AIMIA INC.

THIRD QUARTER 2017

RESULTS CONFERENCE CALL

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FINAL TRANSCRIPT

Aimia Inc.

Third Quarter Results Conference Call

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CORPORATE PARTICIPANTS

Karen Keyes
Aimia Inc. — Senior Vice President, Investor Relations

David Johnston
Aimia Inc. — Group Chief Executive

Mark Grafton
Aimia Inc. — Chief Financial Officer

CONFERENCE CALL PARTICIPANTS

Kenric Tyghe
Raymond James — Analyst

Shaun Noll
FCM — Analyst

PRESENTATION

Operator

Good morning. My name is Lisa, and I will be your conference Operator today. At this time, I would like to welcome everyone to the Aimia Incorporated Third Quarter Results Conference Call. All lines have been placed on mute to prevent any background noise.

After the speakers' remarks, there will be a question-and-answer session. If you would like to ask a question during this time, simply press *, then the number 1 on your telephone keypad. If you would like to withdraw your question, press the # key. Please limit your questions to one question and one follow-up. Thank you.

Karen Keyes, Head of Investor Relations, you may begin your conference.

Karen Keyes — Senior Vice President, Investor Relations, Aimia Inc.

Thank you very much, Lisa. Good morning to all of you attending on the phone and the webcast this morning. With me on the call today are David Johnston, our Chief Executive; Mark Grafton, our Chief Financial Officer; and Steve Leonard, Vice President and Chief Accounting Officer.

Before we get underway, I'd like to remind everyone to review our forward-looking statements and the cautions and risk factors pertaining to the statements. For those of you following along with us on the webcast, you should see these on the screen in front of you now. For those of you accessing the presentation, which can be downloaded on the website, these can be found on Page 3 of the highlights presentation.

I'd also like to point out the presentation refers to a number of non-GAAP metrics to help you better understand the results of the business. The definitions of these metrics and a reconciliation to their most comparable GAAP metrics can be found on Pages 4 and 5.

We've also included a full income statement, which can be found on Page 6, and a reconciliation of our return on invested capital metrics, which can be found on Page 7.

We will be focusing our comments today on the numbers for the core business, which is the basis on which we issued our 2017 guidance earlier this year. For those of you looking to reference the reported numbers, these can be found on Slide 8.

And with that, I'll hand over to David.

David Johnston — Group Chief Executive, Aimia Inc.

Thanks, Karen, and thank you, everyone, for joining us this morning. I'm going to start with where we got to in the quarter against our key financial and strategic priorities before handing over to Mark to take you through the detail of the quarter and where we expect to end the year.

Performance this quarter was solid. Aeroplan gross billings were up 3 percent, and that drove a 1 percent increase in Coalition gross billings on a constant currency basis. The decrease in Loyalty Services, largely reflecting disposals and gross-to-net accounting, took the overall numbers down 5 percent to 497 million. On a constant currency basis, that was a 4 percent decline.

Lower OpEx contributed to adjusted EBITDA margin being up 250 basis points to 14.5 percent, and you'll have seen that supporting an increase in our full year margin guidance today. Last year's free cash flow had the benefit of a $50 million tax refund, which made for a tough comp on a reported basis.

Excluding this, last year's free cash flow was around $39 million, and we delivered around $60 million of cash in the quarter, partly supported by lower interest, OpEx, and net to redemptions, which took year-to-date free cash to around 100 million on a pre-restructuring basis.

That increased cash flow translated to a meaningful increase of free cash flow per share, which was $1.40 on a per share basis for the quarter, and return on invested capital was 6.1 percent.

Last quarter, we acknowledged that changing the market's long-term outlook on the value of the business would require us to make progress in three key areas: the ongoing business simplification and acceleration of our cost-reduction plans; the identification, negotiation, and execution of new long-term strategic and commercial partnerships that will lie at the heart of a future Aeroplan redemption offer; and heightened attention around preserving strong cash and liquidity position of the Company. Those priorities, along with delivering on guidance, very much continue to drive our focus.

We've made significant progress in streamlining the operating costs of the business in recent years. Since 2015, we've reduced OpEx by 16 percent. Some of the savings have come from the exits of lower-margin businesses with higher operating costs that absorbed cash.

We've also continued to exit investments or sell assets that don't align to our longer term strategic direction or where we haven't seen acceptable long-term return. And we'll continue to explore further action on this front.

Operating expenses for the first nine months of 2017 were just north of $400 million, excluding share-based compensation and certain nonrecurring items, and were down 14 percent on last year. A significant part of the decline relates to the businesses we disposed of earlier this year, and you'll obviously see that noncore element come down to zero in the 2018 financials.

In our coalitions businesses, we've cut costs by 10 percent in 2017. At Aeroplan, operational efficiencies drove reduced headcount and lower real estate costs, while at International Coalitions, we reduced operating costs. Disposals and exits, including the Cardlytics UK sale, also contributed to lower costs.

In May, we announced an acceleration of our plans for further operational efficiencies, which will lead to a 10 percent headcount reduction by year-end. Corporate costs will come down in Q4 2017 on the back of the progress that we've already made, and the impact will be more significant in 2018 as we eliminate roles in areas such as finance and HR. Other roles will be moved into the divisions.

A significant cost transformation is also expected in Loyalty Services over the next 12 to 18 months, where we continue to transition clients off legacy product. As we do that, we're able to take costs down. Getting the right technology solutions in place to make that happen has driven some increased expense in 2017. Optimizing the rest of the cost base in 2018 will also be important in establishing better competitive positioning in a significant market segment going forward.

With respect to the Aeroplan program, there were two key factors that will shape the future design and economics of the program; reframing our partnerships and keeping our members engaged. In the meantime, clearly, it’s critical that our members stay engaged with the program in order to support gross billings.

And in the quarter, members gave us confidence in their continued passion for the program through our Moments Worth Millions contest. Over a five-week period, members shared more than 75,000 of their personal travel stories made possible with Aeroplan. The contest generated 85 million impressions and made this a trending item on Twitter in mid-September. Members made it clear to us that Aeroplan is a key ingredient in staying close to family and friends.

Member education was also an important focus for us, including a video to help members understand how the program could evolve, which has now been viewed just under a million times. These engagement opportunities give us data demonstrating that members love the program, are happy to engage with us, so far, largely appear to be carrying on as usual with over two-and-a-half years to run until our transition from the current Air Canada agreement.

And while the news earlier in the year meant that net promoter score took an understandable hit, we’ve started to regain this quarter. Our efforts to keep members as up to date as possible across all of our channels are working well.

Interestingly, members who've redeemed since the May announcement have subsequently begun rebuilding their balances and have accumulated at rates comparable to the same period the year before. And this has been especially true among tier members. Member activity and accumulation were up as were Aeroplan gross billings. And Mark is going to come back with the detail that in a few moments.

Q3 redemption levels continue to be broadly in line with our range of expectations with miles redeemed in the quarter up just under 5 percent. This was up on the 2 percent increase last quarter, but compared to a 4 percent increase in Q3 last year. Redemptions have also grown together with increased Air Canada capacity that has come on stream this year. More international destinations, we've seen more miles redeemed per reward. All this, in particular, saw increased activity partly linked to the successful Marriott campaign that ran over the summer, but redemption expenses have been well below the level of what we saw in mid-May and our historic highs.

There is, of course, always a potential for elevated redemptions in our current context, and we continue to monitor this closely, especially as we approach Q1, which is typically the quarter in which we see seasonally higher redemption levels. We continue to see some increases in non-Aero rewards from less engaged members and those with lower balances. Unit cost was lower in the quarter and that partially offset the increased volume.

Slide 18 illustrates how these activities shape up when we look at our cost of rewards through the nine months of 2017. Overall, the cumulative increase in expense over the last year is running at around $21 million on a total spend of over 630 million or around 3 percent higher than at the same time last year, and $9 million (corrected) of that incremental expense was incurred in Q3.

The work we're doing to streamline the business and reduce OpEx is compensating for higher redemption expense and is resulting in solid operating cash generation. Combined with discipline around CapEx and lower interest, we generated around $52 million of free cash flow after severance payments of around $8 million. The sale of the Canadian Air Miles trademark at the end of August, as well as higher retained cash due to lower dividends, also added to cash balances.

At the start of Q4, which is our most cash-generative quarter, we had close to $670 million of cash and investments. At these levels, we're now back to where they were in the first half of 2016 before we repaid the $200 million of the 2017 notes.

Over $300 million is set aside in a redemption reserve for Aeroplan with total reserves currently at over 500 million. Available cash above the required reserves stands at around $150 million with undrawn room available as well in our credit facility. And our next debt maturity is not until May of 2019. On the basis of our current guidance, we would expect to add to cash balances in the fourth quarter.

To sum up, progress on our key priorities is driving to a leaner more efficient business. Attention to cash generation and liquidity will a focus on urgency and reframing our strategic and commercial partnerships for Aeroplan. The build of our cash balances gives us more flexibility through this period of transition.

We need to be realistic around the speed that we can move with potential partners, in the context where our current agreements are in place for the next two-and-a half-years. And while we're fortunate that the nature of the industry also means that members aren't able to, and don't tend to, plan their travel that far in advance either, we don't intend to take anything up front. We're focused on putting solutions in place well in advance of 2020 to meet the needs of our members, shareholders, and other stakeholders.

So let me hand over to Mark now to take you through the Q3 results including some of the detail in the Aeroplan trends and our guidance for 2017.

Mark Grafton — Chief Financial Officer, Aimia Inc.

Thanks, David, and good morning to all of you on the call today. So let me take you to the overview on Slide 22. Total gross billings are down around 5 percent on a core basis for the quarter. The constant currency decline was 4 percent with currency being a less meaningful factor than it has been in prior quarters at around 6 million compared to 20 million last year.

In America's Coalitions, gross billings were at 1 percent with the 8 million of gross to net impact moderating solid Aeroplan growth. In International Coalitions an operational highlight was the good take-off we saw in the first quarter of Daily Mail issuance with more linking of Nectar member accounts than we had expected. As we have seen in the past with new partners like eBay, customers who link their accounts tend to be more engaged in the program.

However, overall coalition issuance was not as strong as last year, and combined with lower gross billings in our analytics business saw International Coalitions billings down 9 percent on a constant currency basis.

In Global Loyalty Solutions, underlying sales with existing clients were up, with the decline mainly due to a $10 million impact from the divestiture of the rewards fulfillment business in New Zealand in May. Platform-based sales and related services now account for over a fifth of sales in this division.

So let me take you through some of the detail now, starting with Aeroplan on Slide 24. Gross billings in Aeroplan were up 3 percent for the quarter against a strong comp last year. Similar to last quarter, a highly successful Marriott hotel conversion campaign and increased Air Canada issuance on the back of higher capacity, and the growth in the active card base were the main contributors. Miles issued were up 2 percent and burn/earn was 86 percent.

Financial cards accounted for around two-thirds of Aeroplan gross billings in Q3, and overall issuance was stable in the quarter with fewer promotional miles issued compared to last year when we had significant new cards campaign activity.

Issuance was underpinned by a healthy spend on financial cards. At the end of September, spend levels were above last year and above the levels we saw prior to the Air Canada announcement in May. That was true for both CIBC and TD as well as across new and tenured members. The weighting of new card acquisition campaigns for the first half of 2017 and lower attrition compared to last year drove the 5 percent growth in active cards in the first half of the year, which slowed to 3 percent in Q3 against a tough comp.

Let’s jump now to Slide 27. There were three main moving parts in the International Coalitions division this quarter. The first was in our coalitions business. Nectar issuance was down 7 percent, largely as a result of Sainsbury’s campaigns and the Homebase exit at the end of 2016, which was only partially offset by new Daily Mail issuance, while the Middle East program saw fewer promotional miles issued in the quarter. Shopper analytics reflected a client exit last year. And finally, although currency impact was lessened, the weaker pound accounted for just under a third of the decline in Q3.

As expected, third quarter issuance at Sainsbury’s was down on last year with base issuance broadly stable and the change attributable to lower bonusing activity. As in previous years, we expect the fourth quarter to be the highest quarter for overall points issuance, albeit, we don’t expect to meet the same level we had in Q4 last year. The launch of the Collect for Christmas campaign pictured here along with a good take-up in the Swipe and Win campaign held over the October 6 to 8 weekend is expected to drive the solid Q4 performance you see here.

Moving to Slide 31, as you can see on the chart, most of the 15 percent increase in adjusted EBITDA in the quarter came from Aeroplan, where adjusted EBITDA was up $10 million. Gross billings were up and OpEx was lower. The consolidation of our Toronto office real estate last year is part of the driver here, along with compensation costs coming down as we reduced headcount. We also had a $2 million benefit from the reversal of a migration provision put in place in 2013 related to our financial cards.

Lower gross billings across the business in International Coalitions meant we did not see as much benefit of the operational efficiencies at Nectar coming through, and the sale of the Canadian Air Miles trademark meant we only had two months of contribution from that business.

In GLS and Corporate, we had a $1.5 million impact from expensing of development costs on our loyalty platforms, which were previously capitalized.

Finally, the work we are doing around the simplification of the business and new Aeroplan partnerships is driving higher professional fees in Corporate, more than offsetting the operational efficiencies and lower share-based compensation in the quarter.

Adjusted EBITDA on a reported basis included restructuring costs which were around $11 million, with around three-quarters of those expenses incurred in Americas Coalition and Corporate areas, which will drive benefits over the coming quarters. Excluding those, the core business contributed around $72 million, representing a margin of around 14.5 percent, which was up 250 basis points on last year.

Moving on to free cash flow now, starting on Slide 35. We converted over 80 percent of adjusted EBITDA into cash in the quarter on a normalized basis delivering close to $60 million in free cash, broadly in line with the $40 million to $60 million range we have seen in the second and third quarters of 2015 and 2016.

The major adjustment to get to the normalized number was the $7.6 million of severance we paid in the quarter, while 2016 has also been adjusted for the $50 million tax refund we received in the third quarter last year. Excluding these, cash from operating activities was up $16 million.

Cost of rewards and direct costs were down due to lower redemptions outside Aeroplan, and we paid lower taxes and interest in the quarter.

Net interest paid was down $10 million, in part due to the repayments of the 2017 bonds and in part due to the phasing of interest payments resulting from the early repayment of the 2018 bonds using the revolving credit facility. The lower debt was at a lower effective interest rate for the quarter, although we will see some upward pressure on the interest rate on our outstanding debt from Q3 as a result of credit rating downgrades in August.

And finally, looking at the increase over last year on a normalized basis, lower capital expenditures were an important contributor, down 5 million to 11 million in the quarter, partly as a result of the expensing of previously capitalized costs.

Given we have already touched on most of the relevant changes in the balance sheet, let me jump straight to Slide 39 to cover the puts and takes in arriving at our guidance for 2017. Our path to free cash flow will be slightly different than we expected with lower gross billings, but we continue to expect the above $220 million for the full year before accounting for the additional $10 million interest expense and financing costs incurred as a result of repaying the 2018 bonds and restructuring cash costs of between $20 million and $25 million.

At the time we set our guidance, we included around $45 million of gross billings related to the reward fulfillment business in New Zealand and the Canadian Air Miles trademark for full year 2017 compared to the $21 million those businesses contributed up to their respective disposals.

Combined with a delayed start on Daily Mail issuance, the 24 million headwind against our overall gross billings number makes it likely that our gross billings will land below the 2.1 billion we had guided you previously, and we are now guiding to a range of between 2 billion and 2.1 billion.

This has, however, been counterbalanced by a better performance on adjusted EBITDA margin as a result of lower OpEx. Despite the loss of the adjusted EBITDA associated with the Air Miles trademark, a favourable unit cost at Aeroplan, lower share-based compensation, and operational efficiencies have helped us here, and we now expect adjusted EBITDA margin to come in around 13 percent compared to the 12 percent we guided to at the beginning of the year. Redemptions outside Aeroplan have been lower than expected.

We also reduced our guidance for CapEx early in the year from our initial range of 50 million to 60 million, and still expect these to be between 45 million and 50 million in 2017.

Our gross billings guidance takes into account our latest view on holiday spend and bonusing at Aeroplan and Nectar, which typically drives the fourth quarter weighting of gross billings. Our current view is that Q4 will likely land lower than last year. While attrition to date has remained broadly unchanged, we could see some cycling of financial cards due to strong acquisitions last year.

In the UK, weaker consumer spending and our expectation that Christmas bonusing at Sainsbury's is unlikely to match last year's strong performance, means Nectar gross billings could fall below last year. As ever, a fair proportion of our free cash flow will come from Q4.

Aeroplan redemption expense will be a key determinant of how we land the year, but the early OpEx savings of 9 million we are achieving will flow through the free cash flow, and we expect to land the Q4 free cash flow above 120 million on the basis of our guidance.

As we focus on the key priorities that David has talked about, we need to ensure day-to-day execution in an environment that will likely continue to evolve. Monitoring the key metrics in our businesses carefully means we are able to respond to anything unexpected and to ensure we can deliver a solid performance a quarter at a time.

And with that, let me hand you back to David to conclude our comments today.

David Johnston

Okay. Thanks. So as we think about how we'll end 2017 and enter 2018, there are a few things that we're obviously paying close attention to and where another quarter of data is going to be helpful.

Redemption patterns at Aeroplan is the most obvious. Although redemption expense is up overall, our members are continuing to engage in fairly normal patterns, but it's something that we're going to continue to watch. The shape of the active financial card bases and other retention in spend will be important considerations as we enter 2018, with new card acquisition activity expected to be second-half weighted.

We're also paying close attention to the weakness we're seeing outside of Aeroplan. Certainly, the fourth quarter's always the strongest for Nectar. So that's going to be another important input. But on the other hand, there are a few things that we're very encouraged by. Aeroplan members, particularly our best customers, have continued to engage and to re-engage after successful redemption. They've thus far been willing to give us time, recognizing that we have the best value proposition in the market and access to our Canada capacity until at least 2020.

We continue to seek healthy spend per card, and there's a strong group of core customers who are clearly committed to their card choice and to Aeroplan. And we're really encouraged by the passionate and constructive conversations with members and partners around the future shape of Aeroplan.

With all of that said, we continue to progress with a higher degree of urgency against our three priorities: identifying and negotiating new partnerships, our focus on simplifying the business, and strengthening our cash reserves to give us flexibility to face into any challenges.

And with that, I'll turn it over to you for your questions.

Q&A

Operator

At this time, I would like to remind everyone, in order to ask a question, press *, then the number 1 on your telephone keypad. Please limit questions to one question and one follow-up. We'll pause for just a moment to compile a Q&A roster.

And our first question comes from the line of Kenric Tyghe from Raymond James. Your line is open.

Kenric Tyghe — Raymond James

Thank you. Good morning, David.

David Johnston

Good morning.

Kenric Tyghe

David, with respect to your caution on being realistic on new partners and the like, how should we interpret that? Is that a function not of a decreased frequency or change in tone of the discussion, but rather these discussions do have a long tail on them? And is that the messaging on that?

And the second part of the question would be a follow-up with respect to your divestitures and some sort of colour around how close you think we are to being there? There being some indication of how much more there is to go outside of any big crown jewels. How many more of the small divestitures there might be to go until we can get to sort of a core and a base that we can look at as being a stable base and a core business?

David Johnston

Okay. Yeah. Thanks, Kenric. Look, on the first question, it's the latter part, the way you framed it. It is just, I think, a natural dynamic of the nature of these discussions. We are in discussions. We've had more discussions now than we had had in August and our sense of urgency remains unchanged. And again, I'd re-emphasize the purchasing power of our members with 200 billion unredeemed miles and something like $700 million in ticket spend last year.

But we are two-and-a-half years away from when those agreements will take place. I understand a desire from all of our stakeholders, whether that's members, partners, or shareholders, to get news on that as soon as possible. But at this point, all I'd say is that we're working with a high degree of urgency in that direction and look forward to sharing more detail with you as soon as we can.

On the divestitures question, I mean I'm not sure I can identify for you now when are we there. What I can give you some insight into is to how ourselves, management and the board, view that question in terms of what might we divest and what might we not. We've talked previously about return on invested capital being a key metric. It remains a key metric for how we look at the returns of individual businesses. But obviously, when you're considering divestitures, you need to consider a broader range of metrics than just ROIC.

So we continue to do that. But I don't know that I can sort of triangulate any further in ultimately what might be in and what might be out.

Kenric Tyghe

Fair enough. Thank you, Dave. And then my second question is can you help me reconcile the performance of AMEX with your comments on a highly engaged, high-value member and a re-engaged high-value member? We're looking at sort of two years plus now of underperformance within that base, and I'm trying to understand or get to the core of what is going on within that AMEX space. It just doesn't seem to be responding as you would expect it would, given who AMEX banks and who that AMEX card member is by way of income demographical or other.

Could you speak to the performance in AMEX, recognizing, obviously, the strength that's in your Visa portfolio is a positive, but certainly the drag in AMEX and the continued drag is something that flags?

David Johnston

Yeah. Look. I think the key answer is kind of asked in the question, which is what we see as strong growth within the TD and CIBC portfolios. And that is reflective of the quality of the marketing job that we've done with our partners as well as the strength of the business.

I don't know that I'd go too much further into the performance of AMEX on a stand-alone basis. It's something that we continue to work with them on, but look more broadly across—well, what I wouldn't do is say that the performance of AMEX tells you anything about the premium segment because the growth in TD and CIBC also reflect strong performance within the premium at demographic.

Kenric Tyghe

Thank you.

Operator

And, again, if you'd like to ask a question that's *, 1 on your telephone keypad.

Our next question comes from the line of Shaun Noll from FCM. Your line is open.

Shaun Noll — FCM

Hi, guys. I'm curious if you have a target internally of where you can get non-airline redemptions for Aeroplan, perhaps now that you're less concerned about protecting the Air Canada relationship?

David Johnston

Well, look it. If you think about the long-term strategy for the business, what we've said is we're a multi-airline program today with Air Canada and Star. We want to be a multi-airline program in the future. And that may include Air Canada as they and we have both said. Or they've said that we'll have access to tickets after 2020, but obviously it will need to be a broader airline chat in there. So air is going to continue to be at the core of what we do.

But I think we have the opportunity to continue to develop Aeroplan into a broader travel platform. And if you think about—we see Aeroplan as a travel companion. If you think about the next trip that you've got book, you've got to solve for more than just what flight you get. You've got to think about rental. You've got to think about hotel. And that's the journey that we're on with the business. You'll continue to see further development in that area, but obviously even over the last year or so you've seen the addition of AVIS as a key partner within car rental, and we've talked on the call about some of the promotional activity with Marriott this year.

So we're keen to broaden out the travel offering beyond there, although that's not to say that air won't remain an important component. I wouldn't, at this point, put a number on the mix.

Shaun Noll

Okay. Interesting. So then Global Loyalty clearly not generating a great ROIC for shareholders. Do you think it's just a question of like changing the pricing model? Or do you think you can cut OpEx there? Or I'm just trying to understand how you bring that business to drive an acceptable return.

David Johnston

Yeah. No. It's a fair question, and for sure we're not there yet. I think, look, the journey that we've been on with that business has really been focused on developing a market-leading product and converting our clients from legacy technology, which is tended to be higher cost, onto a small number of global platforms. We're now well down that path, and that is reflected, I'd say, internally in our success in winning new clients, as well as broadening out the range of services that we offer with existing clients. And it's reflected, and we talked about this before, externally in things like the Forrester report which identified us as the top player in both Enterprise and SaaS within loyalty.

So job one was deliver a market-bidding product set that helps us win in the market but at a sustainable level of client margin. But we also said on the call that, I think, there is more to do. We're not fully there, but we're now at a sufficient level of maturity that I do want to take a harder look at some of the other areas of operating expense in that business over the next 18 months. And that's where the focus will be as we lay out our internal plans for the business in 2018, 2019.

Shaun Noll

Okay. Great. That makes a lot of sense. And then is there any reason that it wouldn't make sense to take Aeroplan and put it into a joint venture with Air Canada potentially or some other airline coalition, kind of similar to—and then effectively be like a Canadian PLM structure? Or I'm just trying to think about like sort of outside of just bringing in other partners, like are there other creative things that you're looking at?

David Johnston

Look. I understand it's tempting to speculate and pretty sure there's a lot of interesting models out there. I don't think I could speculate too much on that right now. My focus is what we've talked about, where the Aeroplan program is a strong multi-airline program, and we've got to get new partners in place after 2020. We've got to take cost out of the business and we've got to strengthen the balance sheet. So that's where management focus is right now. You could be right, there could be other models and structures out there, but we're focused on delivering on our priorities right now.

Shaun Noll

Okay. Thanks, guys. I thought the quarter was great. And I know you're working hard. So we appreciate it.

David Johnston

Thank you.

Operator

And again, if you'd like to ask a question, please press *, and the number 1 on your telephone keypad. And again, that's *, 1 on your telephone keypad.

We have no further questions in queue. I'll turn back to the presenters.

David Johnston

Okay. Well, look. Thank you very much, everyone, for making the time to be with us today. I'll just finish by again restating the priorities.

We've moved with urgency on establishing new commercial partnerships, on taking cost out of the business, and on strengthening the balance sheet. Balance sheet this quarter is $670 million of cash on the balance sheet right now, but we continue to work on those priorities.

Thanks again for your time, and I'm sure I'll catch up with many of you over the next few weeks.

Operator

This concludes today's conference call. You may now disconnect.

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