Slide #	**Commentary**
	Bruce Thomas
1	Thank you, Operator. Good afternoon and welcome to Encore Capital Group's second quarter 2018 earnings call. With me on the call today are Ashish Masih, our President and Chief Executive Officer, Jonathan Clark, Executive Vice President and Chief Financial Officer, and by phone Paul Grinberg, President of Encore's International business and Ken Stannard, the CEO of Cabot Credit Management, our subsidiary based in the U.K. Ashish and Jon will make prepared remarks today, and then we will be happy to take your questions.
2 Safe Harbor	Before we begin, we have a few housekeeping items. Unless otherwise noted, comparisons made on this conference call will be between the second quarter of 2018 and the second quarter of 2017. Today's discussion will include forward-looking statements subject to risks and uncertainties. Actual results could differ materially from these forward-looking statements. Please refer to our SEC filings for a detailed discussion of potential risks and uncertainties. During this call, we will use rounding and abbreviations for the sake of brevity. We will also be discussing non-GAAP financial measures. Reconciliations to the most directly comparable GAAP financial measures are included in our earnings presentation, which was filed on Form 8-K earlier today. As a reminder, this conference call will also be made available for replay on the Investors section of our website, where we will also post our prepared remarks following the conclusion of this call. With that, let me turn the call over to Ashish Masih, our President and Chief Executive Officer.

	Ashish Masih
3 Introduction and Encore Update	Thanks, Bruce, and good afternoon everyone. Thank you for joining our conference call. Today Encore announced financial results for the second quarter of 2018 that included records for portfolio purchases, collections, revenues, and estimated remaining collections. This performance supports our optimism for continued future growth and is indicative of the condition of the major markets we serve and our positions in those markets. Our optimism has also been reinforced by the completion of the acquisition of Cabot, which we believe will benefit Encore in both the short term and the long term. This transaction is a transformational event for Encore. We have shifted from being an investor in Cabot to becoming its 100% owner, which brings certainty to our future together. We now have even more freedom to implement our strategies and share proprietary information, and we are now a clear leader in both the United States and in the United Kingdom, the world's two largest markets for our industry. We expect that these markets will generate long-lasting cash flows and favorable returns for years to come.

4 Q2 Record Performance	I'd like to highlight a few areas of Encore's second quarter performance, which was anchored by new company records in several financial and operating measures. Global deployments were up 46% to $360 million dollars, representing the largest purchasing quarter in Encore's history, excluding those periods in which we acquired portfolios associated with platform acquisitions. Global collections were up 11% to $496 million dollars, representing our second consecutive quarter of record collections. Additional collections capacity that we added over the past several quarters and continued focus on operational innovation in the U.S. and in Europe helped drive the increase in collections. We generated a new record level of revenue for the fifth consecutive quarter as improved collections and additional servicing revenues in Europe helped drive global revenues up 20% to $350 million dollars. Our ERC, or estimated remaining collections, also reached a new all-time high at the end of the second quarter, growing 15% to $7.2 billion dollars.

5 Q2 Results	As a result of this performance, Encore earned GAAP net income from continuing operations of $26 million dollars, or $1.00 per share**.** Adjusted income was $35 million dollars or $1.33 per share.
6 Strong Cash Generation	I'm particularly pleased to highlight Encore's strong cash generation. We believe adjusted EBITDA - when combined with collections applied to principal balance - is an important measure of the return of capital to the business. This cash generation enables a number of valuable activities, such as deploying capital for debt portfolios and M&A purposes, reducing debt, and investing in innovation or additional collections capacity. Our achievement of a new record level of adjusted EBITDA over the past year has given us the flexibility for record deployments while completing a significant M&A transaction. An important source of our growing cash flow is Cabot Credit Management, which we now fully own…

7 Cabot Review	I'd now like to provide a bit more color on Cabot. With over 2500 people, Cabot is the industry leader in the U.K. and Ireland. Through a combination of organic efforts and strategic acquisitions, Cabot's geographic footprint also includes Spain, Portugal and France. Cabot has collection expertise across many types of asset classes, including Consumer secured and unsecured, and SME accounts. In addition to developing substantial product expertise, Cabot has significant debt servicing operations, including BPO capabilities, particularly after their acquisition of Wescot. Cabot's debt servicing business not only provides an attractive source of cash flow, but also strengthens their relationships with banks and other sellers, and creates an additional avenue to acquire portfolios. Built on over 20 years of experience, Cabot has differentiated itself from its competition through their long-time use of data analytics and behavioral science, and by driving superior returns based on investments they've made in their call centers and their legal collections network. The combination of Cabot's operational excellence and customer-first approach has produced a strong track record of profitable growth, achieving a compounded annual growth rate of 20% in cash collections from 2012 to 2017. Cabot also has a seasoned back book that is resilient to changes in economic conditions. As a result of this track record, and their market positions in key geographies, we believe Cabot is the premier debt buying and recovery platform in the U.K.

8 Cabot Transaction Review	Now that the acquisition of Cabot is complete, the returns on the investments made in Cabot belong 100% to Encore and its stockholders. In addition, the transaction solidifies our position as a global leader in our sector. Strategically, we view Cabot as the best platform for long-term leadership and growth in Europe due to its geographic and product diversity, and the breadth of its capital lite servicing capabilities. In addition, through the Cabot transaction, we've reduced the risk of operating as a monoline player in the U.S. Since the announcement of the Cabot transaction, our level of collaboration with Cabot has significantly increased. We have teams of people working to share best practices regarding product expertise, decision science, analytics, operational excellence, digital collections and call strategies. Encore's other European subsidiaries are also fully engaged in supplementing Cabot's capabilities and will add IVA expertise in the U.K., increased servicing capabilities, and additional portfolio ownership in Spain and Italy. For example, in Spain we have now combined the businesses of Cabot and Grove, leveraging their complementary strengths in consumer and SME asset classes, thus increasing the value we see in purchased portfolios. In addition to the strategic merits of this acquisition, the Cabot transaction is highly attractive financially to Encore. We believe the deal is accretive to earnings in 2018 and beyond, and we expect our earnings per share to grow in 2018 by at least 20% compared to 2017. Keep in mind that this incremental earnings growth reflects slightly less than 6 months of full Cabot ownership and the issuance of approximately 4.9 million additional shares. This acquisition also simplifies Encore's financials by removing much of the complexity associated with noncontrolling interest in our financial results and the Preferred Equity Certificates - or PECs – in our previous ownership structure.

8 Cabot Review (continued)	This is a very low-risk transaction as we have had the opportunity to be closely engaged in the management and strategic direction of Cabot for the past five years, and as a result, we know this company and the management team extremely well. For all of these reasons, we are excited about our future with Cabot. Turning now to our U.S. business…

9 U.S. Market	Consistent with recent trends, the U.S. market for debt purchasing remains strong. The Federal Reserve recently released May 2018 figures, and revolving credit in the U.S., which is comprised largely of credit cards, has again reached an all-time high. Based on commentary from issuing banks during recent earnings reports, we expect long term supply growth to continue through 2018 and beyond. Consistent with this expectation of healthy supply, pricing remains favorable. According to our estimates, the fresh segment continues to grow as a percentage of the whole market, and will comprise more than 80% of all charged-off credit card receivables to be sold this year. Because we have focused on expanding and improving our ability to collect on fresh paper over the past several years, we remain particularly well positioned to benefit from this industry trend. The quarter was strong from a deployment perspective in the U.S. as we purchased a record $203 million dollars of portfolios in Q2. Through the end of the second quarter, we deployed $382 million dollars in the U.S. and are on track to purchase more paper in the U.S. in 2018 than in any other prior year. From an operations perspective, collections in the U.S. in Q2 were at their highest level in three years. This performance was driven by operational innovation and the success and efficiency of our capacity expansion. Collections were particularly strong in our 2017 and 2018 vintages during the quarter. In fact, as a result of our expanded operational capacity and our success in improving liquidations, I believe we are now in the best position we have ever been to capture the attractive returns available in the U.S. market, which we believe is still in the early phase of a favorable portion of the cycle.

Of additional note	Before I hand the call off to Jon Clark, I'd like to take a moment to acknowledge Paul Grinberg. As mentioned in our press release today, Paul has decided to retire at the end of 2018 after a distinguished 14-year career with the company. The fact that we now have operations and investments around the world is largely based on Paul's vision and passion and that diversity has made our company stronger in many ways. Paul has left an indelible mark on this company. I am grateful for his service and wish him all the best in his retirement. As part of the transition, Ken Stannard, CEO of Cabot, will assume the responsibility for all of our European businesses. Ken is a strong leader with more than 20 years of experience in the European Financial Services industry. Ken has successfully guided Cabot's growth, and its geographic, product and servicing expansion over the last four and a half years. As we look to the future, I am confident that he is the ideal choice to direct and manage Encore's interests in Europe. I'd now like to hand the call over to Jon for a detailed look at our second quarter results…

	Jonathan Clark
10 Detailed Financial Discussion	Thank you, Ashish. Before I go into our financial results in detail, I would like to remind you, that as required by US GAAP, we are showing 100 percent of the results for Cabot and Refinancia in our financial statements. Where indicated, we will adjust the numbers to account for non-controlling interests.
11 Q2 Deployments	Deployments totaled $360 million dollars in the second quarter, up 46% when compared to the second quarter of 2017. We deployed $203 million dollars in the U.S. during Q2. Of that total, $189 million dollars represented charged-off credit card paper, comprised almost exclusively of fresh portfolios. We also deployed $14 million dollars in bankruptcy receivables. European deployments through Cabot and Grove totaled $147 million dollars during the second quarter, compared to $92 million dollars in deployments in the same quarter a year ago. We deployed $10 million dollars in other geographies in the second quarter, including purchases in Australia and in Latin America.

12 Q2 Collections	Worldwide collections grew 11 percent to a record \$496 million dollars in the second quarter, compared to \$446 million dollars a year ago. Collections in our domestic call centers reached a new all-time high, up 22% compared to Q2 last year, as we continue to benefit from additional collections capacity, increased purchasing volumes, and the acquisition in recent periods of portfolios with higher returns. Cabot also reported strong collections performance in the second quarter, growing 17% compared to the same quarter last year.
13 Q2 Revenue	Worldwide revenue in the second quarter grew 20 percent to \$350 million dollars, compared to \$291 million dollars in the prior year. U.S. revenue in the second quarter was \$180 million dollars. Q2 revenue in Europe was \$144 million dollars and grew primarily from the increase in collections driven by our operational innovation and Cabot's acquisition of Wescot, which added servicing revenue. Revenue in the second quarter also included the reversal of prior allowance charges, including a \$14.5 million dollar reversal driven by continued improvement in European collections. In the second quarter, we increased U.S. yields primarily in pool groups in the 2013 and 2016 vintages as a result of sustained over-performance. In Europe, we increased yields on certain pool groups in the 2013 thru 2017 vintages, also as a result of sustained over-performance. Encore generated \$34 million dollars of zero-basis revenue in Q2, compared to \$39 million dollars in the same period a year ago.

14 ERC	Our Estimated Remaining Collections, or ERC, was a record $7.2 billion dollars at the end of the second quarter, up 15%, or $960 million dollars, compared to the end of the same quarter a year ago.
15 Q2 EPS Walk	In the second quarter, we recorded GAAP earnings from continuing operations of $1.00 per share. In reconciling our GAAP earnings to our adjusted earnings, and after applying the income tax effect and adjusting for non-controlling interest, we recorded adjusted EPS of $1.33 per fully diluted share, and our non-GAAP Economic EPS was also $1.33. We did not exclude any shares from the calculation of our Economic EPS in the second quarter. With that, I'd like to turn it back over to Ashish.

	Ashish Masih
16 Summary and 2018 Expectations	Thank you, Jon. In summary, I am excited about Encore's recent operational and financial performance. We are well positioned to capitalize on future opportunities. We reported record purchasing, cash collections, revenues and ERC in the second quarter in addition to generating a new, all-time high level of trailing-twelve-months cash flow. Our acquisition of the remaining interest in Cabot is a transformational event in Encore's history and provides us with a number of strategic and financial benefits and opportunities. The U.S. market for debt purchasing remains very favorable and we are purchasing large amounts of receivables at strong returns. Our expanded collections capacity and our improved ability to liquidate our portfolios through innovation position us with arguably the best opportunity we have ever had to capture the attractive returns available in the U.S. market. We expect our annual earnings per share growth rate in 2018 to be at least 20%, keeping in mind that we will be 100% owners of Cabot for less than six months of the year and we issued 4.9 million additional shares. After completing our acquisition of Cabot, we have solidified our position as a global leader in our industry, capable of deploying capital across markets where we see the most attractive returns.

17 Q&A Session	Now we'd be happy to answer any questions that you may have. Operator, please open up the lines for questions.
18	That concludes the call for today. Thanks for taking the time to join us and we look forward to providing our third quarter 2018 results in early November.