

Company Overview

NYSE: ADS



Investor Presentation
First Quarter 2017





AllianceData.

- End-to-end, data-driven marketing solutions
- Wrapped inside a 17,000 person services organization

Platforms: Loyalty, Card & Coalition



Data

1st Party Transactional / SKU Data | Offline & Online



Segmentation & Insights



Personalized Marketing Campaigns



Omni-Channel Distribution



Mobile



Email



Direct Mail



Video



POS



Social



In store

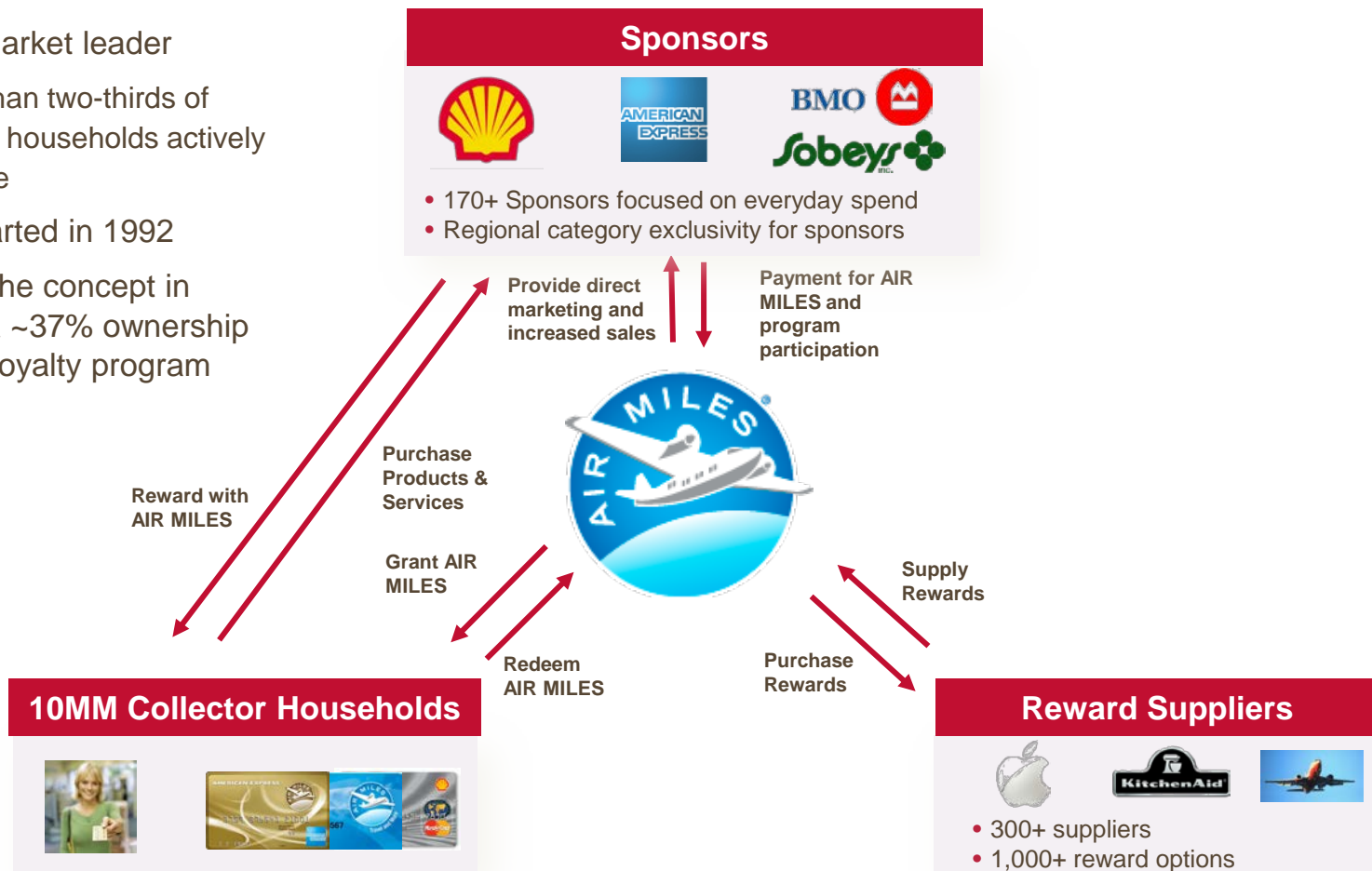


Display

LoyaltyOne AIR MILES® Reward Program Overview

The AIR MILES program is a Canadian coalition loyalty program utilized by ~170 companies

- Dominant market leader
 - Greater than two-thirds of Canadian households actively participate
- Program started in 1992
- Expanding the concept in Brazil with a ~37% ownership of coalition loyalty program Dotz



brandloyalty

BrandLoyalty brings even more options to Alliance Data's robust suite of offerings

- A leader in transactional and emotional loyalty programs by changing behavior through campaign-driven loyalty programs
- Primarily offered through grocers – a key vertical for both BrandLoyalty and LoyaltyOne
 - Program generally runs for 12 – 20 weeks
 - Consumer points can be collected in paper form or digital
 - Redeem points in-store for branded, high quality merchandise
 - One of two leading players in grocery promotions
- Based in the Netherlands and operates in Europe, Asia, Latin America, and North America

Mobile Applications

ICE MOBILE

Shoppers can download mobile apps that add the capability for in-store mobile messaging and the ability to both earn and redeem points for rewards





Epsilon is a full-service provider of end-to-end data enabled multi-channelled marketing solutions

#1 Global CRWDM Network

#2 U.S. Digital Agency Network

#4 World's Largest Digital Agency Network

#1 U.S. Agency (all disciplines)

#1 U.S. Mobile Marketing Agency

#5 U.S. Promotion Agency

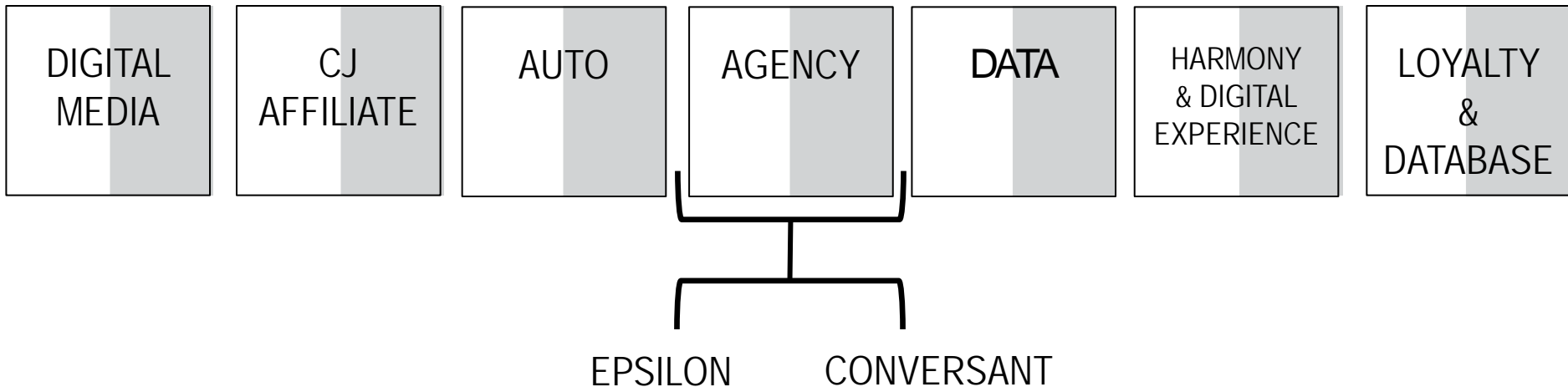


Forrester Wave "Leader"

Email Marketing Service Providers (Q3 '16)

Customer Loyalty Solutions for Large Organizations (Q4 '15)

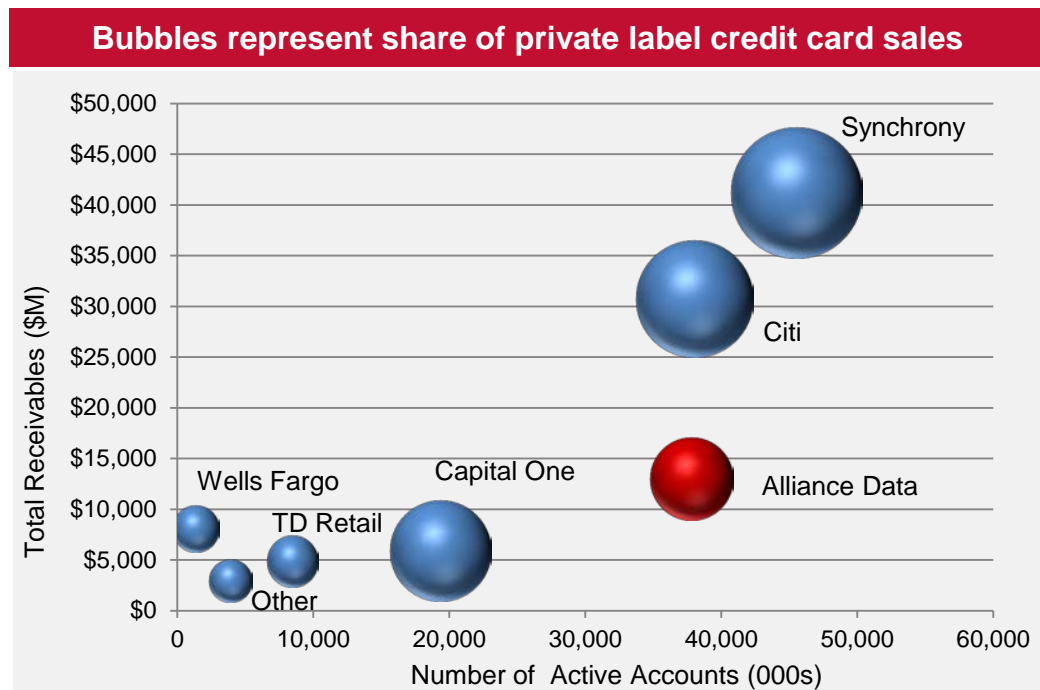
AdAge 2016 rankings





Card Services provides card-driven loyalty solutions

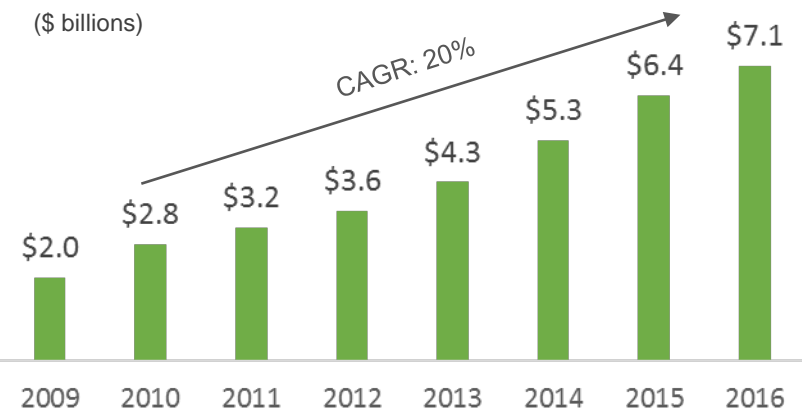
- Alliance Data Card Services has the size and scale of its competitors, but with a dedicated focus on marketing services in addition to credit services
- High number of active accounts
 - Repeat customers, not one-time big ticket purchasers
- Lower total receivables due to focusing on Specialty Retailers
- Collection risk minimized via lowest average balance per active account among peers



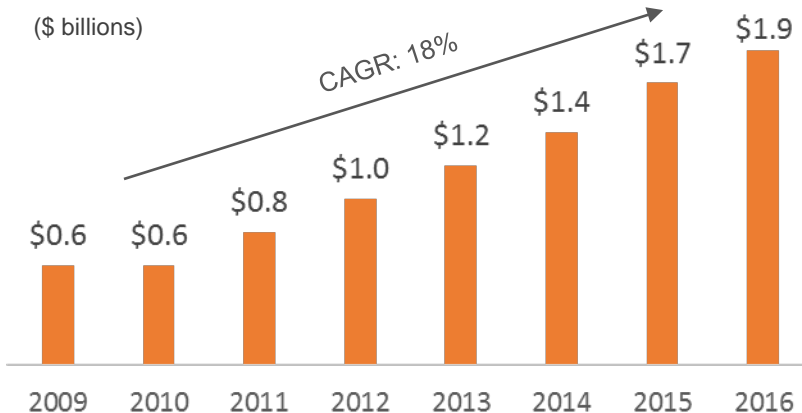
Source: ADS Form 10-K (FY 2015); Nilson Report (May 2016)

Financial Snapshot

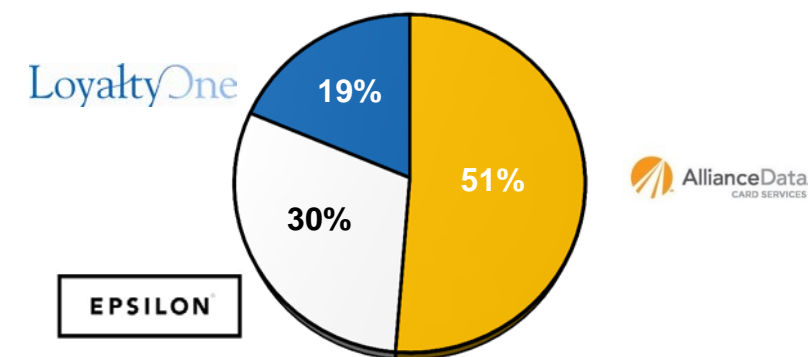
Revenue



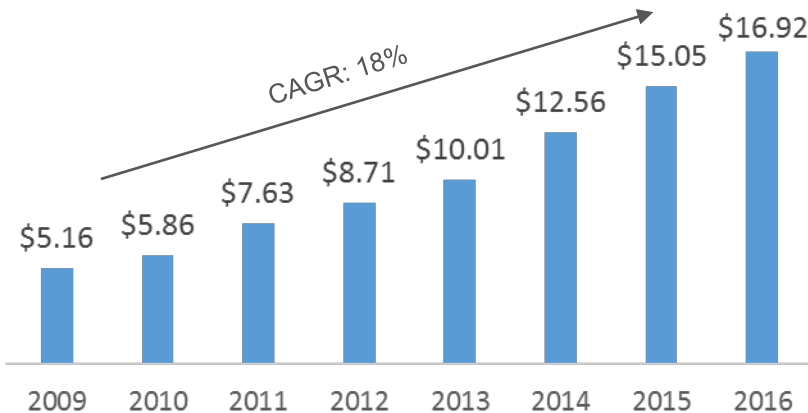
Adjusted EBITDA, net ²



Segment Revenue ¹



Core Earnings per Share



¹ Segment revenue excludes corporate and eliminations.

² Adjusted EBITDA values are net of discontinued operations, credit card funding costs and non-controlling interests.

2017 Outlook

<u>Consolidated</u>	<u>2016</u>	<u>2017</u>		
Revenue				
Prior Guidance	\$7.2 bn, +12%	\$7.9 bn, +10%		
LoyaltyOne pull-forward	<u>0.2</u>	<u>-0.2</u>		
New Guidance	\$7.4 bn, +15%	\$7.7 bn, +5%		
Core EPS	\$16.92	\$18.50, ~10%		
<u>2017 growth rates</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>
Reported revenue	High-single	Mid-single	Mid-single	Low-teens
Core EPS	Flat	Flat	Mid-teens	Mid-teens

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements give our expectations or forecasts of future events and can generally be identified by the use of words such as “believe,” “expect,” “anticipate,” “estimate,” “intend,” “project,” “plan,” “likely,” “may,” “should” or other words or phrases of similar import. Similarly, statements that describe our business strategy, outlook, objectives, plans, intentions or goals also are forward-looking statements. Examples of forward-looking statements include, but are not limited to, statements we make regarding our expected operating results, future economic conditions including currency exchange rates, future dividend declarations and the guidance we give with respect to our anticipated financial performance.

We believe that our expectations are based on reasonable assumptions. Forward-looking statements, however, are subject to a number of risks and uncertainties that could cause actual results to differ materially from the projections, anticipated results or other expectations expressed in this presentation, and no assurances can be given that our expectations will prove to have been correct. These risks and uncertainties include, but are not limited to, factors set forth in the Risk Factors section in our Annual Report on Form 10-K for the most recently ended fiscal year, which may be updated in Item 1A of, or elsewhere in, our Quarterly Reports on Form 10-Q filed for periods subsequent to such Form 10-K.

Our forward-looking statements speak only as of the date made, and we undertake no obligation, other than as required by applicable law, to update or revise any forward-looking statements, whether as a result of new information, subsequent events, anticipated or unanticipated circumstances or otherwise.

Financial Measures

In addition to the results presented in accordance with generally accepted accounting principles, or GAAP, the Company may present financial measures that are non-GAAP measures, such as constant currency financial measures, adjusted EBITDA, adjusted EBITDA margin, adjusted EBITDA, net of funding costs and non-controlling interest, core earnings and core earnings per diluted share (core EPS). Constant currency excludes the impact of fluctuations in foreign exchange rates. The Company calculates constant currency by converting our current period local currency financial results using the prior period exchange rates. The Company uses adjusted EBITDA and adjusted EBITDA, net as an integral part of internal reporting to measure the performance and operational strength of reportable segments and to evaluate the performance of senior management. Adjusted EBITDA eliminates the uneven effect across all reportable segments of non-cash depreciation of tangible assets and amortization of intangible assets, including certain intangible assets that were recognized in business combinations, and the non-cash effect of stock compensation expense. Similarly, core earnings and core EPS eliminate non-cash or non-operating items, including, but not limited to, stock compensation expense, amortization of purchased intangibles, amortization of debt issuance costs, mark-to-market gains or losses on interest rate derivatives, changes to the expiry policy and regulatory settlements. The Company believes that these non-GAAP financial measures, viewed in addition to and not in lieu of the Company's reported GAAP results, provide useful information to investors regarding the Company's performance and overall results of operations. Reconciliations to comparable GAAP financial measures are available in the Company's earnings release, which is posted in both the News and Investors sections on the Company's website (www.alliancedata.com). The financial measures presented are consistent with the Company's historical financial reporting practices. Core earnings and core EPS represent performance measures and are not intended to represent liquidity measures. The non-GAAP financial measures presented herein may not be comparable to similarly titled measures presented by other companies, and are not identical to corresponding measures used in other various agreements or public filings.