Slide #	Commentary
	Bruce Thomas
1	Thank you, Operator. Good afternoon and welcome to Encore Capital Group's second quarter 2026 earnings call. Joining me on the call today are Ashish Masih, our President and Chief Executive Officer, Tomas Hernanz, Executive Vice President and Chief Financial Officer, Ryan Bell, President of Midland Credit Management and John Yung, President of Cabot Credit Management. Ashish and Tomas will make prepared remarks today, and then we'll be happy to take your questions.
2 Safe Harbor	Unless otherwise noted, comparisons on this conference call will be made between the second quarter of 2026 and the second quarter of 2025. In addition, today's discussion will include forward-looking statements that are based on current expectations and assumptions and are subject to risks and uncertainties. Actual results could differ materially from our expectations. Please refer to our SEC filings for a detailed discussion of potential risks and uncertainties. We undertake no obligation to update any forward-looking statement. 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 investor presentation, which is available on the Investors section of our website. As a reminder, following the conclusion of this conference call a replay, along with our prepared remarks, will also be available on the Investors section of our website. With that, let me turn the call over to Ashish Masih, our President and Chief Executive Officer.

	Ashish Masih
3 Q2 2026 Highlights	Thanks, Bruce, and good afternoon, everyone. Thank you for joining us. Encore delivered another strong performance in the second quarter as we affirmed our industry leadership through record U.S. portfolio purchasing and record global collections. In addition, we meaningfully improved the funding of our global business through a billion-dollar refinancing at attractive terms. Second quarter global portfolio purchases of $444 million dollars included $372 million dollars in the U.S. and global collections were $737 million dollars, which were up 13% compared to a year ago. Average receivable portfolios also increased 11% to $4.52 billion dollars. Our record collections performance helped drive an increase in earnings – even after including a $30.5 million dollar negative impact from refinancing costs in the quarter, which equates to one dollar per share. Including this impact, GAAP net income in the second quarter was $64 million dollars or $2.81 per share. Our leverage improved to 2.3 times at the end of Q2, compared to 2.6 times a year ago, even with continued significant portfolio purchases in the second quarter.

4 Our Strategy and Market Presence	Before I continue, I believe it's helpful to remind investors of the critical role we play in the consumer credit ecosystem by assisting in the resolution of unpaid debts. These unpaid debts are an expected outcome of the lending business model. Our Mission is to create pathways to economic freedom for the consumers we serve, by helping them resolve their past-due debts. We achieve this by engaging consumers in honest, empathetic and respectful conversations. We pursue our business objectives through our three-pillar strategy of participating in the largest and most valuable markets, developing and sustaining a competitive advantage in these markets, and maintaining a strong balance sheet. We employ our strategy across our two main businesses: Midland Credit Management – or MCM - in the U.S. and Cabot Credit Management in select European markets.

5 Our Value Engine	We believe value is created in the consumer debt buying industry through optimal execution of three critical drivers: buying, collecting and funding. When these drivers are executed well within attractive markets, leveraging the resources we possess and our strong balance sheet, we believe they enable high, consistent returns and profitability. The cycle begins with our commitment to purchase portfolios of charged-off receivables at attractive returns, which is the "**buy well"** component of our value engine. Our disciplined portfolio purchasing is underpinned by superior data and analytics capabilities, which when applied to our very large data sets stemming from our scale and history, optimize portfolio valuation through account-level underwriting. As a result, we win more portfolios at strong returns enabled by our superior collections as reflected in our industry-leading portfolio yield and collections yield. The cycle continues with our commitment to "**collect efficiently"** – maximizing net collections to realize strong yields. Our operational excellence, advanced analytics and our consumer-centric approach produce industry-leading yields while still exhibiting a solid cash efficiency margin. As a result, our very effective, personalized engagement with consumers leads to payments with predictable, consistent cash flow. This cash flow helps to complete the cycle as it contributes to our commitment to "**fund competitively"** – based on low-cost funding and a strong balance sheet. Importantly, our balance sheet strength enables access to capital at competitive costs through the credit cycle. Tomas will share additional detail about our second quarter refinancing activities later in the presentation. In summary, Encore's Value Engine is the critical enabler of our competitive advantage that allows us to execute our proven three-pillar strategy to drive shareholder value.

6 Portfolio Purchases	I would now like to highlight Encore's second quarter performance in terms of several key metrics, starting with portfolio purchasing: In Q2 we delivered strong purchases across all our markets as global portfolio purchases for the second quarter were $444 million dollars. This total included opportunistic spot market purchases in the U.S. Taking into account our first half performance, we are well placed to deliver on our guidance of $1.4 to $1.5 billion dollars of portfolio purchases in 2026. As a result of the attractive market conditions, we continued our trend of strong portfolio purchasing in the United States leading to 84% of our portfolio purchasing dollars being spent in the U.S. during the second quarter.
7 Collections	Global collections in Q2 were up 13% to a record $737 million dollars. This collections performance is the result of strong execution and continued significant portfolio purchasing as well as the deployment of new technologies, enhanced digital capabilities and continued operational innovation, especially in the U.S. Our cumulative global collections performance in the first half of 2026 compared to our ERC at the end of 2025 was 108%.
8 Cash Generation	We believe that our ability to generate significant cash provides us with an important competitive advantage, which is also a key component of our three-pillar strategy. Similar to the collections dynamic I mentioned earlier, strong execution, higher portfolio purchases at strong returns over the past few years as well as operational improvements have also led to meaningful growth in cash generation. Our cash generation in the second quarter was up 21% compared to Q2 last year and we expect it to continue to grow.

9 U.S. Outstandings and Charge Off Rate	Let's now take a look at our two largest markets, beginning with the U.S.: The U.S. Federal Reserve reports that revolving credit in the U.S. remains near record levels. At the same time, since bottoming out in late 2021, the credit card charge-off rate in the U.S. increased to its highest level in more than 10 years in 2024 and still remains at a level that is higher than its 10-year average. The combination of strong lending and elevated charge off rates continues to drive robust portfolio supply in the U.S. Let me illustrate this impact by highlighting the annualized amount of net dollar charge-offs, which can be estimated by multiplying revolving credit outstandings by the net charge-off rate. Using Q1 2026 data, the most recent quarter reported by the Federal Reserve, annualized net charge-off volume was more than $50 billion dollars.
10 U.S. Bankcard Delinquency Rates	Similarly, U.S. consumer credit card delinquencies, which are a leading indicator of future charge offs, also remain near multi-year highs. With revolving consumer credit at an elevated level and the charge off rate near 4%, purchasing conditions in the U.S. market remain favorable. We are observing continued strong U.S. market supply and favorable pricing as well. Second quarter delinquency data supports our expectation that the portfolio purchasing environment in the U.S. is expected to remain robust for the foreseeable future.

11 MCM (U.S.) Business	MCM continues to capture a significant share of this U.S. market supply opportunity. Record MCM portfolio purchases in Q2 of $372 million dollars, included opportunistic spot market purchases. In addition to its sizeable portfolio purchases in Q2, our MCM business continues to excel operationally. MCM collections increased to a record $572 million dollars, which was an increase of 17% compared to Q2 last year. The collections over-performance in the U.S. was driven by the deployment of new technologies, enhanced digital capabilities and continued operational innovation, which enabled us to reach more consumers, leading to more payments as well as a large and growing payer book. These initiatives had a greater impact on the early stages of a portfolio's lifecycle, leading to over-performance of our recent vintages. We expect that our collections forecasts will gradually adjust to reflect the positive impact of these initiatives. Our outstanding results reflect our substantial portfolio purchasing over the last few years at strong returns as well as the improvements we've made in our collections operation. In fact, we have been able to offset slightly higher average portfolio pricing recently in the U.S. with better collections efficiencies, allowing our returns to remain strong. As a reminder, returns are a function of market driven portfolio pricing, as well as our ability to maximize lifetime collections and optimize cost to collect. Also vital to our success is our ability to connect with our consumers. Despite some of the negative news and macro uncertainty in the U.S. our consumers' payment behavior remains stable. This is in line with what many of the banks and credit card issuers are saying in their recent earnings calls. We of course continue to monitor for any signs of change.

12 Cabot (U.K. and Europe) Business	Turning to our business in Europe, Cabot delivered another quarter of solid performance in Q2. Cabot's portfolio purchases were $72 million dollars in the second quarter. We continue to be selective with Cabot's deployments as the U.K. market remains impacted by subdued consumer lending and low delinquencies as well as continued robust competition. Cabot collections in the second quarter were $164 million dollars, and flat when compared to Q2 last year. We continue to focus on Cabot's operational excellence and cost management, including leveraging best practices from our MCM business. This is particularly relevant in the U.K., where banks are increasingly selling fresh portfolios in forward flows. Our operational focus and initiatives within the Cabot business continue to drive cash efficiency margin improvement. I'd now like to hand over the call to Tomas for a more detailed look at our financial results…

	Tomas Hernanz
13 Detailed Financial Discussion	Thank you, Ashish.
14 Summary Earnings Statement and Key Financial Measures	Moving to the financial results slide: In the second quarter, we delivered strong growth in collections and portfolio revenue of 13% and 11%, respectively. Strong collections performance was supported by the high levels of U.S. portfolio purchases in recent quarters, our focus on execution, operational improvements and stable consumer behavior. Collections yield was 65.2% in Q2, an improvement of 0.8 percentage points compared to last year. Portfolio revenue increased by 11% to $400 million dollars supported by 11% growth in average receivable portfolios and a portfolio yield of 35.4%. As a reminder, "changes in recoveries", is the sum of two numbers: First, "recoveries above or below forecast" is the amount we collected above or below our ERC expectation for the quarter. Second, "changes in expected future recoveries" is the net present value of changes in the ERC forecast beyond the current quarter. Changes in recoveries were $71 million dollars for the quarter. Of that total, the majority - $53 million dollars - were recoveries above forecast. Changes in expected future recoveries were $18 million dollars. {continued on next page}

14 Summary Earnings Statement and Key Financial Measures (continued)	Put differently, we collected $53 million dollars more than we forecasted in our ERC, which is incremental cashflow. The collections over-performance in the U.S. was driven by the deployment of new technologies, enhanced digital capabilities and continued operational innovation, which enabled us to reach more consumers, leading to more payments as well as a large and growing payer book. These initiatives are having a greater impact on the early stages of a portfolio's lifecycle, leading to over-performance of our recent vintages. We expect that our collections forecasts will continue to gradually adjust to reflect the positive impact of these initiatives. Over the next few quarters, we expect collections overperformance to transition eventually into portfolio revenues. Changes in expected future recoveries in Q2 were $18 million dollars, evidence that this transition is taking place. Debt purchasing revenue increased by 13% to $471 million dollars and the resulting debt purchasing yield was 41.7%. Approximately 6.3% was the impact of changes in recoveries. Servicing and other revenues were $21 million dollars, bringing total revenue to $492 million dollars, reflecting growth of 11%. Operating expenses increased only 5% to $305 million dollars, compared to 13% growth in collections, reflecting significant operating leverage in the business. Cash efficiency margin for the quarter improved by 2.9 percentage points to 60.2% compared to 57.3% in Q2 last year. We continue to expect cash efficiency margin for the full year to exceed 58% in 2026. Interest expense and other income increased to $104 million dollars and includes $30.5 million dollars of pre-tax refinancing costs in the quarter. Our tax provision of $19 million dollars implies a corporate tax rate of approximately 23%, which is in line with our previous guidance. {continued on next page}

14 Summary Earnings Statement and Key Financial Measures (continued)	Finally, net income increased by 9% to $64 million dollars resulting in earnings per share for the quarter of $2.81, up 13% compared to $2.49 in Q2 last year. Importantly, Encore's Q2 EPS of $2.81 includes $1.00 per share of refinancing costs during the quarter.
15 Balance Sheet Strength	We believe our balance sheet provides us very competitive funding costs and access to capital when compared to our peers. Our funding structure also provides us financial flexibility and diversified funding sources to compete effectively in this favorable supply environment. Leverage closed at 2.3x, a 0.3x improvement versus last year. In May we refinanced two of our bonds by issuing $750 million dollars of high-yield debt due 2032 and 325 million euros of floating rate notes due 2033 with significantly lower coupons. We incurred $30.5 million of refinancing costs in Q2 and we expect annualized savings of approximately $15 million dollars going forward. In July, we issued a soft call of our $230 million dollars of convertible notes due 2029. We expect settlement to be completed in Q3. We have no material maturities until 2028 and ample liquidity to continue to grow our business well into the future. With that, I'd like to turn it back over to Ashish.

	Ashish Masih
16 Our Financial Objectives and Priorities	Thanks, Tomas. Now I would like to remind everyone of our key financial objectives and priorities. Maintaining a strong and flexible balance sheet, including a strong "double-B" debt rating, as well as operating within our target leverage range of two to three times, remain critical objectives. With regard to our capital allocation priorities, buying portfolios, particularly in today's attractive U.S. market, offers the best opportunity to create long-term shareholder value by deploying capital at attractive returns. This is indeed what we are doing as highlighted by our track record of purchasing receivable portfolios at strong returns. Next on our capital allocation priority list are share repurchases. We repurchased approximately $27 million dollars of Encore shares in the second quarter, bringing our total through the first two quarters of 2026 to approximately $47 million dollars. And finally, we remain committed to delivering strong return on invested capital throughout the credit cycle. Our ROIC increased to 14.7% in the second quarter on a trailing twelve-months basis, up from 9.1% in Q2 last year.

17 Revised Guidance	In summary, Encore's second quarter results are a reminder that we continue to execute at a high level in each of the three disciplines within our industry that are most important in building shareholder value: we are buying portfolios well, collecting efficiently and funding our business competitively. I am truly excited about how Encore is performing and about our future prospects. Here is why I feel this way: • To begin, through our MCM business in the U.S., we are the largest debt buyer in the largest and most valuable consumer credit market in the world. U.S. market conditions continue to be very favorable for us, driven by growth in consumer lending and charge-off rates that remain well above the 10-year average. Within this environment, we are leveraging our scale and extremely effective collections operation to purchase record amounts of portfolio in the U.S. at strong returns. • In Europe, Cabot is delivering stable collections performance and remains focused on operational excellence and cost management. • Finally, we have adequate liquidity to continue to grow the business as our strong, flexible balance sheet provides us the capacity to capitalize on any opportunities that come up in the market. As a result of this continuing strong performance, we are providing the following guidance on key metrics: We continue to anticipate global portfolio purchases in 2026 to be within a range from $1.4 billion dollars to $1.5 billion dollars, though given our performance in the first half, it's now likely we finish the year near the top of this range. We are raising our collections guidance and now expect global collections in 2026 to be within a range from $2.8 billion dollars to $2.85 billion dollars. {continued on next page}

17 Revised Guidance (continued)	After a strong first half of 2026, driven by productivity enhancements, strong operational execution and a highly successful billion-dollar refinancing, we believe the business is demonstrating meaningful earnings power. Accordingly, we expect 2026 EPS to be between $13 and $14 dollars per share, even after absorbing $1.00 per share of refinancing costs in the second quarter. We now expect interest expense to be $295 million dollars for the year. And we continue to expect our effective tax rate for the year to be in the mid-20's on a percentage basis. Now we'd be happy to answer any questions that you may have. Operator, please open up the lines for questions.
Q&A Session	
17 Closing	Thanks for taking the time to join us today and we look forward to providing our third quarter 2026 results in November.