

Key Statistics and Reconciliation of Non-GAAP Measures

Western Union presents a number of non-GAAP financial measures because management believes that these metrics provide meaningful supplemental information in addition to the GAAP metrics and provide comparability and consistency to prior periods. Constant currency results assume foreign revenues are translated from foreign currencies to the U.S. dollar, net of the effect of foreign currency hedges, at rates consistent with those in the prior year. We have also included non-GAAP revenues below that remove the impacts of Speedpay and Paymap, in order to provide a more meaningful comparison of results from continuing operations.

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.

Amounts included below are in millions, unless indicated otherwise.

Key Statistics and Reconciliation of Non-GAAP Measures

	Notes	1Q20	2Q20	3Q20	4Q20	FY2020	1Q21
Consolidated Metrics							
Consolidated revenues (GAAP) - YoY % change		(11) %	(17) %	(4) %	(3) %	(9) %	2 %
Consolidated revenues (non-GAAP, constant currency and excluding Speedpay and Paymap) - YoY % change	(a)	(1) %	(11) %	(1) %	(1) %	(3) %	2 %
Consolidated operating margin (GAAP)		19.6 %	19.9 %	22.7 %	17.9 %	20.0 %	19.2 %
Consolidated operating margin, excluding restructuring-related expenses and acquisition and divestiture costs (non-GAAP)	(b)	20.5 %	20.4 %	23.5 %	18.8 %	20.8 %	19.2 %
EBITDA margin (non-GAAP)	(c)	24.5 %	25.0 %	27.0 %	22.3 %	24.7 %	23.7 %
Consumer-to-Consumer (C2C) Segment Metrics							
Revenues (GAAP) - YoY % change		(4) %	(12) %	(1) %	0 %	(4) %	4 %
Revenues (non-GAAP, constant currency) - YoY % change	(e)	(3) %	(11) %	0 %	0 %	(3) %	2 %
Transactions (in millions)		66.8	68.0	77.3	78.4	290.5	73.0
Transactions - YoY % change		(3) %	(8) %	6 %	6 %	0 %	9 %
Total principal (\$- billions)		\$ 20.6	\$ 21.9	\$ 26.9	\$ 26.7	\$ 96.1	\$ 25.7
Principal per transaction, as reported - YoY % change		2 %	7 %	13 %	14 %	9 %	15 %
Principal per transaction (constant currency) - YoY % change	(f)	4 %	9 %	14 %	13 %	10 %	12 %
Cross-border principal, as reported - YoY % change		0 %	1 %	23 %	24 %	12 %	28 %
Cross-border principal (constant currency) - YoY % change	(g)	2 %	3 %	24 %	23 %	13 %	26 %
Operating margin		20.7 %	21.8 %	24.6 %	20.5 %	21.9 %	19.6 %
Digital money transfer revenues (GAAP) - YoY % change ⁽¹⁾		21 %	48 %	45 %	36 %	38 %	45 %
Digital money transfer foreign currency translation impact	(j)	1 %	2 %	1 %	(1) %	0 %	(1) %
Digital money transfer revenues (non-GAAP, constant currency) - YoY % change ⁽¹⁾		22 %	50 %	46 %	35 %	38 %	44 %
Digital money transfer transactions - YoY % change		42 %	96 %	96 %	83 %	81 %	77 %
westernunion.com revenues (GAAP) - YoY % change		13 %	33 %	33 %	27 %	27 %	38 %
westernunion.com foreign currency translation impact	(j)	1 %	1 %	(1) %	(1) %	0 %	(1) %
westernunion.com revenues (non-GAAP, constant currency) - YoY % change		14 %	34 %	32 %	26 %	27 %	37 %
westernunion.com transactions - YoY % change		15 %	50 %	53 %	56 %	44 %	55 %

(1) Represents revenue from transactions conducted and funded through westernunion.com and transactions initiated on internet and mobile applications hosted by our third-party white label or co-branded digital partners.

Key Statistics and Reconciliation of Non-GAAP Measures

C2C Segment Regional Metrics - YoY % change

	Notes	1Q20	2Q20	3Q20	4Q20	FY2020	1Q21
NA region revenues (GAAP)		(2) %	(6) %	0 %	(3) %	(3) %	0 %
NA region foreign currency translation impact	(i)	0 %	1 %	1 %	0 %	0 %	1 %
NA region revenues (non-GAAP, constant currency)		<u>(2) %</u>	<u>(5) %</u>	<u>1 %</u>	<u>(3) %</u>	<u>(3) %</u>	<u>1 %</u>
NA region transactions		(5) %	(7) %	1 %	(1) %	(3) %	1 %
EU & CIS region revenues (GAAP)		(5) %	(10) %	3 %	3 %	(2) %	8 %
EU & CIS region foreign currency translation impact	(i)	0 %	1 %	(2) %	(3) %	(1) %	(4) %
EU & CIS region revenues (non-GAAP, constant currency)		<u>(5) %</u>	<u>(9) %</u>	<u>1 %</u>	<u>0 %</u>	<u>(3) %</u>	<u>4 %</u>
EU & CIS region transactions		1 %	4 %	24 %	23 %	13 %	28 %
MEASA region revenues (GAAP)		3 %	(13) %	2 %	1 %	(2) %	1 %
MEASA region foreign currency translation impact	(i)	0 %	1 %	0 %	(1) %	0 %	(1) %
MEASA region revenues (non-GAAP, constant currency)		<u>3 %</u>	<u>(12) %</u>	<u>2 %</u>	<u>0 %</u>	<u>(2) %</u>	<u>0 %</u>
MEASA region transactions		1 %	(1) %	15 %	12 %	7 %	13 %
LACA region revenues (GAAP)		(11) %	(45) %	(21) %	(9) %	(22) %	3 %
LACA region foreign currency translation impact	(i)	8 %	10 %	13 %	11 %	11 %	5 %
LACA region revenues (non-GAAP, constant currency)		<u>(3) %</u>	<u>(35) %</u>	<u>(8) %</u>	<u>2 %</u>	<u>(11) %</u>	<u>8 %</u>
LACA region transactions		(5) %	(41) %	(21) %	(13) %	(20) %	(8) %
APAC region revenues (GAAP)		(10) %	(14) %	4 %	8 %	(3) %	9 %
APAC region foreign currency translation impact	(i)	1 %	1 %	1 %	(2) %	0 %	(6) %
APAC region revenues (non-GAAP, constant currency)		<u>(9) %</u>	<u>(13) %</u>	<u>5 %</u>	<u>6 %</u>	<u>(3) %</u>	<u>3 %</u>
APAC region transactions		(14) %	(18) %	(6) %	(3) %	(10) %	(2) %

Key Statistics and Reconciliation of Non-GAAP Measures

	Notes	1Q20	2Q20	3Q20	4Q20	FY2020	1Q21
% of C2C Revenue							
NA region revenues		38 %	41 %	38 %	37 %	38 %	37 %
EU & CIS region revenues		31 %	32 %	33 %	33 %	33 %	33 %
MEASA region revenues		16 %	15 %	16 %	15 %	15 %	16 %
LACA region revenues		9 %	6 %	7 %	8 %	8 %	8 %
APAC region revenues		6 %	6 %	6 %	7 %	6 %	6 %
Digital money transfer revenues		16 %	22 %	21 %	21 %	20 %	23 %
Business Solutions Segment Metrics							
Revenues (GAAP) - YoY % change		3 %	(17) %	(11) %	(8) %	(8) %	(2) %
Revenues (non-GAAP, constant currency) - YoY % change	(b)	5 %	(15) %	(13) %	(11) %	(8) %	(8) %
Operating margin		14.1 %	1.6 %	10.5 %	(0.2) %	6.9 %	13.1 %
Other (primarily bill payments businesses in Argentina and the United States and money orders)							
Revenues (GAAP) - YoY % change		(59) %	(56) %	(33) %	(29) %	(48) %	(18) %
Operating margin		26.1 %	21.9 %	20.0 %	15.8 %	21.2 %	22.6 %
% of Total Company Revenue (GAAP)							
Consumer-to-Consumer segment revenues		85 %	88 %	88 %	88 %	87 %	87 %
Business Solutions segment revenues		8 %	7 %	7 %	7 %	8 %	8 %
Other revenues		7 %	5 %	5 %	5 %	5 %	5 %

Key Statistics and Reconciliation of Non-GAAP Measures

WesternUnion\WU

Three Months Ended March 31, 2021						
Notes	Revenues	Operating Income	Income Before Income Taxes	Provision for Income Taxes	Net Income	Diluted Earnings per Share
<i>(in millions, except per share amounts)</i>						
Reported results (GAAP)	\$ 1,210.0	\$ 232.8	\$ 202.9	\$ 21.1	\$ 181.8	\$ 0.44
Foreign currency translation impact	(0.9)					
Revenues, constant currency adjusted (non-GAAP)	<u>\$ 1,209.1</u>					
Three Months Ended March 31, 2020						
Notes	Revenues	Operating Income	Income Before Income Taxes	Provision for Income Taxes	Net Income	Diluted Earnings per Share
<i>(in millions, except per share amounts)</i>						
Reported results (GAAP)	\$ 1,190.0	\$ 233.2	\$ 201.9	\$ 25.2	\$ 176.7	\$ 0.42
Restructuring related expenses and related tax benefit	—	10.5	10.5	1.3	9.2	0.02
Adjusted results (non-GAAP)	<u>\$ 1,190.0</u>	<u>\$ 243.7</u>	<u>\$ 212.4</u>	<u>\$ 26.5</u>	<u>\$ 185.9</u>	<u>\$ 0.44</u>
Quarter over quarter growth/(decline) (GAAP)	2 %	0 %	0 %	(17) %	3 %	5 %
Quarter over quarter growth/(decline) (non-GAAP)	2 %	(4) %	(5) %	(19) %	(2) %	0 %

Key Statistics and Reconciliation of Non-GAAP Measures

	Notes	1Q20	2Q20	3Q20	4Q20	FY2020	1Q21
Consolidated Metrics							
(a) Revenues (GAAP)		\$ 1,190.0	\$ 1,114.7	\$ 1,258.5	\$ 1,271.8	\$ 4,835.0	\$ 1,210.0
Foreign currency translation impact	(j)	47.3	46.4	41.1	22.4	157.2	(0.9)
Revenues (non-GAAP, constant currency)		\$ 1,237.3	\$ 1,161.1	\$ 1,299.6	\$ 1,294.2	\$ 4,992.2	\$ 1,209.1
Prior year revenues (GAAP)		\$ 1,337.0	\$ 1,340.5	\$ 1,306.9	\$ 1,307.7	\$ 5,292.1	\$ 1,190.0
Less prior year revenues from Speedpay and Paymap divestitures	(k)	(91.9)	(38.8)	N/A	N/A	(130.7)	N/A
Prior year revenues, adjusted for divestitures (non-GAAP)		\$ 1,245.1	\$ 1,301.7	\$ 1,306.9	\$ 1,307.7	\$ 5,161.4	\$ 1,190.0
Revenues (GAAP) - YoY % Change		(11) %	(17) %	(4) %	(3) %	(9) %	2 %
Revenues, constant currency and adjusted for divestitures (non-GAAP) - YoY % Change		(1) %	(11) %	(1) %	(1) %	(3) %	2 %
(b) Operating income (GAAP)		\$ 233.2	\$ 221.8	\$ 285.2	\$ 227.1	\$ 967.3	\$ 232.8
Restructuring-related expenses	(m)	10.5	5.2	9.1	12.0	36.8	N/A
Acquisition and divestiture costs	(n)	—	0.7	1.5	0.3	2.5	N/A
Operating income, adjusted (non-GAAP)		\$ 243.7	\$ 227.7	\$ 295.8	\$ 239.4	\$ 1,006.6	\$ 232.8
Operating margin (GAAP)		19.6 %	19.9 %	22.7 %	17.9 %	20.0 %	19.2 %
Operating margin, adjusted (non-GAAP)		20.5 %	20.4 %	23.5 %	18.8 %	20.8 %	19.2 %
(c) Operating income (GAAP)		\$ 233.2	\$ 221.8	\$ 285.2	\$ 227.1	\$ 967.3	\$ 232.8
Depreciation and amortization		58.2	57.1	54.2	56.1	225.6	53.4
EBITDA (non-GAAP)	(l)	\$ 291.4	\$ 278.9	\$ 339.4	\$ 283.2	\$ 1,192.9	\$ 286.2
Operating margin (GAAP)		19.6 %	19.9 %	22.7 %	17.9 %	20.0 %	19.2 %
EBITDA margin (non-GAAP)		24.5 %	25.0 %	27.0 %	22.3 %	24.7 %	23.7 %

Key Statistics and Reconciliation of Non-GAAP Measures

	Notes	1Q20	2Q20	3Q20	4Q20	FY2020	1Q21
Consolidated Metrics cont.							
(d) Effective tax rate (GAAP)		13 %	16 %	12 %	11 %	13 %	10 %
Impact from restructuring-related expenses	(m)	0 %	0 %	1 %	1 %	0 %	N/A
Impact from acquisition and divestiture costs	(n)	0 %	0 %	0 %	0 %	0 %	N/A
Effective tax rate, adjusted (non-GAAP)		13 %	16 %	13 %	12 %	13 %	10 %
C2C Segment Metrics							
(e) Revenues (GAAP)		\$ 1,015.4	\$ 976.6	\$ 1,106.5	\$ 1,121.5	\$ 4,220.0	\$ 1,050.9
Foreign currency translation impact	(i)	12.9	18.4	11.1	(1.2)	41.2	(11.1)
Revenues (non-GAAP, constant currency)		\$ 1,028.3	\$ 995.0	\$ 1,117.6	\$ 1,120.3	\$ 4,261.2	\$ 1,039.8
Prior year revenues (GAAP)		\$ 1,056.9	\$ 1,112.9	\$ 1,113.0	\$ 1,125.0	\$ 4,407.8	\$ 1,015.4
Revenues (GAAP) - YoY % change		(4) %	(12) %	(1) %	0 %	(4) %	4 %
Revenues (non-GAAP, constant currency) - YoY % change		(3) %	(11) %	0 %	0 %	(3) %	2 %
(f) Principal per transaction, as reported (\$- dollars)		\$ 308	\$ 322	\$ 348	\$ 341	\$ 331	\$ 353
Foreign currency translation impact (\$- dollars)	(i)	5	7	1	(2)	2	(7)
Principal per transaction (constant currency) (\$- dollars)		\$ 313	\$ 329	\$ 349	\$ 339	\$ 333	\$ 346
Prior year principal per transaction, as reported (\$- dollars)		\$ 302	\$ 303	\$ 307	\$ 300	\$ 303	\$ 308
Principal per transaction, as reported - YoY % change		2 %	7 %	13 %	14 %	9 %	15 %
Principal per transaction (constant currency) - YoY % change		4 %	9 %	14 %	13 %	10 %	12 %
(g) Cross-border principal, as reported (\$- billions)		\$ 19.1	\$ 20.7	\$ 25.5	\$ 25.3	\$ 90.6	\$ 24.5
Foreign currency translation impact (\$- billions)	(i)	0.3	0.4	—	(0.1)	0.6	(0.5)
Cross-border principal (constant currency) (\$- billions)		\$ 19.4	\$ 21.1	\$ 25.5	\$ 25.2	\$ 91.2	\$ 24.0
Prior year cross-border principal, as reported (\$- billions)		\$ 19.1	\$ 20.5	\$ 20.6	\$ 20.5	\$ 80.7	\$ 19.1
Cross-border principal, as reported - YoY % change		0 %	1 %	23 %	24 %	12 %	28 %
Cross-border principal (constant currency) - YoY % change		2 %	3 %	24 %	23 %	13 %	26 %

Key Statistics and Reconciliation of Non-GAAP Measures

	Notes	1Q20	2Q20	3Q20	4Q20	FY2020	1Q21
Business Solutions Segment Metrics							
(h)		\$ 98.4	\$ 79.4	\$ 89.1	\$ 89.2	\$ 356.1	\$ 96.5
	(i)	2.2	2.0	(1.9)	(2.4)	(0.1)	(5.6)
		\$ 100.6	\$ 81.4	\$ 87.2	\$ 86.8	\$ 356.0	\$ 90.9
		\$ 95.6	\$ 95.6	\$ 100.6	\$ 97.0	\$ 388.8	\$ 98.4
		3 %	(17) %	(11) %	(8) %	(8) %	(2) %
		5 %	(15) %	(13) %	(11) %	(8) %	(8) %
(i)		\$ 13.9	\$ 1.3	\$ 9.4	\$ (0.2)	\$ 24.4	\$ 12.6
		9.4	9.3	9.3	8.1	36.1	6.9
	(i)	\$ 23.3	\$ 10.6	\$ 18.7	\$ 7.9	\$ 60.5	\$ 19.5
		14.1 %	1.6 %	10.5 %	(0.2) %	6.9 %	13.1 %
		23.7 %	13.2 %	21.1 %	8.8 %	17.0 %	20.2 %

Key Statistics and Reconciliation of Non-GAAP Measures

2021 Consolidated Outlook Metrics

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

Impact from the net gain on an investment sale and debt extinguishment costs (\$- dollars)

Earnings per share, adjusted, excluding the net gain on an investment sale and debt extinguishment costs (non-GAAP) (\$- dollars)

	Range	
	<u>\$ 2.06</u>	<u>\$ 2.16</u>
(o), (p)	<u>(0.06)</u>	<u>(0.06)</u>
	<u>\$ 2.00</u>	<u>\$ 2.10</u>

Key Statistics and Reconciliation of Non-GAAP Measures

Non-GAAP related notes:

- (j) Represents the impact from the fluctuation in exchange rates between all foreign currency denominated amounts and the United States dollar. Constant currency results exclude any benefit or loss caused by foreign exchange fluctuations between foreign currencies and the United States dollar, net of foreign currency hedges, which would not have occurred if there had been a constant exchange rate. The Company believes that this measure provides management and investors with information about revenue results and trends that eliminates currency volatility while increasing the comparability of the Company's underlying results and trends.
- (k) On May 9, 2019, the Company completed the sale of its United States electronic bill payments business known as "Speedpay" to ACI Worldwide Corp. and ACW Worldwide, Inc. ("ACI") for approximately \$750 million in cash. In addition, on May 6, 2019, the Company completed the sale of Paymap Inc. ("Paymap"), which provides electronic mortgage bill payment services, for contingent consideration and immaterial cash proceeds received at closing. Both Speedpay and Paymap were included as a component of "Other" in the Company's segment reporting. 2019 revenues have been adjusted to exclude the carved out financial information for Speedpay and Paymap to compare the year-over-year revenue change. These financial measures are non-GAAP measures and should not be considered a substitute for the GAAP measures. The Company has 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.
- (l) Earnings before Interest, Taxes, Depreciation, and Amortization ("EBITDA") results from taking operating income and adjusting for depreciation and amortization expenses. EBITDA results provide an additional performance measurement calculation which helps neutralize the operating income effect of assets acquired in prior periods.
- (m) Represents impact from expenses incurred in connection with an overall restructuring plan, approved by the Board of Directors on August 1, 2019, to improve the Company's business processes and cost structure by reducing headcount and consolidating various facilities. While certain of these expenses are identifiable to the Company's business segments, primarily to the Company's Consumer-to-Consumer segment, they have been excluded from the measurement of segment operating income provided to the Chief Operating Decision Maker for purposes of assessing segment performance and decision making with respect to resource allocation. These expenses are therefore excluded from the Company's segment operating income results. 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. The Company believes 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 the Company's underlying operating results. As of December 31, 2020, all expenses associated with this plan have been incurred.
- (n) Represents the impact from expenses incurred in connection with the Company's acquisition and divestiture activity. The Company's acquisition and divestiture costs incurred in the first quarter of 2021 were not material. The Company believes 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 the Company's underlying operating results.
- (o) On April 12, 2021, the Company sold a substantial majority of the shares it held as a minority investor in a private company for cash proceeds of \$50.9 million. As a result, the Company recorded a pre-tax gain of approximately \$48 million to Other income/(expense), net, in the second quarter of 2021. The Company's 2021 earnings per share outlook has been adjusted to exclude the estimated after-tax gain on this transaction. Management believes that presenting the Company's 2021 earnings per share outlook as adjusted to exclude this gain will provide investors with a more meaningful comparison of results with the historical periods presented.
- (p) On April 1, 2021, the Company repaid \$500 million of aggregate principal amount of 3.6% unsecured notes due in 2022 and incurred approximately \$14.8 million of costs, excluding accrued interest, in connection with the repayment. The cost associated with the repayment was recorded to Other income/(expense), net, in the second quarter of 2021. The Company's 2021 earnings per share outlook has been adjusted to exclude the estimated after-tax costs of this repayment. Management believes that presenting the Company's 2021 earnings per share outlook as adjusted to exclude these costs will provide investors with a more meaningful comparison of results with the historical periods presented.