

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	4Q20	FY2020	1Q21	2Q21	3Q21	4Q21	FY2021
Consolidated Metrics								
Consolidated revenues (GAAP) - YoY % change		(3)%	(9)%	2%	16%	2%	1%	5%
Consolidated revenues (non-GAAP, constant currency and excluding Speedpay and Paymap) - YoY % change	(a)	(1)%	(3)%	2%	13%	2%	2%	4%
Consolidated operating margin (GAAP)		17.9%	20.0%	19.2%	19.8%	24.8%	24.7%	22.1%
Consolidated operating margin, excluding restructuring-related expenses and acquisition and divestiture costs (non-GAAP)	(b)	18.8%	20.8%	19.3%	20.2%	25.2%	24.9%	22.5%
EBITDA margin (non-GAAP)	(c)	22.3%	24.7%	23.7%	24.1%	28.8%	28.4%	26.3%
Consumer-to-Consumer (C2C) Segment Metrics								
Revenues (GAAP) - YoY % change		0%	(4)%	4%	15%	0%	(1)%	4%
Revenues (non-GAAP, constant currency) - YoY % change	(e)	0%	(3)%	2%	12%	(1)%	0%	3%
Transactions (in millions)		78.4	290.5	73.0	78.0	76.6	78.3	305.9
Transactions - YoY % change		6%	0%	9%	15%	(1)%	0%	5%
Total principal (\$- billions)		\$ 26.7	\$ 96.1	\$ 25.7	\$ 27.9	\$ 27.7	\$ 27.7	\$ 109.0
Principal per transaction, as reported - YoY % change		14%	9%	15%	11%	4%	4%	8%
Principal per transaction (constant currency) - YoY % change	(f)	13%	10%	12%	8%	3%	4%	6%
Cross-border principal, as reported - YoY % change		24%	12%	28%	29%	4%	5%	15%
Cross-border principal (constant currency) - YoY % change	(g)	23%	13%	26%	25%	3%	5%	14%
Operating margin		20.5%	21.9%	19.6%	20.7%	24.3%	24.2%	22.2%
Digital money transfer revenues (GAAP) - YoY % change ⁽¹⁾		36%	38%	45%	22%	15%	13%	22%
Digital money transfer foreign currency translation impact	(i)	(1)%	0%	(1)%	(3)%	(1)%	(1)%	(1)%
Digital money transfer revenues (non-GAAP, constant currency) - YoY % change ⁽¹⁾		35%	38%	44%	19%	14%	12%	21%
Digital money transfer transactions - YoY % change		83%	81%	77%	33%	19%	17%	32%
westernunion.com revenues (GAAP) - YoY % change		27%	27%	38%	18%	12%	9%	18%
westernunion.com foreign currency translation impact	(i)	(1)%	0%	(1)%	(3)%	(1)%	0%	(1)%
westernunion.com revenues (non-GAAP, constant currency) - YoY % change		26%	27%	37%	15%	11%	9%	17%
westernunion.com transactions - YoY % change		56%	44%	55%	18%	9%	6%	19%

Key Statistics and Reconciliation of Non-GAAP Measures

C2C Segment Regional Metrics – YoY % change

	Notes	4Q20	FY2020	1Q21	2Q21	3Q21	4Q21	FY2021
NA region revenues (GAAP)		(3)%	(3)%	0%	4%	(2)%	2%	1%
NA region foreign currency translation impact	(i)	0%	0%	1%	0%	0%	0%	0%
NA region revenues (non-GAAP, constant currency)		<u>(3)%</u>	<u>(3)%</u>	<u>1%</u>	<u>4%</u>	<u>(2)%</u>	<u>2%</u>	<u>1%</u>
NA region transactions		(1)%	(3)%	1%	3%	(5)%	(2)%	(1)%
EU & CIS region revenues (GAAP)		3%	(2)%	8%	18%	(3)%	(8)%	3%
EU & CIS region foreign currency translation impact	(i)	(3)%	(1)%	(4)%	(8)%	(2)%	1%	(3)%
EU & CIS region revenues (non-GAAP, constant currency)		<u>0%</u>	<u>(3)%</u>	<u>4%</u>	<u>10%</u>	<u>(5)%</u>	<u>(7)%</u>	<u>0%</u>
EU & CIS region transactions		23%	13%	28%	26%	3%	1%	13%
MEASA region revenues (GAAP)		1%	(2)%	1%	19%	(2)%	2%	4%
MEASA region foreign currency translation impact	(i)	(1)%	0%	(1)%	(1)%	0%	0%	0%
MEASA region revenues (non-GAAP, constant currency)		<u>0%</u>	<u>(2)%</u>	<u>0%</u>	<u>18%</u>	<u>(2)%</u>	<u>2%</u>	<u>4%</u>
MEASA region transactions		12%	7%	13%	22%	2%	6%	10%
LACA region revenues (GAAP)		(9)%	(22)%	3%	70%	25%	8%	22%
LACA region foreign currency translation impact	(i)	1%	1%	5%	(2)%	1%	4%	2%
LACA region revenues (non-GAAP, constant currency)		<u>2%</u>	<u>(11)%</u>	<u>8%</u>	<u>68%</u>	<u>26%</u>	<u>12%</u>	<u>24%</u>
LACA region transactions		(13)%	(20)%	(8)%	42%	10%	2%	9%
APAC region revenues (GAAP)		8%	(3)%	9%	20%	1%	0%	6%
APAC region foreign currency translation impact	(i)	(2)%	0%	(6)%	(7)%	(2)%	0%	(3)%
APAC region revenues (non-GAAP, constant currency)		<u>6%</u>	<u>(3)%</u>	<u>3%</u>	<u>13%</u>	<u>(1)%</u>	<u>0%</u>	<u>3%</u>
APAC region transactions		(3)%	(10)%	(2)%	3%	(13)%	(13)%	(7)%

Key Statistics and Reconciliation of Non-GAAP Measures

	Notes	4Q20	FY2020	1Q21	2Q21	3Q21	4Q21	FY2021
% of C2C Revenue								
NA region revenues		37%	38%	37%	37%	37%	38%	37%
EU & CIS region revenues		33%	33%	33%	33%	32%	31%	32%
MEASA region revenues		15%	15%	16%	15%	15%	15%	15%
LACA region revenues		8%	8%	8%	9%	9%	9%	9%
APAC region revenues		7%	6%	6%	6%	7%	7%	7%
Digital money transfer revenues		21%	20%	23%	24%	24%	24%	24%
Business Solutions Segment Metrics								
Revenues (GAAP) - YoY % change		(8)%	(8)%	(2)%	25%	31%	22%	18%
Revenues (non-GAAP, constant currency) - YoY % change	(h)	(11)%	(8)%	(8)%	16%	28%	22%	14%
Operating margin		(0.2)%	6.9%	13.1%	10.9%	32.9%	30.8%	22.6%
Other (primarily bill payments businesses in Argentina and the United States and money orders)								
Revenues (GAAP) - YoY % change		(29)%	(48)%	(18)%	8%	3%	5%	(1)%
Operating margin		15.8%	21.2%	22.6%	16.2%	18.3%	21.3%	19.6%
% of Total Company Revenue (GAAP)								
Consumer-to-Consumer segment revenues		88%	87%	87%	87%	86%	87%	87%
Business Solutions segment revenues		7%	8%	8%	8%	9%	8%	8%
Other revenues		5%	5%	5%	5%	5%	5%	5%

Key Statistics and Reconciliation of Non-GAAP Measures

Three Months Ended December 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)	\$ 1,284.8	\$ 316.8	\$ 180.9	\$ 12.1	\$ 168.8	\$ 0.42
Acquisition and divestiture costs and related tax benefit (n)	—	3.7	3.7	0.7	3.0	0.01
Gain on investment sale and related tax expense (o)	—	—	—	(1.1)	1.1	—
Debt extinguishment costs and related tax benefit (p)	—	—	—	0.2	(0.2)	—
Change in permanent reinvestment assertion related to the pending sale of Business Solutions (r)	—	—	—	0.2	(0.2)	—
Pension plan settlement charge and related tax benefit (q)	—	—	109.8	23.5	86.3	0.21
Adjusted results (non-GAAP)	<u>\$ 1,284.8</u>	<u>\$ 320.5</u>	<u>\$ 294.4</u>	<u>\$ 35.6</u>	<u>\$ 258.8</u>	<u>\$ 0.64</u>
Foreign currency translation impact (j)	14.8					
Revenues, constant currency adjusted (non-GAAP)	<u>\$ 1,299.6</u>					
Three Months Ended December 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)	\$ 1,271.8	\$ 227.1	\$ 199.0	\$ 21.9	\$ 177.1	\$ 0.43
Restructuring related expenses and related tax benefit (m)	—	12.0	12.0	2.6	9.4	0.02
Acquisition and divestiture costs and related tax benefit (n)	—	0.3	0.3	—	0.3	—
Adjusted results (non-GAAP)	<u>\$ 1,271.8</u>	<u>\$ 239.4</u>	<u>\$ 211.3</u>	<u>\$ 24.5</u>	<u>\$ 186.8</u>	<u>\$ 0.45</u>
Quarter over quarter growth/(decline) (GAAP)	1%	40%	(9)%	(44)%	(5)%	(2)%
Quarter over quarter growth/(decline) (non-GAAP)	2%	34%	39%	46%	39%	42%

Key Statistics and Reconciliation of Non-GAAP Measures

Twelve Months Ended December 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)	\$ 5,070.8	\$ 1,123.1	\$ 935.4	\$ 129.6	\$ 805.8	\$ 1.97
Acquisition and divestiture costs and related tax benefit (n)	–	15.7	15.7	3.2	12.5	0.03
Gain on investment sale and related tax expense (o)	–	–	(47.9)	(10.9)	(37.0)	(0.09)
Debt extinguishment costs and related tax benefit (p)	–	–	14.8	3.2	11.6	0.03
Change in permanent reinvestment assertion related to the pending sale of Business Solutions (r)	–	–	–	(17.9)	17.9	0.04
Pension plan settlement charge and related tax benefit (q)	–	–	109.8	23.5	86.3	0.21
Adjusted results (non-GAAP)	<u>\$ 5,070.8</u>	<u>\$ 1,138.8</u>	<u>\$ 1,027.8</u>	<u>\$ 130.7</u>	<u>\$ 897.1</u>	<u>\$ 2.19</u>
Foreign currency translation impact (j)	(18.3)					
Revenues, constant currency adjusted (non-GAAP)	<u>\$ 5,052.5</u>					
Twelve Months Ended December 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)	\$ 4,835.0	\$ 967.3	\$ 855.1	\$ 110.8	\$ 744.3	\$ 1.79
Restructuring related expenses and related tax benefit (m)	–	36.8	36.8	5.3	31.5	0.08
Acquisition and divestiture costs and related tax benefit (n)	–	2.5	2.5	0.5	2.0	–
Adjusted results (non-GAAP)	<u>\$ 4,835.0</u>	<u>\$ 1,006.6</u>	<u>\$ 894.4</u>	<u>\$ 116.6</u>	<u>\$ 777.8</u>	<u>\$ 1.87</u>
Year over year growth/(decline) (GAAP)	5%	16%	9%	17%	8%	10%
Year over year growth/(decline) (non-GAAP)	4%	13%	15%	12%	15%	17%

Key Statistics and Reconciliation of Non-GAAP Measures

WesternUnion\WU

	Notes	4Q20	FY2020	1Q21	2Q21	3Q21	4Q21	FY2021
Consolidated Metrics								
(a)	Revenues (GAAP)	\$ 1,271.8	\$ 4,835.0	\$ 1,210.0	\$ 1,289.7	\$ 1,286.3	\$ 1,284.8	\$ 5,070.8
	Foreign currency translation impact	22.4	157.2	(0.9)	(29.4)	(2.8)	14.8	(18.3)
	Revenues (non-GAAP, constant currency)	\$ 1,294.2	\$ 4,992.2	\$ 1,209.1	\$ 1,260.3	\$ 1,283.5	\$ 1,299.6	\$ 5,052.5
	Prior year revenues (GAAP)	\$ 1,307.7	\$ 5,292.1	\$ 1,190.0	\$ 1,114.7	\$ 1,258.5	\$ 1,271.8	\$ 4,835.0
	Less prior year revenues from Speedpay and Paymap divestitures	N/A	N/A (130.7)	N/A	N/A	N/A	N/A	N/A
	Prior year revenues, adjusted for divestitures (non-GAAP)	\$ 1,307.7	\$ 5,161.4	\$ 1,190.0	\$ 1,114.7	\$ 1,258.5	\$ 1,271.8	\$ 4,835.0
	Revenues (GAAP) - YoY % Change	(3)%	(9)%	2%	16%	2%	1%	5%
	Revenues, constant currency and adjusted for divestitures (non-GAAP) - YoY % Change	(1)%	(3)%	2%	13%	2%	2%	4%
(b)	Operating income (GAAP)	\$ 227.1	\$ 967.3	\$ 232.8	\$ 254.9	\$ 318.6	\$ 316.8	\$ 1,123.1
	Restructuring-related expenses	12.0	36.8	N/A	N/A	N/A	N/A	N/A
	Acquisition and divestiture costs	0.3	2.5	0.9	5.6	5.5	3.7	15.7
	Operating income, adjusted (non-GAAP)	\$ 239.4	\$ 1,006.6	\$ 233.7	\$ 260.5	\$ 324.1	\$ 320.5	\$ 1,138.8
	Operating margin (GAAP)	17.9%	20.0%	19.2%	19.8%	24.8%	24.7%	22.1%
	Operating margin, adjusted (non-GAAP)	18.8%	20.8%	19.3%	20.2%	25.2%	24.9%	22.5%
(c)	Operating income (GAAP)	\$ 227.1	\$ 967.3	\$ 232.8	\$ 254.9	\$ 318.6	\$ 316.8	\$ 1,123.1
	Depreciation and amortization	56.1	225.6	53.4	55.6	51.3	47.9	208.2
	EBITDA (non-GAAP)	\$ 283.2	\$ 1,192.9	\$ 286.2	\$ 310.5	\$ 369.9	\$ 364.7	\$ 1,331.3
	Operating margin (GAAP)	17.9%	20.0%	19.2%	19.8%	24.8%	24.7%	22.1%
	EBITDA margin (non-GAAP)	22.3%	24.7%	23.7%	24.1%	28.8%	28.4%	26.3%
(d)	Effective tax rate (GAAP)	11%	13%	10%	14%	20%	7%	14%
	Impact from change in permanent reinvestment assertion related to the pending sale of Business Solutions	(r) N/A	N/A	N/A	N/A	(6)%	0%	(2)%
	Impact from restructuring-related expenses	(m) 1%	0%	N/A	N/A	N/A	N/A	N/A
	Impact from acquisition and divestiture costs	(n) 0%	0%	0%	0%	0%	0%	0%
	Impact from gain on investment sale	(o) N/A	N/A	N/A	0%	0%	(1)%	0%
	Impact from debt extinguishment costs	(p) N/A	N/A	N/A	0%	0%	0%	0%
	Impact from pension settlement charge	(q) N/A	N/A	N/A	0%	0%	6%	1%
	Effective tax rate, adjusted (non-GAAP)	12%	13%	10%	14%	14%	12%	13%

Key Statistics and Reconciliation of Non-GAAP Measures

WesternUnion\WU

	Notes	4Q20	FY2020	1Q21	2Q21	3Q21	4Q21	FY2021
C2C Segment Metrics								
(e) Revenues (GAAP)		\$ 1,121.5	\$ 4,220.0	\$ 1,050.9	\$ 1,127.1	\$ 1,104.5	\$ 1,111.5	\$ 4,394.0
Foreign currency translation impact	(i)	(1.2)	41.2	(11.1)	(32.1)	(9.4)	6.2	(46.4)
Revenues (non-GAAP, constant currency)		\$ 1,120.3	\$ 4,261.2	\$ 1,039.8	\$ 1,095.0	\$ 1,095.1	\$ 1,117.7	\$ 4,347.6
Prior year revenues (GAAP)		\$ 1,125.0	\$ 4,407.8	\$ 1,015.4	\$ 976.6	\$ 1,106.5	\$ 1,121.5	\$ 4,220.0
Revenues (GAAP) - YoY % change		0%	(4)%	4%	15%	0%	(1)%	4%
Revenues (non-GAAP, constant currency) - YoY % change		0%	(3)%	2%	12%	(1)%	0%	3%
(f) Principal per transaction, as reported (\$- dollars)		\$ 341	\$ 331	\$ 353	\$ 357	\$ 361	\$ 354	\$ 356
Foreign currency translation impact (\$- dollars)	(i)	(2)	2	(7)	(10)	(1)	2	(4)
Principal per transaction (constant currency) (\$- dollars)		\$ 339	\$ 333	\$ 346	\$ 347	\$ 360	\$ 356	\$ 352
Prior year principal per transaction, as reported (\$- dollars)		\$ 300	\$ 303	\$ 308	\$ 322	\$ 348	\$ 341	\$ 331
Principal per transaction, as reported - YoY % change		14%	9%	15%	11%	4%	4%	8%
Principal per transaction (constant currency) - YoY % change		13%	10%	12%	8%	3%	4%	6%
(g) Cross-border principal, as reported (\$- billions)		\$ 25.3	\$ 90.6	\$ 24.5	\$ 26.6	\$ 26.5	\$ 26.5	\$ 104.1
Foreign currency translation impact (\$- billions)	(i)	(0.1)	0.6	(0.5)	(0.7)	(0.2)	0.2	(1.2)
Cross-border principal (constant currency) (\$- billions)		\$ 25.2	\$ 91.2	\$ 24.0	\$ 25.9	\$ 26.3	\$ 26.7	\$ 102.9
Prior year cross-border principal, as reported (\$- billions)		\$ 20.5	\$ 80.7	\$ 19.1	\$ 20.7	\$ 25.5	\$ 25.3	\$ 90.6
Cross-border principal, as reported - YoY % change		24%	12%	28%	29%	4%	5%	15%
Cross-border principal (constant currency) - YoY % change		23%	13%	26%	25%	3%	5%	14%
Business Solutions Segment Metrics								
(h) Revenues (GAAP)		\$ 89.2	\$ 356.1	\$ 96.5	\$ 99.3	\$ 116.8	\$ 109.2	\$ 421.8
Foreign currency translation impact	(i)	(2.4)	(0.1)	(5.6)	(7.2)	(3.1)	0.0	(15.9)
Revenues (non-GAAP, constant currency)		\$ 86.8	\$ 356.0	\$ 90.9	\$ 92.1	\$ 113.7	\$ 109.2	\$ 405.9
Prior year revenues (GAAP)		\$ 97.0	\$ 388.8	\$ 98.4	\$ 79.4	\$ 89.1	\$ 89.2	\$ 356.1
Revenues (GAAP) - YoY % change		(8)%	(8)%	(2)%	25%	31%	22%	18%
Revenues (non-GAAP, constant currency) - YoY % change		(11)%	(8)%	(8)%	16%	28%	22%	14%
(i) Operating income(loss) (GAAP)		\$ (0.2)	\$ 24.4	\$ 12.6	\$ 10.9	\$ 38.4	\$ 33.6	\$ 95.5
Depreciation and amortization		8.1	36.1	6.9	6.8	2.4	0.0	16.1
EBITDA (non-GAAP)	(i)	\$ 7.9	\$ 60.5	\$ 19.5	\$ 17.7	\$ 40.8	\$ 33.6	\$ 111.6
Operating income(loss) margin (GAAP)		(0.2)%	6.9%	13.1%	10.9%	32.9%	30.8%	22.6%
EBITDA margin (non-GAAP)		8.8%	17.0%	20.2%	17.8%	34.9%	30.8%	26.5%

Key Statistics and Reconciliation of Non-GAAP Measures

WesternUnion\WU

2022 Consolidated Outlook Metrics

		<u>Range</u>	
Operating margin (GAAP)		21.0%	22.0%
Impact from acquisition and divestiture costs	(n)	0.5%	0.5%
Impact from the pending sale of Business Solutions	(s)	(0.5)%	(0.5)%
Operating margin, adjusted, excluding acquisition and divestiture costs and the pending sale of Business Solutions (non-GAAP)		<u>21.0%</u>	<u>22.0%</u>

		<u>Range</u>	
Earnings per share (GAAP) (\$- dollars)		\$ 2.38	\$ 2.48
Impact from acquisition and divestiture costs	(n)	0.04	0.04
Gain on the sale of Business Solutions, net of related taxes	(s)	(0.52)	(0.52)
Earnings per share, adjusted, excluding the acquisition and divestiture costs and gain on the sale of Business Solutions, net of related taxes (non-GAAP) (\$- dollars)		<u>\$ 1.90</u>	<u>\$ 2.00</u>

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. The Company ceased depreciation and amortization for its Business Solutions business during the second half of 2021 as this business was held for sale.
- (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, including for the review and closing of these transactions. 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 noncontrolling interest it held in a private company for cash proceeds of \$50.9 million. As a result, the Company recorded a pre-tax gain in the second quarter of 2021. The gain on the sale and the income taxes on the gain have been removed from adjusted results. The Company believes excluding the impact of 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 costs associated with the payment and related tax benefit have been removed from adjusted results. The Company believes excluding the impact of this charge will provide investors with a more meaningful comparison of results with the historical periods presented.
- (q) Represents the settlement charges for the Company's defined benefit pension plan incurred in the fourth quarter of 2021. On July 22, 2021, the Company's Board of Directors approved a plan to terminate and settle this frozen defined benefit plan, and during the fourth quarter of 2021, the Company settled its obligations under the plan and transferred the corresponding amount of plan assets to the insurer. The expenses associated with the pension settlement were recorded to Pension settlement charges within Total other expense, net. The Company believes excluding the impact of this charge will provide investors with a more meaningful comparison of results with the historical periods presented.
- (r) Represents the tax impact from changes to certain of the Company's permanent reinvestment assertions related to its decision to classify its Business Solutions business as held for sale in the third quarter of 2021. The Company believes excluding the impact of this charge will provide investors with a more meaningful comparison of results with the historical periods presented.
- (s) During 2021, the Company entered into an agreement to sell its Business Solutions business to Goldfinch Partners LLC and The Baupost Group LLC for cash consideration of \$910 million, subject to regulatory and working capital adjustments. In the first quarter of 2022, the Company expects to complete the first closing of the sale and to receive the entire cash consideration. The first closing primarily excludes the operations in the European Union and the United Kingdom. The second closing is expected to occur by late 2022. The sale is also expected to result in a gain, which will be recognized at each closing, based on the book values and fair values of the operations sold at each closing. The Company has excluded Business Solutions revenues, Business Solutions operating margin, excluding corporate expenses allocated to the Business Solutions segment, and the expected gain on the sale, net of related taxes from its 2022 adjusted outlook, as management believes that excluding the impact of the Business Solutions business, including the gain on sale, from the 2022 adjusted outlook will provide investors with a clearer and more meaningful comparison of results in 2022 and future periods.