

FOR IMMEDIATE RELEASE

Western Union Reports First Quarter Results

***Digital money transfer revenues on track to exceed \$1 billion in 2021;
first quarter revenue growth of 45%***

***WU.com delivers fourth consecutive quarter with growth of 50% or more for
transactions and more than 40% for average monthly active users***

Total Company revenues grew 2% to \$1.2 billion; Earnings Per Share (EPS) of \$0.44

Reaffirms 2021 financial outlook for revenue and margin; raises GAAP EPS to \$2.06 - \$2.16

DENVER, May 4, 2021: The Western Union Company (NYSE: WU), a global leader in cross-border, cross-currency money movement and payments, today reported first quarter financial results and updated its 2021 financial outlook, which includes a \$0.06 increase in the GAAP EPS range primarily from the sale of an investment in the second quarter of 2021.

The Company's first quarter revenue of \$1.2 billion increased 2% on both a reported and constant currency basis compared to the prior year period, including a 1% benefit from inflation in Argentina. The increase in revenue was led by strength in digital money transfer which grew 45% to a new quarterly high of \$242 million.

EPS in the first quarter was \$0.44. GAAP EPS in the prior year period was \$0.42, which included costs related to the Company's restructuring program that was completed in the fourth quarter of 2020, while adjusted EPS was \$0.44. EPS in the current period benefitted from revenue growth, a lower effective tax rate, and share repurchases, offset by increased investments in strategic initiatives and marketing and compensation-related expenses.

President and CEO Hikmet Ersek said, "2021 is an important year for Western Union and we got off to a healthy start led by the continued strong growth of our market-leading digital business that generated over \$240 million of revenue in the first quarter, putting us on track to exceed \$1 billion of digital revenue this year. While additional waves of COVID-19 continue to affect

countries around the world, we are optimistic that conditions may continue to improve over the year, supporting the momentum of our business and allowing us to achieve our 2021 financial outlook.”

Ersek added, “Our growth strategy has positioned us well for today’s dynamic environment and to lead the digital transformation of cross-border, Consumer-to-Consumer payments, and also leverage our capabilities in the rapidly growing cross-border payments market across different use cases. We remain focused on executing, evolving, and investing behind our strategy to ensure that we can capitalize on these exciting growth opportunities and develop an ecosystem of services centered around cross-border financial transactions.”

CFO Raj Agrawal stated, “We are encouraged by our first quarter performance that puts us on track to achieve our 2021 financial outlook. Our digital consumer business maintained the elevated levels of growth that we saw last year, while trends for our retail consumer business and Business Solutions segment improved sequentially. We also delivered operating margin of 19%, despite making significant investments in initiatives that were delayed in 2020 due to the effects of COVID-19, and we resumed returning cash to investors through share repurchases. Given our solid start to the year, we are affirming our revenue and operating margin financial outlook and raising our GAAP EPS financial outlook for 2021.”

Q1 Business Highlights

- Consumer-to-Consumer (C2C) transactions increased 9% in the quarter, while revenues increased 4% on a reported basis, or 2% constant currency. Within the C2C segment, cross-border money transfer revenues grew 6% partially offset by declines in domestic money transfers. Transaction growth was led by Europe and CIS, U.S. outbound, and the Middle East, partially offset by declines in U.S. domestic money transfer and Latin America and the Caribbean.
- Digital money transfer revenues increased 45% on a reported basis, or 44% constant currency, and represented 23% and 34% of total C2C revenues and transactions, respectively. Digital money transfer reached new quarterly highs for principal and revenues. Westernunion.com revenue grew 38% on a reported basis, or 37% constant currency, including cross-border revenue growth of 49%.
- Westernunion.com average monthly active users for the first quarter increased 46% year-over-year. Westernunion.com was the most downloaded mobile app among peer money

transfer companies during the first quarter, according to data provided by mobile app marketing firm Sensor Tower¹.

- Western Union Business Solutions revenues declined 2% on a reported basis, or 8% constant currency, and continued to improve sequentially, with declines due to lower hedging activity and the ongoing impact of COVID-19 on certain segment verticals. Other revenues, which consists primarily of retail bill payments in the U.S. and Argentina and money orders, declined 18% due to the ongoing impact of COVID-19 and the depreciation of the Argentine peso. Business Solutions and Other represented 8% and 5% of total Company revenue, respectively.

Q1 Financial Highlights

- The operating margin in the quarter was 19.2%. Prior year period GAAP operating margin was 19.6% and included approximately \$11 million of restructuring expenses, while adjusted operating margin was 20.5%. The decrease in operating margin was driven by higher investments in strategic initiatives and marketing and compensation-related expenses, partially offset by changes in foreign exchange.
- The effective tax rate in the quarter was 10.4%. In the prior year period, both the GAAP and adjusted effective tax rates were 12.5%. The decrease in the Company's effective tax rate was primarily due to changes in composition between higher-taxed and lower-taxed foreign earnings and an increase in discrete tax benefits.
- Cash flow from operating activities for the quarter was \$176 million. The Company returned \$172 million to shareholders in the first quarter consisting of \$97 million in dividends and \$75 million of share repurchases.

2021 Outlook

The Company today reaffirmed its 2021 financial outlook for revenue growth and operating margin and increased the GAAP EPS outlook by \$0.06 reflecting the impact of two items realized in the second quarter of 2021 including the sale of an investment, partially offset by expenses related to the early retirement of the Company's notes due in 2022. Excluding the impact of these two items, the 2021 EPS outlook is unchanged. The outlook provided today

¹ Data obtained from Sensor Tower App Install Market Share Report

assumes no material worsening in current global macro-economic conditions or the COVID-19 pandemic:

Revenue	GAAP: mid-to-high single digit increase Constant currency: mid-single digit increase, excluding Argentina inflation impact
Operating Profit Margin	Approximately 21.5%
Effective Tax Rate (GAAP and Adjusted)	Mid-teens range
EPS (GAAP)	In a range of \$2.06 - \$2.16
EPS (Adjusted)	In a range of \$2.00 - \$2.10

Adjustment Items

Adjusted tax rate and earnings per share metrics for 2021 periods exclude two items realized in the second quarter of 2021 including the impact from the sale of an investment and expenses related to the early retirement of the Company's notes due in 2022, net of related taxes, as applicable.

Adjusted operating profit, tax rate, and earnings per share metrics for 2020 periods exclude restructuring expenses and acquisition and divestiture costs, net of related taxes, as applicable.

Although the Company has previously incurred and can reasonably be expected to incur restructuring costs in the future, these expenses were specific to the implementation of a global strategy initiative and the Company has therefore provided adjusted financial results that exclude these expenses.

Additional Statistics

Additional key statistics for the quarter and historical trends can be found in the supplemental tables included with this press release.

All amounts included in the supplemental tables to this press release are rounded to the nearest tenth of a million, except as otherwise noted. As a result, the percentage changes and margins disclosed herein may not recalculate precisely using the rounded amounts provided.

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.

Reconciliations of non-GAAP to comparable GAAP measures are available in the accompanying schedules and in the "Investor Relations" section of the Company's website at <https://ir.westernunion.com>.

Investor and Analyst Conference Call and Slide Presentation

The Company will host a conference call and webcast, including slides, at 4:30 p.m. Eastern Time today. To listen to the conference call via telephone, dial +1 (888) 317-6003 (U.S.) or +1 (412) 317-6061 (outside the U.S.) ten minutes prior to the start of the call. The pass code is 0142810.

The conference call and accompanying slides will be available via webcast at <https://ir.westernunion.com>. Registration for the event is required, so please register at least five minutes prior to the scheduled start time.

A webcast replay will be available at <https://ir.westernunion.com>.

Please note: All statements made by Western Union officers on this call are the property of Western Union and subject to copyright protection. Other than the replay, Western Union has not authorized, and disclaims responsibility for, any recording, replay or distribution of any transcription of this call.

Safe Harbor Compliance Statement for Forward-Looking Statements

This press release 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 press release 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, 2020. 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 other events, such as public health emergencies, epidemics, or pandemics such as COVID-19, civil unrest, war, terrorism, or natural disasters, 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 digital, 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, clients, or other partners; deterioration in customer confidence in our business, or in money transfer and payment service providers generally; failure to maintain our agent network and business relationships under terms consistent with or more advantageous to us than those currently in place; 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; our ability to realize the anticipated benefits from restructuring-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; failure to manage credit and fraud risks presented by our agents, clients, and consumers; changes in tax laws or their interpretation, 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 protect our trademarks, patents, copyrights, and 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, operational burden or loss of business due to regulatory initiatives and changes in laws, including changes in interpretations, resulting in increasing regulations and industry practices and standards in the United States and abroad, affecting us, our agents, or their subagents, our external business partners such as financial institutions, 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; 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, data use, the transfer of personal data between jurisdictions, and information security, including with respect to the General Data Protection Regulation in the European Union and the California Consumer Privacy Act; failure to comply with the Dodd-Frank Wall Street Reform and Consumer Protection 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.

About Western Union

The Western Union Company (NYSE: WU) is a global leader in cross-border, cross-currency money movement and payments. Western Union's platform provides seamless cross-border flows and its leading global financial network bridges more than 200 countries and territories and over 130 currencies. We connect businesses, financial institutions, governments, and consumers through one of the world's widest reaching networks, accessing billions of bank accounts, millions of digital wallets and cards, and over half a million retail locations. Western Union connects the world to bring boundless possibilities within reach. For more information, visit www.westernunion.com.

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THE WESTERN UNION COMPANY
KEY STATISTICS
(Unaudited)

	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	(gg)	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	(gg)	14 %	34 %	32 %	26 %	27 %	37 %
westernunion.com transactions - YoY % change	(gg)	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 the Company's third-party white label or co-branded digital partners.

THE WESTERN UNION COMPANY
KEY STATISTICS
(Unaudited)

	Notes*	1Q20	2Q20	3Q20	4Q20	FY2020	1Q21
C2C Segment Regional Metrics - YoY % change							
NA region revenues (GAAP)	(aa), (bb)	(2)%	(6)%	0 %	(3)%	(3)%	0 %
NA region foreign currency translation impact	(j)	0 %	1 %	1 %	0 %	0 %	1 %
NA region revenues (non-GAAP, constant currency)	(aa), (bb)	(2)%	(5)%	1 %	(3)%	(3)%	1 %
NA region transactions	(aa), (bb)	(5)%	(7)%	1 %	(1)%	(3)%	1 %
EU & CIS region revenues (GAAP)	(aa), (cc)	(5)%	(10)%	3 %	3 %	(2)%	8 %
EU & CIS region foreign currency translation impact	(j)	0 %	1 %	(2)%	(3)%	(1)%	(4)%
EU & CIS region revenues (non-GAAP, constant currency)	(aa), (cc)	(5)%	(9)%	1 %	0 %	(3)%	4 %
EU & CIS region transactions	(aa), (cc)	1 %	4 %	24 %	23 %	13 %	28 %
MEASA region revenues (GAAP)	(aa), (dd)	3 %	(13)%	2 %	1 %	(2)%	1 %
MEASA region foreign currency translation impact	(j)	0 %	1 %	0 %	(1)%	0 %	(1)%
MEASA region revenues (non-GAAP, constant currency)	(aa), (dd)	3 %	(12)%	2 %	0 %	(2)%	0 %
MEASA region transactions	(aa), (dd)	1 %	(1)%	15 %	12 %	7 %	13 %
LACA region revenues (GAAP)	(aa), (ee)	(11)%	(45)%	(21)%	(9)%	(22)%	3 %
LACA region foreign currency translation impact	(j)	8 %	10 %	13 %	11 %	11 %	5 %
LACA region revenues (non-GAAP, constant currency)	(aa), (ee)	(3)%	(35)%	(8)%	2 %	(11)%	8 %
LACA region transactions	(aa), (ee)	(5)%	(41)%	(21)%	(13)%	(20)%	(8)%
APAC region revenues (GAAP)	(aa), (ff)	(10)%	(14)%	4 %	8 %	(3)%	9 %
APAC region foreign currency translation impact	(j)	1 %	1 %	1 %	(2)%	0 %	(6)%
APAC region revenues (non-GAAP, constant currency)	(aa), (ff)	(9)%	(13)%	5 %	6 %	(3)%	3 %
APAC region transactions	(aa), (ff)	(14)%	(18)%	(6)%	(3)%	(10)%	(2)%

THE WESTERN UNION COMPANY
KEY STATISTICS
(Unaudited)

	Notes*	1Q20	2Q20	3Q20	4Q20	FY2020	1Q21
% of C2C Revenue							
NA region revenues	(aa), (bb)	38 %	41 %	38 %	37 %	38 %	37 %
EU & CIS region revenues	(aa), (cc)	31 %	32 %	33 %	33 %	33 %	33 %
MEASA region revenues	(aa), (dd)	16 %	15 %	16 %	15 %	15 %	16 %
LACA region revenues	(aa), (ee)	9 %	6 %	7 %	8 %	8 %	8 %
APAC region revenues	(aa), (ff)	6 %	6 %	6 %	7 %	6 %	6 %
Digital money transfer revenues	(aa)	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	(h)	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 %

* See the "Notes to Key Statistics" section of the press release for the applicable Note references and the reconciliation of non-GAAP financial measures, unless already reconciled herein.

THE WESTERN UNION COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(in millions, except per share amounts)

	Three Months Ended March 31,		
	2021	2020	% Change
Revenues	\$ 1,210.0	\$ 1,190.0	2 %
Expenses:			
Cost of services	706.0	683.4	3 %
Selling, general, and administrative	271.2	273.4	(1)%
Total operating expenses ^(a)	977.2	956.8	2 %
Operating income	232.8	233.2	0 %
Other income/(expense):			
Interest income	0.4	1.6	(75)%
Interest expense	(28.4)	(32.9)	(14)%
Other expense, net	(1.9)	—	^(b)
Total other expense, net	(29.9)	(31.3)	(4)%
Income before income taxes	202.9	201.9	0 %
Provision for income taxes	21.1	25.2	(17)%
Net income	\$ 181.8	\$ 176.7	3 %
Earnings per share:			
Basic	\$ 0.44	\$ 0.43	2 %
Diluted	\$ 0.44	\$ 0.42	5 %
Weighted-average shares outstanding:			
Basic	411.7	414.3	
Diluted	414.3	418.3	

(a) For the three months ended March 31, 2020, the Company incurred \$10.5 million related to its restructuring plan, with a majority related to consulting service fees, severance and other costs, of which \$0.9 million and \$9.6 million were included in Cost of services and Selling, general, and administrative, respectively.

(b) Calculation not meaningful.

THE WESTERN UNION COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(in millions, except per share amounts)

	March 31, 2021	December 31, 2020
Assets		
Cash and cash equivalents	\$ 1,502.6	\$ 1,428.2
Settlement assets	3,638.2	3,821.4
Property and equipment, net of accumulated depreciation of \$665.7 and \$659.9, respectively	144.9	150.4
Goodwill	2,566.6	2,566.6
Other intangible assets, net of accumulated amortization of \$1,064.7 and \$1,044.6, respectively	523.0	505.0
Other assets	905.7	1,024.7
Total assets	<u>\$ 9,281.0</u>	<u>\$ 9,496.3</u>
Liabilities and stockholders' equity		
Liabilities:		
Accounts payable and accrued liabilities	\$ 513.3	\$ 500.9
Settlement obligations	3,638.2	3,821.4
Income taxes payable	933.1	928.9
Deferred tax liability, net	187.2	188.9
Borrowings	3,230.5	3,067.2
Other liabilities	559.9	802.4
Total liabilities	<u>9,062.2</u>	<u>9,309.7</u>
Stockholders' equity:		
Preferred stock, \$1.00 par value; 10 shares authorized; no shares issued	—	—
Common stock, \$0.01 par value; 2,000 shares authorized; 409.8 shares and 411.2 shares issued and outstanding as of March 31, 2021 and December 31, 2020, respectively	4.1	4.1
Capital surplus	904.0	885.1
Accumulated deficit	(548.2)	(543.1)
Accumulated other comprehensive loss	(141.1)	(159.5)
Total stockholders' equity	<u>218.8</u>	<u>186.6</u>
Total liabilities and stockholders' equity	<u>\$ 9,281.0</u>	<u>\$ 9,496.3</u>

THE WESTERN UNION COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(in millions)

	Three Months Ended March 31,	
	2021	2020
Cash flows from operating activities		
Net income	\$ 181.8	\$ 176.7
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	12.8	16.5
Amortization	40.6	41.7
Other non-cash items, net	30.3	20.8
Increase/(decrease) in cash, resulting from changes in:		
Other assets	(46.9)	(23.1)
Accounts payable and accrued liabilities	(35.8)	(109.3)
Income taxes payable	5.5	(2.8)
Other liabilities	(12.5)	(8.1)
Net cash provided by operating activities	175.8	112.4
Cash flows from investing activities		
Payments for capitalized contract costs	(78.3)	(21.5)
Payments for internal use software	(9.9)	(7.9)
Purchases of property and equipment	(8.7)	(6.3)
Proceeds from the sale of former corporate headquarters	—	44.2
Purchases of non-settlement related investments	(0.9)	—
Proceeds from maturity of non-settlement related investments	0.5	0.3
Other investing activities	1.1	—
Net cash (used in)/provided by investing activities	(96.2)	8.8
Cash flows from financing activities		
Cash dividends and dividend equivalents paid	(96.7)	(92.4)
Common stock repurchased	(84.5)	(237.1)
Net repayments of commercial paper	(80.0)	(160.0)
Net proceeds from issuance of borrowings	892.6	—
Principal payments on borrowings	(650.0)	—
Proceeds from exercise of options	8.1	1.0
Other financing activities	0.1	(0.7)
Net cash used in financing activities	(10.4)	(489.2)
Net change in cash, cash equivalents, and restricted cash	69.2	(368.0)
Cash, cash equivalents, and restricted cash at beginning of period	1,447.4	1,456.8
Cash, cash equivalents, and restricted cash at end of period ^(a)	<u>\$ 1,516.6</u>	<u>\$ 1,088.8</u>

(a) As of March 31, 2021 and 2020 the Company had \$14.0 million and \$16.0 million, respectively, of restricted cash.

THE WESTERN UNION COMPANY
SUMMARY SEGMENT DATA
(Unaudited)
(in millions)

	Three Months Ended March 31,		
	2021	2020	% Change
Revenues:			
Consumer-to-Consumer	\$ 1,050.9	\$ 1,015.4	4 %
Business Solutions	96.5	98.4	(2)%
Other ^(a)	62.6	76.2	(18)%
Total consolidated revenues	<u>\$ 1,210.0</u>	<u>\$ 1,190.0</u>	2 %
Segment operating income:			
Consumer-to-Consumer	\$ 206.1	\$ 209.9	(2)%
Business Solutions	12.6	13.9	(9)%
Other ^(a)	14.1	19.9	(29)%
Total segment operating income	232.8	243.7	(4)%
Restructuring-related expenses ^(b)	—	(10.5)	(c)
Total consolidated operating income	<u>\$ 232.8</u>	<u>\$ 233.2</u>	0 %
Segment operating income margin			
Consumer-to-Consumer	19.6 %	20.7 %	(1.1)%
Business Solutions	13.1 %	14.1 %	(1.0)%
Other ^(a)	22.6 %	26.1 %	(3.5)%

(a) Other primarily includes the Company's bill payment services which facilitate payments from consumers to businesses and other organizations and the Company's money order services.

(b) Restructuring-related expenses 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.

(c) Calculation not meaningful.

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Western Union's management believes the non-GAAP financial measures presented provide meaningful supplemental information regarding the Company's operating results to assist management, investors, analysts, and others in understanding the Company's financial results and to better analyze trends in the Company's 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 the Company's operations that, when viewed with the Company's GAAP results and the reconciliation to the corresponding GAAP financial measure, provide a more complete understanding of the Company's business. Users of the financial statements are encouraged to review the Company's 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, where not previously reconciled above.

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	(j)	(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	(m)	—	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 %

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	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 %

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	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 (j)	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) (j)	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) (j)	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 %

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	Notes	1Q20	2Q20	3Q20	4Q20	FY2020	1Q21
Business Solutions Segment Metrics							
(h)	Revenues (GAAP)	\$ 98.4	\$ 79.4	\$ 89.1	\$ 89.2	\$ 356.1	\$ 96.5
	Foreign currency translation impact (j)	2.2	2.0	(1.9)	(2.4)	(0.1)	(5.6)
	Revenues (non-GAAP, constant currency)	\$ 100.6	\$ 81.4	\$ 87.2	\$ 86.8	\$ 356.0	\$ 90.9
	Prior year revenues (GAAP)	\$ 95.6	\$ 95.6	\$ 100.6	\$ 97.0	\$ 388.8	\$ 98.4
	Revenues (GAAP) - YoY % change	3 %	(17)%	(11)%	(8)%	(8)%	(2)%
	Revenues (non-GAAP, constant currency) - YoY % change	5 %	(15)%	(13)%	(11)%	(8)%	(8)%
(i)	Operating income/(loss) (GAAP)	\$ 13.9	\$ 1.3	\$ 9.4	\$ (0.2)	\$ 24.4	\$ 12.6
	Depreciation and amortization	9.4	9.3	9.3	8.1	36.1	6.9
	EBITDA (non-GAAP) (l)	\$ 23.3	\$ 10.6	\$ 18.7	\$ 7.9	\$ 60.5	\$ 19.5
	Operating income margin (GAAP)	14.1 %	1.6 %	10.5 %	(0.2)%	6.9 %	13.1 %
	EBITDA margin (non-GAAP)	23.7 %	13.2 %	21.1 %	8.8 %	17.0 %	20.2 %

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2021 Consolidated Outlook Metrics

	Range	
Earnings per share (GAAP) (\$- dollars)	\$ 2.06	\$ 2.16
Impact from the net gain on an investment sale and debt extinguishment costs (\$- dollars) (o), (p)	(0.06)	(0.06)
Earnings per share, adjusted, excluding the net gain on an investment sale and debt extinguishment costs (non-GAAP) (\$- dollars)	\$ 2.00	\$ 2.10

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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.

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Other notes:

- (aa) Geographic split for transactions and revenue, including transactions initiated digitally, as earlier defined, is determined entirely based upon the region where the money transfer is initiated.
- (bb) Represents the North America (United States and Canada) (“NA”) region of the Company's Consumer-to-Consumer segment.
- (cc) Represents the Europe and the Russia/Commonwealth of Independent States (“EU & CIS”) region of the Company's Consumer-to-Consumer segment.
- (dd) Represents the Middle East, Africa, and South Asia (“MEASA”) region of the Company's Consumer-to-Consumer segment, including India and certain South Asian countries, which consist of Bangladesh, Bhutan, Maldives, Nepal, and Sri Lanka.
- (ee) Represents the Latin America and the Caribbean (“LACA”) region of the Company’s Consumer-to-Consumer segment, including Mexico.
- (ff) Represents the East Asia and Oceania (“APAC”) region of the Company’s Consumer-to-Consumer segment.
- (gg) Represents transactions conducted and funded through websites and mobile applications marketed under the Company’s brands (“westernunion.com”).