



## **First Quarter 2015 Results**

May 1, 2015



# Forward-Looking Statements



This presentation may contain forward-looking statements with respect to the financial condition, results of operation, plans, objectives, future performance and business of MoneyGram and its subsidiaries. Statements preceded by, followed by or that include words such as “believes,” “estimates,” “expects,” “projects,” “plans,” “will,” “should,” “could,” “may,” “would,” “goals,” “anticipates” and other similar expressions are intended to identify some of the forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and are included, along with this statement, for purposes of complying with the safe harbor provisions of the Act. These forward-looking statements involve risks and uncertainties. Actual results may differ materially from those contemplated by the forward-looking statements due to, among others, the risks and uncertainties described in Part I, Item 1A under the caption “Risk Factors” of our Annual Report on Form 10-K for the year ended December 31, 2014. These forward-looking statements speak only as of the date on which such statements are made. We undertake no obligation to update publicly or revise any forward-looking statements for any reason, whether as a result of new information, future events or otherwise, except as required by federal securities law.



- Self-Service money transfer transaction growth of 55% and revenue growth of 45%; now represents 11% of money transfer revenue
  - Annualizing the first quarter, these channels would generate more than \$125 million of revenue and are continuing to grow
- MoneyGram Online transactions increased 21% and revenue was up 11% over the prior year
  - Propelled by 170,000 new active customers



- U.S. Outbound and Non-U.S. transactions now represent 82% of money transfer transactions
  - U.S. Outbound transaction growth accelerated to 15%
  - Non-U.S. transaction growth accelerated to 14%
- U.S. Outbound and Non-U.S. sends now represent 86% of money transfer revenue and grew 10% on a constant currency basis

**MoneyGram anticipates returning to double-digit constant currency revenue and Adjusted EBITDA growth in the fourth quarter of 2015**

## \$125+ million

of annualized self-service revenue  
based upon Q1 2015 performance

## 45%

money transfer  
revenue growth

## 11%

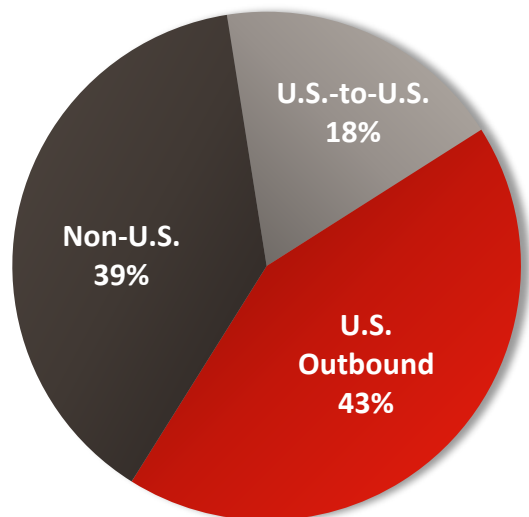
of money transfer revenue



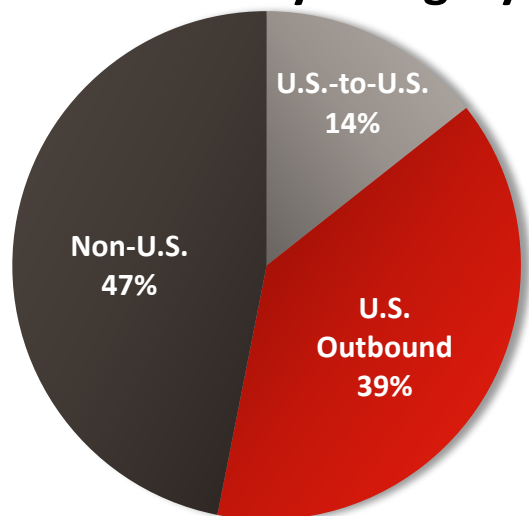
# Q1 2015 Money Transfer Results



## Transactions by Category



## Revenue by Category



	YOY (%)
<b>Transaction Volume Growth</b>	
Total Transactions	Flat
U.S. Outbound	15%
Non-U.S.	14%
U.S.-to-U.S.	(37%)
Total Transactions <sup>(1)</sup>	13%
<b>Revenue Growth</b>	
Money Transfer Reported	(12%)
Money Transfer Constant Currency	(7%)
<b>Revenue Growth<sup>(1)</sup></b>	
Money Transfer Reported <sup>(1)</sup>	Flat
Money Transfer Constant Currency <sup>(1)</sup>	6%

<sup>(1)</sup> Excluding U.S.-to-U.S. transactions originated at Walmart.

# Financial Highlights



*\$ in Millions, except Diluted Income Per Common Share*

	Q1 2015	Q1 2014	YOY%
Total Revenue	\$330.6	\$374.9	(12%)
EBITDA <sup>(1)</sup>	\$31.1	\$61.9	(50%)
Adjusted EBITDA <sup>(1)</sup>	\$54.6	\$77.9	(30%)
Diluted (Loss) Income Per Common Share	(\$1.16)	\$0.54	NM
Adjusted Free Cash Flow <sup>(2)</sup>	(\$34.3)	\$46.7	NM

NM = Not meaningful

(1) See EBITDA & Adjusted EBITDA slide for reconciliation to GAAP measures.

(2) Adjusted Free Cash Flow is defined as Adjusted EBITDA less cash interest expense, cash tax expense, cash payments for capital expenditures and cash payments for agent signing bonuses.

# EBITDA & Adjusted EBITDA



\$ in Millions

	Q1 2015	Q1 2014
(Loss) income before income taxes	\$ (9.4)	\$ 27.3
Interest expense	11.1	9.7
Depreciation and amortization	14.8	13.1
Amortization of agent signing bonuses	14.6	11.8
<b>EBITDA</b>	<b>\$ 31.1</b>	<b>\$ 61.9</b>
Significant items impacting EBITDA:		
Reorganization and restructuring costs	9.9	3.1
Stock-based, contingent and incentive compensation <sup>(1)</sup>	6.1	3.5
Compliance enhancement program	5.5	7.1
Direct monitor costs	1.9	0.8
Legal and contingent matters <sup>(2)</sup>	0.1	0.4
Capital transaction costs <sup>(3)</sup>	-	1.1
<b>Adjusted EBITDA</b>	<b>\$ 54.6</b>	<b>\$ 77.9</b>
<b>Adjusted EBITDA Margin<sup>(4)</sup></b>	<b>16.5%</b>	<b>20.8%</b>

(1) Stock-based compensation, contingent performance awards payable after three years and certain incentive compensation.

(2) Legal expenses represent legal fees and expenses primarily related to the U.S. Attorney's Office for the Middle District of Pennsylvania investigation and the IRS tax litigation.

(3) Professional and legal fees incurred for the April 2, 2014 equity transactions.

(4) Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by total revenue.

# Q1 2015 Summary of Adjusting Items



\$ in Millions

	Q1 2015 Total	Transaction & Operations Support	Compensation & Benefits	Occupancy, Equipment & Supplies
Reorganization and restructuring costs	\$ 9.9	\$ 3.0	\$ 6.2	\$ 0.7
Stock-based, contingent and incentive compensation <sup>(1)</sup>	6.1	0.1	6.0	-
Compliance enhancement program	5.5	4.3	0.5	0.7
Direct monitor costs	1.9	1.9	-	-
Legal and contingent matters <sup>(2)</sup>	0.1	0.1	-	-
<b>Total</b>	<b>\$ 23.5</b>	<b>\$ 9.4</b>	<b>\$ 12.7</b>	<b>\$ 1.4</b>

(1) Stock-based compensation, contingent performance awards payable after three years and certain incentive compensation.

(2) Legal expenses represent legal fees and expenses primarily related to the U.S. Attorney's Office for the Middle District of Pennsylvania investigation and the IRS tax litigation.



# Adjusted Free Cash Flow



*\$ in Millions*

	Q1 2015	Q1 2014
Adjusted EBITDA	\$ 54.6	\$ 77.9
Cash interest expense	(10.4)	(9.1)
Cash tax expense	(7.6)	(0.1)
Cash payments for capital expenditures	(26.9)	(17.1)
Cash payments for agent signing bonuses	(44.0)	(4.9)
<b>Adjusted Free Cash Flow</b>	<b>(\$ 34.3)</b>	<b>\$ 46.7</b>

In addition to results presented in accordance with GAAP, this presentation includes certain non-GAAP financial measures, including a presentation of EBITDA (earnings before interest, taxes, depreciation and amortization, including agent signing bonus amortization), Adjusted EBITDA (EBITDA adjusted for significant items), Adjusted EBITDA Margin and Adjusted Free Cash Flow (Adjusted EBITDA less cash interest expense, cash tax expense, cash payments for capital expenditures and agent signing bonuses), and constant currency measures.

We believe that these non-GAAP financial measures provide useful information to investors because they are an indicator of the strength and performance of ongoing business operations. These calculations are commonly used as a basis for investors, analysts and other interested parties to evaluate and compare the operating performance and value of companies within our industry. Finally, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Free Cash Flow, and constant currency figures are financial and performance measures used by management in reviewing results of operations, forecasting, allocating resources or establishing employee incentive programs. Although MoneyGram believes the above non-GAAP financial measures enhance investors' understanding of its business and performance, these non-GAAP financial measures should not be considered in isolation or as substitutes for the accompanying GAAP financial measures.