Slide #	**Commentary**
	Bruce Thomas
1	Thank you, Operator. Good afternoon and welcome to Encore Capital Group's third quarter 2022 earnings call. Joining me on the call today are Ashish Masih, our President and Chief Executive Officer, Jonathan Clark, Executive Vice President and Chief Financial Officer, Ryan Bell, President of Midland Credit Management, and Craig Buick, CEO of Cabot Credit Management. Ashish and Jon will make prepared remarks today, and then we will be happy to take your questions.
2 Safe Harbor	Unless otherwise noted, comparisons made on this conference call will be between the third quarter of 2022 and the third quarter of 2021. In addition, 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	Thanks, Bruce, and good afternoon, everyone. Thank you for joining us.
Q3 2022 Highlights	I'd like to begin by noting that our performance in recent years and the disciplined execution of our strategy has put us in a position of strength to navigate the evolving macroeconomic environment that we and many companies face today. Against this backdrop, Encore delivered solid operating performance in Q3. However, as we stated last quarter, we will face some earnings pressure over the next few quarters due to the impacts of the evolving macroeconomic environment. As expected, our third quarter collections declined due to our lower level of global portfolio purchases over the last two years and the continued normalization of consumer behavior in the U.S. In addition, Cabot's results were impacted by the weakening of the British pound and the Euro in relation to the U.S. dollar. However, and importantly, Q3 was our strongest quarter of portfolio purchasing in **two and a half years** driven by the steady growth in supply that we are now seeing, particularly in the U.S. On a global basis, our portfolio purchases were $233 million dollars, up 38% compared to the third quarter last year enabled by improving market supply in the U.S.

4 Our Business and Our Strategy	Before we discuss the key markets in which we operate, I believe it's helpful to reiterate the critical role we play in the consumer credit ecosystem by assisting in the resolution of unpaid debts, which are an expected outcome of the lending business model. Our mission is to help consumers resolve their debts so they can regain the freedom to focus on what is important to them. And we do that by engaging consumers in honest, empathetic and respectful conversations. We look to purchase portfolios of non-performing loans at attractive returns while minimizing funding costs. For each portfolio that we own, we strive to exceed our collection expectations, while both maintaining an efficient cost structure as well as ensuring the highest level of compliance and consumer focus. We achieve these objectives through our three-pillar strategy. This strategy enables us to consistently deliver outstanding financial performance and positions us well to capitalize on future opportunities, and we believe is instrumental in building long-term shareholder value. The first pillar of our strategy, Market Focus, concentrates our efforts on the markets where we can achieve the highest risk-adjusted returns.

5 Market Focus: U.S. & U.K. Outstandings	The macroeconomic-induced changes to consumer behavior during the pandemic led to unusually low credit card balances and below-average charge offs, which in turn resulted in lower portfolio sales by banks. However, since early 2021, outstandings have been rising as banks continue to report strong growth in lending. In fact, earlier this year revolving credit in the U.S. surpassed pre-pandemic levels, and each month thereafter the U.S. Federal Reserve has reported a new record level of outstandings. At the same time in the U.K., credit card balances continue to steadily recover albeit at a slower pace.
6 Rising Market Supply	We believe that the combination of continued lending growth and charge-off rates which are rising from pandemic lows has now begun to translate into increased industry supply in the U.S. These dynamics are leading to higher levels of portfolio sales by banks in the U.S. market, which is evident in the steady growth in our purchasing this year, reaching a level in Q3 that is similar to the pre-pandemic 2019 quarterly average. This also means that more consumers will be looking to resolve their debts in order to regain their economic freedom, and our team stands ready to support them. This growth in purchasing is also manifested in our estimated remaining collections, or ERC, which while declining 7% on a reported basis to $7.3 billion dollars, grew 2% in constant currency to $8 billion dollars. Turning now to our largest and most valuable market in the U.S…

7 Market Focus: U.S. Business	MCM collections in the third quarter were $325 million dollars, down 20% compared to Q3 last year. This decline was due to the impacts of macroeconomic factors that led to lower portfolio purchasing in 2020 and 2021 as well as the normalization of consumer behavior. I would like to note that this collections level is in line with MCM's average quarterly collections before the pandemic began, despite significantly lower purchasing during this two-year period – which is a testament to the improvements we've implemented in our collections operation. Against the backdrop of growing market supply in the U.S., MCM had its strongest purchasing quarter in two and a half years. Portfolio purchases in the third quarter were $177 million dollars, **an increase of 73%** when compared to $102 million dollars in the same quarter last year.

8 Market Focus: U.K. and European Business	Turning to our business in Europe… Another outcome of the evolving macroeconomic environment is the weakening of the British pound and the Euro compared to the U.S. dollar. Because the reported results from our Cabot business in the U.K. and Europe were noticeably impacted by the significant changes in foreign currency exchange rates during the quarter, we have provided constant currency comparisons in addition to reported results in this presentation where we thought it provided additional insight into our underlying performance. In the third quarter, Cabot collections were $132 million dollars as reported, down 15% compared to Q3 of last year, but in constant currency, equal to the collections level of the year ago quarter. We continue to closely monitor the macroeconomic environment in the U.K., and despite inflationary pressures on consumers, our back book of regular payers has seen no impact. Another macro trend that we have been focused on is the continuing labor market tightness in the U.K. Our collections staffing levels have been affected by this pressure, but it has resulted in only a mild impact to collections. Cabot portfolio purchases in the third quarter as reported were $56 million dollars compared to $66 million dollars in Q3 of last year. After adjusting for the currency exchange impact, portfolio purchases in Q3 were at the same level as a year ago. From a portfolio supply perspective, markets in the U.K. and Europe continue to be competitive and we have maintained discipline in buying portfolios.

9 Competitive Advantage: Cash Generation	The second pillar of our strategy focuses on enhancing our competitive advantages. Although our cash generation has been impacted by lower portfolio purchasing in recent quarters and the normalization of consumer behavior, especially when compared to last year's extraordinary levels, our competitive platform enables us to continue generating significant cash flow. We expect this decline will begin to reverse as our purchase volumes become consistently higher.
10 Competitive Advantage: Differentiated Returns	Our competitive advantages also allow us to deliver differentiated returns. In addition to cash generation, another important measure of our business is return on invested capital, which considers both the performance of our collections operation as well as our ability to price risk appropriately when investing our capital. Accordingly, one of our fundamental financial priorities is that our underlying business delivers strong, long-term returns. We believe we are delivering returns that are very attractive when compared to those of our peer group in the debt buying industry.

11 Balance Sheet Strength: Leverage	The third pillar of our strategy makes the strength of our balance sheet a constant priority. Our strong operating performance and focused capital deployment over many consecutive quarters drove higher levels of cash flow and contributed to a lower level of debt, which in turn reduced our leverage significantly over time. At the end of the third quarter, our leverage ratio was 2.1 times, compared to 1.8 times a year ago, and remains near the lowest in the industry. It is important to note that, when compared to the pre-pandemic years, Encore is a much stronger company when it comes to our balance sheet and capital availability. In addition to lower leverage, we now have a unified global funding structure which provides us with financial flexibility, including diversified sources of financing and extended maturities. Through our strong balance sheet we remain well-positioned with sufficient liquidity and capacity to fund the opportunities that lie ahead. I'd now like to hand over the call to Jon for a more detailed look at our financial results…

	Jonathan Clark
12 Detailed Financial Discussion	Thank you, Ashish.
13 Q3 2022 Key Financial Measures	When comparing third quarter or year-to-date results this year, to the results from a year ago, keep in mind that the elevated level of collections last year was extraordinary, and resulted - in part - from U.S. consumer behavior that has largely normalized since the beginning of 2022. We continue to effectively manage our cost base. Operating expenses remain well-controlled despite inflationary pressures. Importantly, the same normalization of consumer behavior in the U.S. that has led to year-over-year declines in collections is beginning to drive an increase in market supply. This is reflected in our Q3 portfolio purchases, which were up sharply compared to a year ago. For those of you who closely follow the results of financial companies, you understand that CECL Accounting may cause fluctuations in quarterly reported results, but that they **do** converge with cash results over the long-term. This is yet another reason that we believe it's always helpful to consider the long view of our financial results, whether that's over the trailing twelve months as many of our important metrics are measured **or** on a year-to-date basis as reported in our filings. This is consistent with the way we run the business and make decisions, employing a long-term perspective in building shareholder value.

14 Q3 2022 Collections	Collections were $458 million dollars in Q3, down 19% compared to the extraordinary collections in the third quarter of last year. Breaking that result down into our two major businesses, MCM's collections in the U.S. declined 20% compared to Q3 last year, primarily due to lower portfolio purchasing in recent quarters and the normalization of consumer behavior in the U.S. Cabot's collections in the third quarter declined 15% as reported, due to the foreign currency effect of the weakening British pound and Euro. However, after adjusting for the relative movements in currency, Cabot's collections in Q3 were flat compared to the same quarter last year. For portfolios owned at the end of 2021, Encore's global collections performance through the third quarter was 105% of our portfolio ERC forecast for the period as of December 31, 2021. For MCM and for Cabot, collections through Q3 by this same measure were 114% and 89%, respectively. With regard to collections in Europe, the weakening of the pound and euro in relation to the U.S. dollar has created a separation between reported and constant currency results. In this case, Cabot's collections performance through Q3 on a constant currency basis was 96% of our ERC forecast.

15 Diversified Funding	In addition to the impacts I've already mentioned, the global macroeconomic environment has also led to higher interest rates and challenging conditions in the bond market for us and other companies. Nonetheless, it is times like these that our global funding structure provides us the financial horsepower to approach the growing supply environment from a position of strength. We believe our strong balance sheet provides us very competitive funding costs when compared to our peers and competitors. While we don't have any material maturity for the foreseeable future, we do monitor market conditions closely and adjust our return thresholds and pricing for new portfolios accordingly. In this environment, we believe higher financing costs will eventually have a moderating effect on portfolio pricing as debt buyers adapt their bidding behaviors to their higher costs of capital. Our interest expense in the third quarter was $39 million dollars, compared to $41 million dollars in Q3 last year. Looking ahead to the fourth quarter, we expect our interest expense to be in the low- to mid-$40-million-dollar range, depending on rates and F/X movements. With that, I'd like to turn it back over to Ashish.

	Ashish Masih
16 Our Financial Priorities	Before I close, I'd like to remind everyone that the financial priorities that we established some time ago remain unchanged. Our strong balance sheet will serve us well as the highly anticipated growth in market supply strengthens. We will continue to be good stewards of **your** capital and, as always, will maintain our focus on returns in order to build long-term shareholder value.
17 Encore's Strong Position	By executing our strategy and by staying true to our financial priorities, we believe we are exceptionally well-positioned for the future. We believe the changes we are now seeing in the macroeconomic environment, in terms of the normalization of consumer behavior as well as the growth in portfolio supply, are clear indicators that the next phase of the consumer credit cycle is upon us. This also means more consumers will need our support and we're ready to help them resolve their debts and restore their financial health, consistent with our mission and the essential role we play in the consumer credit ecosystem. As we discussed in our previous call, we expect the impacts of an evolving macroeconomic environment to pressure our earnings for the next few quarters due to two years of lower portfolio purchasing coupled with the normalization of consumer behavior in the U.S. Importantly, this same normalization of consumer behavior has begun to increase portfolio supply in the U.S., with consumer spending and lending growing and charge-off rates starting to rise from pandemic lows. In fact, the supply growth enabled our MCM business to deliver its best purchasing quarter in Q3 since the pandemic began – with deployments 52% higher versus Q2 2022 and 73% higher versus Q3 2021. This growth in purchasing also enabled our ERC to grow 2% to $8 billion dollars in constant currency terms at the end of Q3.

17 Encore's Strong Position (continued)	While supply is now steadily growing in the U.S, keep in mind that it will take sustained higher portfolio purchases before material contributions to our financial results are evident. We see a growing supply pipeline ahead for 2023 as the credit cycle turns, but keep in mind that our purchasing can fluctuate on a quarter-to-quarter basis. I am truly excited about Encore's strong position as we have the required operational capacity and ample liquidity to take advantage of the growth in portfolio purchasing opportunities in the marketplace. 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 Comments	As we close the call today, I'd like to reiterate a couple of key points. Our strategy of focusing on the right markets, employing discipline in our purchasing approach, executing effectively, and maintaining a strong balance sheet are key drivers of our performance – and have put us in a position of strength as portfolio supply in the U.S. is now growing. This is the portion of the credit cycle we have been anticipating – and we are ready for it. We're also as committed as ever to the essential role we play in the credit ecosystem and to help consumers regain their financial freedom. Thanks for taking the time to join us and we look forward to providing our fourth quarter results in February.