

Encore Capital Group, Inc. Prices Public Offering of Exchangeable Notes

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SAN DIEGO, July 18, 2018 (GLOBE NEWSWIRE) -- Encore Capital Group, Inc. (NASDAQ:ECPG) (“Encore Capital” and together with its subsidiaries, “Encore”) announced today the pricing of an underwritten public offering of \$150,000,000 aggregate principal amount of exchangeable senior notes due 2023 (the “notes”) issued by its wholly owned subsidiary, Encore Capital Europe Finance Limited (“Encore Finance”), at a price to the public of 100% of the principal amount of the notes, before the underwriting discount. Encore Finance also granted the underwriters a 30-day option to purchase up to an additional \$22,500,000 aggregate principal amount of such notes, solely to cover over-allotments, on the same terms and conditions. The notes will be senior, unsecured obligations of Encore Finance and will be fully and unconditionally guaranteed, on a senior, unsecured basis, by Encore Capital. The notes will mature on September 1, 2023, unless earlier repurchased, redeemed or exchanged in accordance with their terms. The notes will bear interest at a rate of 4.50% per year, payable semiannually in arrears on March 1 and September 1 of each year, beginning on March 1, 2019. The notes will be exchangeable at the option of the noteholders at any time prior to the close of business on the business day immediately preceding March 1, 2023 only upon satisfaction of certain conditions and during certain periods, and on or after March 1, 2023, at any time until the close of business on the second scheduled trading day immediately prior to maturity regardless of these conditions. Encore Finance may satisfy its exchange obligation by paying or delivering, as the case may be, cash, shares of Encore Capital’s common stock or a combination of cash and shares of Encore Capital’s common stock, at Encore Finance’s election, subject to certain restrictions. The exchange rate for the notes is initially 22.4090 shares of Encore Capital’s common stock per \$1,000 principal amount of notes (equivalent to an initial exchange price of approximately \$44.62 per share of Encore Capital’s common stock), subject to adjustment.

The initial exchange price of the notes represents a premium of approximately 25.0% to the \$35.70 per share closing price of Encore Capital’s common stock on July 17, 2018. The offering is expected to close on July 20, 2018, subject to customary closing conditions.

In connection with the pricing of the notes, Encore Capital entered into privately negotiated capped call transactions with an affiliate of one of the underwriters of the offering and certain other financial institutions (the “option counterparties”). The capped call transactions are expected generally to reduce potential dilution to Encore Capital’s common stock upon any exchange of notes and/or offset any potential cash payments Encore Finance is required to make in excess of the principal amount of exchanged notes, as the case may be, with such reduction and/or offset subject to a cap. The cap price of the capped call transactions will initially be \$62.475 per share, which represents a premium of 75% over the last reported sale price of Encore Capital’s common stock of \$35.70 per share on July 17, 2018, and is subject to certain adjustments under the terms of the capped call transactions. If the underwriters of the offering exercise their option to purchase additional notes, Encore Capital expects to enter into additional capped call transactions with the option counterparties.

Encore Capital expects that, in connection with establishing their initial hedges of the capped call transactions, the option counterparties or their respective affiliates will enter into various derivative transactions with respect to Encore Capital’s common stock concurrently with, and/or purchase Encore Capital’s common stock shortly after, the pricing of the relevant notes. This activity could increase (or reduce the size of any decrease in) the market price of Encore Capital’s common stock or the notes concurrently with, or shortly after, the pricing of the notes. In addition, the option counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to Encore Capital’s common stock and/or purchasing or selling Encore Capital’s common stock or other securities of Encore’s in secondary market transactions following the pricing of the notes and prior to the maturity of the notes (and are likely to do so during any observation period related to an exchange of notes). This activity could also cause or avoid an increase or a decrease in the market price of Encore Capital’s common stock or the notes, which could affect holders’ ability to exchange their notes and, to the extent the activity occurs during any observation period related to an exchange of notes, it could affect the number of shares and value of the consideration that the holder will receive upon exchange of the

notes.

Encore estimates that the net proceeds from this offering will be approximately \$144.7 million, after deducting the underwriting discount and the estimated offering expenses payable by it (assuming no exercise of the underwriters' option to purchase additional notes). Encore expects to use the net proceeds from this offering to partially fund the acquisition of all the outstanding equity interests of Janus Holdings Luxembourg S.à r.L. ("Janus"), not currently held directly or indirectly by Encore, and, immediately following the consummation of such acquisition, the purchase by Janus of all the outstanding equity interests of Cabot Holdings S.à r.L., not currently held directly or indirectly by Encore, as announced by Encore on May 8, 2018.

SunTrust Robinson Humphrey and Credit Suisse are acting as joint book-running managers for the offering.

The notes are being offered pursuant to an effective shelf registration statement that Encore Capital and Encore Finance have filed with the Securities and Exchange Commission ("SEC"). Before you invest, you should read the prospectus in that registration statement and other documents Encore has filed with the SEC for more complete information about Encore and this offering. The offering is being made only by means of a prospectus supplement and the accompanying prospectus. Copies of the prospectus supplement and accompanying prospectus for the offering may be obtained from SunTrust Robinson Humphrey, Inc., 3333 Peachtree Road NE, 9th Floor, Atlanta, GA 30326, Attention: Prospectus Department, or by telephone at 1-404-926-5744, by fax at 1-404-926-5464 or by email at strh.prospectus@suntrust.com; or from Credit Suisse Securities (USA) LLC, Attention: Prospectus Department, One Madison Avenue, New York, New York, 10010, or by telephone at 1-800-221-1037, or by email at newyork.prospectus@credit-suisse.com. You may also obtain these documents free of charge when they are available by visiting EDGAR on the SEC's website at www.sec.gov.

This press release does not constitute an offer to sell or the solicitation of an offer to buy securities, nor will there be any sales of these securities, in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws or any state or jurisdiction.

About Encore

Encore is an international specialty finance company that provides debt recovery solutions and other related services for consumers across a broad range of financial assets. Through its subsidiaries around the globe, Encore purchases portfolios of consumer receivables from major banks, credit unions, and utility providers.

Encore partners with individuals as they repay their debt obligations, helping them on the road to financial recovery and ultimately improving their economic well-being. Encore is the first and only company of its kind to operate with a *Consumer Bill of Rights* that provides industry-leading commitments to consumers.

Headquartered in San Diego, Encore is a publicly traded NASDAQ Global Select company (ticker symbol: "ECPG") and a component stock of the Russell 2000, the S&P Small Cap 600 and the Wilshire 4500.

Forward Looking Statements

The statements in this press release 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, performance, business plans, prospects, closing of the offering or use of the net proceeds from the offering. For all "forward-looking statements," Encore 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 Encore 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 Encore with the Securities and Exchange Commission,

including the most recent reports on Forms 10-K, 10-Q and 8-K, as they may be amended from time to time. Encore disclaims any intent or obligation to update these forward-looking statements.

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