

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 impacts of Business Solutions, 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

WesternUnion\WU

	Notes	1Q21	2Q21	3Q21	4Q21	FY2021	1Q22
Consolidated Metrics							
Consolidated revenues (GAAP) - YoY % change		2%	16%	2%	1%	5%	(4)%
Consolidated revenues, constant currency (non-GAAP) - YoY % change	(a)	2%	13%	2%	2%	4%	(2)%
Consolidated revenues, constant currency, excluding Business Solutions (non-GAAP) - YoY % Change	(a)	2%	13%	0%	1%	4%	(1)%
Consolidated operating margin (GAAP)		19.2%	19.8%	24.8%	24.7%	22.1%	20.5%
Consolidated operating margin, excluding acquisition and divestiture costs, Russia/Belarus exit costs, and Business Solutions exit costs (non-GAAP)	(b)	19.3%	20.2%	25.2%	24.9%	22.5%	22.5%
Consolidated operating margin, excluding acquisition and divestiture costs, Russia/Belarus exit costs, and Business Solutions operating income and exit costs (non-GAAP) ⁽¹⁾	(b)	N/A	N/A	N/A	N/A	N/A	21.8%
EBITDA margin (non-GAAP)	(c)	23.7%	24.1%	28.8%	28.4%	26.3%	24.6%
Consumer-to-Consumer (C2C) Segment Metrics							
Revenues (GAAP) - YoY % change		4%	15%	0%	(1)%	4%	(5)%
Revenues, constant currency (non-GAAP) - YoY % change	(f)	2%	12%	(1)%	0%	3%	(3)%
Transactions (in millions)		73.0	78.0	76.6	78.3	305.9	69.7
Transactions - YoY % change		3%	15%	(1)%	0%	5%	(4)%
Total principal (\$- billions)		\$ 25.7	\$ 27.9	\$ 27.7	\$ 27.7	\$ 109.0	\$ 24.8
Principal per transaction, as reported - YoY % change		15%	11%	4%	4%	8%	1%
Principal per transaction, constant currency - YoY % change	(g)	12%	8%	3%	4%	6%	3%
Cross-border principal, as reported - YoY % change		28%	29%	4%	5%	15%	(3)%
Cross-border principal, constant currency - YoY % change	(h)	26%	25%	3%	5%	14%	(1)%
Operating margin		19.6%	20.7%	24.3%	24.2%	22.2%	20.7%
Digital money transfer revenues (GAAP) - YoY % change		45%	22%	15%	13%	22%	5%
Digital money transfer foreign currency translation impact	(i)	(1)%	(3)%	(1)%	(1)%	(1)%	1%
Digital money transfer revenues, constant currency (non-GAAP) - YoY % change		44%	19%	14%	12%	21%	6%
Digital money transfer transactions - YoY % change		77%	33%	19%	17%	32%	4%
westernunion.com revenues (GAAP) - YoY % change		38%	18%	12%	9%	18%	4%
westernunion.com foreign currency translation impact	(j)	(1)%	(3)%	(1)%	0%	(1)%	1%
westernunion.com revenues, constant currency (non-GAAP) - YoY % change		37%	15%	11%	9%	17%	5%
westernunion.com transactions - YoY % change		55%	18%	9%	6%	19%	0%

(1) Concurrent with the sale in the first quarter of 2022, the Business Solutions operating income has been excluded. See tickmark (q) below for more information.

Key Statistics and Reconciliation of Non-GAAP Measures

	Notes	1Q21	2Q21	3Q21	4Q21	FY2021	1Q22
C2C Segment Regional Metrics - YoY % change							
NA region revenues (GAAP)		0%	4%	(2)%	2%	1%	(1)%
NA region foreign currency translation impact	(i)	1%	0%	0%	0%	0%	0%
NA region revenues, constant currency (non-GAAP)		1%	4%	(2)%	2%	1%	(1)%
NA region transactions		1%	3%	(5)%	(2)%	(1)%	(6)%
EU & CIS region revenues (GAAP)		8%	18%	(3)%	(8)%	3%	(14)%
EU & CIS region foreign currency translation impact	(i)	(4)%	(8)%	(2)%	1%	(3)%	4%
EU & CIS region revenues, constant currency (non-GAAP)		4%	10%	(5)%	(7)%	0%	(10)%
EU & CIS region transactions		28%	26%	3%	1%	13%	(7)%
MEASA region revenues (GAAP)		1%	19%	(2)%	2%	4%	2%
MEASA region foreign currency translation impact	(i)	(1)%	(1)%	0%	0%	0%	1%
MEASA region revenues, constant currency (non-GAAP)		0%	18%	(2)%	2%	4%	3%
MEASA region transactions		13%	22%	2%	6%	10%	5%
LACA region revenues (GAAP)		3%	70%	25%	8%	22%	2%
LACA region foreign currency translation impact	(i)	5%	(2)%	1%	4%	2%	3%
LACA region revenues, constant currency (non-GAAP)		8%	68%	26%	12%	24%	5%
LACA region transactions		(8)%	42%	10%	2%	3%	2%
APAC region revenues (GAAP)		9%	20%	1%	0%	6%	(6)%
APAC region foreign currency translation impact	(i)	(6)%	(7)%	(2)%	0%	(3)%	3%
APAC region revenues, constant currency (non-GAAP)		3%	13%	(1)%	0%	3%	(3)%
APAC region transactions		(2)%	3%	(13)%	(13)%	(7)%	(13)%

Key Statistics and Reconciliation of Non-GAAP Measures

	Notes	1Q21	2Q21	3Q21	4Q21	FY2021	1Q22
% of C2C Revenue							
NA region revenues		37%	37%	37%	38%	37%	39%
EU & CIS region revenues		33%	33%	32%	31%	32%	29%
MEASA region revenues		16%	15%	15%	15%	15%	17%
LACA region revenues		8%	9%	9%	9%	9%	9%
APAC region revenues		6%	6%	7%	7%	7%	6%
Digital money transfer revenues		23%	24%	24%	24%	24%	25%
Other (primarily bill payments businesses in Argentina and the United States and money orders)							
Revenues (GAAP) - YoY % change		(18)%	8%	3%	5%	(1)%	8%
Operating margin		22.6%	16.2%	18.3%	21.3%	19.6%	31.7%
% of Total Company Revenue (GAAP)							
Consumer-to-Consumer segment revenues		87%	87%	86%	87%	87%	86%
Business Solutions segment revenues		8%	8%	9%	8%	8%	8%
Other revenues		5%	5%	5%	5%	5%	6%

Key Statistics and Reconciliation of Non-GAAP Measures

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	Notes	1Q21	2Q21	3Q21	4Q21	FY2021	1Q22
Consolidated Metrics							
(a) Revenues (GAAP)		\$ 1,210.0	\$ 1,289.7	\$ 1,286.3	\$ 1,284.8	\$ 5,070.8	\$ 1,155.7
Foreign currency translation impact	(i)	(0.9)	(29.4)	(2.8)	14.8	(18.3)	33.2
Revenues, constant currency (non-GAAP)		\$ 1,209.1	\$ 1,260.3	\$ 1,283.5	\$ 1,299.6	\$ 5,052.5	\$ 1,188.9
Less Business Solutions revenues, constant currency (non-GAAP)	(i), (q)	(90.9)	(92.1)	(113.7)	(109.2)	(405.9)	(91.9)
Revenues, constant currency, excluding Business Solutions (non-GAAP)		\$ 1,118.2	\$ 1,168.2	\$ 1,169.8	\$ 1,190.4	\$ 4,646.6	\$ 1,097.0
Prior year revenues (GAAP)		1,190.0	1,114.7	1,258.5	1,271.8	4,835.0	1,210.0
Less prior year revenues from Business Solutions (GAAP)	(q)	(98.4)	(79.4)	(89.1)	(89.2)	(356.1)	(96.5)
Prior year revenues, adjusted, excluding Business Solutions		\$ 1,091.6	\$ 1,035.3	\$ 1,169.4	\$ 1,182.6	\$ 4,478.9	\$ 1,113.5
Revenues (GAAP) - YoY % Change		2%	16%	2%	1%	5%	(4)%
Revenues, constant currency (non-GAAP) - YoY % Change		2%	13%	2%	2%	4%	(2)%
Revenues, constant currency, excluding Business Solutions (non-GAAP) - YoY % Change		2%	13%	0%	1%	4%	(1)%
(b) Operating income (GAAP)		\$ 232.8	\$ 254.9	\$ 318.6	\$ 316.8	\$ 1,123.1	\$ 237.5
Acquisition and divestiture costs	(l)	0.9	5.6	5.5	3.7	15.7	3.3
Russia/Belarus exit costs	(r)	N/A	N/A	N/A	N/A	N/A	11.0
Business Solutions exit costs	(r)	N/A	N/A	N/A	N/A	N/A	7.7
Operating income, excluding acquisition and divestiture costs, Russia/Belarus exit costs, and Business Solutions exit costs (non-GAAP)		\$ 233.7	\$ 260.5	\$ 324.1	\$ 320.5	\$ 1,138.8	\$ 259.5
Less Business Solutions operating income ⁽¹⁾	(q)	N/A	N/A	N/A	N/A	N/A	(26.5)
Operating income, excluding acquisition and divestiture costs, Russia/Belarus exit costs, and Business Solutions operating income and exit costs (non-GAAP)		\$ 233.7	\$ 260.5	\$ 324.1	\$ 320.5	\$ 1,138.8	\$ 233.0
Operating margin (GAAP)		19.2%	19.8%	24.8%	24.7%	22.1%	20.5%
Operating margin, excluding acquisition and divestiture costs, Russia/Belarus exit costs and Business Solutions exit costs (non-GAAP)		19.3%	20.2%	25.2%	24.9%	22.5%	22.5%
Operating margin, excluding acquisition and divestiture costs, Russia/Belarus exit costs, and Business Solutions operating income and exit costs (non-GAAP) ⁽¹⁾		N/A	N/A	N/A	N/A	N/A	21.8%
(c) Operating income (GAAP)		\$ 232.8	\$ 254.9	\$ 318.6	\$ 316.8	\$ 1,123.1	\$ 237.5
Depreciation and amortization		53.4	55.6	51.3	47.9	208.2	46.8
EBITDA (non-GAAP)	(k)	\$ 286.2	\$ 310.5	\$ 369.9	\$ 364.7	\$ 1,331.3	\$ 284.3
Operating margin (GAAP)		19.2%	19.8%	24.8%	24.7%	22.1%	20.5%
EBITDA margin (non-GAAP)		23.7%	24.1%	28.8%	28.4%	26.3%	24.6%

[1] Concurrent with the sale in the first quarter of 2022, the Business Solutions operating income has been excluded. See tickmark (q) below for more information.

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	Notes	1Q21	2Q21	3Q21	4Q21	FY2021	1Q22
Consolidated Metrics cont.							
(d) Effective tax rate (GAAP)		10%	14%	20%	7%	14%	19%
Change in permanent reinvestment assertion related to the sale of Business Solutions	(p)	N/A	N/A	(6)%	0%	(2)%	N/A
Acquisition and divestiture costs	(l)	0%	0%	0%	0%	0%	0%
Gain on investment sale	(m)	N/A	0%	0%	(1)%	0%	N/A
Debt extinguishment costs	(n)	N/A	0%	0%	0%	0%	N/A
Pension settlement charge	(o)	N/A	0%	0%	6%	1%	N/A
Business Solutions gain	(q)	N/A	N/A	N/A	N/A	N/A	(6)%
Business Solutions exit costs	(r)	N/A	N/A	N/A	N/A	N/A	0%
Russia/Belarus exit costs	(r)	N/A	N/A	N/A	N/A	N/A	0%
Effective tax rate, adjusted (non-GAAP)		<u>10%</u>	<u>14%</u>	<u>14%</u>	<u>12%</u>	<u>13%</u>	<u>13%</u>
(e) Diluted Earnings per Share (GAAP)		\$ 0.44	\$ 0.54	\$ 0.57	\$ 0.42	\$ 1.97	\$ 0.74
Pretax impacts from the following:							
Acquisition and divestiture costs	(l)	N/A	0.01	0.01	0.01	0.03	0.01
Gain on investment sale	(m)	N/A	(0.12)	—	—	(0.12)	N/A
Debt extinguishment costs	(n)	N/A	0.04	—	—	0.04	N/A
Pension settlement charge	(o)	N/A	N/A	N/A	0.27	0.27	N/A
Business Solutions gain	(q)	N/A	N/A	N/A	N/A	N/A	(0.38)
Business Solutions exit costs	(r)	N/A	N/A	N/A	N/A	N/A	0.02
Russia/Belarus exit costs	(r)	N/A	N/A	N/A	N/A	N/A	0.02
Income tax expense/(benefit) impacts from the following:							
Change in permanent reinvestment assertion related to the sale of Business Solutions	(p)	N/A	N/A	0.05	—	0.04	N/A
Acquisition and divestiture costs	(l)	N/A	—	—	—	—	—
Gain on investment sale	(m)	N/A	0.02	—	—	0.03	N/A
Debt extinguishment costs	(n)	N/A	(0.01)	—	—	(0.01)	N/A
Pension settlement charge	(o)	N/A	N/A	N/A	(0.06)	(0.06)	—
Business Solutions gain	(q)	N/A	N/A	N/A	N/A	N/A	0.10
Business Solutions exit costs	(r)	N/A	N/A	N/A	N/A	N/A	—
Russia/Belarus exit costs	(r)	N/A	N/A	N/A	N/A	N/A	—
Diluted Earnings per share, adjusted (non-GAAP)		<u>\$ 0.44</u>	<u>\$ 0.48</u>	<u>\$ 0.63</u>	<u>\$ 0.64</u>	<u>\$ 2.19</u>	<u>\$ 0.51</u>

Key Statistics and Reconciliation of Non-GAAP Measures

	Notes	1Q21	2Q21	3Q21	4Q21	FY2021	1Q22
C2C Segment Metrics							
(f) Revenues (GAAP)		\$ 1,050.9	\$ 1,127.1	\$ 1,104.5	\$ 1,111.5	\$ 4,394.0	\$ 999.0
Foreign currency translation impact	(j)	(11.1)	(32.1)	(9.4)	6.2	(46.4)	20.8
Revenues, constant currency (non-GAAP)		\$ 1,039.8	\$ 1,095.0	\$ 1,095.1	\$ 1,117.7	\$ 4,347.6	\$ 1,019.8
Prior year revenues (GAAP)		\$ 1,015.4	\$ 976.6	\$ 1,106.5	\$ 1,121.5	\$ 4,220.0	\$ 1,050.9
Revenues (GAAP) - YoY % change		4%	15%	0%	(1)%	4%	(5)%
Revenues, constant currency (non-GAAP) - YoY % change		2%	12%	(1)%	0%	3%	(3)%
(g) Principal per transaction, as reported (\$- dollars)		\$ 353	\$ 357	\$ 361	\$ 354	\$ 356	\$ 356
Foreign currency translation impact (\$- dollars)	(j)	(7)	(10)	(1)	2	(4)	8
Principal per transaction, constant currency (\$- dollars)		\$ 346	\$ 347	\$ 360	\$ 356	\$ 352	\$ 364
Prior year principal per transaction, as reported (\$- dollars)		\$ 308	\$ 322	\$ 348	\$ 341	\$ 331	\$ 353
Principal per transaction, as reported - YoY % change		15%	11%	4%	4%	8%	1%
Principal per transaction, constant currency - YoY % change		12%	8%	3%	4%	6%	3%
(h) Cross-border principal, as reported (\$- billions)		\$ 24.5	\$ 26.6	\$ 26.5	\$ 26.5	\$ 104.1	\$ 23.8
Foreign currency translation impact (\$- billions)	(j)	(0.5)	(0.7)	(0.2)	0.2	(1.2)	0.5
Cross-border principal, constant currency (\$- billions)		\$ 24.0	\$ 25.9	\$ 26.3	\$ 26.7	\$ 102.9	\$ 24.3
Prior year cross-border principal, as reported (\$- billions)		\$ 19.1	\$ 20.7	\$ 25.5	\$ 25.3	\$ 90.6	\$ 24.5
Cross-border principal, as reported - YoY % change		28%	29%	4%	5%	15%	(3)%
Cross-border principal, constant currency - YoY % change		26%	25%	3%	5%	14%	(1)%
Business Solutions Segment Metrics							
(i) Revenues (GAAP)		\$ 96.5	\$ 99.3	\$ 116.8	\$ 109.2	\$ 421.8	\$ 89.1
Foreign currency translation impact	(j)	(5.6)	(7.2)	(3.1)	0.0	(15.9)	2.8
Revenues, constant currency (non-GAAP)		\$ 90.9	\$ 92.1	\$ 113.7	\$ 109.2	\$ 405.9	\$ 91.9
Prior year revenues (GAAP)		\$ 98.4	\$ 79.4	\$ 89.1	\$ 89.2	\$ 356.1	\$ 96.5
Revenues (GAAP) - YoY % change		(2)%	25%	31%	22%	18%	(8)%
Revenues, constant currency (non-GAAP) - YoY % change		(8)%	16%	28%	22%	14%	(5)%

Key Statistics and Reconciliation of Non-GAAP Measures

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2022 Consolidated Outlook Metrics

	<u>Notes</u>	<u>FY2022</u>
Operating margin (GAAP)		20.0%
Impact from acquisition and divestiture costs	(l)	0.0%
Impact from the sale of Business Solutions, including exit costs	(q), (r)	(0.5)%
Impact from Russia/Belarus exit costs	(r)	0.5%
Operating margin, adjusted, excluding acquisition and divestiture costs, the sale of Business Solutions, including exit costs, and Russia/Belarus exit costs (non-GAAP)		<u>20.0%</u>

		<u>Range</u>	
Earnings per share (GAAP) (\$- dollars)		\$ 2.13	\$ 2.23
Impact from acquisition and divestiture costs, net of related taxes	(l)	0.02	0.02
Gain on the sale of Business Solutions, net of related taxes	(q)	(0.44)	(0.44)
Impact from Business Solutions exit costs, net of related taxes	(r)	0.01	0.01
Impact from Russia/Belarus exit costs, net of related taxes	(r)	0.03	0.03
Earnings per share, adjusted, excluding the acquisition and divestiture costs, gain on the sale of Business Solutions, and exit costs from Business Solutions and Russia/Belarus, net of related taxes (non-GAAP) (\$- dollars)		<u>\$ 1.75</u>	<u>\$ 1.85</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) 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.
- (l) 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.
- (m) 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.
- (n) 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 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.
- (o) 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 income/(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.
- (p) 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 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.
- (q) During 2021, the Company entered into an agreement to sell its Business Solutions business to Goldfinch Partners LLC and The Baupost Group LLC (collectively, the "Buyer") for cash consideration of \$910.0 million, subject to regulatory and working capital adjustments. The sale will be completed in two closings, the first of which occurred on March 1, 2022 with the entirety of the cash consideration collected and allocated to the closings on a relative fair value basis. The first closing excluded the operations in the European Union and the United Kingdom and resulted in a gain of \$151.4 million. The second closing is currently expected to occur in the second half of 2022, pending regulatory approvals, at which time the remainder of the gain will be recognized. Revenues have been adjusted to exclude the carved out financial information for the Business Solutions business to compare the year-over-year changes and trends in the Company's continuing businesses, excluding the effects of this divestiture. While the sale of the Company's Business Solutions business does not qualify for or represent discontinued operations, the Company has also adjusted operating income, beginning in the first quarter of 2022 and concurrent with the sale, to exclude the carved out direct profit of the Business Solutions business. Between the first and second closing, the Company will continue to record revenues and operating income for the European Union and United Kingdom operations, but it will pay the Buyer a measure of the profits from these operations, adjusted for income taxes and other charges, as contractually agreed, and this expense is recognized in Other expense. Therefore, the Company believes that providing this information enhances investors' understanding of the profitability of the Company's remaining businesses. The Company has also excluded the gain on the sale, net of related taxes from its first quarter 2022 results and the 2022 adjusted outlook, as management believes that excluding the impact from the gain on sale of the Business Solutions business will provide investors with a clearer and more meaningful comparison of results in 2022 and future periods. These financial measures are non-GAAP measures and should not be considered a substitute for the GAAP measures.

- (r) Represents the exit costs incurred in connection with the divestiture of the Business Solutions business and the suspension of operations in Russia and Belarus, primarily related to severance and non-cash impairments of property and equipment, an operating lease right-of-use asset, and other intangible assets. While certain of the expenses are identifiable to the Company's segments, the expenses are not included in the measurement of segment operating income provided to the Chief Operating Decision Maker for purposes of performance assessment and resource allocation. These expenses are therefore excluded from the Company's segment operating income results. These expenses have been excluded from operating income, the effective tax rate, and diluted earnings per share, net of related taxes. Additionally, the outlook metrics have been adjusted to exclude these costs, net of related taxes where applicable. 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.