

REFINITIV

# DELTA REPORT

## 10-Q

WU - WESTERN UNION CO

10-Q - JUNE 30, 2024 COMPARED TO 10-Q - MARCH 31, 2024

The following comparison report has been automatically generated

**TOTAL DELTAS** 810

 **CHANGES** 215

 **DELETIONS** 226

 **ADDITIONS** 369

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## UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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### FORM 10-Q

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

For the quarterly period ended **March 31, June 30, 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>
<b>Common Stock, \$0.01 Par Value</b>	<b>WU</b>	<b>The New York Stock Exchange</b>

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 accelerated filer," "accelerated filer," "smaller reporting company," and "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 **April 19, 2024** **July 25, 2024**, **338,335,142** **337,778,981** shares of the registrant's common stock were outstanding.

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**THE WESTERN UNION COMPANY**

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	Three Months Ended		Three Months Ended		Six Months Ended	
	March 31,		June 30,		June 30,	
	2024	2023	2024	2023	2024	2023
Revenues	\$ 1,049.1	\$ 1,036.9	\$ 1,066.4	\$ 1,170.0	\$ 2,115.5	\$ 2,206.9
Expenses:						
Cost of services	641.3	629.5	663.9	698.9	1,305.2	1,328.4
Selling, general, and administrative	215.7	202.7	211.8	228.5	427.5	431.2
Total expenses	857.0	832.2	875.7	927.4	1,732.7	1,759.6
Operating income	192.1	204.7	190.7	242.6	382.8	447.3
Other income/(expense):						
Interest income	3.1	3.2	3.7	4.2	6.8	7.4
Interest expense	(26.1)	(25.0)	(31.1)	(27.0)	(57.2)	(52.0)
Other income/(expense), net	0.9	(1.9)	1.9	(3.4)	2.8	(5.3)
Total other expense, net	(22.1)	(23.7)	(25.5)	(26.2)	(47.6)	(49.9)
Income before income taxes	170.0	181.0	165.2	216.4	335.2	397.4
Provision for income taxes	27.3	29.2	24.2	40.2	51.5	69.4
Net income	\$ 142.7	\$ 151.8	\$ 141.0	\$ 176.2	\$ 283.7	\$ 328.0
Earnings per share:						

Basic	\$ 0.41	\$ 0.41	\$ 0.42	\$ 0.47	\$ 0.83	\$ 0.88
Diluted	\$ 0.41	\$ 0.40	\$ 0.41	\$ 0.47	\$ 0.83	\$ 0.87
Weighted-average shares outstanding:						
Basic	344.4	374.4	338.6	375.0	341.5	374.7
Diluted	345.7	375.5	339.6	375.6	342.6	375.6

See Notes to Condensed Consolidated Financial Statements.

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**THE WESTERN UNION COMPANY**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**(Unaudited)**  
**(in millions)**

	Three Months Ended		Three Months Ended		Six Months Ended	
	March 31,		June 30,		June 30,	
	2024	2023	2024	2023	2024	2023
Net income	\$ 142.7	\$ 151.8	\$ 141.0	\$ 176.2	\$ 283.7	\$ 328.0
Other comprehensive income, net of reclassifications and tax (Note 9):						
Unrealized gains/(losses) on investment securities	(4.6)	20.0	(1.2)	(11.4)	(5.8)	8.6
Unrealized gains/(losses) on hedging activities	10.8	(10.3)	0.2	(10.8)	11.0	(21.1)
Total other comprehensive income	6.2	9.7				
Total other comprehensive income/(loss)	(1.0)	(22.2)	5.2	(12.5)		
Comprehensive income	\$ 148.9	\$ 161.5	\$ 140.0	\$ 154.0	\$ 288.9	\$ 315.5

See Notes to Condensed Consolidated Financial Statements.

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THE WESTERN UNION COMPANY

CONDENSED CONSOLIDATED BALANCE SHEETS  
(Unaudited)  
(in millions, except per share amounts)

	December		December	
	March 31, 2024	31, 2023	June 30, 2024	31, 2023
<b>Assets</b>				
Cash and cash equivalents	\$ 1,106.5	\$ 1,268.6	\$ 1,033.0	\$ 1,268.6
Settlement assets	3,635.6	3,687.0	3,648.3	3,687.0
Property and equipment, net of accumulated depreciation of \$446.1 and \$438.8, respectively	88.6	91.4		
Property and equipment, net of accumulated depreciation of \$440.5 and \$438.8, respectively	82.6	91.4		
Goodwill	2,049.5	2,034.6	2,056.4	2,034.6
Other intangible assets, net of accumulated amortization of \$685.6 and \$685.9, respectively	369.0	380.2		
Other intangible assets, net of accumulated amortization of \$652.3 and \$685.9, respectively	347.0	380.2		
Other assets	804.0	737.0	804.0	737.0
<b>Total assets</b>	<b>\$ 8,053.2</b>	<b>\$ 8,198.8</b>	<b>\$ 7,971.3</b>	<b>\$ 8,198.8</b>
<b>Liabilities and stockholders' equity</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 392.7	\$ 453.0	\$ 376.5	\$ 453.0
Settlement obligations	3,635.6	3,687.0	3,648.3	3,687.0
Income taxes payable	668.9	659.5	454.0	659.5
Deferred tax liability, net	149.4	147.6	144.0	147.6
Borrowings	2,540.3	2,504.6	2,635.8	2,504.6
Other liabilities	268.4	268.1	271.9	268.1
<b>Total liabilities</b>	<b>7,655.3</b>	<b>7,719.8</b>	<b>7,530.5</b>	<b>7,719.8</b>
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; 339.6 shares and 350.5 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively	3.4	3.5		

Common stock, \$0.01 par value; 2,000 shares authorized; 337.8 shares and 350.5 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively	3.4	3.5		
Capital surplus	1,040.6	1,031.9	1,050.8	1,031.9
Accumulated deficit	(485.0)	(389.1)	(451.3)	(389.1)
Accumulated other comprehensive loss	(161.1)	(167.3)	(162.1)	(167.3)
Total stockholders' equity	397.9	479.0	440.8	479.0
Total liabilities and stockholders' equity	\$ 8,053.2	\$ 8,198.8	\$ 7,971.3	\$ 8,198.8

See Notes to Condensed Consolidated Financial Statements.

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**THE WESTERN UNION COMPANY**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Unaudited)  
(in millions)

**Cash flows from operating activities**

Net income

	Three Months Ended		Six Months Ended	
	March 31,		June 30,	
	2024	2023	2024	2023
Net income	\$ 142.7	\$ 151.8	\$ 283.7	\$ 328.0
Adjustments to reconcile net income to net cash provided by operating activities:				

Depreciation

9.2 10.2 18.7 20.1

Amortization

37.4 36.4 74.0 72.4

Other non-cash items, net

20.0 19.3 50.4 35.6

Increase/(decrease) in cash, excluding the effects of acquisitions and divestitures, resulting from changes in:

Decrease in cash, excluding the effects of acquisitions and divestitures, resulting from changes in:

Other assets

(46.6) (28.1) (72.9) (52.7)

Accounts payable and accrued liabilities

(64.4) (62.2) (75.3) (52.0)

Income taxes payable

8.8 17.2 (208.8) (86.4)

Other liabilities

(13.1) (7.3) (9.6) (1.0)

Net cash provided by operating activities	94.0	137.3	60.2	264.0
<b>Cash flows from investing activities</b>				
Payments for capitalized contract costs	(2.4)	(31.0)	(5.2)	(32.9)
Payments for internal use software	(21.7)	(19.6)	(43.2)	(46.0)
Purchases of property and equipment	(11.0)	(6.8)	(16.1)	(11.2)
Purchases of settlement investments	(130.2)	(124.7)	(251.6)	(198.3)
Proceeds from the sale of settlement investments	160.2	22.2	171.8	66.8
Maturities of settlement investments	23.3	22.4	96.9	54.3
Proceeds from the sale of non-settlement investments	—	100.0	—	100.0
Other investing activities	(24.5)	1.1	(21.0)	2.2
Net cash used in investing activities	(6.3)	(36.4)	(68.4)	(65.1)
<b>Cash flows from financing activities</b>				
Cash dividends and dividend equivalents paid (Note 9)	(80.5)	(88.1)	(162.3)	(178.7)
Common stock repurchased (Note 9)	(150.6)	(5.1)	(180.8)	(6.0)
Net proceeds from/(repayments of) commercial paper	35.0	(155.0)		
Net proceeds from commercial paper	129.9	494.6		
Principal payments on borrowings	—	(300.0)		
Proceeds from exercise of options	—	0.3	—	0.3
Net change in settlement obligations	(136.9)	109.1	(78.5)	(619.8)
Other financing activities	(0.1)	(0.2)	(0.9)	0.1
Net cash used in financing activities	(333.1)	(139.0)	(292.6)	(609.5)
Net change in cash and cash equivalents, including settlement, and restricted cash	(245.4)	(38.1)	(300.8)	(410.6)
Cash and cash equivalents, including settlement, and restricted cash at beginning of period	1,786.2	2,040.7	1,786.2	2,040.7
Cash and cash equivalents, including settlement, and restricted cash at end of period	<u>\$ 1,540.8</u>	<u>\$ 2,002.6</u>	<u>\$ 1,485.4</u>	<u>\$ 1,630.1</u>

See Notes to Condensed Consolidated Financial Statements.

### SUPPLEMENTAL CASH FLOW INFORMATION

(Unaudited)

(in millions)

	March 31,		June 30,	
	2024	2023	2024	2023
<b>Reconciliation of balance sheet cash and cash equivalents to cash flows:</b>				
Cash and cash equivalents on balance sheet	\$ 1,106.5	\$ 1,228.6	\$ 1,033.0	\$ 1,585.9
Settlement cash and cash equivalents (Note 8)	412.4	737.1	434.7	11.1
Restricted cash in Other assets	21.9	36.9	17.7	33.1
Cash and cash equivalents, including settlement, and restricted cash at end of period	<u>\$ 1,540.8</u>	<u>\$ 2,002.6</u>	<u>\$ 1,485.4</u>	<u>\$ 1,630.1</u>
Three Months Ended				
March 31,		June 30,		
2024	2023	2024	2023	
<b>Supplemental cash flow information:</b>				
Interest paid	\$ 21.4	\$ 16.9	\$ 55.6	\$ 50.9
Income taxes paid	\$ 17.1	\$ 13.3	\$ 262.7	\$ 162.3

See Notes to Condensed Consolidated Financial Statements.

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### THE WESTERN UNION COMPANY

#### CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(Unaudited)

(in millions)

Accumulated					Accumulated						
		Other		Total			Other		Total		
Common Stock	Capital	Accumulated	Comprehensive	Stockholders'	Common Stock	Capital	Accumulated	Comprehensive	Stockholders'		
Shares	Amount	Surplus	Deficit	Loss	Equity	Shares	Amount	Surplus	Deficit	Loss	Equity

Balance, December 31,																	
<b>2023</b>	350.5	\$	3.5	\$	1,031.9	\$	(389.1)	\$	(167.3)	\$	479.0	350.5	\$	3.5	\$	1,031.9	\$
Net income	—	—	—	—	142.7	—	—	—	142.7	—	—	—	142.7	—	—	142.7	—
Stock-based compensation	—	—	8.7	—	—	—	8.7	—	—	8.7	—	—	—	—	—	—	8.7
Common stock dividends and dividend equivalents declared (\$0.235 per share)	—	—	—	—	(81.9)	—	(81.9)	—	—	—	(81.9)	—	—	(81.9)	—	—	(81.9)
Repurchase and retirement of common shares	(12.3)	(0.1)	—	—	(156.7)	—	(156.8)	(12.3)	(0.1)	—	(156.7)	—	—	(156.8)	—	—	(156.8)
Shares issued under stock- based compensation plans	1.4	—	—	—	—	—	—	1.4	—	—	—	—	—	—	—	—	—
Other comprehensive income (Note 9)	—	—	—	—	—	—	6.2	—	—	—	—	—	—	6.2	—	—	6.2
Balance, March 31,																	
<b>2024</b>	<u>339.6</u>	<u>\$</u>	<u>3.4</u>	<u>\$</u>	<u>1,040.6</u>	<u>\$</u>	<u>(485.0)</u>	<u>\$</u>	<u>(161.1)</u>	<u>\$</u>	<u>397.9</u>	<u>339.6</u>	<u>\$</u>	<u>3.4</u>	<u>\$</u>	<u>1,040.6</u>	<u>\$</u>
Net income	—	—	—	—	141.0	—	—	—	141.0	—	—	—	—	—	—	—	—
Stock-based compensation	—	—	10.2	—	—	—	10.2	—	—	—	—	—	—	—	—	—	—
Common stock dividends and dividend equivalents declared (\$0.235 per share)	—	—	—	—	(80.4)	—	(80.4)	—	—	—	—	—	—	—	—	—	—

Repurchase and retirement of common shares	(2.0)	—	—	(26.9)	—	(26.9)
Shares issued under stock- based compensation plans	0.2	—	—	—	—	—
Other comprehensive loss (Note 9)	—	—	—	—	(1.0)	(1.0)
<b>Balance, June 30, 2024</b>	<b>337.8</b>	<b>\$ 3.4</b>	<b>\$ 1,050.8</b>	<b>\$ (451.3)</b>	<b>\$ (162.1)</b>	<b>\$ 440.8</b>

	Accumulated						Accumulated					
	Other			Total			Other			Total		
	Common Stock	Capital	Accumulated	Comprehensive	Stockholders'	Equity	Common Stock	Capital	Accumulated	Comprehensive	Stockholders'	Equity
	Shares	Amount	Surplus	Deficit	Loss	Equity	Shares	Amount	Surplus	Deficit	Loss	Equity
<b>Balance, December 31, 2022</b>	<b>373.5</b>	<b>\$ 3.7</b>	<b>\$ 995.9</b>	<b>\$ (353.9)</b>	<b>\$ (167.9)</b>	<b>\$ 477.8</b>	<b>373.5</b>	<b>\$ 3.7</b>	<b>\$ 995.9</b>	<b>\$ (353.9)</b>	<b>\$ (167.9)</b>	<b>\$ 477.8</b>
Net income	—	—	—	151.8	—	151.8	—	—	—	151.8	—	151.8
Stock-based compensation	—	—	8.0	—	—	8.0	—	—	8.0	—	—	8.0
Common stock dividends and dividend equivalents declared (\$0.235 per share)	—	—	—	(88.6)	—	(88.6)	—	—	—	(88.6)	—	(88.6)
Repurchase and retirement of common shares	(0.5)	(0.1)	—	(6.1)	—	(6.2)	(0.5)	(0.1)	—	(6.1)	—	(6.2)
Shares issued under stock- based compensation plans	1.4	0.1	0.2	—	—	0.3	1.4	0.1	0.2	—	—	0.3

Other comprehensive income (Note 9)	—	—	—	—	9.7	9.7	—	—	—	—	9.7	9.7
<b>Balance, March 31, 2023</b>	<b>374.4</b>	<b>\$ 3.7</b>	<b>\$ 1,004.1</b>	<b>\$ (296.8)</b>	<b>\$ (158.2)</b>	<b>\$ 552.8</b>	<b>374.4</b>	<b>\$ 3.7</b>	<b>\$ 1,004.1</b>	<b>\$ (296.8)</b>	<b>\$ (158.2)</b>	<b>552.8</b>
Net income	—	—	—	176.2	—	176.2						
Stock-based compensation	—	—	9.5	—	—	9.5						
Common stock dividends and dividend equivalents declared (\$0.235 per share)	—	—	—	(89.5)	—	(89.5)						
Repurchase and retirement of common shares	—	—	—	(0.3)	—	(0.3)						
Shares issued under stock-based compensation plans	0.1	—	—	—	—	—						
Other comprehensive loss (Note 9)	—	—	—	—	(22.2)	(22.2)						
<b>Balance, June 30, 2023</b>	<b>374.5</b>	<b>\$ 3.7</b>	<b>\$ 1,013.6</b>	<b>\$ (210.4)</b>	<b>\$ (180.4)</b>	<b>\$ 626.5</b>						

See Notes to Condensed Consolidated Financial Statements.

## THE WESTERN UNION COMPANY

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

#### 1. Business and Basis of Presentation

##### *Business*

The Western Union Company ("Western Union" or the "Company") is a leader in cross-border, cross-currency money movement, payments, and digital financial services, empowering consumers, businesses, financial institutions, and 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 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 consists of the following operating segments:

- *Consumer Money Transfer* - The 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.
- *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, and the final closing for this transaction occurred on July 1, 2023. See Note 4 for further information regarding this transaction.

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, 2023, the Company's restricted net assets associated with these asset limitations and minimum capital requirements totaled approximately \$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 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") 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 **March 31, 2024** **June 30, 2024** and December 31, 2023 and for all periods presented.

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**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 **March 31, 2024** **June 30, 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, 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, pay-in and pay-out method, 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 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, 2023.

Revenues from consumer money transfers are included in the Company's 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. 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 six months ended

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### THE WESTERN UNION COMPANY

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

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

Regions:	Three Months Ended March 31, 2024						Three Months Ended June 30, 2024					
	Consumer			Consumer			Consumer			Consumer		
	Money	Transfer	Services	Money	Transfer	Services	Money	Transfer	Services	Money	Transfer	Services
North America	\$ 354.5	\$ 39.4	\$ 393.9	\$ 376.3	\$ 37.2	\$ 413.5						
Europe and CIS	224.4		4.5	233.9		16.9	228.9			250.8		
Middle East, Africa, and South Asia	192.3		0.1	168.5		0.1	192.4			168.6		
Latin America and the Caribbean	107.5		23.1	107.6		30.4	130.6			138.0		
Asia Pacific	49.9		—	49.8		—	49.9			49.8		

Revenues from contracts with customers	\$ 928.6	\$ 67.1	\$ 995.7	\$ 936.1	\$ 84.6	\$ 1,020.7
Other revenues (a)	33.4	20.0	53.4	28.9	16.8	45.7
Total revenues	<u>\$ 962.0</u>	<u>\$ 87.1</u>	<u>\$ 1,049.1</u>	<u>\$ 965.0</u>	<u>\$ 101.4</u>	<u>\$ 1,066.4</u>

	Three Months Ended March 31, 2023						Three Months Ended June 30, 2023					
	Foreign						Foreign					
	Consumer	Exchange					Consumer	Exchange				
	Money	and Payment	Consumer			Total	Money	and Payment	Consumer			Total
Transfer	Services(b)	Services			Total		Transfer	Services(b)	Services			Total
Regions:												
North America	\$ 347.3	\$ —	\$ 33.4	\$ 380.7	\$ 372.3	\$ —	\$ 33.8	\$ 406.1				
Europe and CIS	233.7	6.5	5.5	245.7	246.0	6.5	4.7	257.2				
Middle East, Africa, and South Asia	169.3	—	0.1	169.4	264.8	—	0.1	264.9				
Latin America and the Caribbean	99.7	—	28.2	127.9	99.8	—	27.3	127.1				
Asia Pacific	55.3	—	—	55.3	54.8	—	—	54.8				
Revenues from contracts with customers	<u>\$ 905.3</u>	<u>\$ 6.5</u>	<u>\$ 67.2</u>	<u>\$ 979.0</u>	<u>\$ 1,037.7</u>	<u>\$ 6.5</u>	<u>\$ 65.9</u>	<u>\$ 1,110.1</u>				
Other revenues (a)	33.0	8.9	16.0	57.9	34.5	7.8	17.6	59.9				
Total revenues	<u>\$ 938.3</u>	<u>\$ 15.4</u>	<u>\$ 83.2</u>	<u>\$ 1,036.9</u>	<u>\$ 1,072.2</u>	<u>\$ 14.3</u>	<u>\$ 83.5</u>	<u>\$ 1,170.0</u>				

	Six Months Ended June 30, 2024					
	Consumer					
	Money	Transfer	Services	Consumer	Services	Total
Regions:						
North America		\$ 730.8	\$ 76.6	\$ 807.4		
Europe and CIS		458.3	21.4	479.7		
Middle East, Africa, and South Asia		360.8	0.2	361.0		
Latin America and the Caribbean		215.1	53.5	268.6		
Asia Pacific		99.7	—	99.7		
Revenues from contracts with customers		<u>\$ 1,864.7</u>	<u>\$ 151.7</u>	<u>\$ 2,016.4</u>		
Other revenues (a)		62.3	36.8	99.1		
Total revenues		<u>\$ 1,927.0</u>	<u>\$ 188.5</u>	<u>\$ 2,115.5</u>		

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	Six Months Ended June 30, 2023						
	Foreign						
	Consumer		Exchange				
	Money	Transfer	and Payment	Services(b)	Consumer	Services	Total
<b>Regions:</b>							
North America	\$ 719.6	\$ —	\$ 67.2	\$ 786.8			
Europe and CIS	479.7	13.0	10.2	502.9			
Middle East, Africa, and South Asia	434.1	—	0.2	434.3			
Latin America and the Caribbean	199.5	—	55.5	255.0			
Asia Pacific	110.1	—	—	110.1			
Revenues from contracts with customers	\$ 1,943.0	\$ 13.0	\$ 133.1	\$ 2,089.1			
Other revenues (a)	67.5	16.7	33.6	117.8			
<b>Total revenues</b>	<b>\$ 2,010.5</b>	<b>\$ 29.7</b>	<b>\$ 166.7</b>	<b>\$ 2,206.9</b>			

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

[Table of Contents](#)**THE WESTERN UNION COMPANY****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)****(Unaudited)****3. Earnings Per Share**

The calculation of basic earnings per share is computed by dividing net income 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 **11.4** **12.4** million and **9.2** **10.1** million for the three months ended **March 31, 2024** **June 30, 2024** and 2023, respectively, and 11.9 million and 9.7 million for the six months ended **June 30, 2024** and 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 Ended		Three Months Ended		Six Months Ended	
	March 31,		June 30,		June 30,	
	2024	2023	2024	2023	2024	2023
Basic weighted-average shares outstanding	344.4	374.4	338.6	375.0	341.5	374.7
Common stock equivalents	1.3	1.1	1.0	0.6	1.1	0.9
Diluted weighted-average shares outstanding	<b>345.7</b>	<b>375.5</b>	<b>339.6</b>	<b>375.6</b>	<b>342.6</b>	<b>375.6</b>

#### 4. 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 final closing for this transaction occurred on July 1, 2023. During the period between the second and final closings, the Company was required to pay the Buyer a measure of profit of the European Union

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 \$1.4 ~~1.5~~ million and \$2.9 million for the three and six months ended ~~March 31, 2023~~ June 30, 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 \$15.4 ~~14.3~~ million and direct operating expenses, excluding corporate allocations, were \$13.5 ~~12.6~~ million for the three months ended ~~March 31, 2023~~ June 30, 2023. For the three six months ended ~~March 31, 2023~~ June 30, 2023, Business Solutions revenues were \$29.7 million, and direct operating expenses, excluding corporate allocations, were \$26.1 million. For both the three and six months ended June 30, 2023, divestiture costs directly associated with this transaction were immaterial, \$1.0 million.

## 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, 2023.

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### 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):

	Fair Value			Fair Value		
	Measurement Using		Total	Measurement Using		Total
	Level			Level		
March 31, 2024	1	Level 2	Fair Value			
June 30, 2024	1	Level 2	Fair Value			
Assets:						
Settlement assets:						
Measured at fair value through net income:						
Money market funds	\$ 13.0	\$ —	\$ 13.0	\$ 11.4	\$ —	\$ 11.4
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	—	1,035.0	1,035.0

Asset-backed securities	—	213.8	213.8	—	261.7	261.7
Corporate debt securities	—	86.2	86.2	—	83.4	83.4
State and municipal variable-rate demand notes	—	47.7	47.7	—	47.7	47.7
United States government agency mortgage-backed securities	—	10.5	10.5	—	9.0	9.0
Other assets:						
Derivatives	—	15.7	15.7	—	12.4	12.4
Total assets	<u>\$ 13.0</u>	<u>\$ 1,418.7</u>	<u>\$ 1,431.7</u>	<u>\$ 11.4</u>	<u>\$ 1,449.2</u>	<u>\$ 1,460.6</u>
Liabilities:						
Other liabilities:						
Derivatives	\$ —	\$ 6.7	\$ 6.7	\$ —	\$ 7.0	\$ 7.0
Total liabilities	<u>\$ —</u>	<u>\$ 6.7</u>	<u>\$ 6.7</u>	<u>\$ —</u>	<u>\$ 7.0</u>	<u>\$ 7.0</u>

December 31, 2023	Fair Value Measurement Using			Total	
	Level 1	Level 2	Fair Value		
<b>Assets:</b>					
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	1,011.4	
Asset-backed securities	—	195.7	195.7	195.7	
Corporate debt securities	—	152.2	152.2	152.2	
State and municipal variable-rate demand notes	—	86.8	86.8	86.8	
United States government agency mortgage-backed securities	—	12.1	12.1	12.1	
Other assets:					
Derivatives	—	10.8	10.8	10.8	
Total assets	<u>\$ 11.8</u>	<u>\$ 1,469.0</u>	<u>\$ 1,480.8</u>		
<b>Liabilities:</b>					
Other liabilities:					
Derivatives	\$ —	\$ 17.4	\$ 17.4	\$ 17.4	
Total liabilities	<u>\$ —</u>	<u>\$ 17.4</u>	<u>\$ 17.4</u>		

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.

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**(Unaudited)**

December 31, 2023	Fair Value Measurement Using		Total	
	Level 1	Level 2		
<b>Assets:</b>				
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	
<b>Total assets</b>	<b>\$ 11.8</b>	<b>\$ 1,469.0</b>	<b>\$ 1,480.8</b>	
<b>Liabilities:</b>				
Other liabilities:				
Derivatives	\$ —	\$ 17.4	\$ 17.4	
<b>Total liabilities</b>	<b>\$ —</b>	<b>\$ 17.4</b>	<b>\$ 17.4</b>	

There were no material, non-recurring fair value adjustments in the three and six months ended June 30, 2024 and 2023. There were no transfers between Level 1 and Level 2 measurements during the three and six months ended June 30, 2024 and 2023.

#### *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 **March 31, 2024** **June 30, 2024**, the carrying value and fair value of the Company's borrowings were **\$2,540.3** **\$2,635.8** million and **\$2,453.9** **\$2,546.0** million, respectively (see Note 11). As of December 31, 2023, the carrying value and fair value of the Company's borrowings were \$2,504.6 million and \$2,419.0 million, respectively.

#### **6. Commitments and Contingencies**

##### *Letters of Credit and Bank Guarantees*

The Company had approximately \$150.60 million in outstanding letters of credit and bank guarantees as of **March 31, 2024** **June 30, 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.

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### **THE WESTERN UNION COMPANY**

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

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 **March 31, 2024** **June 30, 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. ("WUFSA"). The lawsuit alleges, among other things, that WUFSAs fees for money transfers sent from Argentina are excessive and that WUFSA does not provide consumers with adequate information about foreign exchange rates. The plaintiff is seeking, among other things, an order requiring WUFSA to reimburse consumers for the fees they paid and the foreign exchange revenue associated with money transfers

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**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 WUFSA in May 2016, and in June 2016 WUFSA 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. WUFSA 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 original complaint alleges alleged 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") 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 amended complaint on March 21, 2024. On May 9, 2024, the plaintiffs filed a second amended complaint that re-alleges the state law cause of action against WUFSI, but does not re-allege the federal cause of action against WUFSI. 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 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 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"), which

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

was later joined by three additional individuals. These six individuals (the "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 (\$11.3 **11.2** million as of **March 31, 2024** June 30, 2024). In 2019, the Commercial Court in Kinshasa-Gombe entered a judgment against The Western Union Company ("TWUC") in the amount of €9 million (\$9.7 **9.6** million as of **March 31, 2024** June 30, 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 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 **March 31, 2024** June 30, 2024 and 2023 totaled \$10.4 **10.8** million and \$10.8 **11.5** million, respectively, and \$21.2 million and \$22.3 million for the six months ended June 30, 2024 and 2023, respectively.

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[Table of Contents](#)**THE WESTERN UNION COMPANY****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 consisted of the following (in millions):

	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023
<b>Settlement assets:</b>				
Cash and cash equivalents	\$ 412.4	\$ 496.0	\$ 434.7	\$ 496.0
Receivables from agents and others	1,832.2	1,748.3	1,788.6	1,748.3
Less: Allowance for credit losses	(11.9)	(15.4)	(11.7)	(15.4)
Receivables from agents and others, net	1,820.3	1,732.9	1,776.9	1,732.9
Investment securities	1,403.0	1,458.2	1,436.8	1,458.2
Less: Allowance for credit losses	(0.1)	(0.1)	(0.1)	(0.1)
Investment securities, net	1,402.9	1,458.1	1,436.7	1,458.1
<b>Total settlement assets</b>	<b>\$ 3,635.6</b>	<b>\$ 3,687.0</b>	<b>\$ 3,648.3</b>	<b>\$ 3,687.0</b>
<b>Settlement obligations:</b>				
Money transfer, money order, and payment service payables	\$ 2,940.7	\$ 2,764.5	\$ 2,758.9	\$ 2,764.5
Payables to agents	694.9	922.5	889.4	922.5
<b>Total settlement obligations</b>	<b>\$ 3,635.6</b>	<b>\$ 3,687.0</b>	<b>\$ 3,648.3</b>	<b>\$ 3,687.0</b>

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**THE WESTERN UNION COMPANY**

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

**(Unaudited)**

*Allowance for Credit Losses*

Receivables from agents and others primarily represent funds collected by such agents, but in transit to the Company, and were \$1,820.3 million and \$1,732.9 million as of March 31, 2024 and December 31, 2023, respectively. Company. 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.

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 known as of **March 31, 2024** **June 30, 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	Agents and Others
Allowance for credit losses as of January 1, 2024	\$ 15.4	\$ 15.4
Current period provision for expected credit losses (a)	—	—
Write-offs charged against the allowance	(5.2)	(5.2)
Recoveries of amounts previously written off	2.3	2.3
Impacts of foreign currency exchange rates and other	(0.6)	(0.6)
Allowance for credit losses as of March 31, 2024	<u>\$ 11.9</u>	<u>11.9</u>
Current period provision for expected credit losses (a)	3.0	
Write-offs charged against the allowance	(8.4)	
Recoveries of amounts previously written off	3.3	
Impacts of foreign currency exchange rates and other	1.9	
Allowance for credit losses as of June 30, 2024	<u>\$ 11.7</u>	

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**THE WESTERN UNION COMPANY**

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

**(Unaudited)**

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

Allowance for credit losses as of March 31, 2023	\$ 8.7	\$ 2.0	8.7	2.0
Current period provision for expected credit losses <sup>(a)</sup>	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	\$ —		

(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 \$14.8 million and \$9.1 million for the three months ended March 31, 2024 and June 30, 2024, respectively, and \$9.1 million and \$6.1 million for the three months ended March 31, 2023 and June 30, 2023, respectively.

In addition, from time to time, the Company makes advances to its agents and disbursement partners. The Company 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 March 31, 2024 June 30, 2024 and December 31, 2023, amounts advanced to agents and disbursement partners were \$200.7 million and \$188.5 million, respectively, and the related allowances for credit losses were immaterial.

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**THE WESTERN UNION COMPANY**

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

*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 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 components of investment securities during the three months ended March 31, 2024 and 2023 and the related allowance for credit losses as of March 31, 2024 and December 31, 2023 were immaterial, follows (in millions):

June 30, 2024	Amortized Cost	Fair Value	Gross		Gross		Net		
			Unrealized Gains	Unrealized Losses	Unrealized Losses	Unrealized Gains/(Losses)			
<b>Settlement assets:</b>									
Cash and cash equivalents:									
Money market funds	\$ 11.4	\$ 11.4	\$ —	\$ —	\$ —	\$ —			
<b>Available-for-sale securities:</b>									
State and municipal debt securities (a)	1,079.3	1,035.0	3.1	(47.4)	(44.3)				
Asset-backed securities	260.4	261.7	1.4	(0.1)	1.3				
Corporate debt securities	87.0	83.4	0.5	(4.1)	(3.6)				
State and municipal variable-rate demand notes	47.7	47.7	—	—	—				
United States government agency mortgage-backed securities	9.4	9.0	—	(0.4)	(0.4)				
<b>Total available-for-sale securities</b>	<b>1,483.8</b>	<b>1,436.8</b>	<b>5.0</b>	<b>(52.0)</b>	<b>(47.0)</b>				
<b>Total investment securities</b>	<b>\$ 1,495.2</b>	<b>\$ 1,448.2</b>	<b>\$ 5.0</b>	<b>\$ (52.0)</b>	<b>\$ (47.0)</b>				

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### THE WESTERN UNION COMPANY

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

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

	Gross	Gross	Net
--	-------	-------	-----

March 31, 2024	Amortized		Fair		Unrealized		Unrealized		Unrealized	
	Cost	Value	Gains	Losses	Gains/(Losses)					
Settlement assets:										
Cash and cash equivalents:										
Money market funds	\$ 13.0	\$ 13.0	\$ —	\$ —	\$ —					
Available-for-sale securities:										
State and municipal debt securities (a)	1,087.1	1,044.8	5.2	(47.5)	(42.3)					
Asset-backed securities	212.9	213.8	1.0	(0.1)	0.9					
Corporate debt securities	89.9	86.2	0.6	(4.3)	(3.7)					
State and municipal variable-rate demand notes	47.7	47.7	—	—	—					
United States government agency mortgage-backed securities	11.1	10.5	—	(0.6)	(0.6)					
Total available-for-sale securities	<u>1,448.7</u>	<u>1,403.0</u>	<u>6.8</u>	<u>(52.5)</u>	<u>(45.7)</u>					
Total investment securities	<u>\$ 1,461.7</u>	<u>\$ 1,416.0</u>	<u>\$ 6.8</u>	<u>\$ (52.5)</u>	<u>\$ (45.7)</u>					

December 31, 2023	Amortized		Fair		Unrealized		Unrealized		Unrealized	
	Cost	Value	Gains	Losses	Gains/(Losses)					
Settlement assets:										
Cash and cash equivalents:										
Money market funds	\$ 11.8	\$ 11.8	\$ —	\$ —	\$ —					
Available-for-sale securities:										
State and municipal debt securities (a)	1,049.3	1,011.4	8.7	(46.6)	(37.9)					
Asset-backed securities	194.5	195.7	1.2	—	1.2					
Corporate debt securities	155.2	152.2	1.5	(4.5)	(3.0)					
State and municipal variable-rate demand notes	86.8	86.8	—	—	—					
United States government agency mortgage-backed securities	12.6	12.1	—	(0.5)	(0.5)					
Total available-for-sale securities	<u>1,498.4</u>	<u>1,458.2</u>	<u>11.4</u>	<u>(51.6)</u>	<u>(40.2)</u>					
Total investment securities	<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 **March 31, 2024** **June 30, 2024**, by the length of time the securities were in a continuous loss position (in 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	67	\$ 174.5	\$ (1.5)	126	\$ 248.1	\$ (2.2)
Asset-backed securities	8	12.7	(0.1)	12	25.0	(0.1)

One Year or Greater	Number of Securities	Fair Value	Unrealized Losses	Number of Securities	Fair Value	Unrealized Losses
State and municipal debt securities	260	\$ 559.3	\$ (46.0)	255	\$ 544.3	\$ (45.2)
Corporate debt securities	14	52.3	(4.3)	13	49.4	(4.1)
United States government agency mortgage-backed securities	10	9.9	(0.6)	10	8.6	(0.4)

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**THE WESTERN UNION COMPANY**

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

As noted above, the Company's provision for credit losses on its investment securities during the three and six months ended March 31, 2024 June 30, 2024 and the related allowance for credit losses as of March 31, 2024 June 30, 2024 were immaterial, as the unrealized losses were driven by a rise in U.S. Treasury interest rates. As of March 31, 2024 June 30, 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 March 31, 2024 June 30, 2024 (in millions):

	Fair Value	Fair Value
	\$	\$
Due within 1 year	95.8	102.6
Due after 1 year through 5 years	563.4	536.8
Due after 5 years through 10 years	454.1	526.4
Due after 10 years	289.7	271.0
Total	<u>1,403.0</u>	<u>1,436.8</u>

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 \$47.7 million, are included in the "Due after 10 years" category in the table above.

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**(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.

Income for the period (in millions)	Location	Amounts Reclassified from AOCL to Net Income	
		Three Months Ended	
		Income Statement	March 31,
Accumulated other comprehensive loss components:			
Gains/(Losses) on investment securities:			
Available-for-sale securities	Revenues	\$ 2.5	\$ (0.1)
Income tax expense	Provision for income taxes	(0.4)	—
Total reclassification adjustments related to investment securities, net of tax		2.1	(0.1)
Gains on cash flow hedges:			
Foreign currency contracts	Revenues	2.7	8.2
Total reclassification adjustments related to cash flow hedges, net of tax		2.7	8.2
Total reclassifications, net of tax		\$ 4.8	\$ 8.1

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**(Unaudited)**

Income for the period (in millions)	Amounts Reclassified from AOCL to Net Income					
	Location	Three Months Ended		Six Months Ended		
		June 30,	2023	June 30,	2023	
Accumulated other comprehensive loss components:						
Gains/(losses) on investment securities:						
Available-for-sale securities	Revenues	\$ (1.0)	\$ —	\$ 1.5	\$ (0.1)	
Income tax benefit/(expense)	Provision for income taxes	0.2	—	(0.2)	—	
Total reclassification adjustments related to investment securities, net of tax		(0.8)	—	1.3	(0.1)	
Gains on cash flow hedges:						
Foreign currency contracts	Revenues	1.3	7.8	4.0	16.0	
Interest rate contracts	Interest expense	0.1	—	0.1	—	
Income tax expense	Provision for income taxes	—	(0.2)	—	(0.2)	
Total reclassification adjustments related to cash flow hedges, net of tax		1.4	7.6	4.1	15.8	
Total reclassifications, net of tax		\$ 0.6	\$ 7.6	\$ 5.4	\$ 15.7	

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

	Foreign				Foreign			
	Investment	Hedging	Currency		Investment	Hedging	Currency	
			Securities	Activities			Securities	Activities
As of December 31, 2023	\$ (33.0)	\$ (15.3)	\$ (119.0)	\$ (167.3)	\$ (33.0)	\$ (15.3)	\$ (119.0)	\$ (167.3)
Unrealized gains/(losses)	(3.0)	13.6	—	10.6	(3.0)	13.6	—	10.6
Tax benefit/(expense)	0.5	(0.1)	—	0.4	0.5	(0.1)	—	0.4
Amounts reclassified from AOCL into earnings, net of tax	(2.1)	(2.7)	—	(4.8)	(2.1)	(2.7)	—	(4.8)
As of March 31, 2024	\$ (37.6)	\$ (4.5)	\$ (119.0)	\$ (161.1)	(37.6)	(4.5)	(119.0)	(161.1)
Unrealized gains/(losses)	(2.5)	1.6	—	(0.9)				
Tax benefit	0.5	—	—	0.5				
Amounts reclassified from AOCL into earnings, net of tax	0.8	(1.4)	—	(0.6)				
As of June 30, 2024	\$ (38.8)	\$ (4.3)	\$ (119.0)	\$ (162.1)				

	Foreign		
	Investment	Hedging	Currency

	Securities	Activities	Translation	Total
As of December 31, 2022	\$ (69.4)	\$ 20.5	\$ (119.0)	\$ (167.9)
Unrealized gains/(losses)	24.1	(2.2)	—	21.9
Tax benefit/(expense)	(4.2)	0.1	—	(4.1)
Amounts reclassified from AOCL into earnings, net of tax	0.1	(8.2)	—	(8.1)
As of March 31, 2023	<u>\$ (49.4)</u>	<u>\$ 10.2</u>	<u>\$ (119.0)</u>	<u>\$ (158.2)</u>

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**THE WESTERN UNION COMPANY**

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

**(Unaudited)**

	Foreign			
	Investment	Hedging	Currency	
	Securities	Activities	Translation	Total
As of December 31, 2022	\$ (69.4)	\$ 20.5	\$ (119.0)	\$ (167.9)
Unrealized gains/(losses)	24.1	(2.2)	—	21.9
Tax benefit/(expense)	(4.2)	0.1	—	(4.1)
Amounts reclassified from AOCL into earnings, net of tax	0.1	(8.2)	—	(8.1)
As of March 31, 2023	<u>(49.4)</u>	<u>10.2</u>	<u>(119.0)</u>	<u>(158.2)</u>
Unrealized losses	(13.8)	(3.1)	—	(16.9)
Tax benefit/(expense)	2.4	(0.1)	—	2.3
Amounts reclassified from AOCL into earnings, net of tax	—	(7.6)	—	(7.6)
As of June 30, 2023	<u>\$ (60.8)</u>	<u>\$ (0.6)</u>	<u>\$ (119.0)</u>	<u>\$ (180.4)</u>

*Cash Dividends Paid*

During **In** both the **three months ended March 31, 2024** **first and second quarters of 2024** and 2023, the Company's Board of Directors declared quarterly cash dividends of \$0.235 per common share, representing **\$80.1** **79.4** million and \$88.0 million **in** of total dividends **for the three months ended June 30, 2024 and 2023**, respectively, **which were paid** and \$159.5 million and \$176.0 million of total dividends **for the six months ended June 30, 2024 and 2023**, respectively. On July 24, 2024, the Company's Board of Directors declared a quarterly cash dividend of \$0.235 per common share, payable on **March 29, September 30, 2024** and **March 31, 2023**, 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 three six months ended **March 31, 2024** **June 30, 2024**, **11.8** **13.8** million shares were repurchased under this authorization for **\$150.0** **176.2** million, excluding commissions, at an average cost of **\$12.66** **12.76**. No shares were repurchased during the three six months ended **March 31, 2023** **June 30, 2023** under this share repurchase authorization. As of **March 31, 2024** **June 30, 2024**, **\$198.2** **172.0** million remained available under this share repurchase authorization. The amounts included in the Common stock repurchased line in the 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, 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 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-" 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.

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### 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

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denominated in other currencies related to its business. As of **March 31, 2024** **June 30, 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.

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

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Contracts designated as hedges:				
Euro	\$ 212.6	\$ 227.0	\$ 207.6	\$ 227.0
Canadian dollar	98.6	97.9	102.5	97.9
British pound	58.4	56.9	62.5	56.9
Australian dollar	46.1	46.5	46.7	46.5
Swiss franc	37.9	37.4	39.2	37.4

Other (a)	39.0	40.3	37.7	40.3
Contracts not designated as hedges:				
Euro	\$ 516.5	\$ 597.9	\$ 550.9	\$ 597.9
Mexican peso	213.3	168.1	181.5	168.1
British pound	100.3	174.9	103.8	174.9
Philippine peso	57.8	38.0		
Australian dollar	67.4	79.9	55.4	79.9
Canadian dollar	52.4	77.2		
Indian rupee	50.0	55.3	49.8	55.3
Canadian dollar	47.4	77.2		
Brazilian real	32.6	31.4	28.9	31.4
Chinese yuan	27.3	30.0	22.9	30.0
Philippine peso	26.9	38.0		
Japanese yen	16.1	29.2		
Singapore dollar	18.9	27.5	14.5	27.5
Japanese yen	15.3	29.2		
Other (a)	138.2	146.2	142.7	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

Prior to the final closing of the Business Solutions 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 \$14.3 million and \$27.8 million for the three and six months ended March 31, 2023, June 30, 2023, respectively. None of the derivative contracts used in Business Solutions operations were designated as accounting hedges.

### Balance Sheet

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

	Derivative Assets			Derivative Liabilities			Derivative Assets			Derivative Liabilities		
	Fair Value			Fair Value			Fair Value			Fair Value		
	Balance	March	December	Balance	March	December	Balance	June	December	Balance	June	December
	Sheet	31,	31,	Sheet	31,	31,	Sheet	30,	31,	Sheet	30,	31,
	Location	2024	2023	Location	2024	2023	Location	2024	2023	Location	2024	2023
Derivatives designated as hedges:												
Foreign currency cash flow hedges	Other			Other			Other			Other		
	assets	\$ 10.7	\$ 8.5	liabilities	\$ 4.7	\$ 13.2	assets	\$ 10.0	\$ 8.5	liabilities	\$ 4.1	\$ 13.2
Total derivatives designated as hedges		\$ 10.7	\$ 8.5		\$ 4.7	\$ 13.2		\$ 10.0	\$ 8.5		\$ 4.1	\$ 13.2
Derivatives not designated as hedges:												
Foreign currency	Other			Other			Other			Other		
	assets	\$ 5.0	\$ 2.3	liabilities	\$ 2.0	\$ 4.2	assets	\$ 2.4	\$ 2.3	liabilities	\$ 2.9	\$ 4.2
Total derivatives not designated as hedges		\$ 5.0	\$ 2.3		\$ 2.0	\$ 4.2		\$ 2.4	\$ 2.3		\$ 2.9	\$ 4.2
Total derivatives		\$ 15.7	\$ 10.8		\$ 6.7	\$ 17.4		\$ 12.4	\$ 10.8		\$ 7.0	\$ 17.4

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### THE WESTERN UNION COMPANY

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

##### *Offsetting of Derivative Assets and Liabilities*

The Company has elected to present derivative assets and liabilities on a gross basis in the Condensed Consolidated Balance Sheets; however, derivatives associated with the 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** **June 30, 2024** and December 31, 2023, respectively. This includes the fair values of derivative assets and liabilities associated with contracts that include netting language that the Company believes to be enforceable. 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.

##### **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 six months ended **March 31, 2024** **June 30, 2024** and 2023 (in millions):

	Three Months Ended March 31,							
	2024		2023					
	\$	13.6	\$	(2.2)				
Foreign currency derivatives <sup>(a)</sup>								
Three Months Ended June 30,								
2024		2023		Six Months Ended June 30,				
Foreign currency derivatives <sup>(a)</sup>	\$	1.6	\$	(3.5)	\$	15.2	\$	(5.7)

(a) Gains/(losses) of **\$(0.9)** **0.2** million and **\$1.8** **0.1** million for the three months ended **March 31, 2024** **June 30, 2024** and 2023, respectively, and **\$(1.1)** million and **\$1.9** million for the six months ended **June 30, 2024** and 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 six months ended **March 31, 2024** **June 30, 2024** and 2023 (in millions):

	Three Months Ended March 31,				Three Months Ended June 30,			
	2024		2023		2024		2023	
	Revenues	Interest	Revenues	Interest	Revenues	Interest	Revenues	Interest
	Expense		Expense		Expense		Expense	
Total amounts presented in the Condensed Consolidated Statements of Income in which the effects of cash flow hedges are recorded	\$ 1,049.1	\$ (26.1)	\$ 1,036.9	\$ (25.0)	\$ 1,066.4	\$ (31.1)	\$ 1,170.0	\$ (27.0)
Gain/(loss) on cash flow hedges:								
Foreign currency derivatives:								
Gains reclassified from AOCL into earnings	2.7	—	8.2	—	1.3	—	7.8	—
Amount excluded from effectiveness testing recognized in earnings based on an amortization approach	1.6	—	1.6	—	1.6	—	1.7	—
Interest rate derivatives:								
Gains/(losses) reclassified from AOCL into earnings	—	—	—	—	—	0.1	—	—

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**(Unaudited)**

	Six Months Ended June 30,							
	2024				2023			
	Revenues	Interest	Revenues	Interest	Expense	Expense	Revenues	Expense
Total amounts presented in the Condensed Consolidated Statements of Income in which the effects of cash flow hedges are recorded	\$ 2,115.5	\$ (57.2)	\$ 2,206.9	\$ (52.0)				
Gain/(loss) on cash flow hedges:								
Foreign currency derivatives:								
Gains reclassified from AOCL into earnings	4.0	—	16.0	—				
Amount excluded from effectiveness testing recognized in earnings based on an amortization approach	3.2	—	3.3	—				
Interest rate derivatives:								
Gains/(losses) reclassified from AOCL into earnings	—	0.1	—	—				

*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 six months ended **March 31, 2024** **June 30, 2024** and 2023 (in millions):

Derivatives	Three Months Ended				Three Months Ended				Six Months Ended	
	March 31,		Location		June 30,		June 30,		2024	2023
			2024	2023	2024	2023	2024	2023	2024	2023
Foreign currency derivatives (a)	Selling, general, and administrative	\$ 21.5	\$ 4.7	Selling, general, and administrative	\$ 6.1	\$ 3.3	\$ 27.6	\$ 8.0		

(a) 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 gains/(losses) 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 **\$(\$17.5 12.9)** million and **\$0.2 3.1** million for the three months ended **March 31, 2024 June 30, 2024** and 2023, respectively, and **\$30.4** million and **\$2.9** million for the six months ended **June 30, 2024** and 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 **March 31, 2024 June 30, 2024** foreign exchange rates, an accumulated other comprehensive pre-tax gain of **\$0.2 0.3** million related to the foreign currency forward contracts is expected to be reclassified into Revenues within the next 12 months.

## 11. Borrowings

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

	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Commercial paper (a)	\$ 399.9	\$ 364.9	\$ 494.8	\$ 364.9
Notes:				
2.850% notes due 2025 (b)	500.0	500.0	500.0	500.0
1.350% notes due 2026 (b)	600.0	600.0	600.0	600.0
2.750% notes due 2031 (b)	300.0	300.0	300.0	300.0
6.200% notes due 2036 (b)	500.0	500.0	500.0	500.0
6.200% notes due 2040 (b)	250.0	250.0	250.0	250.0
Total borrowings at par value	2,549.9	2,514.9	2,644.8	2,514.9
Debt issuance costs and unamortized discount, net	(9.6)	(10.3)	(9.0)	(10.3)
Total borrowings at carrying value (c)	\$ 2,540.3	\$ 2,504.6	\$ 2,635.8	\$ 2,504.6

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### THE WESTERN UNION COMPANY

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

(a) Pursuant to the Company's commercial paper program, the Company may issue unsecured commercial paper notes in an amount not to exceed \$1.25 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 **March 31, 2024 June 30, 2024** had a weighted-average annual interest rate of approximately **5.5 5.6%** and a weighted-average term of approximately **24** days.

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

(c) As of **March 31, 2024** June 30, 2024, the Company's weighted-average effective rate on total borrowings was approximately **4.0** **4.1**%.

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**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 **March 31, 2024** June 30, 2024 (in millions):

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

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

**Term Loan Facility**

On June 25, 2024, the Company entered into a delayed draw term loan credit agreement providing for an unsecured term loan facility in an aggregate amount of \$800.0 million (the "Term Loan Facility"). The Company has until December 15, 2024 to draw upon the Term Loan Facility, which matures on the third anniversary of the initial funding date. The Company has the option to increase the commitments under the Term Loan Facility by an amount such that the commitments do not exceed \$1.0 billion in the aggregate (after giving effect to any such increases). Any such increases would be subject to obtaining additional commitments from existing or new lenders under the Term Loan Facility. The Company plans to use the proceeds from the Term Loan Facility to refinance the Company's issued and outstanding 2.850% notes due January 2025, to reduce commercial paper balances, and for general corporate purposes.

The Term Loan Facility contains covenants, subject to certain exceptions, that, among other things, limit or restrict the Company's ability to sell or transfer assets or merge or consolidate with another company, grant certain types of security interests, incur certain types of liens, impose restrictions on subsidiary dividends, enter into sale and leaseback transactions, incur certain subsidiary level indebtedness, or use proceeds in violation of anti-corruption or anti-money laundering laws. The Term Loan Facility requires the Company to maintain a consolidated Earnings before Interest, Taxes, Depreciation, and Amortization interest coverage ratio of not less than 3:1 for any period of four consecutive fiscal quarters. The Term Loan Facility also contains customary representations, warranties and events of default.

Generally, interest under the Term Loan Facility will be calculated using either (i) a rate per annum equal to an adjusted base rate for such interest period or (ii) a rate per annum equal to an adjusted term Secured Overnight Financing Rate for such interest period. A ticking fee on the undrawn amount of the Term Loan Facility is also payable quarterly. Both the interest rate margin and ticking fee are based on certain of the Company's credit ratings and will increase or decrease in the event of certain upgrades or downgrades in the Company's credit ratings.

As of June 30, 2024, the Company had no outstanding borrowings under the Term Loan Facility.

## 12. Income Taxes

The Company's effective tax rates on pre-tax income were 16.0 14.7% and 16.1 18.6% for the three months ended March 31, 2024 June 30, 2024 and 2023, respectively, and 15.4% and 17.4% for the six months ended June 30, 2024 and 2023, respectively. The decrease in the Company's effective tax rates for the three and six months ended June 30, 2024 compared to the

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### THE WESTERN UNION COMPANY

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

corresponding periods in the prior year was primarily due to a reduction in domestic income before income taxes and discrete tax benefits in the current periods.

Unrecognized tax benefits are reflected in Income taxes payable in the Condensed Consolidated Balance Sheets. The total amount of unrecognized tax benefits as of March 31, 2024 June 30, 2024 and December 31, 2023 was \$310.0 311.4 million and \$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.

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 **March 31, 2024** **June 30, 2024** and 2023, the Company recognized stock-based compensation expense of **\$8.7** **10.2** million and **\$8.0** **9.5** 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 six months ended **June 30, 2024** and 2023, the Company recognized stock-based compensation expense of \$18.9 million and \$17.5 million, respectively.

During the **three** **six** months ended **March 31, 2024** **June 30, 2024**, the Company granted 4.4 million options at a weighted-average exercise price of \$12.80 and **4.1** **4.3** million performance-based restricted stock units and restricted stock units at a weighted-average grant date fair value of **\$12.69** **12.71**. As of **March 31, 2024** **June 30, 2024**, the Company had **11.0** **8.6** million outstanding options at a weighted-average exercise price of **\$16.08** **14.95**, of which **4.7** **2.2** million options were exercisable at a weighted-average exercise price of **\$19.07** **18.03**. The Company had **9.2** **9.0** million outstanding performance-based restricted stock units (based on target performance) and restricted stock units at a weighted-average grant date fair value of **\$14.35** **14.17** as of **March 31, 2024** **June 30, 2024**.

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### **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 the following segments: Consumer Money Transfer and 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") in allocating resources and assessing performance.

The 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 Money Transfer business and one operating segment.

The Consumer Services segment **primarily** 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.

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

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. Accordingly, the Company no longer reports Business Solutions revenues and operating expenses after July 1, 2023.

Corporate costs, including overhead expenses, are allocated to the segments primarily based on a percentage of the segments' revenue compared to total revenue.

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[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 six months ended **March 31, 2024** **June 30, 2024** and 2023 (in millions):

	Three Months Ended		Three Months Ended		Six Months Ended	
	March 31,		June 30,		June 30,	
	2024	2023	2024	2023	2024	2023
<b>Revenues:</b>						
Consumer Money Transfer	\$ 962.0	\$ 938.3	\$ 965.0	\$ 1,072.2	\$ 1,927.0	\$ 2,010.5
Consumer Services	87.1	83.2	101.4	83.5	188.5	166.7
Business Solutions (a)	—	15.4	—	14.3	—	29.7
Total consolidated revenues	<b>\$ 1,049.1</b>	<b>\$ 1,036.9</b>	<b>\$ 1,066.4</b>	<b>\$ 1,170.0</b>	<b>\$ 2,115.5</b>	<b>\$ 2,206.9</b>
<b>Segment operating income:</b>						
Consumer Money Transfer	\$ 187.6	\$ 177.8	\$ 191.5	\$ 230.7	\$ 379.1	\$ 408.5
Consumer Services	18.6	32.1	11.1	18.4	29.7	50.5
Business Solutions (a)	—	1.9	—	1.8	—	3.7

Total segment operating income	206.2	211.8	202.6	250.9	408.8	462.7
Redeployment program costs (b)	(14.0)	(7.1)	(9.4)	(8.3)	(23.4)	(15.4)
Acquisition, separation, and integration costs (c)	(0.1)	—	(0.5)	—	(0.6)	—
Amortization and impairment of acquisition-related intangible assets (d)	(2.0)	—	(2.0)	—	—	—
Total consolidated operating income	\$ 192.1	\$ 204.7	\$ 190.7	\$ 242.6	\$ 382.8	\$ 447.3

(a) On August 4, 2021, the Company entered into an agreement to sell its Business Solutions business. The sale was completed with the final closing on July 1, 2023.

(b) 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. Expenses incurred under the program also include 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 both the three and six months ended **March 31, 2023** **June 30, 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.

(d) Represents the incremental non-cash amortization and impairment of acquired intangible assets in connection with recent business acquisitions. The expenses are 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.

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### 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 guidance," "provides outlook," "projects," "designed to," and other similar expressions or future or conditional verbs such as "may," "will," "should," "would," "could," and "might" are intended to identify such forward-looking statements. Readers of the Form 10-Q of The Western Union Company (the "Company," "Western Union," "we," "our," or "us")*

should not rely solely on the forward-looking statements and should consider all uncertainties and risks discussed in the Risk Factors section and throughout the Annual Report on Form 10-K for the year ended December 31, 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, 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; 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 consumers, or detect and prevent money laundering, terrorist

*financing, fraud, and other illicit activity; increased costs or loss of business due to regulatory initiatives and changes in laws, regulations, and industry practices and standards, including changes in interpretations, in the United States and abroad, affecting us, our agents or their subagents, or the banks with which we or our agents maintain bank accounts needed to provide our services, including related to anti-money laundering regulations, anti-fraud measures, our licensing arrangements, customer due diligence, agent and subagent due diligence, registration and monitoring requirements, consumer protection requirements, remittances, 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 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; 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; 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 digital financial services and operate in the following business operating segments:

- *Consumer Money Transfer* - Our 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.
- *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, and the final closing for this transaction occurred on July 1, 2023. Accordingly, we no longer report Business Solutions revenues and operating expenses after July 1, 2023. Refer to Part 1, Item 1, *Financial Statements*, Note 4, Divestiture for further information regarding this transaction.

Additional information regarding our segments is provided in the Segment Discussion below.

## Results of Operations

The following discussion of our consolidated results of operations and segment results refers to the three and six months ended March 31, 2024 June 30, 2024 compared to the same period periods in 2023. The results of operations should be read in conjunction with the discussion of our segment results of operations, which 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") 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.

The following table sets forth our consolidated results of operations for the three and six months ended March 31, 2024 June 30, 2024 and 2023:

(in millions, except per share amounts)	Three Months Ended March 31,			Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	% Change	2024	2023	% Change	2024	2023	% Change
Revenues	\$1,049.1	\$1,036.9	1%	\$1,066.4	\$1,170.0	(9)%	\$2,115.5	\$2,206.9	(4)%
Expenses:									
Cost of services	641.3	629.5	2%	663.9	698.9	(5)%	1,305.2	1,328.4	(2)%
Selling, general, and administrative	215.7	202.7	6%	211.8	228.5	(7)%	427.5	431.2	(1)%
Total expenses	<u>857.0</u>	<u>832.2</u>	3%	<u>875.7</u>	<u>927.4</u>	(6)%	<u>1,732.7</u>	<u>1,759.6</u>	(2)%
Operating income	192.1	204.7	(6)%	190.7	242.6	(21)%	382.8	447.3	(14)%
Other income/(expense):									
Interest income	3.1	3.2	(5)%	3.7	4.2	(11)%	6.8	7.4	(8)%
Interest expense	(26.1)	(25.0)	5%	(31.1)	(27.0)	15%	(57.2)	(52.0)	10%
Other income/(expense), net	0.9	(1.9)	(a)	1.9	(3.4)	(a)	2.8	(5.3)	(a)
Total other expense, net	<u>(22.1)</u>	<u>(23.7)</u>	(7)%	<u>(25.5)</u>	<u>(26.2)</u>	(3)%	<u>(47.6)</u>	<u>(49.9)</u>	(5)%
Income before income taxes	170.0	181.0	(6)%	165.2	216.4	(24)%	335.2	397.4	(16)%
Provision for income taxes	27.3	29.2	(7)%	24.2	40.2	(39)%	51.5	69.4	(26)%
Net income	<u>\$142.7</u>	<u>\$151.8</u>	(6)%	<u>\$141.0</u>	<u>\$176.2</u>	(20)%	<u>\$283.7</u>	<u>\$328.0</u>	(14)%
Earnings per share:									
Basic	\$0.41	\$0.41	0%	\$0.42	\$0.47	(11)%	\$0.83	\$0.88	(6)%
Diluted	\$0.41	\$0.40	3%	\$0.41	\$0.47	(13)%	\$0.83	\$0.87	(5)%
Weighted-average shares outstanding:									
Basic	344.4	374.4		338.6	375.0		341.5	374.7	
Diluted	345.7	375.5		339.6	375.6		342.6	375.6	

(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, pay-in and pay-out method, 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 other 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 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

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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 six months ended **March 31, 2024** **June 30, 2024** compared to the corresponding **period** **periods** 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 six months ended **March 31, 2024** **June 30, 2024** and 2023:

(dollars in millions)	Three Months Ended March 31,			Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	Change	2024	2023	Change	2024	2023	Change
Revenues, as reported (GAAP)	\$1,049.1	\$1,036.9	1%	\$1,066.4	\$1,170.0	(9)%	\$2,115.5	\$2,206.9	(4)%
Foreign currency translation and Argentina inflation impact <sup>(a)</sup>			1%			1%			0%
Divestitures impact <sup>(b)</sup>			1%			1%			2%
Adjusted revenues (Non-GAAP)			3%			(7)%			(2)%

(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 revenue of \$5.6 million \$6.4 million and \$12.0 million for the three and six months ended March 31, 2024 June 30, 2024, respectively, when compared to the corresponding periods in the prior year. We calculate Argentina inflation as the revenue growth not attributable to either transaction growth or the change in price (revenue divided by principal).

(b) Business Solutions revenues included in our results were \$15.4 million \$14.3 million and \$29.7 million for the three and six months ended March 31, 2023, June 30, 2023, respectively.

In addition to the negative impacts from foreign currency, net of Argentina inflation, and the divestiture of our Business Solutions business, for the three and six months ended March 31, 2024 June 30, 2024 when compared to the corresponding periods in the prior year, GAAP revenues benefited from and non-GAAP revenues were driven by an increase decreased due to a reduction in Consumer Money Transfer revenues in Iraq and Branded Digital, as defined below. Beginning in March 2023, we experienced a significant increase in our business transactions originating from Iraq, which contributed 4% to our negatively impacted revenues by 7% and 2% for the three and six months ended March 31, 2024 June 30, 2024 relative to the corresponding prior periods. We believe that we will continue to see a reduction in transactions originating in Iraq, compared to prior year periods, in the remainder of 2024 and possibly thereafter.

### **Operating Expenses Overview**

#### *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 \$6.9 million and \$7.1 million of Cost of services and Selling, general, and administrative expenses, respectively, for a total of \$14.0 million of expenses for the three months ended March 31, 2024. We incurred \$1.9 million and \$5.2 million of Cost of services and Selling, general, and administrative expenses, respectively, for a total of \$7.1 million of expenses for the three months ended March 31, 2023. We have incurred \$65.3 million \$74.7 million of total expenses under this program from inception through March 31, 2024 June 30, 2024.

The following table presents the location and amount of operating expenses associated with our redeployment program in the Condensed Consolidated Statements of Income for the three and six months ended June 30, 2024 and 2023.

(dollars in millions)	Three Months Ended		Six Months Ended	
	June 30,	2024	June 30,	2023
Location	2024	2023	2024	2023
Cost of services	\$ 4.6	\$ 6.0	\$ 11.5	\$ 7.9
Selling, general, and administrative	4.8	2.3	11.9	7.5
Total redeployment program costs	<u>\$ 9.4</u>	<u>\$ 8.3</u>	<u>\$ 23.4</u>	<u>\$ 15.4</u>

## Cost of Services

Cost of services primarily consists of agent commissions, which represented approximately 60% of total cost of services for the three and six months ended March 31, 2024 June 30, 2024 and 2023. For the three and six months ended March 31, 2024 June 30, 2024, Cost of services increased decreased compared to the corresponding period periods in the prior year primarily due to decreases in agent commissions, which generally vary with revenue, and a decrease associated with the Business Solutions divestiture, partially offset by increases in certain variable expenses, including non-credit losses and bank fees, and higher employee compensation and costs primarily associated with our operating expense redeployment program, partially offset by a decrease associated with the Business Solutions divestiture and a decrease in agent commissions, expansion of Company-owned locations.

## Selling, General, and Administrative

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Selling, general and administrative expenses increased decreased for the three and six months ended March 31, 2024 June 30, 2024 when compared to the corresponding periods in the prior year due to the Business Solutions divestiture and a reduction in employee incentive compensation, partially offset by fluctuations in the United States dollar compared to foreign currencies. For the six months ended June 30, 2024 compared to the corresponding period in the prior year, due to increases the decrease in employee compensation, including incentive compensation, Selling, general and advertising administrative expenses was partially offset by the Business Solutions divestiture, an increase in advertising expenses and an increase in costs associated with our operating expense redeployment program.

## Total Other Income/(Expense), Expense, Net

Total other expense, net for the three and six months ended March 31, 2024 June 30, 2024, when compared to the corresponding period periods in the prior year, was impacted by the prior year expense associated with payment obligations to the buyer of the Business Solutions business for a measure of the profits, as contractually agreed, from the European Union operations, while owned by us.

## Income Taxes

Our effective tax rates on pre-tax income were 16.0% 14.7% and 16.1% 18.6% for the three months ended March 31, 2024 June 30, 2024 and 2023, respectively, and 15.4% and 17.4% for the six months ended June 30, 2024 and 2023, respectively. As of March 31, 2024, The decrease in our effective tax rates for the total amount of three and six months ended June 30, 2024 compared to the

corresponding periods in the prior year was primarily due to a reduction in domestic income before income taxes and discrete tax contingency reserves was \$255.4 million, including accrued interest and penalties, net of related items, benefits in the current periods.

#### *Earnings Per Share*

During the three months ended March 31, 2024 and 2023, June 30, 2024 basic earnings per share was \$0.41, and diluted earnings per share were \$0.42 and \$0.41, respectively. During the three months ended June 30, 2023, basic and \$0.40, diluted earnings per share were \$0.47. During the six months ended June 30, 2024, basic and diluted earnings per share were \$0.83, and during the six months ended June 30, 2023, basic and diluted earnings per share were \$0.88 and \$0.87, 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 11.4 million 12.4 million and 9.2 million 10.1 million for the three months ended March 31, 2024 June 30, 2024 and 2023, respectively, and 11.9 million and 9.7 million for the six months ended June 30, 2024 and 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 six months ended March 31, 2024 June 30, 2024 compared to the corresponding period periods in the prior year was impacted by a lower number of average shares outstanding, partially offset by the previously described factors impacting net income.

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#### **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 customer groups, distribution networks, and services offered. Our segments are Consumer Money Transfer and Consumer Services. On August 4, 2021, we entered into an agreement to sell our Business Solutions business and the final closing 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 our Condensed Consolidated Statements of Income were \$15.4 million \$14.3 million and \$29.7 million and operating income was \$1.9 million \$1.7 million and \$3.6 million for the three and six months ended March 31, 2023, June 30, 2023, respectively.

During the three and six months ended March 31, 2024 June 30, 2024 and 2023, we incurred \$14.0 million and \$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. In addition, we incurred costs related to the incremental non-cash amortization and impairment of acquired intangible assets in connection with recent business acquisitions. While certain of these

expenses are identifiable to our segments, the expenses are not included in the measurement 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~~ amounts included in the Consumer Services segment ~~was~~ were immaterial for the three ~~and~~ six months ended ~~March 31, 2023~~ June 30, 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.

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

	Three Months Ended		Three Months Ended		Six Months Ended	
	March 31,		June 30,		June 30,	
	2024	2023	2024	2023	2024	2023
Consumer Money Transfer	92%	91%	90%	92%	91%	91%
Consumer Services	8%	8%	10%	7%	9%	8%
Business Solutions	0%	1%	0%	1%	0%	1%
	100%	100%	100%	100%	100%	100%

### **Consumer Money Transfer**

The following table sets forth our Consumer Money Transfer segment results of operations for the three ~~and~~ six months ended ~~March 31, 2024~~ June 30, 2024 and 2023:

(dollars and transactions in millions)	Three Months Ended March 31,			Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	% Change	2024	2023	% Change	2024	2023	% Change
Revenues	\$962.0	\$938.3	3%	\$965.0	\$1,072.2	(10)%	\$1,927.0	\$2,010.5	(4)%
Operating income	\$187.6	\$177.8	6%	\$191.5	\$230.7	(17)%	\$379.1	\$408.5	(7)%
Operating income margin	19%	19%		20%	22%		20%	20%	
Key indicator:									

Consumer Money Transfer transactions	69.0	65.3	6%	73.3	70.6	4%	142.3	135.9	5%
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Our 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"). 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 Money Transfer money transfer business and one operating segment.

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Transaction volume is the primary generator of revenue in our Consumer Money Transfer segment. A 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 six months ended **March 31, 2024** **June 30, 2024** and 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 prior year. Additionally, due to the significance of our Consumer Money Transfer segment to our overall results, we have also provided adjusted revenue results for our Consumer Money Transfer segment revenues, which are net of the impact of foreign currency hedges and Argentina inflation, as discussed above. Consumer Money Transfer segment adjusted revenue growth/(decline) is a non-GAAP financial measure, as further discussed in Revenues Overview above.

Consumer Money Transfer regional growth/(decline):	Three Months Ended March 31, 2024				Three Months Ended June 30, 2024				Six Months Ended June 30, 2024			
	Revenue				Revenue				Revenue			
	Growth /				Growth /				Growth /			
	(Decline)	Foreign	Adjusted		(Decline)	Foreign	Revenue		(Decline)	Foreign	Revenue	
	as	Exchange	Revenue Growth /		as	Exchange	Growth /		as	Exchange	Growth /	
	Reported	Translation	(Decline)(a) -	Transaction	Reported	Translation	(Decline)(a) -	Transaction	Reported	Translation	(Decline)(a) -	Transaction
	(GAAP)	Impact	(Non-GAAP)	Growth	(GAAP)	Impact	(Non-GAAP)	Growth	(GAAP)	Impact	(Non-GAAP)	Growth

North America											
(United States & Canada) ("NA")	2%	0%	2%	6%	1%	0%	1%	6%	1%	(1)%	2%
Europe and CIS ("EU & CIS")	(5)%	0%	(5)%	5%	(6)%	(2)%	(4)%	3%	(6)%	(2)%	(4)%
Middle East, Africa, and South Asia ("MEA&A")	16%	(1)%	17%	6%	(35)%	0%	(35)%	0%	(15)%	0%	(15)%
Latin America and the Caribbean ("LACA")	7%	2%	5%	3%	8%	0%	8%	2%	8%	2%	6%
Asia Pacific ("APAC")	(10)%	(4)%	(6)%	7%	(11)%	(6)%	(5)%	6%	(11)%	(6)%	(5)%
Total Consumer Money Transfer Segment:	3%	0%	3%	6%	(10)%	(1)%	(9)%	4%	(4)%	(1)%	(3)%
Branded Digital <sup>(a)</sup>	9%	0%	9%	13%	5%	(2)%	7%	13%	7%	(1)%	8%
											13%

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- (a) Adjusted revenue growth assumes that revenues denominated in foreign currencies are translated to the United States dollar, net of the effect of foreign currency hedge rates consistent with those in the corresponding prior period. periods. 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 Money Transfer revenue for the three and six months ended **March 31, 2024** **June 30, 2024** and 2023:

	Three Months Ended		Three Months Ended		Six Months Ended	
	March 31,		June 30,		June 30,	
	2024	2023	2024	2023	2024	2023

Consumer Money Transfer revenue as a percentage of segment revenue:	NA	38 %	38 %	40 %	35 %	38 %	37 %
EU & CIS		24 %	26 %	25 %	24 %	25 %	25 %
MEASA		21 %	19 %	18 %	26 %	20 %	22 %
LACA		12 %	11 %	12 %	10 %	12 %	10 %
APAC		5 %	6 %	5 %	5 %	5 %	6 %

Branded Digital, which is included in the regional percentages above, represented approximately **23% 24%** and **22% 21%** of our Consumer Money Transfer revenues for the three months ended **March 31, 2024 June 30, 2024** and **2023**, respectively, as well as for the six months ended **June 30, 2024** and **2023**, respectively.

Our consumers transferred **\$24.6 billion \$25.9 billion** and **\$23.0 billion \$27.5 billion** in cross-border principal for the three months ended **March 31, 2024 June 30, 2024** and **2023**, respectively, and **\$50.5 billion** in cross-border principal for both the six months ended **June 30, 2024** and **2023**. The **increase decrease** in cross-border principal transferred during the three months ended **March 31, 2024 June 30, 2024** compared to the corresponding **period periods** in the prior year was **primarily attributable to growth across all a decline in our MEASA region primarily driven by**

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a reduction in transactions originating from Iraq. 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 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 Money Transfer revenue decreased 10% and 4%, and transactions increased 3% 4% and 6%, respectively, 5% for the three and six months ended **March 31, 2024 June 30, 2024**, respectively, compared to the corresponding **period periods** in the prior year. Fluctuations in the United States dollar compared to foreign currencies, net of the impact of foreign currency hedges and Argentina inflation, had no net impact on negatively impacted revenue by 1% for both the three and six months ended **March 31, 2024 June 30, 2024**, compared to the corresponding **period periods** in the prior year.

For the three and six months ended **March 31, 2024 June 30, 2024**, in our Consumer Money Transfer regions, NA revenue and transactions increased compared to the corresponding **period periods** in the prior year primarily due to growth in cross-border transactions sent from the United States, partially offset by price reductions and declines in transactions sent within the United States. For the three and six months ended **March 31, 2024 June 30, 2024**, our EU & CIS revenues were negatively impacted by price reductions and by one of our retail agents no longer offering cash-based services at their its retail locations. Revenue growth Fluctuations in revenue in the MEASA region

was were driven by a change reduction in monetary policy in transactions originating from Iraq, as discussed above, and revenue above. Revenue growth in the LACA region benefited from 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 Money Transfer operating income for the three and six months ended March 31, 2024 increased June 30, 2024 decreased compared to the corresponding period periods in the prior year due to an increase a decrease in revenue, as discussed above, and reduced agent commissions,

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partially offset by an increase increases in certain variable expenses, including non-credit losses and bank fees, and fluctuations in the United States dollar compared to foreign currencies, partially offset by reduced agent commissions, as well as reduced employee incentive compensation. In addition, for the six months ended June 30, 2024, operating income was negatively impacted by an increase in advertising expenses.

#### **Consumer Services**

The following table sets forth Consumer Services results for the three and six months ended March 31, 2024 June 30, 2024 and 2023:

(dollars in millions)	Three Months Ended March 31,			Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	% Change	2024	2023	% Change	2024	2023	% Change
Revenues	\$87.1	\$83.2	5%	\$101.4	\$83.5	21%	\$188.5	\$166.7	13%
Operating income	\$18.6	\$32.1	(42)%	\$11.1	\$18.4	(39)%	\$29.7	\$50.5	(41)%
Operating income margin	21%	39%		11%	22%		16%	30%	

#### **Revenues**

For the three and six months ended March 31, 2024 June 30, 2024 compared to the corresponding period periods in the prior year, Consumer Services revenues increased primarily due to an increase in our money order business and retail foreign exchange services, growth in new services we are continuing to introduce to our customers, including media network, and an increase in our money order business, partially offset by a decrease in revenue in our cash-based bill payments services offered at retail locations in Argentina. Fluctuations

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in the United States dollar compared to foreign currencies, net of the impact of Argentina inflation, resulted in a decrease an increase to revenue growth of 3% 7% and 2% for the three and six months ended March 31, 2024 June 30, 2024, respectively, relative to the corresponding period periods in the prior year.

### *Operating Income*

Consumer Services operating income for the three and six months ended March 31, 2024 June 30, 2024 compared to the corresponding periods in the prior year was negatively impacted by increased expenses associated with our retail foreign exchange services and new services we are continuing to introduce to our customers, including media network, partially offset by revenue growth, as discussed above. In addition, for the six months ended June 30, 2024 compared to the corresponding period in the prior year, Consumer Services operating income 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 sale of the Business Solutions business, and an increase in employee compensation, including incentive compensation, partially offset by the increase in revenue described above. business.

### **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 The final payment is 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 **\$1.25**

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billion **\$1.25 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 \$1.25 billion outstanding at any time, reduced to the extent of any borrowings outstanding on our Revolving Credit Facility. In addition, we have the capacity to borrow up to \$800 million under the Term Loan Facility we entered into on June 25, 2024, with the option to increase the commitments under the agreement by an amount such that the commitments do not exceed \$1.0 billion in the aggregate (after giving effect to any such increases), subject to certain provisions, as further described below.

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.

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### **Cash and Investment Securities**

As of **March 31, 2024** **June 30, 2024** and December 31, 2023, we had Cash and cash equivalents of **\$1,106.5 million** **\$1,033.0 million** and \$1,268.6 million, 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 **\$1,402.9 million** **\$1,436.7 million** and **\$1,458.1 million** as of **March 31, 2024** **June 30, 2024** and 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-" 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 **March 31, 2024** **June 30, 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 **\$94.0 million** **\$60.2 million** during the **three** **six** months ended **March 31, 2024** **June 30, 2024**, from **\$137.3 million** **\$264.0 million** in the corresponding period in the prior year. Cash provided by operating activities can be for the six months ended June 30, 2024 was negatively impacted by changes higher income taxes paid, including those related to the Tax Act, as further discussed below, and a refundable tax deposit made relating to potential United States federal tax liabilities, including those arising from the examination of our consolidated federal income tax returns for 2017 and 2018. Cash provided by operating activities was also impacted by a decrease in our consolidated net income, in addition to fluctuations in our working capital balances, among other factors. higher payments for employee incentive compensation during the six months ended June 30, 2024.

#### **Financing Resources**

As of **March 31, 2024** **June 30, 2024**, we had outstanding borrowings at par value of **\$2,549.9 million** **\$2,644.8 million**. The significant majority of these outstanding borrowings consist of unsecured fixed-rate notes with maturities ranging from 2025 to 2040.

On June 25, 2024, we entered into the Term Loan Facility. We have until December 15, 2024 to draw upon the Term Loan Facility, which matures on the third anniversary of the initial funding date. We have the option to increase the commitments under the Term Loan Facility by an amount such that the commitments do not exceed \$1.0 billion in the aggregate (after giving effect to any such increases). Any such increases would be subject to obtaining additional commitments from existing or new lenders under the Term Loan Facility. We plan to use the proceeds from the Term Loan Facility to refinance our issued and outstanding 2.850% notes due January 2025, to reduce commercial paper balances, and for general corporate purposes.

The Term Loan Facility contains covenants, subject to certain exceptions, that, among other things, limit or restrict our ability to sell or transfer assets or merge or consolidate with another company, grant certain types of security interests, incur certain types of liens, impose restrictions on subsidiary dividends, enter into sale and leaseback transactions, incur certain subsidiary level indebtedness, or use proceeds in violation of anti-corruption or anti-money laundering laws. The Term Loan Facility requires us to maintain a consolidated Earnings before Interest, Taxes, Depreciation, and Amortization interest coverage ratio of not less than 3:1 for any period of four consecutive fiscal quarters. The Term Loan Facility also contains customary representations, warranties and events of default.

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Generally, interest under the Term Loan Facility will be calculated using either (i) a rate per annum equal to an adjusted base rate for such interest period or (ii) a rate per annum equal to an adjusted term Secured Overnight Financing Rate for such interest period. A ticking fee on the undrawn amount of the Term Loan Facility is also payable quarterly. Both the interest rate margin and ticking fee are based on certain of our credit ratings and will increase or decrease in the event of certain upgrades or downgrades in our credit ratings.

As of June 30, 2024, we had no outstanding borrowings under the Term Loan Facility.

Our Revolving Credit Facility provides for unsecured financing facilities in an aggregate amount of \$1.25 billion, including a \$250.0 million letter of credit sub-facility. Interest due under the Revolving Credit Facility is payable according to the terms of that borrowing. Generally, interest under the Revolving Credit Facility is calculated using either (i) an adjusted term Secured Overnight Financing Rate, or other applicable benchmark based on the currency of the borrowing, plus an interest rate margin 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, regardless of usage, and such facility fee is determined on a sliding scale from 0.080% to 0.200% based on our credit rating (currently 0.110%).

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The purpose of our Revolving Credit Facility, which is diversified through a group of 16 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 \$1.25 billion is approximately 14%. As of March 31, 2024 June 30, 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 \$1.25 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 \$399.9 million \$494.8 million of commercial paper borrowings outstanding as of March 31, 2024 June 30, 2024. Our commercial paper borrowings as of March 31, 2024 June 30, 2024 had a weighted-average annual interest rate of approximately 5.5% 5.6%

and a weighted-average term of approximately 24 days. During the three six months ended March 31, 2024 June 30, 2024, the average commercial paper balance outstanding was \$384.3 million \$544.8 million, and the maximum balance outstanding was \$675.0 million \$880.0 million. Proceeds from our commercial paper borrowings were used for general corporate purposes and working capital needs, including the settlement of our money transfer obligations prior to collecting receivables from agents or others.

### **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, 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 \$64.5 million and \$57.4 million \$90.1 million for the three six months ended March 31, 2024 June 30, 2024 and 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

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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 three six months ended March 31, 2024 June 30, 2024, 11.8 million 13.8 million shares were repurchased under this authorization for \$150.0 million \$176.2 million, excluding commissions, at an average cost of \$12.66 \$12.76. No shares were repurchased during the

three six months ended **March 31, 2023** **June 30, 2023** under this share repurchase authorization. As of **March 31, 2024** **June 30, 2024**, **\$198.2 million** **\$172.0 million** remained available under this share repurchase authorization.

Our Board of Directors declared quarterly cash dividends of \$0.235 per common share in the first **quarter** and **second quarters** of 2024, representing **\$80.1 million** **\$159.5 million** in total dividends. On July 24, 2024, our Board of Directors declared a quarterly cash dividend of \$0.235 per common share, payable on September 30, 2024.

### **Material Cash Requirements**

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### **Debt Service Requirements**

Our 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 **January 2025**. We **may repay** **plan to fund** this maturity through **proceeds from commercial paper issuance** and cash, including cash generated from operations, or we may **refinance** this maturity through **future borrowings under the issuance of term debt. Term Loan Facility.**

### **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 March 31, 2024**. We elected to pay this liability in periodic installments through **2025**. **2025** and in the second quarter of 2024, we made an installment payment of \$159 million towards this liability. Under the terms of the law, we are required to pay the **remaining final** **installment payments as summarized of \$199 million** in the **Capital Resources and Liquidity** discussion located in Part II, Item 7, *Management's Discussion and Analysis* second quarter of **Financial Condition and Results of Operations** in our Annual Report on Form 10-K for the year ended December 31, 2023. **2025**. 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 12, Leases, in our Annual Report on Form 10-K for the year ended 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 \$150 million \$60 million in outstanding letters of credit and bank guarantees as of **March 31, 2024** June 30, 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 **March 31, 2024** June 30, 2024, our total amount of unrecognized income tax benefits was \$310.0 million \$311.4 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.

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## 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, 2023, for which there were no material changes, included:

- Income taxes
- Goodwill
- Other intangible assets

## Recent Accounting Pronouncements

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

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## 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 or 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 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 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 **March 31, 2024** **June 30, 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 **\$27 million** **\$16 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 **March 31, 2024** **June 30, 2024** of approximately **\$2.5 billion** **\$2.3 billion**. Approximately **\$1.2 billion** **\$0.9 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.

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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 **March 31, 2024** **June 30, 2024**, there were **\$399.9 million** **\$494.8 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 **March 31, 2024** **June 30, 2024**, our weighted-average effective rate on total borrowings was approximately **4.0%** **4.1%**.

At **March 31, 2024** **June 30, 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 **\$4 million** **\$5 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 **March 31, 2024** **June 30, 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** **\$9 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.

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We are also exposed to credit risk related to receivable balances from agents in the money transfer, 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 **non-credit** 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," 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 **credit and non-credit** losses have been less than 2% 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.

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#### **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 **March 31, 2024** **June 30, 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 **March 31, 2024** **June 30, 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.

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### **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 **March 31, 2024** **June 30, 2024**, the related condensed consolidated statements of income, comprehensive income, **cash flows**, and stockholders' equity for the three **and six** months ended **March 31, 2024** **June 30, 2024** and 2023, the condensed consolidated statements of cash flows for the six months ended **June 30, 2024** and 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, 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 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, 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

April 24, July 30, 2024

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## **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, 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 March 31, 2024 June 30, 2024:

Period	Shares Purchased <sup>(a)</sup>	Paid per Share <sup>(c)</sup>	Total Number of Shares	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in millions)
			Purchased as Part of Publicly Announced	
			Plans or Programs <sup>(b)</sup>	
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
<b>Total</b>	<b>12,260,908</b>	<b>\$ 12.67</b>	<b>11,846,819</b>	

Period	Shares Purchased <sup>(a)</sup>	Paid per Share <sup>(c)</sup>	Total Number of Shares	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in millions)
			Purchased as Part of Publicly Announced	
			Plans or Programs <sup>(b)</sup>	
April 1 - 30	1,976,229	\$ 13.33	1,965,099	\$ 172.0
May 1 - 31	6,928	\$ 13.32	—	\$ 172.0
June 1 - 30	13,037	\$ 12.82	—	\$ 172.0
<b>Total</b>	<b>1,996,194</b>	<b>\$ 13.33</b>	<b>1,965,099</b>	

(a) These amounts represent both shares authorized by our Board of Directors for repurchase under a publicly announced authorization, as described below, as 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 \$198.2 million \$172.0 million remained available as of **March 31, 2024** June 30, 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 **March 31, 2024** June 30, 2024, none of the Company's directors or executive officers adopted, 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.

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### **Item 6. Exhibits**

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

#### **EXHIBIT INDEX**

Exhibit Number	Description
10.1	<a href="#">The Western Union Company 2024 Long-Term Incentive Plan (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on May 22, 2024 and incorporated herein by reference thereto).*</a>
10.2	<a href="#">Delayed Draw Term Loan Credit Agreement, dated as of June 25, 2024, among The Western Union Company, the banks named therein, as lenders, U.S. Bank National Association and Bank of China, Chicago Branch, as Syndication Agents, Industrial and Commercial Bank of China Limited, New York Branch and State Bank of India, New York Branch, as Documentation Agents, and Bank of America, N.A., as Administrative Agent for the banks thereunder (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 28, 2024 and incorporated herein by reference thereto).</a>
15	<a href="#">Letter from Ernst &amp; Young LLP Regarding Unaudited Interim Financial Information</a>
31.1	<a href="#">Certification of Chief Executive Officer of The Western Union Company Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934</a>
31.2	<a href="#">Certification of Chief Financial Officer of The Western Union Company Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934</a>
32	<a href="#">Certification of Chief Executive Officer and Chief Financial Officer Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code</a>
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)

\* Management contracts and compensatory plans and arrangements required to be filed as exhibits pursuant to Item 6 of this report.

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**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: **April 24, 2024** July 30, 2024

By: \_\_\_\_\_ /s/ Devin B. McGranahan  
**Devin B. McGranahan**  
**President and Chief Executive Officer**  
**(Principal Executive Officer)**

Date: **April 24, 2024** July 30, 2024

By: \_\_\_\_\_ /s/ Matt Cagwin  
**Matt Cagwin**  
**Chief Financial Officer**  
**(Principal Financial Officer)**

Date: **April 24, 2024** July 30, 2024

By: \_\_\_\_\_ /s/ Mark Hinsey  
**Mark Hinsey**  
**Chief Accounting Officer and Controller**  
**(Principal Accounting Officer)**

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**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 333-279547, 333-204183, and 333-204183) pertaining to The Western Union Company 2024 Long-Term Incentive Plan, The Western Union Company 2015 Long-Term Incentive Plan, The Western Union Company 2006 Long-Term Incentive Plan, The Western Union Company 2006 Non-Employee Director Equity Compensation Plan, and Western Union Company Supplemental Incentive Savings Plan and The Western Union Company 2015 Long-Term Incentive Plan;

of our report dated April 24, 2024 July 30, 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 March 31, 2024 June 30, 2024.

/s/ Ernst & Young LLP

Denver, Colorado

April 24, July 30, 2024

**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: **April 24, July 30, 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.

Date: April 24, July 30, 2024

/s/ Matt Cagwin

**Matt Cagwin**

**Chief Financial Officer**

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**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 **March 31, 2024** **June 30, 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: **April 24, July 30, 2024**

*/s/ Devin B. McGranahan*

**Devin B. McGranahan**

**President and Chief Executive Officer**

Date: **April 24, July 30, 2024**

*/s/ Matt Cagwin*

**Matt Cagwin**

**Chief Financial Officer**

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