



## Third Quarter 2014 Results

October 31, 2014



# 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 that 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, 2013, together with its quarterly reports on Form 10-Q made with the SEC through the date of this presentation. 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.

# Financial Highlights



\$ in Millions, except Diluted Income Per Common Share

	Q3 2014	YOY%	YTD 2014	YOY%
Total Revenue	\$358.0	(7%)	\$1,105.3	2%
Fee & Other Revenue	\$355.2	(5%)	\$1,091.7	2%
EBITDA <sup>(1)</sup>	\$44.5	(39%)	\$176.2	12%
Adjusted EBITDA <sup>(1)</sup>	\$72.0	(6%)	\$218.0	(1%)
Diluted Income Per Common Share	(\$0.05)	NM	\$0.93	NM
Adjusted Free Cash Flow <sup>(2)</sup>	\$8.2	(83%)	\$85.1	(34%)

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 agent signing bonuses.

# Money Transfer Results

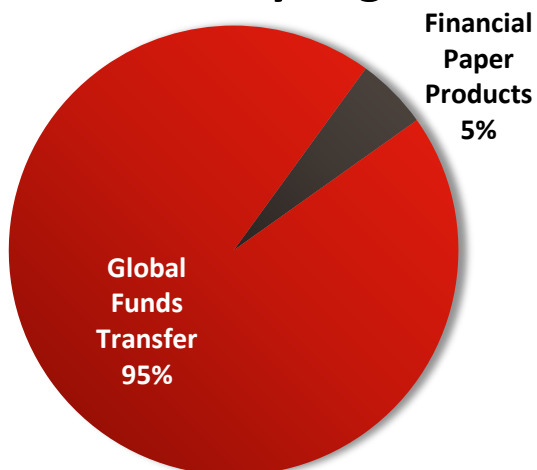


	Q3 2014 YOY (%)	Q3 2014 ex. U.S.-to-U.S. WMT <sup>(1)</sup>	YTD 2014 YOY (%)	YTD 2014 ex. U.S.-to-U.S. WMT <sup>(1)</sup>
<b>Transaction Volume Growth</b>				
Total Transactions	(3%)	11%	4%	13%
U.S.-to-U.S.	(37%)	7%	(16%)	13%
U.S. Outbound	15%		16%	
U.S. to Mexico	17%		22%	
Non-U.S.	8%		10%	
<b>Revenue Growth</b>				
Money Transfer Revenue	(6%)	6%	2%	9%
Money Transfer Constant Currency Revenue	(6%)	7%	1%	9%

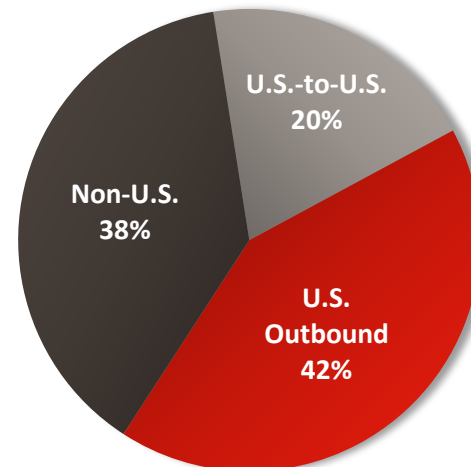
(1) Excluding U.S.-to-U.S. transactions originated at Walmart.

Global agent locations of 347,000, a net addition of 13,000 over the past year.

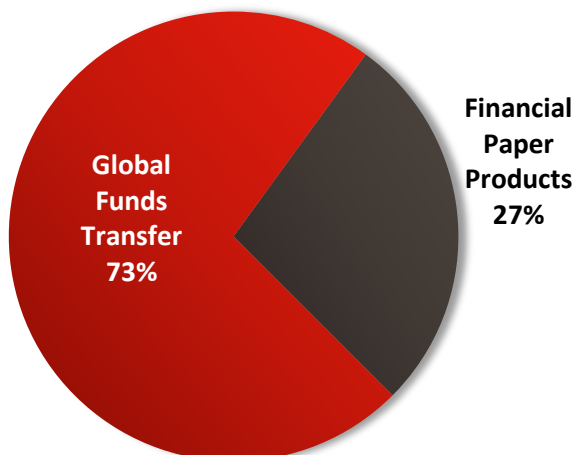
## Revenue by Segment



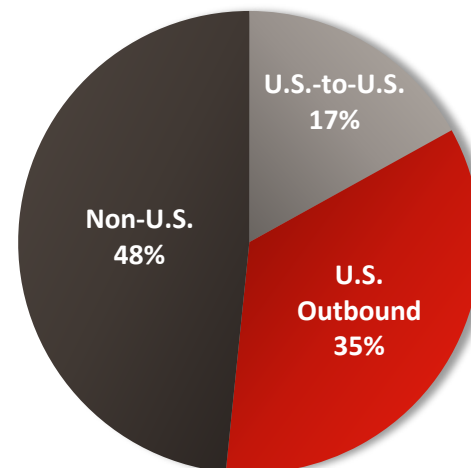
## Money Transfer Transactions by Category



## Operating Income by Segment <sup>(1)</sup>

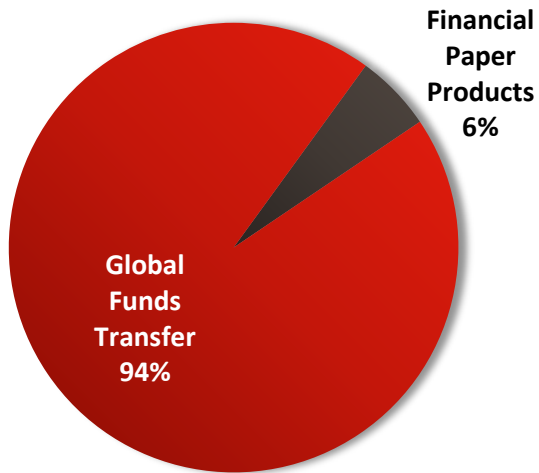


## Money Transfer Revenue by Category

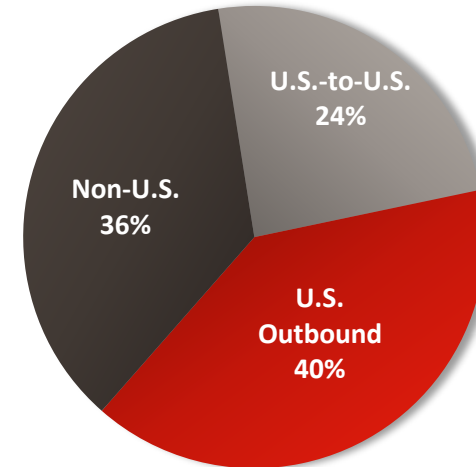


(1) Excludes other and unallocated expenses, approximated.

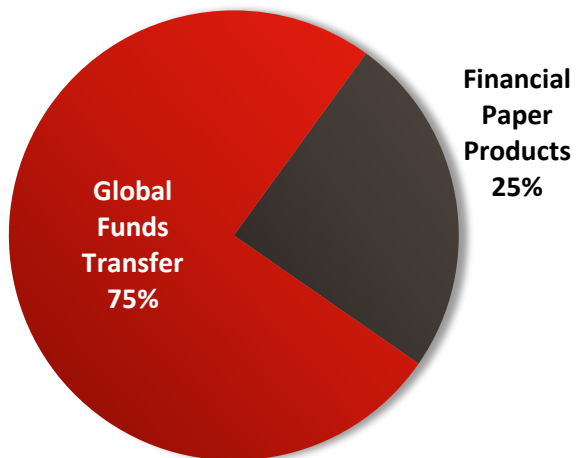
## Revenue by Segment



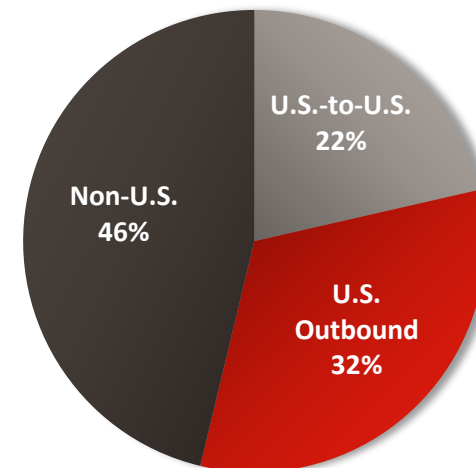
## Money Transfer Transactions by Category



## Operating Income by Segment <sup>(1)</sup>



## Money Transfer Revenue by Category



(1) Excludes other and unallocated expenses, approximated.

**When it counts,  
ask for MoneyGram.**



Send up to  
**\$900** in the U.S.  
for only **\$11.50** fee\*

*It's easy and quick to  
send and pick up!*

Over 41,000 U.S. locations

1-800-926-9400 [moneygram.com](http://moneygram.com)



- Reinforcing MoneyGram's core brand values of speed, reliability and convenience
- For transfers between \$50 and \$900, the fee is now a flat rate of \$11.50
- Fees for consumers sending greater than \$900 is now only 2% of the amount sent
- The fee to send \$50 or less remains \$5.00 or less



- Self-service represented 8% of money transfer revenue in the quarter
- Approximately 160,000 new active MGO customers added in the quarter

	Q3 2014 YOY (%)	YTD 2014 YOY (%)
<b>Self-Service Money Transfer</b>		
Transaction Growth	47%	52%
Revenue Growth	36%	37%
<b>MoneyGram Online<sup>(1)</sup></b>		
Transaction Growth	34%	37%
Revenue Growth	30%	29%

(1) Includes money transfer and bill payment.



# EBITDA & Adjusted EBITDA



\$ in Millions

	Q3 2014	YTD 2014
Income before income taxes	\$ 4.7	\$ 64.1
Interest expense	11.6	32.7
Depreciation and amortization	13.5	40.2
Amortization of agent signing bonuses	14.7	39.2
<b>EBITDA</b>	<b>\$ 44.5</b>	<b>\$ 176.2</b>
Significant items impacting EBITDA:		
Securities settlements	\$ -	\$ (22.4)
Compliance enhancement program	7.1	21.6
Reorganization and restructuring costs <sup>(1)</sup>	7.8	17.6
Stock-based and contingent performance compensation <sup>(2)</sup>	4.5	13.3
Direct monitor costs	3.7	4.6
Loss related to agent closure	3.5	3.5
Capital transaction costs <sup>(3)</sup>	-	2.1
Legal expenses <sup>(4)</sup>	0.9	1.5
<b>Adjusted EBITDA</b>	<b>\$ 72.0</b>	<b>\$ 218.0</b>
<b>Adjusted EBITDA Margin<sup>(5)</sup></b>	<b>20.1%</b>	<b>19.7%</b>

(1) Reorganization and restructuring costs in 2014 relate to the 2014 Global Transformation Program.

(2) Stock-based compensation and one-time contingent performance award payable after three years based on achievement of certain performance targets.

(3) Professional and legal fees incurred for the April 2, 2014 debt and equity transactions, subsequent shelf registration and capital contributions from investors' payment to Walmart for the Participation Agreement.

(4) Legal expenses are in connection with the settlement related to the U.S. Attorney's Office for the Middle District of Pennsylvania investigation, the IRS tax litigation and other matters.

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

# Q3 2014 Summary of Adjusting Items



\$ in Millions

	Q3 2014 Total	Transaction & Operations Support	Compensation & Benefits	Occupancy, Equipment & Supplies
Reorganization and restructuring costs <sup>(1)</sup>	\$ 7.8	\$ 3.2	\$ 4.4	\$ 0.2
Compliance enhancement program	7.1	6.1	0.8	0.2
Stock-based and contingent performance compensation <sup>(2)</sup>	4.5	0.2	4.3	-
Direct monitor costs	3.7	3.7	-	-
Loss related to agent closure	3.5	3.5	-	-
Legal expenses <sup>(3)</sup>	0.9	0.9	-	-
<b>Total</b>	<b>\$ 27.5</b>	<b>\$ 17.6</b>	<b>\$ 9.5</b>	<b>\$ 0.4</b>

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# YTD 2014 Summary of Adjusting Items



\$ in Millions

	YTD 2014 Total	Transaction & Operations Support	Compensation & Benefits	Occupancy, Equipment & Supplies	Securities Settlements
Securities settlements	\$ (22.4)	\$ -	\$ -	\$ -	\$ (22.4)
Compliance enhancement program	21.6	18.1	2.7	0.8	-
Reorganization and restructuring costs <sup>(1)</sup>	17.6	5.8	11.6	0.2	-
Stock-based and contingent performance compensation <sup>(2)</sup>	13.3	0.5	12.8	-	-
Direct monitor costs	4.6	4.6	-	-	-
Loss related to agent closure	3.5	3.5	-	-	-
Capital transaction costs <sup>(3)</sup>	2.1	2.1	-	-	-
Legal expenses <sup>(4)</sup>	1.5	1.5	-	-	-
<b>Total</b>	<b>\$ 41.8</b>	<b>\$ 36.1</b>	<b>\$ 27.1</b>	<b>\$ 1.0</b>	<b>\$ (22.4)</b>

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# Adjusted Free Cash Flow



*\$ in Millions*

	Q3 2014	YTD 2014
Adjusted EBITDA	\$ 72.0	\$ 218.0
Cash interest expense	(10.7)	(30.4)
Cash tax expense	(4.5)	(4.9)
Cash payments for capital expenditures	(25.2)	(64.7)
Cash payments for agent signing bonuses	(23.4)	(32.9)
<b>Adjusted Free Cash Flow</b>	<b>\$ 8.2</b>	<b>\$ 85.1</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. In addition, we also present Adjusted Operating Income and Adjusted Operating Margin for our two reporting segments.

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, including our ability to service debt and fund capital expenditures, acquisitions and operations. These calculations are commonly used as a basis for investors, analysts and credit rating agencies 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 measures used by management in reviewing results of operations, forecasting, assessing cash flow and capital, 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 an exclusive alternative to accompanying GAAP financial measures.