

REFINITIV

DELTA REPORT

10-Q

WU - WESTERN UNION CO

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 1343

█	CHANGES	298
█	DELETIONS	599
█	ADDITIONS	446

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **September 30, 2023** **March 31, 2024**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number: 001-32903



THE WESTERN UNION COMPANY

(Exact name of registrant as specified in its charter)

Delaware

20-4531180

(State or Other Jurisdiction of
Incorporation or Organization)

(I.R.S. Employer
Identification No.)

7001 EAST BELLEVUE AVENUE

Denver, Colorado 80237

(Address of principal executive offices)

Registrant's telephone number, including area code: (866) 405-5012

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading symbol</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.01 Par Value	WU	The New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large" "large accelerated filer," "accelerated" "accelerated filer," "smaller" "smaller reporting company," and "emerging" "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer

Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of **October 20, 2023** **April 19, 2024**, **364,359,008** **338,335,142** shares of the registrant's common stock were outstanding.

[Table of Contents](#)

THE WESTERN UNION COMPANY

INDEX

	PAGE NUMBER
PART I FINANCIAL INFORMATION	
<u>Item 1. Financial Statements (Unaudited)</u>	3
<u>Condensed Consolidated Statements of Income for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023</u>	3
<u>Condensed Consolidated Statements of Comprehensive Income for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023</u>	4
<u>Condensed Consolidated Balance Sheets as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023</u>	5
<u>Condensed Consolidated Statements of Cash Flows for the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023</u>	6
<u>Condensed Consolidated Statements of Stockholders' Equity for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023</u>	8
<u>Notes to Condensed Consolidated Financial Statements</u>	109
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	3428
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	4840
<u>Item 4. Controls and Procedures</u>	4941
<u>Review Report of Independent Registered Public Accounting Firm (PCAOB ID: 42)</u>	5042
PART II OTHER INFORMATION	
<u>Item 1. Legal Proceedings</u>	5143

Item 1A. Risk Factors	5143
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	5143
Item 3. Defaults Upon Senior Securities	5143
Item 4. Mine Safety Disclosures	5143
Item 5. Other Information	5143
Item 6. Exhibits	5244

[Table of Contents](#)

PART I

FINANCIAL INFORMATION

Item 1. Financial Statements

THE WESTERN UNION COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(in millions, except per share amounts)

Three Months		Nine Months		Three Months Ended	
Ended		Ended		March 31,	
September 30,		September 30,		2024	
2023	2022	2023	2022		2023

Revenues	1,09	1,08	3,30	3,38	\$	1,049.1	\$	1,036.9
Expenses:								
Cost of services	687.	637.	2,01	1,94				
	2	3	5.6	5.4		641.3		629.5
Selling, general, and administrative	199.	220.	630.	704.				
	7	5	9	9		215.7		202.7
Total expenses	886.	857.	2,64	2,65				
	9	8	6.5	0.3		857.0		832.2
Operating income	210.	231.	658.	733.				
	9	8	2	3		192.1		204.7
Other income/(expense):								
Gain on divestiture of business (Note 4)			151.					
	18.0	—	18.0	4				
Interest income	3.6	4.9	11.0	7.3		3.1		3.2
Interest expense	(27.0)	(25.2)	(79.0)	(74.8)		(26.1)		(25.0)
Other expense, net	(1.2)	(17.8)	(6.5)	(25.1)				
Total other income/(expense), net	(6.6)	(38.1)	(56.5)	58.8				
Other income/(expense), net					0.9		(1.9)	
Total other expense, net					(22.1)		(23.7)	
Income before income taxes	204.	193.	601.	792.				
	3	7	7	1		170.0		181.0
Provision for income taxes			102.	130.				
	33.3	19.8	7	9		27.3		29.2
Net income	171.	173.	499.	661.				
	\$ 0	\$ 9	\$ 0	\$ 2		\$ 142.7		\$ 151.8
Earnings per share:								
Basic	\$ 0.46	\$ 0.45	\$ 1.33	\$ 1.70	\$	0.41	\$	0.41
Diluted	\$ 0.46	\$ 0.45	\$ 1.33	\$ 1.70	\$	0.41	\$	0.40
Weighted-average shares outstanding:								
Basic	373.	386.	374.	388.				
	9	5	5	8		344.4		374.4
Diluted	375.	387.	375.	389.				
	0	6	4	9		345.7		375.5

See Notes to Condensed Consolidated Financial Statements.

[Table of Contents](#)

THE WESTERN UNION COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)
(in millions)

	Three Months				Nine Months				Three Months Ended			
	Ended		Ended		September 30,		September 30,		March 31,			
	2023	2022	2023	2022							2024	2023
					49							
Net income			17	17	9.	66			\$	142.7	\$	151.8
			\$ 1.0	\$ 3.9	\$ 0	\$ 1.2						
Other comprehensive income, net of reclassifications and tax (Note 9):												
Unrealized losses on investment securities			(1	(3	(5.	(10						
			3.7)	0.0)	1)	5.3)						
Unrealized gains/(losses) on investment securities									(4.6)			20.0
Unrealized gains/(losses) on hedging activities			10.	25.	1.	54.						
			0	6	1)	0			10.8			(10.3)
Foreign currency translation adjustments			—	—	—	—	(17					
							.8)					

Total other comprehensive loss	(1					
	(3.	(4.	6.	(69		
	7)	4)	2)	.1)		
Total other comprehensive income					6.2	9.7
Comprehensive income			48			
	16	16	2.	59		
	\$ 7.3	\$ 9.5	\$ 8	\$ 2.1	\$ 148.9	\$ 161.5
	<u> </u>					

See Notes to Condensed Consolidated Financial Statements.

[Table of Contents](#)

THE WESTERN UNION COMPANY

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

(in millions, except per share amounts)

		Septe	Dece	March 31,	December 31,
		mber	mber		
		30,	31,		
		2023	2022	2024	2023
Assets					
Cash and cash equivalents		1,1	1,2		
		38.	85.		
		\$ 2	\$ 9	\$ 1,106.5	\$ 1,268.6
Settlement assets		3,4	3,4		
		80.	86.		
		8	8	3,635.6	3,687.0
Property and equipment, net of accumulated depreciation of \$448.8 and \$512.8, respectively		90.	10		
		8	9.6		

Property and equipment, net of accumulated depreciation of \$446.1 and \$438.8, respectively			88.6	91.4
Goodwill	2,0 34. 6	2,0 34. 6	2,049.5	2,034.6
Other intangible assets, net of accumulated amortization of \$666.8 and \$616.3, respectively	40 6.9	45 7.9		
Other intangible assets, net of accumulated amortization of \$685.6 and \$685.9, respectively			369.0	380.2
Other assets	76 2.4	85 9.9	804.0	737.0
Assets held for sale (Note 4)	—	26 1.6		
Total assets	7,9 13. \$ 7	8,4 96. \$ 3	\$ 8,053.2	\$ 8,198.8
Liabilities and stockholders' equity				
Liabilities:				
Accounts payable and accrued liabilities	43 \$ 3.1	46 \$ 4.0	\$ 392.7	\$ 453.0
Settlement obligations	3,4 80. 8	3,4 86. 8	3,635.6	3,687.0
Income taxes payable	66 1.7	72 5.3	668.9	659.5
Deferred tax liability, net	14 1.3	15 8.5	149.4	147.6
Borrowings	2,3 09. 1	2,6 16. 8	2,540.3	2,504.6
Other liabilities	27 4.1	38 4.6	268.4	268.1
Liabilities associated with assets held for sale (Note 4)	—	18 2.5		
Total liabilities	7,3 00. 1	8,0 18. 5	7,655.3	7,719.8

Commitments and contingencies (Note 6)				
Stockholders' equity:				
Preferred stock, \$1.00 par value; 10 shares authorized; no shares issued	—	—		
Common stock, \$0.01 par value; 2,000 shares authorized; 366.8 shares and 373.5 shares issued and outstanding as of September 30, 2023 and December 31, 2022, respectively	3.7	3.7		
Preferred stock, \$1.00 par value; 10 shares authorized; no shares issued	—	—		
Common stock, \$0.01 par value; 2,000 shares authorized; 339.6 shares and 350.5 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively			3.4	3.5
Capital surplus	1,0			
	23.	99		
	3	5.9	1,040.6	1,031.9
Accumulated deficit	(22	(35		
	9.3)	3.9)	(485.0)	(389.1)
Accumulated other comprehensive loss	(18	(16		
	4.1)	7.9)	(161.1)	(167.3)
Total stockholders' equity	61	47		
	3.6	7.8	397.9	479.0
Total liabilities and stockholders' equity	7.9	8.4		
	13.	96.		
	\$ 7	\$ 3	\$ 8,053.2	\$ 8,198.8

See Notes to Condensed Consolidated Financial Statements.

THE WESTERN UNION COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

(in millions)

	Nine Months Ended		Three Months Ended	
	September 30,		March 31,	
	2023	2022	2024	2023
Cash flows from operating activities				
Net income	499.	661.	\$ 142.7	\$ 151.8
	\$ 0	\$ 2		
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	29.9	31.8	9.2	10.2
Amortization	108.	105.	6	7
			37.4	36.4
Gain on divestiture of business, excluding transaction costs (Note 4)	(18.0)	(155.8)		
Other non-cash items, net	64.7	54.0	20.0	19.3
Increase/(decrease) in cash, excluding the effects of divestitures, resulting from changes in:				
Increase/(decrease) in cash, excluding the effects of acquisitions and divestitures, resulting from changes in:				
Other assets	(91.1)	(166.4)	(46.6)	(28.1)
Accounts payable and accrued liabilities	(47.5)	50.6	(64.4)	(62.2)
Income taxes payable	(60.0)	(29.6)	8.8	17.2
Other liabilities	(29.33.0)	(1)	(13.1)	(7.3)
Net cash provided by operating activities	518.6	522.4	94.0	137.3
Cash flows from investing activities				

Payments for capitalized contract costs	(34.3)	(58.4)	(2.4)	(31.0)
Payments for internal use software	(66.7)	(68.0)	(21.7)	(19.6)
Purchases of property and equipment	(16.2)	(21.1)	(11.0)	(6.8)
Purchases of settlement investments	(382.0)	(663.3)	(130.2)	(124.7)
Proceeds from the sale of settlement investments	207.6	544.1	160.2	22.2
Maturities of settlement investments	112.9	131.9	23.3	22.4
Purchases of non-settlement investments (Note 5)	(400.0)			
Proceeds from the sale of non-settlement investments (Note 5)	100.0	—		
Proceeds from divestiture, net of cash divested (Note 4)	896.4			
Proceeds from the sale of non-settlement investments			—	100.0
Other investing activities	2.2	5.1	(24.5)	1.1
Net cash (used in)/provided by investing activities	(76.5)	366.7		
Net cash used in investing activities			(6.3)	(36.4)
Cash flows from financing activities				
Cash dividends and dividend equivalents paid (Note 9)	(266.0)	(275.5)	(80.5)	(88.1)
Common stock repurchased (Note 9)	(97.1)	(193.1)	(150.6)	(5.1)
Net repayments of commercial paper	(10.0)	(100.0)		
Principal payments on borrowings	(300.0)	(300.0)		
Net proceeds from/(repayments of) commercial paper			35.0	(155.0)
Proceeds from exercise of options	0.3	9.5	—	0.3
Net change in settlement obligations	(162.2)	(31.0)	(136.9)	109.1
Other financing activities	—	(0.2)	(0.1)	(0.2)

Net cash used in financing activities	(835 .0)	(890 .3)	(333.1)	(139.0)
Net change in cash and cash equivalents, including settlement, and restricted cash	(392 .9)	(1.2)	(245.4)	(38.1)
Cash and cash equivalents, including settlement, and restricted cash at beginning of period	2,04 0.7	2,11 0.9	1,786.2	2,040.7
Cash and cash equivalents, including settlement, and restricted cash at end of period	\$ 7.8	\$ 9.7	\$ 1,540.8	\$ 2,002.6

See Notes to Condensed Consolidated Financial Statements.

[Table of Contents](#)

THE WESTERN UNION COMPANY

SUPPLEMENTAL CASH FLOW INFORMATION
(Unaudited)
(in millions)

	September 30,		March 31,	
	2023	2022	2024	2023
Reconciliation of balance sheet cash and cash equivalents to cash flows:				
Cash and cash equivalents on balance sheet	1,13	1,17		
	\$ 8.2	\$ 6.1	\$ 1,106.5	\$ 1,228.6
Settlement cash and cash equivalents (Note 8)	484.	817.	412.4	737.1
	4	2		

Restricted cash in Other assets	25.2	52.4	21.9	36.9
Cash and cash equivalents included in Assets held for sale (Note 4)	—	64.0		
Cash and cash equivalents, including settlement, and restricted cash at end of period	1,64 \$ 7.8	2,10 \$ 9.7		
	<u>1,64</u> <u>\$ 7.8</u>	<u>2,10</u> <u>\$ 9.7</u>		
			Nine Months Ended	Three Months Ended
			September 30,	March 31,
	2023	2022		
			2024	2023
Supplemental cash flow information:				
Interest paid	\$ 73.1	\$ 64.8	\$ 21.4	\$ 16.9
Income taxes paid	176.	180.		
	\$ 6	\$ 8	\$ 17.1	\$ 13.3
Accrued and unpaid capitalized contract costs	\$ —	\$ 36.0		

See Notes to Condensed Consolidated Financial Statements.

[Table of Contents](#)

THE WESTERN UNION COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)
(in millions)

Accu mula ted Other	Total	Accumulated Other	Total

	Accumulated Compre- Stockholders'					hensive				
	Common		Capital	late	ensi	ders	Common Stock		Capital	Accumulated
	Stock	ital	d	ve	'		Shares	Amount	Surplus	Deficit
	Sh	Am	Sur							Loss
	are	oun	plu	Defi		Equi				
	s	t	s	cit	Loss	ty	Shares	Amount	Surplus	Deficit
Balance, December	3		9							
31, 2022	7		9	(3	(1	47				
	3.	3.	5.	53	67.	7.				
	5	\$ 7	\$ 9	\$.9)	\$ 9)	\$ 8				
Balance, December										
31, 2023							350.5	\$ 3.5	\$ 1,031.9	\$ (389.1)
Net income			15		15					
			1.		1.					
	—	—	—	8	—	8	—	—	—	142.7
Stock-based			8.		8.					
compensation	—	—	0	—	—	0	—	—	8.7	—
Common stock										
dividends and										
dividend equivalents			(8		(8					
declared (\$0.235 per			8.		8.					
share)	—	—	—	6)	—	6)	—	—	(81.9)	—
Repurchase and	(0	(0	(6		(6.					
retirement of common	.5)	.1)	—	.1)	—	2)	(12.3)	(0.1)	—	(156.7)
shares										
Shares issued under	1.	0.	0.		0.					
stock-based										
compensation plans	4	1	2	—	—	3	1.4	—	—	—
Other comprehensive										
income (Note 9)	—	—	—	—	9.7	7	—	—	—	6.2
Balance, March 31,			1,							
2023	3		0							
	7		0	(2	(1	55				
	4.	3.	4.	96	58.	2.				
	4	7	1	.8)	2)	8				

Net income	17	17
	6.	6.
—	—	2
Stock-based	9.	9.
compensation	—	5
Common stock		
dividends and		
dividend equivalents	(8	(8
declared (\$0.235 per	9.	9.
share)	—	5)
Repurchase and		
retirement of common	(0	(0.
shares	—	.3)
Shares issued under		
stock-based	0.	
compensation plans	1	—
Other comprehensive		(2
loss (Note 9)		(2
	—	2.2)
Balance, June 30,	1,	2
2023	3	0
	7	1
4.	3.	3.
5	7	6
Net income	17	17
	1.	1.
—	—	0
Stock-based	9.	9.
compensation	—	7
Common stock		
dividends and		
dividend equivalents	(8	(8
declared (\$0.235 per	8.	8.
share)	—	4)
Repurchase and	(1	(1
retirement of common	(7	01
shares	.8)	—
	—	.5)
	—	.5)

Shares issued under stock-based compensation plans	0.
Other comprehensive loss (Note 9)	(3. 7)
Balance, September 30, 2023	1, 61
6. 3. 3. 29 84. 3.	8 \$ 7 \$ 3 \$.3) \$ 1) \$ 6
Balance, March 31, 2024	339.6 \$ 3.4 \$ 1,040.6 \$ (485.0) \$ (161.1) \$ 397.9

8

[Table of Contents](#)

	Accu mula ted Othe r	Tota l	Accumulated Other	Total
	Acc umu Common Stock	Com preh late	Stoc khol ensi ders	
	Sh are s	Am oun t	Sur plu s	Common Stock
	Sh are s	Am oun t	Sur plu s	Amount
Balance, December 31, 2021	3 9			373.5 \$ 3.7 \$ 995.9 \$ (353.9) \$ (167.9) \$ 477.8
Balance, December 31, 2022	9 4 (5 35			
3. 3. 1. 37 (5 5.	8 \$ 9 \$ 0 \$.2) \$ 2.1) \$ 6			

Net income	29	29									
	3.	3.									
	—	—	—	3	—	3	—	—	—	151.8	—
Stock-based compensation	1										151.8
	0.					10					
	—	—	7	—	—	.7	—	—	8.0	—	8.0
Common stock											
dividends and dividend equivalents declared				(9		(9					
(\$0.235 per share)				2.		2.					
Repurchase and retirement of common shares				(1		(1					
	(8	(0		58		59					
	.6)	.1)	—	.9)	—	.0)	(0.5)	(0.1)	—	(6.1)	—
Shares issued under stock-based compensation plans	1.	0.	8.			8.					
	9	1	8	—	—	9	1.4	0.1	0.2	—	0.3
Other comprehensive loss (Note 9)						(6					
						(6					
	—	—	—	—	—	4.1)	—				
Balance, March 31,	3		9								
2022	8		6	(4	(1	35					
	7.	3.	0.	95	16.	2.					
	1	9	5	.4)	2)	8					
Net income				19		19					
				4.		4.					
	—	—	—	0	—	0					
Stock-based compensation				1							
				2.		12					
	—	—	3	—	—	.3					
Common stock											
dividends and dividend equivalents declared				(8		(8					
(\$0.235 per share)				9.		9.					
Repurchase and retirement of common shares				(2		(2					
	(1			1.		1.					
	.1)	—	—	1)	—	1)					

Shares issued under						
stock-based	0.	0.	0.			
compensation plans	1	—	5	—	—	5
Other comprehensive				(0.	(0.	
loss (Note 9)	—	—	—	—	6)	6)
Balance, June 30,	3	9	(4)	(1)	44	
2022	8	7	(4)	(1)	44	
	6.	3.	3.	12	16.	8.
	1	9	3	.1)	8)	3
Net income			17		17	
			3.		3.	
	—	—	—	9	—	9
Stock-based			9.		9.	
compensation	—	—	6	—	—	6
Common stock						
dividends and dividend			(9		(9	
equivalents declared			1.		1.	
(\$0.235 per share)	—	—	—	5)	—	5)
Repurchase and						
retirement of common	(0		(7		(7.	
shares	.5)	—	—	.7)	—	7)
Shares issued under						
stock-based	0.	0.	0.			
compensation plans	3	—	1	—	—	1
Other comprehensive				(4.	(4.	
loss (Note 9)	—	—	—	—	4)	4)
Balance, September	3	9	(7)	(1)	52	
30, 2022	8	8	(3)	(1)	52	
	5.	3.	3.	37	21.	8.
	9	\$ 9	\$ 0	\$.4)	\$ 2)	\$ 3
Other comprehensive						
income (Note 9)			—	—	—	—
Balance, March 31,						
2023	374.4	\$ 3.7	\$ 1,004.1	\$ (296.8)	\$ (158.2)	\$ 552.8

See Notes to Condensed Consolidated Financial Statements.

[Table of Contents](#)

THE WESTERN UNION COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Business and Basis of Presentation

Business

The Western Union Company ("("Western Union" Union" or the "Company" "Company") is a leader in global cross-border, cross-currency money movement, payments, and payment digital financial services, providing people empowering consumers, businesses, financial institutions, and businesses governments with fast, reliable, and convenient ways to send money and make payments around the world. The Western Union® brand is globally recognized. The Company's services are available through a network of agent locations in more than 200 countries and territories and also through money transfer transactions conducted and funded through websites and mobile applications marketed under the Company's brands ("Branded Digital") and transactions initiated on internet and mobile applications hosted by the Company's third-party white label or co-branded digital partners. Each location in the Company's agent network is capable of providing one or more of the Company's services.

The Western Union business consisted consists of the following operating segments:

- **Consumer-to-Consumer Consumer Money Transfer** - The Consumer-to-Consumer operating Consumer Money Transfer segment facilitates money transfers, which are primarily sent from retail agent locations worldwide or through websites and mobile devices. The Company's money transfer service is provided through one interconnected global network. This service is available for international cross-border transfers and, in certain countries, intra-country transfers.
- **Business Solutions Consumer Services** - The - Consumer Services segment includes the Company's bill payment services which facilitate payments for consumers, businesses, and other organizations, as well as the Company's money order services, retail foreign exchange services, prepaid cards, lending partnerships, digital wallets, and media network.

See Note 14 for further information regarding the Company's segments.

On August 4, 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"), and the final closing for this transaction occurred on July 1, 2023. Accordingly, the Company will no longer report Business Solutions revenues and operating expenses after July 1, 2023. See Note 4 for further information regarding this transaction. The Buyer has rebranded the sold operations within a new standalone company (now referred to as "Convera"). The Business Solutions operating segment facilitated payment and foreign exchange solutions, primarily cross-border, cross-currency transactions, for small and medium size enterprises and other organizations and individuals. The Business Solutions business related to exchanges of currency at spot rates, which enabled customers to make cross-currency payments, and in limited countries, the Company wrote foreign currency forward and option contracts for customers to facilitate future payments.

All businesses and other services that have not been classified in the above segments are reported as Other, which 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. Certain of the Company's corporate costs such as costs related to strategic initiatives, including costs for the review and closing of mergers, acquisitions, and divestitures, are also included in Other. See Note 14 for further information regarding the Company's segments.

There are legal or regulatory limitations on transferring certain assets of the Company outside of the countries where these assets are located. However, there are generally no limitations on the use of these assets within those countries. Additionally, the Company must meet minimum capital requirements in some countries in order to maintain operating licenses. As of December 31, 2022 December 31, 2023, the Company's restricted net assets associated with these asset limitations and minimum capital requirements totaled approximately \$710,440 million.

Various aspects of the Company's services and businesses are subject to United States federal, state, and local regulation, as well as regulation by foreign jurisdictions, including certain banking and other financial services regulations.

Basis of Presentation

The accompanying condensed consolidated financial statements are unaudited and were prepared in accordance with the instructions for Form 10-Q and Article 10 of Regulation S-X. In compliance with those instructions, certain information

10

Table of Contents

THE WESTERN UNION COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Unaudited)

and footnote disclosures normally included in annual consolidated financial statements prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP" ("GAAP")) have been condensed or omitted.

The unaudited condensed consolidated financial statements in this quarterly report are presented on a consolidated basis and include the accounts of the Company and its majority-owned subsidiaries. Results of operations and cash flows for the interim periods are not necessarily indicative of the results that may be expected for the entire year. All significant intercompany transactions and accounts have been eliminated as of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023** and for all periods presented.

[Table of Contents](#)

THE WESTERN UNION COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued) **(Unaudited)**

In the opinion of management, these condensed consolidated financial statements include all the normal recurring adjustments necessary to fairly present the Company's condensed consolidated results of operations, financial position, and cash flows as of **September 30, 2023** **March 31, 2024** and for all periods presented. These condensed consolidated financial statements should be read in conjunction with the Company's consolidated financial statements within the Company's Annual Report on Form 10-K for the year ended **December 31, 2022** **December 31, 2023**.

Consistent with industry practice, the accompanying Condensed Consolidated Balance Sheets are unclassified due to the short-term nature of the Company's settlement obligations contrasted with the Company's ability to invest cash awaiting settlement in long-term investment securities.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

Accounting Pronouncements Not Yet Adopted

In November 2023, the Financial Accounting Standards Board issued a new accounting pronouncement regarding segment reporting. The standard requires that public entities expand reportable segment disclosures, primarily through enhanced disclosures about significant segment expenses. The Company is required to adopt the new standard for its 2024

annual reporting and effective January 1, 2025 for its interim reporting, using a retrospective approach. Management is currently evaluating the potential impact that the adoption of this standard will have on the Company's disclosures.

In December 2023, the Financial Accounting Standards Board issued a new accounting pronouncement regarding income tax disclosures. The standard requires that public entities disclose more consistent and detailed categories in their statutory to effective income tax rate reconciliations and further disaggregate income taxes paid by jurisdiction. The Company is required to adopt the new standard for its 2025 annual reporting, using a prospective approach. Management is currently evaluating the potential impact that the adoption of this standard will have on the Company's disclosures.

2. Revenue

The Company's revenues are primarily derived from consideration paid by customers to transfer money. These revenues vary by transaction based upon factors such as channel, send and receive locations, the principal amount sent, and the difference between the exchange rate set by the Company to the customer and a rate available in the wholesale foreign exchange market, when the money transfer involves different send and receive currencies. The Company also offers other services, which includes bill payment consumer services, for which revenue is impacted by similar factors. The Company analyzes its different services individually to determine the appropriate basis for revenue recognition. For additional information on the Company's different services, refer to the Company's consolidated financial statements within the Company's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

Revenues from consumer money transfers are included in the Company's Consumer-to-Consumer Consumer Money Transfer segment and revenues from consumer bill payment and other services are included in the Company's Consumer Services segment. Revenues from business-to-business foreign exchange and payment services were included in the Company's Business Solutions segment, and revenues from other services are not included in the Company's segments and are reported as Other segment. See Note 14 for further information on the Company's segments.

The substantial majority of the Company's revenue is recognized at a point in time. The following tables represent the disaggregation of revenue earned from contracts with customers by product type and region for the three and nine months ended

11 10

[Table of Contents](#)

THE WESTERN UNION COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Unaudited)

months ended September 30, 2023 March 31, 2024 and 2022 2023 (in millions). The regional split of revenue shown in the tables below is based upon where transactions are initiated.

	Three Months Ended September 30, 2023				Three Months Ended March 31, 2024			
	Foreign		Consumer		Consumer		Consumer	
	Consu mer	Exchang e	and		Money		Consumer	
	Transfe rs	Services	Servic		Transfer	Services	Total	
	rs	b)	es	Total				
Regions:								
North America	369.		33.	403.	\$ 5	\$ 8	\$ 39.4	\$ 393.9
Europe and CIS	238.			241.	4	—	4.5	228.9
Middle East, Africa, and	224.			224.				
South Asia	4	—	0.1	5		192.3	0.1	192.4
Latin America and the	106.		25.	132.				
Caribbean	7	—	5	2		107.5	23.1	130.6
East Asia and Oceania	51.8	—	—	51.8				
Asia Pacific						49.9	—	49.9
Revenues from contracts	990.		62.	1,05	\$ 8	\$ 1	\$ 67.1	\$ 995.7
with customers						2.9		
Other revenues (a)			16.					
	28.2	—	7	44.9		33.4	20.0	53.4
Total revenues	1,01		78.	1,09	\$ 9.0	\$ 8	\$ 87.1	\$ 1,049.1

	Three Months Ended September 30, 2022				Three Months Ended March 31, 2023			
	Foreign		Foreign		Consumer		Consumer	
	Consu mer	Exchang e	Consu mer	Exchang e	Consumer	Exchang e	Consumer	Exchang e

	and				and				Consumer			
	Money	Payment	Other		Money	and Payment						
	Transfe	Services	Service		Transfer	Services(b)	Services					
	rs	b)	es	Total								Total
Regions:												
North America	383.		32.	416.								
	\$ 6	\$ —	\$ 4	\$ 0	\$ 347.3	\$ —	\$ 33.4	\$ 380.7				
Europe and CIS	251.			283.								
	3	26.0	6.0	3	233.7	6.5	5.5	245.7				
Middle East, Africa, and	156.			156.								
South Asia	6	—	0.1	7	169.3	—	0.1	169.4				
Latin America and the			25.	122.								
Caribbean	97.0	—	5	5	99.7	—	28.2	127.9				
East Asia and Oceania	56.5	—	—	56.5								
Asia Pacific					55.3	—	—	55.3				
Revenues from contracts	945.		64.	1,03								
with customers	\$ 0	\$ 26.0	\$ 0	\$ 5.0	\$ 905.3	\$ 6.5	\$ 67.2	\$ 979.0				
Other revenues (a)	37.4	16.6	0.6	54.6	33.0	8.9	16.0	57.9				
Total revenues	982.		64.	1,08								
	\$ 4	\$ 42.6	\$ 6	\$ 9.6	\$ 938.3	\$ 15.4	\$ 83.2	\$ 1,036.9				

	Nine Months Ended September 30, 2023						
	Foreign						
	Consumer			Exchange			
	Money		and Payment		Other		
	Transfers		Services(b)		Services		Total
Regions:							
North America		\$ 1,089.1	\$ —	\$ 101.0	\$ 1,190.1		
Europe and CIS		718.1	13.0	12.9	744.0		
Middle East, Africa, and South Asia		658.5	—	0.3	658.8		
Latin America and the Caribbean		306.2	—	81.0	387.2		
East Asia and Oceania		161.9	—	—	161.9		
Revenues from contracts with customers		\$ 2,933.8	\$ 13.0	\$ 195.2	\$ 3,142.0		
Other revenues (a)		95.7	16.7	50.3	162.7		
Total revenues		\$ 3,029.5	\$ 29.7	\$ 245.5	\$ 3,304.7		

(a) Includes revenue from investment income generated on settlement assets primarily related to money transfer and money order services, impacts from

Company's foreign currency cash flow hedges, and other sources.

(b) On August 4, 2021, the Company entered into an agreement to sell its Business Solutions business, and the final closing for this transaction occurred on July 1, 2023.

12

11

[Table of Contents](#)

THE WESTERN UNION COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Regions:	Nine Months Ended September 30, 2022						
	Foreign						
	Consumer		Exchange				
	Money	Transfers	and Payment	Services ^(a)	Services	Other	
						Total	
North America		\$ 1,171.3	\$ 17.9	\$ 96.5	\$ 1,285.7		
Europe and CIS		808.2	80.4	15.2	903.8		
Middle East, Africa, and South Asia		477.8	0.4	0.3	478.5		
Latin America and the Caribbean		279.2	0.5	81.3	361.0		
East Asia and Oceania		177.1	12.5	0.5	190.1		
Revenues from contracts with customers		\$ 2,913.6	\$ 111.7	\$ 193.8	\$ 3,219.1		
Other revenues (a)		94.7	55.7	14.1	164.5		
Total revenues		\$ 3,008.3	\$ 167.4	\$ 207.9	\$ 3,383.6		

(a) Includes revenue from the sale of derivative financial instruments, investment income generated on settlement assets primarily related to money transfer and money order services, and other sources.

(b) On August 4, 2021, the Company entered into an agreement to sell its Business Solutions business to Goldfinch Partners LLC and The Baupost Group LLC. The first closing occurred on March 1, 2022, the second occurred on December 31, 2022, and the final closing occurred on July 1, 2023. See Note 4 for further information regarding this transaction.

3. Earnings Per Share

The calculation of basic earnings per share is computed by dividing net income **available to common stockholders** by the weighted-average number of shares of common stock outstanding for the period. Outstanding options to purchase Western Union stock and unvested shares of restricted stock are excluded from basic shares outstanding. Diluted earnings per share reflects the potential dilution that could occur if outstanding stock options at the presented dates are exercised and shares of restricted stock have vested, using the treasury stock method. The treasury stock method assumes proceeds from the exercise price of stock options and the unamortized compensation expense of options and restricted stock are available to acquire shares at an average market price throughout the period, and therefore, reduce the dilutive effect.

Shares excluded from the diluted earnings per share calculation were **9.5** **11.4** million and **8.1** **9.2** million for the three months ended **September 30, 2023** **March 31, 2024** and **2022**, respectively, and 9.6 million and 8.0 million for the nine months ended **September 30, 2023** and **2022, 2023**, respectively. The effect of these shares was anti-dilutive under the treasury stock method, as the assumed proceeds of the options and restricted stock per unit were above the Company's average share price during the periods.

The following table provides the calculation of diluted weighted-average shares outstanding (in millions):

	Three Months		Nine Months		Three Months Ended	
	Ended		Ended		March 31,	
	September 30,		September 30,		2024	2023
	2023	2022	2023	2022		
Basic weighted-average shares outstanding	373.	386.	374.	388.		
	9	5	5	8	344.4	374.4
Common stock equivalents	1.1	1.1	0.9	1.1	1.3	1.1
Diluted weighted-average shares outstanding	375.	387.	375.	389.		
	0	6	4	9	345.7	375.5
	=====	=====	=====	=====		

4. Assets Held for Sale and Related Divestiture

On August 4, 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. The sale was completed in three closings, with the entire cash consideration collected at the first closing and allocated to the closings on a relative fair value basis. The **first** **final** closing for this transaction occurred on **March 1, 2022**, excluded the operations in the European Union and the United Kingdom, and resulted in a gain of \$151.4 million. In connection with the first closing, the Company reclassified \$17.8 million.

[Table of Contents](#)**THE WESTERN UNION COMPANY****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**
(Unaudited)

million of currency translation gains previously included within Accumulated other comprehensive loss ("AOCL") as a component of Gain on divestiture of business in the Condensed Consolidated Statements of Income. The second closing, which occurred on December 31, 2022 and included the United Kingdom operations, resulted in a gain of \$96.9 million. As of December 31, 2022, the Company classified the proceeds allocated to the European Union operations of approximately \$104 million within Other liabilities in the Condensed Consolidated Balance Sheets. The final closing occurred on July 1, 2023, included the European Union operations, and resulted in a gain of \$18.0 million. During the period between the first and final closings, the Company was required to pay the Buyer a measure of profit of the European Union and United Kingdom operations, while owned by the Company, adjusted for the occupancy charges for employees of the Buyer using Company facilities, and other items, as contractually agreed, which was \$2.7 million for the nine months ended September 30, 2023 and \$15.0 million and \$25.9 million for the three and nine months ended September 30, 2022 March 31, 2023, respectively, and was included in Other expense, net in the Condensed Consolidated Statements of Income. The related income tax expense on this income was also passed to the Buyer.

Business Solutions revenues included in the Condensed Consolidated Statements of Income were \$42.6 million and direct operating expenses, excluding corporate allocations, were \$27.0 million for the three months ended September 30, 2022 March 31, 2023. For the nine months ended September 30, 2023 and 2022, Business Solutions revenues were \$29.7 million and \$167.4 million, respectively, and direct operating expenses, excluding corporate allocations, were \$26.1 million and \$117.4 million, respectively. For the three and nine months ended September 30, 2023 March 31, 2023, divestiture costs directly associated with this transaction were \$0.1 million and \$1.1 million, respectively. For the three and nine months ended September 30, 2022, divestiture costs directly associated with this transaction were \$0.4 million and \$4.4 million, respectively. immaterial.

The following table reflects the assets held for sale and associated liabilities of the Business Solutions business in the accompanying Condensed Consolidated Balance Sheets (in millions).

	December 31, 2022
Cash and cash equivalents	\$ 5.2
Settlement assets	74.9
Property and equipment, net of accumulated depreciation of \$1.0	0.7
Goodwill	61.4
Other intangible assets, net of accumulated amortization of \$9.8	1.4
Other assets	118.0
Total assets	\$ 261.6

Accounts payable and accrued liabilities	\$	18.2
Settlement obligations		74.9
Other liabilities		89.4
Total liabilities	\$	182.5

14

[Table of Contents](#)

THE WESTERN UNION COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Unaudited)

5. Fair Value Measurements

Fair value, as defined by the relevant accounting standards, represents the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. For additional information on how the Company measures fair value, refer to the Company's consolidated financial statements within the Company's Annual Report on Form 10-K for the year ended **December 31, 2022** **December 31, 2023**.

12

[Table of Contents](#)

THE WESTERN UNION COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Unaudited)

The following tables present the Company's assets and liabilities, which are measured at fair value on a recurring basis, by category (in millions):

March 31, 2024	Fair Value Measurement Using		Total	
	Level 1	Level 2		
Assets:				
Settlement assets:				
			Fair Value	

Measured at fair value through net income:					
Money market funds	\$ 13.0	\$ —	\$ 13.0		
Measured at fair value through other comprehensive income (net of expected credit losses recorded through net income):					
State and municipal debt securities	—	1,044.8	1,044.8		
Asset-backed securities	—	213.8	213.8		
Corporate debt securities	—	86.2	86.2		
State and municipal variable-rate demand notes	—	47.7	47.7		
United States government agency mortgage-backed securities	—	10.5	10.5		
Other assets:					
Derivatives	—	15.7	15.7		
Total assets	\$ 13.0	\$ 1,418.7	\$ 1,431.7		
Liabilities:					
Other liabilities:					
Derivatives	\$ —	\$ 6.7	\$ 6.7		
Total liabilities	\$ —	\$ 6.7	\$ 6.7		
				Fair Value Measurement Using	Total
				Level 1	Level 2
December 31, 2023					Fair Value
Assets:					
Settlement assets:					
Measured at fair value through net income:					
Money market funds	\$ 11.8	\$ —	\$ 11.8		
Measured at fair value through other comprehensive income (net of expected credit losses recorded through net income):					
State and municipal debt securities	—	1,011.4	1,011.4		
Asset-backed securities	—	195.7	195.7		
Corporate debt securities	—	152.2	152.2		
State and municipal variable-rate demand notes	—	86.8	86.8		
United States government agency mortgage-backed securities	—	12.1	12.1		
Other assets:					
Derivatives	—	10.8	10.8		
Total assets	\$ 11.8	\$ 1,469.0	\$ 1,480.8		
Liabilities:					
Other liabilities:					
Derivatives	\$ —	\$ 17.4	\$ 17.4		

Total liabilities	\$	—	\$	17.4	\$	17.4						
	Fair Value Measurement Using			Total								
September 30, 2023	Level 1		Level 2		Fair Value							
Assets:												
Settlement assets:												
Measured at fair value through net income:												
Money market funds	\$	6.4	\$	—	\$	6.4						
Measured at fair value through other comprehensive income (net of expected credit losses recorded through net income):												
State and municipal debt securities	—		981.0		981.0							
Asset-backed securities	—		187.5		187.5							
Corporate debt securities	—		152.9		152.9							
State and municipal variable-rate demand notes	—		48.3		48.3							
United States government agency mortgage-backed securities	—		13.6		13.6							
Other assets:												
Derivatives	—		30.1		30.1							
Total assets	\$	6.4	\$	1,413.4	\$	1,419.8						
Liabilities:												
Other liabilities:												
Derivatives	\$	—	\$	5.5	\$	5.5						
Total liabilities	\$	—	\$	5.5	\$	5.5						
December 31, 2022	Fair Value Measurement Using			Total								
	Level 1		Level 2		Fair Value							
Assets:												
Settlement assets:												
Measured at fair value through net income:												
Money market funds	\$	11.7	\$	—	\$	11.7						
Measured at fair value through other comprehensive income (net of expected credit losses recorded through net income):												
State and municipal debt securities	—		933.3		933.3							
Asset-backed securities	—		184.1		184.1							
Corporate debt securities	—		146.9		146.9							
State and municipal variable-rate demand notes	—		48.9		48.9							
United States government agency mortgage-backed securities	—		20.5		20.5							
Other assets:												

Derivatives	—	126.1	126.1
Total assets	\$ 11.7	\$ 1,459.8	\$ 1,471.5
Liabilities:			
Other liabilities:			
Derivatives	\$ —	\$ 98.9	\$ 98.9
Total liabilities	\$ —	\$ 98.9	\$ 98.9

15 There were no material, non-recurring fair value adjustments in the three months ended March 31, 2024 and 2023. There were no transfers between Level 1 and Level 2 measurements during the three months ended March 31, 2024 and 2023.

13

[Table of Contents](#)

THE WESTERN UNION COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued) (Unaudited)

There were no material, non-recurring fair value adjustments in the three and nine months ended September 30, 2023 other than approximately \$10 million of impairments primarily related to software no longer in use. There were no material, non-recurring fair value adjustments in the three and nine months ended September 30, 2022 other than approximately \$9 million of property and equipment, operating lease right-of-use asset, and other intangible asset impairments associated with the Company's suspension of its operations in Russia and Belarus and the first closing of its Business Solutions divestiture in the nine months ended September 30, 2022, as discussed further in Note 14. There were no transfers between Level 1 and Level 2 measurements during the three and nine months ended September 30, 2023 and 2022.

Other Fair Value Measurements

The carrying amounts for many of the Company's financial instruments, including certain cash and cash equivalents, settlement cash and cash equivalents, and settlement receivables and obligations approximate fair value due to their short maturities. The Company's borrowings are classified as Level 2 within the valuation hierarchy, and the aggregate fair value of these borrowings was based on quotes from multiple banks. Fixed-rate notes are carried in the Company's Condensed Consolidated Balance Sheets at their original issuance values as adjusted over time to accrete that value to par. As of September 30, 2023 March 31, 2024, the carrying value and fair value of the Company's borrowings were \$2,309.1 2,540.3

million and \$2,132.0 2,453.9 million, respectively (see Note 11). As of December 31, 2022 December 31, 2023, the carrying value and fair value of the Company's borrowings were \$2,616.8 2,504.6 million and \$2,442.5 2,419.0 million, respectively.

In 2022, the Company entered into reverse repurchase agreements, a form of secured lending, with broker-dealer affiliates of large U.S. banks, using a portion of the proceeds from the sale of the Company's Business Solutions business. These agreements required the counterparties to pledge marketable securities with a value greater than the amount of cash transferred as collateral, which was held and valued by a third-party custodial bank. These investments generated interest income through the date of repurchase, at which point the purchase price together with the interest due was paid back to the Company. The Company has fully redeemed these investments as of September 30, 2023. As of December 31, 2022, the carrying value of these investments, as reported in Other assets in the Company's Condensed Consolidated Balance Sheets, was \$100.0 million, which approximated fair value due to the creditworthiness of the counterparty, the value of the collateral, and the investments' short-term nature and variable interest rate.

6. Commitments and Contingencies

Letters of Credit and Bank Guarantees

The Company had approximately \$160 150 million in outstanding letters of credit and bank guarantees as of September 30, 2023 March 31, 2024, which were primarily held in connection with regulatory requirements, lease arrangements, and certain agent agreements. The Company expects to renew many of its letters of credit and bank guarantees prior to expiration.

Litigation and Related Contingencies

The Company is subject to certain claims and litigation that could result in losses, including damages, fines, and/or civil penalties, which could be significant, and in some cases, criminal charges. The Company regularly evaluates the status of legal matters to assess whether a loss is probable and reasonably estimable in determining whether an accrual is appropriate. Furthermore, in determining whether disclosure is appropriate, the Company evaluates each legal matter to assess if there is at least a reasonable possibility that a material loss or additional material losses may have been incurred. The Company also evaluates whether an estimate of possible loss or range of loss can be made. Unless otherwise specified below, the Company believes that there is at least a reasonable possibility that a loss or additional loss may have been incurred for each of the matters described below.

For those matters that the Company believes there is at least a reasonable possibility that a loss or additional loss may have been incurred and can reasonably estimate the loss or potential loss, the reasonably possible potential litigation losses in excess of the Company's recorded liability for probable and estimable losses was approximately \$30 million as of

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

September 30, 2023. March 31, 2024. For the remaining matters, management is unable to provide a meaningful estimate of the possible loss or range of loss because, among other reasons: (i) the proceedings are in preliminary stages; (ii) specific damages have not been sought; (iii) damage claims are unsupported and/or unreasonable; (iv) there is uncertainty as to the outcome of pending appeals or motions; (v) there are significant factual issues to be resolved; or (vi) novel legal issues or unsettled legal theories are being asserted.

The outcomes of legal actions are unpredictable and subject to significant uncertainties, and it is inherently difficult to determine whether any loss is probable or even possible. It is also inherently difficult to estimate the amount of any loss, and there may be matters for which a loss is probable or reasonably possible but not currently estimable. Accordingly, actual losses may be in excess of the established liability or the range of reasonably possible loss.

Legal Matters

In October 2015, Consumidores Financieros Asociación Civil para su Defensa, an Argentinian consumer association, filed a purported class action lawsuit in Argentina's National Commercial Court No. 19 against the Company's subsidiary Western Union Financial Services Argentina S.R.L. ("WUFS"). The lawsuit alleges, among other things, that WUFS's fees for money transfers sent from Argentina are excessive and that WUFS does not provide consumers with adequate information about foreign exchange rates. The plaintiff is seeking, among other things, an order requiring WUFS to reimburse consumers for the fees they paid and the foreign exchange revenue associated with money transfers

14

[Table of Contents](#)

THE WESTERN UNION COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

sent from Argentina, plus punitive damages. The complaint does not specify a monetary value of the claim or a time period. In November 2015, the Court declared the complaint formally admissible as a class action. The notice of claim was served on WUFS in May 2016, and in June 2016 WUFS filed a response to the claim and moved to dismiss it on statute of limitations and standing grounds. In April 2017, the Court deferred ruling on the motion until later in the proceedings. The process for notifying potential class members has been completed, and the case is in the evidentiary stage. Due to the stage of this

matter, the Company is unable to predict the outcome or the possible loss or range of loss, if any, associated with this matter. WUFSI intends to defend itself vigorously.

In December 2022, a purported class action complaint was filed against several money transfer business defendants, including the Company, in the United States District Court for the Northern District of California, alleging that these defendants violated the federal Right to Financial Privacy Act and California's Financial Information Privacy Act. The United States Department of Homeland Security and Immigration and Customs Enforcement are also named as defendants. The operative complaint alleges that the defendants violated plaintiffs' financial privacy rights by sharing private financial information with law enforcement agencies through a program coordinated by the Transaction Record Analysis Center. On January 24, 2023, an amended complaint was filed naming the Company's subsidiary Western Union Financial Services, Inc. ("WUFSI" ("WUFSI")) as a defendant in place of The Western Union Company. The court granted in part and denied in part WUFSI's motion to dismiss the operative complaint on March 21, 2024. On February 21, 2024, another purported class action complaint was filed in the United States District Court for the Central District of California against the Company (d/b/a WUFSI) and other defendants on behalf of California residents whose information was sent to the Transaction Record Analysis Center. On April 12, 2024, an amended complaint was filed naming WUFSI as a defendant in place of the Company. Due to the preliminary stage of this matter, these matters, the ultimate outcome and any potential financial impact to the Company cannot be reasonably determined at this time. WUFSI intends to defend itself vigorously in this matter, these matters.

In late 2017, three individuals filed a lawsuit against certain alleged Western Union entities (collectively, the "Defendants") in the Commercial Court in Kinshasa-Gombe in the Democratic Republic of the Congo ("DRC" ("DRC")), which was later joined by three additional individuals. These six individuals (the "Plaintiffs" ("Plaintiffs")), including current and/or former DRC government officials, claim that their privacy rights were violated and sought €22.4 million in damages. In 2018, the Commercial Court in Kinshasa-Gombe entered a judgment against the Defendants in the amount of €10.5 million (\$11.0 million as of September 30, 2023 March 31, 2024). In 2019, the Commercial Court in Kinshasa-Gombe entered a judgment against The Western Union Company ("TWUC" ("TWUC")) in the amount of €9 million (\$9.4 million as of September 30, 2023 March 31, 2024). The business in the DRC is operated through independent agents. No Western Union entity has a presence in the country. The Plaintiffs have previously sought and may continue to attempt to seize funds from the Company's independent agents in the DRC to satisfy the judgments. The Defendants have learned that certain challenges to the judgments have been denied. The Defendants and TWUC intend to continue to challenge both judgments and defend themselves vigorously in these matters.

In addition to the principal matters described above, the Company is a party to a variety of other legal matters that arise in the normal course of the Company's business. While the results of these other legal matters cannot be predicted

(Unaudited)

with certainty, management believes that the final outcome of these matters will not have a material adverse effect either individually or in the aggregate on the Company's financial condition, results of operations, or cash flows.

7. Related Party Transactions

The Company has ownership interests in certain of its agents accounted for under the equity method of accounting. The Company pays these agents commissions for money transfer and other services provided on the Company's behalf. Commission expense recognized for these agents for the three months ended **September 30, 2023** **March 31, 2024** and **2022** **2023** totaled \$**11.5** **10.4** million and \$**12.2** **10.8** million, respectively, and \$respectively.

33.8 15

[million and \\$](#) [Table of Contents](#)

36.5 THE WESTERN UNION COMPANY

million for the nine months ended September 30, 2023 and 2022, respectively. **NOTES TO CONDENSED**

CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Unaudited)

8. Settlement Assets and Obligations

Settlement assets represent funds received or to be received from agents and others for unsettled money transfers, money orders, and consumer payments. The Company records corresponding settlement obligations relating to amounts payable under money transfers, money orders, and consumer payment service arrangements. Settlement assets and obligations also included amounts receivable from, and payable to, customers for the value of their cross-currency payment transactions related to the Business Solutions segment.

Settlement assets and obligations consisted of the following (in millions):

	September 30, 2023	
Settlement assets:		
Cash and cash equivalents	\$	484.4
Receivables from agents and others		1,633.8
Less: Allowance for credit losses		(20.5)

Receivables from agents and others, net	1,613.3
Investment securities	1,383.3
Less: Allowance for credit losses	(0.2)
Investment securities, net	1,383.1
Total settlement assets	\$ 3,480.8
Settlement obligations:	
Money transfer, money order, and payment service payables	\$ 2,732.6
Payables to agents	748.2
Total settlement obligations	\$ 3,480.8

	December 31, 2022	March 31, 2024	December 31, 2023
Settlement assets:			
Cash and cash equivalents	\$ 708.1	\$ 412.4	\$ 496.0
Receivables from agents, Business Solutions customers, and others	1,533.2		
Receivables from agents and others		1,832.2	1,748.3
Less: Allowance for credit losses	(13.0)	(11.9)	(15.4)
Receivables from agents, Business Solutions customers, and others, net	1,520.2		
Receivables from agents and others, net		1,820.3	1,732.9
Investment securities	1,333.7	1,403.0	1,458.2
Less: Allowance for credit losses	(0.3)	(0.1)	(0.1)
Investment securities, net	1,333.4	1,402.9	1,458.1
Total settlement assets (a)	\$ 3,561.7		
Total settlement assets		\$ 3,635.6	\$ 3,687.0
Settlement obligations:			
Money transfer, money order, and payment service payables	\$ 2,843.3	\$ 2,940.7	\$ 2,764.5
Payables to agents	718.4	694.9	922.5
Total settlement obligations (a)	\$ 3,561.7		
Total settlement obligations		\$ 3,635.6	\$ 3,687.0

THE WESTERN UNION COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Unaudited)

(a) Settlement assets and Settlement obligations include Assets held for sale and Liabilities associated with assets held for sale of \$74.9 million as of December 31, 2022 (see Note 4).

Allowance for Credit Losses

Receivables from agents and others primarily represent funds collected by such agents, but in transit to the Company, and were \$1,613.3 million and \$1,820.3 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. Cash received by Western Union agents generally becomes available to the Company within one week after initial receipt by the agent. Western Union has a large and diverse agent base, thereby reducing the credit risk of the Company from any one agent. The Company performs ongoing credit evaluations of its agents' financial condition and credit worthiness.

Receivables from Business Solutions customers arose from cross-currency payment transactions in the Business Solutions segment. Business Solutions receivables totaled \$11.7 million as of December 31, 2022. Receivables occurred when funds were paid out to a beneficiary but not yet received.

The Company establishes and monitors an allowance for credit losses related to receivables from agents and others. The Company has estimated the allowance based on its historical collections experience, adjusted for current conditions and forecasts of future economic conditions based on information as of September 30, 2023 March 31, 2024.

The following tables summarize the activity in the allowance for credit losses on receivables from agents and others, and Business Solutions customers (in millions):

	Agents and Others	Business Solutions		Agents and Others
		Customers		
Allowance for credit losses as of January 1, 2023		\$ 11.4	\$ 1.6	
Allowance for credit losses as of January 1, 2024				\$ 15.4
Current period provision for expected credit losses		(0.4)	0.4	—
(a)				
Write-offs charged against the allowance		(4.2)	(0.7)	(5.2)
Recoveries of amounts previously written off		1.8	—	2.3
Impacts of foreign currency exchange rates and other		0.1	0.7	(0.6)
Allowance for credit losses as of March 31, 2023		8.7	2.0	
Current period provision for expected credit losses				
(a)		5.3	1.0	
Write-offs charged against the allowance		(4.1)	(2.4)	
Recoveries of amounts previously written off		1.4	—	

Impacts of foreign currency exchange rates and other	0.4	(0.6)
Allowance for credit losses as of June 30, 2023	11.7	—
Current period provision for expected credit losses		
(a)	17.2	—
Write-offs charged against the allowance	(7.3)	—
Recoveries of amounts previously written off	1.0	—
Impacts of foreign currency exchange rates and other	(2.1)	—
Allowance for credit losses as of September 30, 2023	\$ 20.5	\$ —
Allowance for credit losses as of March 31, 2024	\$ <u>19.16</u>	\$ <u>11.9</u>

19.16

[Table of Contents](#)

THE WESTERN UNION COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued) (Unaudited)

	Agents		Business			
	and Others	Solutions Customers			Agents and Others	Business Solutions Customers
			Business Solutions	Customers		
Allowance for credit losses as of January 1, 2022	\$ 18.0	\$ 5.7				
Allowance for credit losses as of January 1, 2023			\$ 11.4	\$ 1.6		
Current period provision for expected credit losses (a)	1.9	0.4	(0.4)	0.4		
Write-offs charged against the allowance	(3.1)	(0.4)	(4.2)	(0.7)		
Recoveries of amounts previously written off	1.7	—	1.8	—		
Impacts of foreign currency exchange rates, divestitures, and other	(0.1)	(4.2)	0.1	0.7		
Allowance for credit losses as of March 31, 2022	18.4	1.5				

Current period provision for expected credit losses (a)	1.8	2.1
Write-offs charged against the allowance	(1.3)	(1.4)
Recoveries of amounts previously written off	1.0	—
Impacts of foreign currency exchange rates and other	(3.0)	(0.5)
Allowance for credit losses as of June 30, 2022	<u>16.9</u>	1.7
Current period provision for expected credit losses (a)	3.4	0.5
Write-offs charged against the allowance	(8.1)	(2.1)
Recoveries of amounts previously written off	1.8	—
Impacts of foreign currency exchange rates and other	(2.4)	0.2
Allowance for credit losses as of September 30, 2022	<u>\$ 11.6</u>	<u>\$ 0.3</u>
Allowance for credit losses as of March 31, 2023	<u>\$ 8.7</u>	<u>\$ 2.0</u>

(a) Provision does not include losses from chargebacks or fraud associated with transactions initiated through the Company's digital channels, as these losses are not credit-related. The Company recognized losses that were not credit-related of \$9.1 million, \$6.1 14.8 million and \$10.9 9.1 million for the three months ended **March 31, 2023, June 30, 2023** **March 31, 2024**, and **September 30, 2023**, respectively, and \$10.0 million, \$7.7 million, and \$10.2 million for the three months ended **March 31, 2022, June 30, 2022**, and **September 30, 2022, 2023**, respectively.

In addition, from time to time, the Company makes advances to its **agents**. **agents and disbursement partners**. The Company **generally often** owes settlement funds payable to these agents that offset these advances. These amounts advanced to **agents and disbursement partners** are included within Other assets in the accompanying Condensed Consolidated Balance Sheets. As of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, amounts advanced to **agents and disbursement partners** were \$177.8 200.7 million and \$154.9 188.5 million, respectively, and the related allowances for credit losses were immaterial.

Investment Securities

Investment securities included in Settlement assets in the Company's Condensed Consolidated Balance Sheets consist primarily of highly-rated state and municipal debt securities, including fixed-rate term notes and variable-rate demand notes. Variable-rate demand note securities can be put (sold at par) typically on a daily basis with settlement periods ranging from the same day to one week but have varying maturities through 2052. These securities may be used by the Company for short-term liquidity needs and held for short periods of time. Investment securities are exposed to market risk due to changes in interest rates and credit risk. The Company is required to hold highly-rated, investment grade securities and such investments are restricted to satisfy outstanding settlement obligations in accordance with applicable regulatory requirements.

The Company's investment securities are classified as available-for-sale and recorded at fair value. Western Union regularly monitors credit risk and attempts to mitigate its exposure by investing in highly-rated securities and through investment diversification.

Unrealized gains on available-for-sale securities are excluded from earnings and presented as a component of accumulated other comprehensive loss, net of related deferred taxes. Available-for-sale securities with a fair value below the amortized cost basis are evaluated on an individual basis to determine whether the impairment is due to credit-related factors or noncredit-related factors. Factors that could indicate a credit loss exists include but are not limited to: (i) negative earnings performance, (ii) credit rating downgrades, or (iii) adverse changes in the regulatory or economic environment of the asset. Any impairment that is not credit-related is excluded from earnings and presented as a component of accumulated other comprehensive loss, net of related deferred taxes, unless the Company intends to sell the impaired

20

[Table of Contents](#)

THE WESTERN UNION COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

security, or it is more likely than not that the Company will be required to sell the security before recovering its amortized cost basis. Credit-related impairments are recognized immediately as an adjustment to earnings, regardless of whether the Company has the ability or intent to hold the security to maturity and are limited to the difference between fair value and the amortized cost basis. The Company's provision for credit losses on its available-for-sale securities during the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 and the related allowance for credit losses as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 were immaterial.

17

[Table of Contents](#)

THE WESTERN UNION COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

The components of investment securities are as follows (in millions):

	Gro	Gros					
	ss	s	Net		Gross	Gross	Net

	Amortize	Unrealiz	Unrealiz	Unrealiz					
		Fair	ed	d	Amortized	Fair	Unrealized	Unrealized	Unrealized
		Value	Gain	Loss	Loss				
September 30, 2023	Cost	e	s	es	es				
March 31, 2024					Cost	Value	Gains	Losses	Gains/(Losses)
Settlement assets:									
Cash and cash equivalents:									
Money market funds	6.	6.			\$ 13.0	\$ 13.0	\$ —	\$ —	\$ —
	\$ 4	\$ 4	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Available-for-sale securities:									
State and municipal debt securities (a)	1, 06 2. 3	98 1. 0 2	(8 0. 5) 5)	(8 1. 3) 3)	1,087.1	1,044.8	5.2	(47.5)	(42.3)
Asset-backed securities	18 8. 5	18 7. 5	(1. 0. 1)	(1. 1) 0)	212.9	213.8	1.0	(0.1)	0.9
Corporate debt securities	15 9. 9	15 2. 9	(7. 0. 1)	(7. 1) 0)	89.9	86.2	0.6	(4.3)	(3.7)
State and municipal variable-rate demand notes	48 .3	48 .3	— —	— —	47.7	47.7	—	—	—
United States government agency mortgage-backed securities	14 .6	13 .6	(1. —) 0)	(1. —) 0)	11.1	10.5	—	(0.6)	(0.6)
Total available-for-sale securities	1, 47 3. 6	1, 38 3. 3	(9 0. 4) 7)	(9 0. 3) 3)	1,448.7	1,403.0	6.8	(52.5)	(45.7)
Total investment securities	1, 48 0.	1, 38 9.	(9 0. 0.)	(9 0. 0.)	\$ 1,461.7	\$ 1,416.0	\$ 6.8	\$ (52.5)	\$ (45.7)
	\$ 0	\$ 7	\$ 4	\$ 7)	\$ 3)				

	Gross					Gross					Net		
				Net					Gross		Gross		
	Amortized		Fair		Unrealized		Fair		Unrealized		Unrealized		
	d		d		d		d		d		d		
				Gains/									
December 31, 2022		Cost		e		s		es		es)			
December 31, 2023									Cost	Value	Gains	Losses	Gains/(Losses)
Settlement assets:													
Cash and cash equivalents:													
Money market funds	11	11							\$ 11.8	\$ 11.8	\$ —	\$ —	\$ —
	\$.7	\$.7	\$ —	\$ —	\$ —								
Available-for-sale securities:													
State and municipal debt securities (a)	1,01	93		(7					1,049.3	1,011.4	8.7	(46.6)	(37.9)
	0.	3.	0.	7.	(77.								
	5	3	3	5)	2)								
Asset-backed securities	18	18							194.5	195.7	1.2	—	1.2
	3.	4.	0.	(0.									
	4	1	8	1)	0.7								
Corporate debt securities	15	14							155.2	152.2	1.5	(4.5)	(3.0)
	3.	6.	0.	(6.									
	5	9	3	9)	(6.6)								
State and municipal variable-rate demand notes	48	48							86.8	86.8	—	—	—
	.9	.9	—	—	—								
United States government agency mortgage-backed securities	21	20		(1.					12.6	12.1	—	(0.5)	(0.5)
	.5	.5	—	0)	(1.0)								
Total available-for-sale securities	1,41	1,33		(8					1,498.4	1,458.2	11.4	(51.6)	(40.2)
	7.	3.	1.	5.	(84.								
	8	7	4	5)	1)								

Total investment securities	1,429	1,341	(8)								
	9.5	5.4	1.5	(84.1)							
	<u>\$ 5</u>	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 5</u>)	<u>\$ 1)</u>	<u>\$ 1,510.2</u>	<u>\$ 1,470.0</u>	<u>\$ 11.4</u>	<u>\$ (51.6)</u>	<u>\$ (40.2)</u>	

(a) The majority of these securities are fixed-rate instruments.

The following summarizes investment securities that were in an unrealized loss position as of **September 30, 2023** **March 31, 2024**, by the length of time the securities were in a continuous loss position (in millions) millions, except number of securities):

Less Than One Year	Number of Securities	Fair Value	Unrealized Losses	Number of Securities	Fair Value	Unrealized Losses
State and municipal debt securities	106	\$ 343.0	\$ (11.0)	67	\$ 174.5	\$ (1.5)
Asset-backed securities	28	160.7	(1.1)	8	12.7	(0.1)
Corporate debt securities	18	32.2	(0.8)			

One Year or Greater	Number of Securities	Fair Value	Unrealized Losses
State and municipal debt securities	260	\$ 559.3	\$ (46.0)
Corporate debt securities	14	52.3	(4.3)
United States government agency mortgage-backed securities	10	9.9	(0.6)

21

18

[Table of Contents](#)

THE WESTERN UNION COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued) (Unaudited)

One Year or Greater	Number of	Fair Value	Unrealized Losses

	Securities			
State and municipal debt securities	284	\$ 616.4	\$	(70.5)
Corporate debt securities	22	99.5		(6.3)
United States government agency mortgage-backed securities	11	13.0		(1.0)

As noted above, the Company's provision for credit losses on its investment securities during the three and nine months ended **September 30, 2023** **March 31, 2024** and the related allowance for credit losses as of **September 30, 2023** **March 31, 2024** were immaterial, as the unrealized losses were driven by a rise in U.S. Treasury interest rates. As of **September 30, 2023** **March 31, 2024**, the Company did not intend to sell its securities in an unrealized loss position and did not expect it would be required to sell these securities prior to recovering their amortized cost basis.

The following summarizes the contractual maturities of available-for-sale securities within Settlement assets as of **September 30, 2023** **March 31, 2024** (in millions):

	Fair Value	Fair Value
Due within 1 year	\$ 106.8	\$ 95.8
Due after 1 year through 5 years	631.9	563.4
Due after 5 years through 10 years	397.0	454.1
Due after 10 years	247.6	289.7
Total	\$ 1,383.3	\$ 1,403.0

Actual maturities may differ from contractual maturities because issuers may have the right to call or prepay the obligations or the Company may have the right to put the obligation prior to its contractual maturity, as with variable-rate demand notes. Variable-rate demand notes, having a fair value of **\$48.3** **47.7** million, are included in the "Due after 10 years" category in the table above.

22

Table of Contents

THE WESTERN UNION COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued) (Unaudited)

9. Stockholders' Equity

Accumulated Other Comprehensive Loss

The following table details reclassifications out of AOCL and into Net income. All amounts reclassified from AOCL affect the line items as indicated below and the amounts in parentheses indicate decreases to Net income in the Condensed Consolidated Statements of Income.

Interest rate contracts				(
				0		
Interest expense	0.	0.	.			
	1	—	1	1)		
Income tax expense	Provision for income taxes			(0.2)	(0.2)	(0.2)
Total reclassification adjustments related to cash flow hedges, net of tax				3		
				1	2	2
	4.	7.	0.	.		
	7	3	5	1		
					2.7	8.2
Foreign currency translation adjustments:						
Foreign currency translation	Gain on divestiture of business			1		
				7		
	—	—	—	8		
Total reclassification adjustments related to foreign currency translation adjustments, net of tax				1		
				7		
	—	—	—	8		
Total reclassifications, net of tax				4		
				1	1	3
	1.	0.	7.	.		
	\$ 7	\$ 5	\$ 4	\$ 0		
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>
					\$ 4.8	\$ 8.1

2319

[Table of Contents](#)

THE WESTERN UNION COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

The following tables summarize the components of AOCL, net of tax in the accompanying Condensed Consolidated Balance Sheets (in millions):

	Invest	Hedg	Foreign				
	ment	ing	Currency	Investment	Hedging	Foreign Currency	
	Securi	Activ	Translatio	Securities	Activities	Translation	Total
As of December 31, 2022	(69.	20.	—	(16			
	\$ 4)	\$ 5	\$ (119.0)	\$ 7.9)			
As of December 31, 2023				\$ (33.0)	\$ (15.3)	\$ (119.0)	\$ (167.3)
Unrealized gains/(losses)	24.	(2.	—	21.			
	1	2)	—	9	(3.0)	13.6	—
Tax benefit/(expense)	(4.2)	0.1	—	(4.	0.5	(0.1)	—
			—	1)			0.4
Amounts reclassified from		(8.	—	(8.			
AOCL into earnings, net of tax	0.1	2)	—	1)	(2.1)	(2.7)	—
As of March 31, 2023	(49.	10.	—	(15			
	4)	2	\$ (119.0)	8.2)			
Unrealized losses	(13.	(3.	—	(16			
	8)	1)	—	.9)			
Tax benefit/(expense)		(0.	—	2.3			
	2.4	1)	—				
Amounts reclassified from		(7.	—	(7.			
AOCL into earnings, net of tax	—	6)	—	6)			
As of June 30, 2023	(60.	(0.	—	(18			
	8)	6)	\$ (119.0)	0.4)			
Unrealized gains/(losses)	(20.	14.	—	(5.			
	2)	8	—	4)			
Tax benefit/(expense)		(0.	—	3.4			
	3.5	1)	—				
Amounts reclassified from		(4.	—	(1.			
AOCL into earnings, net of tax	3.0	7)	—	7)			
As of September 30, 2023	(74.		—	(18			
	\$ 5)	\$ 9.4	\$ (119.0)	\$ 4.1)			

As of March 31, 2024	\$ (37.6)	\$ (4.5)	\$ (119.0)	\$ (161.1)
----------------------	-----------	----------	------------	------------

	Investment	Hedging	Foreign Currency	Investment	Hedging	Foreign Currency	
	Securities	Activities	Translation	Securities	Activities	Translation	Total
As of December 31, 2021	30.4	18.7	(52.1)	\$ (101.2)	\$.1)		
Unrealized gains/(losses)	(63.6)	6.2	—	(57.4)			
Tax benefit	11.9	—	—	11.9			
Amounts reclassified from AOCL into earnings, net of tax	0.1	9)	(17.8)	.6)			
As of March 31, 2022	(21.2)	24.0	(119.0)	6.2)			
As of December 31, 2022				\$ (69.4)	\$ 20.5	\$ (119.0)	\$ (167.9)
Unrealized gains/(losses)	(28.7)	37.3	—	8.6	24.1	(2.2)	—
Tax benefit/(expense)		(0.5.0)	3)	—	4.7	(4.2)	0.1
Amounts reclassified from AOCL into earnings, net of tax	—	(.9)	—	.9)	0.1	(8.2)	—
As of June 30, 2022	(44.9)	47.1	(119.0)	6.8)			
Unrealized gains/(losses)	(44.7)	43.4	—	(1.3)			
Tax benefit/(expense)		(0.7.9)	5)	—	7.4		
Amounts reclassified from AOCL into earnings, net of tax	—	(.6.8)	3)	—	.5)		
As of September 30, 2022	(74.9)	72.7	(119.0)	\$ 1.2)			
As of March 31, 2023	\$ (49.4)	\$ 10.2	\$ (119.0)	\$ (158.2)			

Cash Dividends Paid

In each of During both the first three quarters of months ended March 31, 2024 and 2023, and 2022, the Company's Board of Directors declared quarterly cash dividends of \$0.235 per common share, representing \$263.3 80.1 million and \$273.2 88.0 million in total dividends, respectively. \$87.3 million was respectively, which were paid on September 29, 2023, \$88.0 March 29, 2024 million was paid on June 30, 2023 and March 31, 2023, \$88.0 million was paid on March 31, 2023, \$90.7 million was paid on September 30, 2022, \$90.8 million was paid on June 30, 2022, and \$91.7 million was paid on March 31, 2022. respectively.

Share Repurchases

On February 10, 2022, the Company's Board of Directors authorized \$1.0 billion of common stock repurchases through December 31, 2024. During the nine three months ended September 30, 2023 and 2022, March 31, 2024, 7.8 million and 9.6 11.8 million shares were repurchased under this authorization for \$100.0 150.0 million, and \$176.8 million, respectively, excluding commissions, at an average cost of \$12.88 12.66 and \$18.45, respectively. No shares were repurchased during the three months ended March 31, 2023 under this share repurchase authorization. As of September 30, 2023 March 31, 2024, \$548.2 198.2 million remained available under this share repurchase authorization. The amounts included in the Common stock repurchased line in the

24

[Table of Contents](#)

THE WESTERN UNION COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Unaudited)

Company's Condensed Consolidated Statements of Cash Flows represent both shares authorized by the Board of Directors for repurchase under publicly announced authorizations and shares withheld from employees to cover tax withholding obligations on restricted stock units that have vested.

10. Derivatives

The Company is exposed to foreign currency exchange risk resulting from fluctuations in exchange rates, primarily including the euro, and, to a lesser degree, the Mexican peso, the British pound, and other currencies, related to forecasted revenues and settlement assets and obligations, as well as on certain foreign currency denominated cash and other asset and liability positions. Additionally, the Company is exposed to interest rate risk related to changes in market rates both prior to and subsequent to the issuance of debt. The Company primarily uses derivatives to minimize its exposures related to changes in foreign currency exchange rates and interest rates.

The Company executes derivatives with established financial institutions; the substantial majority of these financial institutions have a credit rating of "A-" "A" or higher from a major credit rating agency. The primary credit risk inherent in derivative agreements represents the possibility that a loss may occur from the nonperformance of a counterparty to the

agreements. The Company performs a review of the credit risk of these counterparties at the inception of the contract and on an ongoing basis, while also monitoring the concentration of its contracts with any individual counterparty. The Company anticipates that the counterparties will be able to fully satisfy their obligations under the agreements, but would take action if doubt arose about the counterparties' ability to perform. These actions could include the possible termination

20

[Table of the related contracts. The Company's hedged foreign currency exposures are in liquid currencies; consequently, there is minimal risk that appropriate derivatives to maintain the hedging program would not be available in the future.](#) [Contents](#)

THE WESTERN UNION COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued) (Unaudited)

Foreign Currency Derivatives

The Company's policy is to use longer duration foreign currency forward contracts, with maturities of up to 36 months at inception and a targeted weighted-average maturity of approximately one year, to help mitigate some of the risk that changes in foreign currency exchange rates compared to the United States dollar could have on forecasted revenues denominated in other currencies related to its business. As of **September 30, 2023** **March 31, 2024**, these foreign currency forward contracts had maturities of a maximum of 24 months with a weighted-average maturity of approximately one year. These contracts are accounted for as cash flow hedges of forecasted revenue, with effectiveness assessed based on changes in the spot rate of the affected currencies during the period of designation and thus time value is excluded from the assessment of effectiveness. The initial value of the excluded components is amortized into Revenues within the Company's Condensed Consolidated Statements of Income.

The Company also uses short duration foreign currency forward contracts, generally with maturities ranging from a few days to one month, to offset foreign exchange rate fluctuations on settlement assets and obligations between initiation and settlement. In addition, forward contracts, typically with maturities of less than one year at inception, are utilized to offset foreign exchange rate fluctuations on certain foreign currency denominated cash and other asset and liability positions. None of these contracts are designated as accounting hedges.

25

21

[Table of Contents](#)**THE WESTERN UNION COMPANY****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**
(Unaudited)

The aggregate equivalent United States dollar notional amounts of foreign currency forward contracts as of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023** were as follows (in millions):

	September 30, 2023	
Contracts designated as hedges:		
Euro	\$	244.0
Canadian dollar		100.0
British pound		56.6
Australian dollar		47.9
Swiss franc		37.4
Swedish krona		25.0
Other (a)		17.5
Contracts not designated as hedges:		
Euro	\$	546.9
Mexican peso		176.7
British pound		111.4
Indian rupee		54.6
Canadian dollar		46.2
Philippine peso		44.9
Australian dollar		40.7
Chinese yuan		37.8
Brazilian real		30.6
Other (a)		172.5

	December 31, 2022	March 31, 2024	December 31, 2023
Contracts designated as hedges:			

Euro	\$	321.6	\$	212.6	\$	227.0
Canadian dollar		117.3		98.6		97.9
British pound				58.4		56.9
Australian dollar		53.2		46.1		46.5
Swiss franc		40.4		37.9		37.4
British pound		40.4				
Swedish krona		25.8				
Other (a)		22.1		39.0		40.3
Contracts not designated as hedges:						
Euro	\$	603.2	\$	516.5	\$	597.9
Mexican peso		132.9		213.3		168.1
British pound		115.1		100.3		174.9
Australian dollar				67.4		79.9
Indian rupee		52.6		50.0		55.3
Australian dollar		48.7				
Canadian dollar		32.2		47.4		77.2
Brazilian real				32.6		31.4
Chinese yuan				27.3		30.0
Philippine peso				26.9		38.0
Singapore dollar				18.9		27.5
Japanese yen		30.5		15.3		29.2
Chinese yuan		30.1				
Swiss franc		28.3				
Swedish krona		26.7				
Philippine peso		26.2				
Other (a)		137.0		138.2		146.2

(a) Comprised of exposures to various currencies; none of these individual currency exposures is greater than \$25 million for both periods

presented.

Business Solutions Operations

On August 4, 2021, the Company entered into an agreement to sell its Business Solutions business to Goldfinch Partners LLC and The Baupost Group LLC, and the final closing for this transaction occurred on July 1, 2023. See Note 4 for further information regarding this transaction. Prior to the final closing, the Company wrote derivatives, primarily

26

Table of Contents

THE WESTERN UNION COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued) (Unaudited)

foreign currency forward contracts and option contracts, mostly with small and medium size enterprises and derived a currency spread from this activity as part of its Business Solutions operations. The Company aggregated its Business Solutions foreign currency exposures arising from customer contracts, including the derivative contracts described above, and hedged the resulting net currency risks by entering into offsetting contracts with Convera through the end of the final closing of the Business Solutions divestiture. The sale in 2023, the derivatives written related to this business were part of the broader portfolio of foreign currency positions arising from the Company's cross-currency payments operations, which primarily included spot exchanges of currency in addition to forwards and options. Foreign exchange revenues from the total portfolio of positions included in Revenues in the Company's Condensed Consolidated Statements of Income were \$39.3 14.3 million for the three months ended September 30, 2022 and \$27.8 million and \$151.5 million for the nine months ended September 30, 2023 and 2022, respectively. March 31, 2023. None of the derivative contracts used in Business Solutions operations were designated as accounting hedges.

The aggregate equivalent United States dollar notional amount of derivative customer contracts held by the Company in its Business Solutions operations was approximately \$3.0 billion as of December 31, 2022.

Balance Sheet

The following table summarizes the fair value of derivatives reported in the Company's Condensed Consolidated Balance Sheets as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 (in millions):

Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Liabilities
Fair Value	Fair Value	Fair Value	Fair Value

	Sept	Dec		Sept	Dec						
	Balan	emb	emb		emb	em					
	ce	er	er	Balance	er	ber					
	Sheet	30,	31,	Sheet	30,	31,	Balance Sheet	31,	31,	Balance Sheet	March 31, December 31,
	Locat	202			202						
	ion	2023	2	Location	2023	2	Location	2024	2023	Location	2024
	—	—	—	—	—	—	—	—	—	—	—
Derivatives designated as hedges:											
Foreign currency cash flow hedges	Other assets	2.	3	Other liabilities	2.	4.	Other assets	\$ 10.7	\$ 8.5	Other liabilities	\$ 4.7 \$ 13.2
Total derivatives designated as hedges		2	3		2.	4.					
		2.	5.		2.	4.					
		\$ 5	\$ 2		\$ 5	\$ 7		\$ 10.7	\$ 8.5		\$ 4.7 \$ 13.2
Derivatives not designated as hedges:											
Business Solutions operations - foreign currency ^(a)	Assets held for sale	\$—	\$ 6	Liabilities sale	\$—	\$ 5					
Foreign currency	Other assets	7.	2.	Other liabilities	3.	4.	Other assets	\$ 5.0	\$ 2.3	Other liabilities	\$ 2.0 \$ 4.2
Total derivatives not designated as hedges		6	3		0	7					
		7.	0.		3.	4.					
		\$ 6	\$ 9		\$ 0	\$ 2		\$ 5.0	\$ 2.3		\$ 2.0 \$ 4.2

Total	1										
derivatives	3	2		9							
	0.	6.		5.	8.						
	\$ 1	\$ 1		\$ 5	\$ 9		\$ 15.7	\$ 10.8		\$ 6.7	\$ 17.4
	<u> </u>	<u> </u>		<u> </u>	<u> </u>		<u> </u>	<u> </u>		<u> </u>	<u> </u>

(a) 22

In many circumstances, the

Table of Contents

THE WESTERN UNION COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Unaudited)

Offsetting of Derivative Assets and Liabilities

The Company allowed its Business Solutions customers has elected to settle part or all of their derivative contracts prior to maturity. However, the offsetting positions entered into with Convera did not allow for similar settlement. To mitigate this, additional foreign currency contracts were entered into with Convera to offset the original economic hedge contracts. This frequently resulted in changes in the Company's present derivative assets and liabilities that did not directly align on a gross basis in the Condensed Consolidated Balance Sheets; however, derivatives associated with the performance Company's foreign currency exchange contracts that are subject to a master netting arrangement or similar agreement would have resulted in an offset of \$4.1 million and \$7.3 million to both derivative assets and liabilities as of March 31, 2024 and December 31, 2023, respectively. This includes the underlying derivatives business.

The fair values of derivative assets and liabilities associated with contracts that include netting language that the Company believes to be enforceable have been netted in the following tables to present the Company's net exposure with these counterparties. The Company's rights under these agreements generally allow for transactions to be settled on a net basis, including upon early termination, which could occur upon the counterparty's default, a change in control, or other conditions.

In addition, certain of the Company's other agreements include netting provisions, the enforceability of which may vary from jurisdiction to jurisdiction, depending on the circumstances. Due to the uncertainty related to the enforceability of these provisions, the derivative balances associated with these agreements are included within "Derivatives that are not or may not be subject to master netting arrangement or similar agreement" in the following tables. In certain circumstances, the Company

had required its Business Solutions customers to maintain collateral balances to mitigate the risk associated with potential customer defaults.

[Table of Contents](#)

THE WESTERN UNION COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

The following tables summarize the gross and net fair value of derivative assets and liabilities as of September 30, 2023 and December 31, 2022 (in millions):

Offsetting of Derivative Assets

September 30, 2023	Gross		Net Amounts		Derivatives	
	Amounts Offset					
	Gross	in	Presented in	Not Offset in		
	Amounts of	the Condensed	the Condensed	the Condensed		
	Recognized	Consolidated	Consolidated	Consolidated	Balance Sheets	Net Amounts
	Assets	Balance Sheets	Balance Sheets	Balance Sheets	Balance Sheets	Amounts
Derivatives subject to a master netting arrangement or similar agreement	\$ 28.9	\$ —	\$ 28.9	\$ (4.2)	\$ 24.7	
Derivatives that are not or may not be subject to master netting arrangement or similar agreement	1.2					
Total	\$ 30.1					
<hr/> December 31, 2022						
Derivatives subject to a master netting arrangement or similar agreement	\$ 55.8	\$ —	\$ 55.8	\$ (26.3)	\$ 29.5	
Derivatives that are not or may not be subject to master netting arrangement or similar agreement	70.3					
Total	\$ 126.1					

Offsetting of Derivative Liabilities

	Gross	Net Amounts	Derivatives

	Gross	Amounts Offset in	Presented in		Not Offset in	
			the Condensed		the Condensed	
			Recognized	Consolidated	Consolidated	Net
September 30, 2023		Liabilities		Balance Sheets	Balance Sheets	Balance Sheets
Derivatives subject to a master netting arrangement or similar agreement	\$ 4.2		\$ —	\$ 4.2	\$ (4.2)	\$ —
Derivatives that are not or may not be subject to master netting arrangement or similar agreement		1.3				
Total	\$ 5.5					
December 31, 2022						
Derivatives subject to a master netting arrangement or similar agreement	\$ 77.8		\$ —	\$ 77.8	\$ (26.3)	\$ 51.5
Derivatives that are not or may not be subject to master netting arrangement or similar agreement		21.1				
Total	\$ 98.9					

28

[Table of Contents](#)

THE WESTERN UNION COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued) (Unaudited)

Income Statement

Cash Flow Hedges

The effective portion of the change in fair value of derivatives that qualify as cash flow hedges is recorded in AOCL in the Company's Condensed Consolidated Balance Sheets. Generally, amounts are recognized in income when the related forecasted transaction affects earnings.

The following table presents the pre-tax amount of unrealized gains/(losses) recognized in other comprehensive income from cash flow hedges for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 (in millions):

	Three Months Ended September 30,	Nine Months Ended September 30,

	2023	2022	2023	2022
Foreign currency derivatives (a)	\$ 14.7	\$ 43.4	\$ 9.0	\$ 86.9

	Three Months Ended March 31,	
	2024	2023
Foreign currency derivatives (a)	\$ 13.6	\$ (2.2)

(a) Gains/(losses) of \$(0.8) million and \$0.2 million for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and \$1.1 million and \$(4.7) million for the nine months ended September 30, 2023 and 2022, 2023, respectively, represent amounts excluded from the assessment of effectiveness and recognized in other comprehensive income, for which an amortization approach is applied.

The following table presents the location and amounts of pre-tax net gains/(losses) from cash flow hedging relationships recognized in the Condensed Consolidated Statements of Income for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 (in millions):

	Three Months Ended				Three Months Ended March 31,			
	September 30,				2024			
	2023		2022		2024		2023	
	Rev enu	Intere nse	Rev enu	Intere nse	Revenues	Interest Expense	Revenues	Interest Expense
Total amounts presented in the Condensed Consolidated Statements of Income in which the effects of cash flow hedges are recorded	1, 0 9 7.	1, 0 8 (27)	1, 0 8 (25)	\$ 8 \$.0) \$ 6 \$.2)	\$ 1,049.1	\$ (26.1)	\$ 1,036.9	\$ (25.0)
Gain/(loss) on cash flow hedges:								
Foreign currency derivatives:								
Gains reclassified from AOCL into earnings	4. 6	1 7. —	5 —	—	2.7	—	8.2	—
Amount excluded from effectiveness testing recognized in earnings based on an amortization approach	1. 6	1. 5 —	—	—	1.6	—	1.6	—
Interest rate derivatives:								

Gains/(losses) reclassified from AOCL into earnings	—	0.1	—	—	—	—	—
--	---	-----	---	---	---	---	---

23

	Nine Months Ended September 30,			
	2023		2022	
	Revenues	Interest Expense	Revenues	Interest Expense
Total amounts presented in the Condensed Consolidated Statements of Income in which the effects of cash flow hedges are recorded	\$ 3,304.7	\$ (79.0)	\$ 3,383.6	\$ (74.8)
Gain/(loss) on cash flow hedges:				
Foreign currency derivatives:				
Gains reclassified from AOCL into earnings	20.6	—	32.4	—
Amount excluded from effectiveness testing recognized in earnings based on an amortization approach	4.9	—	4.0	—
Interest rate derivatives:				
Gains/(losses) reclassified from AOCL into earnings	—	0.1	—	(0.1)

29

[Table of Contents](#)

THE WESTERN UNION COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued) (Unaudited)

Undesignated Hedges

The following table presents the location and amount of pre-tax net gains from undesignated hedges in the Condensed Consolidated Statements of Income on derivatives for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 (in millions):

	Three Months Ended	Nine Months Ended
--	--------------------	-------------------

Derivatives (a)	Location	September 30,		September 30,	
		2023	2022	2023	2022
Foreign currency derivatives (b)	Selling, general, and administrative	\$ 22.5	\$ 42.6	\$ 30.5	\$ 97.6

Derivatives	Location	Three Months Ended	
		March 31,	
Foreign currency derivatives (a)	Selling, general, and administrative	\$ 21.5	\$ 4.7

(a) The Company used foreign currency forward and option contracts as part of its Business Solutions payments operations. These derivative contracts excluded from this table as they were managed as part of a broader currency portfolio that included non-derivative currency exposures. The gains and losses on these derivatives are included as part of the broader disclosure of portfolio revenue for this business discussed above.

(b) The Company uses foreign currency forward contracts to offset foreign exchange rate fluctuations on settlement assets and obligations as well as certain foreign currency denominated positions. Foreign exchange losses/gains/(losses) on settlement assets and obligations, cash balances, and other assets and liabilities, not including amounts related to derivative activity as displayed above and included in Selling, general, and administrative in the Condensed Consolidated Statements of Income, were \$(18.4) million and \$40.6 million for the three months ended September 30, 2023, March 31, 2024 and 2022, respectively, and \$21.3 million and \$90.4 million for the nine months ended September 30, 2023 and 2022, 2023, respectively.

All cash flows associated with derivatives are included in Cash flows from operating activities in the Condensed Consolidated Statements of Cash Flows.

Based on September 30, 2023 March 31, 2024 foreign exchange rates, an accumulated other comprehensive pre-tax gain of \$12.5 million related to the foreign currency forward contracts is expected to be reclassified into Revenues within the next 12 months.

30

Table of Contents

THE WESTERN UNION COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Unaudited)

11. Borrowings

The Company's outstanding borrowings consisted of the following (in millions):

	September 30, 2023	December 31, 2022
Commercial paper (a)		

Commercial paper (a)	\$	170.0	\$	180.0
Notes:				
4.250% notes due 2023 (b)		—		300.0
2.850% notes due 2025 (c)		500.0		500.0
1.350% notes due 2026 (c)		600.0		600.0
2.750% notes due 2031 (c)		300.0		300.0
6.200% notes due 2036 (c)		500.0		500.0
6.200% notes due 2040 (c)		250.0		250.0
Total borrowings at par value		2,320.0		2,630.0
Debt issuance costs and unamortized discount, net		(10.9)		(13.2)
Total borrowings at carrying value (d)	\$	2,309.1	\$	2,616.8

	March 31, 2024	December 31, 2023
Commercial paper (a)	\$ 399.9	\$ 364.9
Notes:		
2.850% notes due 2025 (b)	500.0	500.0
1.350% notes due 2026 (b)	600.0	600.0
2.750% notes due 2031 (b)	300.0	300.0
6.200% notes due 2036 (b)	500.0	500.0
6.200% notes due 2040 (b)	250.0	250.0
Total borrowings at par value	2,549.9	2,514.9
Debt issuance costs and unamortized discount, net	(9.6)	(10.3)
Total borrowings at carrying value (c)	\$ 2,540.3	\$ 2,504.6

(a) Pursuant to the Company's commercial paper program, the Company may issue unsecured commercial paper notes in an amount not to exceed \$1.51.25 billion outstanding at any time, reduced to the extent of borrowings outstanding on the Company's revolving credit facility. The commercial paper notes may have maturities of up to 397 days from date of issuance. The Company's commercial paper borrowings as of September 30, 2023 March 31, 2024 had a weighted-average annual interest rate of approximately 5.6 5.5% and a weighted-average term of approximately 2 days.

(b) Commercial paper and cash, including cash generated from operations, were used to repay \$300.0 million of the aggregate principal amount of 4.250% unsecured notes due in June 2023.

(c) The difference between the stated interest rate and the effective interest rate is not significant.

(d) As of September 30, 2023 March 31, 2024, the Company's weighted-average effective rate on total borrowings was approximately 3.9 4.0%.

[Table of Contents](#)**THE WESTERN UNION COMPANY****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**
(Unaudited)

The following summarizes the Company's maturities of its notes at par value as of **September 30, 2023** **March 31, 2024** (in millions):

Due within 1 year	\$ —	\$ 500.0
Due after 1 year through 2 years	500.0	600.0
Due after 2 years through 3 years	600.0	—
Due after 3 years through 4 years	—	—
Due after 4 years through 5 years	—	—
Due after 5 years	1,050.0	1,050.0
Total	\$ 2,150.0	\$ 2,150.0

The Company's obligations with respect to its outstanding borrowings, as described above, rank equally.

12. Income Taxes

The Company's effective tax rates on pre-tax income were **16.3** **16.0%** and **10.2** **16.1%** for the three months ended **September 30, 2023** **March 31, 2024** and **2022**, respectively, and 17.1% and 16.5% for the nine months ended **September 30, 2023** and **2022, 2023**, respectively. The increases in the Company's effective tax rates for the three and nine months ended **September 30, 2023** compared to the corresponding periods in the prior year were primarily due to discrete tax benefits in the prior periods, including the effects of the completion of the IRS examination discussed below, partially offset by the effects of the sale of the Company's Business Solutions business in the current periods compared to the prior periods. The sale of the Business Solutions business has been included in the Company's estimated annual effective rate in accordance with the gains related to each closing.

Unrecognized tax benefits are reflected in Income taxes payable in the Condensed Consolidated Balance Sheets. The total amount of unrecognized tax benefits as of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023** was **\$301.5** **310.0** million and **\$290.7** **309.7** million, respectively, including interest and penalties. It is reasonably possible that the Company's total unrecognized tax benefits could decrease by up to approximately \$250 million during the next 12 months in connection with various matters which may be resolved and impact the effective tax rate.

[Table of Contents](#)

THE WESTERN UNION COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

The Company's tax filings are subject to examination by U.S. federal, state, and various non-United States jurisdictions. The conclusion of the examination of the Company's consolidated federal income tax returns for 2017 and 2018 resulted in both agreed and unagreed adjustments. The agreed adjustments have been reflected in the Company's financial statements. The Company is contesting the unagreed adjustments at the IRS Appeals level and believes its reserves for these unagreed adjustments are adequate. The statute of limitations for the U.S. federal returns for 2017 and 2018 has been extended to March 31, 2025. The Company's U.S. federal income tax returns since 2020 are also eligible to be examined.

13. Stock-Based Compensation Plans

For the three months ended **September 30, 2023** **March 31, 2024** and **2022**, the Company recognized stock-based compensation expense of **\$9.7** **8.7** million and **\$9.6** **8.0** million, respectively, resulting primarily from stock options, restricted stock units, and performance-based restricted stock units in the Condensed Consolidated Statements of Income. For the nine months ended **September 30, 2023** and **2022**, the Company recognized stock-based compensation expense of **\$27.2** million and **\$32.6** million, respectively.

During the **nine** **three** months ended **September 30, 2023** **March 31, 2024**, the Company granted **1.0** **4.4** million options at a weighted-average exercise price of **\$13.27** **12.80** and **4.4** **4.1** million performance-based restricted stock units and restricted stock units at a weighted-average grant date fair value of **\$13.05** **12.69**. As of **September 30, 2023** **March 31, 2024**, the Company had **7.1** **11.0** million outstanding options at a weighted-average exercise price of **\$18.09** **16.08**, of which **4.2** **4.7** million options were exercisable at a weighted-average exercise price of **\$19.28** **19.07**. The Company had **7.7** **9.2** million outstanding performance-based restricted stock units (based on target performance) and restricted stock units at a weighted-average grant date fair value of **\$16.53** **14.35** as of **September 30, 2023** **March 31, 2024**.

[Table of Contents](#)

THE WESTERN UNION COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued) (Unaudited)

14. Segments

As further described in Note 1, the Company has classified its business into two the following segments: Consumer-to-Consumer Consumer Money Transfer and Business Solutions. Consumer Services. Operating segments are defined as components of an enterprise that engage in business activities, about which separate financial information is available that is evaluated regularly by the Company's Chief Operating Decision Maker ("CODM" ("CODM") in allocating resources and assessing performance.

The Consumer-to-Consumer Consumer Money Transfer operating segment facilitates money transfers between two consumers. The segment includes five geographic regions whose functions are primarily related to generating, managing, and maintaining agent relationships and localized marketing activities. The Company includes Branded Digital transactions in its regions. By means of common processes and systems, these regions, including Branded Digital, create one interconnected global network for consumer transactions, thereby constituting one Consumer-to-Consumer money transfer Consumer Money Transfer business and one operating segment.

The Business Solutions operating Consumer Services segment facilitated primarily includes the Company's bill payment and foreign exchange solutions, primarily cross-border, cross-currency transactions, services which facilitate payments for small and medium size enterprises, consumers, businesses, and other organizations, as well as the Company's money order services, retail foreign exchange services, prepaid cards, lending partnerships, digital wallets, and individuals. media network.

On August 4, 2021, the Company entered into an agreement to sell its Business Solutions business, to the Buyer, and the final closing for this transaction occurred on July 1, 2023. Accordingly, the Company will no longer report Business Solutions revenues and operating expenses after July 1, 2023. See Note 4 for further information regarding this transaction.

All businesses and other services that have not been classified in the above segments are reported as Other, which 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.

Corporate costs, including overhead expenses, are allocated to the segments primarily based on a percentage of the segments' revenue compared to total revenue. Effective January 1, 2022, the Company stopped allocating corporate costs to its Business Solutions segment, given its agreement to sell this business, as discussed further in Note 4.

[Table of Contents](#)

THE WESTERN UNION COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

The following table presents the Company's segment results for the three **and nine** months ended **September 30, 2023** **March 31, 2024** and **2022** 2023 (in millions):

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Revenues:				
Consumer-to-Consumer	\$ 1,019.0	\$ 982.4	\$ 3,029.5	\$ 3,008.3
Business Solutions (a)	—	42.6	29.7	167.4
Other	78.8	64.6	245.5	207.9
Total consolidated revenues	\$ 1,097.8	\$ 1,089.6	\$ 3,304.7	\$ 3,383.6
Operating income:				
Consumer-to-Consumer	\$ 193.4	\$ 193.7	\$ 601.9	\$ 626.5
Business Solutions (a)	—	15.9	3.7	51.7
Other	21.6	21.6	72.1	73.4
Total segment operating income	215.0	231.2	677.7	751.6
Russia/Belarus exit costs (b)	—	0.6	—	(10.6)
Business Solutions exit costs (b)	—	—	—	(7.7)
Operating expense redeployment program costs (c)	(4.1)	—	(19.5)	—
Total consolidated operating income	\$ 210.9	\$ 231.8	\$ 658.2	\$ 733.3

	Three Months Ended	
	March 31,	
	2024	2023
Revenues:		
Consumer Money Transfer	\$ 962.0	\$ 938.3
Consumer Services	87.1	83.2
Business Solutions (a)	—	15.4

Total consolidated revenues	\$ 1,049.1	\$ 1,036.9
Segment operating income:		
Consumer Money Transfer	\$ 187.6	\$ 177.8
Consumer Services	18.6	32.1
Business Solutions (a)	—	1.9
Total segment operating income	206.2	211.8
Redeployment program costs (b)	(14.0)	(7.1)
Acquisition, separation, and integration costs (c)	(0.1)	—
Total consolidated operating income	\$ 192.1	\$ 204.7

(a) On August 4, 2021, the Company entered into an agreement to sell its Business Solutions business to the Buyer. The sale was completed in three closings, the first of which occurred on March 1, 2022. The second occurred on December 31, 2022, and with the final occurred closing on July 1, 2023. See Note 4 for further information regarding this transaction.

(b) Represents the exit costs incurred in connection with the Company's suspension of its operations in Russia and Belarus and the divestiture of the Business Solutions business, 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 CODM for purposes of performance assessment and resource allocation. These expenses are therefore excluded from the Company's segment operating income results.

(c) Represents severance, expenses associated with streamlining the Company's organizational and legal structure, and other expenses associated with the Company's program to redeploy expenses in its cost base through optimizations in vendor management, real estate, marketing, and people strategy, as previously announced in October 2022. In the fourth quarter of 2022, expenses incurred under the program included also non-cash impairments of operating lease right-of-use assets and property and equipment. The expenses are not included in the measurement of segment operating income provided to the CODM for purposes of performance assessment and resource allocation. These expenses are therefore excluded from the Company's segment operating income results.

(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, and integration costs directly related to the Company's acquisitions. Beginning in 2024, the Company changed its segment reporting methodology to no longer allocate these costs to its segments. These costs were previously allocated entirely to Consumer Services, and the amount included in the Consumer Services segment was immaterial for the three months ended March 31, 2023. The expenses are no longer included in the measurement of segment operating income provided to the CODM for purposes of performance assessment and resource allocation. These expenses are therefore excluded from the Company's segment operating income results.

3327

Table of Contents

THE WESTERN UNION COMPANY

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Item 2.

The following discussion should be read in conjunction with the condensed consolidated financial statements and the notes to those statements included in Part I, Item 1, Financial Statements in this report on Form 10-Q. This report on Form 10-Q 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" "expects," "intends," "targets," "anticipates," "believes," "estimates," "guides," "provides" "guidance," "provides" "provides" "outlook," "projects," "designed" "projects," "designed to," and other similar expressions or future or conditional verbs such as "may," "will," "should," "would," "could," "may," "will," "should," "would," "could," and "might" "might" are intended to identify such forward-looking statements. Readers of the Form 10-Q of The Western Union Company (the "Company," "Western" "Company," "Western Union," "we," "our," "we," "our," or "us" "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, 2022 December 31, 2023. 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 or customer experience, 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; transfers; changes in tax laws, or their interpretation, any subsequent regulation, 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; our ability to attract and retain qualified key employees and to manage our workforce successfully; 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; 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

34

[Table of Contents](#)

consumers, or detect and prevent money laundering, terrorist

28

[Table of Contents](#)

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, immigration, and sustainability reporting, including climate-related reporting; liabilities, increased costs or loss of business and unanticipated developments resulting from governmental investigations and consent

agreements with, or investigations or enforcement actions by regulators; regulators and other government authorities; 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; security; 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; protection; 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.

Overview

We are a leading provider of cross-border, cross-currency money movement, payments, and payment digital financial services and have operated in two the following business operating segments:

- Consumer-to-Consumer Consumer Money Transfer - Our Consumer-to-Consumer operating Consumer Money Transfer segment facilitates money transfers, which are primarily sent from our retail agent locations worldwide or through websites and mobile devices. Our money transfer service is provided through one interconnected global network. This service is available for international cross-border transfers and, in certain countries, intra-country transfers.
- Business Solutions Consumer Services - Our Consumer Services segment includes our bill payment services which facilitate payments for consumers, businesses, and other organizations, as well as our money order services, retail foreign exchange services, prepaid cards, lending partnerships, digital wallets, and media network.

On August 4, 2021, we entered into an agreement to sell our Business Solutions business, to Goldfinch Partners LLC and The Baupost Group LLC, and the final closing for this transaction occurred on July 1, 2023. Accordingly, we will no longer report Business Solutions revenues and operating expenses after July 1, 2023. Refer to Part 1, Item 1, *Financial Statements*, Note 4, Assets Held for Sale and Related Divestiture for further information regarding this transaction. Our Business Solutions operating segment facilitated payment and foreign exchange solutions, primarily cross-border, cross-currency transactions, for small and medium size enterprises and other organizations and individuals. The segment's business related to exchanges of currency at spot rates, which enabled customers to make cross-currency payments, and in limited countries, we wrote foreign currency forward and option contracts for customers to facilitate future payments.

All businesses and other services that have not been classified in the above segments are reported as Other, which primarily includes our bill payment services which facilitate payments from consumers to businesses and other organizations and our money order services. Certain of our corporate costs such as costs related to strategic initiatives, including costs for

the review and closing of mergers, acquisitions, and divestitures, are also included in Other. Additional information regarding our segments is provided in the Segment Discussion below.

35 29

[Table of Contents](#)

Results of Operations

The following discussion of our consolidated results of operations and segment results refers to the three and nine months ended September 30, 2023 March 31, 2024 compared to the same periods period in 2022. 2023. The results of operations should be read in conjunction with the discussion of our segment results of operations, which provide provides more detailed discussions concerning certain components of the Condensed Consolidated Statements of Income. All significant intercompany accounts and transactions between our segments have been eliminated. The below information has been prepared in conformity with generally accepted accounting principles in the United States of America ("GAAP" ("GAAP")) unless otherwise noted. All amounts provided in this section 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.

Our revenues for the three and nine months ended September 30, 2023 were impacted by fluctuations in the United States dollar compared to foreign currencies. Fluctuations in the United States dollar compared to foreign currencies, net of the impact of foreign currency hedges, resulted in a decrease to revenues of \$25.6 million and \$101.4 million, respectively, for the three and nine months ended September 30, 2023 relative to the corresponding periods in the prior year.

On August 4, 2021, we entered into an agreement to sell our Business Solutions business to Goldfinch Partners LLC and The Baupost Group LLC (collectively, "the Buyer") for cash consideration of \$910.0 million. The sale was completed in three closings, with the entire cash consideration collected at the first closing and allocated to the closings on a relative fair value basis. The first closing occurred on March 1, 2022, excluded the operations in the European Union and the United Kingdom, and resulted in a gain of \$151.4 million. The second closing, which occurred on December 31, 2022 and included the United Kingdom operations, resulted in a gain of \$96.9 million. The final closing occurred on July 1, 2023, included the European Union operations, and resulted in a gain of \$18.0 million. During the period between the first and final closings, we were required to pay the Buyer a measure of profit of the European Union and United Kingdom operations, while we owned them,

adjusted for the provision for income taxes, occupancy charges for employees of the Buyer using our facilities, and other items. Refer to Part I, Item 1, *Financial Statements*, Note 4, Assets Held for Sale and Related Divestiture for further discussion.

Business Solutions revenues included in our Condensed Consolidated Statements of Income were \$42.6 million and direct operating expenses, excluding corporate allocations, were \$27.0 million for the three months ended September 30, 2022. For the nine months ended September 30, 2023 and 2022, Business Solutions revenues were \$29.7 million and \$167.4 million, respectively, and direct operating expenses, excluding corporate allocations, were \$26.1 million and \$117.4 million, respectively. For the three and nine months ended September 30, 2023, divestiture costs directly associated with this transaction were \$0.1 million and \$1.1 million, respectively. For the three and nine months ended September 30, 2022, divestiture costs directly associated with this transaction were \$0.4 million and \$4.4 million, respectively.

Beginning in March 2023, we experienced a significant increase in our business originating from Iraq which contributed 8% and 6% to our revenues for the three and nine months ended September 30, 2023 relative to the corresponding prior periods. Over the past several months, we have been in regular discussions with policymakers in both the United States and Iraq about the elevated remittance volumes flowing through our network in Iraq. We believe this volume to have been the effect of policy changes by the Central Bank of Iraq. We have actively partnered with regulators to assess and evaluate increased funds flows from a regulatory, compliance, and risk perspective. We also evaluate and apply our own compliance and risk controls. On July 19, 2023, the United States Treasury and the Federal Reserve Bank of New York announced actions that banned 14 Iraqi banks, some of whom were our agents, from conducting U.S. dollar transactions, which reduced our Iraq business for the three months ended September 30, 2023, compared to the three months ended June 30, 2023. In October 2023, the Central Bank of Iraq suspended our largest agent in the country, and it is uncertain whether or when this agent will be reinstated and resume offering our services. As a result, we believe our business originating from Iraq for the three months ending December 31, 2023 will be significantly reduced, compared to the three months ended September 30, 2023.

In March 2022, we suspended our operations in Russia and Belarus, which are included in our Consumer-to-Consumer segment, due to the Russia/Ukraine conflict. Revenues associated with the Russia and Belarus operations, including transactions sent from, into, and within these countries for the nine months ended September 30, 2022 were approximately \$28 million.

[Table of Contents](#)

The following table sets forth our consolidated results of operations for the three and nine months ended **September 30, 2023** **March 31, 2024** and **2022: 2023**:

Three Months Ended September 30,	Nine Months Ended September 30,	Three Months Ended March 31,
--	---------------------------------------	------------------------------

(in millions, except per share amounts)	2023						2024			2023			% Change	
	Change			Change			2024			2023				
	2023	2022	%	2023	2022	%								
Revenues				\$3,304	\$3,383	(2)%				\$1,049.1	\$1,036.9		1%	
	\$1,097.8	89.6	1%	.7	.6	%								
Expenses:														
Cost of services				2,0	1,9									
	687.2	637.3	8%	15.6	45.4	4%				641.3	629.5		2%	
Selling, general, and administrative	199.7	220.5	(9)%	630.9	704.9	(11)%				215.7	202.7		6%	
Total expenses				2,6	2,6									
	886.9	857.8	3%	46.5	50.3	0%				857.0	832.2		3%	
Operating income	210.9	231.8	(9)%	658.2	733.3	(10)%				192.1	204.7		(6)%	
Other income/(expense):														
Gain on divestiture of business	18.0	—	(a)%	0.0	.4	(a)%								
Interest income				(27.3)	11.4	51%				3.1	3.2		(5)%	
Interest expense	(27.0)	(25.2)	(7%)	(79.0)	(74.8)	(6%)				(26.1)	(25.0)		5%	
Other expense, net	(1.2)	(17.8)	(93)%	(6.5)	(25.1)	(74)%								
Total other income/(expense), net	(6.6)	(38.1)	(a)%	(56.5)	(58.8)	(a)%								
Other income/(expense), net							0.9			(1.9)	(a)			
Total other expense, net								(22.1)		(23.7)			(7)%	
Income before income taxes	204.3	193.7	5%	601.7	792.1	(24)%				170.0	181.0		(6)%	

Provision for income taxes	68	102	130	(22)		27.3	29.2	(7)%
Net income	\$17	\$17	(2)	\$49	\$66	(25)		
	1.0	3.9	%	9.0	1.2	%		
							\$142.7	\$151.8
Earnings per share:								(6)%
Basic	\$0.4	\$0.4		\$1.	\$1.	(22)		
	6	5	2%	33	70	%	\$0.41	\$0.41
Diluted	\$0.4	\$0.4		\$1.	\$1.	(22)		
	6	5	2%	33	70	%	\$0.41	\$0.40
Weighted-average shares outstanding:								3%
Basic	373.	386.		374	388			
	9	5		.5	.8		344.4	374.4
Diluted	375.	387.		375	389			
	0	6		.4	.9		345.7	375.5

(a) Calculation not meaningful.

Revenues Overview

Revenues are primarily derived from consideration paid by customers to transfer money. These revenues vary by transaction based upon factors such as channel, send and receive locations, the principal amount sent, and the difference between the exchange rate we set to the customer and a rate available in the wholesale foreign exchange market, when the money transfer involves different send and receive currencies. We also offer several other services, including foreign exchange and payment services and other bill payment consumer services, for which revenue is impacted by similar factors.

Due to the significance of the effect that foreign exchange fluctuations against the United States dollar can have on our reported revenues, constant currency results have been provided in the table below for consolidated revenues. Constant currency results assume foreign revenues are translated from foreign currencies to the United States dollar, net of the effect of foreign currency hedges, at rates consistent with those in the prior year. Constant currency results are also net of the impact of Argentina inflation due to its economy being hyperinflationary. We have also disclosed the impact of our the Business Solutions divestiture on our revenues in the table below. Constant currency measures and measures that exclude the impact of divestitures are non-GAAP financial measures and are provided so that revenue can be viewed without the

[Table of Contents](#)

effect of fluctuations in foreign currency exchange rates, **net of the hyperinflationary Argentine economy**, and divestitures of our businesses, which is consistent with how management evaluates our revenue results and trends. We believe that these measures provide management and investors with information about revenue results and trends that eliminates currency volatility and divestitures, thereby providing greater clarity regarding, and increasing the comparability of, our underlying results and trends. These disclosures are provided in addition to, and not as a substitute for, the percentage change in revenue on a GAAP basis for the three **and nine** months ended **September 30, 2023** **March 31, 2024** compared to the corresponding **periods** **period** in the prior year. Other companies may calculate and define similarly labeled items differently, which may limit the usefulness of this measure for comparative purposes.

The following table sets forth our consolidated revenue results for the three **and nine** months ended **September 30, 2023** **March 31, 2024** and **2022**:

37

[Table of Contents](#)

	Three		Nine Months		
	Months	September	Ended	Ended	
	30,	September	30,		Three Months Ended March 31,
	%		%		
	Ch		Ch		
	20 20 an	20 20 an			
(dollars in millions)	23 22 ge	23 22 ge			
Revenues, as reported (GAAP)	\$1 ,0 97 .8	\$1 ,0 89 .6	\$3 ,3 04 .6	\$3 ,3 83 .6	2024 2023 % Change
Foreign currency impact ^(a)	2 %	3 %		\$1,049.1	\$1,036.9 1%

Foreign currency translation and Argentina inflation impact (a)	4	4	1%
Divestitures impact (b)	%	%	1%
Revenue change, constant currency adjusted, excluding			
Business Solutions (Non- GAAP)	7	5	
Adjusted revenues (Non- GAAP)			3%

- (a) Fluctuations in the United States dollar compared to foreign currencies, net of the impact of foreign currency hedges and Argentina inflation, resulted in a decrease to revenues of \$25.6 million and \$101.4 million \$5.6 million for the three and nine months ended September 30, 2023 March 31, 2024, respectively when compared to foreign currency rates in the corresponding periods period in the prior year. We calculate Argentina inflation as the revenue growth attributable to either transaction growth or the change in price (revenue divided by principal).
- (b) Business Solutions revenues included in our results were \$42.6 million \$15.4 million for the three months ended September 30, 2022, and \$29.7 million \$167.4 million for the nine months ended September 30, 2023 and 2022, respectively March 31, 2023.

In addition to the negative impacts from foreign currency, net of Argentina inflation, and the divestiture of our Business Solutions business, as described above, for the three and nine months ended September 30, 2023 when compared to the corresponding periods in the prior year, GAAP revenues benefited from an increase in Consumer-to-Consumer revenues in Iraq, as discussed above, and an increase in local currency revenue per transaction in our Argentine operations due to inflation, partially offset by revenue declines in our Europe and CIS and North America regions. In addition, for the three months ended September 30, 2023 March 31, 2024 when compared to the corresponding period in the prior year, GAAP revenues benefited from growth and non-GAAP revenues were driven by an increase in Consumer Money Transfer revenues in Iraq and Branded Digital, as defined below. Beginning in March 2023, we experienced a significant increase in our Branded Digital business as defined below, and originating from Iraq which contributed 4% to our revenues for the nine months ended September 30, 2023 when compared March 31, 2024 relative to the corresponding period in the prior year. GAAP revenues were negatively impacted as a result of the suspension of our operations in Russia and Belarus in March 2022. period.

Operating Expenses Overview

Operating expense redeployment **Redeployment** program

On October 20, 2022, we announced an operating expense redeployment program which aims to redeploy approximately \$150 million in expenses in our current cost base through 2027, accomplished through optimizations in vendor management, our real estate footprint, marketing, and people strategy. We believe these changes will allow us to invest in strategic initiatives. The timing and pace of this redeployment may vary, and we believe that we will continue to refine aspects of the

program as we progress. We have incurred and expect to incur incremental expenses associated with the implementation of this program. We incurred **\$1.0 million** **\$6.9 million** and **\$3.1 million** **\$7.1 million** of Cost of services and Selling, general, and administrative expenses, respectively, for a total of **\$4.1 million** **\$14.0 million** of expenses for the three months ended **September 30, 2023** **March 31, 2024**. We incurred **\$8.9 million** **\$1.9 million** and **\$10.6 million** **\$5.2 million** of Cost of services and Selling, general, and administrative expenses, respectively, for a total of **\$19.5 million** **\$7.1 million** of expenses for the **nine** **three** months ended **September 30, 2023** **March 31, 2023**. We have incurred **\$41.3 million** **\$65.3 million** of total expenses under this program from inception through **September 30, 2023** **March 31, 2024**.

Cost of Services

Cost of services primarily consists of agent commissions, which represented approximately 60% of total cost of services for the three **and nine** months ended **September 30, 2023** **March 31, 2024** and **2022, 2023**. For the three **and nine** months ended **September 30, 2023** **March 31, 2024**, Cost of services increased compared to the corresponding **periods** period in the prior year primarily due to **increased agent commissions, which generally vary with revenues, as well as increased investment** **increases in information technology, and increased other** **certain** variable expenses, including **credit non-credit losses and bank fees, employee compensation, and costs associated with our operating expense redeployment program**, partially offset by a decrease associated with the Business Solutions **divestiture** **divestiture** and a decrease in agent commissions.

Selling, General, and Administrative

For the three and nine months ended September 30, 2023, 31

Table of Contents

Selling, general and administrative expenses **decreased due to the Business Solutions divestiture, a reduction in advertising expenses, and a reduction in general and administrative expenses in our shared services functions, partially offset by increases in employee incentive compensation and costs associated with our operating expense redeployment program. In addition, increased** for the **nine** **three** months ended **September 30, 2023** **March 31, 2024** compared to the corresponding period in the prior year **Selling, general and administrative expenses decreased due to exit costs associated with the suspension of our operations** **increases in Russia employee compensation, including incentive compensation, and Belarus and advertising expenses, partially offset by the Business Solutions divestiture that were incurred in the prior period** **divestiture**.

[Table of Contents](#)

Total Other Income/(Expense), Net

Total other **income/(expense)**, **expense**, net for the three **and nine** months ended **September 30, 2023** **March 31, 2024**, when compared to the corresponding **periods** **period** in the prior year, was impacted by the gain on the first and final closings of the Business Solutions divestiture, which occurred on March 1, 2022 and July 1, 2023, respectively, as described further above, and by the **prior year** expense associated with payment obligations to the **Buyer** **buyer** of the Business Solutions business for a measure of the profits, as contractually agreed, from the European Union **and United Kingdom** operations, while owned by us.

Income Taxes

Our effective tax rates on pre-tax income were **16.3%** **16.0%** and **10.2%** **16.1%** for the three months ended **September 30, 2023** **March 31, 2024** and **2022**, respectively, and **17.1%** and **16.5%** for the nine months ended **September 30, 2023** and **2022, 2023**, respectively. The increases in our effective tax rates for the three and nine months ended **September 30, 2023** compared to the corresponding periods in the prior year were primarily due to discrete tax benefits in the prior periods, including the effects of the completion of the IRS examination discussed in Part 1, Item 1, *Financial Statements*, Note 12, Income Taxes, partially offset by the effects of the sale of our Business Solutions business in the current periods compared to the prior periods.

As of **September 30, 2023** **March 31, 2024**, the total amount of tax contingency reserves was **\$241.9 million** **\$255.4 million**, including accrued interest and penalties, net of related items.

Earnings Per Share

During the three months ended **September 30, 2023** **March 31, 2024** and **2022, 2023**, basic earnings per share was **\$0.41**, and diluted earnings per share were **\$0.46** **\$0.41** and **\$0.45**, respectively. During the nine months ended **September 30, 2023** and **2022**, basic and diluted earnings per share were **\$1.33** and **\$1.70**, **\$0.40**, respectively. Outstanding options to purchase Western Union stock and unvested shares of restricted stock are excluded from basic shares outstanding. Diluted earnings per share reflects the potential dilution that could occur if outstanding stock options at the presented dates are exercised and shares of restricted stock have vested. Shares excluded from the diluted earnings per share calculation were **9.5 million** **11.4 million** and **8.1 million** **9.2 million** for the three months ended **September 30, 2023** **March 31, 2024** and **2022**, respectively, and **9.6 million** and **8.0 million** for the nine months ended **September 30, 2023** and **2022, 2023**, respectively. The effect of these shares was anti-dilutive under the treasury stock method, as the assumed proceeds of the options and restricted stock per unit were above our average share price during the periods.

Earnings per share for the three and nine months ended September 30, 2023 March 31, 2024 compared to the corresponding periods period in the prior year were was impacted by a lower number of average shares outstanding, partially offset by the previously described factors impacting net income and a lower number of average shares outstanding. income.

Segment Discussion

We manage our business around the consumers and businesses we serve and the types of services we offer. Each of our segments addresses a different combination of consumer customer groups, distribution networks, and services offered. Our segments were Consumer-to-Consumer are Consumer Money Transfer and Business Solutions. Consumer Services. On August 4, 2021, we entered into an agreement to sell our Business Solutions business as discussed above. The operations of the Business Solutions business sold in and the final closing were for this transaction was on July 1, 2023. Accordingly, we no longer report Business Solutions revenues and operating expenses after July 1, 2023. Business Solutions revenues included in Revenues and Operating income after the second closing and have completely transitioned to the Buyer as of the final closing. However, between the first and final closings, we were required to pay the Buyer a measure of the profits from these operations, while we owned them, adjusted for other charges, and this expense was recognized in Other expense, net in the our Condensed Consolidated Statements of Income. Income were \$15.4 million and operating income was \$1.9 million for the three months ended March 31, 2023.

During the three and nine months ended September 30, 2023, March 31, 2024 and 2023, we incurred \$4.1 million \$14.0 million and \$19.5 million \$7.1 million of costs, respectively, associated with our operating expense redeployment program, as described above, primarily related to severance and expenses associated with streamlining our organizational and legal structure. During the nine months ended September 30, 2022, we incurred \$10.6 million and \$7.7 million of exit costs associated with the suspension of our Russia and Belarus operations and the Business Solutions divestiture, respectively. These exit costs were 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 our segments, the expenses are not included in the measurement

39

[Table of Contents](#)

of segment operating income provided to the Chief Operating Decision Maker ("CODM") for purposes of performance assessment and resource allocation. These expenses are therefore excluded from our segment operating income results.

Beginning in 2024, we changed our segment reporting methodology to no longer allocate acquisition, separation, and integration costs to our segments. These costs were previously allocated entirely to Consumer Services, and the amount included in the Consumer Services segment was immaterial for the three months ended March 31, 2023. The expenses are no longer included in the measurement of segment operating income provided to the CODM for purposes of performance assessment and resource allocation.

22

[Table of Contents](#)

The following table sets forth the components of segment revenues as a percentage of the consolidated totals for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Consumer-to-Consumer	93 %	90 %	92 %	89 %
Business Solutions	0 %	4 %	1 %	5 %
Other	7 %	6 %	7 %	6 %
	100 %	100 %	100 %	100 %

	Three Months Ended	
	March 31,	
	2024	2023
Consumer Money Transfer	92 %	91 %
Consumer Services	8 %	8 %
Business Solutions	0 %	1 %
	100 %	100 %

Consumer-to-Consumer Segment Consumer Money Transfer

The following table sets forth our Consumer-to-Consumer Consumer Money Transfer segment results of operations for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

Three Months Ended September 30,	Nine Months Ended September 30,	Three Months Ended March 31,

(dollars and transactions in millions)	2022						2024	2023	% Change			
	Chang			Chang								
	2023	2022	% ge	2023	2022	% nge						
Revenues	\$9	\$3,		\$3,	\$3,							
	\$1,082.	029	008									
	19.0	4	4%	.5	.3	1%		\$962.0	\$938.3			
Operating income	\$1											
	\$1993.			\$60	\$62	(4)						
	3.4	7	0%	1.9	6.5	%		\$187.6	\$177.8			
Operating income margin	20	20		21				19%	19%			
Key indicator:												
Consumer-to- Consumer transactions	66.	206	204									
	70.6	9	5%	.5	.8	1%						
Consumer Money Transfer transactions							69.0	65.3	6%			

Our Consumer-to-Consumer money transfer Consumer Money Transfer service facilitates money transfers sent from our retail agent locations worldwide and money transfer transactions conducted and funded through websites and mobile applications marketed under our brands ("Branded Digital" Digital"). The segment includes five geographic regions whose functions are primarily related to generating, managing, and maintaining agent relationships and localized marketing activities. We include Branded Digital transactions in our regions. By means of common processes and systems, these regions, including Branded Digital transactions, create one interconnected global network for consumer transactions, thereby constituting one Consumer-to-Consumer Consumer Money Transfer money transfer business and one operating segment.

Transaction volume is the primary generator of revenue in our Consumer-to-Consumer Consumer Money Transfer segment. A Consumer-to-Consumer Consumer Money Transfer transaction constitutes the transfer of funds to a designated recipient utilizing one of our consumer money transfer services. The geographic split for transactions and revenue in the table that follows is determined based upon the region where the money transfer is initiated. Included in each region's transaction and revenue percentages in the tables below are Branded Digital transactions for the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023. Where reported separately in the discussion below, Branded Digital consists of 100% of the transactions conducted and funded through that channel.

The table below sets forth revenue and transaction changes by geographic region compared to the same period in the prior year. Additionally, due to the significance of our Consumer-to-Consumer Consumer Money Transfer segment to our overall results, we have also provided constant currency adjusted revenue results for our Consumer-to-Consumer Consumer Money Transfer segment revenues. Consumer-to-Consumer revenues, which are net of the impact of foreign currency hedges

and Argentina inflation, as discussed above. Consumer Money Transfer segment **constant currency adjusted** revenue growth/(decline) is a non-GAAP financial measure, as further discussed in Revenues Overview above.

	Three Months Ended March 31, 2024				
	Revenue Growth		Foreign		
	/ (Decline) as	Exchange	Adjusted Revenue		
	Reported	Translation	Growth / (Decline)		
	(GAAP)	Impact	(a) - (Non-GAAP)		Transaction Growth
Consumer Money Transfer regional growth/(decline):					
North America (United States & Canada) ("NA")	2%	0%	2%	6%	
Europe and CIS ("EU & CIS")	(5)%	0%	(5)%	5%	
Middle East, Africa, and South Asia ("MEASA")	16%	(1)%	17%	6%	
Latin America and the Caribbean ("LACA")	7%	2%	5%	3%	
Asia Pacific ("APAC")	(10)%	(4)%	(6)%	7%	
Total Consumer Money Transfer Segment:	3%	0%	3%	6%	
Branded Digital ^(b)	9%	0%	9%	13%	

40

33

[Table of Contents](#)

	Three Months Ended September 30, 2023				Nine Months Ended September 30, 2023			
	Constant				Constant			
	Revenue		Currency		Revenue		Revenue	
	Growth /	Foreign	Revenue		Growth /	Foreign	Growth /	
	(Decline) as	Exchange	Growth /		(Decline) as	Exchange	(Decline)	Transaction
	Reported	Translation	(Decline) ^(a) -	Transaction	Reported	Translation	(a) - (Non-	Growth /
	(GAAP)	Impact	(Non-GAAP)	Growth	(GAAP)	Impact	GAAP)	(Decline)
Consumer-to-Consumer regional growth/(decline):								
North America (United States & Canada) ("NA")	(3)%	0%	(3)%	7%	(6)%	0%	(6)%	4%

Europe and CIS ("EU & CIS")	(9)%	1%	(10)%	0%	(12)%	(1)%	(11)%	(9)%
Middle East, Africa, and South Asia ("MEASA")	42%	0%	42%	9%	37%	(1)%	38%	5%
Latin America and the Caribbean ("LACA")	10%	2%	8%	9%	10%	(1)%	11%	9%
East Asia and Oceania ("APAC")	(8)%	(1)%	(7)%	0%	(8)%	(3)%	(5)%	(1)%
Total Consumer-to-Consumer segment:	4%	1%	3%	5%	1%	0%	1%	1%
Branded Digital ^(b)	3%	0%	3%	12%	(2)%	0%	(2)%	10%

(a) Constant currency Adjusted revenue growth assumes that revenues denominated in foreign currencies are translated to the United States dollar, net of effect of foreign currency hedges, at rates consistent with those in the corresponding prior period. LACA, total Consumer Money Transfer, and Branded Digital adjusted revenue growth excludes the effect of increases in local currency revenue due to inflation in Argentina, which is hyperinflationary. We calculate Argentina inflation as the revenue growth not attributable to either transaction growth or the change in price (revenue divided by principal).

(b) As noted above, Branded Digital revenues are included in the regions.

The table below sets forth regional revenues as a percentage of our Consumer-to-Consumer Consumer Money Transfer revenue for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

	Three Months Ended		Nine Months Ended		Three Months Ended	
	September		September			
	30,	30,	30,	30,		
	202	202	202	202		
	3	2	3	2		
Consumer-to-Consumer revenue as a percentage of segment revenue:						
Consumer Money Transfer revenue as a percentage of segment revenue:						
NA	3	3				
	7 %	40 %	7 %	39 %	38 %	
EU & CIS	2	2				
	4 %	28 %	5 %	29 %	24 %	
MEASA	2	2				
	3 %	16 %	2 %	16 %	21 %	
LACA	1	1				
	1 %	10 %	0 %	10 %	12 %	
APAC	5 %	6 %	6 %	6 %	5 %	
					6 %	

Branded Digital, which is included in the regional percentages above, represented approximately 21% 23% and 22% of our Consumer-to-Consumer Consumer Money Transfer revenues for both the three months ended September 30, 2023 March

31, 2024 and 2022, and 21% and 22% for the nine months ended September 30, 2023 and 2022, 2023, respectively.

Our consumers transferred \$26.0 billion \$24.6 billion and \$23.0 billion in cross-border principal for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and \$76.5 billion and \$70.2 billion in cross-border principal for the nine months ended September 30, 2023 and 2022, 2023, respectively. The increase in cross-border principal transferred during the three and nine months ended September 30, 2023 March 31, 2024 compared to the corresponding periods period in the prior year was primarily attributable to principal growth due to a change in monetary policy in Iraq, as discussed above, and growth in across all of our NA and LACA regions. Consumer-to-Consumer Consumer Money Transfer cross-border principal is the amount of consumer funds transferred to a designated recipient in a country or territory that differs from the country or territory from which the transaction was initiated. Consumer-to-Consumer Consumer Money Transfer cross-border principal is a metric used by management to monitor and better understand the growth in our underlying business relative to competitors, as well as changes in our market share of global remittances.

Revenues

Consumer-to-Consumer money transfer Consumer Money Transfer revenue and transactions increased 4% 3% and 5% 6%, respectively, for the three months ended September 30, 2023 compared to the corresponding period in the prior year, and both revenue and transactions increased 1% for the nine months ended September 30, 2023 March 31, 2024 compared to the corresponding period in the prior year. Fluctuations in the United States dollar compared to foreign currencies, net of the impact of foreign currency hedges positively impacted and Argentina inflation, had no net impact on revenue by 1% for the three months ended September 30, 2023 and did not have a significant impact for the nine months ended September 30, 2023 March 31, 2024, compared to the corresponding periods period in the prior year.

41

[Table of Contents](#)

For the three and nine months ended September 30, 2023 March 31, 2024, in our Consumer-to-Consumer Consumer Money Transfer regions, NA revenue decreased and transactions increased compared to the corresponding periods period in the prior year primarily due to promotional pricing related to our new Branded Digital go-to-market strategy and other price reductions. Growth growth in cross-border transactions sent from the United States, was partially offset by price reductions and declines in transactions sent within the United States. For the three and nine months ended September 30, 2023 March 31, 2024, our EU & CIS revenues were negatively impacted by price reductions and the loss by one of a significant our retail agent in the fourth quarter of 2022. In addition, for the nine months ended September 30, 2023 compared to the corresponding period in the prior year, EU & CIS revenues were negatively impacted by our suspension of operations in Russia and Belarus and transaction declines. agents no longer offering cash-based services at their retail locations. Revenue growth in the MEASA region was driven by a change in monetary policy in Iraq, as discussed above, and revenue growth in the LACA region benefited from an increase strength in local currency revenue per transaction in Argentina, and strength in Mexico, Ecuador and Venezuela. Our APAC region was also impacted by price reductions.

We have historically implemented price reductions or price increases throughout many of our global corridors. We will likely continue to implement price changes from time to time in response to competition and other factors. Price reductions generally reduce margins and adversely affect financial results in the short term and may also adversely affect financial results in the long term if transaction volumes do not increase sufficiently. Price increases may adversely affect transaction volumes, as consumers may not use our services if we fail to price them appropriately. We believe revenues could continue to be adversely impacted by price reductions we have implemented in connection with our go-to-market strategy.

Operating Income

Consumer-to-Consumer Consumer Money Transfer operating income for the three and nine months ended September 30, 2023 was impacted by March 31, 2024 increased agent commissions, which generally vary with revenues, increased investment in information technology, increased employee incentive compensation, and increased variable expenses, including credit losses and bank fees, partially offset by a reduction in general and administrative expenses in our shared services functions and a reduction in advertising expenses.

Business Solutions

The following table sets forth our Business Solutions segment results of operations for the three and nine months ended September 30, 2023 and 2022:

(dollars in millions)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2022	% Change	2023	2022	% Change
Revenues	\$—	\$42.6	(a)	\$29.7	\$167.4	(82)%
Operating income	\$—	\$15.9	(a)	\$3.7	\$51.7	(a)
Operating income margin	(a)	37%		12%	31%	

(a) Calculation not meaningful.

Revenues

There was no Business Solutions revenue for the three months ended September 30, 2023 and it decreased 82% for the nine months ended September 30, 2023, compared to the corresponding period in the prior year primarily due to the first, second, an increase in revenue, as discussed above, and final closings of the sale of our Business Solutions business, which occurred on March 1, 2022, December 31, 2022, and July 1, 2023, respectively, as described further above. reduced agent commissions,

34

Operating Income

For the three and nine months ended September 30, 2023, the decrease in operating income when compared to the corresponding periods in the prior year was impacted by the first, second, and final closings of the sale of our Business Solutions business, which occurred on March 1, 2022, December 31, 2022, and July 1, 2023, respectively, as described further above.

Effective January 1, 2022, we stopped allocating corporate costs to our Business Solutions segment, given our agreement to sell this business.

42

[Table of Contents](#)

Other partially offset by an increase in certain variable expenses, including non-credit losses and bank fees, and an increase in advertising expenses.

Other primarily consists of our cash-based bill payments businesses in Argentina and the United States, in addition to our money order services. Consumer Services

The following table sets forth Other Consumer Services results for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

(dollars in millions)	Three Months						Three Months Ended March 31,	
	Ended September 30,		Nine Months Ended September 30,					
	2023	2022	%	2023	2022	%		
Revenues	\$78	\$64		\$24	\$20			
	.8	.6	22%	5.5	7.9	18%		
Operating income	\$21	\$21		\$72.	\$73.			
	.6	.6	0%	1	4	(2)%		
Operating income margin	27	33		29	35			
	%	%		%	%			
							2024	
							2023	
							% Change	

Revenues

For the three and nine months ended September 30, 2023 March 31, 2024 compared to the corresponding periods period in the prior year, Other Consumer Services revenues increased primarily due to increased investment revenues associated with an increase in our money order investment securities, as well as an increase business and growth in local currency new services we are continuing to introduce to our customers, partially offset by a decrease in revenue per transaction in our cash-

based bill payments services offered at retail locations in Argentina, due to inflation, partially offset by the strengthening of Argentina. Fluctuations in the United States dollar against compared to foreign currencies, net of the Argentine peso, impact of Argentina inflation, resulted in a decrease to revenue growth of 3% for the three months ended March 31, 2024 relative to the corresponding period in the prior year.

Operating Income

Other Consumer Services operating income for the three and nine months ended September 30, 2023 March 31, 2024 compared to the corresponding periods period in the prior year was negatively impacted by increased investment in information technology, and a reduction in the reimbursement of expenses associated with the transition services provided after the first and second closings sale of the sale of our Business Solutions business, and an increase in employee compensation, including incentive compensation, partially offset by an the increase in revenue. In addition, Other operating income decreased for the nine months ended September 30, 2023 due to an increase in consulting expenses associated with new services revenue described above.

Capital Resources and Liquidity

Our primary source of liquidity has been cash generated from our operating activities, primarily from net income and fluctuations in working capital. Our working capital is affected by the timing of payments for employee and agent incentives, interest payments on our outstanding borrowings and timing of income tax payments, among other items. Many of our annual employee incentive compensation and agent incentive payments are made in the first quarter following the year they were incurred. The majority of our interest payments are due in the second and fourth quarters. The annual payments resulting from the United States tax reform legislation enacted in 2017 (the "Tax Act") include amounts related to the United States taxation of certain previously undistributed earnings of foreign subsidiaries. These payments are due in the second quarter of each year through 2025.

Our future cash flows could be impacted by a variety of factors, some of which are out of our control. These factors include, but are not limited to, changes in economic conditions, especially those impacting migrant populations, changes in income tax laws or the status of income tax audits, including the resolution of outstanding tax matters, and the settlement or resolution of legal contingencies.

Substantially all of our cash flows from operating activities have been generated from subsidiaries. Most of these cash flows are generated from our regulated subsidiaries. Our regulated subsidiaries may transfer all excess cash to the parent company for general corporate use, except for assets subject to legal or regulatory restrictions, including: (i) requirements to maintain cash and other qualifying investment balances, free of any liens or other encumbrances, related to the payment of certain of our money transfer and other payment obligations, (ii) other legal or regulatory restrictions, including statutory or formalized minimum net worth requirements, and (iii) restrictions on transferring assets outside of the countries where these assets are located.

We currently believe we have adequate liquidity to meet our business needs, including payments under our debt and other obligations, through our existing cash balances, our ability to generate cash flows through operations, and our \$1.5

billion revolving credit facility ("Revolving Credit Facility"), which expires in January 2025 and supports our commercial \$1.25

[Table of Contents](#)

billion revolving credit facility ("Revolving Credit Facility"), which expires in November 2028 and supports our commercial paper program. Our commercial paper program enables us to issue unsecured commercial paper notes in an amount not to exceed \$1.5 billion \$1.25 billion outstanding at any time, reduced to the extent of any borrowings outstanding on our Revolving Credit Facility.

To help ensure availability of our worldwide cash where needed, we utilize a variety of planning and financial strategies, including decisions related to the amounts, timing, and manner by which cash is repatriated or otherwise made available from our international subsidiaries. These decisions can influence our overall tax rate and impact our total liquidity. We regularly evaluate our United States cash requirements, taking tax consequences and other factors into consideration and also the potential uses of cash internationally to determine the appropriate level of dividend repatriations of our foreign source income.

Cash and Investment Securities

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, we had Cash and cash equivalents of \$1,138.2 million \$1,106.5 million and \$1,291.1 million \$1,268.6 million, respectively, including \$5.2 million related to Business Solutions as of December 31, 2022, respectively.

In many cases, we receive funds from money transfers and certain other payment services before we settle the payment of those transactions. These funds, referred to as Settlement assets on our Condensed Consolidated Balance Sheets, are not used to support our operations. However, we earn income from investing these funds. We maintain a portion of these settlement assets in highly liquid investments, classified as Cash and cash equivalents within Settlement assets, to fund settlement obligations.

Investment securities, classified within Settlement assets on the Condensed Consolidated Balance Sheets, were \$1,383.1 million \$1,402.9 million and \$1,333.4 million \$1,458.1 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively, and consist primarily of highly-rated state and municipal debt securities. These investment securities are held in order to comply with state licensing requirements in the United States and are required to have credit ratings of "A-" "A-" or better from a major credit rating agency. Refer to Part 1, Item 1, *Financial Statements*, Note 8, Settlement Assets and Obligations for more details regarding investment securities.

Investment securities are exposed to market risk due to changes in interest rates and credit risk. We regularly monitor credit risk and attempt to mitigate our exposure by investing in highly-rated securities and diversifying our investment portfolio. Our investment securities are also actively managed with respect to concentration. As of **September 30, 2023** **March 31, 2024**, all investments with a single issuer and each individual security represented less than 10% of our investment securities portfolio.

Cash Flows from Operating Activities

Cash provided by operating activities decreased to **\$518.6 million** **\$94.0 million** during the **nine** **three** months ended **September 30, 2023** **March 31, 2024**, from **\$522.4 million** **\$137.3 million** in the corresponding period in the prior year. Cash provided by operating activities can be impacted by changes to our consolidated net income, in addition to fluctuations in our working capital balances, among other factors.

Financing Resources

As of **September 30, 2023** **March 31, 2024**, we had outstanding borrowings at par value of **\$2,320.0 million** **\$2,549.9 million**. The significant majority of these outstanding borrowings consist of unsecured fixed-rate notes with maturities ranging from 2025 to 2040.

Commercial paper and cash, including cash generated from operations, were used to repay \$300.0 million of the aggregate principal amount of 4.250% unsecured notes due in June 2023.

Our Revolving Credit Facility provides for unsecured financing facilities in an aggregate amount of **\$1.5 billion** **\$1.25 billion**, including a \$250.0 million letter of credit sub-facility. Interest due under the Revolving Credit Facility is fixed for the term of each borrowing and is payable according to the terms of that borrowing. Generally, interest under the Revolving Credit Facility is calculated using a selected either (i) an adjusted term Secured Overnight Financing Rate, or other applicable benchmark rate based on the currency of the borrowing, plus an interest rate margin of 110 basis points, determined on a sliding scale from 0.920% to 1.425% based on our credit rating (currently 1.140%) or (ii) a base rate plus a margin determined on a sliding scale from 0.000% to 0.425% based on our credit rating (currently 0.140%). A facility fee on the total amount of the facility is also payable quarterly, at an annual rate of 15 basis points on the total facility, regardless of usage. Both the interest rate margin, usage, and such facility fee percentage are determined on a sliding scale from 0.080% to 0.200% based on certain of our credit ratings. Our Revolving Credit Facility allows us to draw loans payable based upon the Secured Overnight Financing Rate, the Euro Interbank Offered Rate, or the Sterling Overnight Index Average rating (currently 0.110%).

[Table of Contents](#)

The purpose of our Revolving Credit Facility, which is diversified through a group of 1916 participating institutions, is to provide general liquidity and to support our commercial paper program, which we believe enhances our short-term credit rating. The largest commitment from any single financial institution within the total committed balance of \$1.5 billion \$1.25 billion is approximately 11% 14%. As of September 30, 2023 March 31, 2024, we had no outstanding borrowings under our Revolving Credit Facility. If the amount available to borrow under the Revolving Credit Facility decreased, or if the Revolving Credit Facility were eliminated, the cost and availability of borrowing under the commercial paper program may be impacted.

Pursuant to our commercial paper program, we may issue unsecured commercial paper notes in an amount not to exceed \$1.5 billion \$1.25 billion outstanding at any time, reduced to the extent of borrowings outstanding on our Revolving Credit Facility. Our commercial paper borrowings may have maturities of up to 397 days from date of issuance. Interest rates for borrowings are based on market rates at the time of issuance. We had \$170.0 million \$399.9 million of commercial paper borrowings outstanding as of September 30, 2023 March 31, 2024. Our commercial paper borrowings as of September 30, 2023 March 31, 2024 had a weighted-average annual interest rate of approximately 5.6% 5.5% and a weighted-average term of approximately 2 days. During the nine three months ended September 30, 2023 March 31, 2024, the average commercial paper balance outstanding was \$250.3 million \$384.3 million, and the maximum balance outstanding was \$885.0 million \$675.0 million. Proceeds from our commercial paper borrowings were used for the repayment of our notes due in June 2023, general corporate purposes and working capital needs, including the settlement of our money transfer obligations prior to collecting receivables from agents or others.

On January 4, 2022, we repaid all remaining borrowings owed under our prior term loan facility for total consideration of \$300.0 million, using proceeds from our commercial paper and cash, including cash generated from operations. We are no longer able to borrow money under this facility.

Cash Priorities

Liquidity

Our objective is to maintain strong liquidity and a capital structure consistent with investment-grade credit ratings. We have existing cash balances, cash flows from operating activities, access to the commercial paper markets, and our Revolving Credit Facility available to support the needs of our business.

Our ability to grow the business, make investments in our business, make acquisitions, return capital to shareholders, including through dividends and share repurchases, and service our debt and tax obligations will depend on our ability to continue to generate excess operating cash through our operating subsidiaries and to continue to receive dividends from those operating subsidiaries, our ability to obtain adequate financing, and our ability to identify acquisitions that align with our

long-term strategy. For additional information, please refer to Part II, Item 5, *Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities* in our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

Capital Expenditures

The total aggregate amount paid for purchased and developed software, contract costs, and purchases of property and equipment was \$35.1 million and purchased and developed software was \$117.2 million and \$147.5 million \$57.4 million for the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively. Amounts paid for new and renewed agent contracts vary depending on the terms of existing contracts as well as the timing of new and renewed contract signings. Other capital expenditures during these periods included investments in our information technology infrastructure.

Share Repurchases and Dividends

On February 10, 2022, our Board of Directors authorized \$1.0 billion of common stock repurchases through December 31, 2024. During the nine three months ended September 30, 2023 and 2022, 7.8 million and 9.6 million March 31, 2024, 11.8 million shares were repurchased under this authorization for \$100.0 million and \$176.8 million, respectively, \$150.0 million excluding commissions, at an average cost of \$12.88 and \$18.45, respectively. \$12.66. No shares were repurchased during the three months ended March 31, 2023 under this share repurchase authorization. As of September 30, 2023 March 31, 2024, \$548.2 million \$198.2 million remained available under this share repurchase authorization.

Our Board of Directors declared quarterly cash dividends of \$0.235 per common share in each of the first three quarters quarter of 2023, 2024, representing \$263.3 million \$80.1 million in total dividends.

45 Material Cash Requirements

37

[Table of Contents](#)

Material Cash Requirements

Debt Service Requirements

Our 2023 2024 and future debt service requirements will include payments on all outstanding indebtedness, including any borrowings under our commercial paper program. Our next scheduled principal payment on our outstanding notes is in 2025.

We may repay this maturity through proceeds from commercial paper issuance and cash, including cash generated from operations, or we may refinance this maturity through the issuance of term debt.

2017 United States Federal Tax Liability

The Tax Act imposed a tax on certain of our previously undistributed foreign earnings. This tax charge, combined with our other 2017 United States taxable income and tax attributes, resulted in a 2017 United States federal tax liability of approximately \$800 million, of which approximately \$358 million remained as of **September 30, 2023** **March 31, 2024**. We elected to pay this liability in periodic installments through **2025** and paid \$119.5 million during the second quarter of **2023**, **2025**. Under the terms of the law, we are required to pay the remaining installment payments as summarized in the Capital Resources and Liquidity discussion located in Part II, Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations* in our Annual Report on Form 10-K for the year ended **December 31, 2022** **December 31, 2023**. These payments have affected and will continue to adversely affect our cash flows and liquidity and may adversely affect future share repurchases.

Operating Leases

We lease real properties for use as administrative and sales offices, in addition to transportation, office, and other equipment. Refer to Part II, Item 8, *Financial Statements and Supplementary Data*, Note **13**, **12**, Leases, in our Annual Report on Form 10-K for the year ended **December 31, 2022** **December 31, 2023** for details on our leasing arrangements, including future maturities of our operating lease liabilities.

We have no material off-balance sheet arrangements that have or are reasonably likely to have a material current or future effect on our financial condition, results of operations, liquidity, capital expenditures, or capital resources.

Other Commercial Commitments

We had approximately **\$160 million** **\$150 million** in outstanding letters of credit and bank guarantees as of **September 30, 2023** **March 31, 2024** primarily held in connection with regulatory requirements, lease arrangements, and certain agent agreements. We expect to renew many of our letters of credit and bank guarantees prior to expiration.

As of **September 30, 2023** **March 31, 2024**, our total amount of unrecognized income tax benefits was **\$301.5 million** **\$310.0 million**, including associated interest and penalties. The timing of any related cash payments for substantially all of these liabilities is inherently uncertain because the ultimate amount and timing of the settlement of such liabilities are affected by factors which are variable and outside our control.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts and disclosures in the financial statements and accompanying notes. Actual results could differ from those estimates. Our Critical Accounting Policies and Estimates disclosed in Part II, Item 7, *Management's*

Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended **December 31, 2022** **December 31, 2023**, for which there were no material changes, included:

- Income taxes
- **Derivative financial instruments** **Goodwill**
- **Goodwill** **Other intangible assets**

46 Recent Accounting Pronouncements

Refer to Part I, Item 1, *Financial Statements*, Note 1, Business and Basis of Presentation for further discussion.

38

Table of Contents

- **Other intangible assets**

Risk Management

We are exposed to market risks arising from changes in market rates and prices, including changes in foreign currency exchange rates and interest rates and credit risk related to our agents and customers. A risk management program is in place to manage these risks.

Foreign Currency Exchange Rates

We provide our services primarily through a network of agent locations in more than 200 countries and territories. We manage foreign exchange risk through the structure of the business and an active risk management process. We currently settle with the significant majority of our agents in United States dollars, Mexican pesos, or euros, requiring those agents to obtain local currency to pay recipients, and we generally do not rely on international currency markets to obtain and pay illiquid currencies. However, in certain circumstances, we settle in other currencies. The foreign currency exposure that does exist is limited by the fact that the majority of transactions are paid by the next day after they are initiated, and agent settlements occur within a few days in most instances. To mitigate this risk further, we enter into short duration foreign currency forward contracts, generally with maturities ranging from a few days to one month, to offset foreign exchange rate fluctuations between transaction initiation and settlement. We also have exposure to certain foreign currency denominated cash and other asset and liability positions and may utilize foreign currency forward contracts, typically with maturities of less than one year at inception, to offset foreign exchange rate fluctuations on these positions. In certain consumer money transfer

and bill payment transactions involving different send and receive currencies, we generate revenue based on the difference between the exchange rate set by us to the consumer or business and a rate available in the wholesale foreign exchange market, helping to provide protection against currency fluctuations. We attempt to promptly buy and sell foreign currencies as necessary to cover our net payables and receivables which are denominated in foreign currencies.

We use longer-term foreign currency forward contracts to help mitigate risks associated with changes in foreign currency exchange rates on revenues denominated primarily in the euro, and, to a lesser degree, the Canadian dollar, the British pound, and other currencies. We use contracts with maturities of up to 36 months at inception to mitigate some of the impact that changes in foreign currency exchange rates could have on forecasted revenues, with a targeted weighted-average maturity of approximately one year. We believe the use of longer-term foreign currency forward contracts provides predictability of future cash flows from our international operations.

As of September 30, 2023 March 31, 2024, a hypothetical uniform 10% strengthening or weakening in the value of the United States dollar relative to all other currencies in which our net income is generated would have resulted in a decrease/increase to pre-tax annual income of approximately \$19 million \$27 million, based on our forecast of unhedged exposure to foreign currency at that date. There are inherent limitations in this sensitivity analysis, primarily due to the following assumptions: (i) foreign exchange rate movements are linear and instantaneous, (ii) fixed exchange rates between certain currency pairs are retained, (iii) the unhedged exposure is static, and (iv) we would not hedge any additional exposure. As a result, the analysis is unable to reflect the potential effects of more complex market changes that could arise, which may positively or negatively affect income.

Interest Rates

We invest in several types of interest-bearing assets, with a total value as of September 30, 2023 March 31, 2024 of approximately \$2.5 billion. Approximately \$1.2 billion of these assets bear interest at floating rates. These assets primarily include cash in banks, money market investments, and state and municipal variable-rate securities and are included in our Condensed Consolidated Balance Sheets within Cash and cash equivalents and Settlement assets. To the extent these assets are held in connection with money transfers and other related payment services awaiting redemption, they are classified as Settlement assets. Earnings on these investments will increase and decrease with changes in the underlying short-term interest rates.

47 39

[Table of Contents](#)

The remaining interest-bearing assets pay fixed interest rates and primarily consist of highly-rated state and municipal debt securities and asset-backed securities. These investments may include investments made from cash received from our money order services, money transfer business, and other related payment services awaiting redemption and are classified within Settlement assets in the Condensed Consolidated Balance Sheets. As interest rates rise, the fair value of these fixed-rate interest-bearing securities will decrease; conversely, a decrease to interest rates would result in an increase to the fair values of the securities. We have classified these investments as available-for-sale within Settlement assets in the Condensed Consolidated Balance Sheets, and accordingly, recorded these instruments at their fair value with the net unrealized gains and losses, excluding credit-related losses, net of the applicable deferred income tax effect, being added to or deducted from our Total stockholders' equity in our Condensed Consolidated Balance Sheets.

Borrowings under our commercial paper program mature in such a short period that the financing is effectively floating rate. As of **September 30, 2023** **March 31, 2024**, there were **\$170.0 million** **\$399.9 million** in outstanding borrowings under our commercial paper program.

We review our overall exposure to floating and fixed rates by evaluating our net asset or liability position and the duration of each individual position. We manage this mix of fixed versus floating exposure in an attempt to minimize risk, reduce costs, and improve returns. Our exposure to interest rates can be modified by changing the mix of our interest-bearing assets as well as adjusting the mix of fixed versus floating rate debt. The latter is accomplished primarily through the use of interest rate swaps and the decision regarding terms of any new debt issuances (i.e., fixed versus floating). From time to time, we use interest rate swaps designated as hedges to vary the percentage of fixed to floating rate debt, subject to market conditions. As of **September 30, 2023** **March 31, 2024**, our weighted-average effective rate on total borrowings was approximately **3.9%** **4.0%**.

At **September 30, 2023** **March 31, 2024**, a hypothetical 100 basis point increase/decrease in interest rates would result in a decrease/increase to pre-tax income for the next twelve months of approximately **\$2 million** **\$4 million** based on borrowings that are sensitive to interest rate fluctuations, net of the impact of hedges. The same 100 basis point increase/decrease in interest rates, if applied to our cash and investment balances on **September 30, 2023** **March 31, 2024** that bear interest at floating rates, would result in an offsetting increase/decrease to pre-tax income for the next twelve months of approximately \$12 million. There are inherent limitations in the sensitivity analysis presented, primarily due to the assumptions that interest rate changes would be instantaneous and consistent across all geographies in which our interest-bearing assets are held and our liabilities are payable. As a result, the analysis is unable to reflect the potential effects of more complex market changes, including changes in credit risk regarding our investments, which may positively or negatively affect income. In addition, the mix of fixed versus floating rate debt and investments and the level of assets and liabilities will change over time, including the impact from commercial paper borrowings that may be outstanding in future periods.

Credit Risk

To manage our exposures to credit risk with respect to investment securities, money market fund investments, derivatives, and other credit risk exposures resulting from our relationships with banks and financial institutions, we regularly review investment concentrations, trading levels, credit spreads, and credit ratings, and we attempt to diversify our investments among global financial institutions.

We are also exposed to credit risk related to receivable balances from agents in the money transfer, walk-in bill payment, and money order settlement process. We perform a credit review before each agent signing and conduct periodic analyses of agents and certain other parties we transact with directly. In addition, we are exposed to losses directly from consumer transactions, particularly through our digital channels, where transactions are originated through means other than cash and are therefore subject to "chargebacks," "chargebacks," insufficient funds or other collection impediments, such as fraud, which are anticipated to increase as digital channels become a greater proportion of our money transfer business.

Our losses have been less than 3% of our consolidated revenues in all periods presented.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The information under Risk Management in Part I, Item 2, *Management's Discussion and Analysis of Financial Condition and Results of Operations* of this report is incorporated herein by reference.

48 40

[Table of Contents](#)

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, under the supervision and with the participation of the Principal Executive Officer and Principal Financial Officer, has evaluated the effectiveness of our controls and procedures related to our reporting and disclosure obligations (as defined by Rules 13a-15(e) and 15d-15(e) within the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of September 30, 2023 March 31, 2024, which is the end of the period covered by this Quarterly Report on Form 10-Q. Based on that evaluation, the Principal Executive Officer and Principal Financial Officer have concluded that, as of September 30, 2023 March 31, 2024, the disclosure controls and procedures were effective to ensure that information required to be disclosed by us, including our consolidated subsidiaries, in the reports we file or submit under the Exchange Act, is recorded, processed, summarized and reported, as applicable, within the time periods specified in the rules and forms of the Securities and Exchange Commission, and are designed to ensure that information required to be disclosed by us in the reports that we file or submit is accumulated and communicated to our management, including our Principal Executive Officer and Principal Financial Officer, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There were no changes that occurred during the fiscal quarter covered by this Quarterly Report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

4941

[Table of Contents](#)

Review Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of The Western Union Company

Results of Review of Interim Financial Statements

We have reviewed the condensed consolidated balance sheet of The Western Union Company (the Company) as of **September 30, 2023** **March 31, 2024**, the related condensed consolidated statements of income, comprehensive income, cash flows, and stockholders' equity for the three months ended **March 31, 2024** and **nine-month periods ended September 30, 2023 and 2022**, the condensed consolidated statements of cash flows for the **nine-month periods ended September 30, 2023 and 2022, 2023**, and the related notes (collectively referred to as the "condensed consolidated interim financial statements"). Based on our reviews, we are not aware of any material modifications that should be made to the condensed consolidated interim financial statements for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of the Company as of **December 31, 2022** **December 31, 2023**, the related consolidated statements of income, comprehensive income, cash flows, and stockholders' equity for the year then ended, and the related notes and schedule (not presented herein); and in our report dated **February 23, 2023** **February 22, 2024**, we expressed an unqualified audit opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of **December 31, 2022** **December 31, 2023**, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

These financial statements are the responsibility of the Company's management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the SEC and the PCAOB. We conducted our review in accordance

with the standards of the PCAOB. A review of interim financial statements consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ Ernst & Young LLP

Denver, Colorado

October 25, 2023 April 24, 2024

5042

[Table of Contents](#)

PART II

OTHER INFORMATION

Item 1. Legal Proceedings

The information required by this Item 1 is incorporated herein by reference to the discussion in Part I, Item 1, *Financial Statements*, Note 6, Commitments and Contingencies.

Item 1A. Risk Factors

There have been no material changes to the risk factors described in our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table sets forth stock repurchases for each of the three months of the quarter ended September 30, 2023 March 31, 2024:

	Approximate Dollar
--	--------------------

Period				Total Number of Shares	Value of Shares that
				Purchased as Part of	May Yet Be Purchased
	Total Number of	Average Price	Publicly Announced	Under the Plans or	
July 1 - 31	17,666	\$ 11.88	—	\$ 648.2	
August 1 - 31	28,604	\$ 11.96	—	\$ 648.2	
September 1 - 30	7,774,634	\$ 12.88	7,766,204	\$ 548.2	
Total	7,820,904	\$ 12.87	7,766,204		

Period				Total Number of Shares	Approximate Dollar Value of Shares that
				Purchased as Part of	May Yet Be Purchased
	Total Number of	Average Price	Publicly Announced	Under the Plans or	
January 1 - 31	5,538,275	\$ 12.23	5,538,275	\$ 280.4	
February 1 - 29	4,281,368	\$ 12.64	3,878,580	\$ 231.5	
March 1 - 31	2,441,265	\$ 13.72	2,429,964	\$ 198.2	
Total	12,260,908	\$ 12.67	11,846,819		

- (a) These amounts represent both shares authorized by our Board of Directors for repurchase under a publicly announced authorization, as described below well as shares withheld from employees to cover tax withholding obligations on restricted stock units that have vested.
- (b) On February 10, 2022, our Board of Directors authorized \$1.0 billion of common stock repurchases through December 31, 2024, of which \$548.2 million \$198.2 million remained available as of September 30, 2023 March 31, 2024. In certain instances, management has historically established and may continue to establish prearranged written plans pursuant to Rule 10b5-1. A Rule 10b5-1 plan permits us to repurchase shares at times when we may otherwise be unable to do so, provided the plan is adopted when we are not aware of material non-public information.
- (c) The average price paid per share excludes a 1% excise tax due under the Inflation Reduction Act of 2022.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Securities Trading Plans of Directors and Executive Officers

During the three months ended **September 30, 2023****March 31, 2024**, none of the Company's directors or executive officers adopted **modified**, **modified**, or terminated any contract, instruction, or written plan for the purchase or sale of the Company's securities intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act or any non-Rule 10b5-1 trading arrangement, as defined in Item 408 of Regulation S-K.

5143

Table of Contents

Item 6. Exhibits

See Exhibit Index for documents filed or furnished herewith and incorporated herein by reference.

EXHIBIT INDEX

Exhibit		Description
Number		
15		<u>Letter from Ernst & Young LLP Regarding Unaudited Interim Financial Information</u>
31.1		<u>Certification of Chief Executive Officer of The Western Union Company Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934</u>
31.2		<u>Certification of Chief Financial Officer of The Western Union Company Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934</u>
32		<u>Certification of Chief Executive Officer and Chief Financial Officer Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code</u>
101.INS		Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
101.SCH		Inline XBRL Taxonomy Extension Schema <u>Document</u>

101.CAL	Inline XBRL Taxonomy Extension Calculation With Embedded Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document Documents

104 Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

5244

[Table of Contents](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

The Western Union Company (Registrant)

Date: **October 25, 2023** **April 24, 2024** By: _____ /s/ Devin B. McGranahan
Devin B. McGranahan
President and Chief Executive Officer
(Principal Executive Officer)

Date: **October 25, 2023** **April 24, 2024** By: _____ /s/ Matt Cagwin
Matt Cagwin
Chief Financial Officer
(Principal Financial Officer)

Date: **October 25, 2023** **April 24, 2024** By: _____ /s/ Mark Hinsey
Mark Hinsey
Chief Accounting Officer and Controller
(Principal Accounting Officer)

Exhibit 15**Letter from Ernst & Young LLP Regarding Unaudited Interim Financial Information**

The Board of Directors and Stockholders of The Western Union Company

We are aware of the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form S-3 No. 333-267618) of The Western Union Company, and
- (2) Registration Statement (Form S-8 Nos. 333-137665 and 333-204183) pertaining to The Western Union Company 2006 Long-Term Incentive Plan, The Western Union Company 2006 Non-Employee Director Equity Compensation Plan, The Western Union Company Supplemental Incentive Savings Plan, and The Western Union Company 2015 Long-Term Incentive Plan;

of our report dated **October 25, 2023** **April 24, 2024**, relating to the unaudited condensed consolidated interim financial statements of The Western Union Company that are included in its Form 10-Q for the quarter ended **September 30, 2023** **March 31, 2024**.

/s/ Ernst & Young LLP

Denver, Colorado

October 25, 2023 **April 24, 2024**

Exhibit 31.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER

I, Devin B. McGranahan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of The Western Union Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **October 25, 2023** April 24, 2024

/s/ Devin B. McGranahan

Devin B. McGranahan

President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER

I, Matt Cagwin, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of The Western Union Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

October 25, 2023 April 24,

Date: 2024

/s/ Matt Cagwin

Matt Cagwin

Chief Financial Officer

Exhibit 32

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

The certification set forth below is being submitted in connection with the Quarterly Report of The Western Union Company on Form 10-Q for the period ended **September 30, 2023** **March 31, 2024** (the "Report") for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code.

Devin B. McGranahan and Matt Cagwin certify that, to the best of each of their knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of The Western Union Company.

Date: **October 25, 2023** **April 24, 2024**

/s/ Devin B. McGranahan

Devin B. McGranahan

President and Chief Executive Officer

Date: **October 25, 2023** **April 24, 2024**

/s/ Matt Cagwin

Matt Cagwin

Chief Financial Officer

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2024, Refinitiv. All rights reserved. Patents Pending.