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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):  
March 1, 2017

**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. The presentation will first be presented at the Raymond James 38th Annual Institutional Investors Conference at the JW Marriott Grande Lakes Hotel in Orlando, FL on Monday, March 6, 2017.

**ITEM 9.01. Financial Statements and Exhibits**

(d) Exhibits

**Exhibit No.    Document Description**

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.

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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.

Alliance Data Systems Corporation

Date: March 1, 2017

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

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EXHIBIT INDEX

**Exhibit No.**    **Document Description**

99.1            Investor Presentation Materials.

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# Alliance Data

- Who Are We and What Do We Do?
- Outlook



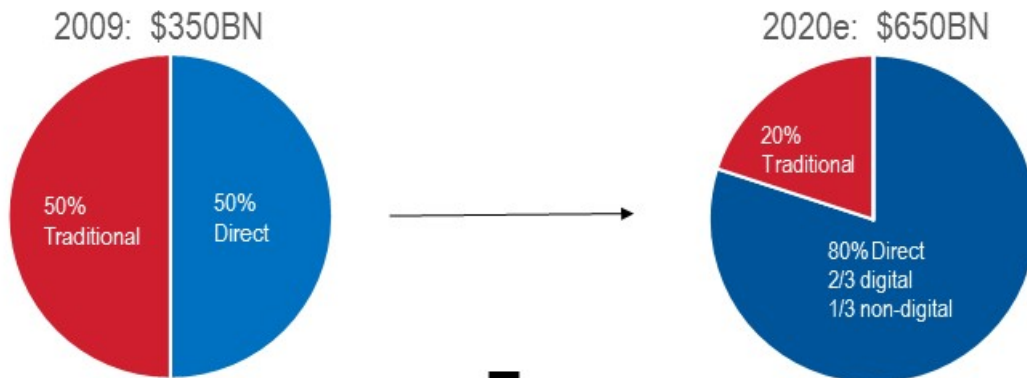
Investor Presentation  
2017



- Marketplace Challenge Today: How to reach the end consumer effectively?
  - Audience fragmentation → traditional channels less effective
  - Information overload → consumers only want what's relevant to them
  - Rise of online → pricing pressure forcing ROI measurement on marketing spend



- Massive shift from General Marketing spend to Direct ("data driven") spend.



- Today, effective marketing must be:
  - Personalized (1-1)
  - Delivered over the appropriate channel (mobile, email, POS, direct mail)
  - Measurable

# Who are we and what do we do?

1. Build Customer Loyalty Platforms
2. Use Unique Data: SKU (requires client permission)
3. Link SKU with Consumer
4. Add Demographic/Psychographic Data

MEET MARY



# Who are we and what do we do?

## Example:

On September 14<sup>th</sup>  
Mary Smith spent \$60  
at Ann Taylor Loft, Store #128

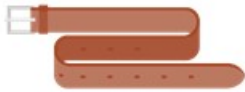


- She bought a blue dress, size 10 (SKU)
- Dress was 20 percent off
- Mary is upper middle income
  - Tends to buy complete wardrobes
  - Looks for value (i.e., sales)
  - Mom who works > busy



# Who are we and what do we do?

## 5. Use Data/Insights to Create Specialized Offers



On September 15th  
Mobile offer to Mary

Shoes & belt would work nicely with dress  
Click & buy now > 20 percent off sale

“Rinse and repeat” millions of times

We use data to gain insights which drive sales & loyalty for our clients



# Who are we and what do we do?

## 6. Different Platforms/Same Model

### LoyaltyOne®

#### AIR MILES®

Coalition loyalty  
(Canada)



#### BrandLoyalty®

Grocer loyalty  
specialist (Int'l)



#### Epsilon®

Single client programs



Hilton  
HOTELS & RESORTS



#### Card Services

Loyalty program with  
credit component



WILLIAMS-SONOMA

VICTORIA'S  
SECRET



# Financial Results

- Since IPO in 2001 @ \$12/share

	<u>2001</u>	<u>2017e</u>	<u>CAGR</u>
Revenue (mm)	\$ 770	\$ 7,700	15%
Core EPS	\$ 0.52	\$ 18.50	25%

- Revenue



- Financial Model

- Growth Company
- Long track record of consistent performance
- Strong free cash flow generation
- History of returning capital (buybacks and recently added dividend)

- Includes:
1. network & processing
  2. credit
  3. US domiciled customer care
  4. data-driven marketing
    - digital & traditional
    - 500 person "mini-Epsilon"
- 100% In-house

# Outlook - LoyaltyOne

- Long-term significant contributor
  - Combo organic/M&A
- 2016:
  - BrandLoyalty: strong year
  - Canada: new law passed by Ontario Parliament upended business model
    - ▢ One-time charge, pull forward of revenue → lots of noise
- 2017:
  - BrandLoyalty: 10% revenue/adjusted EBITDA
  - Canada: revenue flat at \$760 million v. 2016 (excluding 1x charge and revenue pull forward)  
Adjusted EBITDA ↓ \$20 million – mid-20 percent margin fully recovered by 2<sup>nd</sup> half
- 2018: +7% growth

<u>(MM)</u>	<u>2007</u>	<u>2017e</u>	<u>CAGR</u>
Revenue	\$ 630	\$ 1,450	9%
Adjusted EBITDA	\$ 132	\$ 300	10%

# Outlook- Epsilon

- Long-term significant contributor
  - Combination of organic/M&A
- 2016: Disappointing year (revenue flat, adjusted EBITDA declined)
  - Technology Platform business (26% of Epsilon) dragged down growth
    - ❑ Price point too high, time to market too slow
- 2017: Return to modest growth (+4% revenue/adjusted EBITDA)
  - Technology Platform business
    - ❑ Price point fixed via large office in India
    - ❑ Time to market: fixed by mid-year
    - ❑ Decline → flat by second half
  - Remaining 80% of Epsilon → 6-7% growth
- 2018: +7% growth

<u>(MM)</u>	<u>2007</u>	<u>2017e</u>	<u>CAGR</u>
Revenue	\$ 460	\$ 2,240	17%
Adjusted EBITDA	\$ 118	\$ 500	16%

# Outlook – Card Services

- Riding secular trend favoring SKU-driven Private Label programs
- 2016:
  - Double-digit revenue & adjusted EBITDA, net
    - Included absorbing \$165 million drag from credit losses “normalizing”
      - Cut 12 points off of core EPS growth
- 2017:
  - Strong growth to continue: double-digit revenue & adjusted EBITDA, net
    - Includes absorbing the final leg of losses normalizing
      - Cuts 12 points off of core EPS growth
  - Delinquencies (best predictor of losses) flatten out v 2016
- 2018:
  - Strong business growth + flat loss rate → slingshot to earning’s growth



# Outlook - Consolidated

- Tracking to '17 guidance: \$7.7BN revenue, \$18.50 core EPS
  - 1<sup>st</sup> half muted -
    - Retool AIR MILES model
    - Complete Technology Platform product at Epsilon
    - Progress on Card Services' wedge narrowing
  - 2<sup>nd</sup> half –
    - Acceleration begins
- 2018: all businesses at full run rate + transition from increasing credit loss provision to flat loss dynamic



“slingshot” (i.e., double growth rate or more) through 2018



# 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](http://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.

