THIS IS

RAJ AGRAWAL

EVP and CFO

WESTERN UNION

moving money for better

Financial strength

INVESTMENT GRADE RATING

$4.3B
RETURNED TO SHAREHOLDERS
2011 – 2015

$1.3B
CASH

$1.1B
OPERATING CASH FLOW

FREE CASH FLOW
75%
OF OPERATING CASH FLOW**

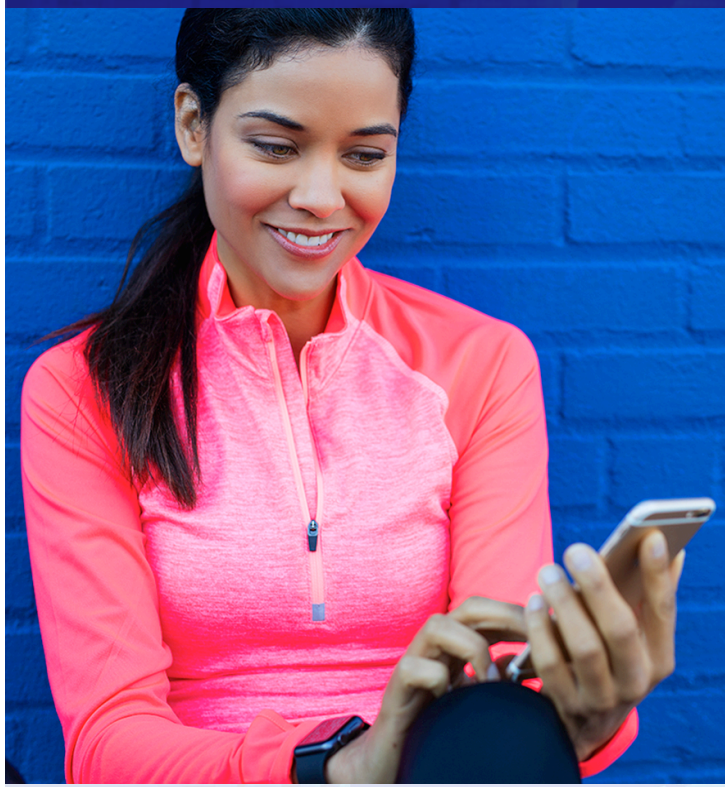
25.8%
EBITDA MARGIN*

20.9%
OPERATING MARGIN*

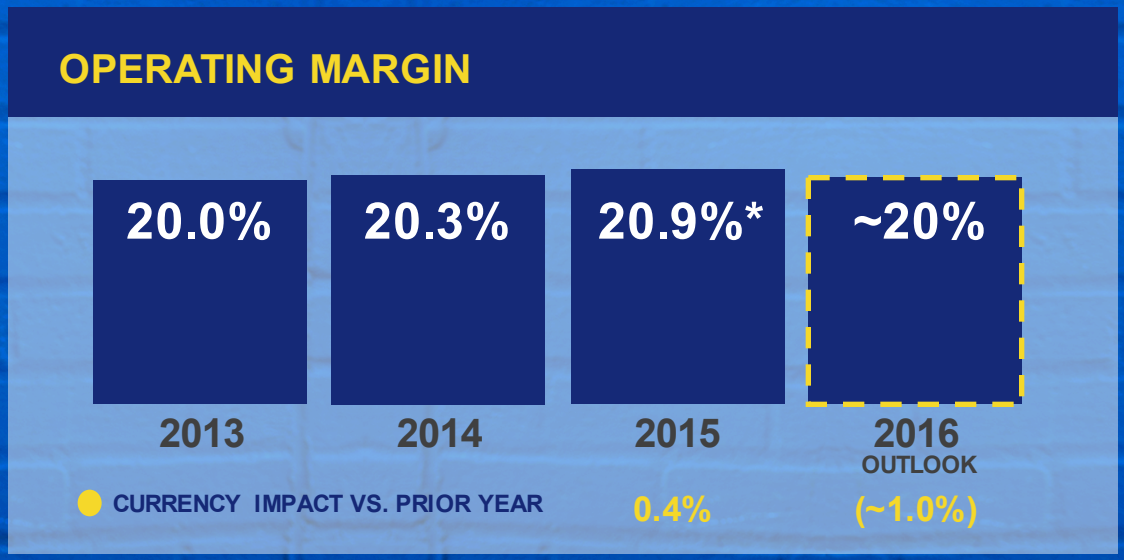
Note: All metrics for full year or as of year-end 2015
*Excluding Paymap settlement charge **Free cash flow = operating cash flow less capital expenditures
See appendix for reconciliation of Non-GAAP to GAAP financial measures

Stable operating margins

Currency driving recent fluctuations



OPERATING MARGIN



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Stable operating margins

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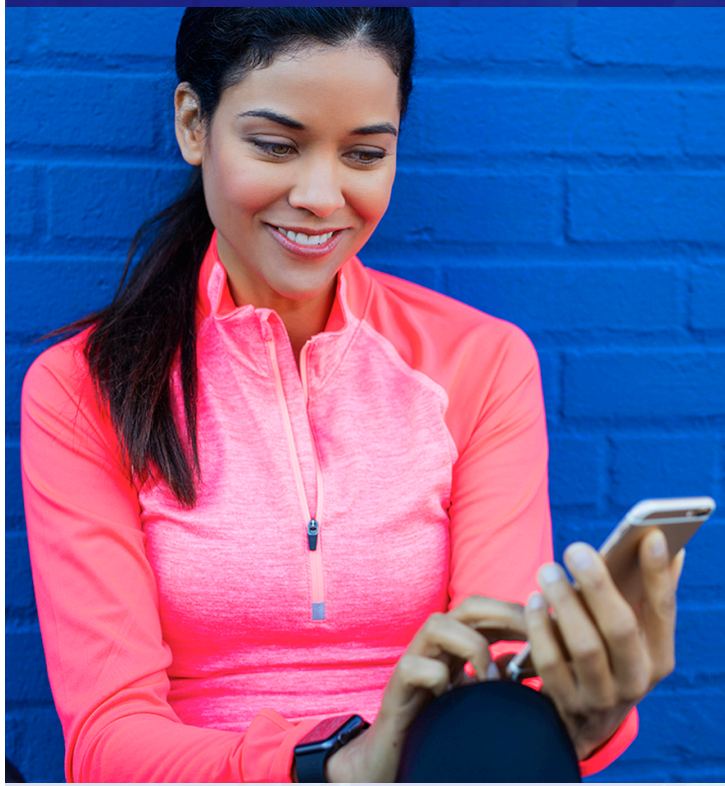

MARGIN IMPACT 2014 – 2016

+ Cost savings initiatives, other efficiencies, FX hedges

– IT investment, compliance investment, stronger dollar

Operating margins

Ongoing drivers

Note: 2015 percentages

Operating margins

Ongoing drivers

Cost savings initiatives

$32M
INCREMENTAL SAVINGS 2015

Currency/ hedges

HEDGES MINIMIZE NEAR-TERM FX IMPACTS ON PROFIT

New businesses

- Models still evolving
- IT investment
- Incremental revenue is key

Capital allocation

Priorities

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Reinvest in business

CAPITAL SPENDING

4%

OF REVENUES
2013 – 2015

Return to shareholders

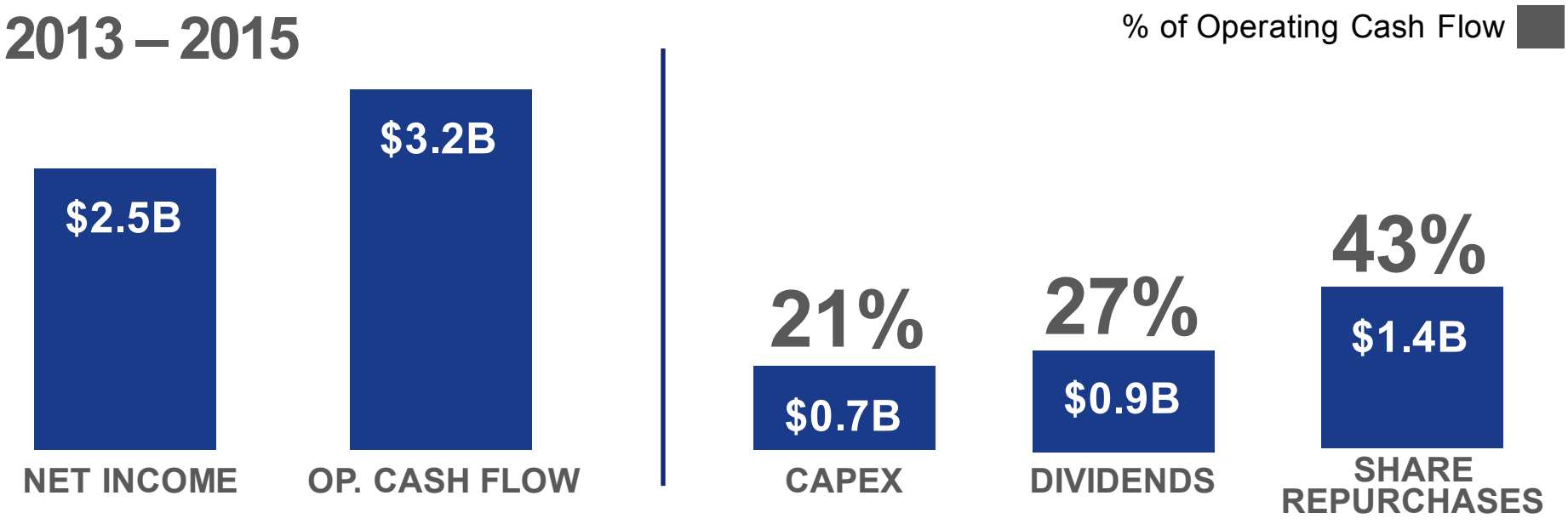
- Balanced payout between dividends and share repurchases
- Maintain investment grade rating

Strategic M&A

- Evaluate opportunities in cross-border money movement

Capital allocation

Strong return to shareholders



Capital allocation

Return to shareholders

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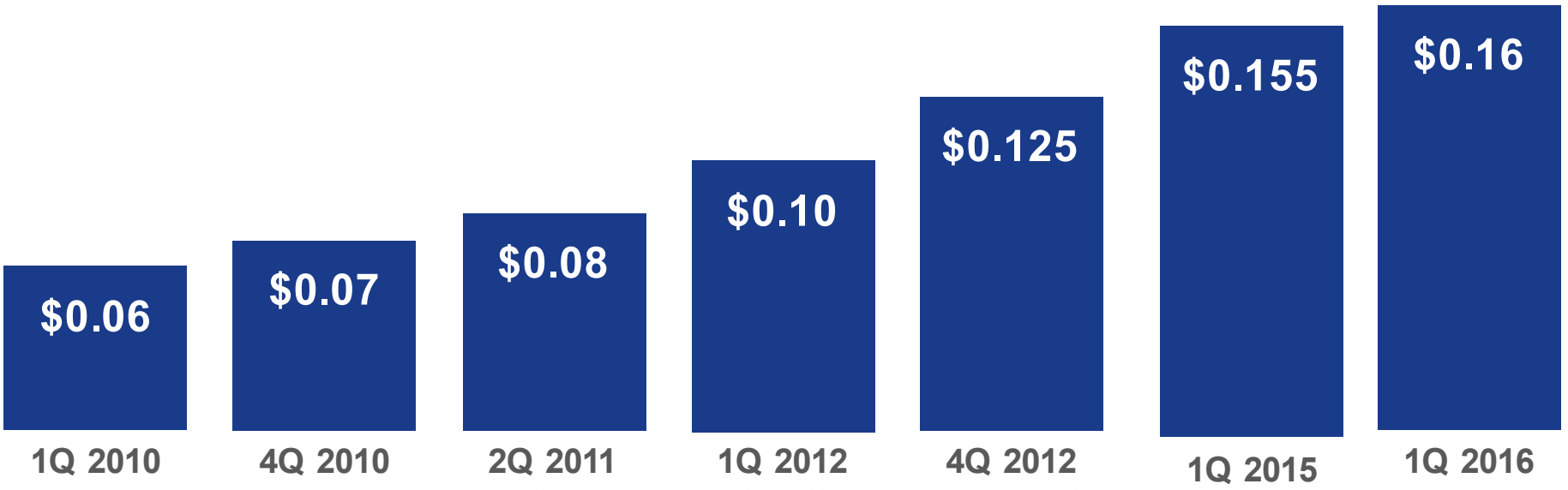
QUARTERLY DIVIDEND LEVELS



Capital allocation

Return to shareholders

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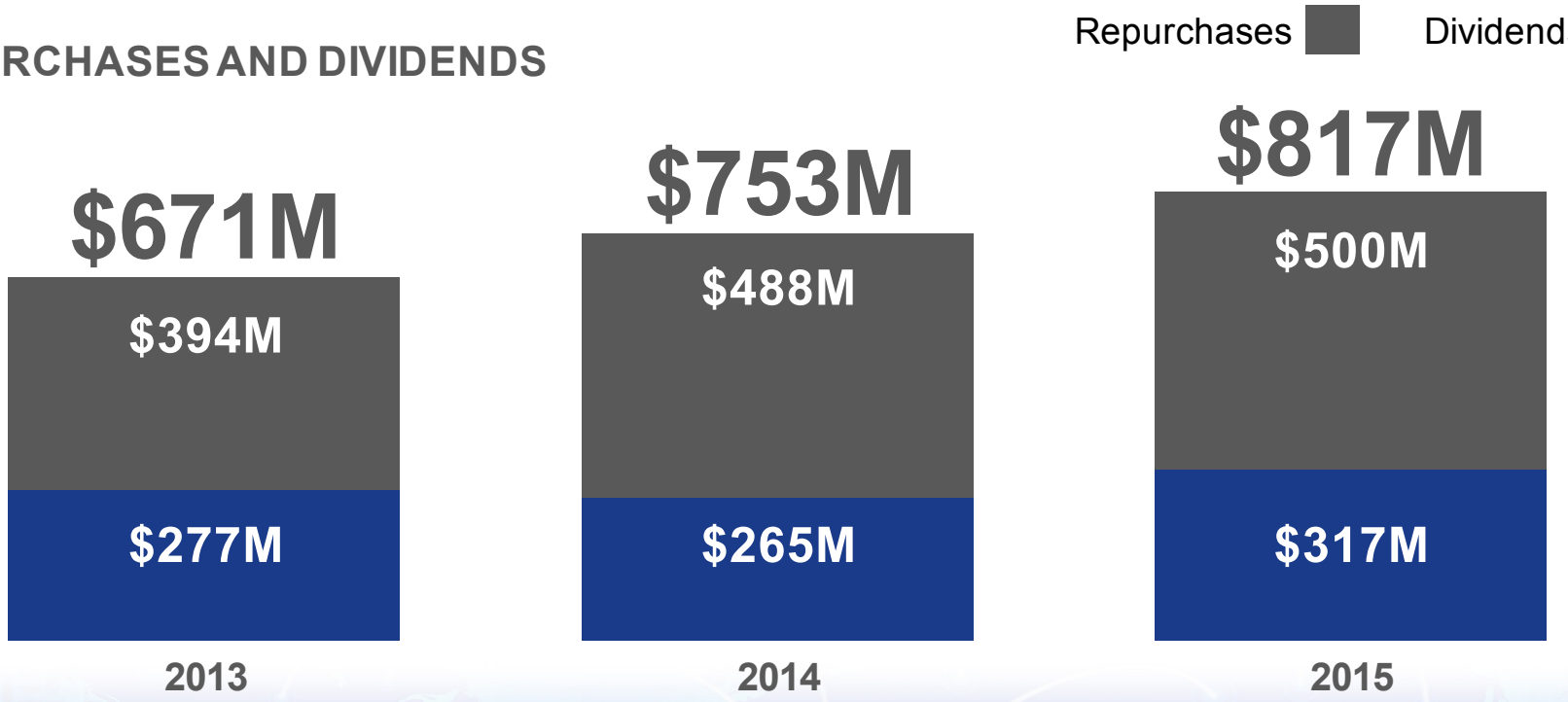
REPURCHASES AND DIVIDENDS



Cash flow

Generation and allocation

Current dividend, annualized $0.64:

~3.5% yield

2016 and 2017 repurchase authorization $712 million remaining:

~8% of market capitalization

Note: Based on closing stock price as of 2/29/2016

Solid core business generating strong cash flow combined with strong balance sheet

– Provides flexibility for growth investments

– Allows for continued high returns of cash flow to shareholders