

Aimia Inc.

## Aimia Group Chief Executive to take 4-month leave of absence

Company re-confirms and updates 2016 guidance

MONTREAL, Jan. 19, 2017 /CNW Telbec/ - The Board of Directors of data-driven marketing and loyalty analytics company Aimia Inc. (TSX: AIM) today announced that it has been advised by Group Chief Executive Rupert Duchesne that treatment for a medical condition on his physician's advice will require him to take a four-month leave of absence.

Robert E. Brown has been appointed Executive Chairman by the Board of Directors. Concurrently, the Board of Directors has appointed David Johnston to serve as Interim Group Chief Executive and lead the executive team.

David's seven-year tenure with the company, most recently as Group Chief Operating Officer and previously as EMEA President and CEO, will ensure strong continuity of leadership.

With today's announcement, Aimia is also re-confirming and updating guidance for the 2016 financial year and providing preliminary unaudited estimates<sup>(1)</sup> for the fourth quarter and the full year ended December 31, 2016<sup>(2)</sup>.

- Aimia expects to report Gross Billings above \$640 million in the fourth quarter, with full year 2016 Gross Billings expected to be above \$2.3 billion and in line with Aimia's prior guidance
- Revenue is expected to be approximately \$2.3 billion for the full year
- Adjusted EBITDA margin<sup>(3)</sup> is expected to be around 10% for the quarter and the full year, above Aimia's prior guidance of around 9.5%
- Full year 2016 Free Cash Flow before Dividends Paid is expected to be above \$200 million<sup>(4)</sup> against Aimia's guidance of \$190 to \$210 million; fourth quarter Cashflow from Operating activities is expected to be approximately \$140 million and Free Cash Flow before Dividends Paid on a reported basis to be over \$120 million, driven by a strong quarter on Gross Billings and a return to more normalized levels of Capital Expenditures of approximately \$70 million for 2016

These estimates, along with the company's guidance for 2017, will be finalized with the company's planned earnings announcement on February 16, 2017.

The company's ongoing asset review to enhance shareholder value has not been completed; any impairment charges that may arise will not affect the metrics above. As expected, Aimia will report a GAAP operating loss for the full year, prior to any impairment charges. The ongoing process to simplify and focus the business may also result in certain assets, which represent 2016 annual Gross Billings in the range of \$150 and \$200 million, being identified as held for sale.

"The progress we made in 2016 means Aimia enters 2017 with a more profitable and more focused business," said Robert E. Brown, Executive Chairman, Aimia. "David and the team are well placed to lead the company's ongoing operational progress. The Board and the management team together wish Rupert a speedy recovery and look forward to his return."

### Quarterly Conference Call and Audio Webcast Information

The release of the company's consolidated financial statements and MD&A is scheduled for the evening of February 16, 2017. Aimia will host a conference call to discuss its fourth quarter 2016 financial results at 8:30 a.m. EST on Friday, February 17, 2016. The call can be accessed by dialling 1-888-231-8191 or 647-427-7450 for the Toronto area. The call will be simultaneously audio webcast at: <http://event.on24.com/r.htm?e=1350040&s=1&k=94918B49F05EFED7512479562FF28A07>

All financial information in this release is in Canadian dollars unless otherwise noted. The release contains non-GAAP financial measures that are further explained at the end.

This release was reviewed by Aimia's Audit Committee and was approved by the company's Board of Directors, on the Audit

Committee's recommendation, prior to its release.

## Notes

1. Aimia has provided unaudited preliminary estimates of Gross Billings, Revenues, Adjusted EBITDA Margin, Free Cash Flow before Dividends Paid, Cashflow from Operating Activities and Capital Expenditures. These are preliminary estimates based on the information currently available and are subject to the completion of our financial closing procedures, final adjustments and other developments that may arise between now and the time the 2016 financial results are finalized. It is possible that final reported results may not be what is currently estimated, and the difference may be material.
2. Non-GAAP financial measures (Adjusted EBITDA and Free Cash Flow before Dividends Paid) are explained in the section entitled "Non-GAAP Financial Measures".
3. Adjusted EBITDA and Adjusted EBITDA margin exclude severance expense expected to be around \$7 million for the twelve months ended December 31, 2016.
4. Guidance for Free Cash Flow before Dividends Paid for the twelve months ended December 31, 2016 excludes tax proceeds of \$50.3 million, inclusive of interest in the amount of \$1.6 million, related to the income tax refund of loss carry back applied in Canada received in the third quarter of 2016, full year severance payments expected to be around \$15 million and fourth quarter prepayment of interest expense and related fees associated with the earlier redemption of the Series 3 debentures of around \$7 million.

## About Aimia

Aimia Inc. (TSX:AIM) is a data-driven marketing and loyalty analytics company. We provide our clients with the customer insights they need to make smarter business decisions and build relevant, rewarding and long-term one-to-one relationships, evolving the value exchange to the mutual benefit of both our clients and consumers.

With about 3,200 employees across 17 countries, Aimia partners with groups of companies (coalitions) and individual companies to help generate, collect and analyze customer data and build actionable insights.

We do this through our own coalition loyalty programs such as Aeroplan in Canada, Nectar in the U.K., and Air Miles Middle East, and through provision of loyalty strategy, program development, implementation and management services underpinned by leading products and technology platforms such as the Aimia Loyalty Platform – Enterprise and Aimia Loyalty Platform – SaaS, and through our analytics and insights business, including Intelligent Shopper Solutions. In other markets, we own stakes in loyalty programs, such as Club Premier in Mexico and Think Big, a partnership with Air Asia and Tune Group. Our clients are diverse, and we have industry-leading expertise in the fast-moving consumer goods, retail, financial services, and travel and airline industries globally to deliver against their unique needs.

For more information about Aimia, visit [www.aimia.com](http://www.aimia.com).

## Non-GAAP Financial Measures

*Aimia uses the following non-GAAP financial measures which it believes provides investors and analysts with additional information to better understand results as well as assess its potential. GAAP means generally accepted accounting principles in Canada and represents International Financial Reporting Standards ("IFRS").*

### **Adjusted EBITDA**

*Adjusted EBITDA is not a measurement based on GAAP, is not considered an alternative to operating income or net earnings in measuring performance, and is not comparable to similar measures used by other issuers. We do not believe that Adjusted EBITDA has an appropriate directly comparable GAAP measure. Adjusted EBITDA is used by management to evaluate performance, and to measure compliance with debt covenants. Management believes Adjusted EBITDA assists investors in comparing the Corporation's performance on a consistent basis without regard to depreciation and amortization and impairment charges, which are non-cash in nature and can vary significantly depending on accounting methods and non-operating factors such as historical cost.*

*Adjusted EBITDA is operating income adjusted to exclude depreciation, amortization and impairment charges, as well as adjusted for certain factors particular to the business, such as changes in deferred revenue and Future Redemption Costs. Adjusted EBITDA also includes distributions and dividends received or receivable from equity-accounted investments. Adjusted EBITDA should not be used as an exclusive measure of cash flow because it does not account for the impact of working capital growth, capital expenditures, debt repayments and other sources and uses of cash, which are disclosed in the statements of cash flows.*

### **Free Cash Flow and Free Cash Flow before Dividends Paid**

*Free Cash Flow and Free Cash Flow before Dividends Paid are non-GAAP measures and are not comparable to similar measures used by other issuers. They are used in order to provide a consistent and comparable measurement of cash generated from operations and used as indicators of financial strength and performance. Free Cash Flow is defined as cash flows from operating activities, as reported in accordance with GAAP, less adjustments for: (a) total capital expenditures as reported in accordance with GAAP; and (b) dividends paid.*

*Free Cash Flow before Dividends Paid is defined as cash flows from operating activities as reported in accordance with GAAP, less capital expenditures as reported in accordance with GAAP.*

### **Reconciliation to GAAP**

*A reconciliation of the above Non-GAAP financial measures to GAAP for the fourth quarter of 2016 cannot be provided at this time because the relevant line items in our income statement have not been finalized with sufficient certainty. The Corporation currently expects to announce its fourth quarter and year-end 2016 results on February 16, 2017. For a reconciliation of the Non-GAAP financial measures to GAAP for the three and nine months ended September 30, 2016, please refer to page 12 of the Management Discussion & Analysis for the three and nine months ended September 30, 2016.*

### **Forward-Looking Statements**

*Forward-looking statements are included in this news release. These forward-looking statements are typically identified by the use of terms such as "outlook", "guidance", "target", "forecast", "assumption" and other similar expressions or future or conditional terms such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will", "would", and "should". Such statements may involve but are not limited to comments with respect to strategies, expectations, planned operations or future actions.*

*Forward-looking statements, by their nature, are based on assumptions and are subject to important risks and uncertainties. Any forecasts, predictions or forward-looking statements cannot be relied upon due to, among other things, changing external events and general uncertainties of the business and its corporate structure. Results indicated in forward-looking statements may differ materially from actual results for a number of reasons, including without limitation, dependency on Significant Accumulation Partners and clients, failure to safeguard databases, cyber security and consumer privacy, changes to the Aeroplan program, reliance on Redemption Partners, conflicts of interest, greater than expected redemptions for rewards, regulatory matters, retail market/economic conditions, industry competition, Air Canada liquidity issues or air travel industry disruptions, airline industry changes and increased airline costs, supply and capacity costs, unfunded future redemption costs, changes to coalition loyalty programs, seasonal nature of the business, other factors and prior performance, foreign operations, legal proceedings, reliance on key personnel, labour relations, pension liability, technological disruptions, inability to use third-party software and outsourcing, failure to protect intellectual property rights, interest rate and currency fluctuations (including currency risk on our foreign operations which are denominated in a currency other than the Canadian dollar, mainly the pound sterling, and subject to fluctuations as a result of foreign exchange rate variations), leverage and restrictive covenants in current and future indebtedness, uncertainty of dividend payments, managing growth, credit ratings, audit by tax authorities, as well as the other factors identified throughout Aimia's public disclosure records on file with the Canadian securities regulatory authorities.*

*The forward-looking statements contained herein represent Aimia's expectations as of January 18, 2017 and are subject to change after such date. However, Aimia disclaims any intention or obligation to update or revise any forward-looking statements whether as*

*a result of new information, future events or otherwise, except as required under applicable securities regulations.*

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<https://aimia.mediaroom.com/2017-01-19-Aimia-Group-Chief-Executive-to-take-4-month-leave-of-absence,1>