

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934**

**Date of report (Date of earliest event reported): August 10, 2015**

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**ENCORE CAPITAL GROUP, INC.**

(Exact Name of Registrant as Specified in Charter)

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**Delaware  
(State or Other Jurisdiction of Incorporation)**

**000-26489  
(Commission  
File Number)**

**48-1090909  
(IRS Employer  
Identification No.)**

**3111 Camino Del Rio North, Suite 103, San Diego, California  
(Address of Principal Executive Offices)**

**92108  
(Zip Code)**

**(877) 445-4581  
(Registrant's telephone number, including area code)**

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 2.02. Results of Operations and Financial Condition.**

On August 10, 2015, Encore Capital Group, Inc. posted a slide presentation on its website. A copy of the slide presentation is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference herein.

The information in Item 2.02 of this Current Report on Form 8-K, including the information contained in Exhibit 99.1, is being furnished to the Securities and Exchange Commission pursuant to Item 2.02, and shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, and shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by a specific reference in such filing.

**Item 9.01. Financial Statements and Exhibits.**

<u>Exhibit Number</u>	<u>Description</u>
99.1	Slide presentation of Encore Capital Group, Inc. dated August 10, 2015

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ENCORE CAPITAL GROUP, INC.

Date: August 10, 2015

/s/ Jonathan C. Clark

Jonathan C. Clark

Executive Vice President, Chief Financial Officer and Treasurer

**EXHIBIT INDEX**

**Exhibit Number**

**Description**

99.1

Slide presentation of Encore Capital Group, Inc. dated August 10, 2015



# Encore Capital Group, Inc.

Q2 2015 EARNINGS CALL

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## 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

<b>GAAP EPS*</b>	<b>Economic EPS**</b>	<b>Collections</b>
<b>\$1.03</b>	<b>\$1.27</b>	<b>\$437 million</b>
<b>GAAP Net Income*</b>	<b>Adjusted Income**</b>	<b>Adjusted EBITDA**</b>
<b>\$28 million</b>	<b>\$33 million</b>	<b>\$277 million</b>
		<b>Cost to Collect***</b>
		<b>37.6%</b>

**Estimated Remaining Collections of \$5.7 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.



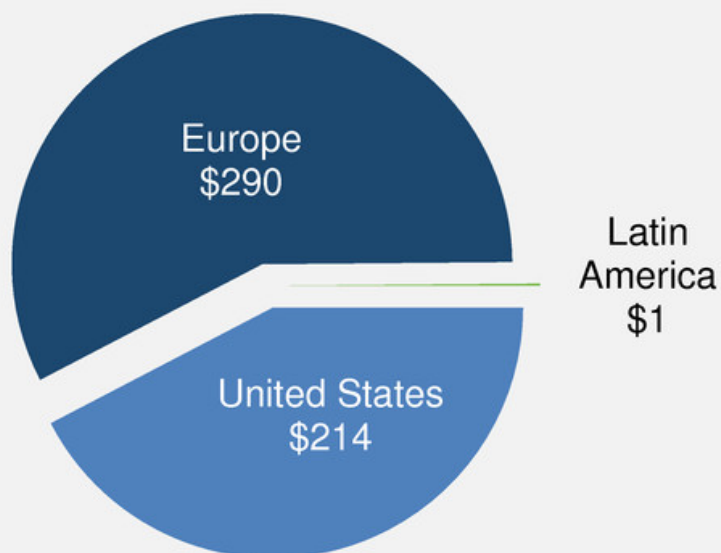
PROPRIETARY

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## Q2 DEPLOYMENTS REFLECT A DIVERSE GLOBAL BUSINESS

### Q2 2015 Deployments

\$M

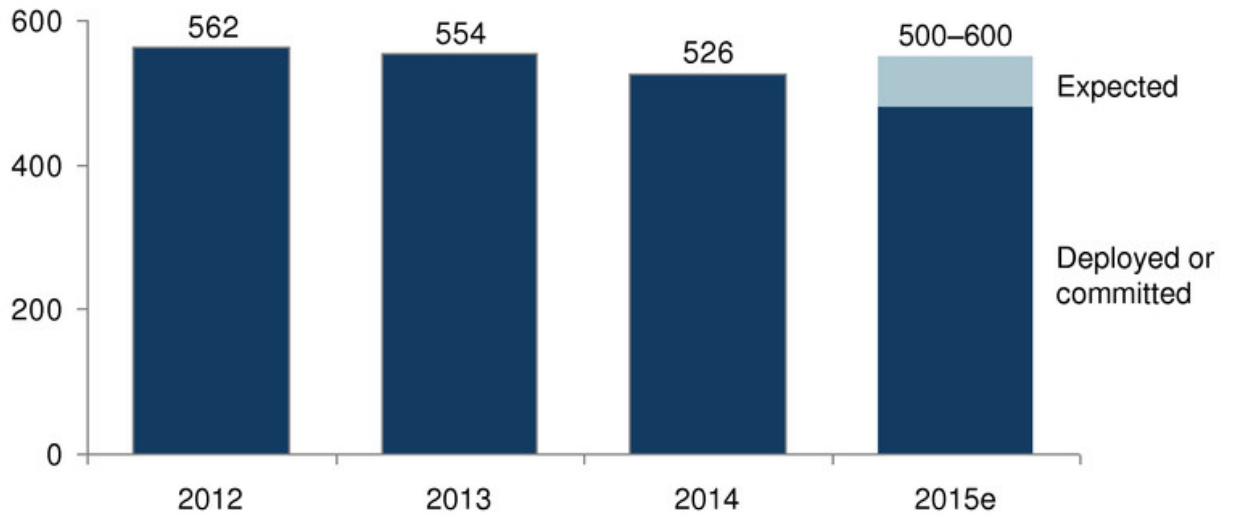


**Total \$505**



# WE ARE ON-TRACK TO MEET OUR 2015 US CORE DEPLOYMENT TARGET

## US Core Deployment 2015e vs. Historical



**Our deployment target in the US core market remains consistent with prior years at \$500M - \$600M / year**

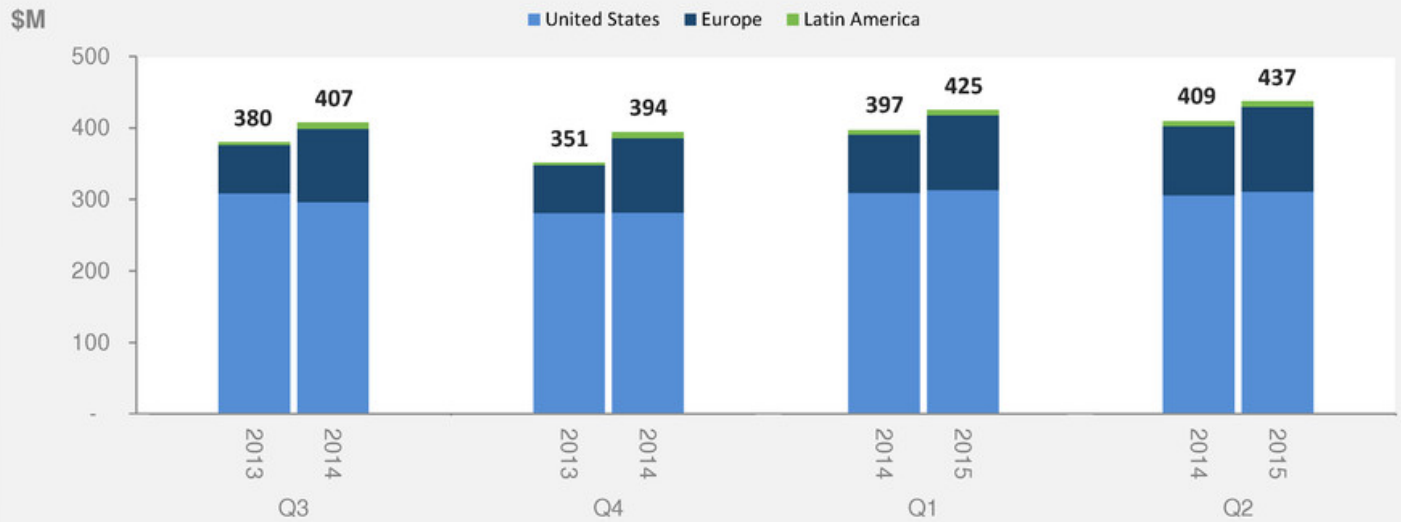
Core deployment excludes Propel



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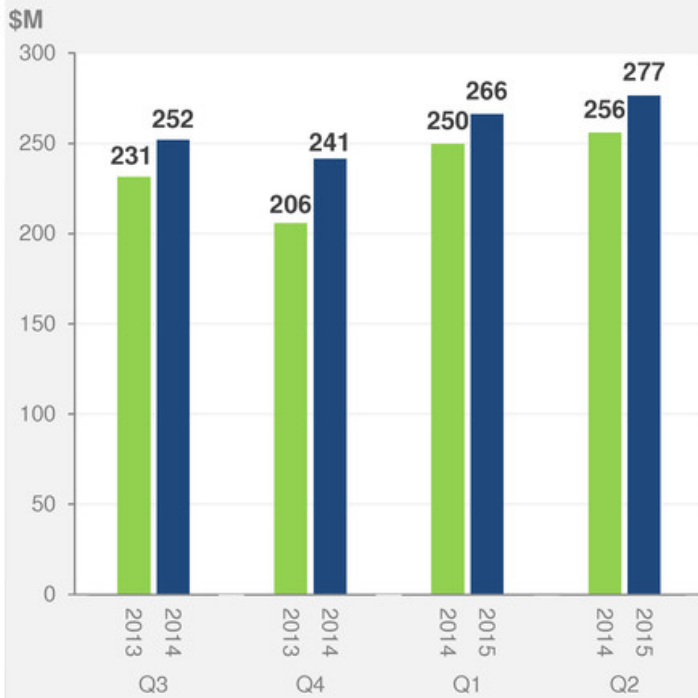
# RECORD COLLECTIONS IN Q2 WERE DRIVEN PRIMARILY BY THE GROWTH OF OUR INTERNATIONAL BUSINESS

## Collections by Geography

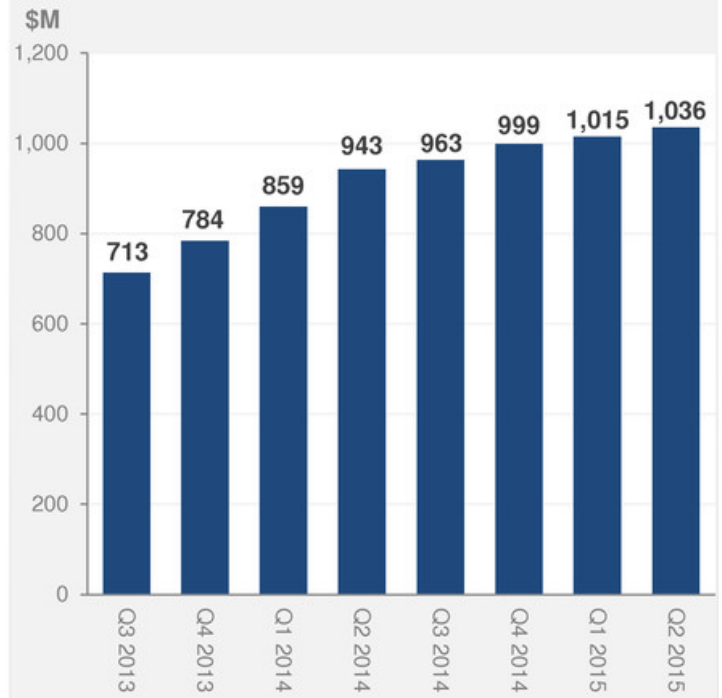


# STRONG COLLECTIONS LED TO IMPROVED CASH FLOWS

## Adjusted Quarterly EBITDA\*



## Adjusted EBITDA -Trailing Twelve Months



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

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

## Cabot Update



- ▶ Increased revenues 15% during the second quarter of 2015 compared to the second quarter of 2014
- ▶ Increased collections 17% during the second quarter of 2015 compared to the second quarter of 2014
- ▶ Deployed \$283 million during the second quarter of 2015
- ▶ Cabot contributed \$0.29 of Economic EPS to Encore earnings in Q2 of 2015

# THE DLC ACQUISITION IS IMPORTANT FOR CABOT AND ENCORE



## Attractive Portfolio

- Scale opportunity to acquire £288 (\$437) million of ERC
- dlc allows Cabot to deliver on its 2015 purchasing plan and consolidate overlapping debt contingency operations
- dlc is a profitable and debt-free business

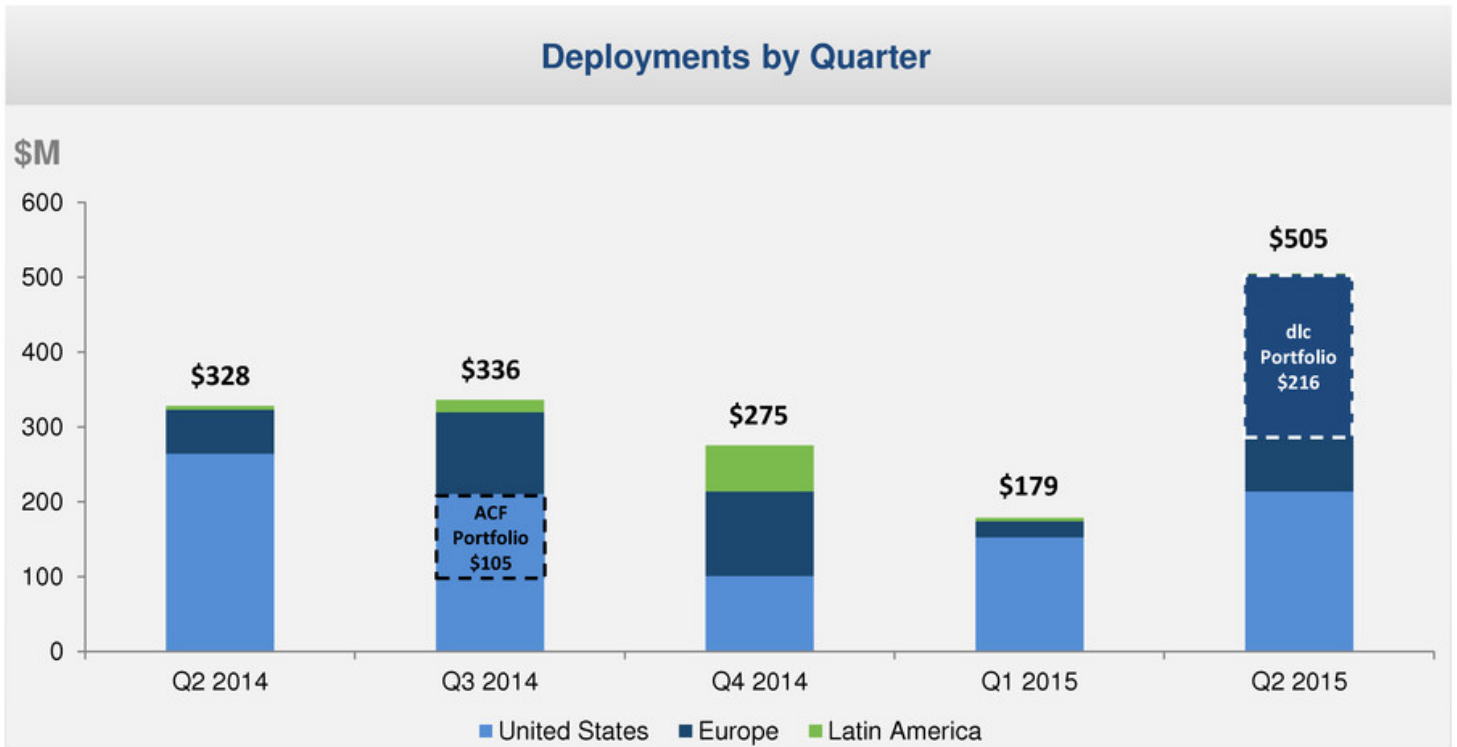
## Enhances Competitive Position

- dlc was the largest remaining debt purchaser/debt collection agency target in the U.K.
- Removes mid-tier competitor in the legal collections space
- Prevents dlc from being consumed by a competitor



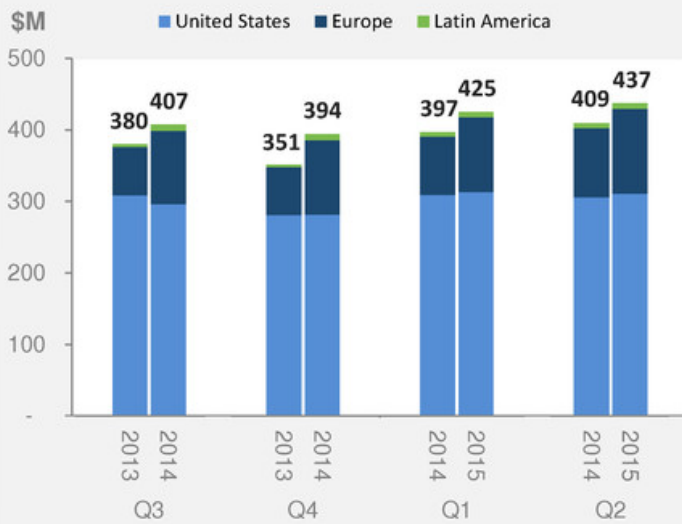
## Detailed Financial Discussion

# Q2 DEPLOYMENTS REPRESENT OUR LARGEST SINGLE QUARTER IN ALMOST TWO YEARS

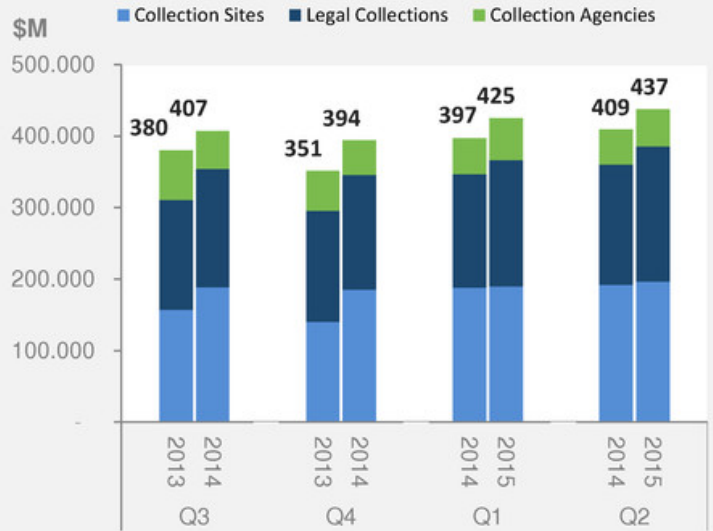


# COLLECTIONS IN Q2 REACHED AN ALL-TIME RECORD DRIVEN BY OUR INTERNATIONAL BUSINESS

## Collections by Geography

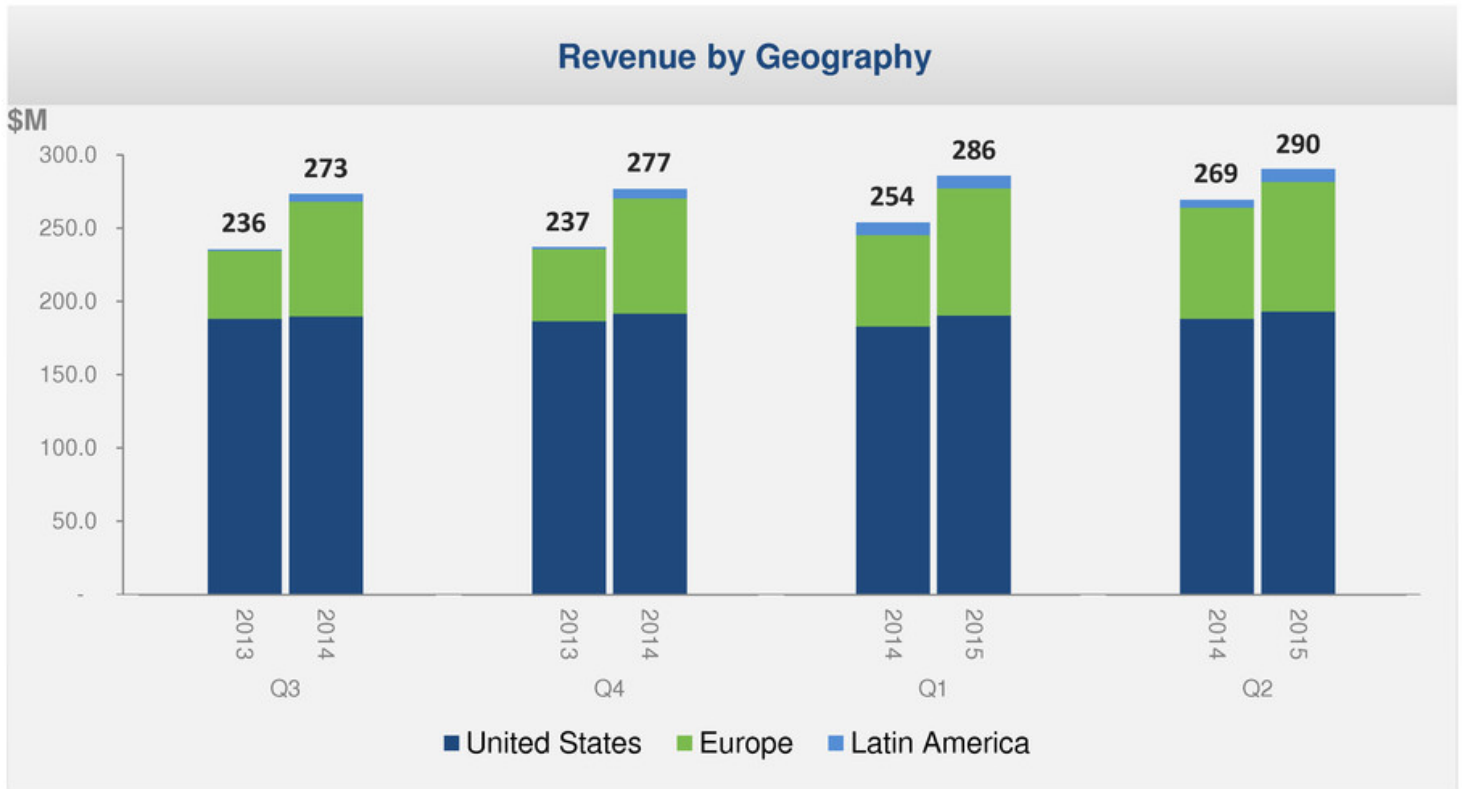


## Collections by Channel

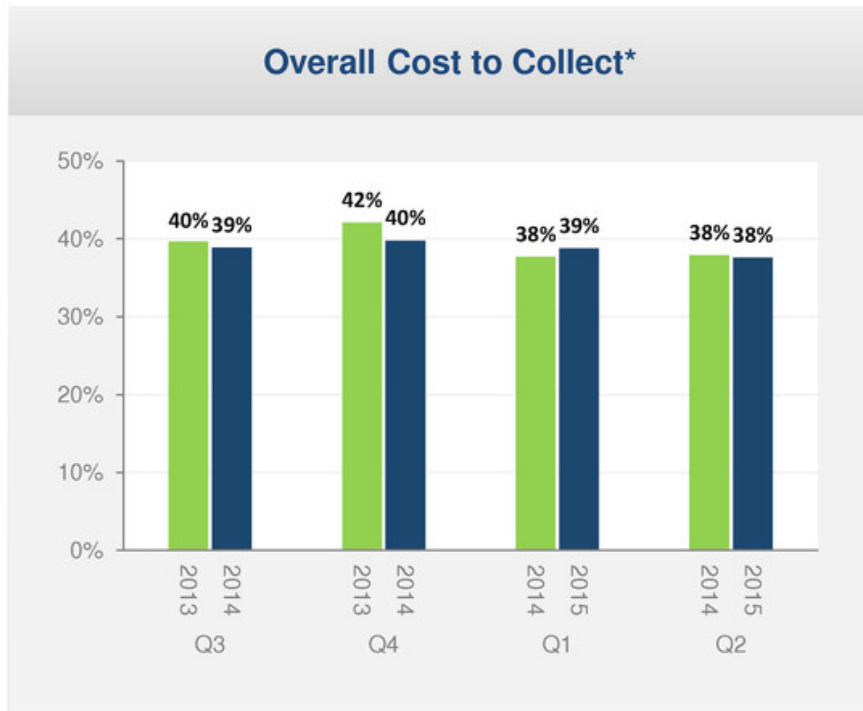




## WE ALSO DELIVERED RECORD REVENUES IN Q2



# COST TO COLLECT REFLECTS A SHIFT TOWARD LOWER COST INTERNATIONAL COLLECTIONS



Channel	Q2 2015 CTC	Q2 2014 CTC
Europe	30.6%	30.3%
United States	40.5%	40.4%
Latin America	28.3%	30.6%
Encore	37.6%	37.9%

\* 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

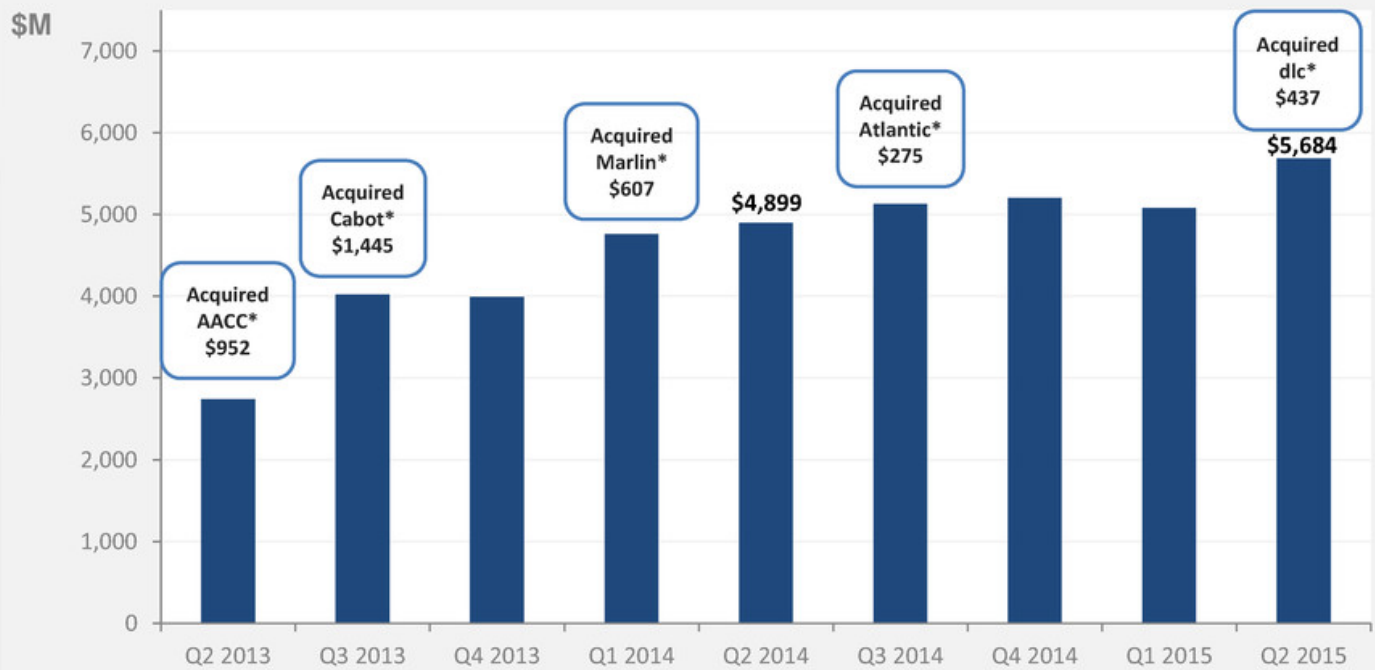


## US Legal Cost to Collect



# OUR ERC HAS REACHED AN ALL-TIME HIGH

## Estimated Remaining Collections



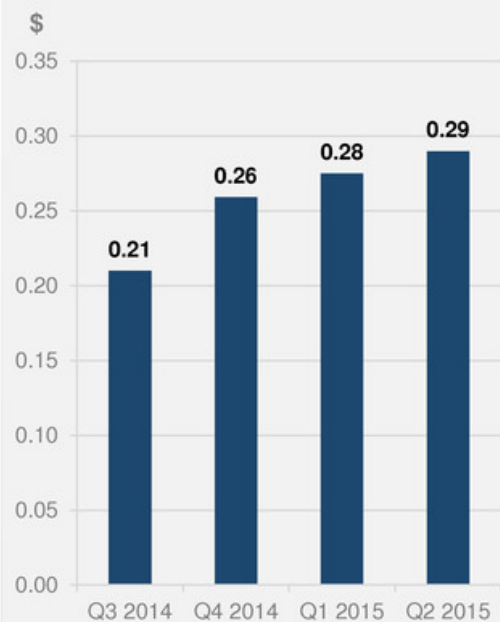
\* ERC at time of acquisition

# CABOT CONTRIBUTED \$0.29 TO ENCORE'S Q2 ECONOMIC EPS

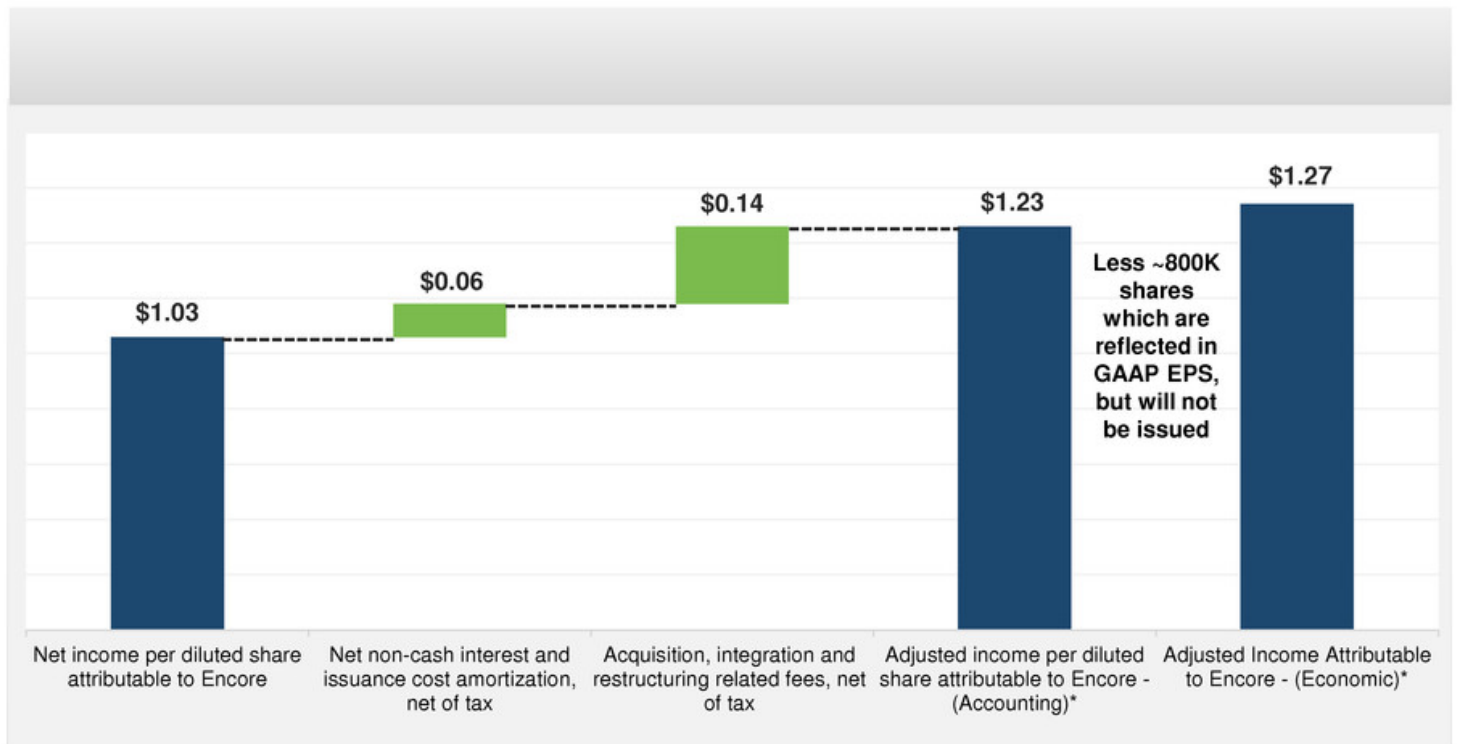
## Q2 2015 Operating Performance of Janus Holdings and Encore Europe

In 000's except per share amounts	Janus	Encore Europe Holdings	EEH Consolidated
Total revenues	\$ 84,613	-	\$ 84,613
Total operating expenses	(48,421)	-	(48,421)
Income from operations	\$ 36,192	-	\$ 36,192
Non-PEC interest expense	(26,436)	-	(26,436)
PEC interest (expense) income	(12,008)	5,885	(6,123)
Other income	297	-	297
Earnings Before Income Tax	\$ (1,955)	\$ 5,885	\$ 3,930
Income tax	(1,403)	-	(1,403)
Net (loss) / profit before minority interest	\$ (3,358)	\$ 5,885	\$ 2,527
Noncontrolling interest	471	1,441	1,912
Net (loss) / income attributable to Encore	\$ (2,887)	\$ 7,326	\$ 4,439
One-time and non-cash items, net of tax			3,045
Adjusted income attributable to Encore			\$ 7,484
Economic share count			26,081
Economic EPS			\$ 0.29

## Cabot's Economic EPS Contribution



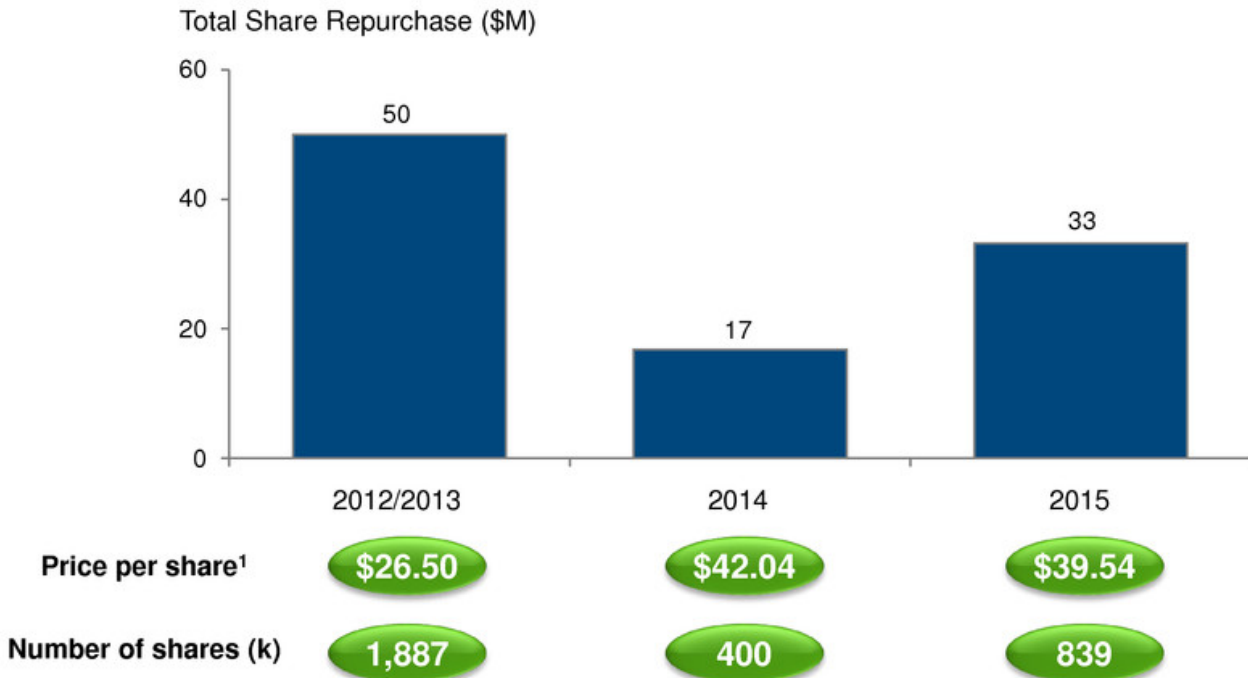
# ENCORE DELIVERED RECORD ECONOMIC EPS OF \$1.27 IN Q2



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

# WE COMPLETED OUR MOST RECENTLY AUTHORIZED SHARE BUYBACK PROGRAM DURING Q2

## Encore share repurchases 2012-Present



1. Weighted average repurchase price for the period



PROPRIETARY

# SUMMARY AND OUTLOOK

<b>Strong Financial Track-Record</b>	<ul style="list-style-type: none"><li>• Delivered Economic EPS of \$1.27, up 15%</li></ul>
<b>Excellent US Competitive Position</b>	<ul style="list-style-type: none"><li>• On track to deploy capital in the core U.S. market within target range of \$500 million to \$600 million in 2015</li></ul>
<b>Adaptable To Evolving Markets</b>	<ul style="list-style-type: none"><li>• On track to deploy capital globally, across all asset classes, within target range of \$1.2 billion to \$1.4 billion in 2015</li></ul>
<b>Proven International Capabilities</b>	<ul style="list-style-type: none"><li>• Cabot acquired dlc</li><li>• Continue to evaluate new opportunities to strengthen and expand internationally</li></ul>
<b>Disciplined Capital Stewardship</b>	<ul style="list-style-type: none"><li>• Completed most recently authorized share buyback program in Q2</li></ul>





## 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

	June 30,					
	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	\$ 27,657	\$ 1.03	\$ 1.06	\$ 23,561	\$ 0.86	\$ 0.89
Adjustments:						
Convertible notes non-cash interest and issuance cost amortization, net of tax	1,685	0.06	0.06	1,694	0.06	0.06
Acquisition, integration and restructuring related expenses, net of tax	3,833	0.14	0.15	3,836	0.14	0.15
<b>Adjusted Income Attributable to Encore</b>	<b>\$ 33,175</b>	<b>\$ 1.23</b>	<b>\$ 1.27</b>	<b>\$ 29,091</b>	<b>\$ 1.06</b>	<b>\$ 1.10</b>

\* Economic EPS for the three months ended June 30, 2015 and June 30, 2014 excludes approximately 0.8 million and 1.0 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

	9/30/13	12/31/13	3/31/14	6/30/14	9/30/14	12/31/14	3/31/15	6/30/15
GAAP net income, as reported	\$ 21,064	\$ 22,216	\$ 18,830	\$ 21,353	\$ 30,138	\$ 27,957	\$ 29,967	\$ 25,185
(Gain) loss from discontinued operations, net of tax	308	1,432	-	-	-	1,612	-	-
Interest expense	29,186	29,747	37,962	43,218	43,498	42,264	42,303	46,250
Provision for income taxes	10,272	15,278	11,742	14,010	10,154	16,819	15,883	15,964
Depreciation and amortization	4,523	5,020	6,117	6,829	6,933	8,070	8,350	8,084
Amount applied to principal on receivable portfolios	154,283	124,520	159,106	161,048	155,435	139,075	160,961	167,024
Stock-based compensation expense	3,983	3,486	4,836	4,715	4,009	3,621	5,905	6,198
Acquisition, integration and restructuring related expenses	7,752	4,260	11,081	4,645	1,622	1,951	2,772	7,900
<b>Adjusted EBITDA</b>	<b>\$ 231,371</b>	<b>\$ 205,959</b>	<b>\$ 249,674</b>	<b>\$ 255,818</b>	<b>\$ 251,789</b>	<b>\$ 241,369</b>	<b>\$ 266,141</b>	<b>\$ 276,605</b>

# RECONCILIATION OF ADJUSTED OPERATING EXPENSES

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

	9/30/13	12/31/13	3/31/14	6/30/14	9/30/14	12/31/14	3/31/15	6/30/15
GAAP total operating expenses, as reported	\$ 174,429	\$ 168,466	\$ 185,472	\$ 190,689	\$ 188,960	\$ 188,224	\$ 199,627	\$ 203,352
Adjustments:								
Stock-based compensation expense	(3,983)	(3,486)	(4,836)	(4,715)	(4,009)	(3,621)	(5,905)	(6,198)
Operating expense related to other operating segments	(12,115)	(12,755)	(19,832)	(26,409)	(25,058)	(25,867)	(26,349)	(24,928)
Acquisition, integration and restructuring related expenses	(7,752)	(4,260)	(11,081)	(4,645)	(1,622)	(1,951)	(2,772)	(7,900)
<b>Adjusted Operating Expenses</b>	<b>\$ 150,579</b>	<b>\$ 147,965</b>	<b>\$ 149,723</b>	<b>\$ 154,920</b>	<b>\$ 158,271</b>	<b>\$ 156,785</b>	<b>\$ 164,601</b>	<b>\$ 164,326</b>

