

Company Overview

NYSE: ADS



Raymond James 13th Annual North American Equities Conference
Investor Presentation

Forward-Looking Statements

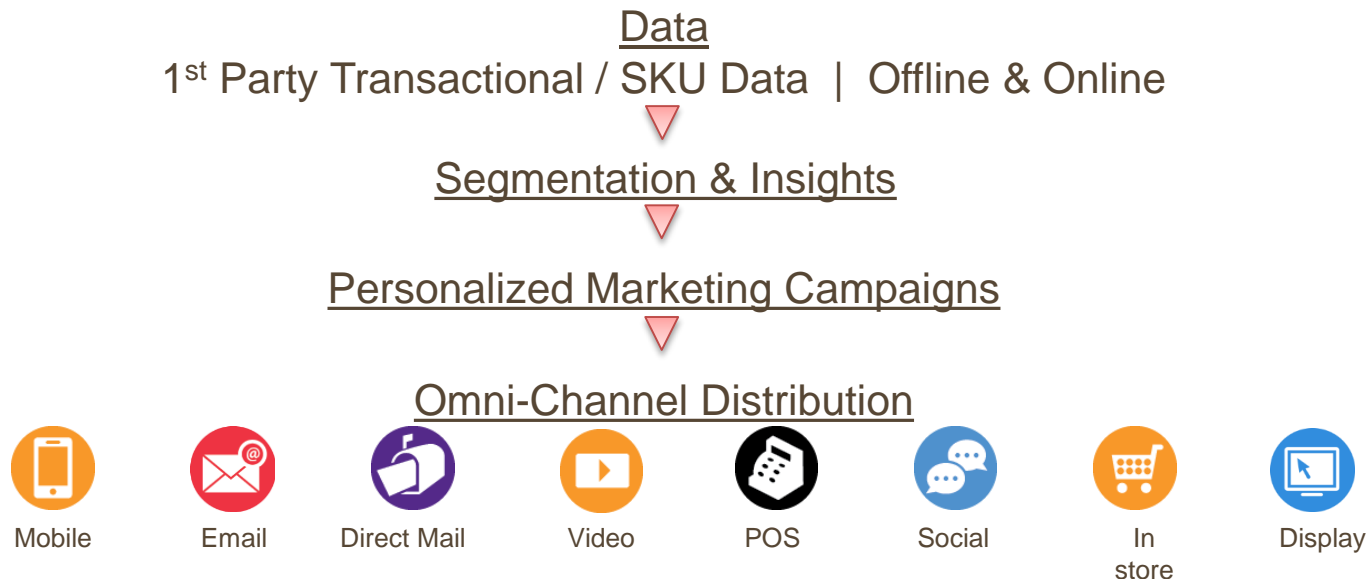
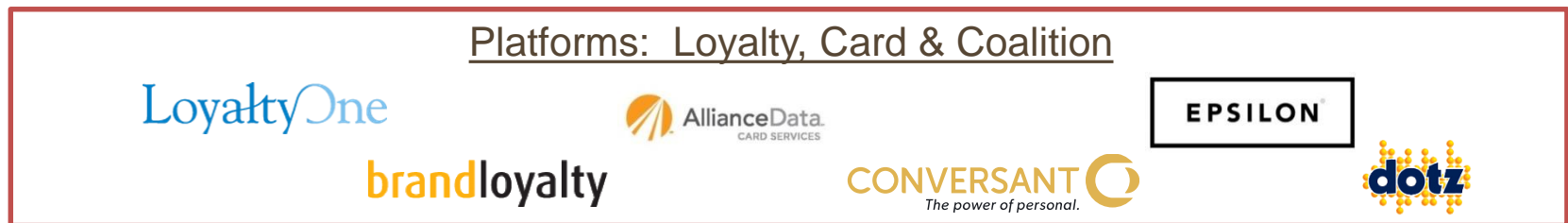
This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements give our expectations or forecasts of future events and can generally be identified by the use of words 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.



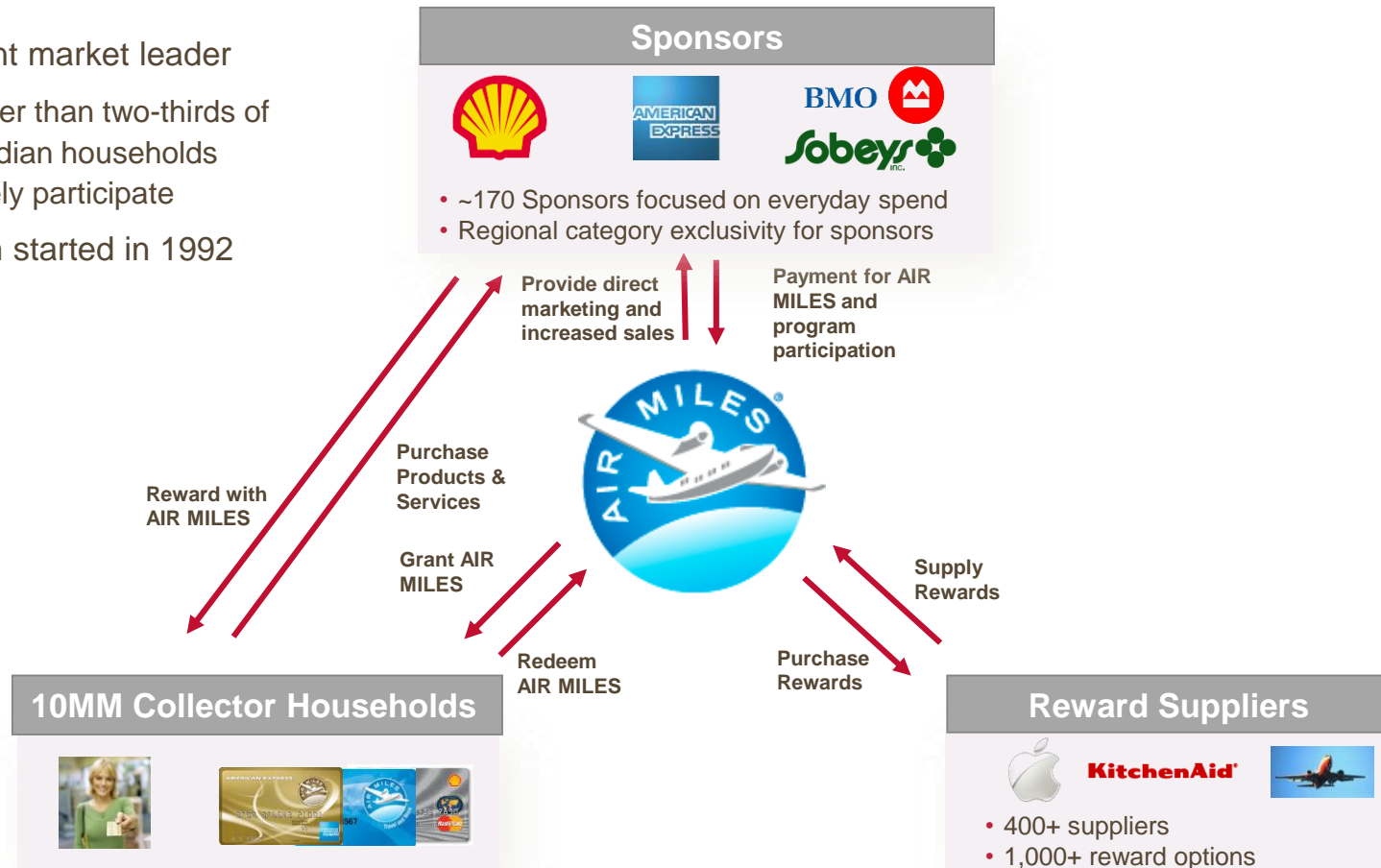
- We provide end-to-end, data-driven, personalized marketing solutions through an 18,000 person services organization



LoyaltyOne AIR MILES® Reward Program

The AIR MILES program is a Canadian coalition loyalty program

- Dominant market leader
 - Greater than two-thirds of Canadian households actively participate
- Program started in 1992



brandloyalty

BrandLoyalty provides short-term loyalty solutions primarily to the grocery vertical

- 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®

Epsilon provides a comprehensive suite of marketing solutions primarily for Fortune 1000 companies

 **#1** Global CRM/DM Network

 **#1** U.S. Agency (all disciplines)

 **#4** U.S. Digital Agency Network

 **#1** U.S. Mobile Marketing Agency

 **#6** World's Largest Digital Agency Network

 **#5** U.S. Promotion Agency

FORRESTER

Forrester Wave “Leader”

Customer Loyalty Solutions (Q3 '17), 4th consecutive
Epsilon Marketing Service Providers (Q3 '16)

AdAge 2017 rankings

DIGITAL
MEDIA

CJ
AFFILIATE

AUTO

AGENCY

DATA

HARMONY
& DIGITAL
EXPERIENCE

LOYALTY
&
DATABASE

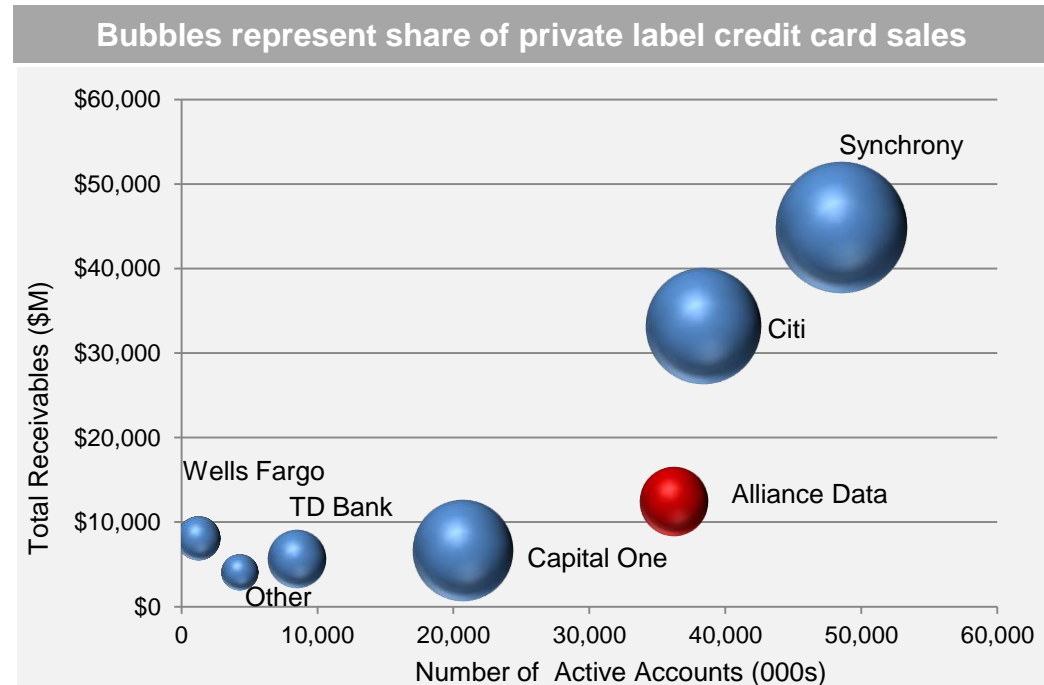
EPSILON

CONVERSANT



Card Services provides data-driven loyalty solutions for small to mid-size companies through a credit program

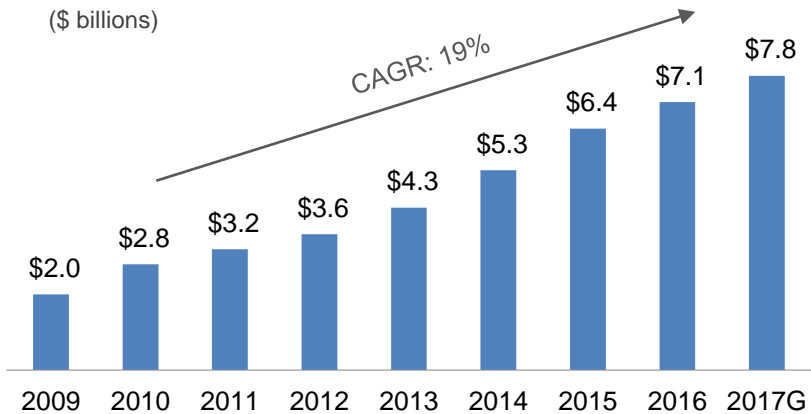
- Alliance Data Card Services has the size and scale of its competitors, but with a dedicated focus on marketing services in addition to credit services
- High number of active accounts
 - Repeat customers, not one-time big ticket purchasers
- Lower total receivables due to focusing on Specialty Retailers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



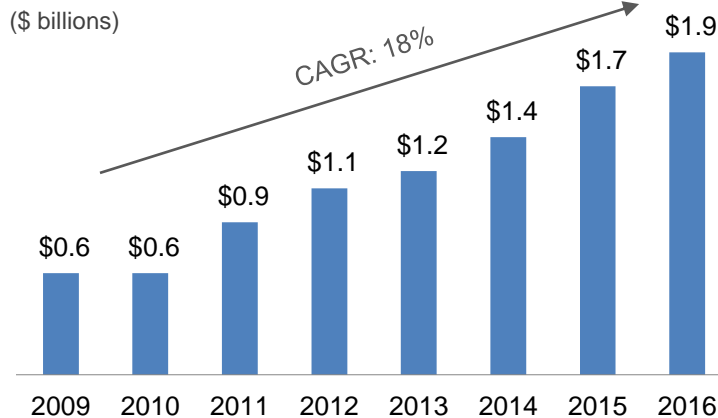
Source: Nilson Report (June 2017)

Financial Snapshot

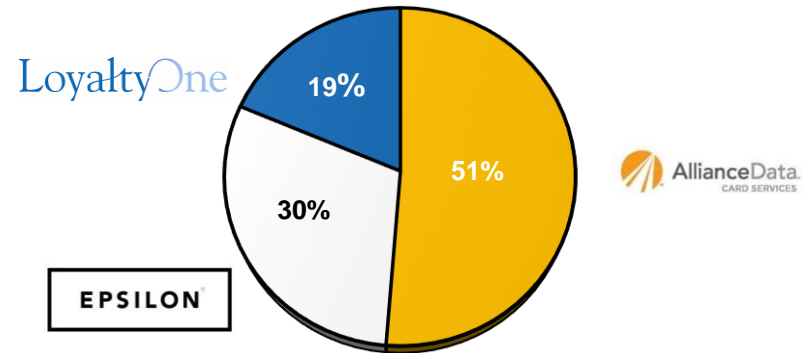
Revenue



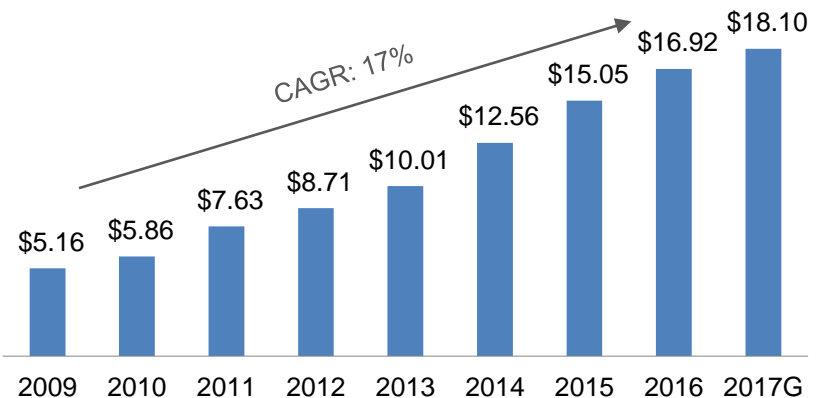
Adjusted EBITDA, net ²



Segment Revenue ¹



Core Earnings per Share



¹ From 10K. Segment revenue excludes corporate and eliminations.

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

G indicates 2017 guidance.

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 and hedging 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). No reconciliation is provided with respect to forward-looking annual guidance for 2017 core EPS as the Company cannot reliably predict all necessary components or their impact to reconcile core EPS to GAAP EPS without unreasonable effort. The events necessitating a non-GAAP adjustment are inherently unpredictable and may have a material impact on the Company's future results. 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.