforcement Network of the United States Department of Treasury, and various state attorneys general (the "Joint Settlement Agreements"), and those associated with the January 4, 2018 consent order which resolved a matter with the New York State Department of Financial Services (the "NYDFS Consent Order"); liabilities resulting from litigation, including class-action lawsuits and similar matters, and regulatory enforcement actions, including costs, expenses, settlements and judgments; failure to comply with regulations and evolving industry standards regarding consumer privacy and data use and security, including with respect to the General Data Protection Regulation ("GDPR") approved by the European Union ("EU"); failure to comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), as well as regulations issued pursuant to it and the actions of the Consumer Financial Protection Bureau and similar legislation and regulations enacted by other governmental authorities in the United States and abroad related to consumer protection and derivative transactions; effects of unclaimed property laws or their interpretation or the enforcement thereof; failure to maintain sufficient amounts or types of regulatory capital or other restrictions on the use of our working capital to meet the changing requirements of our regulators worldwide; changes in accounting standards, rules and interpretations or industry standards affecting our business; and (iii) other events, such as: catastrophic events; and management's ability to identify and manage these and other risks.

➤ Hikmet Ersek

Chief Executive Officer



What you will hear today

1 Global, complex, resilient, purpose-driven* business

2 Making our cross-border platform more agile

- WU Way investments and returns

3 XB Platform serving multi-cases

- Grow and deliver our core
- Open our cross-border platform for new use cases

4 Shareholder Return



Key takeaways

1 Resilient and profitable business

- 23% operating margin*
- Low double-digit EPS CAGR**
- Solid Revenue Growth

2 Returning funds to shareholders

- ~\$2.5 - \$3 billion share buy backs and dividends 2020 – 2022

3 Untapped growth potential

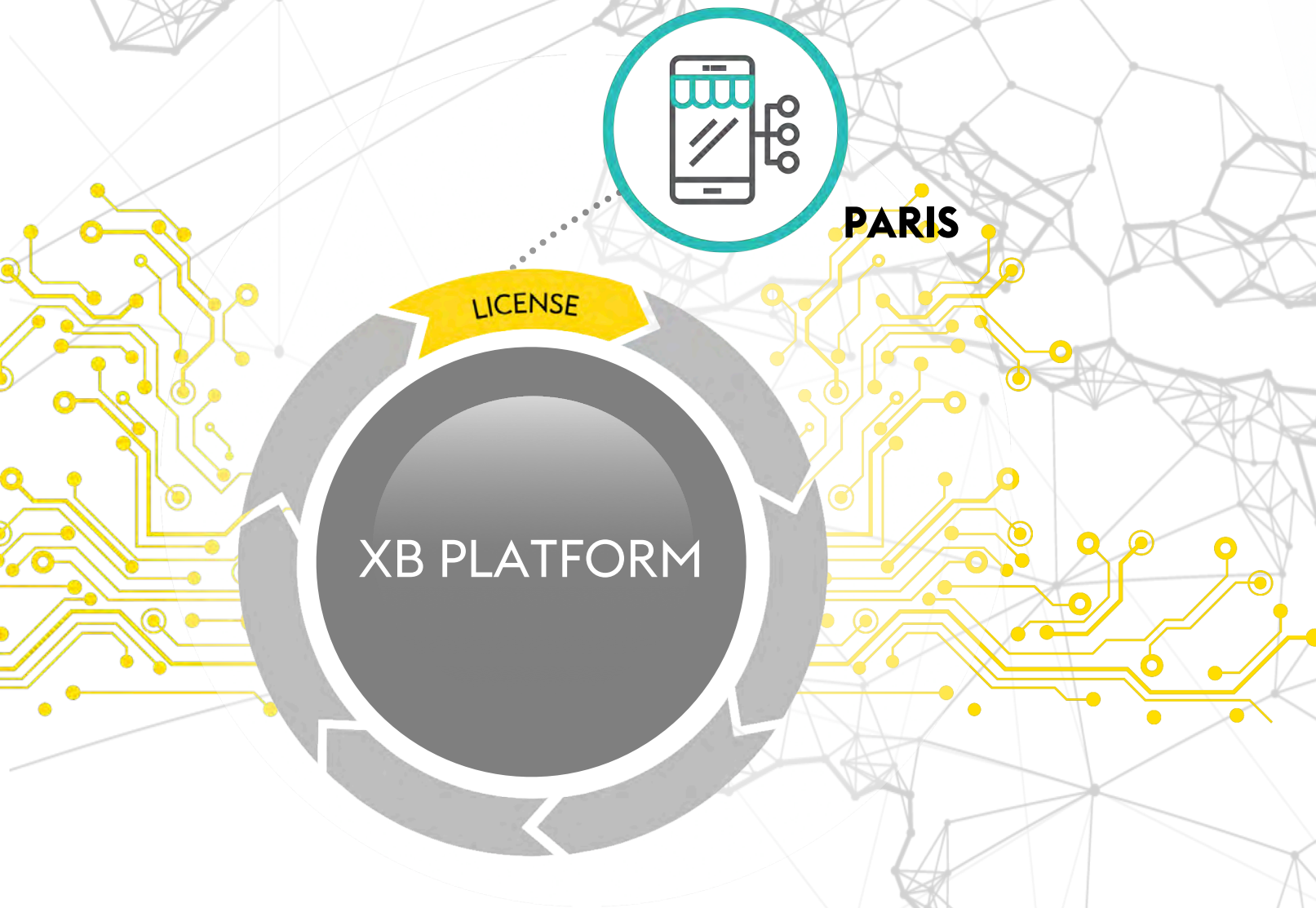
- Open XB Platform to third parties



* By 2022
**CAGR 2020-2022



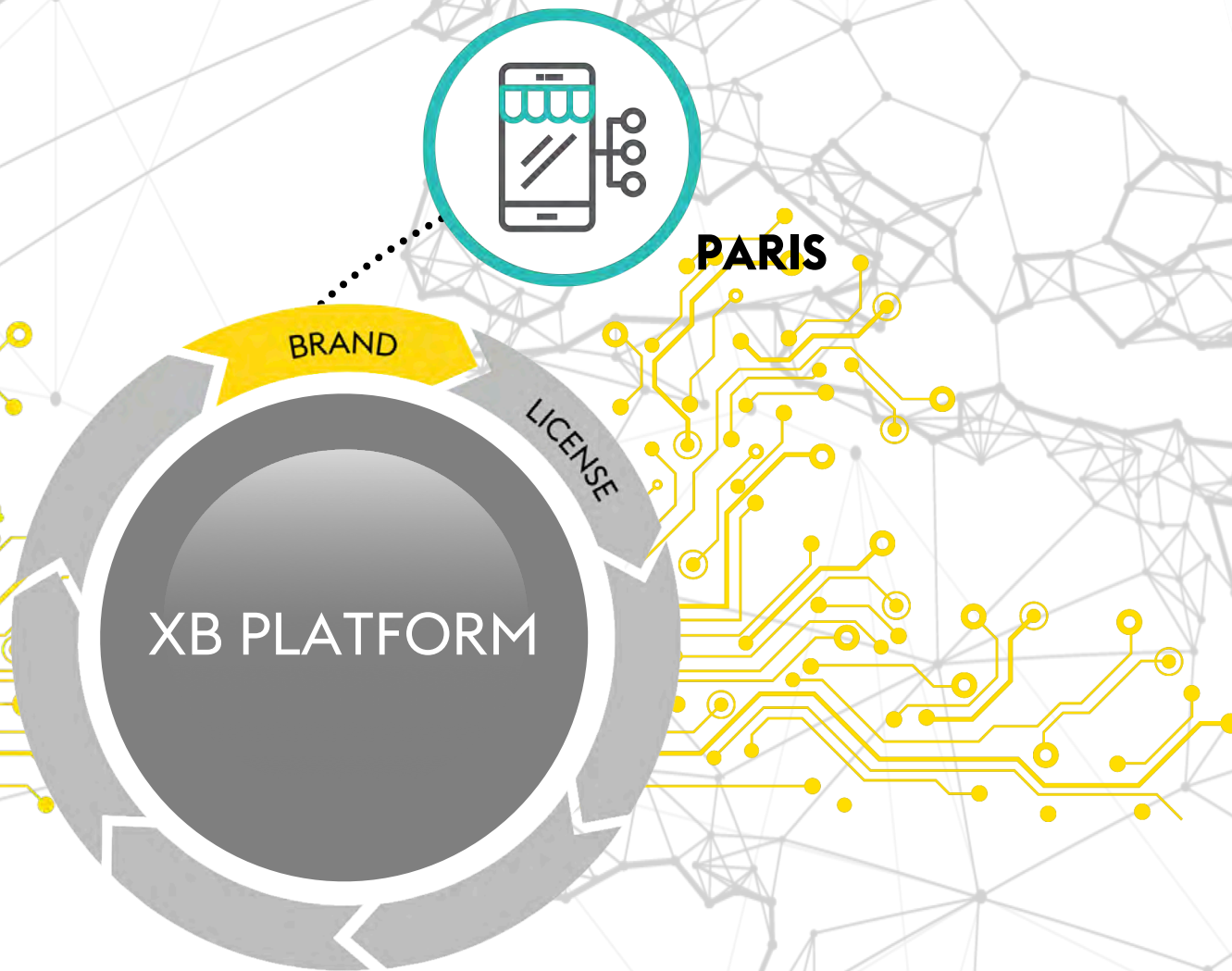
Fundamentals of a cross-border transaction



LICENSE

- Regulatory approvals (e.g. Central bank, Finance ministry)
- Agent contracts
- Regulated class of trade
- FI or bank license
- Regulatory & Government reporting relationships
- Regulatory audits & reporting

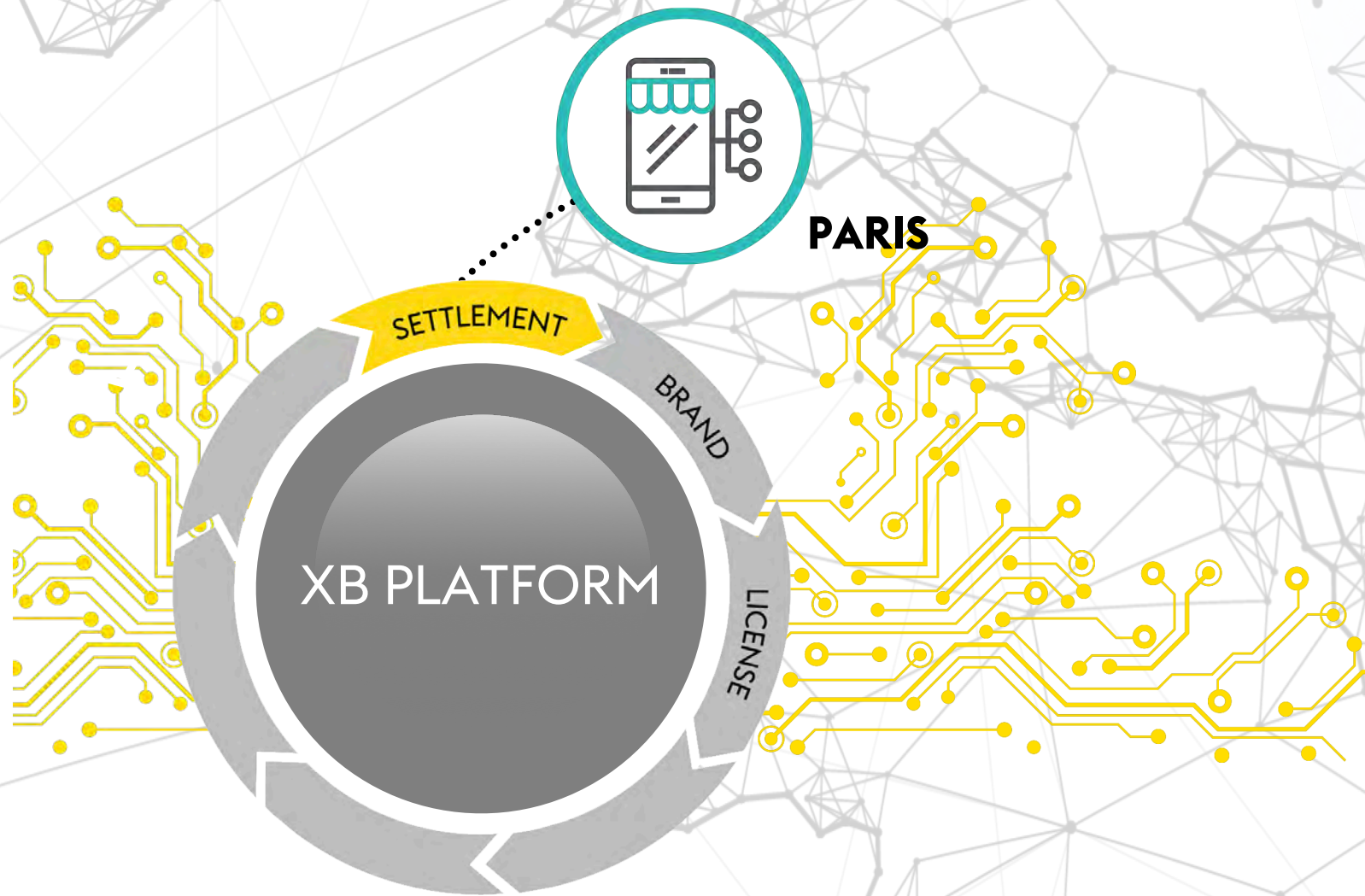
Fundamentals of a cross-border transaction



BRAND

- Brand awareness
- Ethnic marketing & merchandising
- Right value proposition (4Ps)
- Customer experience

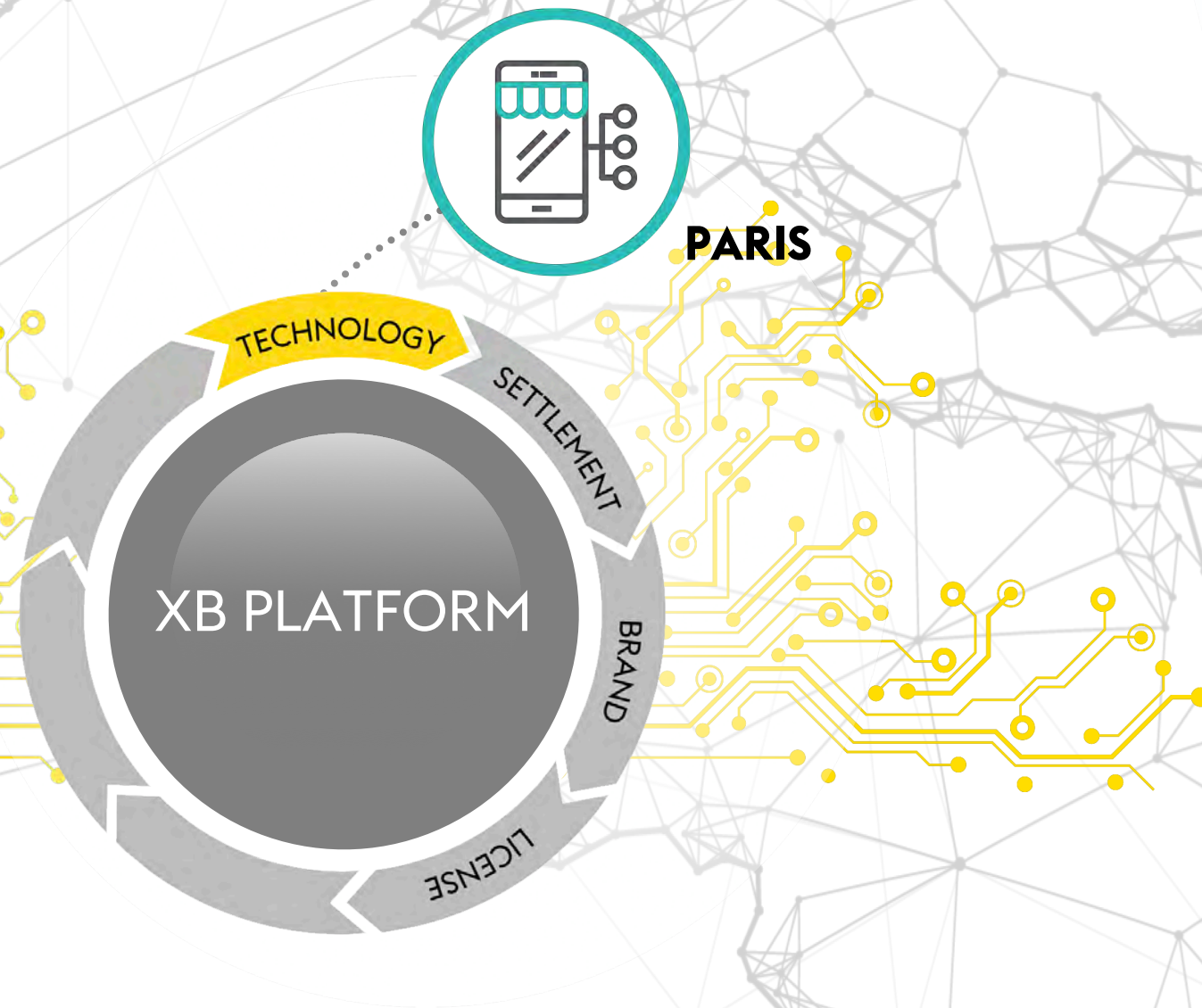
Fundamentals of a cross-border transaction



SETTLEMENT

- Local and international settlement capabilities
- Funds collection in local currencies
- 130 pay out currencies
- Efficient collections and disbursement processes
- Net balance settlement
- Local currency control process

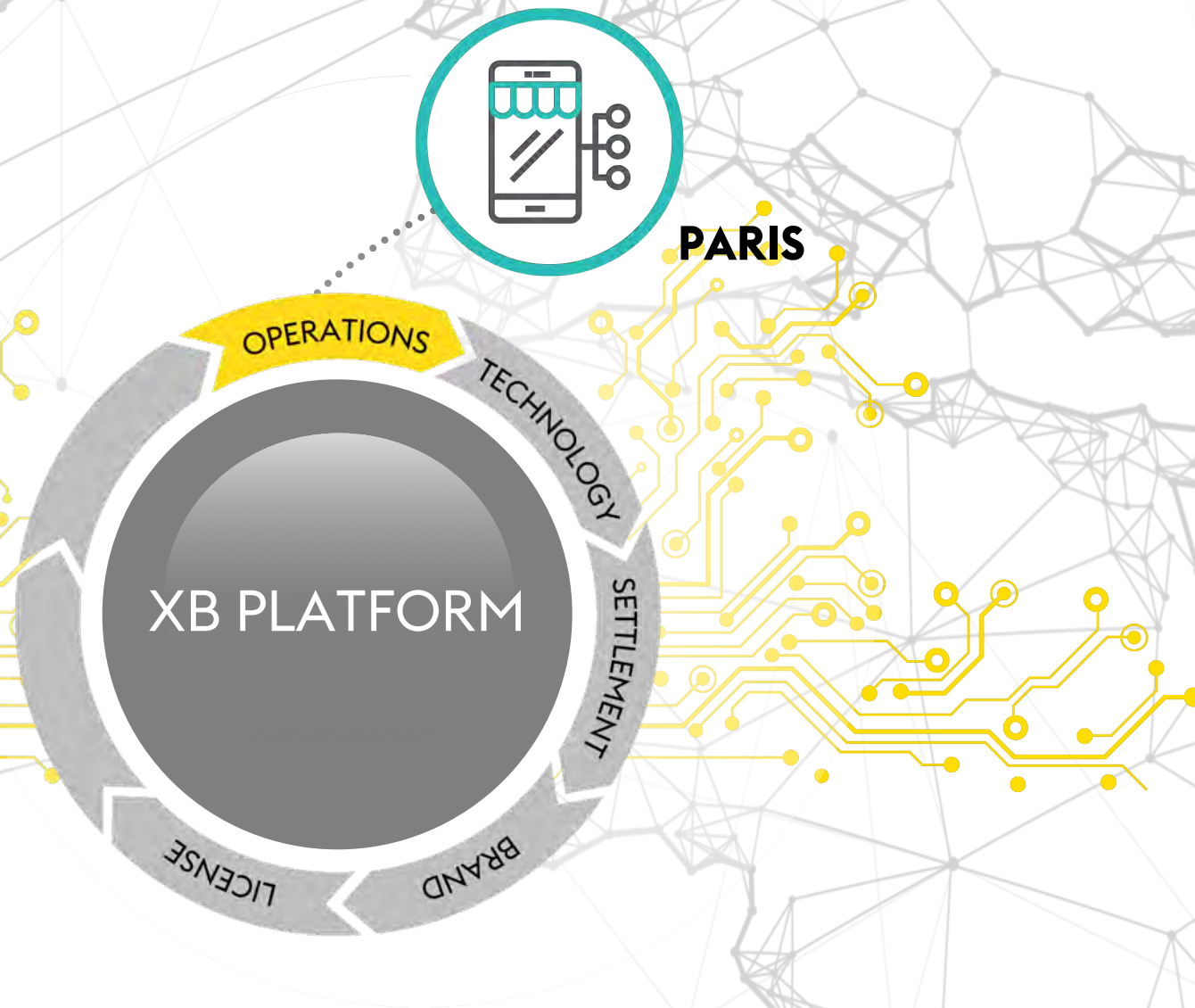
Fundamentals of a cross-border transaction



TECHNOLOGY

- POS system
- APIs, Host to Host connections
- Enterprise data management
- IT security
- 24/7 system availability

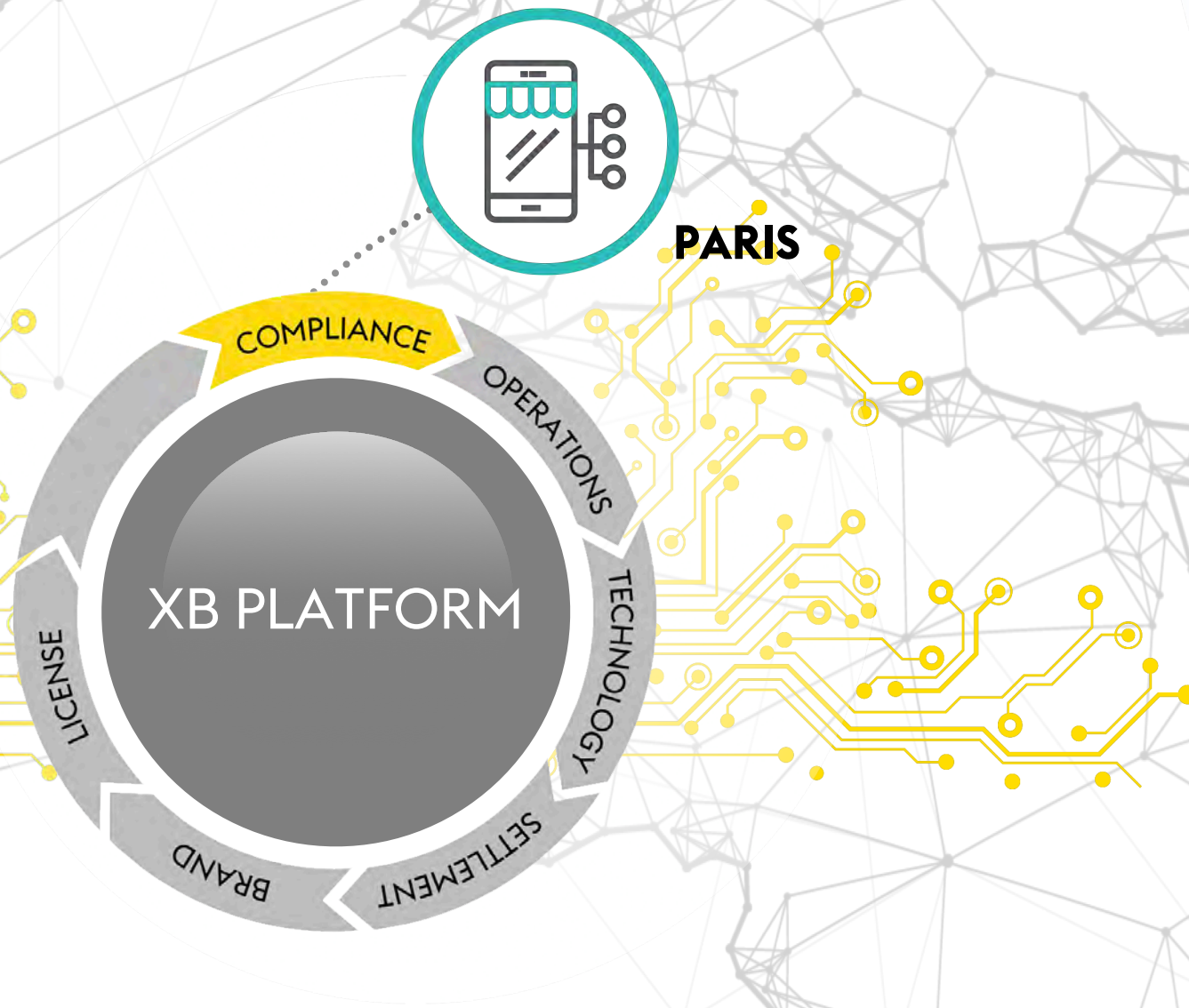
Fundamentals of a cross-border transaction



OPERATIONS

- Customer data and content management
- Multi-language front end
- Customer and Agent call centers\chats

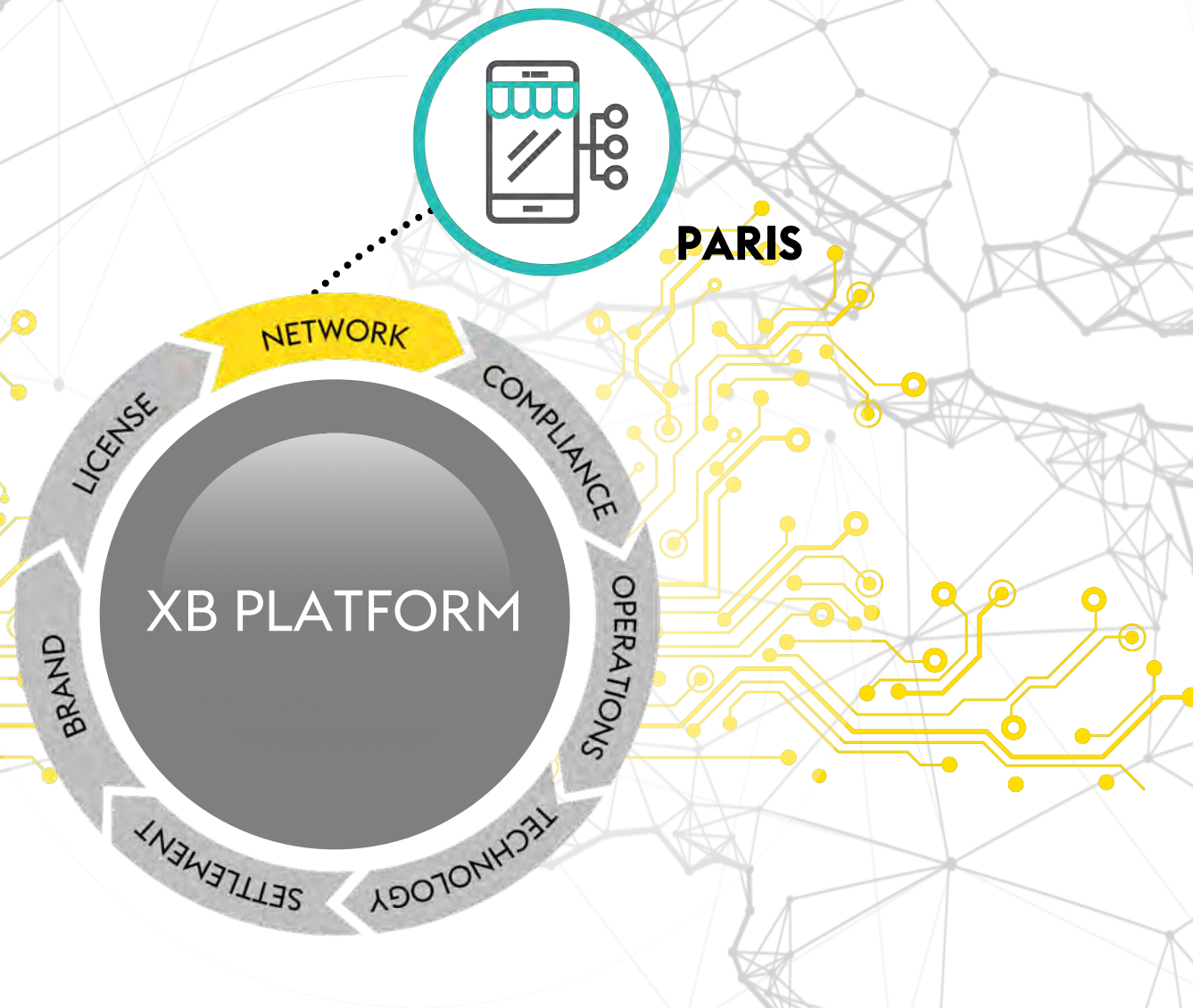
Fundamentals of a cross-border transaction



COMPLIANCE

- Comprehensive compliance programs
 - KYC & KYA controls
 - Anti-money laundering
 - Anti-fraud
 - Anti-terrorist financing
- Real-time risk assessment
- Regulatory relationships

Fundamentals of a cross-border transaction

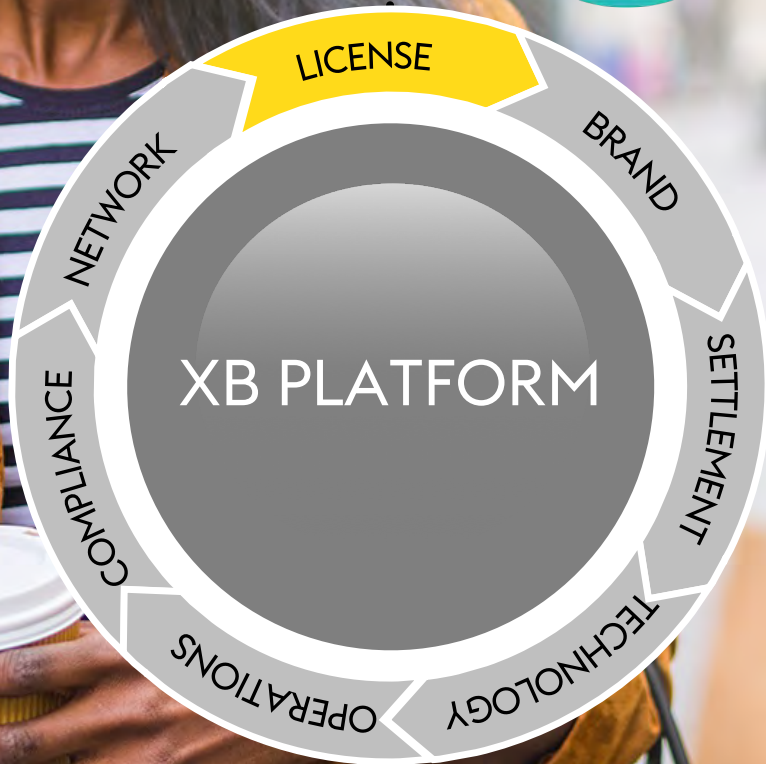


NETWORK

- Multiple funding sources – cash/credit/debit/bank accounts/wallets
- Global Agent relationships
- Digital platform: Wu.com/Apps
- Real-time account and cash payout capabilities



PARIS



NAIROBI



LICENSE

- Regulatory approvals (e.g. Central Bank of Kenya)
- Agent contracts
- Regulatory compliance

SETTLEMENT

- Local and international settlement
- Funds collection and local currency
- >130 payment options
- Efficient cash disbursement
- Net balance settlement
- Local currency conversion

TECHNOLOGY

- POS System
- APIs, Host to Host Connectivity
- Enterprise Data Management
- IT Infrastructure
- 24/7 Support

OPERATIONS

- Customer Data Management
- Multi-language front-end
- Customer and Agent call centers/chats

COMPLIANCE

- Comprehensive Compliance Programs

NETWORK

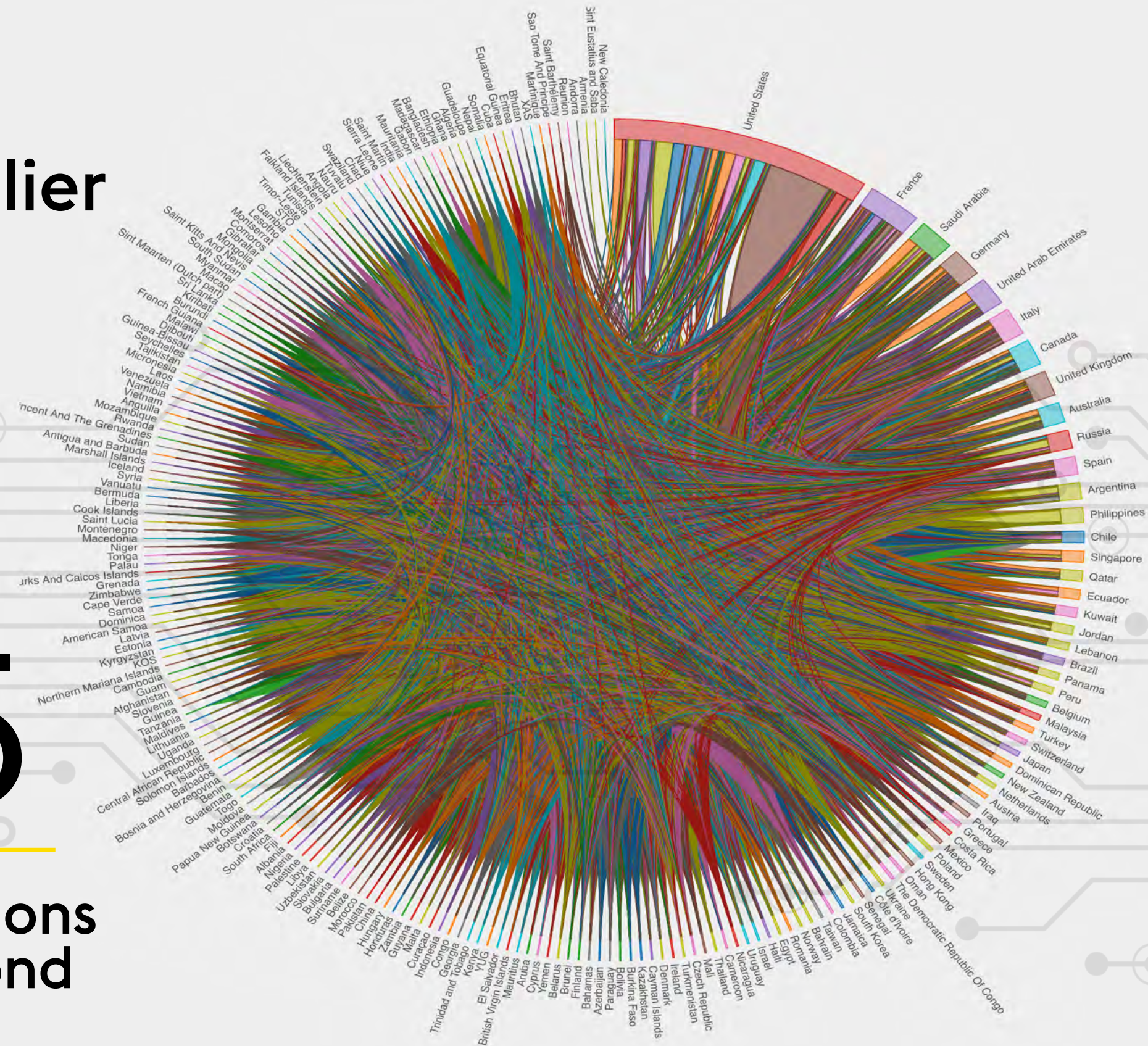
- Multiple funding sources – cash/credit/debit/bank accounts/wallets
- Global agent relationships
- Digital platform: Wu.com/App
- Real time account and cash payout capabilities

The multiplier effect

25

Transactions per second

25 transactions per second in 2018



20K

Country pairs

200 x 200

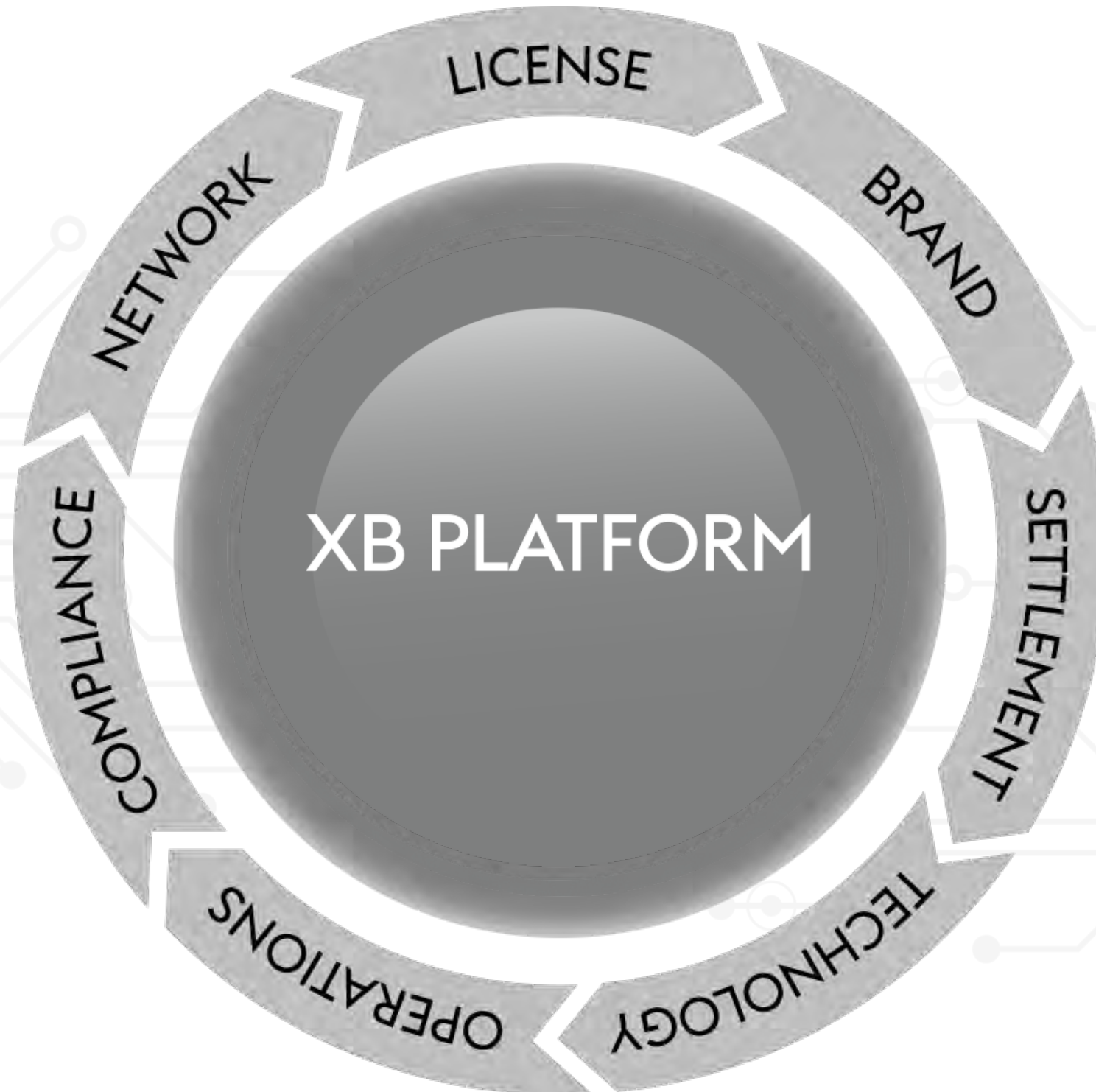
Countries

Our vision

**To be the leader in cross-border, cross-currency money
movement and payments**



Making our global XB Platform more agile



WU Way Initiatives

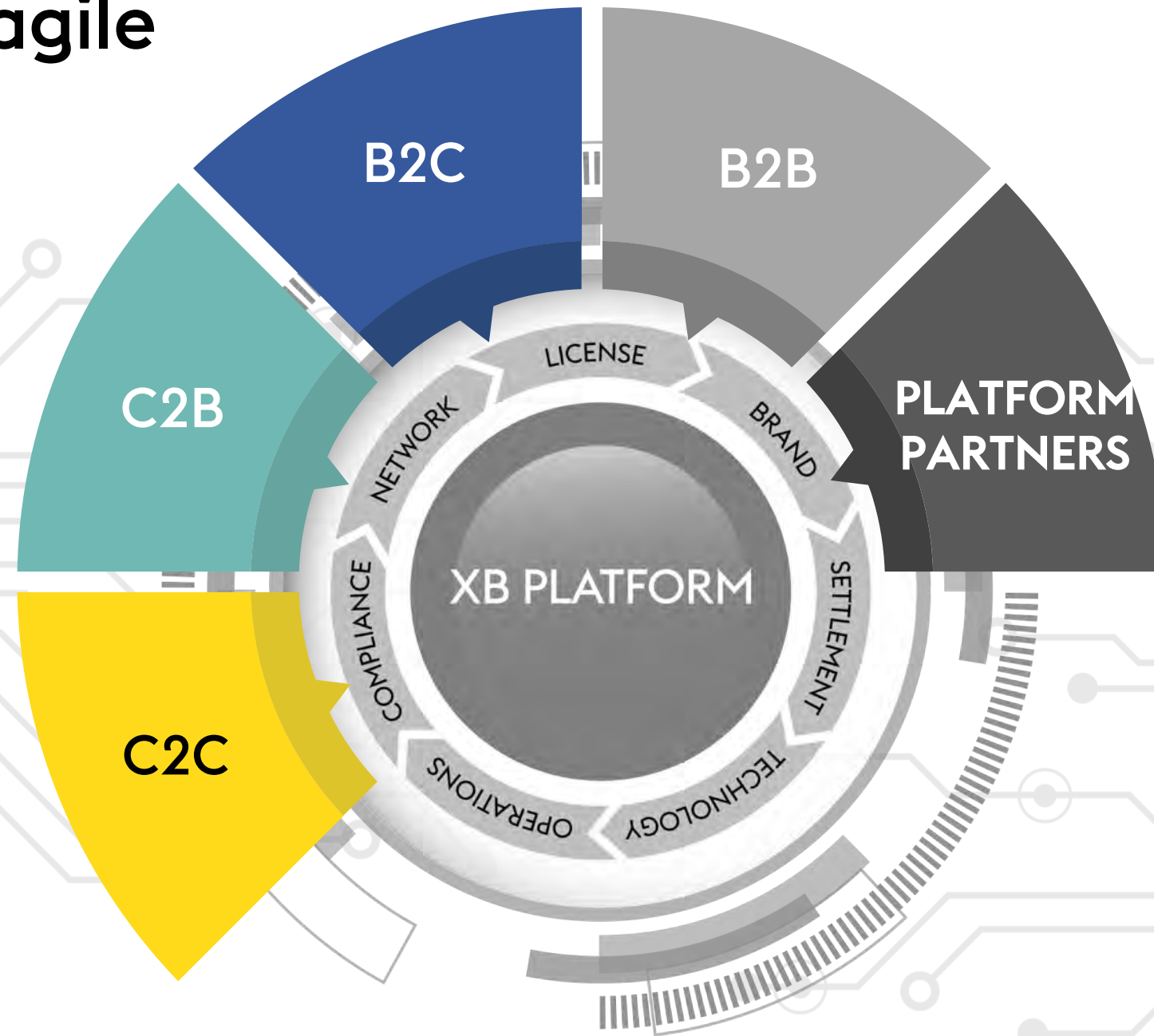
(more agile and lean)

Divested
Speedpay
and Paymap

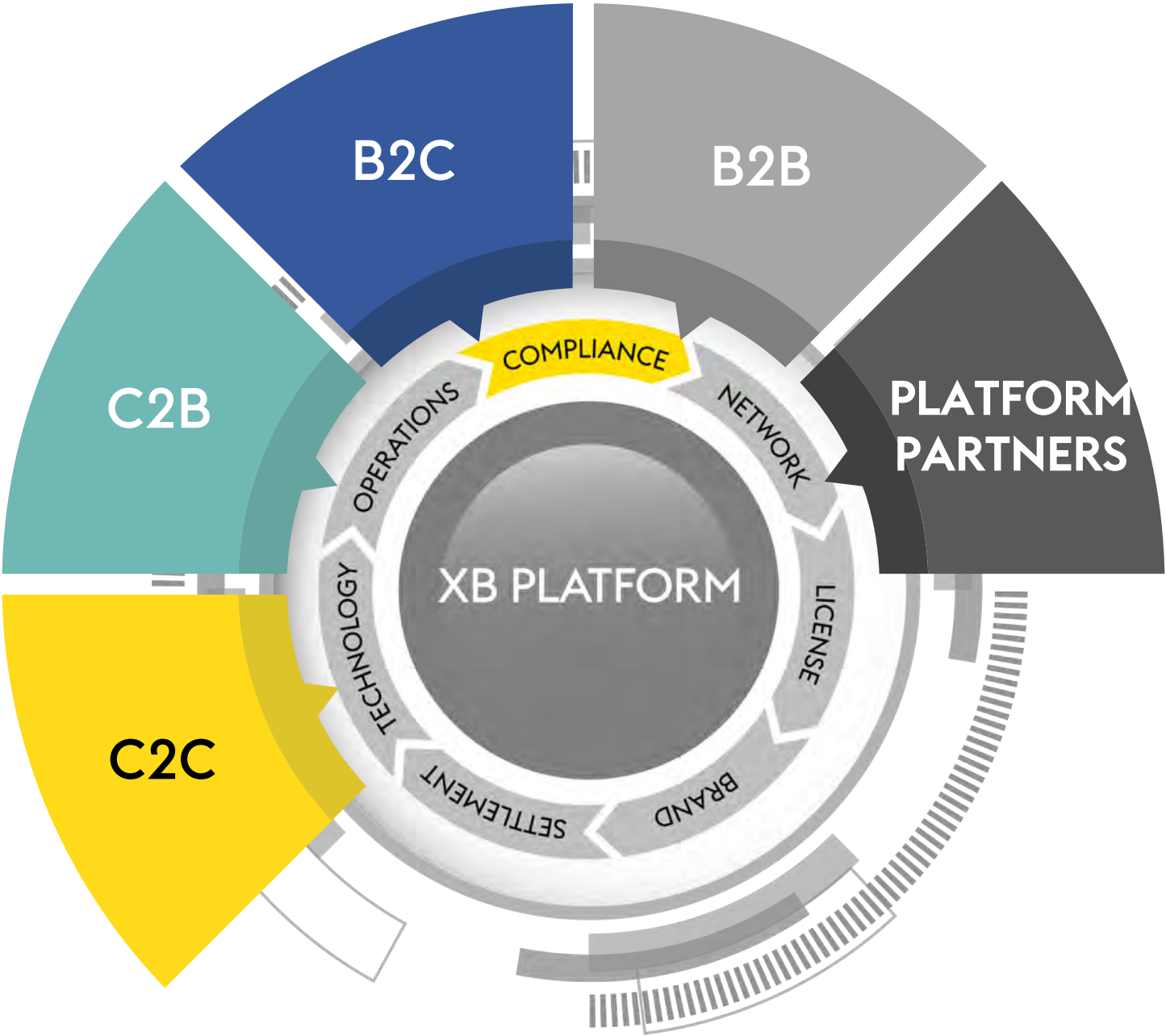
Restructuring

Additional
Savings

Serving multiple use cases with agile cross-border platform

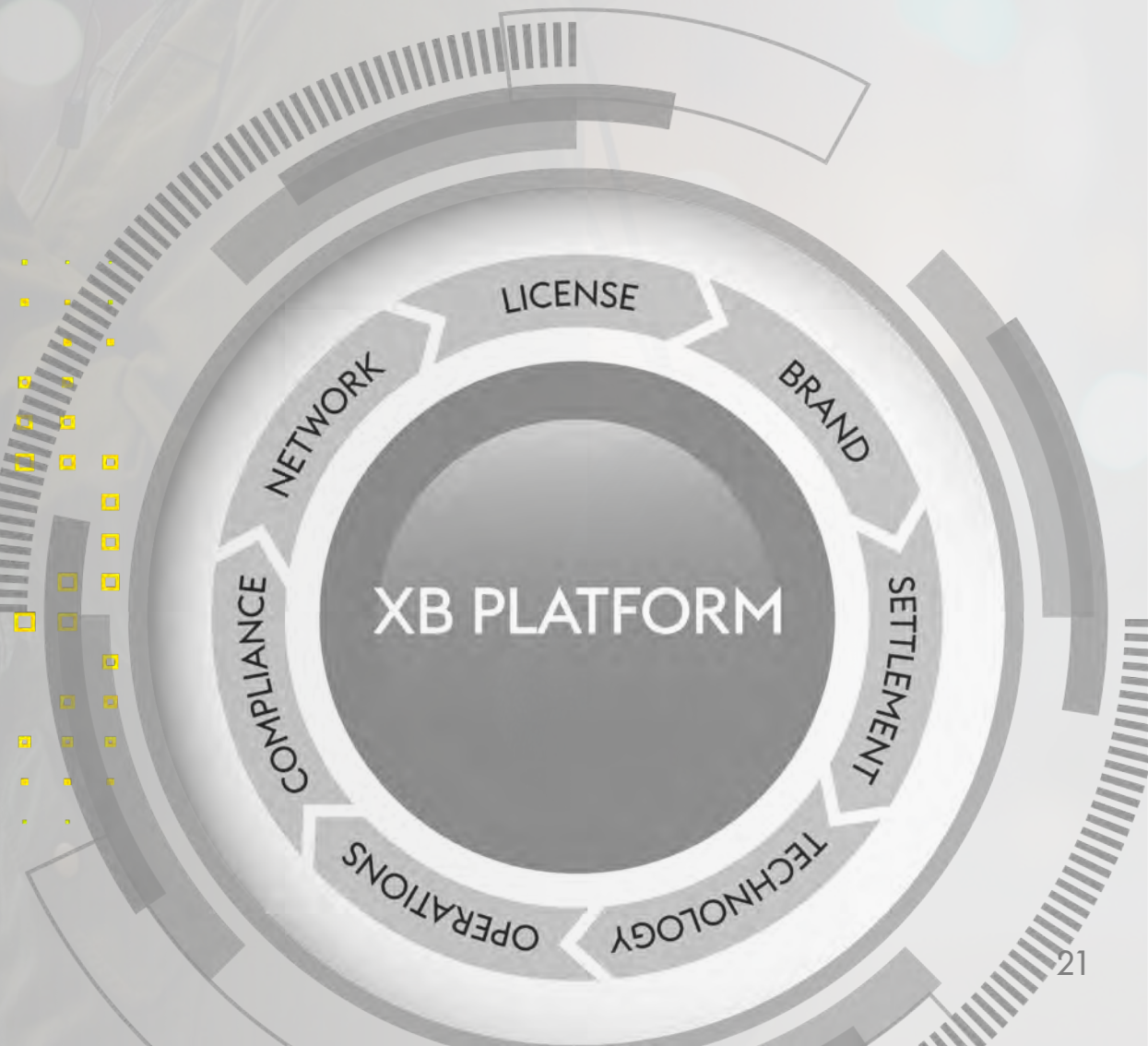


Compliance



➤ Jacqueline Molnar

COMPLIANCE



Industry regulatory scrutiny on the rise



7 years on from crisis,
\$150 billion in bank
fines and penalties

**Bloomberg
Law®**

FinCEN Launches New
Unit to Pursue Foreign
Money Laundering



DOJ targets banks,
others in new money
laundering offensive

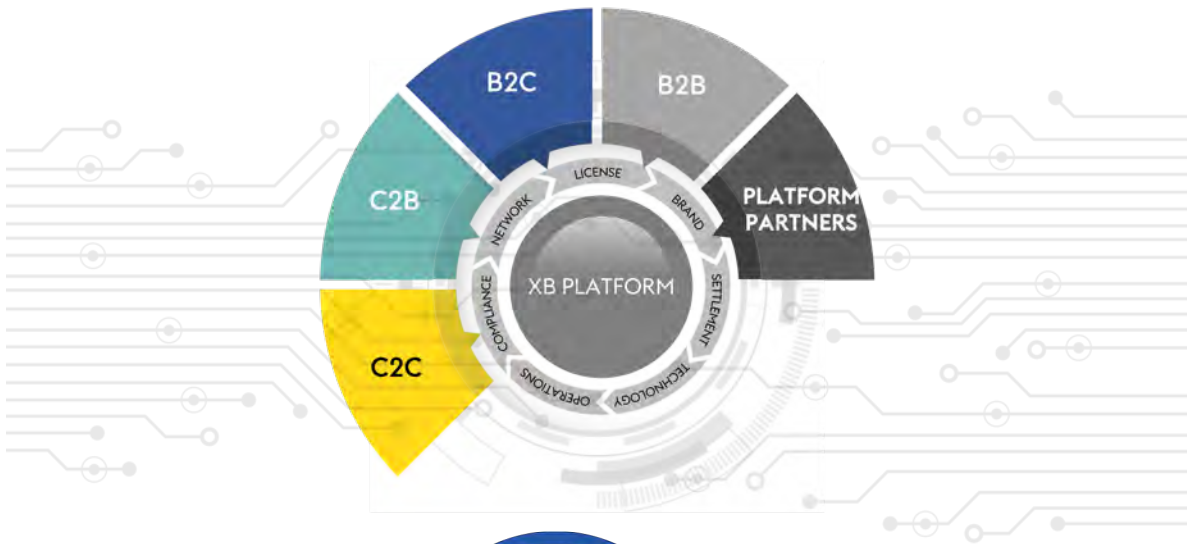
The New York Times

When Trying to Follow
Rules Isn't Enough

The Daily Star

Money Laundering
Cases on the Rise

From a challenge to an asset: top down commitment to build and sustain our Culture of Compliance and serve multiple partners



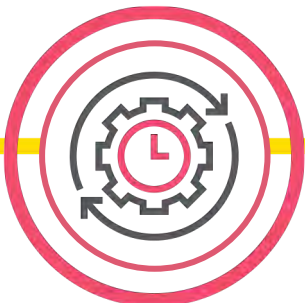
~\$1BN

Invested in last 5 years



200+

Ability to operate in
over 200 countries and
territories



~20K

Country Pairings



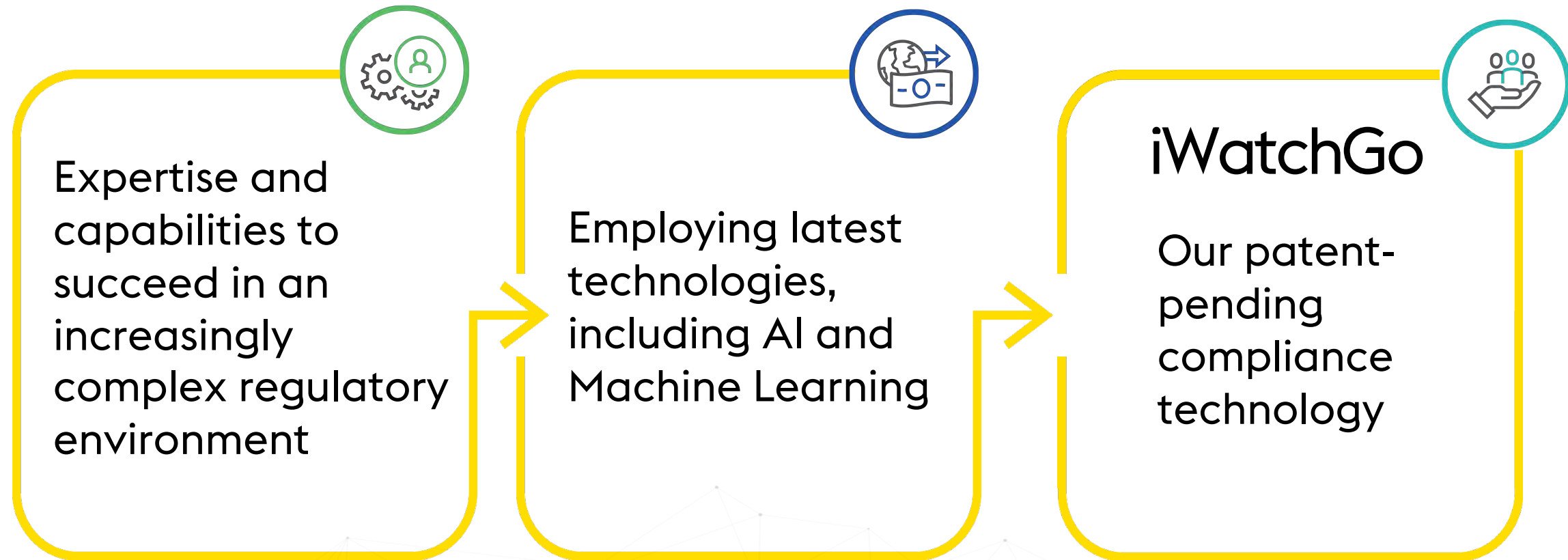
650+

Compliance exams, audits
and 3rd party reviews
globally in last 5 years

Proprietary, adaptable
technology systems and review
processes
in real-time

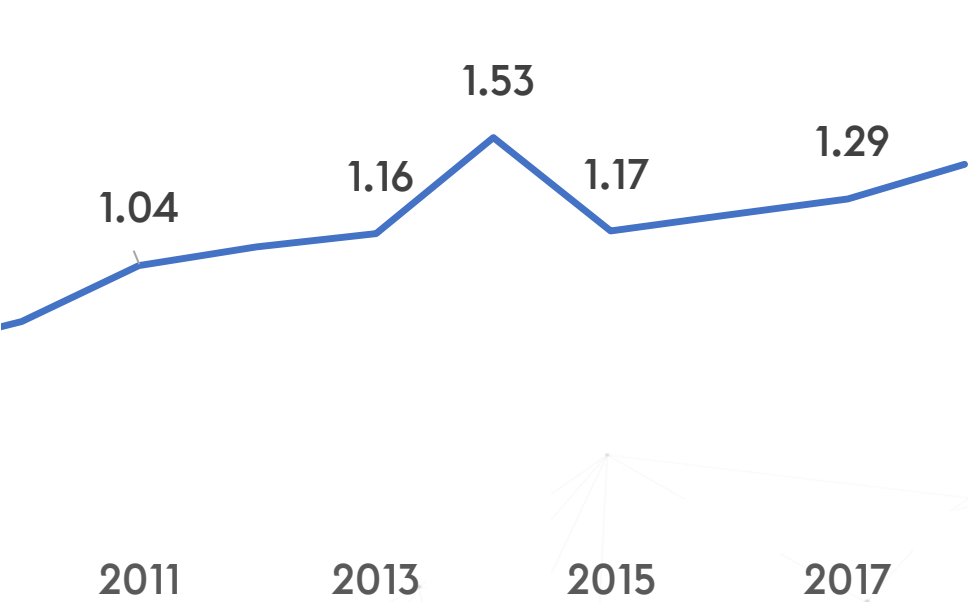
Unique talent pool with
regulatory, law enforcement,
major banking & FinTech
expertise

Adaptable, effective and efficient compliance infrastructure: Protecting our Agents

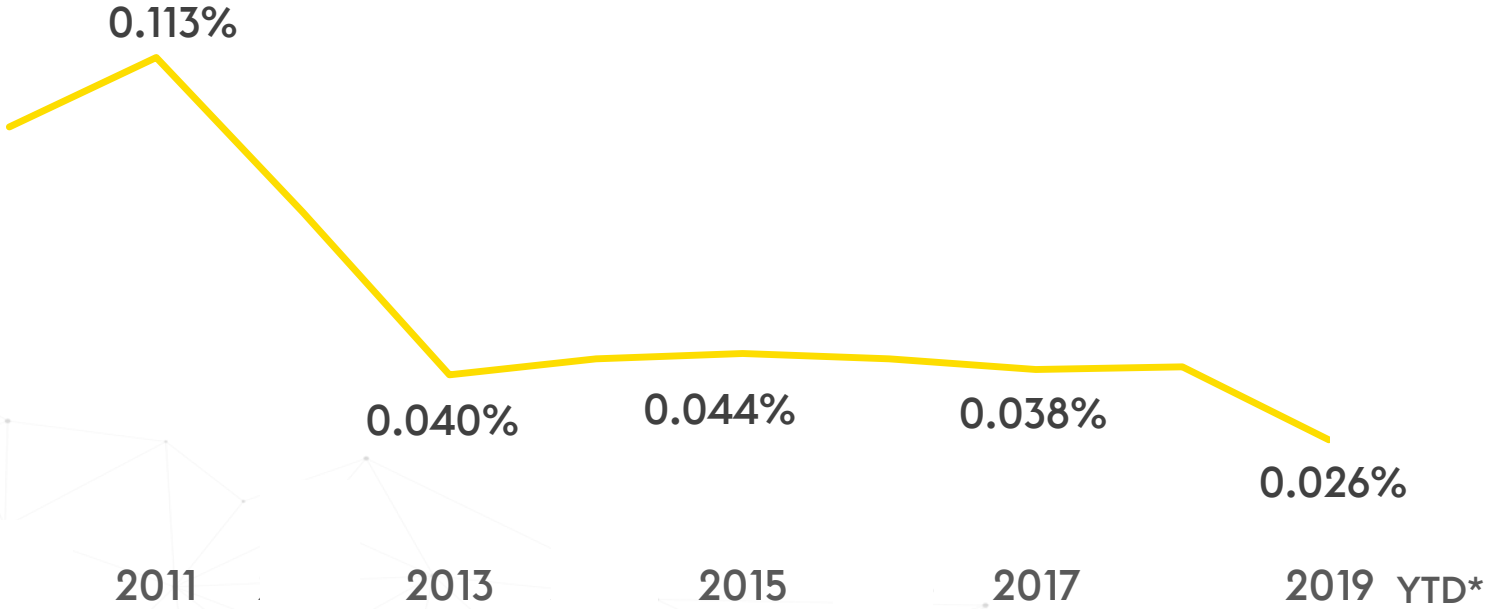


Combating fraud to protect WU, our customers, partners and investors

Overall Industry
Number of Fraud Reports – U.S.¹
(in Millions)



Western Union Platform
% of Principal Reported as Fraud



Source: Consumer Sentinel Network - Data Book 2018

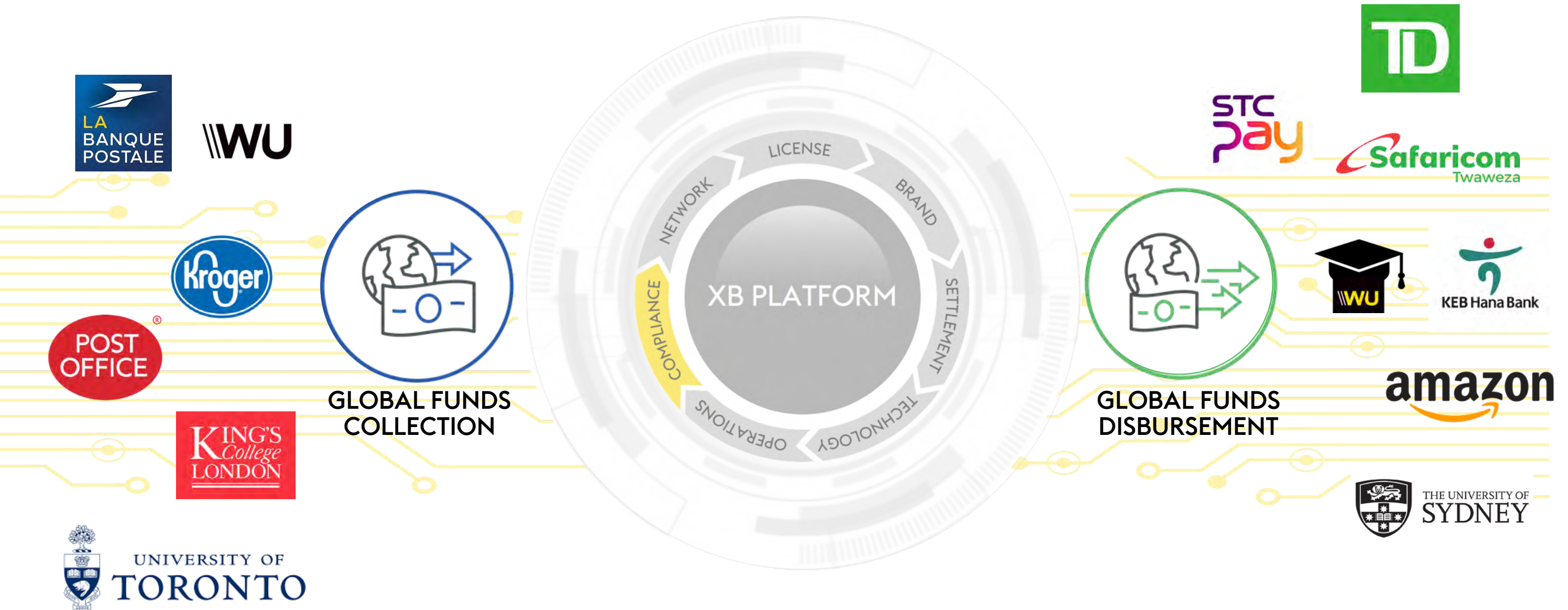
*Through Q2 2019

1. Fraud induced money transfers such as tax, lottery or romance “scams”

Global recognition – 390+ accolades since 2012



Already partnering with many brands and poised to scale up



Why shareholders will win

2 Compliance is an asset of our XB Platform

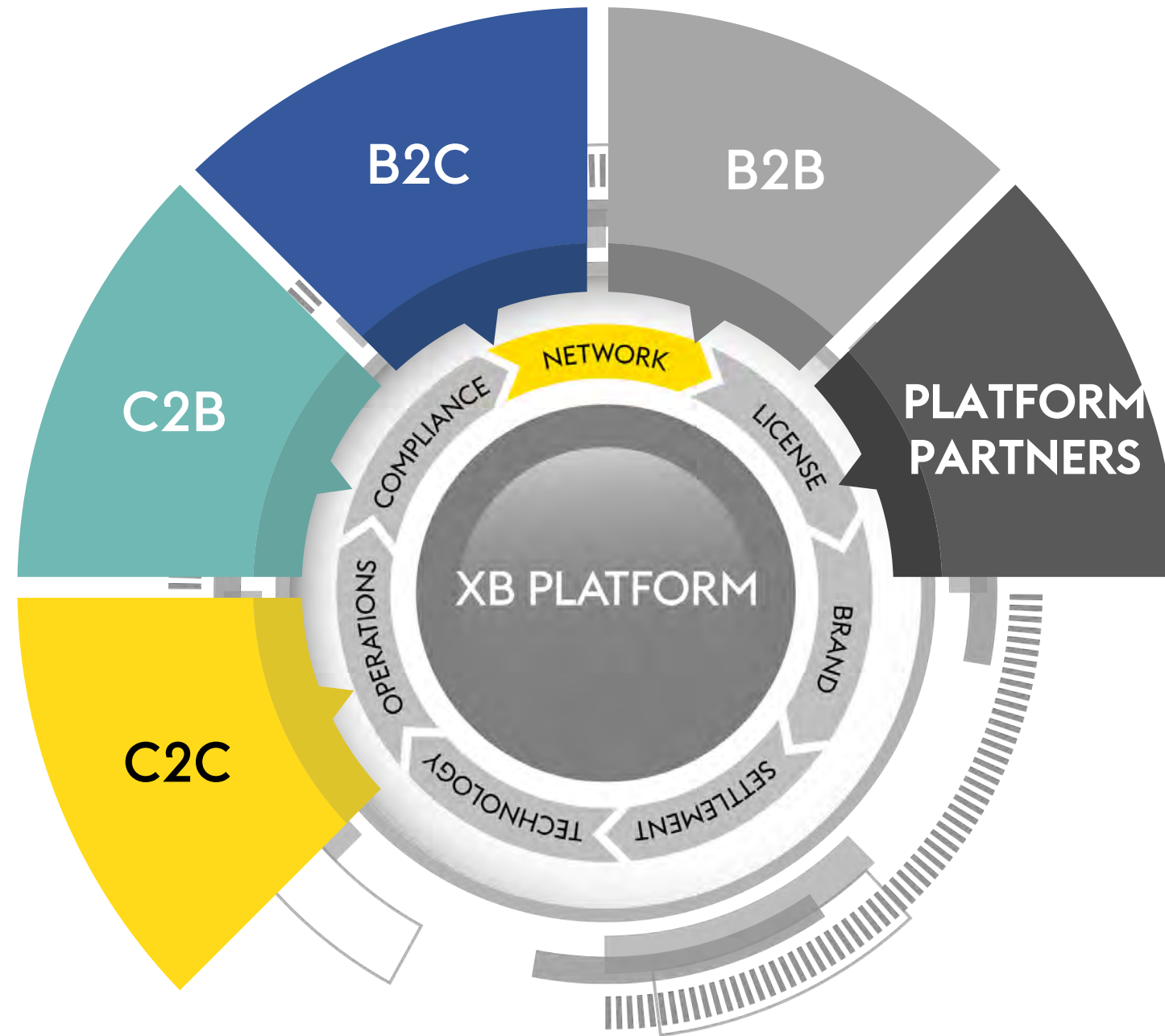
- Distinct competitive advantage

1 Compliance protects customers, agents, partners and investors

- To protect and meet complex regulatory requirements



Network



➤ Jean Claude Farah

NETWORK

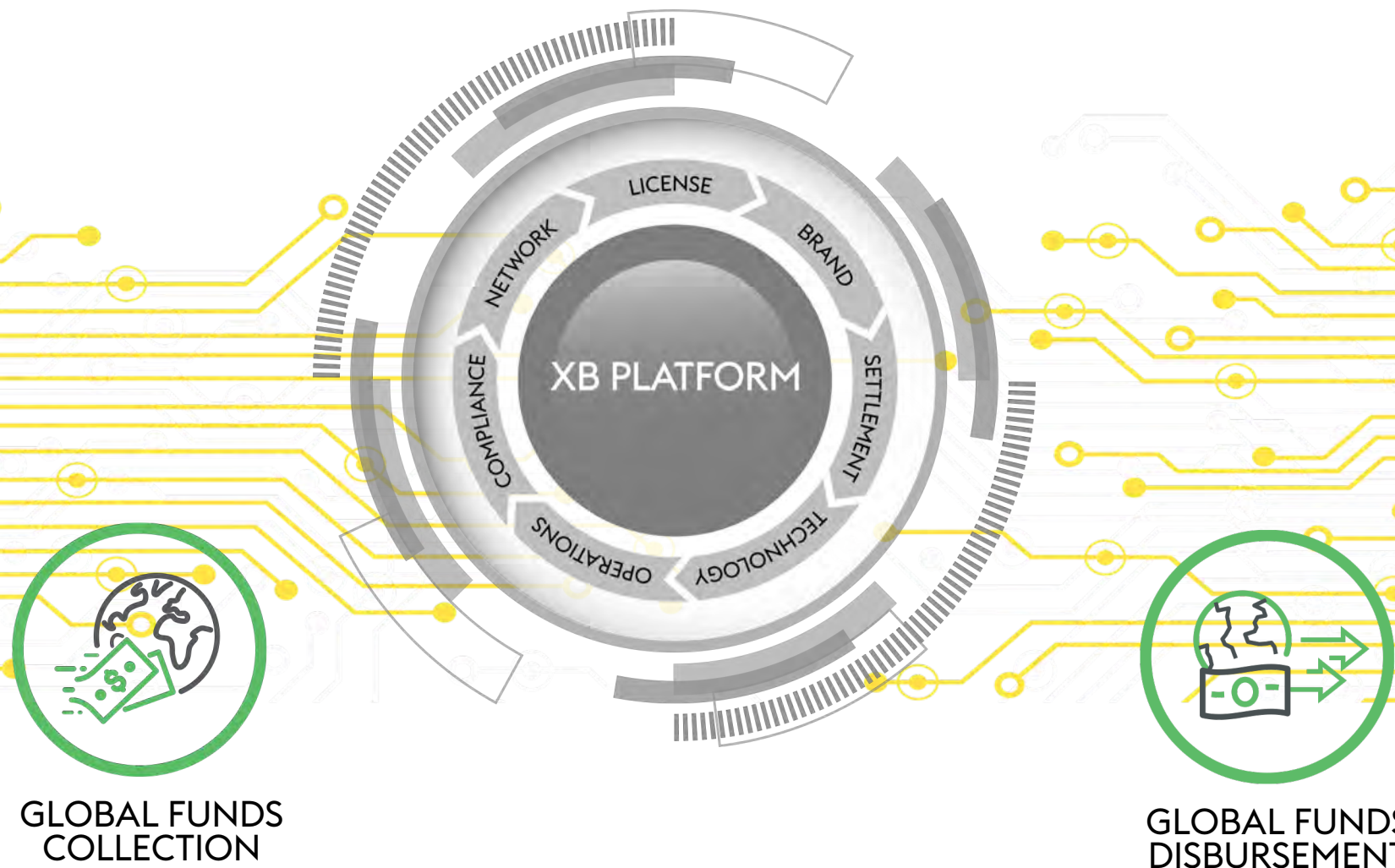
Where money moves,
cross-border, real-time



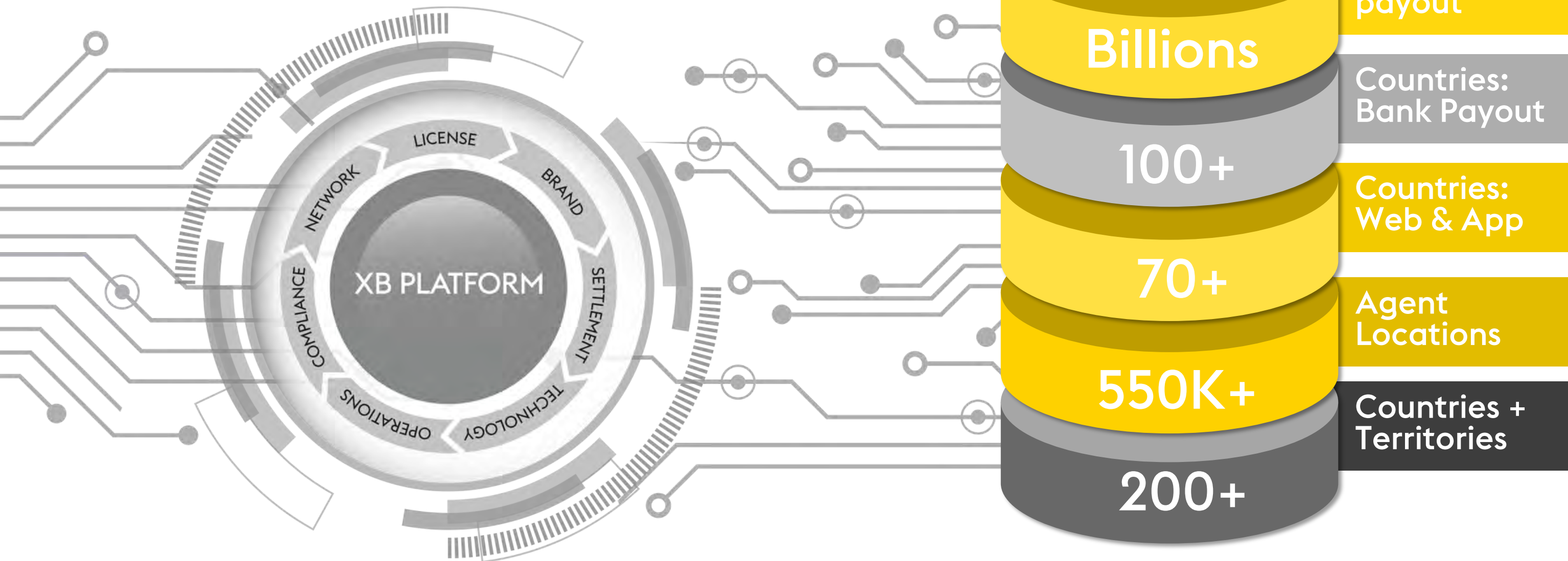
Expand into the world's ultimate agnostic network for payments and cross-border money movement

The mission is to expand our global network with a multitude of payout methods

- With the right blend of Cost, Coverage and Quality (CCQ)



World's largest digital and physical money movement network



Globally diversified physical network

Major bank/FIs
lead Agent base

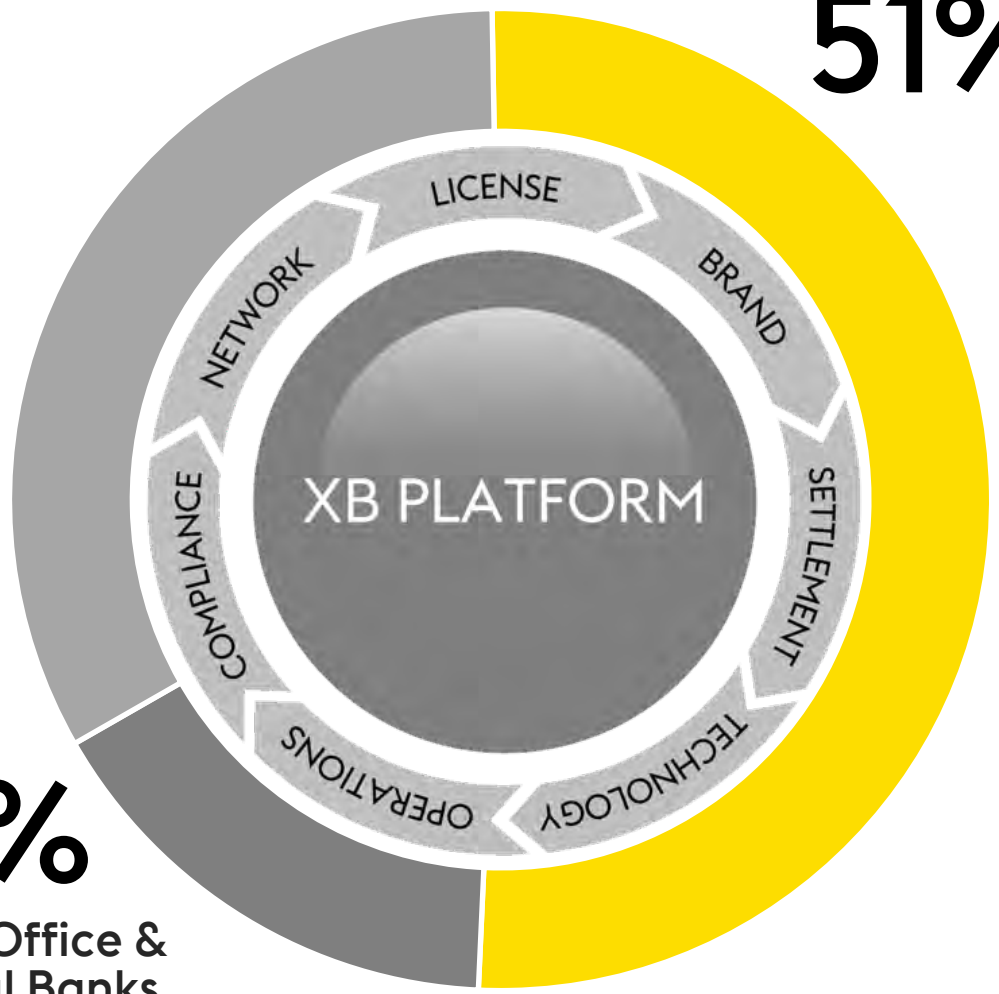
Majority of world population
within 5km of a location



33%
Supermarket,
Convenience,
Travel, Major
Retailers,
Mom&Pops &
Other



16%
Post Office &
Postal Banks



51% Banks, Financial
Services/ Institutions



Global digital cross-border payout network

WesternUnion\WU

Expanding accounts
and wallets coverage

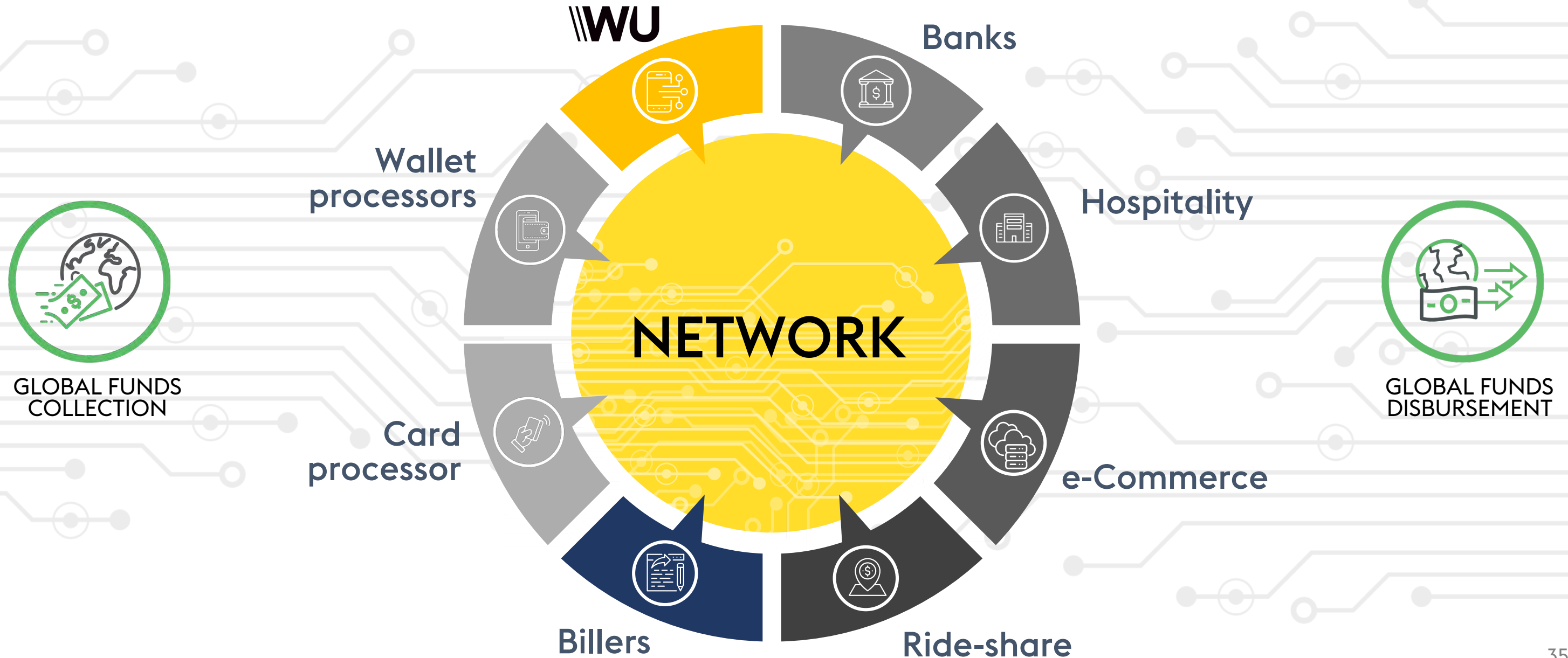
Global real-time, cross-border
payment capabilities



2019: 100 countries with
accounts and wallets
2022: 160 countries

2019: 17 countries with
real-time transfers
2022: 120 countries

Opening-up our network and XB Platform to third-parties



Cost, Coverage and Quality: Strategy in action

- Channel usage mix
- White space mapping
- Alternative pay-out methods



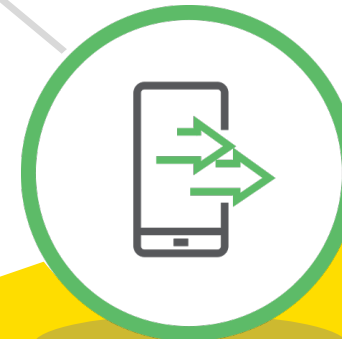
- Agent experience
 - 3rd party end-user experience
 - Real-time account payout
 - Start on app and pay in person
- Commission optimization
 - Cost efficient pay-out methods
 - Agent & receiver driven models

Why shareholders will win

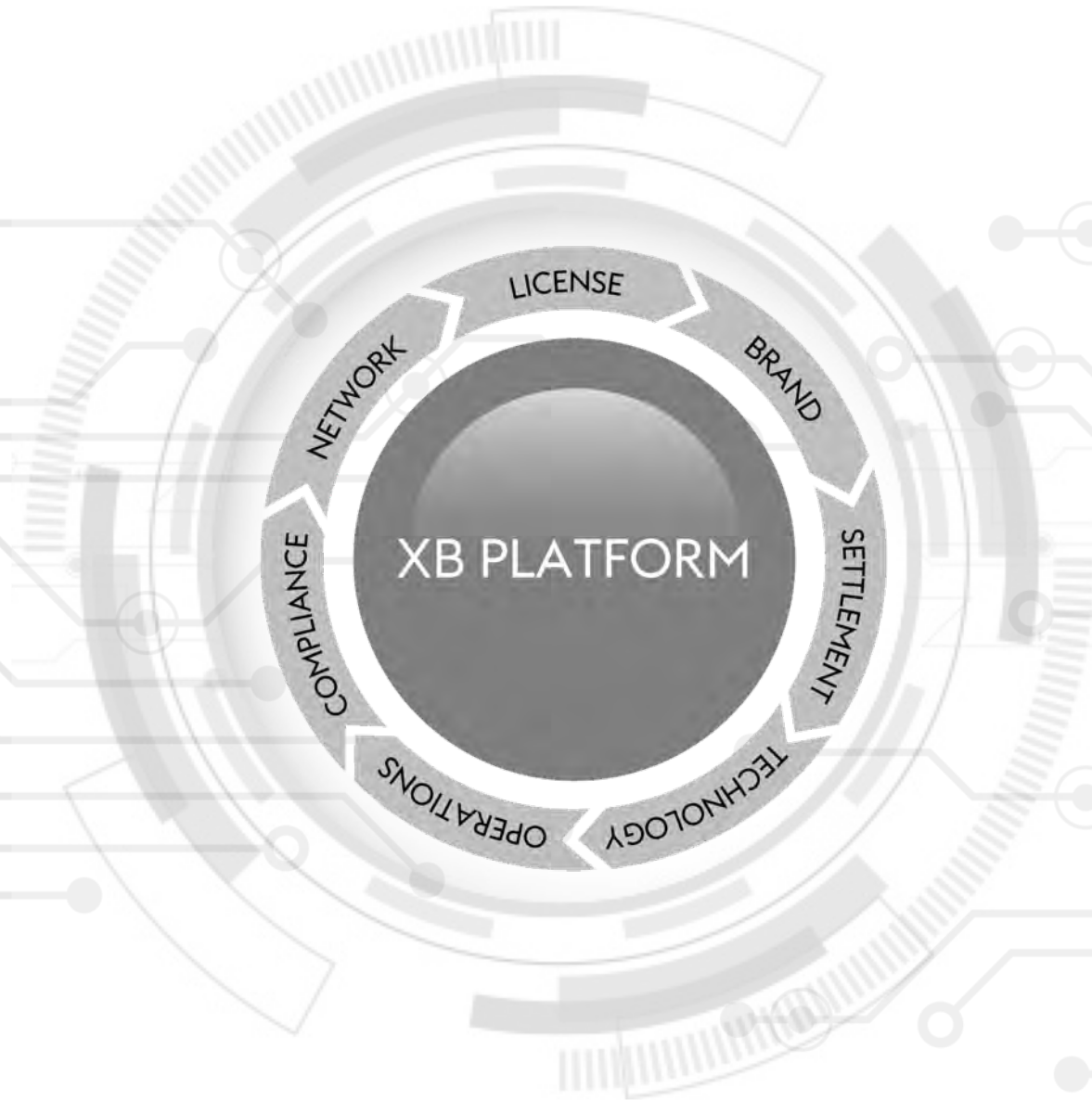
1 Expand the world's ultimate agnostic network for payments and cross-border money movement

2 Harness the power of our unique digital and physical combination

3 Open the network and real-time capabilities for third parties

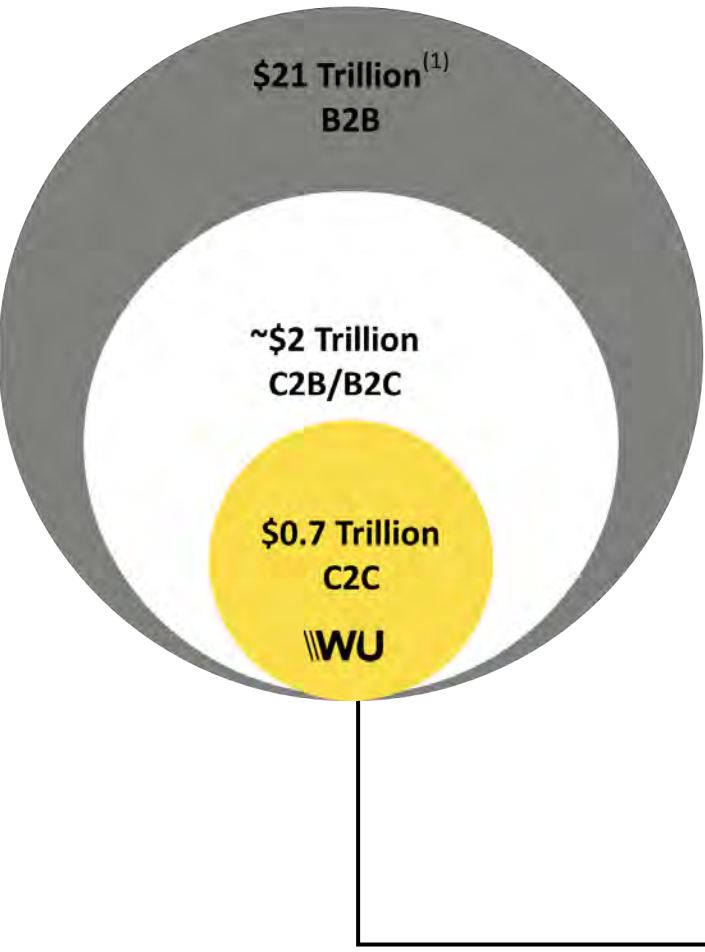


Our global cross-border platform

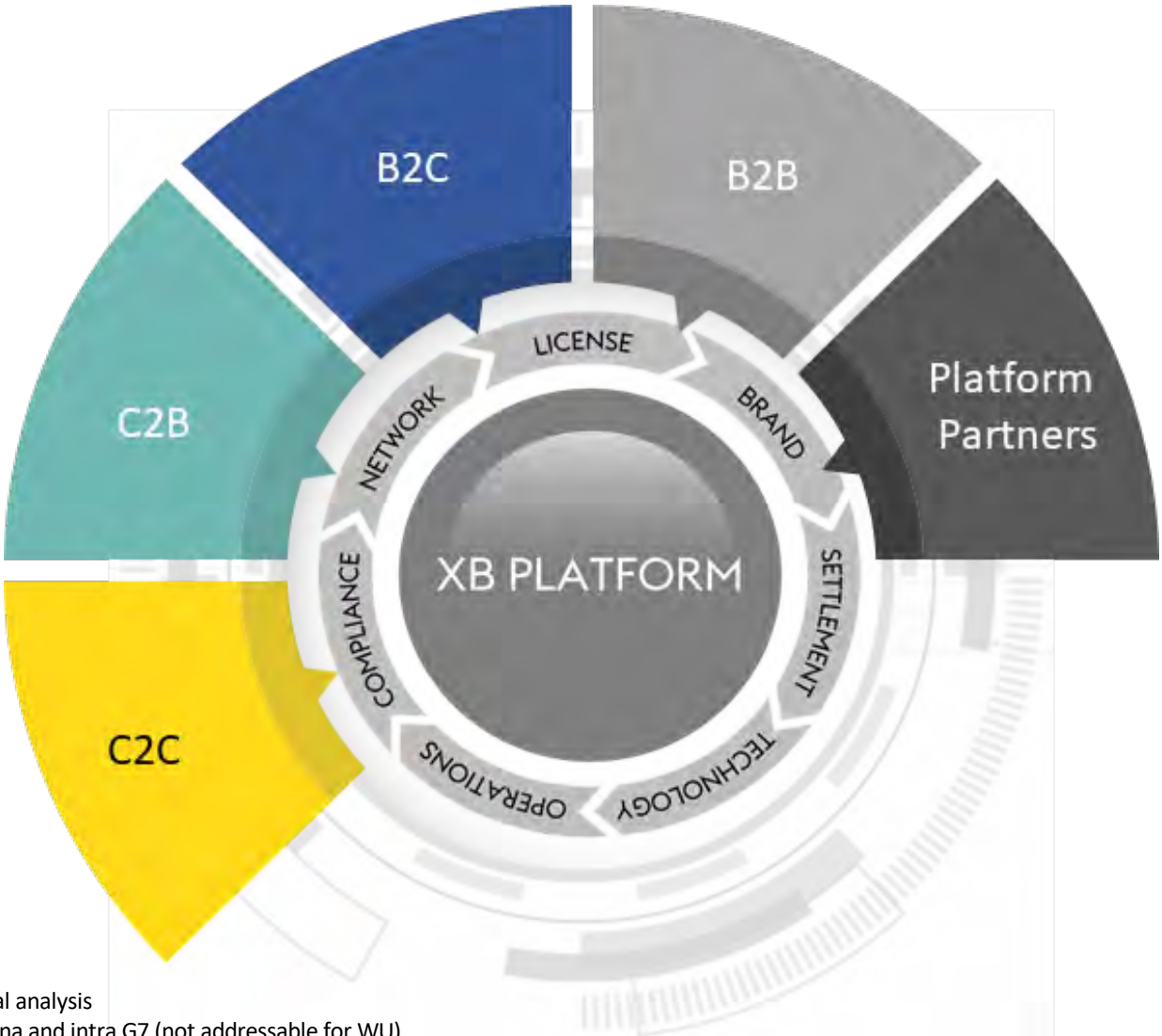


The cross-border opportunity

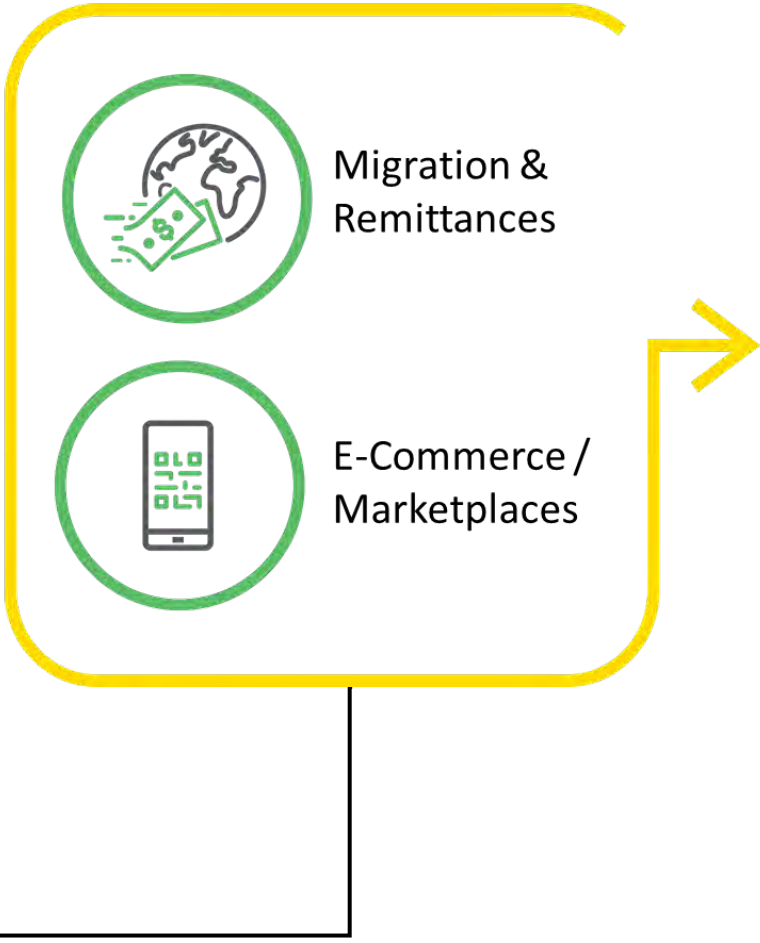
2020 Estimated Principal Market Size



Serving Multiple Use Cases

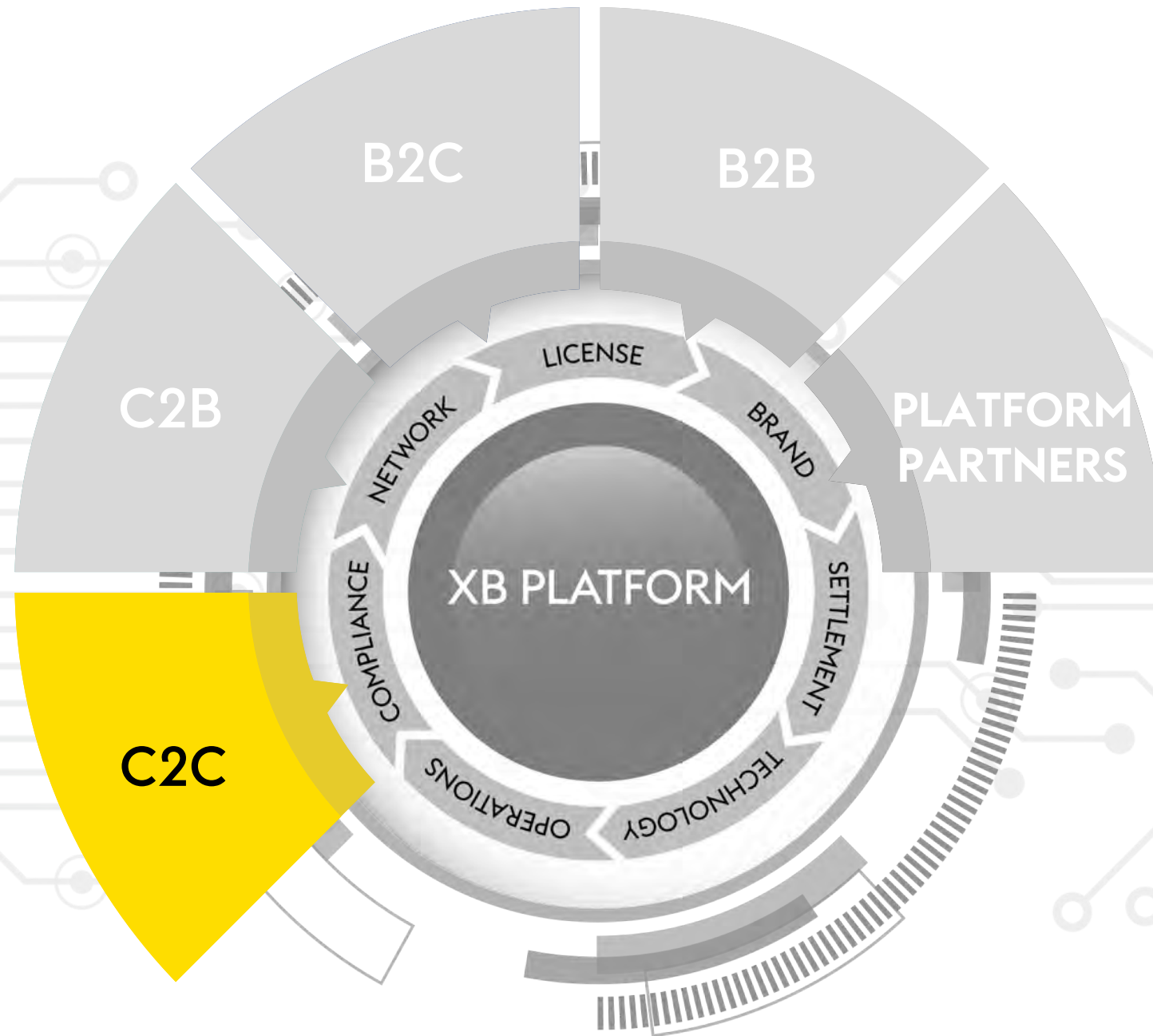


Trends



DATA SOURCES: World Bank, McKinsey Payments Map, Oxford Economics and internal analysis
1 B2B excludes ~\$6T from total Cross Border B2B of \$27T due to intra Euro, US to China and intra G7 (not addressable for WU)
NOTE: Illustrative, not drawn to scale; data used to compute market share may not include all services that compete with WU, such as mail or courier services, post offices, banks, prepaid cards, travel cards, ATM transfers, and other services

C2C



Operating from a position of strength

- WU's Strategy: Customer Centricity

➤ Khalid Fellahi

CONSUMER MONEY TRANSFER

The power of customer engagement

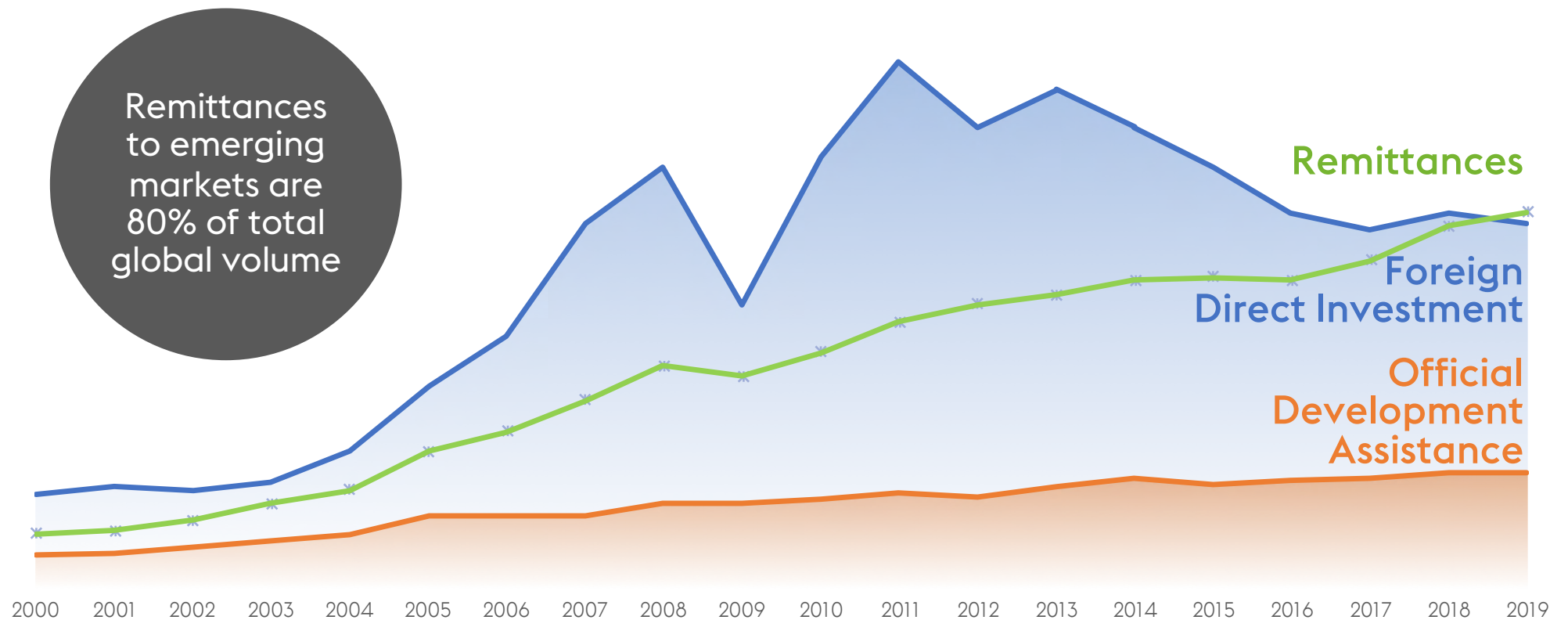


272M
international
migrants¹

75%
working age

Strong, resilient, and steadily growing market

Remittances
to emerging
markets are
80% of total
global volume



Cross-Border Remittance Principal vs. FDI and ODA to Emerging Markets (2000-2019F)

Sources: World Bank staff estimates, World Development Indicators, and Internal Monetary Fund (IMF) Balance of Payments Statistics.

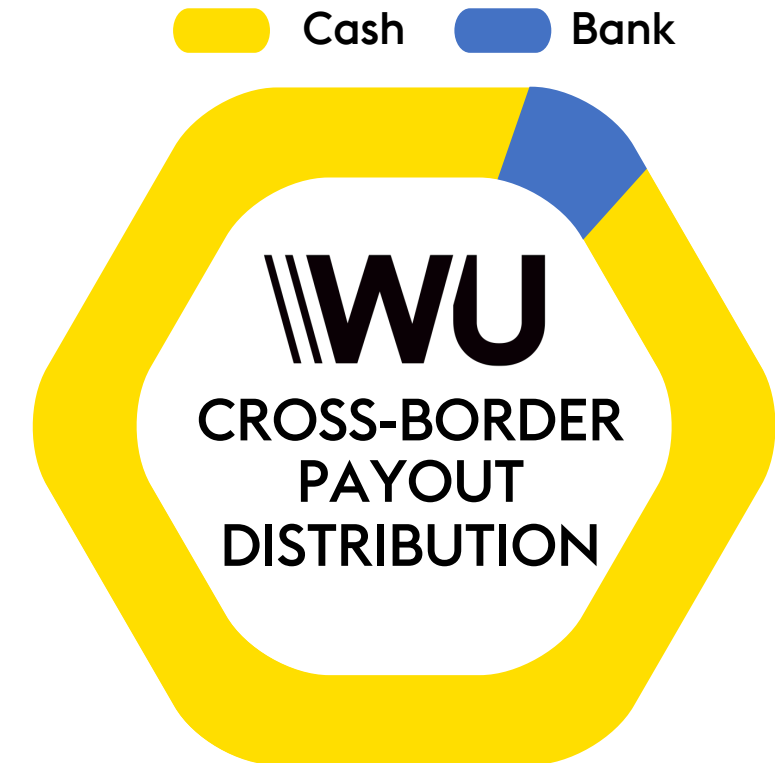
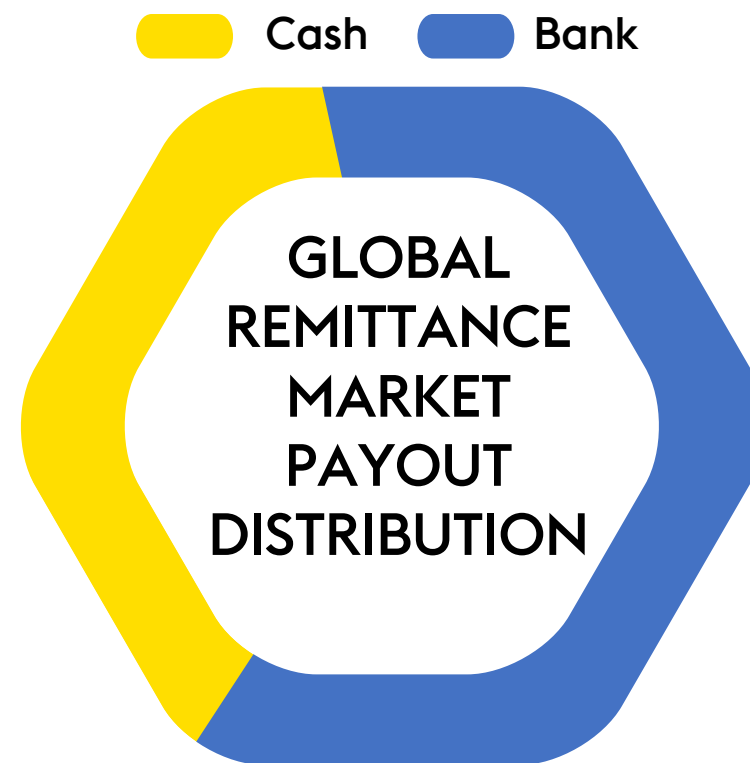
Notes: FDI = foreign direct investment; ODA = official development assistance. See appendix A in World Bank (2017) for data and forecast methods.

E = ESTIMATES; F = FORECASTS.

1. Data from the [UN's Department of Economic and Social Affairs \(DESA\)](#)

**Growth opportunities:
already strong in cash payout, very
fast growth in account payout**

~12%
**WU principal
market***
share today



Market & WU Cross-Border Principal by Payout Type
(Market Best Estimates, WU 2019 LTM to June 30, 2019)

*Market share = publicly disclosed cross-border principal for 2018 = 79.9 vs. WB remittance market = 689

Data used to compute market share may not include all services that compete with WU, such as mail or courier services, post offices, banks, prepaid cards, travel cards, ATM transfers, and other services."

A strong and loyal customer base

150M
consumer
base

*~65M Senders &
85M Receivers
in 200 countries
and territories*



>80%
of revenue
generated by
repeat customers



~80%
new wu.com
customers are
new to the
company*



~70%
new account payout
customers are new
to the company*

Leading industry brand extending to digital



90%+
global brand
awareness



60%
brand share in
Google search
volume



WU

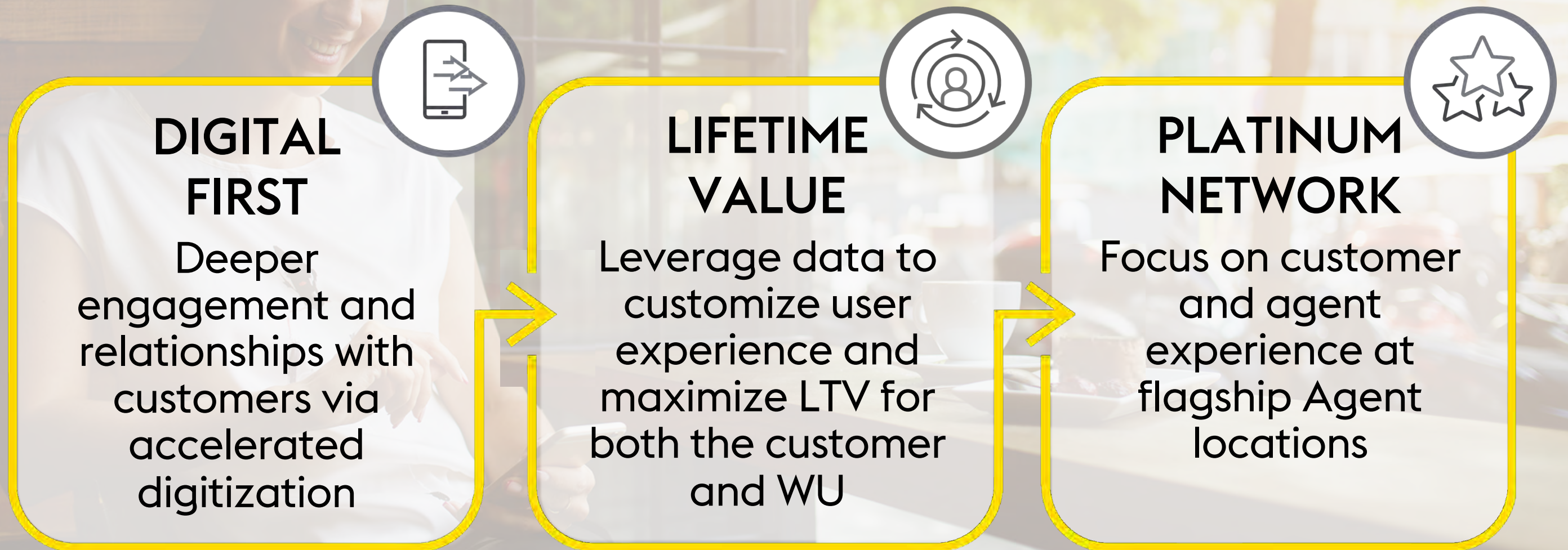

MoneyGram

xoom
A PayPal Service

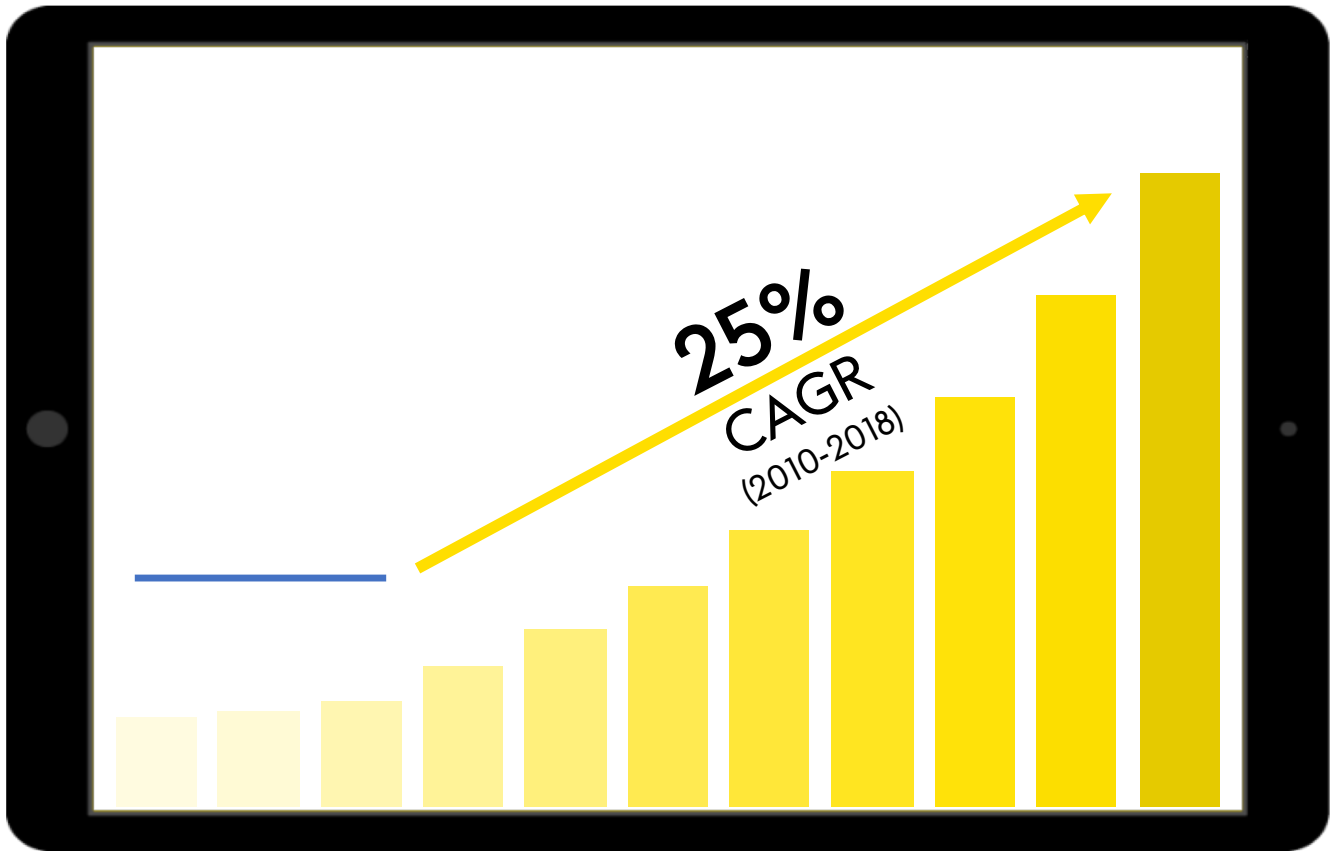
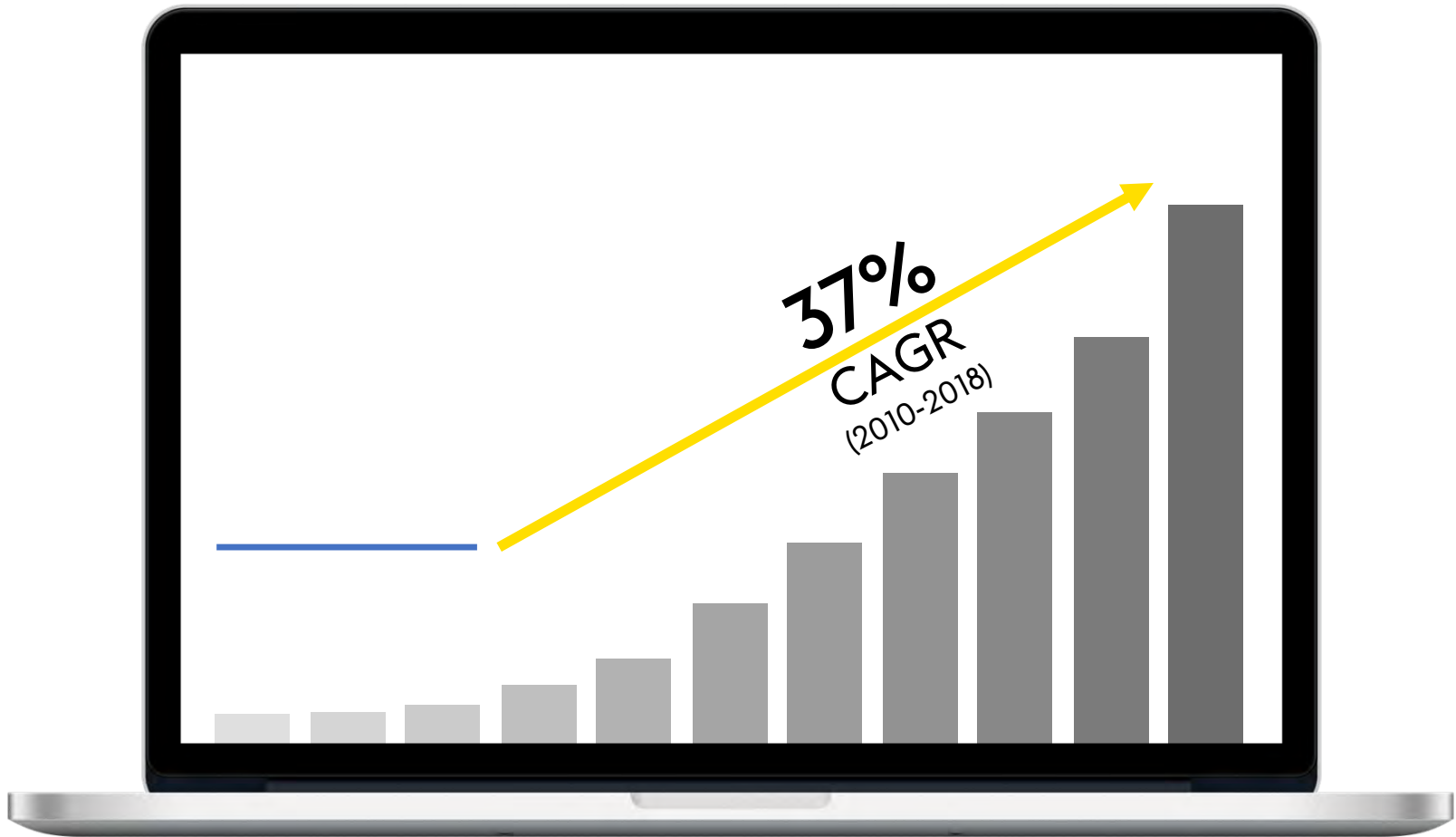
 TransferWise

 Remitly

Focus: Customer centricity



WU.com: A transformation success



Untapped growth opportunities for digital

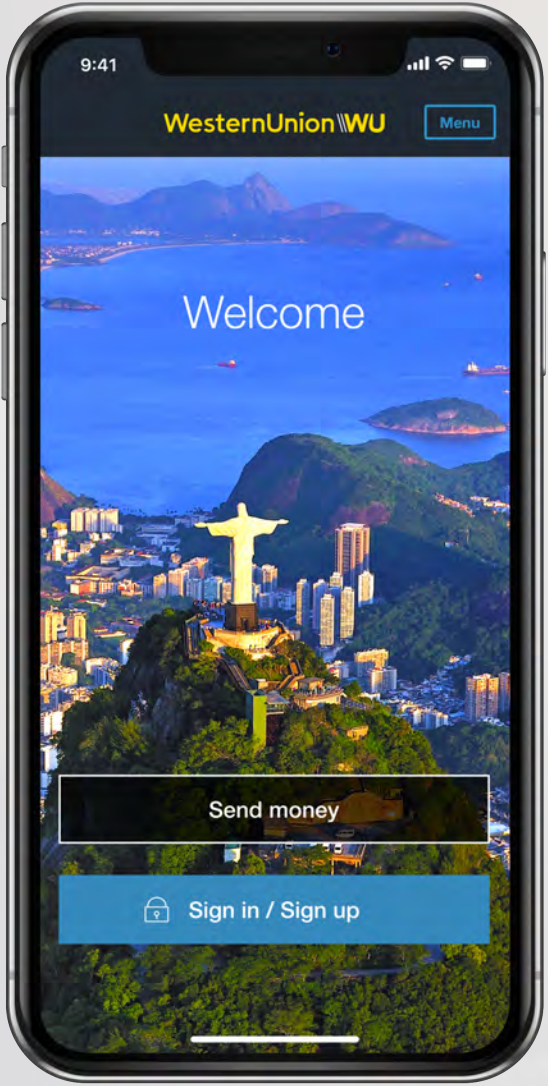
>70 countries live today



 Digital web/app

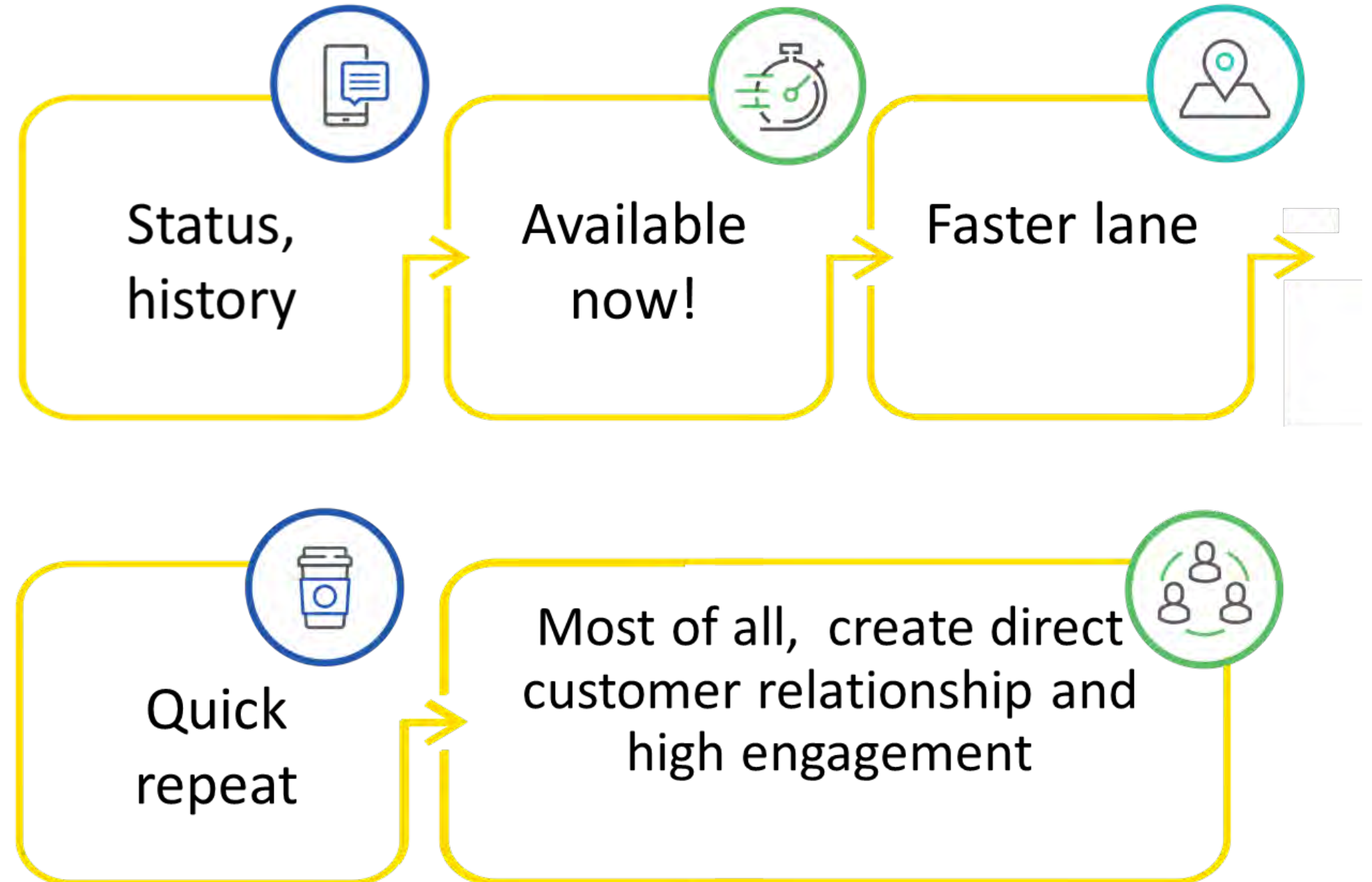
\$120B
Gulf countries

\$25B
China & India

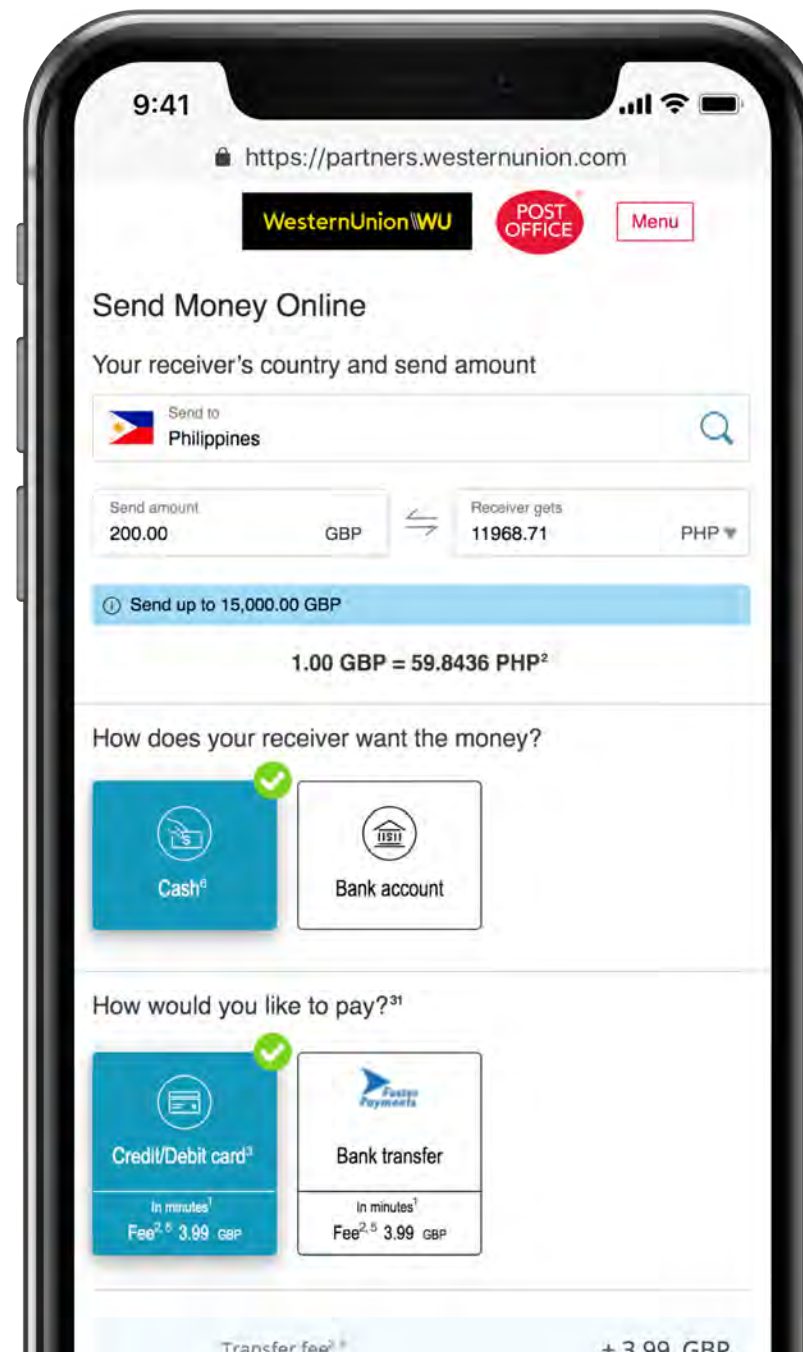
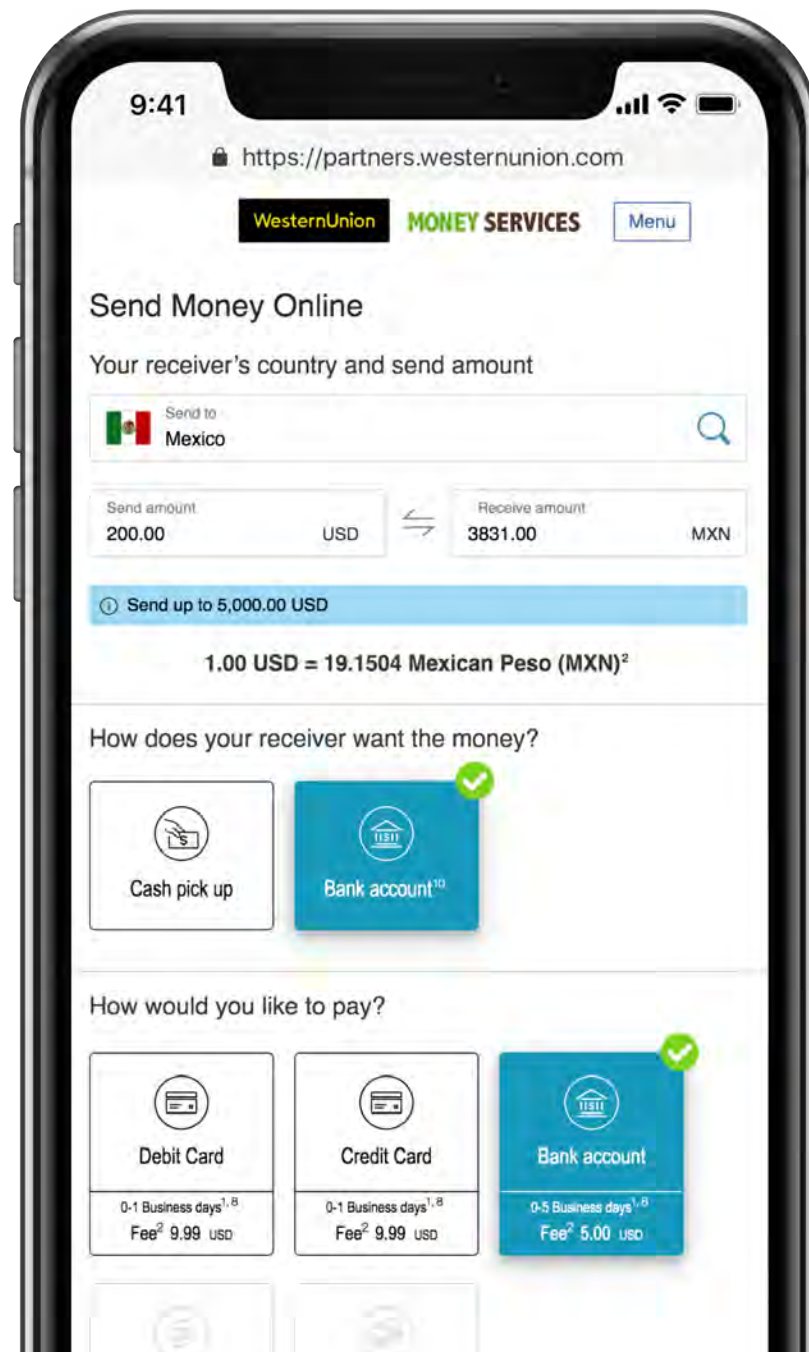


Note: For illustration only. Does not represent accurate picture

Digital first: start on the app and pay in-person



WU co-branded services within partner digital ecosystems



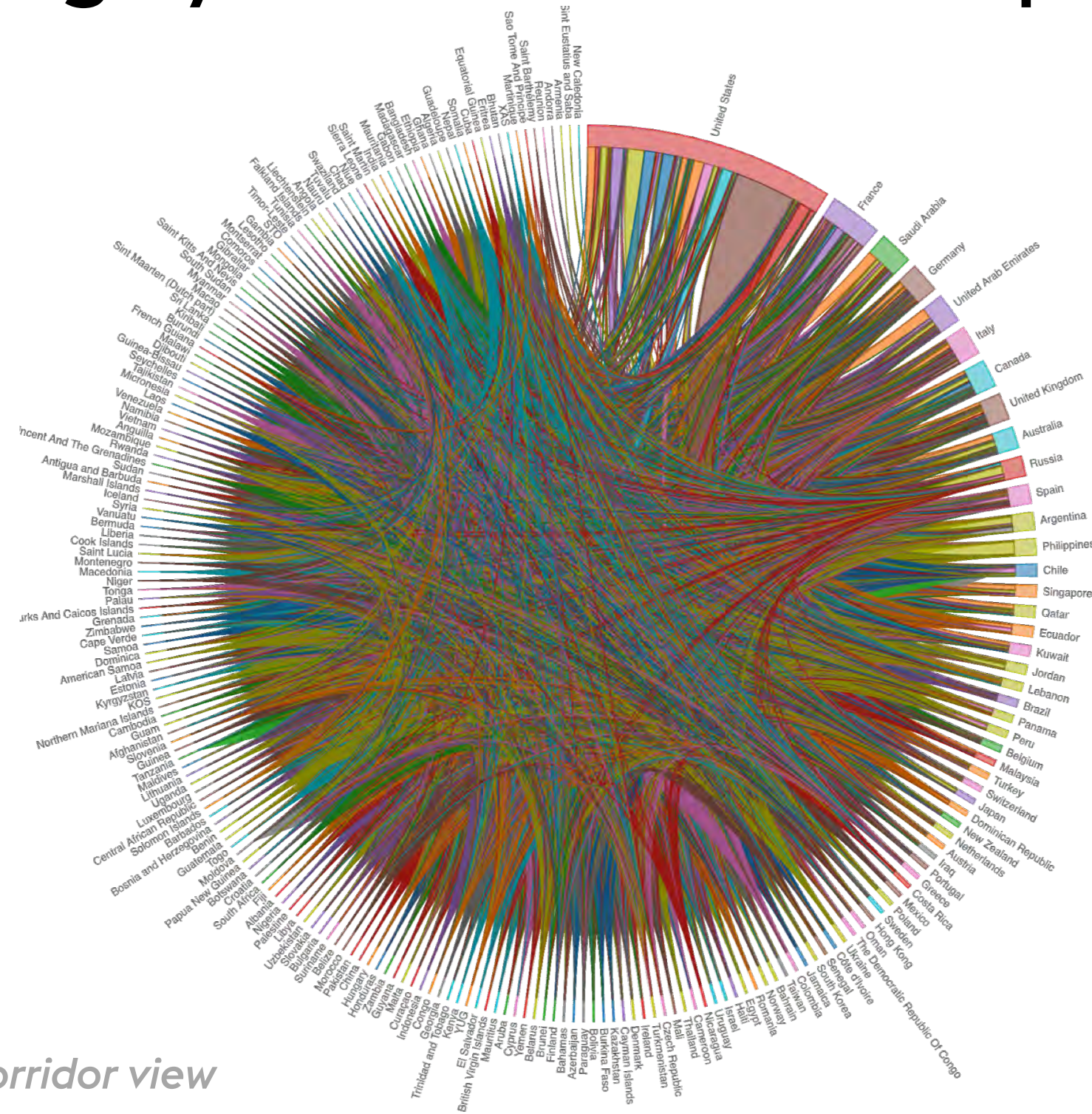
Maximizing lifetime value: leveraging data to tailor value propositions



Market and behavioral data

- Profile & social graph
- Engagement behavior
- Day and time
- FX volatility and competition value
- Location mapping
- Search trends
- Channel choice

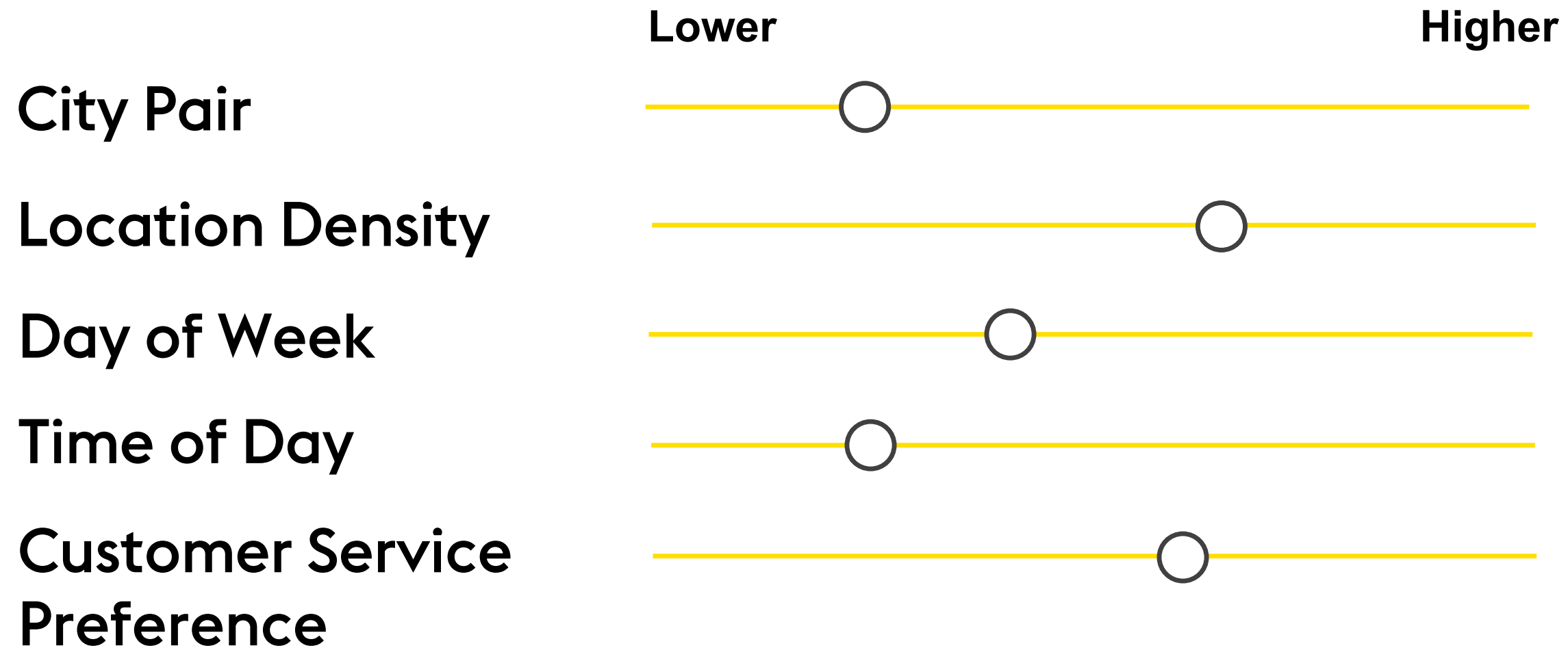
Corridor view



Each corridor has unique characteristics

- Network size on both sides
- Currency volatility
- Regional migration patterns
- Regulations
- Brand awareness
- Customer preferences
- Competitive set

Leveraging data for dynamic pricing optimization



Transforming our pricing strategy to maximize lifetime value

FROM



TO

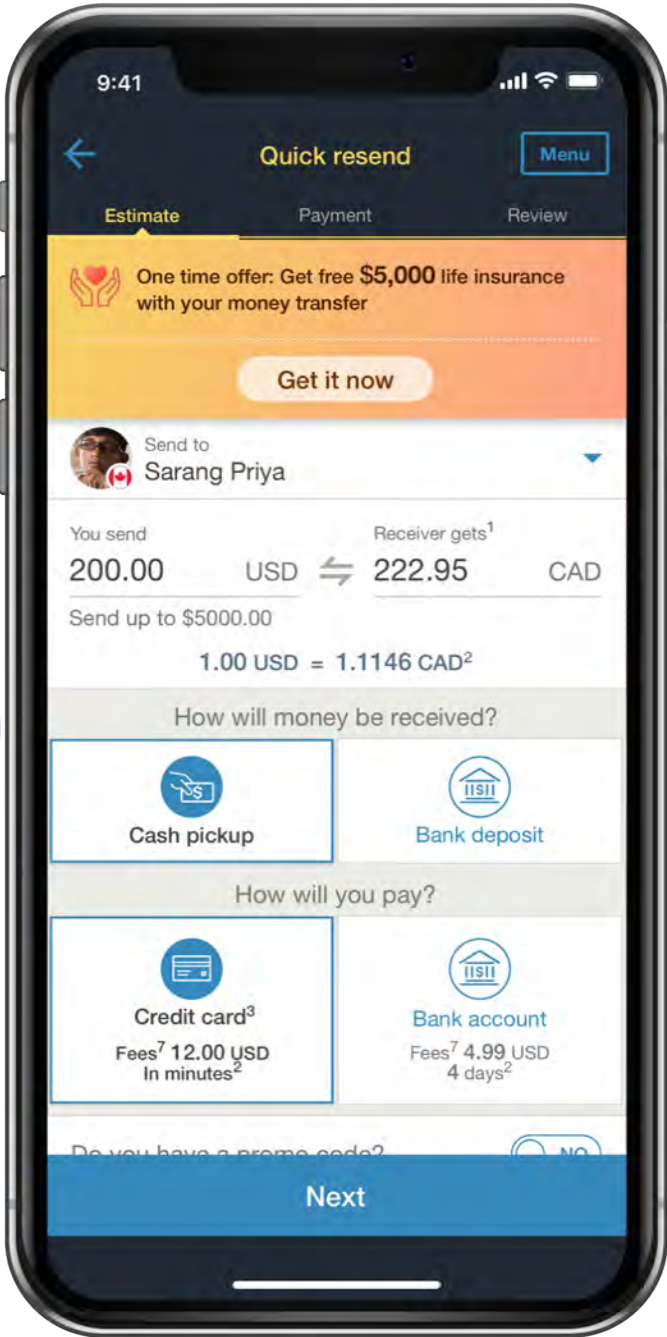


Beyond price! Personalized real-time sales closing strategies

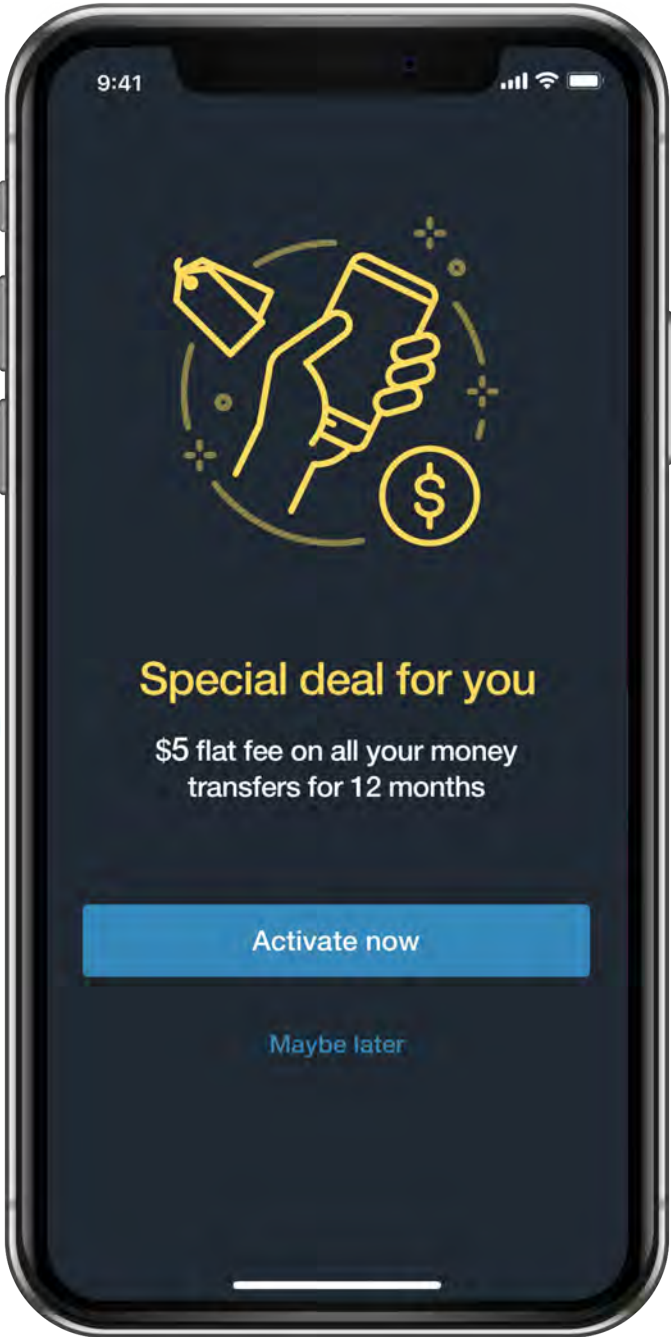
Pitch



Nudge



Deal

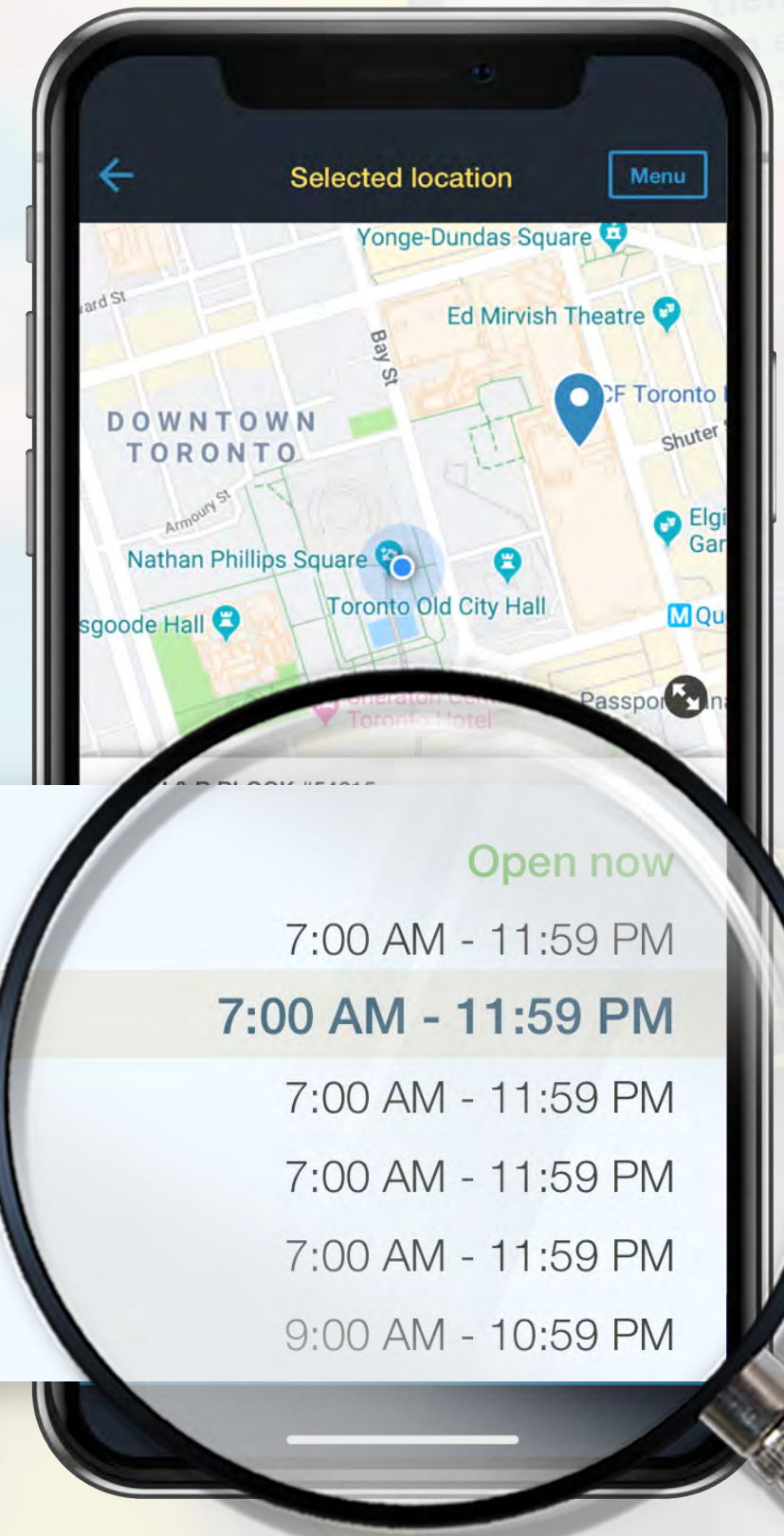


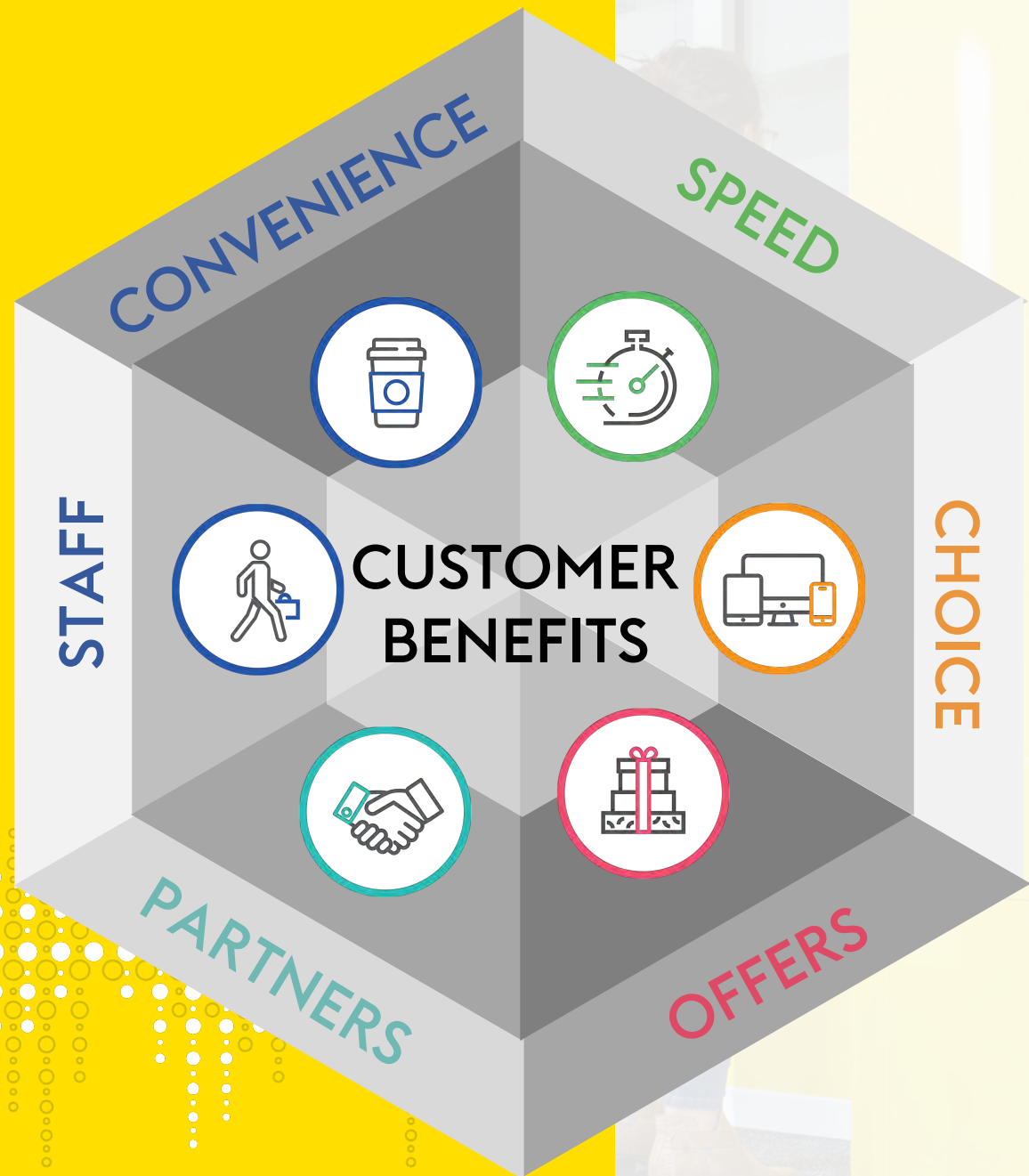
**Focused,
differentiated
strategies to
drive customer
engagement in
our flagship
Agent locations**



WU
Western
Union

Priority lanes & support extended hours





Expanded payments

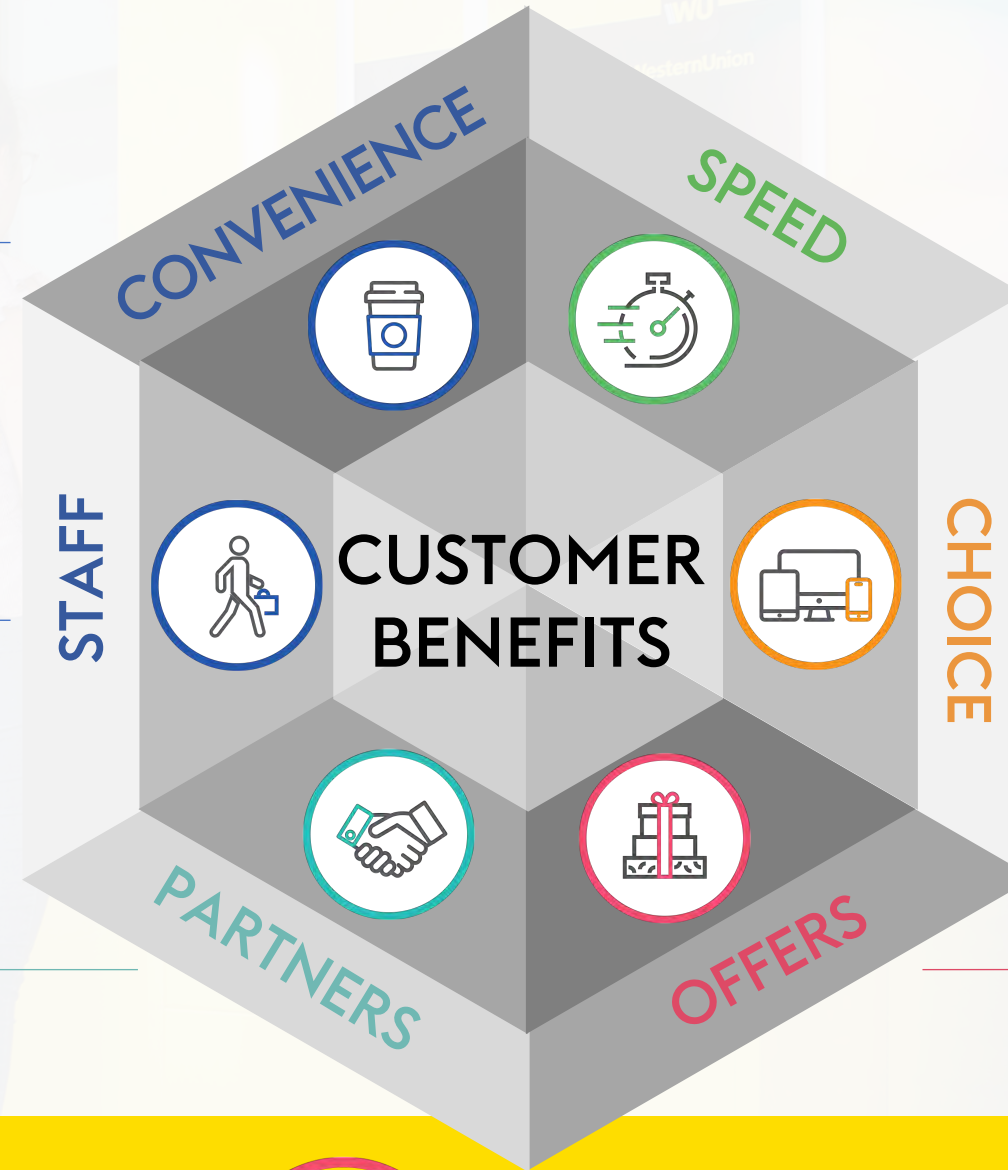


Focused, differentiated strategies to drive customer engagement at flagship locations

Digitization self-serve

Priority lanes, support & extended hours

Enhanced training & differentiated incentives



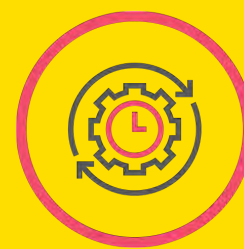
Expanded payments

Real-time marketing dynamic offers

Expanded product portfolio



Customer Satisfaction



Agent Productivity



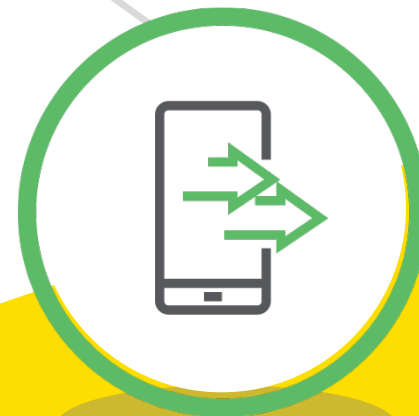
Higher customer lifetime value

**Strong
foundation
for future
growth**

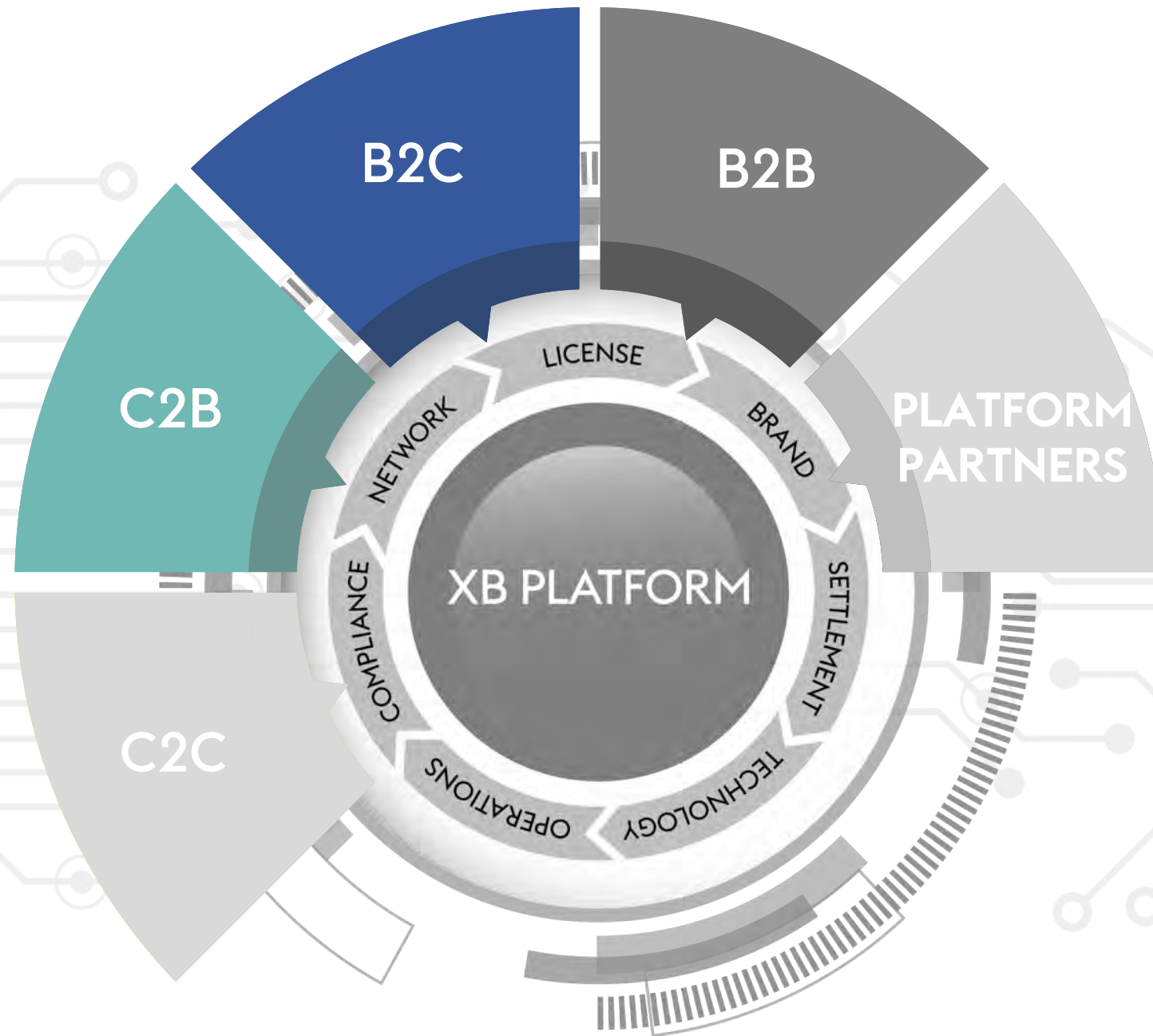
1 Digital first

2 Lifetime value

3 Platinum network



Payments: C2B/B2C/B2B



Accessing a new market segment by unleashing our capabilities

- End-to-end cross-border solutions for enterprises, verticals, merchants and billers
- Customized cross-border payments solutions for partners
- Amazon use case

➤ Andrew Summerill

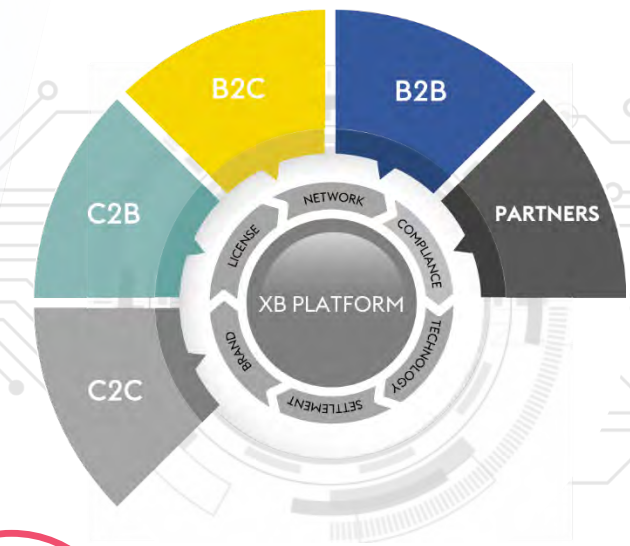
PAYMENTS

C2B/B2C/B2B Use Cases



Well positioned to capture the opportunity

Able to address a large variety of C2B, B2C and B2B uses cases



~37k

Largest B2B non-bank cross-border payments provider with ~37,000 clients¹



~70

Significant global reach with ~70 licenses / registrations and over 500 in-country bank accounts in 40 countries²



750+

Serving over 750 higher education institutions with 8 of the top 10 universities worldwide³



500+

Multi-channel solutions for more than 500 Financial Institutions globally, including white-label sites, APIs, and SWIFT⁴

A distinct solution to address vertical payments



Vertical Specialist
(Collections and Disbursements)

Partners/
customers



- End-to-end solution for merchants/billers with cross-border solutions like:
 - Education/Medical: GlobalPay for Students
 - Financial Institutions: GlobalPay for FI
 - Pension & Payroll: MassPay
 - Legal: GlobalPay

Vertical Specialist - The Student Journey (C2B)

University of Oxford



Awareness
Through online search



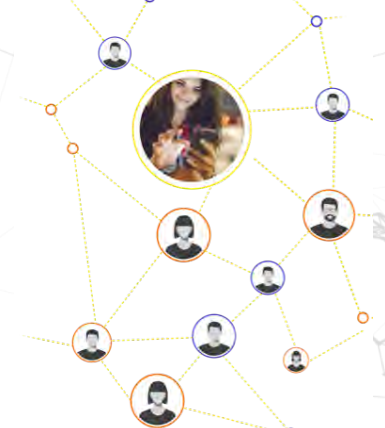
Onboarding
“How to pay” instructions



Retention
Ongoing engagement



Social Effect
Through word of mouth



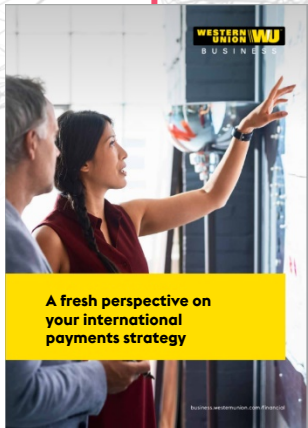
Vertical Specialist - The Financial Institutions Journey (B2B)

Canadian Western Bank



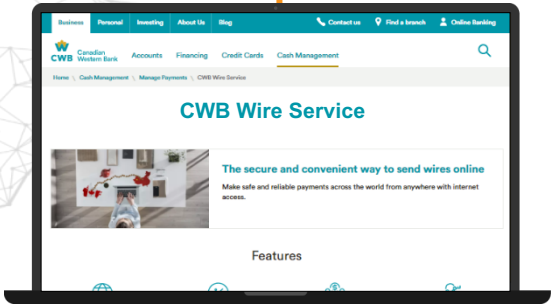
Awareness

Direct sales outreach



Onboarding

White Label GPFI



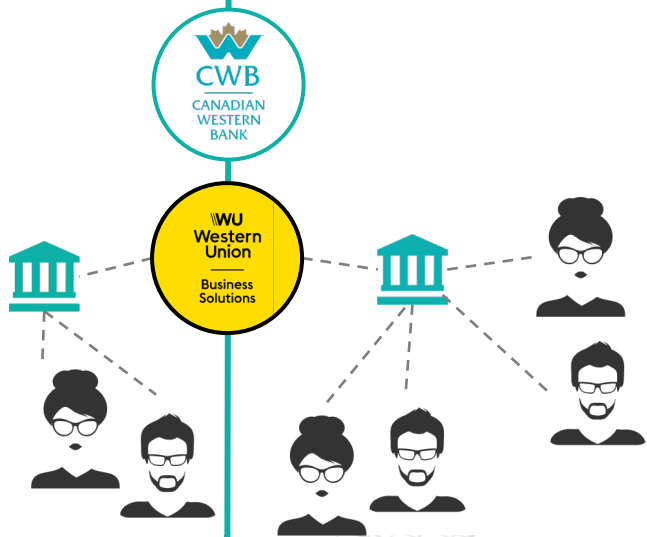
Retention

Payments reference guide



Network Effect

Access to global bank network

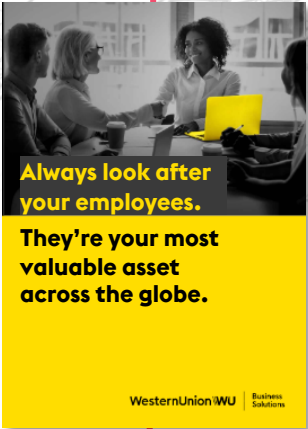


Vertical Specialist - The Payroll Journey (B2C)

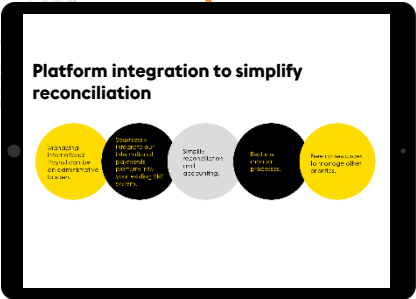
Brightwell Payments



Awareness
Through direct sales



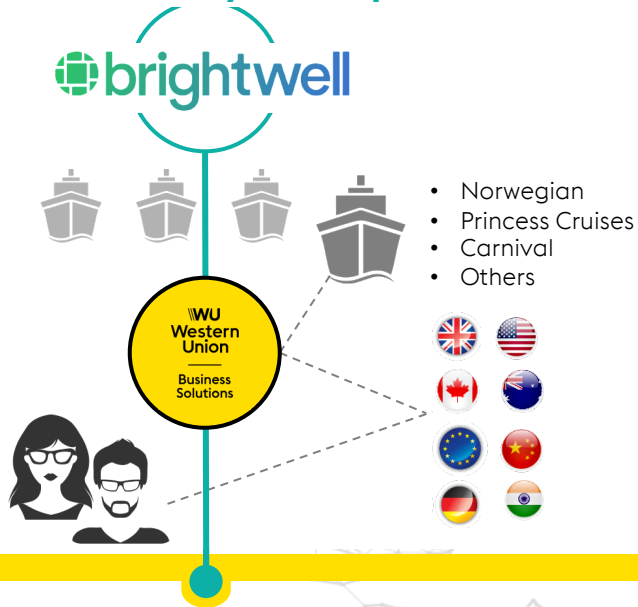
Onboarding
Full system integration
(with ERP solution)



Retention
Ongoing employee protection



Network Effect
One-to-many multiplier



A distinct solution to address FX services



Trade Platform

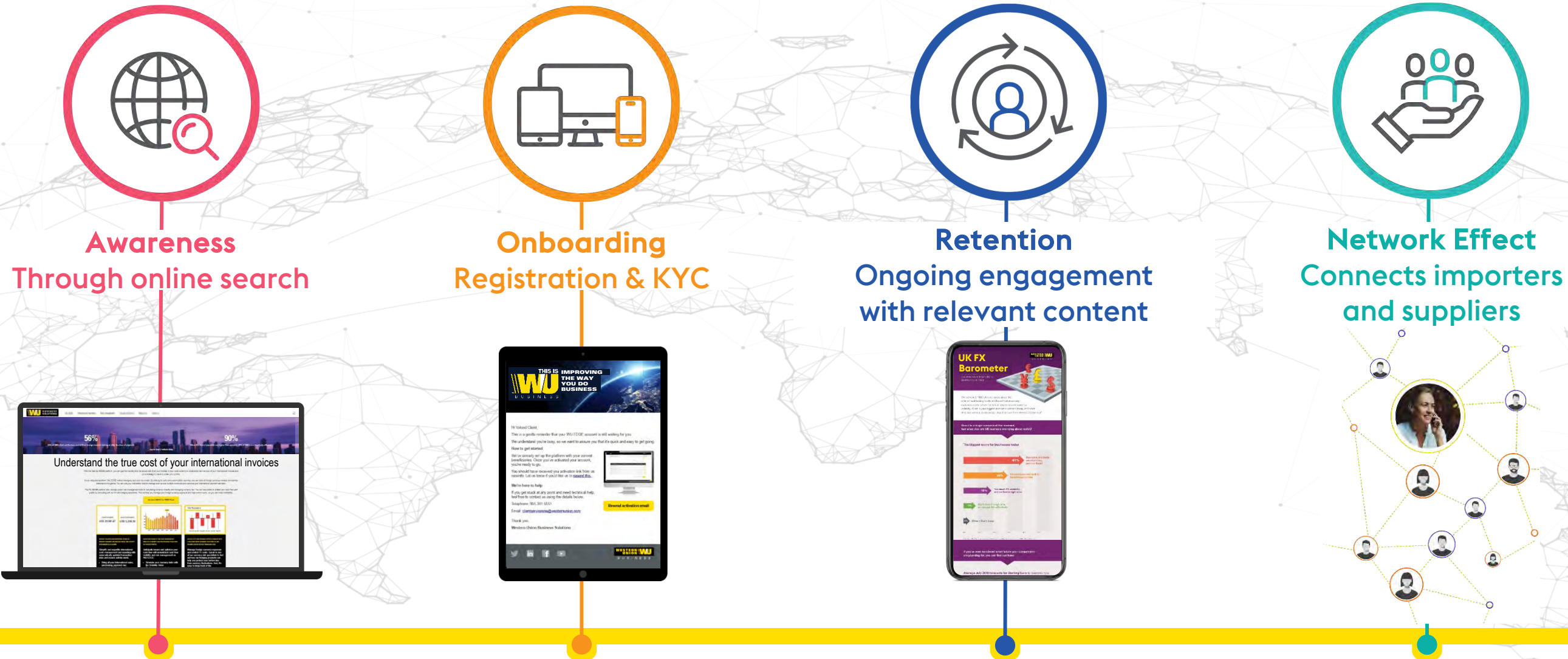
(FX Trading, Spot, Hedging, Trade solutions)

Partners/
customers



- SME and Corporate trade needs addressing:
 - Integrated FX Payments
 - Risk Management Services
 - Other future trade solutions
- Opportunity to serve exporters with importer solutions

Digital Trade Platform EDGE – The Very Small Enterprise Journey

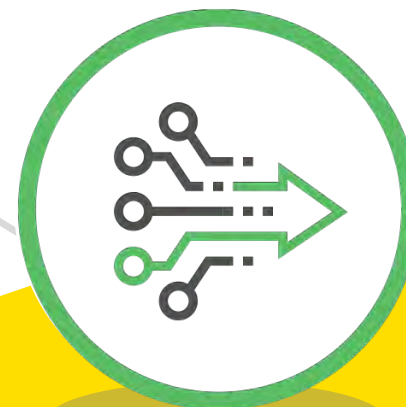


Why shareholders will win

1 Continue to build out Edge
Functionality to allow clients to
digitally self serve

2 Invest in our people and
systems to maintain high
levels of customer service

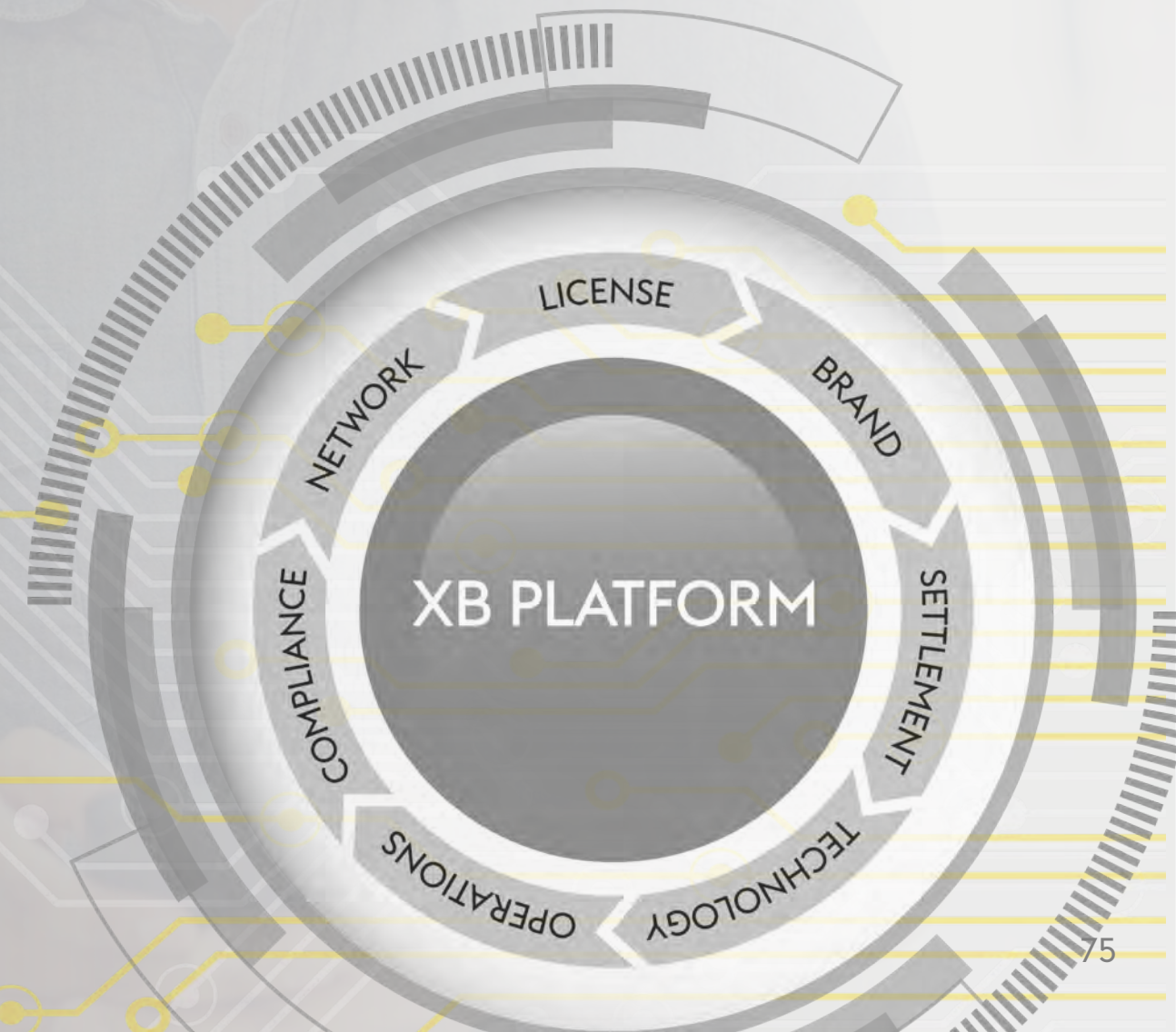
3 Invest in the vertical
segments where we see
the potential for growth



➤ Rebecca Loevenguth

C2B

AMAZON USE CASE



Strong demand and opportunity for cross-border and in-person payments

\$630B



Cross-border shopping is estimated to make up 20% of e-commerce by 2022, with sales reaching **\$630 billion**

43%



Only **43%** of cross-border shoppers have an internationally enabled credit card

77%



77% of payments in 2018 were made in person in US

Sources:

Forrester Research, "Online Cross-Border Retail Forecast, 2017-2022 (Global)," April 20, 2017

WU Consumer Research (conducted by Strive)

Federal Reserve Bank of San Francisco, [Findings from the Diary of Consumer Payment Choice](#) (2018)

Driving global expansion for Amazon through a fast and easy customer interaction

20

countries and territories launched: 19 cross-border in addition to the U.S.



Shop on Amazon.com

A unique PayCode and QR Code will be generated upon checkout.



Visit a Western Union agent location

Customers bring their PayCode or QR code to a participating Western Union agent



Present the PayCode and a valid ID

The Western Union agent verifies the customer's identity, matching it to the order confirmation.



Pay in person

Customers pay in their local currency and get a receipt.



Track order status and receive purchases

Customers can track orders on Amazon's mobile app or website.

Pay in person: A strong customer value proposition

Trusted Brand

Everyone knows Western Union. It is known and has been around forever, so this will only reassure people even more that it is safe to shop online (US)

Reliable

It gives more security while making the purchase and so I do not worry about the theft of card codes and scams (Peru)

Fast and Easy

I like that there is a payment platform that will make international purchases easier, faster and safer. This will enable me to purchase my desired products (Nigeria)

Local Currency

I think it's a very convenient method of payment and I especially like the fact that one can pay in local currencies with no hidden fees (India)

Reliable

I like that you are paying WU directly so there is security for the customer. My personal and financial information is secure (Philippines)

WU's Partner Developer Portal

WesternUnion\\WU

APIs About Us

Welcome to

Western Union's Developer Portal

Sample: create (POST)

Scenario: Partner is instructing Western Union to collect \$1,945 USD from customer John M

Request

Response-Success

Response-Error

```
POST /v1/paywu/order/create HTTP 1.1
HOST api.westernunion.com
Content-Type: application/json
apiKey: 7a844062-0759-4565-9cfa-8a7c4fd41eba
{
  "timestamp": "2018-09-06T18:16:22.518Z",
  "requestId": "18b84d7a-f982-47fe-beec-6798ca673ad2",
  "merchantId": "PRTNR01",
  "order": {
    "serviceId": "EPC",
    "referenceId": "23569c95-01e3-43b2-9ff1-f8380d6011f1",
    "customerKey": "111-111-123",
    "type": "CAPTURE",
    "creationTime": "2018-09-05T09:37:24.376-04:00",
    "expirationTime": "2018-09-08T09:37:24.376-04:00",
    "merchantProcessor": "MARKETPLACE INDICATOR",
    "fx": "1.0",
  }
}
```

Use Cases

Discover the possibilities with Western Union



e-Commerce Payment
Collection

[Learn More](#)



Money Transfer:
Account Payout

[Learn More](#)



Money Transfer:
In-Person Payout

[Learn More](#)



More Payments
Use Cases

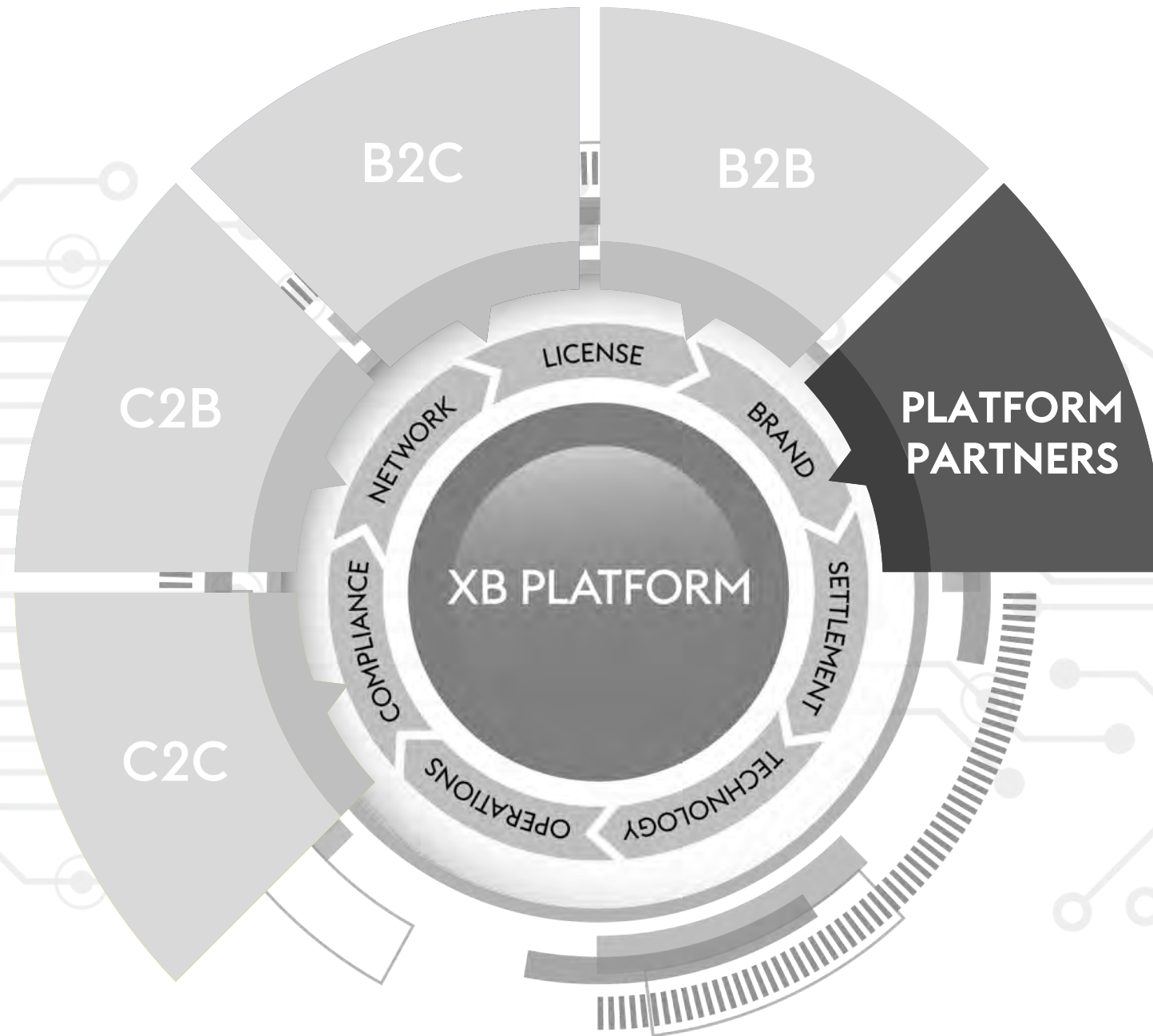
[Learn More](#)



More Money Transfer
Use Cases

[Learn More](#)

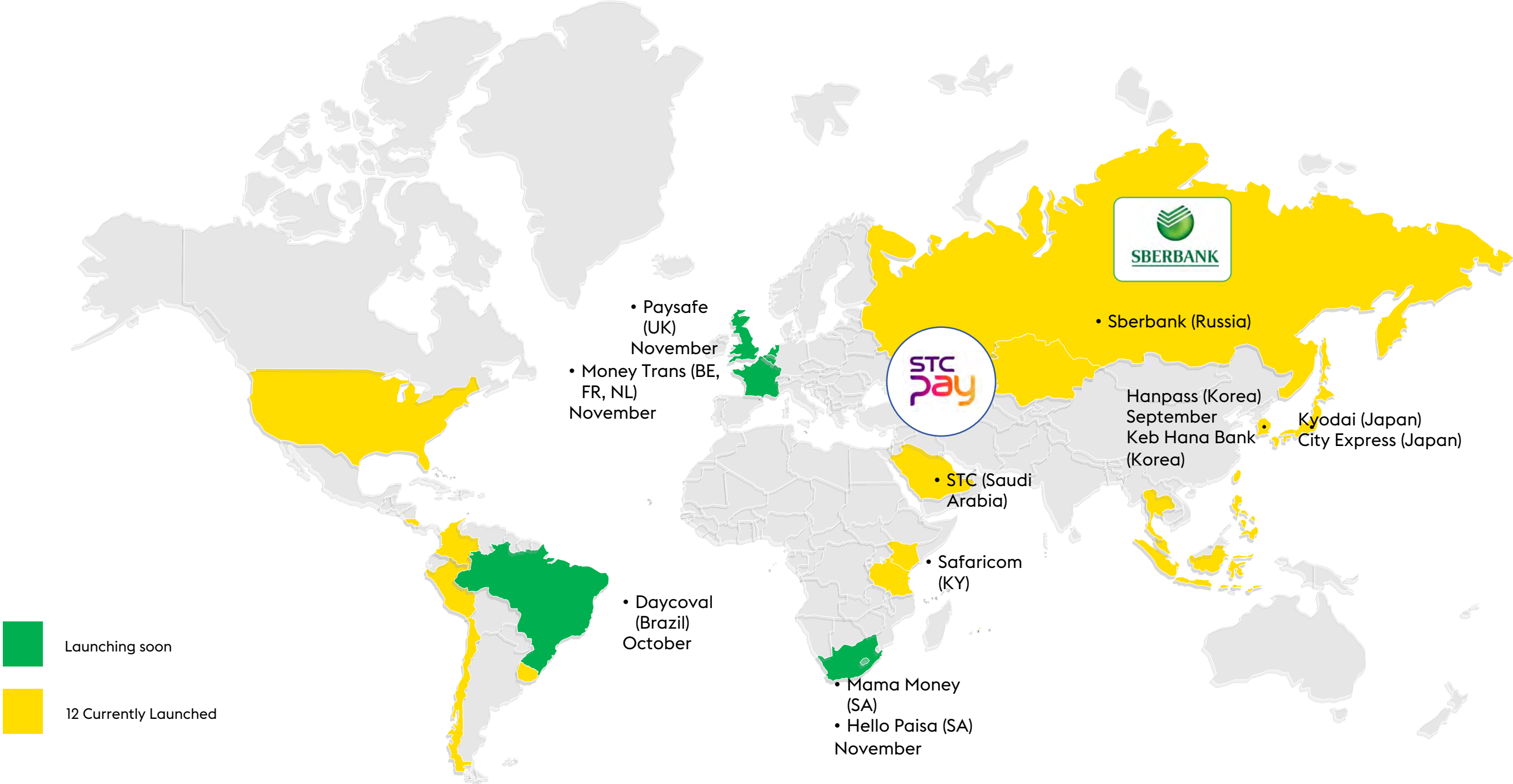
XB Platform Partners



Offering cross-border platform capabilities to new partners

- White label money transfer

White label partnerships





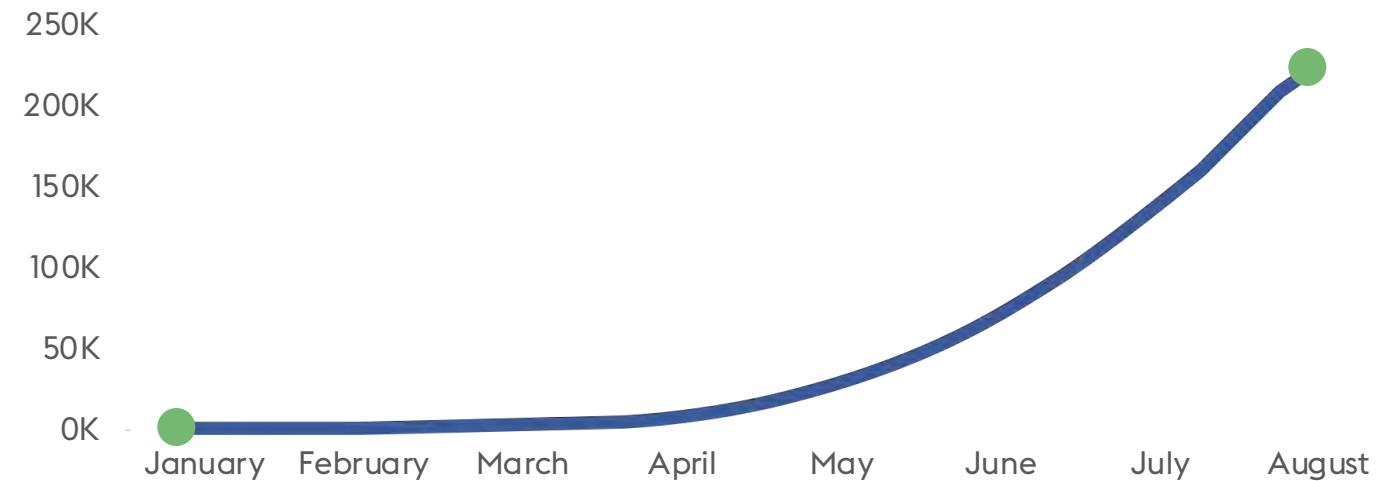
Going beyond the WU Brand:

White labeling our money transfer send capabilities to partners

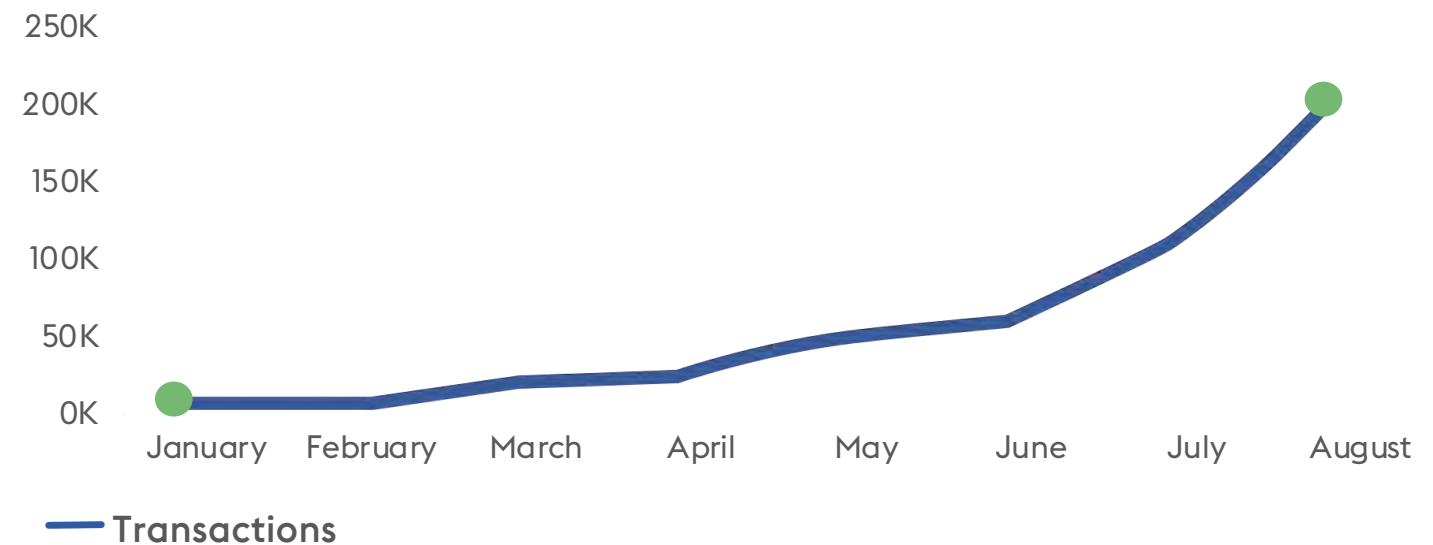
Payout at Western Union Agent locations



Sberbank
(Russia)



Saudi Digital
Payments Company
(Saudi Arabia)



Raj Agrawal
Chief Financial Officer

FINANCIAL OUTLOOK



Strong Foundation

Stable, resilient business, strong cash flow generation, and solid balance sheet provide strong foundation to achieve financial targets

WesternUnion \\WU

2018 Highlights

\$5.6B
Revenue

\$1.1B
Operating Profit

\$821M
Operating Cash Flow
(GAAP)

\$1.0B
Operating Cash Flow
(Adjusted)*

As of June 30, 2019

\$1.2B
Cash

\$3.1B
Debt

- \$2.3 billion in share repurchases and dividends 2016 through 2018
- Current annualized dividend \$0.80 per share
- Investment grade credit rating

* See appendix for reconciliation of Non-GAAP to GAAP financial measures.

Strong Foundation

Revenue and cost trends have been stable

WesternUnion **WU**

Operating Margin	2017	2018	2019 Outlook
GAAP	8.6%	20.1%	~18%
Adjusted*	20.0%	20.3%	~20%

3-Year Trends	2016	2017	2018
Retail C2C Commission Rates	46.4%	45.8%	45.5%
Compliance (% of total revenues)	3.6%	3.6%	3.6%
Marketing (% of total revenues)	3.6%	3.8%	3.9%

* See appendix for reconciliation of Non-GAAP to GAAP financial measures.

3-year financial targets reflect our new strategy

Targets based on assumed

2% to 3%
Revenue growth CAGR
2020 – 2022

- Primarily driven by growth in digital money transfer
- Additional long-term acceleration opportunities

(Revenue CAGR assumptions to achieve margin target. CAGR compared to 2019 adjusted revenue, which excludes approximately \$130 million related to the Speedpay and Paymap divested businesses. Assumes major foreign currency rates similar to 2019 rates. Digital money transfer includes wu.com and other third-party digital revenues.)

~23%
Operating
Margin in 2022

- Restructuring
- Other efficiencies

(2019 GAAP operating margin outlook approximately 18%. 2019 adjusted operating margin outlook approximately 20%.*)

Low double-digit
EPS CAGR
2020 – 2022

- \$2.5 - \$3 billion share buyback and dividends 2020 – 2022**
- Assumes mid-teens tax rate (based on current global tax landscape)

(2019 GAAP EPS outlook range \$2.47 to \$2.57. CAGR compared to 2019 adjusted EPS outlook range of \$1.70 to \$1.80.*)

* See appendix for reconciliation of Non-GAAP to GAAP financial measures.

** Future dividends or share repurchases will be determined by the Board of Directors and will depend on a variety of factors as described in our Annual Report on Form 10-K for the period ended December 31, 2018, including Part II, Item 5 therein.

Operating Margins



~23%

operating margin target in 2022 is driven by three primary levers



Restructuring:

- Approximately 10% net headcount reduction
- \$100 million annual savings expected



Other operating efficiencies:

- Commission and third-party spend
- \$50 million annual savings expected to flow to operating profit (net of reinvestment in business)



Revenue growth:

- Margin target based on an assumed 2% to 3% revenue growth CAGR*

Margins expected to improve each year 2020 to 2022

*Revenue CAGR assumptions to achieve margin target. CAGR compared to 2019 adjusted revenue, which excludes approximately \$130 million related to the Speedpay and Paymap divested businesses. Assumes major foreign currency rates similar to 2019 rates.

Operating Margins



\$100M

of expected annual savings by 2021 generated from restructuring of the operating model announced August 1, 2019



**Approximately 10% net headcount reduction:
about 1,000 positions**

- New operating model consisting of more efficient CMT, Payments, Network / Platform and Corporate Center structure
- Closure / significant downsizing of sites
 - Leveraging operating centers globally, including Lithuania, Costa Rica, and India
- Flattening of organization

\$100 million annual expected ongoing savings in 2021; \$50 million expected in 2020

Operating Margins



\$50M

of additional
operating
efficiencies
expected to
contribute
significant
savings



Commissions and third-party spending

- Commissions approximately \$1.9 billion in 2018, plus other third-party spending
 - Commissions: continued rate negotiation progress, other initiatives
 - Other major third-party spend categories: technology, marketing, real estate

Significant savings opportunities expected to allow for reinvestment in our cross-border platform and growth initiatives; net \$50 million expected to flow to operating profit by 2022

Total \$150 million contribution to operating profit expected by 2022 from combination of restructuring and additional efficiencies

Revenue Growth



Operating margin target based on an assumed 2% to 3% revenue growth CAGR*



2020 – 2022 revenue growth drivers*

- C2C – approximately 2% to 3% growth driven by strong growth in digital money transfer
- Business Solutions – mid-single-digit increase



We continue to target long-term revenue acceleration

- Opening our platform and network to additional cross-border payments opportunities
 - Marketplaces
 - Financial Institutions
 - Mass Payments

* Revenue CAGR assumptions to achieve margin target. CAGR compared to 2019 adjusted revenue, which excludes approximately \$130 million related to the Speedpay and Paymap divested businesses. Assumes major foreign currency rates similar to 2019 rates. Digital money transfer includes wu.com and other third-party digital revenues.

Capital Allocation

WesternUnion **WU**

**2019 operating
cash flow outlook**

\$800M | \$950M

GAAP

Adjusted*

**Target
Investment
Grade**

**Reinvest
Dividends**

**Allocation
Priorities**

**M&A
Repurchases**

**The Company remains committed to utilizing its strong
cash flow generation for the benefit of shareholders**

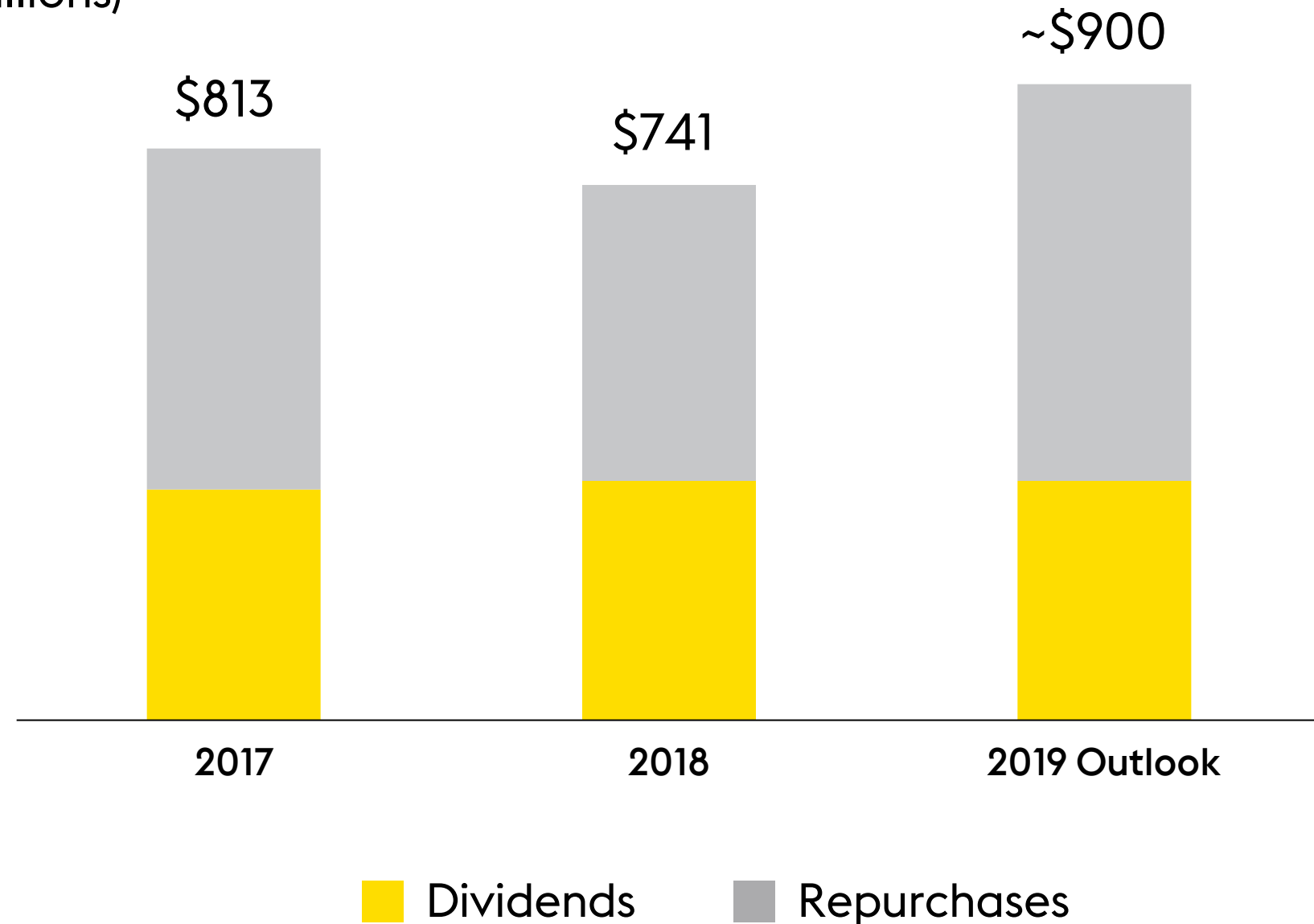
* See appendix for reconciliation of Non-GAAP to GAAP financial measures.

Capital Allocation

The Company has a strong track record of returning funds to shareholders

WesternUnion **WU**

(\$ Millions)



Capital Allocation



We expect higher levels of returns over 2020 – 2022



Expect to generate more than \$3 billion of operating cash flow 2020 - 2022

- Operating cash flow improving each year
- Anticipate increasing dividends in-line with business performance
- Anticipate approximately \$2.5 – \$3 billion in dividends and share repurchases (if no significant M&A)*

* Future dividends or share repurchases will be determined by the Board of Directors and will depend on a variety of factors as described in our Annual Report on Form 10-K for the period ended December 31, 2018, including Part II, Item 5 therein.

3-Year Financial Outlook Summary

WesternUnion **WU**

Stable business combined with new restructuring and efficiency initiatives and utilization of strong cash flow expected to significantly enhance shareholder returns over the next three years

Targets based on assumed
2% to 3%
Revenue growth CAGR
2020 – 2022

(Revenue CAGR assumptions to achieve margin target. CAGR compared to 2019 adjusted revenue, which excludes approximately \$130 million related to the Speedpay and Paymap divested businesses. Assumes major foreign currency rates similar to 2019 rates. Digital money transfer includes wu.com and other third-party digital revenues.)

~23%
Operating
Margin in 2022

(2019 GAAP operating margin outlook approximately 18%. 2019 adjusted operating margin outlook approximately 20%.*)

Low double-digit
EPS CAGR
2020 – 2022

(2019 GAAP EPS outlook range \$2.47 to \$2.57. CAGR compared to 2019 adjusted EPS outlook range of \$1.70 to \$1.80.*)

* See appendix for reconciliation of Non-GAAP to GAAP financial measures.

We are ready



- Global, complex, resilient, purpose-driven business



- Making our cross-border platform more agile



- XB Platform serving multi-cases
- Growing and delivering our core
- Opening our platform for new use cases



- Shareholder Return

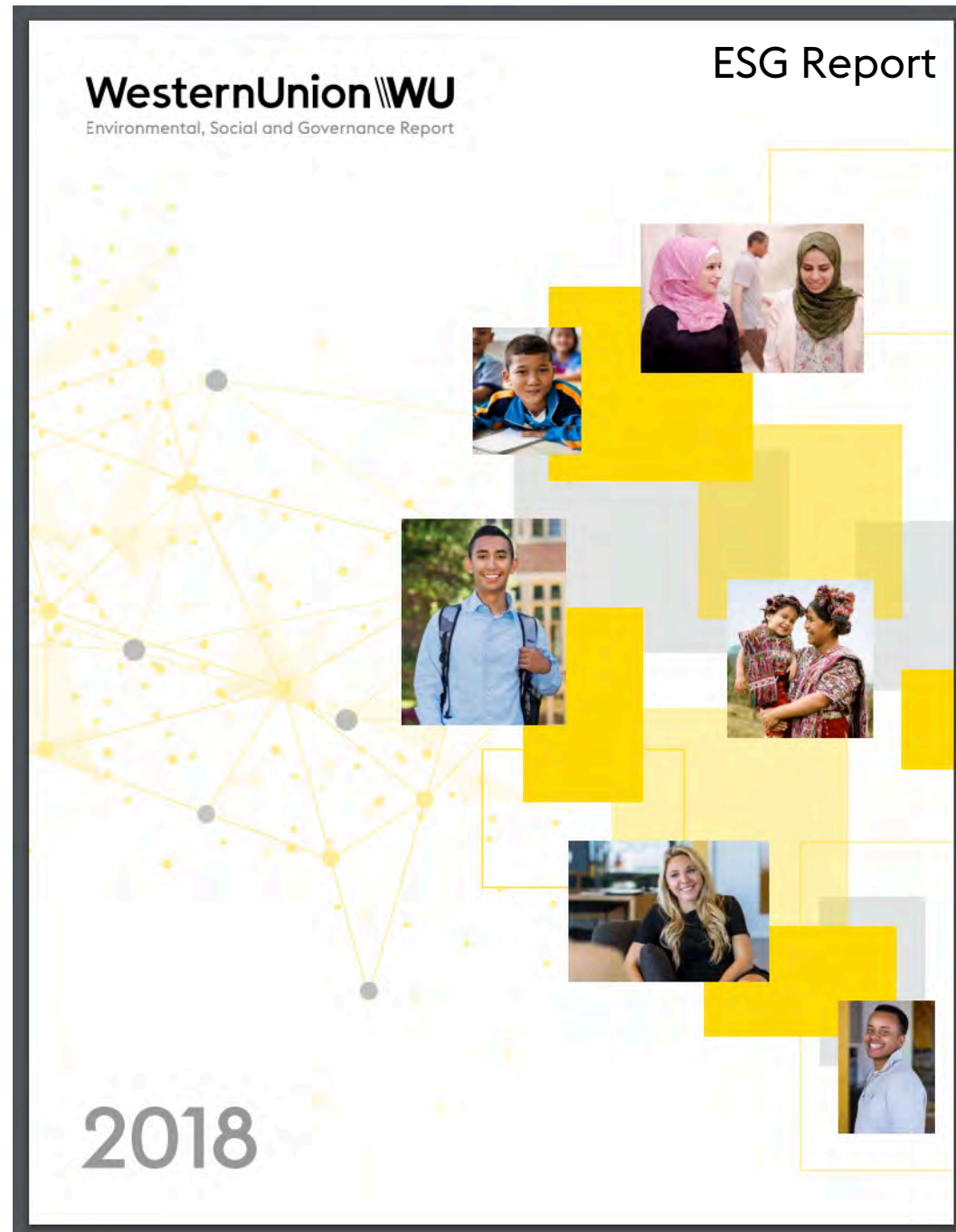


- Environment, Social and Governance



- World class management team and board of directors

Addressing global challenges through our business model



Moving money with integrity



Enabling financial inclusion



Championing diversity & inclusion



Supporting migrants globally

Global World Class Management Team



Hikmet Ersek
Chief Executive Officer



Raj Agrawal
Chief Financial Officer



Jean Claude Farah
President Global Network



Khalid Fellahi
President Consumer Money Transfer



Andrew Summerill
President Payments (Interim)



Caroline Tsai
Chief Legal Officer



Jacqueline Molnar
Chief Transformation Officer and Global Head of Compliance



Richard Williams
Chief People Officer



Brad Windbigler
Head of Treasury and Investor Relations



Jeffrey Hochstadt
Chief Strategy Officer



Tyler Hand
Chief Compliance Officer



Nicole Vogrin
Chief Corporate Affairs and Communication Officer



Dan Nordlander
Global Head WU Way Lean Management



Rebecca Loevenguth
Strategic Partnerships

World Class Board of Directors

Jeffrey A. Joerres



Hikmet Ersek



Martin I. Cole



Richard A. Goodman



Betsy D. Holden



Roberto G. Mendoza



Michael A. Miles, Jr.



Angela Sun



**Frances Fragos
Townsend**



Solomon D. Trujillo

Why Shareholders will win

1 Resilient and Profitable Business

- 23% operating margin*
- Low double-digit EPS CAGR**
- Solid Revenue Growth

2 Returning Funds to Shareholder

- ~\$2.5 - \$3 billion share buy backs and dividends 2020 – 2022

3 Untapped Growth Potential

- Open XB Platform to third parties



THANK YOU

Appendix

THE WESTERN UNION COMPANY
NON-GAAP FINANCIAL MEASURES
(Unaudited)

Western Union's management believes the non-GAAP financial measures presented provide meaningful supplemental information regarding our operating results to assist management, investors, analysts, and others in understanding our financial results and to better analyze trends in our underlying business because they provide consistency and comparability to prior periods. A non-GAAP financial measure should not be considered in isolation or as a substitute for the most comparable GAAP financial measure. A non-GAAP financial measure reflects an additional way of viewing aspects of our operations that, when viewed with our GAAP results and the reconciliation to the corresponding GAAP financial measure, provide a more complete understanding of our business. Users of the financial statements are encouraged to review our financial statements and publicly-filed reports in their entirety and not to rely on any single financial measure. A reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures is included below.

These non-GAAP financial measures include the following: (1) Operating cash flow, adjusted, excluding cash outflows for IRS agreement, NYDFS Consent Order, and WU Way business transformation payments, (2) Operating income, adjusted, excluding acquisition and divestiture costs, goodwill impairment, NYDFS Consent Order, Joint Settlement Agreements, and WU Way business transformation expenses, (3) Operating margin, adjusted, excluding acquisition and divestiture costs, goodwill impairment, NYDFS Consent Order, Joint Settlement Agreements, and WU Way business transformation expenses, (4) Operating margin outlook, adjusted, excluding restructuring-related expenses and acquisition and divestiture costs, (5) Earnings per share outlook, adjusted, excluding restructuring-related expenses, acquisition and divestiture costs, and net gain on sales of Speedpay and Paymap, and (6) Operating cash flow outlook, adjusted, excluding estimated cash payments related to restructuring-related expenses, acquisition and divestiture costs, and impact from tax payments related to net gain on Speedpay and Paymap divestitures, net of related reductions to tax payments.

2019 Investor Day Reconciliation of Non-GAAP to GAAP Financial Measures

	FY 2018	
Operating cash flow, as reported (GAAP) (\$- ten millions)	\$ 820	
IRS agreement ^(a)	120	
NYDFS Consent Order ^(b)	60	
WU Way business transformation payments ^(c)	30	
Operating cash flow, adjusted, excluding cash outflows for IRS agreement, NYDFS Consent Order, and WU Way business transformation payments	<u>\$ 1,030</u>	
	FY 2018	FY 2017
Operating income, as reported (GAAP) (\$- millions)	\$ 1,122.1	\$ 475.8
Acquisition and divestiture costs ^(d)	14.9	0.8
Goodwill impairment ^(e)	N/A	464.0
NYDFS Consent Order ^(b)	N/A	60.0
Joint Settlement Agreements ^(f)	N/A	8.0
WU Way business transformation expenses ^(c)	N/A	94.4
Operating income, adjusted, excluding acquisition and divestiture costs, goodwill impairment, NYDFS Consent Order, Joint Settlement Agreements, and WU Way business transformation expenses	<u>\$ 1,137.0</u>	<u>\$ 1,103.0</u>
Operating margin, as reported (GAAP)	20.1 %	8.6 %
Operating margin, adjusted, excluding acquisition and divestiture costs, goodwill impairment, NYDFS Consent Order, Joint Settlement Agreements, and WU Way business transformation expenses	20.3 %	20.0 %

2019 Investor Day Reconciliation of Non-GAAP to GAAP Financial Measures - 2019 Outlook

Operating margin (GAAP)

Impact from restructuring-related expenses and acquisition and divestiture costs ^{(d) (h)}
Operating margin, adjusted, excluding restructuring-related expenses and acquisition and divestiture costs

FY 2019 Outlook

18 %

2 %

20 %

Earnings per share (GAAP) (\$- dollars)

Impact from restructuring-related expenses and acquisition and divestiture costs ^{(d) (h)}
Impact from net gain on sales of Speedpay and Paymap (\$- dollars) ^(g)
Earnings per share, adjusted, excluding restructuring-related expenses, acquisition and divestiture costs, and net gain on sales of Speedpay and Paymap (\$- dollars)

FY 2019 Outlook

Range

\$ 2.47	\$ 2.57
0.23	0.23
(1.00)	(1.00)
<u>\$ 1.70</u>	<u>\$ 1.80</u>

Operating cash flow (GAAP) (\$- millions)

Impact from estimated cash payments related to restructuring-related expenses and acquisition and divestiture costs (\$- millions) ^{(d) (h)}
Impact from tax payments related to net gain on Speedpay and Paymap divestitures, net of related reductions to tax payments (\$- millions) ^(g)
Operating cash flow, adjusted, excluding estimated cash payments related to restructuring-related expenses, acquisition and divestiture costs, and impact from tax payments related to net gain on Speedpay and Paymap divestitures, net of related reductions to tax payments (\$- millions)

FY 2019 Outlook

\$ 800

60

90

\$ 950

THE WESTERN UNION COMPANY
NOTES TO NON-GAAP AND GAAP FINANCIAL MEASURES
(Unaudited)

Non-GAAP related notes:

- (a) Represents tax payments, including accrued interest, net of related tax benefits made to the Internal Revenue Service ("IRS") in connection with the restructuring of our international operations in 2003, as further described in our 2018 Annual Report on Form 10-K.
- (b) Represents the impact from an accrual for a consent order with the New York State Department of Financial Services ("NYDFS"), as described in our Form 8-K filed with the Securities and Exchange Commission on January 4, 2018 (referred to as the "NYDFS Consent Order"). Amounts related to the NYDFS Consent Order were recognized in the second and fourth quarters of 2017, and the expenses had no related income tax benefit. We believe that, by excluding the effects of significant charges associated with the settlement of litigation that can impact operating trends, management and investors are provided with a measure that increases the comparability of our underlying operating results.
- (c) Represents amounts related to transforming our operating model, focusing on technology transformation, network productivity, customer and agent process optimization, and organizational redesign to better drive efficiencies and growth initiatives ("WU Way business transformation"). Amounts related to the WU Way business transformation were recognized beginning in the second quarter of 2016, and each subsequent quarter in 2017. We believe that, by excluding the effects of significant charges associated with the transformation of our operating model that can impact operating trends, management and investors are provided with a measure that increases the comparability of our other underlying operating results. Although the expenses related to the WU Way are specific to that initiative, the types of expenses related to the WU Way initiative are similar to expenses that the Company has previously incurred and can reasonably be expected to incur in the future.
- (d) Represents the impact from expenses incurred in connection with our acquisition and divestiture activity, including the Speedpay and Paymap divestitures. We believe that, by excluding the effects of these charges that can impact operating trends, management and investors are provided with a measure that increases the comparability of our underlying operating results.
- (e) Represents a non-cash goodwill impairment charge related to our Business Solutions reporting unit. The impairment primarily resulted from a decrease in projected revenue growth rates and EBITDA margins. These projections were reevaluated due to the declines in revenues and operating results recognized in the fourth quarter of 2017, which were significantly below management's expectations. Additionally, as disclosed in prior Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q, the total estimated fair value of the Business Solutions reporting unit previously included value derived from strategies to optimize United States cash flow management and global liquidity by utilizing international cash balances (including balances generated by other operating segments) to initially fund global principal payouts for Business Solutions transactions initiated in the United States that would have been available to certain market participants. However, the December 2017 enactment of tax reform into United States law eliminated any fair value associated with these cash management strategies. We believe that, by excluding the effects of significant charges associated with non-cash impairment charges that can impact operating trends, management and investors are provided with a measure that increases the comparability of our underlying operating results.
- (f) Represents the impact from the settlement agreements related to (1) a Deferred Prosecution Agreement with the United States Department of Justice, and the United States Attorney's Offices for the Eastern and Middle Districts of Pennsylvania, the Central District of California, and the Southern District of Florida, (2) a Stipulated Order for Permanent Injunction and Final Judgment with the United States Federal Trade Commission, and (3) a Consent to the Assessment of Civil Money Penalty with the Financial Crimes Enforcement Network of the United States Department of Treasury (referred to above, collectively, as the "Joint Settlement Agreements"), to resolve the respective investigations of those agencies, as described in our Form 8-K filed with the Securities and Exchange Commission on January 20, 2017, and related matters. Amounts related to these matters were recognized in the second, third, and fourth quarters of 2016 and the full year 2016 results. Additionally, in the third quarter of 2017, we recorded an additional accrual in the amount of \$8 million related to an independent compliance auditor, pursuant to the terms of the Joint Settlement Agreements. We believe that, by excluding the effects of significant charges associated with the settlement of litigation that can impact operating trends, management and investors are provided with a measure that increases the comparability of our underlying operating results.

- (g) On May 9, 2019, we completed the sale of our United States electronic bill payments business known as “Speedpay” to ACI Worldwide Corp. and ACW Worldwide, Inc. for approximately \$750 million in cash. In addition, on May 6, 2019, we completed the sale of Paymap Inc. (“Paymap”), which provides electronic mortgage bill payment services, for contingent consideration and immaterial cash proceeds received at closing. Earnings per share has been adjusted to exclude the gain on the sales of Speedpay and Paymap and the income taxes on the gain, including the elimination of previously forecasted annual base-erosion anti-abuse taxes, has also been removed. Additionally, cash flows from operating activities outlook has been adjusted to exclude taxes paid on the gain from Speedpay and Paymap divestitures, net of related reductions to previously expected base-erosion anti-abuse tax payments. We have included this information because management believes that presenting these measures as adjusted to exclude divestitures will provide investors with a more meaningful comparison of results within the periods presented.
- (h) Represents impact from expenses incurred in connection with an overall restructuring plan, approved by the Company's Board of Directors on August 1, 2019, to improve the Company’s business processes and cost structure by reducing the Company’s headcount and consolidating various facilities. While these expenses are specific to this initiative, the types of expenses related to this initiative are similar to expenses that the Company has previously incurred and can reasonably be expected to incur in the future. We believe that, by excluding the effects of these charges that can impact operating trends, management and investors are provided with a measure that increases the comparability of our underlying operating results.