



Encore Capital Group, Inc.

Q1 2015 EARNINGS CALL

CAUTIONARY NOTE ABOUT FORWARD-LOOKING STATEMENTS

The statements in this presentation that are not historical facts, including, most importantly, those statements preceded by, or that include, the words “will,” “may,” “believe,” “projects,” “expects,” “anticipates” or the negation thereof, or similar expressions, constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 (the “Reform Act”). These statements may include, but are not limited to, statements regarding our future operating results, earnings per share, and growth. For all “forward-looking statements,” the Company claims the protection of the safe harbor for forward-looking statements contained in the Reform Act. Such forward-looking statements involve risks, uncertainties and other factors which may cause actual results, performance or

achievements of the Company and its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These risks, uncertainties and other factors are discussed in the reports filed by the Company with the Securities and Exchange Commission, including its most recent report on Form 10-K, as it may be amended from time to time. The Company disclaims any intent or obligation to update these forward-looking statements.



ENCORE DELIVERED RECORD ECONOMIC EARNINGS

GAAP EPS*	Economic EPS**	Collections
\$1.08	\$1.23	\$425 million
GAAP Net Income*	Adjusted Income**	Adjusted EBITDA**
\$29 million	\$32 million	\$266 million
		Cost to Collect***
		38.8%

Estimated Remaining Collections of \$5.1 billion

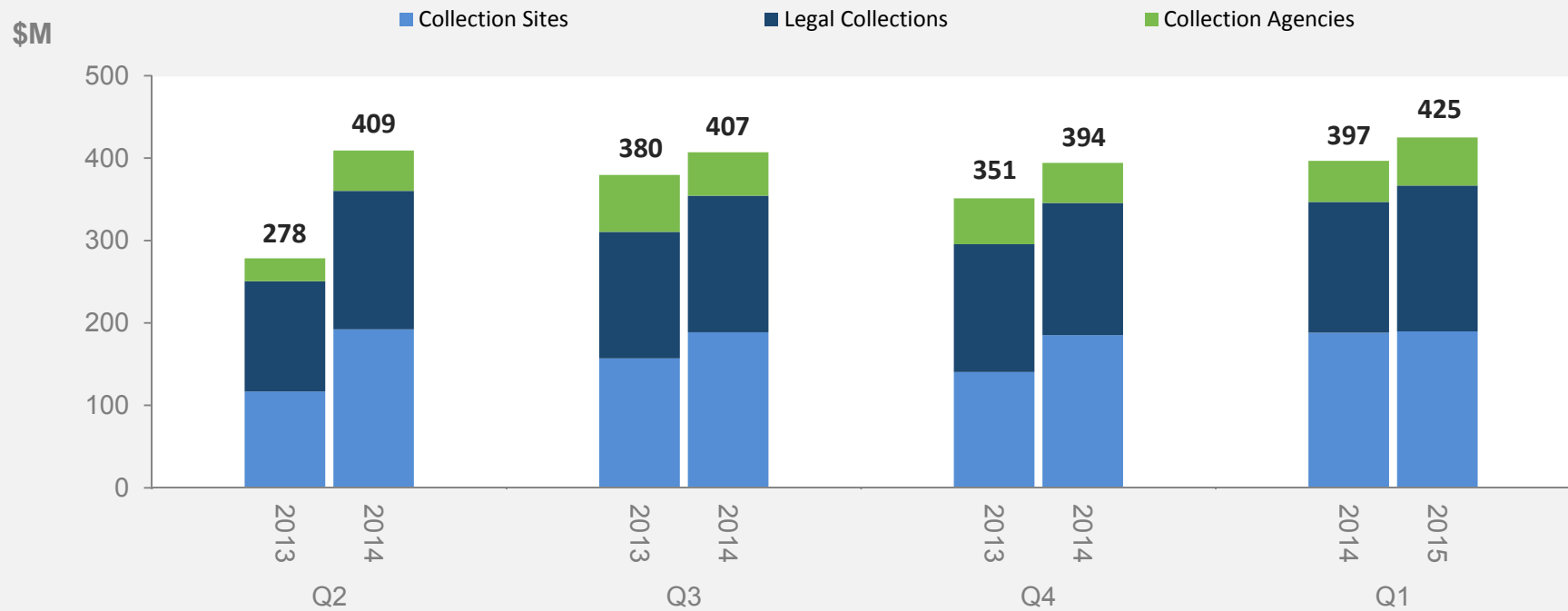
* Attributable to Encore

** Please refer to Appendix for reconciliation of Economic EPS, Adjusted EBITDA, and Adjusted Income to GAAP

*** Cost to Collect = Adjusted Operating Expenses / Dollars collected. See Appendix for reconciliation of Adjusted Operating Expenses to GAAP.

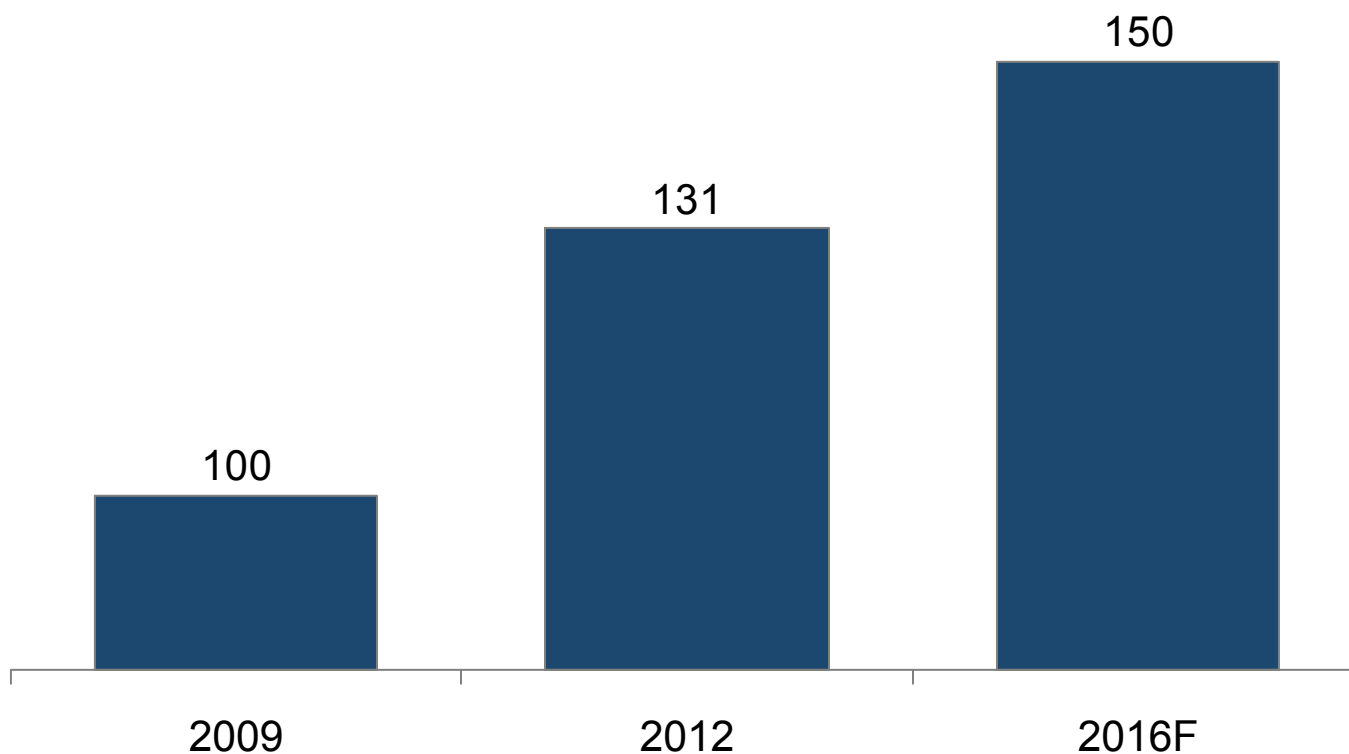
COLLECTIONS IN Q1 REACHED AN ALL-TIME RECORD DRIVEN BY CONSUMER-FOCUSED PROGRAMS...

Collections by Channel



LAST YEAR WE SHOWED YOU THAT OUR STRATEGIES ARE DRIVING HIGHER LIQUIDATION

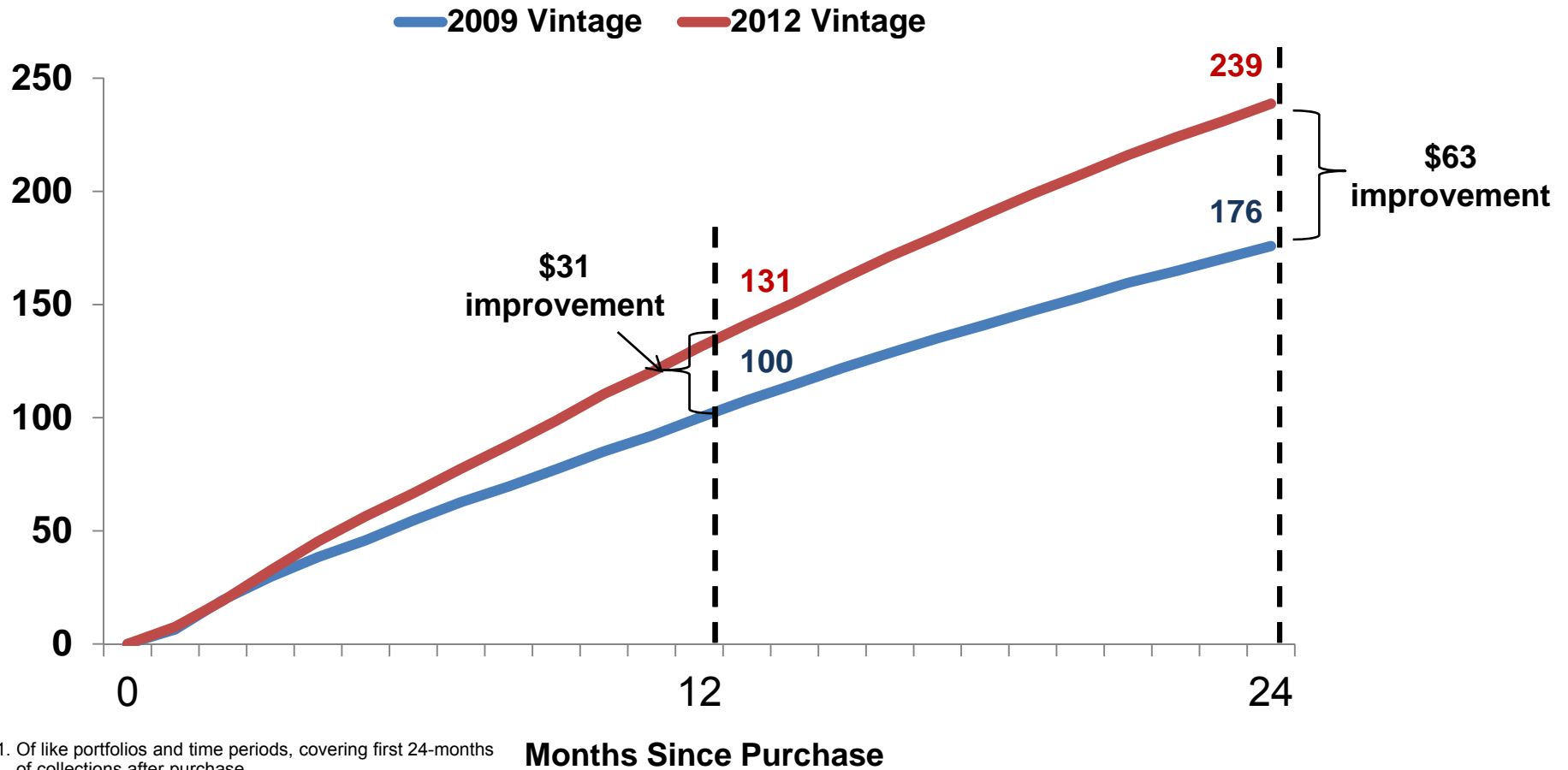
Indexed vintage year liquidation rate¹



1. Of like portfolios and time periods, covering first 12-months of collections after purchase.

ONE ADDITIONAL YEAR OF PERFORMANCE DEMONSTRATES THE POWER OF CONTINUING IMPROVEMENT

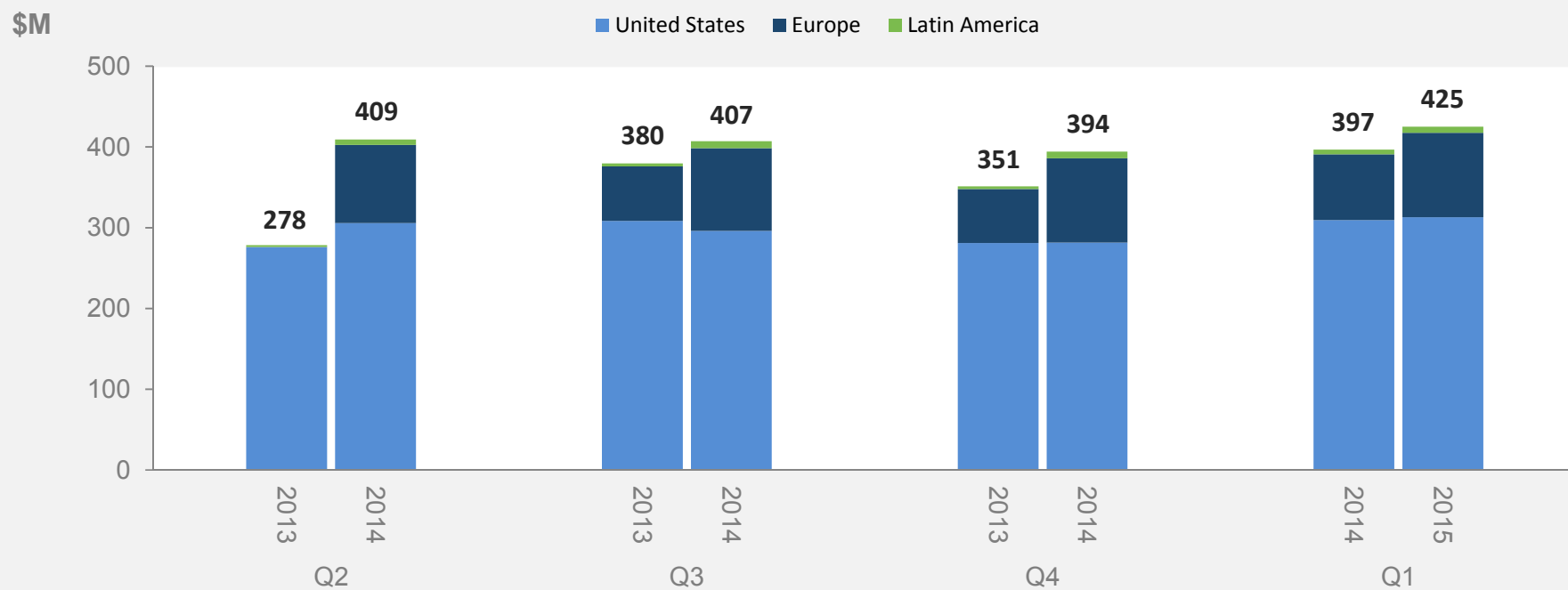
Indexed vintage year liquidation rate¹



1. Of like portfolios and time periods, covering first 24-months of collections after purchase.

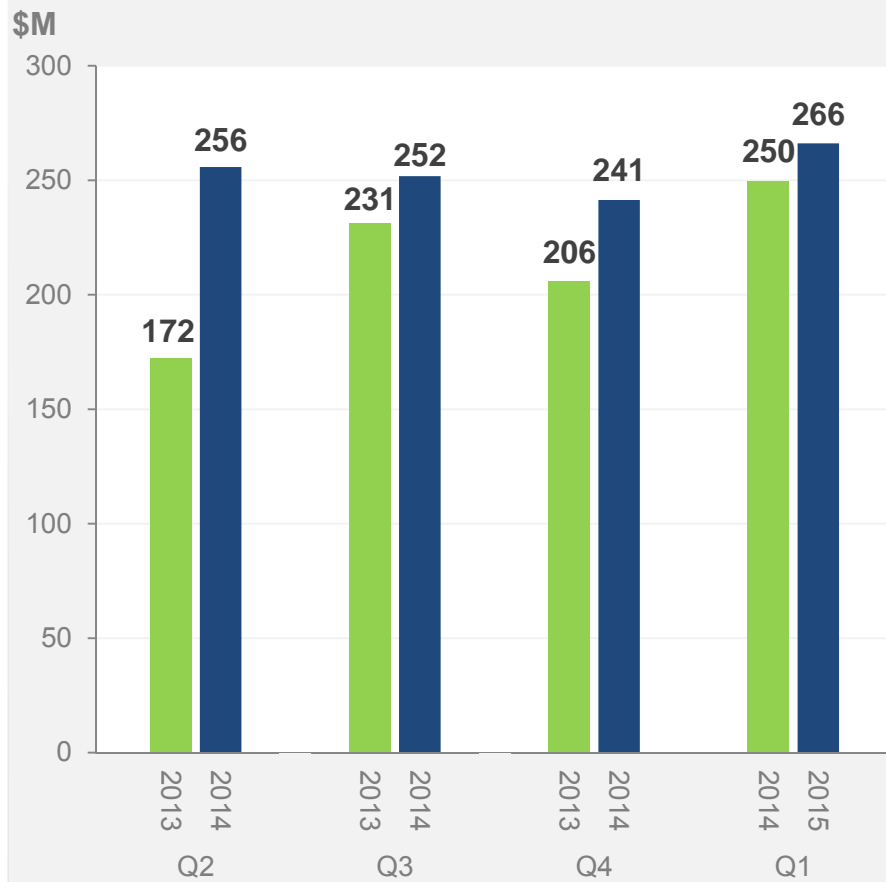
COLLECTIONS IN Q1 REACHED AN ALL-TIME RECORD ALSO DRIVEN BY EUROPE

Collections by Geography

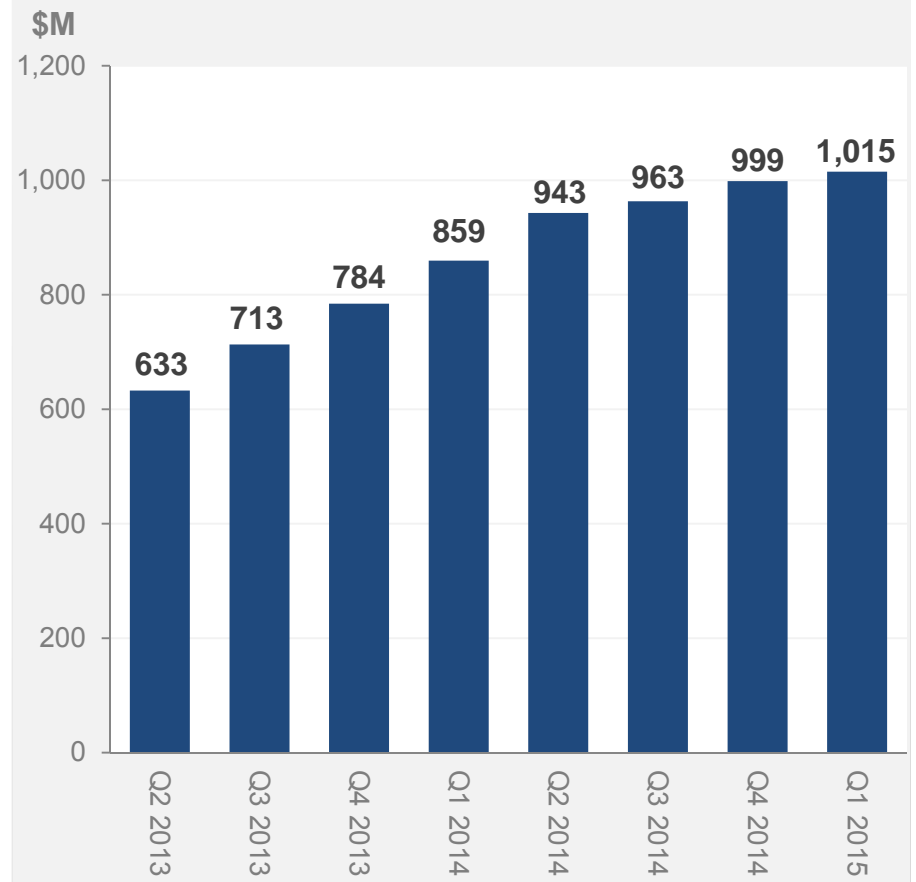


STRONG COLLECTIONS LED TO IMPROVED CASH FLOWS

Adjusted Quarterly EBITDA*

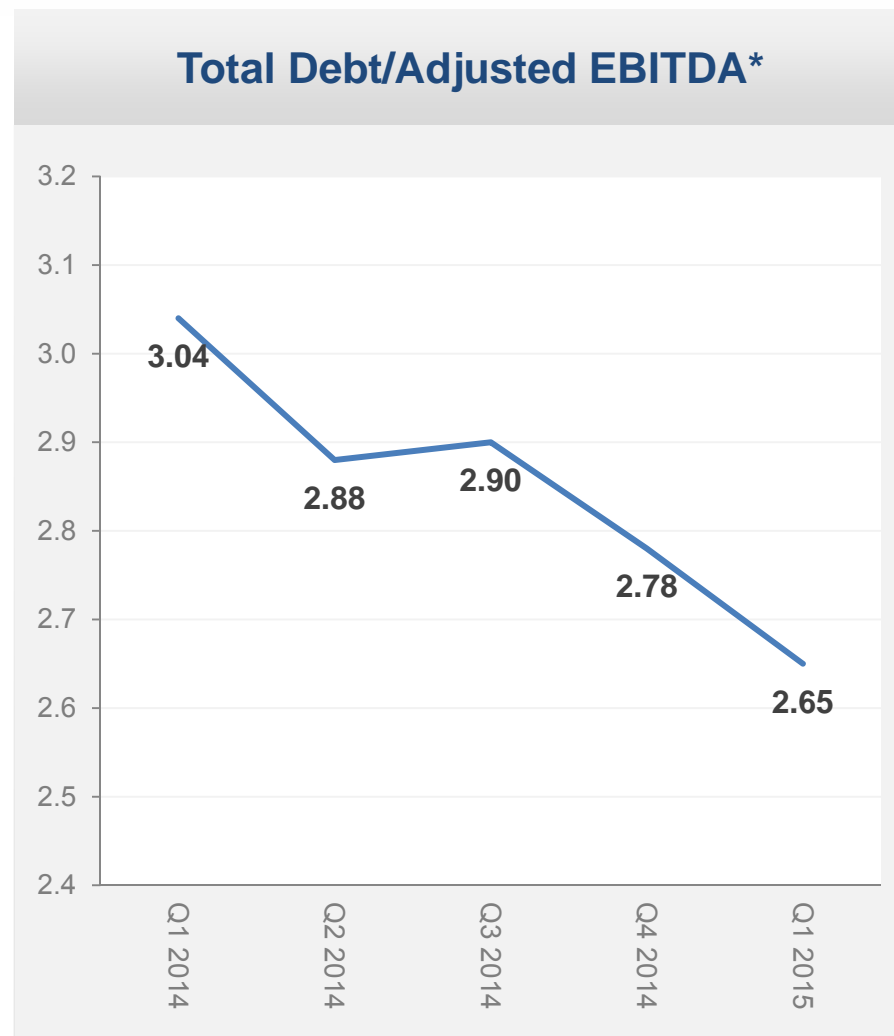
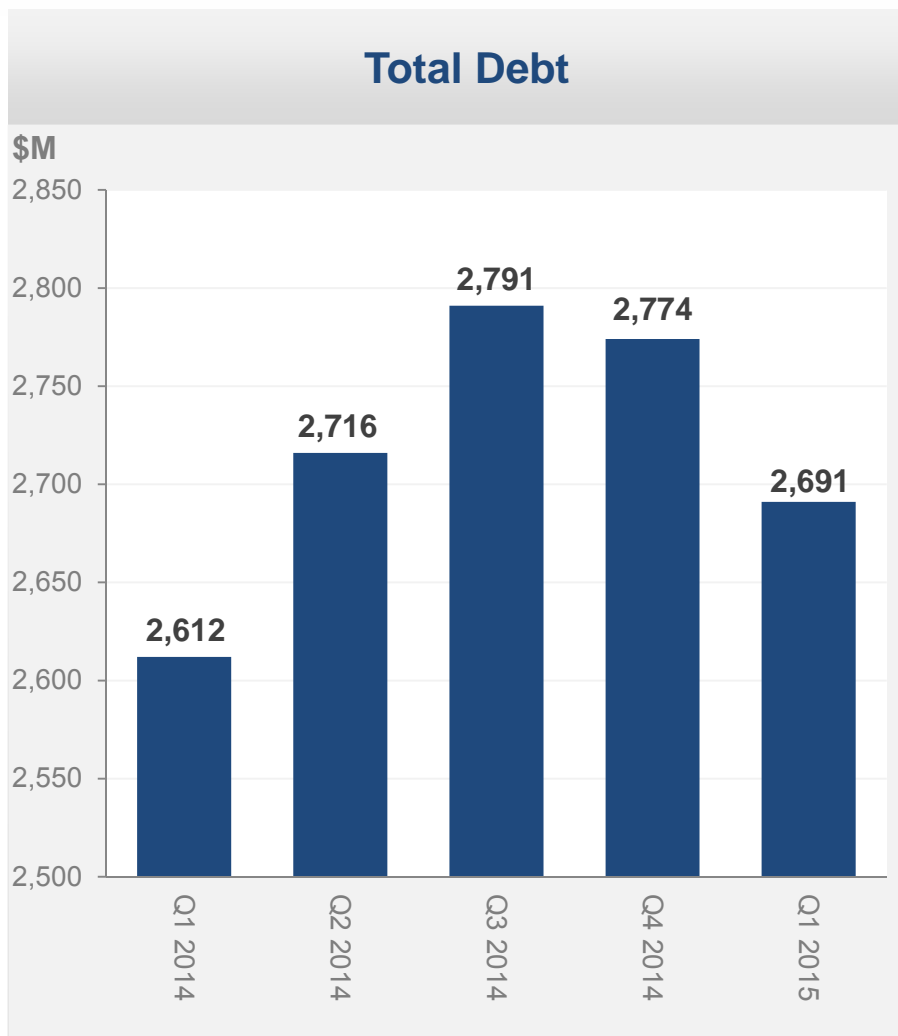


Adjusted EBITDA -Trailing Twelve Months



* Please refer to Appendix for reconciliation of Adjusted EBITDA to GAAP

WE'RE BOTH REDUCING OUR DEBT AND GROWING OUR EBITDA, RESULTING IN IMPROVED DEBT LEVERAGE



* Please refer to Appendix for reconciliation of Adjusted EBITDA to GAAP

CABOT IS WELL POSITIONED TO BENEFIT FROM CONTINUED GROWTH IN THE UK DEBT PURCHASE MARKET

Cabot Update



- ▶ Increased collections 21% compared to Q1 2014
- ▶ Increased revolving credit facility from £85M to £195M
- ▶ Cabot contributed \$0.28 of Economic EPS to Encore earnings in Q1

AFTER ACQUIRING ATLANTIC, ENCORE IS WELL POSITIONED FOR THE US MARKET'S CONCENTRATION OF FRESH PAPER

Atlantic Update



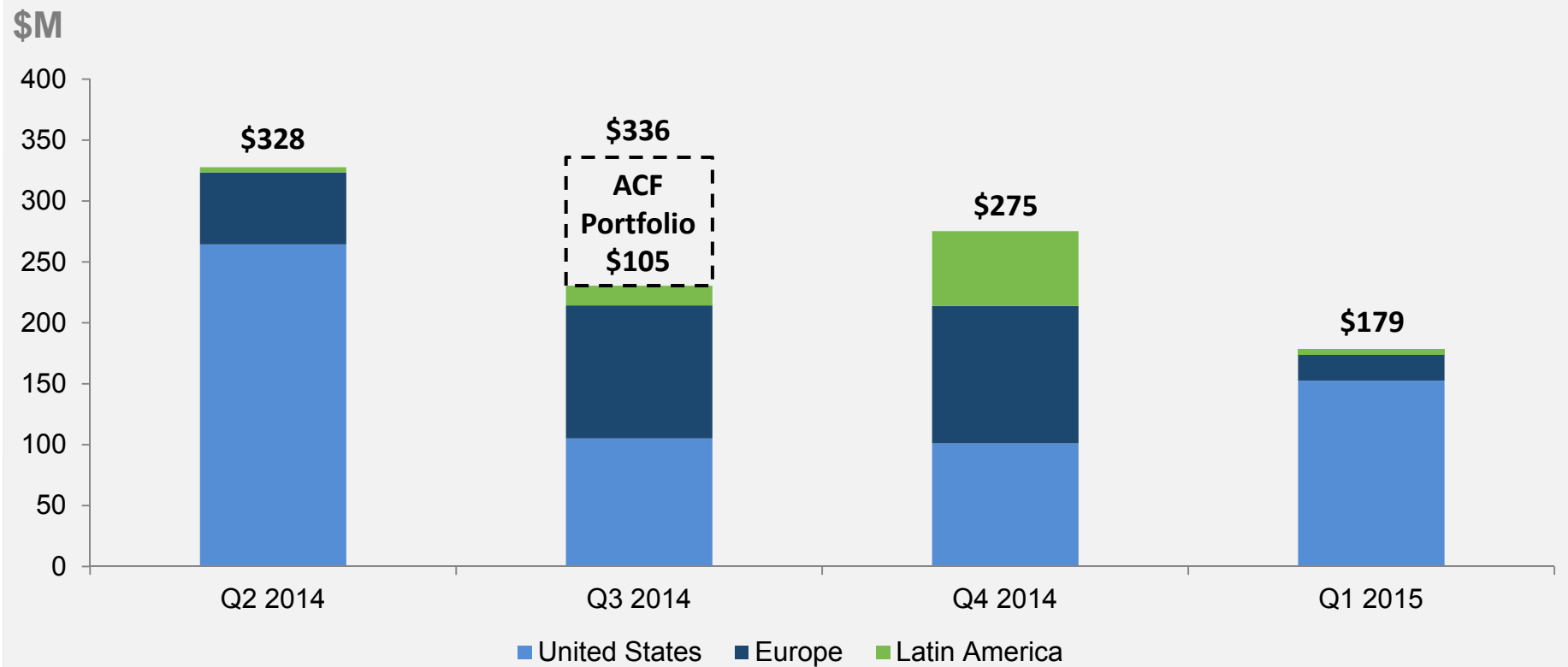
- ▶ Encore acquired Atlantic Credit & Finance in 2014 to become better positioned to compete in the market for high-balance, fresh paper
- ▶ Encore is absorbing and internally incorporating ACF's proven expertise in collecting on high-balance fresh portfolio
- ▶ Majority of domestic supply now composed of recently charged-off paper



Detailed Financial Discussion

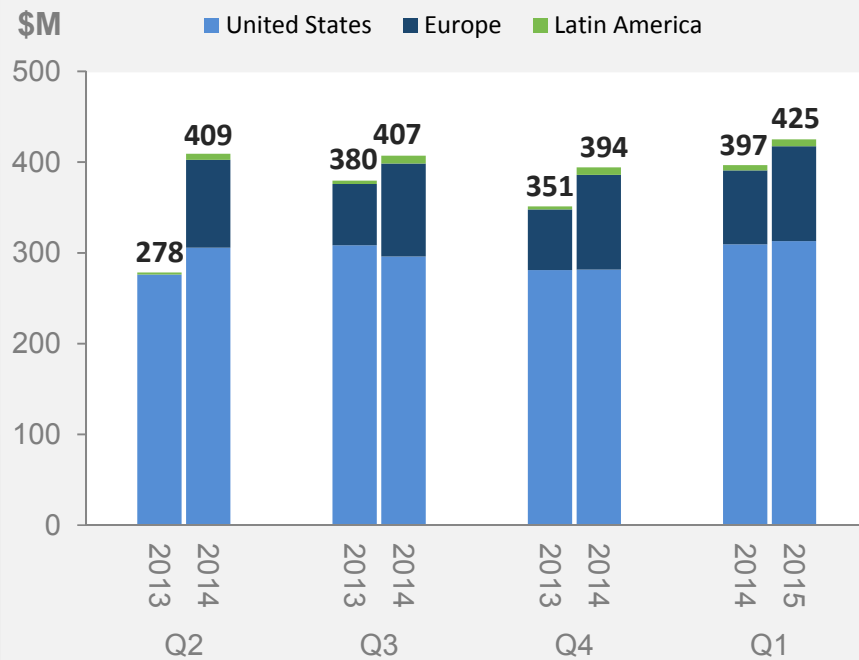
Q1 DEPLOYMENTS REFLECT OUR COMMITMENT TO DEPLOY CAPITAL PRUDENTLY

Deployments by Quarter

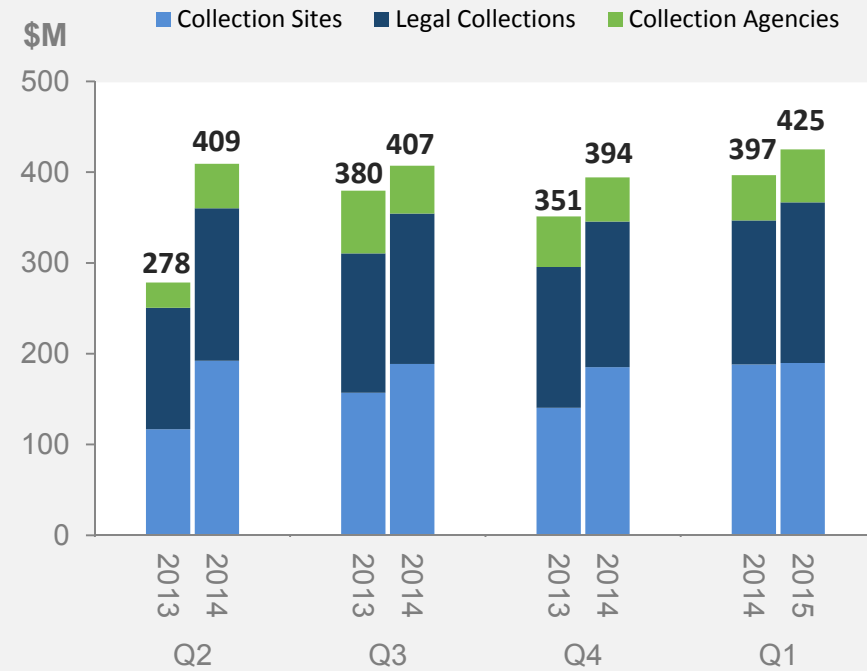


COLLECTIONS IN Q1 REACHED AN ALL-TIME RECORD DRIVEN BY CONSUMER-FOCUSED PROGRAMS AND EUROPE

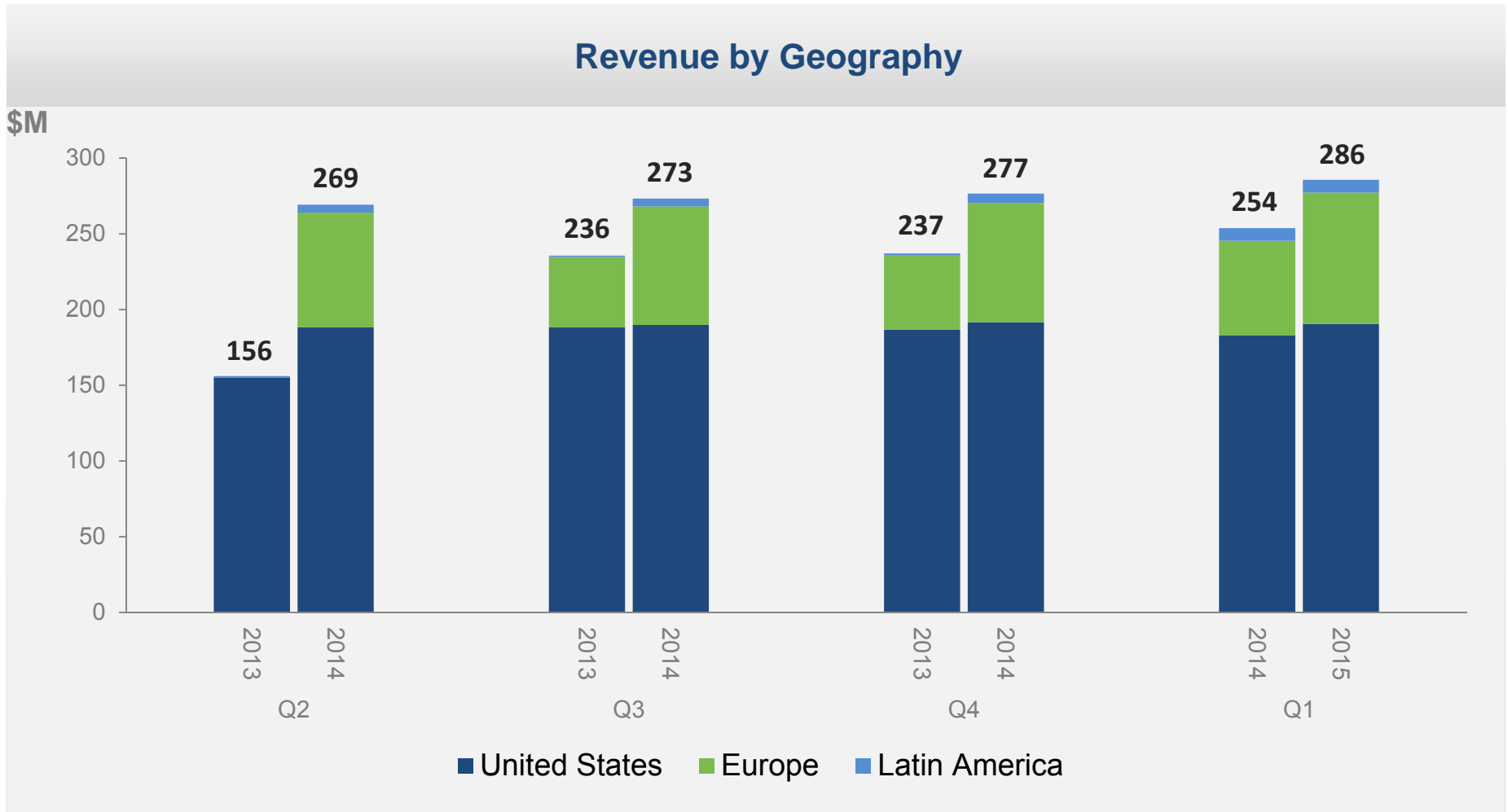
Collections by Geography



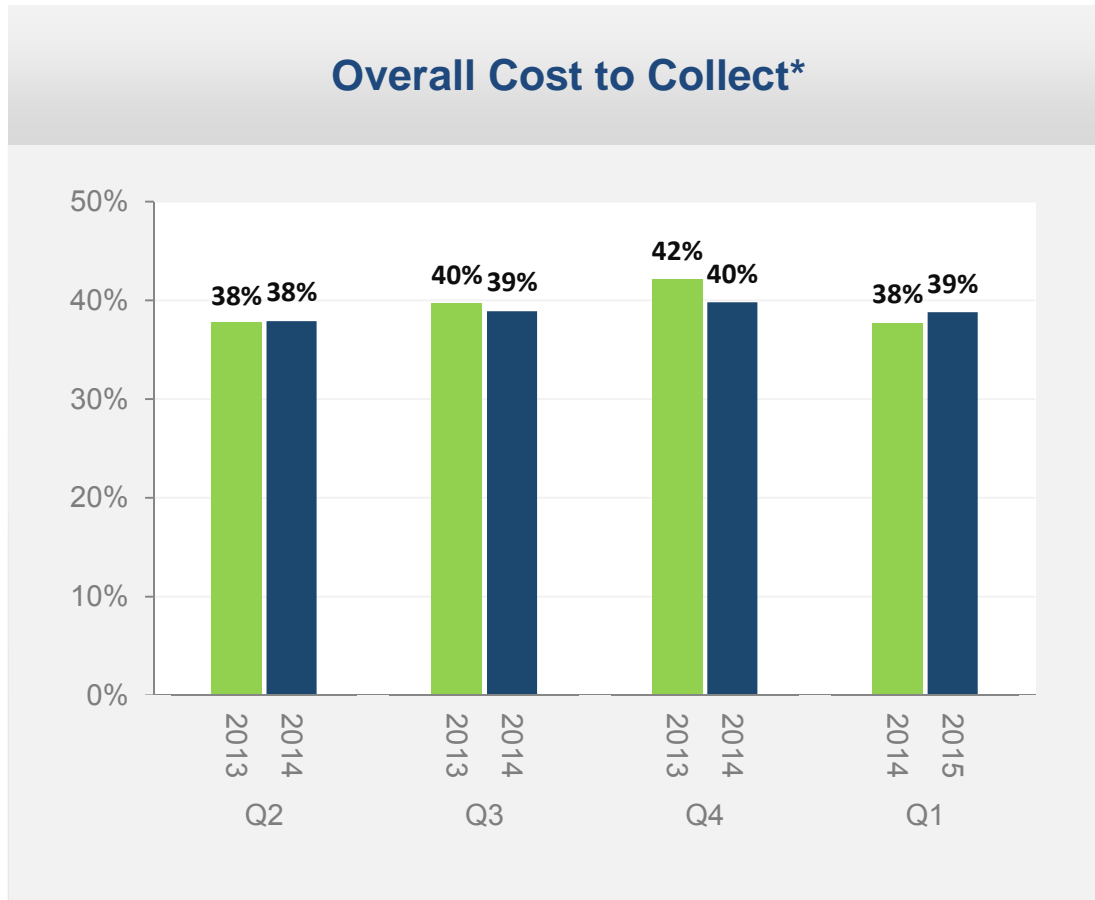
Collections by Channel



WE ALSO DELIVERED RECORD REVENUES IN Q1



COST TO COLLECT REFLECTS OUR ABSORPTION OF THE ATLANTIC ACQUISITION AND A HIGHER SHARE OF LEGAL COLLECTIONS

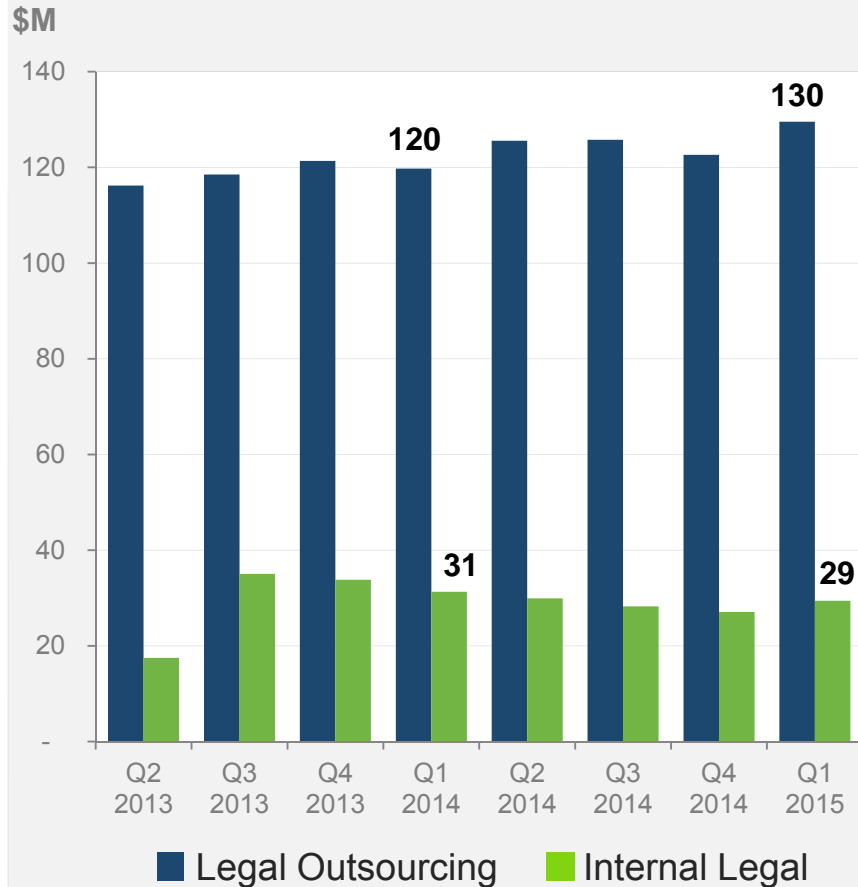


Channel	Q1 2015 CTC	Q1 2014 CTC
Europe	33.2%	28.9%
United States	40.9%	40.2%
Latin America	29.0%	32.1%
Encore	38.8%	37.7%

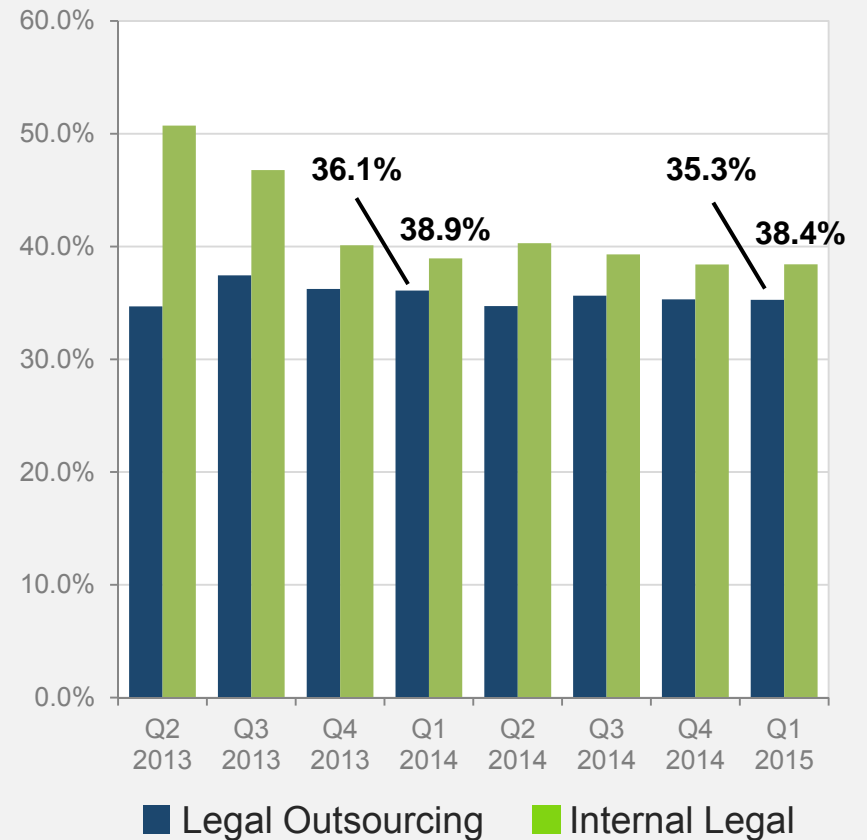
* Cost to Collect = Adjusted Operating Expenses / Dollar collected. See Appendix for reconciliation of Adjusted Operating Expenses to GAAP.

WE CONTINUE TO DRIVE SIGNIFICANT VALUE THROUGH OUR LEGAL CHANNEL

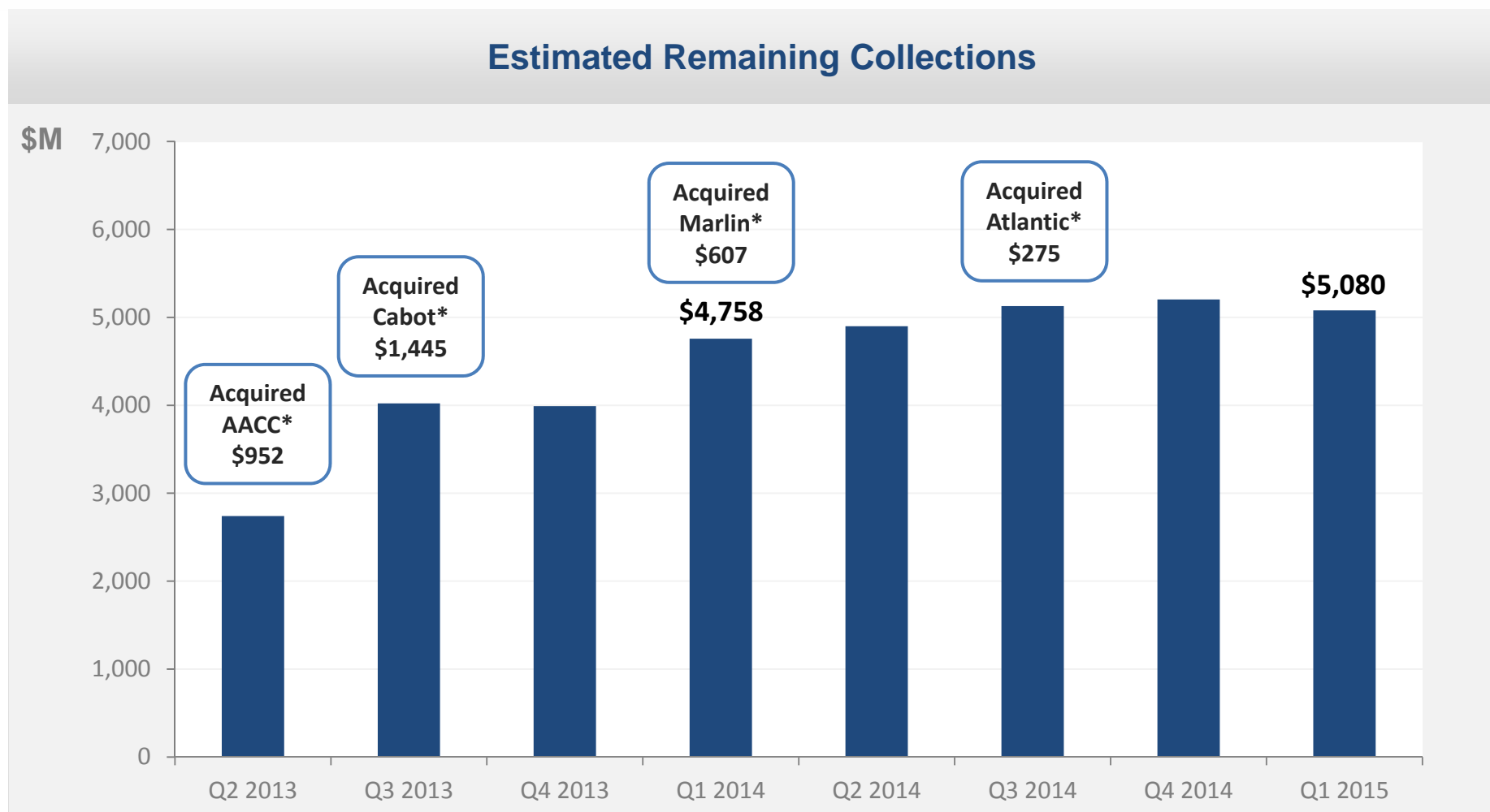
US Legal Collections



US Legal Cost to Collect



OUR ERC HAS GROWN 7% DURING THE PAST YEAR



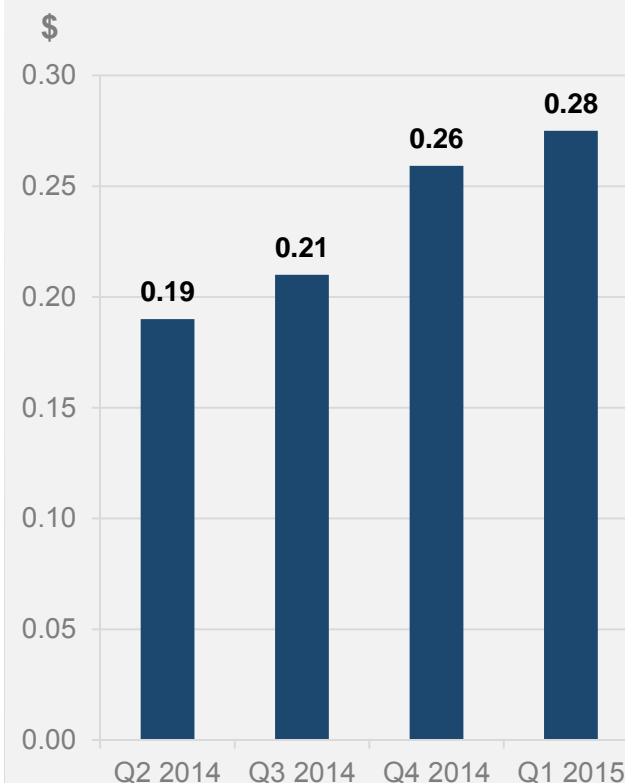
* ERC at time of acquisition

CABOT CONTRIBUTED \$0.28 TO ENCORE'S Q1 ECONOMIC EPS

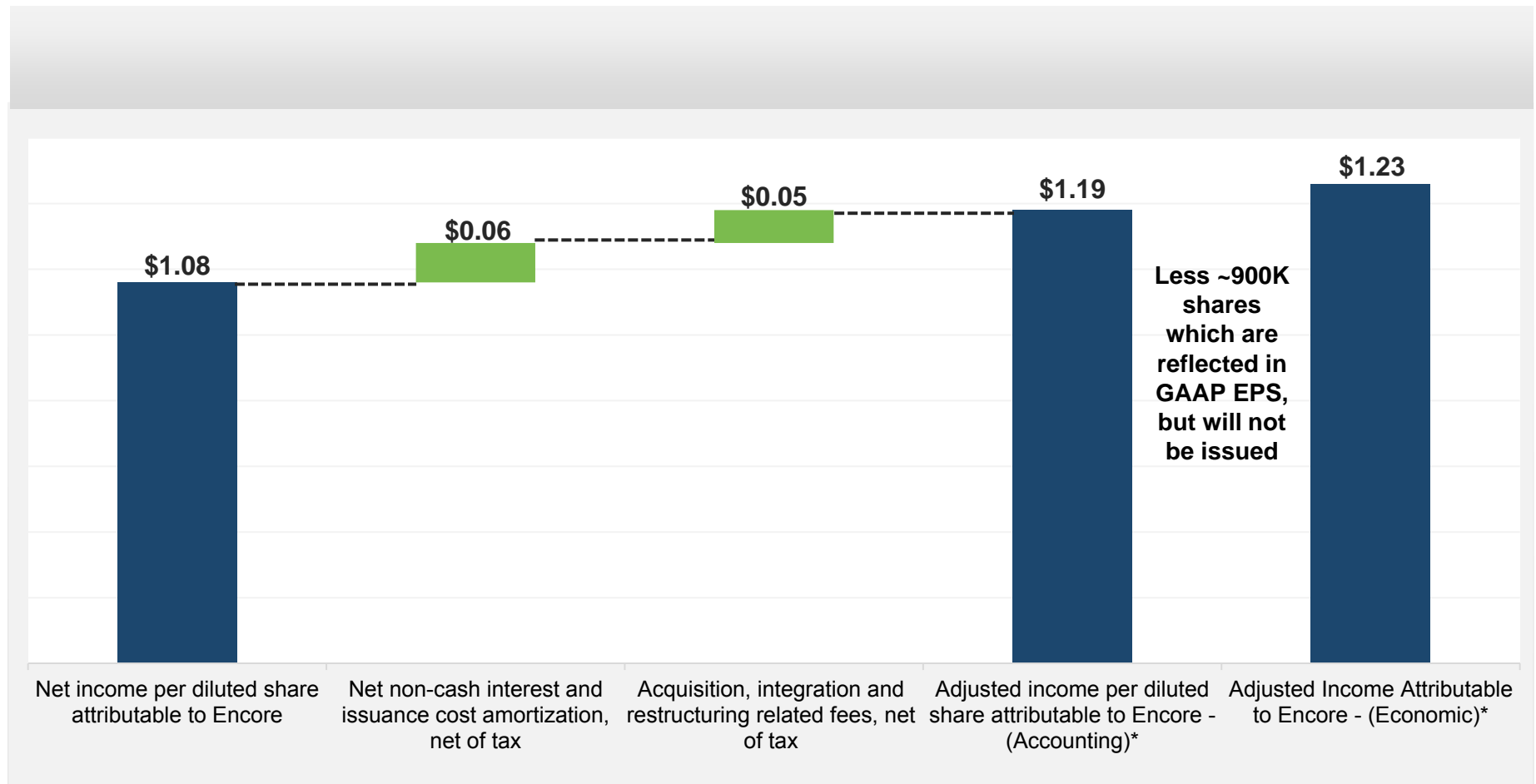
Q1 2015 Operating Performance of Janus Holdings and Encore Europe

In 000's except per share amounts	Janus	Encore Europe Holdings	EEH Consolidated
Total revenues	\$ 79,777	-	\$ 79,777
Total operating expenses	(40,782)	-	(40,782)
Income from operations	\$ 38,995	-	\$ 38,995
Non-PEC interest expense	(23,297)	-	(23,297)
PEC interest (expense) income	(11,732)	5,749	(5,983)
Other income	758	-	758
Earnings Before Income Tax	\$ 4,724	\$ 5,749	\$ 10,473
Income tax	(2,121)	-	(2,121)
Net (loss) / profit before minority interest	\$ 2,603	\$ 5,749	\$ 8,352
JCF / Mgmt noncontrolling interest	(365)	(1,117)	(1,482)
Net (loss) / income attributable to Encore	\$ 2,238	\$ 4,632	\$ 6,870
One-time and non-cash items, net of tax			409
Adjusted income attributable to Encore			\$ 7,279
Economic share count			26,441
Economic EPS			\$ 0.28

Cabot's Economic EPS Contribution



ENCORE DELIVERED RECORD ECONOMIC EPS OF \$1.23 IN Q1



* Please refer to Appendix for reconciliation of Adjusted EPS / Economic EPS measurements to GAAP



Q&A



Appendix

NON-GAAP FINANCIAL MEASURES

This presentation includes certain financial measures that exclude the impact of certain items and therefore have not been calculated in accordance with U.S. generally accepted accounting principles (“GAAP”). The Company has included information concerning Adjusted EBITDA because management utilizes this information, which is materially similar to a financial measure contained in covenants used in the Company’s revolving credit facility, in the evaluation of its operations and believes that this measure is a useful indicator of the Company’s ability to generate cash collections in excess of operating expenses through the liquidation of its receivable portfolios. The Company has included information concerning Adjusted Operating Expenses in order to facilitate a comparison of approximate cash costs to cash collections for the portfolio purchasing and recovery business in the periods presented. The Company has included Adjusted Income Attributable to Encore and Adjusted Income Attributable to Encore per Share (also referred to as Economic EPS when adjusted for certain shares associated with our convertible notes that will not be issued but are reflected in the fully diluted share count for accounting purposes) because management uses these measures to assess operating performance, in order to highlight trends in the Company’s business that may not otherwise be apparent when relying on financial measures calculated in accordance with GAAP. Adjusted EBITDA, Adjusted Operating Expenses, Adjusted Income Attributable to Encore and Adjusted Income Attributable to Encore per Share/Economic EPS have not been prepared in accordance with GAAP. These non-GAAP financial measures should not be considered as alternatives to, or more meaningful than, net income, net income per share, and total operating expenses as indicators of the Company’s operating performance. Further, these non-GAAP financial measures, as presented by the Company, may not be comparable to similarly titled measures reported by other companies. The Company has attached to this presentation a reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures.

RECONCILIATION OF ADJUSTED INCOME AND ECONOMIC / ADJUSTED EPS

Reconciliation of Adjusted Income and Economic / Adjusted EPS to GAAP EPS (Unaudited, In Thousands, except per share amounts), Three Months Ended

	March 31,					
	2015			2014		
	\$	Per Diluted Share – Accounting	Per Diluted Share – Economic*	\$	Per Diluted Share – Accounting	Per Diluted Share – Economic*
GAAP net income attributable to Encore, as reported	\$ 29,425	\$ 1.08	\$ 1.11	\$ 23,180	\$ 0.82	\$ 0.87
Adjustments:						
Convertible notes non-cash interest and issuance cost amortization, net of tax	1,666	0.06	0.07	1,291	0.05	0.05
Acquisition, integration and restructuring related expenses, net of tax	1,352	0.05	0.05	4,358	0.15	0.16
Adjusted Income Attributable to Encore	\$ 32,443	\$ 1.19	\$ 1.23	\$ 28,829	\$ 1.02	\$ 1.08

* Economic EPS for the three months ended March 31, 2015 and March 31, 2014 excludes approximately 0.9 million and 1.5 million shares, respectively, issuable upon the conversion of the company's convertible senior notes that are included for accounting purposes but will not be issued due to certain hedge and warrant transactions.

RECONCILIATION OF ADJUSTED EBITDA

Reconciliation of Adjusted EBITDA to GAAP Net Income (Unaudited, In \$ Thousands) Three Months Ended

	3/31/13	6/30/13	9/30/13	12/31/13	3/31/14	6/30/14	9/30/14	12/31/14	3/31/15
GAAP net income, as reported	\$ 19,448	\$ 11,012	\$ 21,064	\$ 22,216	\$ 18,830	\$ 21,353	\$ 30,138	\$ 27,957	\$ 29,967
(Gain) loss from discontinued operations, net of tax	-	-	308	1,432	-	-	-	1,612	-
Interest expense	6,854	7,482	29,186	29,747	37,962	43,218	43,498	42,264	42,303
Provision for income taxes	12,571	7,267	10,272	15,278	11,742	14,010	10,154	16,819	15,883
Depreciation and amortization	1,846	2,158	4,523	5,020	6,117	6,829	6,933	8,070	8,350
Amount applied to principal on receivable portfolios	129,487	126,364	154,283	124,520	159,106	161,048	155,435	139,075	160,961
Stock-based compensation expense	3,001	2,179	3,983	3,486	4,836	4,715	4,009	3,621	5,905
Acquisition, integration and restructuring related expenses	1,276	16,033	7,752	4,260	11,081	4,645	1,622	1,951	2,772
Adjusted EBITDA	\$ 174,483	\$ 172,495	\$ 231,371	\$ 205,959	\$ 249,674	\$ 255,818	\$ 251,789	\$ 241,369	\$ 266,141

RECONCILIATION OF ADJUSTED OPERATING EXPENSES

Reconciliation of Adjusted Operating Expenses to GAAP Operating Expenses (Unaudited, In \$ Thousands) Three Months Ended

	6/30/13	9/30/13	12/31/13	3/31/14	6/30/14	9/30/14	12/31/14	3/31/15
GAAP total operating expenses, as reported	\$ 126,238	\$ 174,429	\$ 168,466	\$ 185,472	\$ 190,689	\$ 188,960	\$ 188,224	\$ 199,627
Adjustments:								
Stock-based compensation expense	(2,179)	(3,983)	(3,486)	(4,836)	(4,715)	(4,009)	(3,621)	(5,905)
Operating expense related to other operating segments	(6,367)	(12,115)	(12,755)	(19,832)	(26,409)	(25,058)	(25,867)	(26,349)
Acquisition, integration and restructuring related expenses	(12,403)	(7,752)	(4,260)	(11,081)	(4,645)	(1,622)	(1,951)	(2,772)
Adjusted Operating Expenses	\$ 105,289	\$ 150,579	\$ 147,965	\$ 149,723	\$ 154,920	\$ 158,271	\$ 156,785	\$ 164,601