

FOR IMMEDIATE RELEASE

## Western Union Unveils Evolve 2025 Strategy and Provides Three-Year Financial Outlook at 2022 Investor Day

- *Revenue trends expected to improve annually over the next 3 years*
- *Operating margins expected to be in a range of approximately 19% to 21%*
- *Earnings per share (EPS) mid-single digit growth expected in 2024 and 2025*

**DENVER, October 20, 2022:** The Western Union Company (NYSE: WU) (the “Company”) will host a meeting with investors and analysts today where it will detail the Company’s Evolve 2025 strategy that connects to its purpose by bringing high-value, accessible financial services to the world’s aspiring populations.

“We’re excited to introduce our new strategy for this iconic 171-year-old company, which builds upon our existing set of assets including our global and trusted brand, our retail network of nearly 600,000 agent locations, and our strong compliance capabilities,” said Devin McGranahan, President and Chief Executive Officer.

McGranahan added, “At the heart of our new strategy is evolution. Our new strategy is designed to enhance the products and services we provide to our customers. It will leverage the strong foundation we have built to create a more meaningful relationship with our customers by providing essential financial services outside of money transfer.”

### **Three-Year Financial Outlook**

Today, the Company has provided a 3-year financial outlook reflecting its new long-term strategy. As the strategy begins to take hold, the Company expects revenue trends to improve annually starting in 2023 through 2025.

In 2023, the Company anticipates impacts to results related to the sale of Business Solutions, the loss of two key agents in Europe (the first will take effect in the fourth quarter of 2022 and the second will take effect in the second quarter of 2023), its decision to suspend operations in Russia and Belarus, and foreign exchange related to the continued strengthening of the U.S. dollar.

As a result, the Company preliminarily expects the following in 2023:

<b>Outlook: 2023</b>	
<b>Revenue</b>	<b>GAAP:</b> in a range of approximately -10% to -8% <b>Adjusted (constant currency, excluding the impact of Argentina inflation and proforma for the planned sale of Business Solutions):</b> in a range of approximately -4% to -2%
<b>Operating Profit Margin<sup>1</sup></b>	<b>GAAP and Adjusted:</b> a range of 19% to 21%
<b>EPS<sup>1</sup></b>	<b>GAAP and Adjusted:</b> \$1.55 to \$1.65

In 2024 and 2025, the Company expects the following:

<b>Outlook: 2024 to 2025</b>	
<b>Revenue</b>	2% revenue growth by 2025, including annual improvement beginning in 2023
<b>Operating Profit Margin</b>	A range of 19% to 21%
<b>EPS</b>	Mid-single digit growth

<sup>1</sup> As part of the strategy, the Company has implemented an operational efficiency program, which aims to redeploy approximately \$150 million in expenses in the current cost base over the next 5 years accomplished through optimizations in vendor spend, real estate, marketing, and people costs. The timing and pace of redeployment may vary, and the Company will provide an update during its fourth quarter and full year results 2022 earnings call.

### **2022 Investor Day Webcast**

The event will begin on October 20, 2022, at 9:00 a.m. Eastern Time and conclude at approximately 12:30 p.m. Eastern Time. A live webcast and presentation will be available at <https://ir.westernunion.com>. Registration for the event is required, so please register at least 15 minutes prior to the scheduled start time. A webcast replay will be available shortly after the event.

## **Outlook Adjustment Items**

Adjusted constant currency revenue growth metrics for 2023 exclude contributions from Business Solutions. Adjusted operating profit metrics for 2023 exclude contributions from Business Solutions and acquisition and divestiture costs. Earnings per share metrics for 2023 exclude the following items and the related taxes, as applicable: the gain on sale of Business Solutions and acquisition and divestiture costs.

## **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>.

## **Environmental, Social, and Governance (ESG)**

Western Union is committed to making a positive impact. For more details on how Western Union is addressing some of the most pressing issues facing society, our shared environment, and our Company, please view our latest ESG report: <https://corporate.westernunion.com/esg>.

## **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," "projects," "designed to," 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 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, 2021. 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, 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 exchanges and protocols, and other innovations in technology and business models; geopolitical tensions, political conditions and related actions, including trade restrictions and government sanctions, 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; 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; 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; changes in tax laws, or their interpretation, any subsequent regulation, and potential related state income tax impacts, and unfavorable resolution of tax contingencies; 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; 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; 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 or loss of business due to regulatory initiatives and changes in laws, regulations and industry practices and standards, including changes in interpretations, in the United States and abroad, affecting us, our agents or their subagents, 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; (iii) other events, such as catastrophic events; and management's ability to identify and manage these and other risks.

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#### **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 approximately 130 currencies. We connect consumers, businesses, financial institutions, and governments through one of the world's widest reaching networks, accessing billions of bank accounts, millions of digital wallets and cards, and a substantial global network of retail locations. Western Union connects the world to bring boundless possibilities within reach. For more information, visit [www.westernunion.com](http://www.westernunion.com).

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#### **Contacts:**

##### **Media Relations:**

Claire Treacy

[media@westernunion.com](mailto:media@westernunion.com)

##### **Investor Relations:**

Tom Hadley

[WesternUnion.IR@westernunion.com](mailto:WesternUnion.IR@westernunion.com)

**THE WESTERN UNION COMPANY**  
**NON-GAAP FINANCIAL MEASURES**  
**(Unaudited)**

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, provides 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.

**2022 Investor Day Reconciliation of Non-GAAP to GAAP Financial Measures - 2023 Outlook**

**2023 Consolidated Outlook Metrics**

	<b>Notes</b>	<b>Range</b>	
Revenues (GAAP) - YoY % Change		(10)%	(8)%
Foreign currency translation impact	(a)	2%	2%
Impact from the sale of Business Solutions	(b)	4%	4%
Revenues, constant currency, excluding Business Solutions (non-GAAP) - YoY % Change		(4)%	(2)%
	<b>Notes</b>	<b>Range</b>	
Operating margin (GAAP)		19.0%	21.0%
Impact from acquisition and divestiture costs	(c)	—	—
Impact from the sale of Business Solutions	(b)	—	—
Operating margin, adjusted, excluding acquisition and divestiture costs and the sale of Business Solutions (non-GAAP)		19.0%	21.0%
		<b>Range</b>	
Earnings per share (GAAP) (\$- dollars)		\$ 1.55	\$ 1.65
Impact from acquisition and divestiture costs	(c)	—	—
Earnings per share, adjusted, excluding the acquisition and divestiture costs (non-GAAP) (\$- dollars)		\$ 1.55	\$ 1.65

**THE WESTERN UNION COMPANY**  
**NOTES TO NON-GAAP FINANCIAL MEASURES**  
**(Unaudited)**

**Non-GAAP related notes:**

- (a) 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.
- (b) 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 three closings, the first of which occurred on March 1, 2022 with the entirety of the cash consideration collected at that time 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 on December 1, 2022, and includes the United Kingdom operations. The third closing, which includes the European Union operations, is currently expected in the first quarter of 2023, pending regulatory approvals. 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. During the period between the first and third closings, 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 other charges, as contractually agreed, and this expense is recognized in Other income/(expense), net. Therefore, the Company believes that providing this information enhances investors' understanding of the profitability of the Company's remaining businesses. These financial measures are non-GAAP measures and should not be considered a substitute for the GAAP measures.
- (c) 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.