

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

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

Date of report (Date of earliest event reported):

April 16, 2015

ALLIANCE DATA SYSTEMS CORPORATION

(Exact Name of Registrant as Specified in Charter)

DELAWARE

(State or Other Jurisdiction
of Incorporation)

001-15749

(Commission
File Number)

31-1429215

(IRS Employer
Identification No.)

7500 DALLAS PARKWAY, SUITE 700

PLANO, TEXAS 75024

(Address and Zip Code of Principal Executive Offices)

(214) 494-3000

(Registrant's Telephone Number, including Area Code)

NOT APPLICABLE

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act
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ITEM 7.01. Regulation FD Disclosure

Attached as Exhibit 99.1 is a presentation to be given to investors and others by senior officers of Alliance Data Systems Corporation.

ITEM 9.01. Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit No.</u>	<u>Document Description</u>
99.1	Investor Presentation Materials.

Note: The information contained in this report (including Exhibit 99.1) shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such a filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: April 16, 2015

Alliance Data Systems Corporation

By: /s/ Charles L. Horn
Charles L. Horn
Executive Vice President and
Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Document Description</u>
99.1	Investor Presentation Materials.

Alliance Data NYSE: ADS



Q1 2015 Results
April 16, 2015



Agenda

- Speakers: Ed Heffernan
Charles Horn
Melisa Miller
President and CEO
EVP and CFO
EVP and President – Card Services
- First Quarter 2015 Consolidated Results
- Segment Results
- 2015 Guidance and Critical Goals
- Raising 2015 Guidance



First Quarter Consolidated Results

(MM, except per share)

	<u>Quarter Ended March 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>% Change</u>
Revenue	\$ 1,601	\$ 1,233	+30%
EPS	\$ 2.32	\$ 2.08	+12%
Core EPS	\$ 3.65	\$ 2.79	+31%
Adjusted EBITDA	\$ 474	\$ 371	+28%
Adjusted EBITDA, net	\$ 430	\$ 335	+29%
Diluted shares outstanding	63.6	66.1	-4%

- Double-digit revenue growth in all segments.
 - strong organic revenue growth of 19 percent.
- Solid flow-through of revenue growth to adjusted EBITDA.
- Unfavorable FX rates were a 5 percent drag to revenue and core EPS.
- EPS and core EPS benefitted from the repurchase of 2 million shares during Q1.



LoyaltyOne (MM)

	Quarter Ended March 31,		
	2015	2014	% Change
Revenue	\$ 388	\$ 329	+18%
Adjusted EBITDA	\$ 77	\$ 71	+9%
Non-controlling interest	<u>-7</u>	<u>-6</u>	
Adjusted EBITDA, net	\$ 70	\$ 65	+7%
Adjusted EBITDA %	20%	22%	-2%
Key Metrics:			
AIR MILES® reward miles issued	1,229	1,147	+7%
AIR MILES reward miles redeemed	1,213	1,056	+15%
Average CDN FX rate	0.81	0.91	-11%
Average Euro FX rate	1.12	1.37	-18%

- Revenue and adjusted EBITDA increased 37 percent and 26 percent, respectively, on a constant currency basis.
- Tremendous quarter for BrandLoyalty with revenue up 100 percent from last year on a constant currency basis.
 - some is due to timing of customer marketing promotions (Q1 vs. Q2).
- Solid 1st quarter issuance growth of 7 percent in Canada.



Epsilon (MM)

	Quarter Ended March 31,		
	<u>2015</u>	<u>2014</u>	<u>% Change</u>
Revenue	\$ 505	\$ 348	+45%
Adjusted EBITDA	\$ 104	\$ 55	+88%
Adjusted EBITDA %	21%	16%	+5%

- Strong organic revenue and adjusted EBITDA growth of 6 percent and 5 percent, respectively.
- Solid 21 percent growth in 1st quarter volumes for Agility Harmony digital messaging platform.

Card Services (MM)

	<u>Quarter Ended March 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>% Change</u>
Revenue	\$ 715	\$ 562	+27%
Operating expenses	262	217	+21%
Provision for loan losses	135	71	+90%
Funding costs	<u>36</u>	<u>30</u>	<u>+17%</u>
Adjusted EBITDA, net	\$ 282	\$ 244	+16%
Adjusted EBITDA, net %	39%	43%	-4%

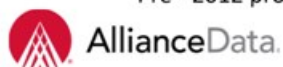
- Strong revenue growth driven by 33 percent growth in average card receivables during Q1.
- Substantial growth in card receivables drove solid expense leveraging.
- The provision for loan losses increased significantly due to card receivables growth and timing.
 - reserve build in Q1, 2015 (+\$15 million) compared to reserve release in Q1, 2014 (-\$21 million)

Card Services (MM)

Key metrics:	<u>Quarter Ended March 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>Change</u>
Credit sales	\$ 4,960	\$ 3,614	+37%
Average credit card receivables	\$ 10,677	\$ 8,022	+33%
Total gross yield	26.8%	28.0%	-1.2%
Normalized loss rates	4.9%	4.9%	-%
Delinquency rate	3.9%	3.9%	-%

- Gross yield compression is due to mix (co-brand vs. PLCC) and acquired card receivables.
- Normalized loss rates (adjusted for acquired portfolios) were consistent between quarters.
- Core¹ spending remains strong, up 11 percent.
- Ending reserve of 5.6 percent of reservable receivables at March 31, 2015
 - spread of approximately 120 basis points to the LTM loss rate.

¹ Pre - 2012 programs.

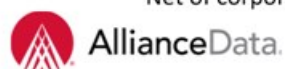


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First Quarter Summary (MM)

Q1, 2015	Revenue		Adj. EBITDA, Net		
LoyaltyOne:					
BrandLoyalty	\$ 224	+100%	31	+117%	
Canada	228	+5%	58	+3%	• +7% miles issued
Constant currency	452	+37%	89	+26%	
Non-controlling interest					
			-7		
FX impact	-64		-12		• FX is ~\$0.10 hit to core EPS
Reported	388	+18%	70	+7%	
Epsilon:					
Epsilon	368	+6%	58	+5%	• Solid EBITDA flow-thru
Conversant	137	n/a	46	n/a	• 2 nd half acceleration
	505		104		
Card Services					
	715	+27%	282	+16%	• +33% portfolio growth
					• Reserve build for growth
Total ¹	\$ 1,601	+30%	\$ 430	+29%	• \$3.65 core EPS, +31%

¹ Net of corporate/other segment which is not shown.



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2015 Guidance and Critical Goals

LoyaltyOne

- BrandLoyalty
- Canada
- Double-digit growth in revenue and adjusted EBITDA
- North America expansion
- AIR MILES issuance growth returns to mid-single digit growth

EPSILON

- Epsilon
- Conversant
- Revenue growth flows through to adj. EBITDA growth
- Complete internal transformation towards data (first-half)
- Return to solid organic growth (second-half)



- Exceptional portfolio growth (> 25 percent)
- Strong, double-digit revenue and adjusted EBITDA, net growth
- Sign new \$2 billion vintage
- Deliver full digital suite (mobile apps, etc.)

Overall

- Organic revenue growth of 3x GDP; 20 percent plus overall revenue growth
- \$1.3 billion in free cash flow
- Play through FX headwinds though over-performance and share buybacks



Raising 2015 Guidance

(\$MM, except per share)

	2014	2015	2015	'15 / '14 Increase
	<i>Actual</i>	<i>Previous Guidance</i>	<i>New Guidance</i>	
Revenue	\$ 5,303	\$ 6,500	\$6,500	+23%
Core EPS	\$ 12.56	\$ 14.80	\$14.90	+19%
Diluted shares outstanding	62.4	64 – 64.7	63.0	

	<u>Q1 '15</u>			<u>2015</u>	
Previous guidance	\$ 3.40	+22%	Previous guidance	\$ 14.80	+18%
Share repurchases	0.05		Share repurchases	-	<i>Cover further FX weakness</i>
BrandLoyalty timing	0.10		BrandLoyalty timing	-	<i>Reverses in Q2</i>
Over-performance	0.10	→	Over-performance	0.10	
Reported core EPS	\$ 3.65	+31%	New core EPS guidance	\$ 14.90	+19%



Q & A



Safe Harbor Statement and Forward Looking Statements

This presentation may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements may use words such as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “predict,” “project,” “would” and similar expressions as they relate to us or our management. When we make forward-looking statements, we are basing them on our management’s beliefs and assumptions, using information currently available to us. Although we believe that the expectations reflected in the forward-looking statements are reasonable, these forward-looking statements are subject to risks, uncertainties and assumptions, including those discussed in our filings with the Securities and Exchange Commission.

If one or more of these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may vary materially from what we projected. Any forward-looking statements contained in this presentation reflect our current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to our operations, results of operations, growth strategy and liquidity. We have no intention, and disclaim any obligation, to update or revise any forward-looking statements, whether as a result of new information, future results or otherwise, except as required by law.

“Safe Harbor” Statement under the Private Securities Litigation Reform Act of 1995: Statements in this presentation regarding Alliance Data Systems Corporation’s business which are not historical facts are “forward-looking statements” that involve risks and uncertainties. For a discussion of such risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see “Risk Factors” in the Company’s Annual Report on Form 10-K for the most recently ended fiscal year. Risk factors may be updated in Item 1A in each of the Company’s Quarterly Reports on Form 10-Q for each quarterly period subsequent to the Company’s most recent Form 10-K.



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). 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. These metrics are an integral part of the Company's internal reporting to measure the performance of reportable segments and the overall effectiveness of senior management. Reconciliations to comparable GAAP financial measures are available in the accompanying schedules and on the Company's website. The financial measures presented are consistent with the Company's historical financial reporting practices. Core earnings and core earnings per diluted share 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.

