

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

FORM 8-K

CURRENT REPORT

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

Date of report (Date of earliest event reported): November 26, 2018

ENCORE CAPITAL GROUP, INC.

(Exact Name of Registrant as Specified in Charter)

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)

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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01. Regulation FD Disclosure.

On November 26, 2018, the Company made available on its website materials to be used in connection with presentations to investors during the week of November 26, 2018 (the "Investor Presentation"). A copy of the Investor Presentation is furnished herewith as Exhibit 99.1 and is incorporated by reference herein.

The information in Item 7.01 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 7.01, 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	Investor Presentation

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: November 26, 2018

/s/ Jonathan C. Clark

Jonathan C. Clark

Executive Vice President, Chief Financial Officer and Treasurer

EXHIBIT INDEX

Exhibit Number

Description

99.1

[Investor Presentation](#)



ENCORE INVESTOR NON-DEAL ROAD SHOW

November 2018

SAFE HARBOR

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, shareholder return, capital deployment 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, and its subsequent reports on Form 10-Q, as they may be amended from time to time. The Company disclaims any intent or obligation to update these forward-looking statements.

RECENT ENCORE HIGHLIGHTS



We set new global records for collections and ERC in Q3 2018

We completed the Cabot acquisition in July, transforming Encore into a clear leader in the U.S. and the U.K., the world's two most important markets for our industry

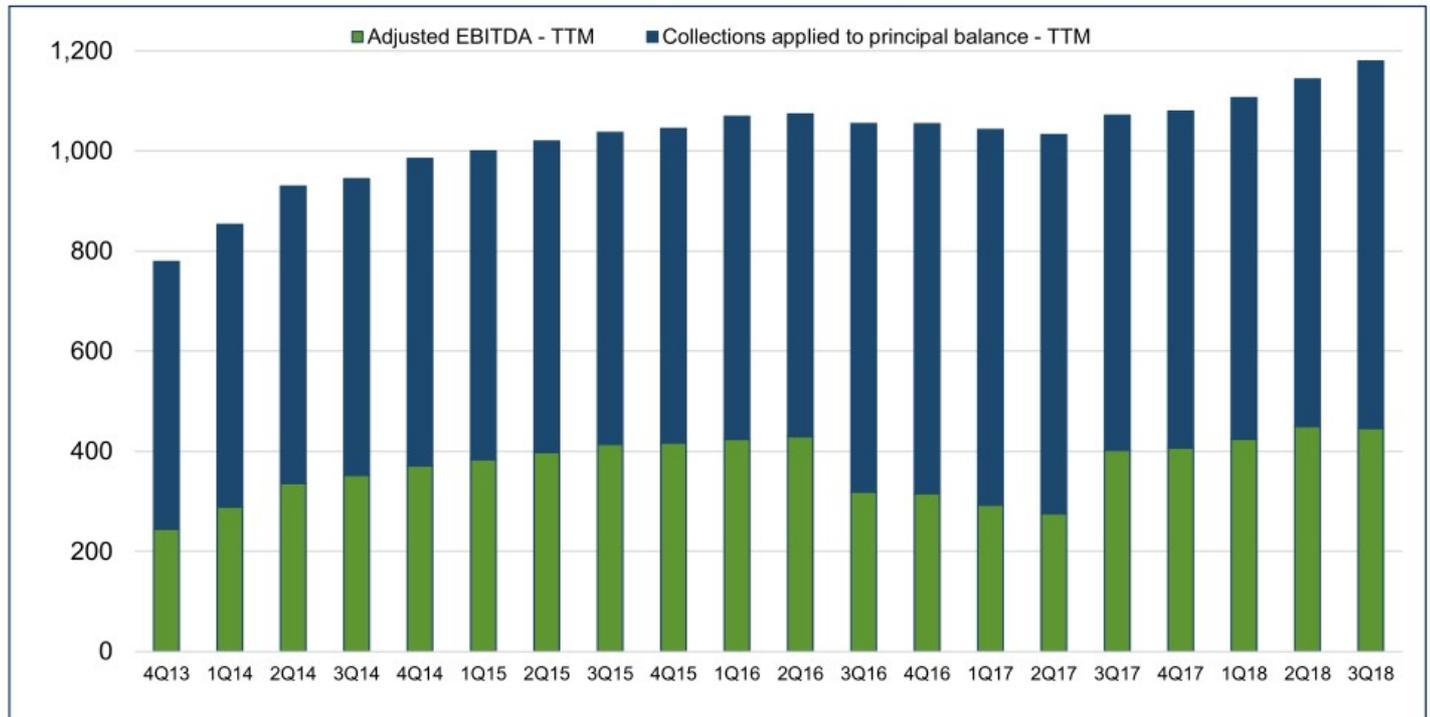
Q3 2018 WAS A STRONG QUARTER FOR ENCORE IN WHICH WE SET SEVERAL NEW COLLECTIONS RECORDS

Estimated Remaining Collections	Global Debt Purchasing Collections	U.S. Debt Purchasing Collections	U.S. Call Center Debt Purchasing Collections
\$7.2B Up 10% from Q3 2017	\$499M Up 13% from Q3 2017	\$318M Up 18% from Q3 2017	\$171M Up 33% from Q3 2017
Record level of Global ERC	3rd consecutive quarter of record collections	An increase of \$50M from Q3 2017	An increase of \$42M from Q3 2017

- ▶ Encore generated \$21M of GAAP Net Income in Q3 2018, which included the costs associated with the completion of the Cabot transaction
- ▶ Encore generated \$36M of Adjusted Income in Q3 2018

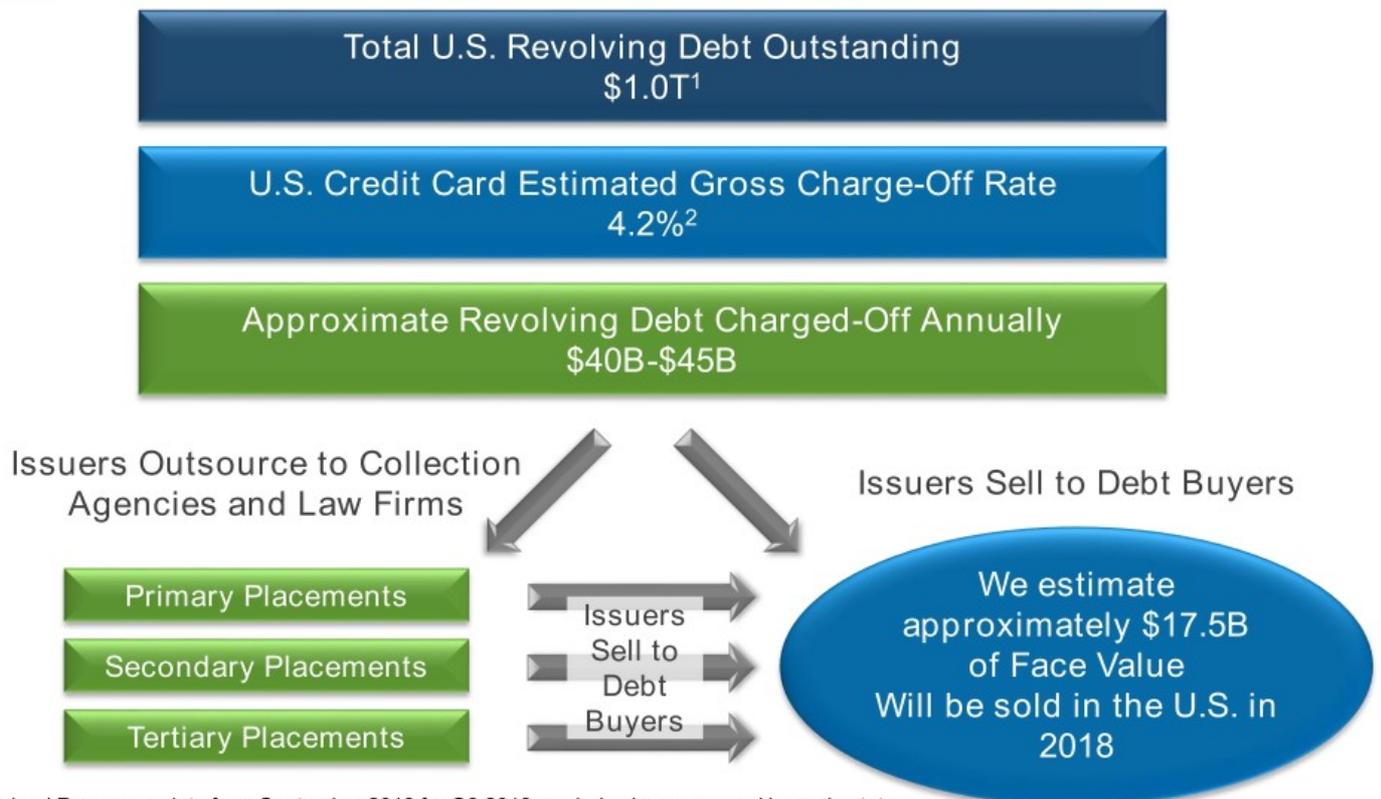
OUR ADJUSTED EBITDA REFLECTS OUR STRONG CASH GENERATION

Adjusted EBITDA + Collections applied to principal balance
(Trailing 12-Months, in \$M)



Note: See appendix for reconciliation of Adjusted EBITDA to GAAP net income.

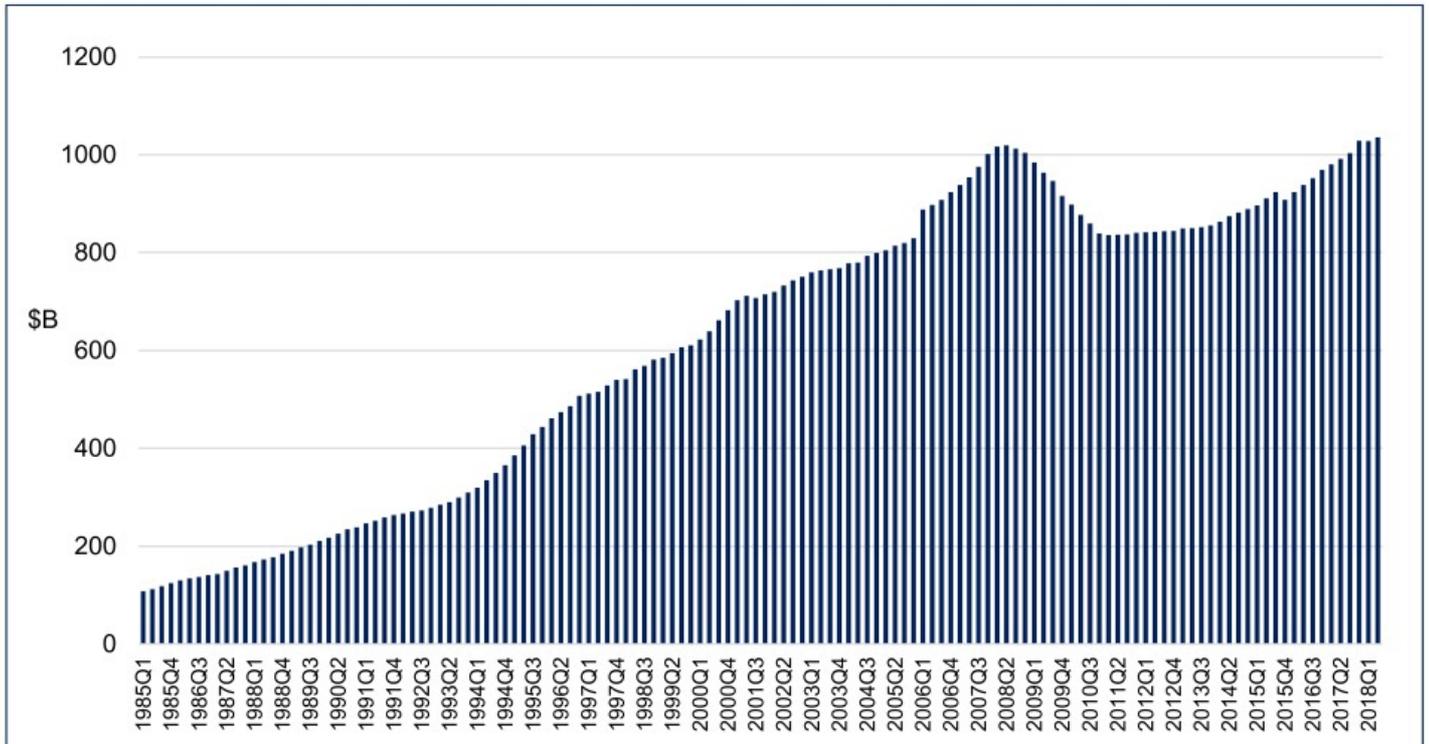
IN SEPTEMBER 2018, THE FEDERAL RESERVE REPORTED >\$1 TRILLION OF U.S. REVOLVING DEBT, EXPECTED TO DRIVE \$40-45 BILLION IN CHARGE-OFFS



- 1) Federal Reserve update from September 2018 for Q3 2018, excludes loans secured by real estate
- 2) Federal Reserve U.S. credit card net charge off rate for September 2018 was 3.5%, not seasonally adjusted. U.S. credit card estimated gross charge-off rate assumes 20% recovery rate and is therefore calculated by multiplying the net charge-off rate by 1.2.

U.S. REVOLVING CREDIT OUTSTANDINGS ARE AT A HISTORICALLY HIGH LEVEL

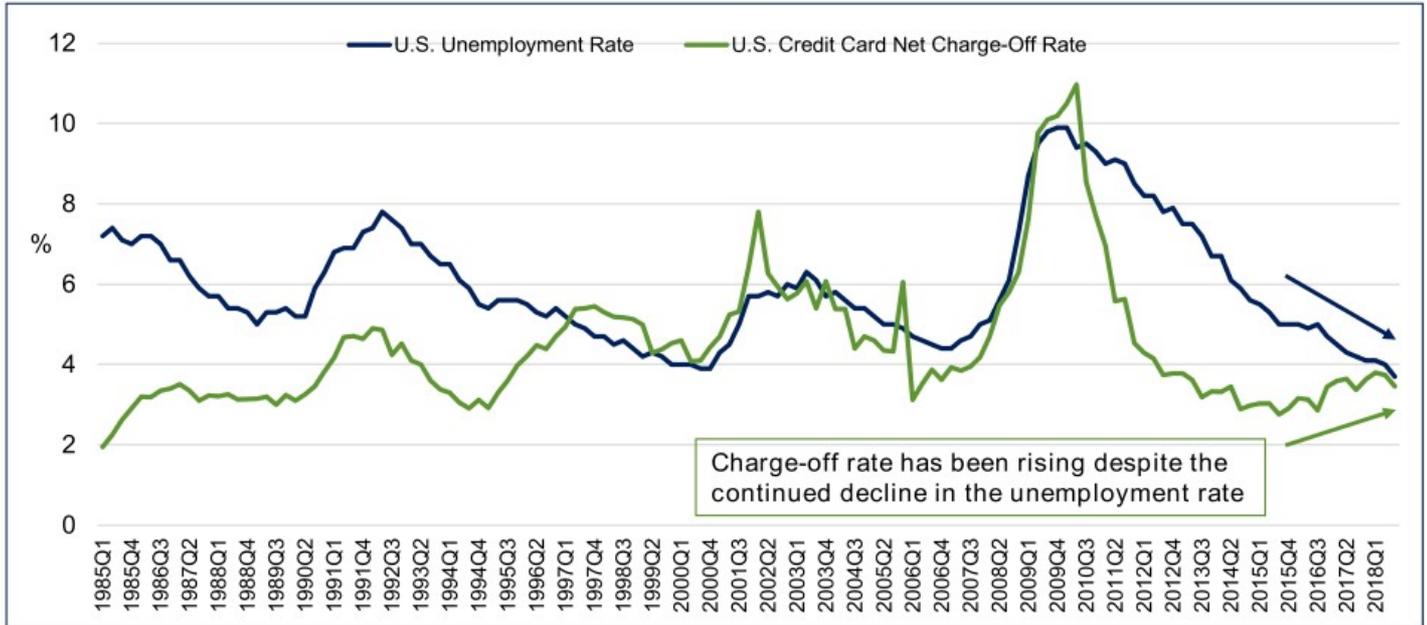
U.S. Revolving Credit Outstanding¹



1) U.S. Federal Reserve revolving consumer credit, seasonally adjusted

THERE IS STRONG CORRELATION BETWEEN THE U.S. CREDIT CARD CHARGE-OFF RATE AND THE U.S. UNEMPLOYMENT RATE

U.S. Unemployment Rate¹ vs. U.S. Credit Card Net Charge-Off Rate²



- 1) U.S. Department of Labor, Bureau of Labor Statistics, seasonally adjusted
- 2) U.S. Federal Reserve credit card net charge-off rate

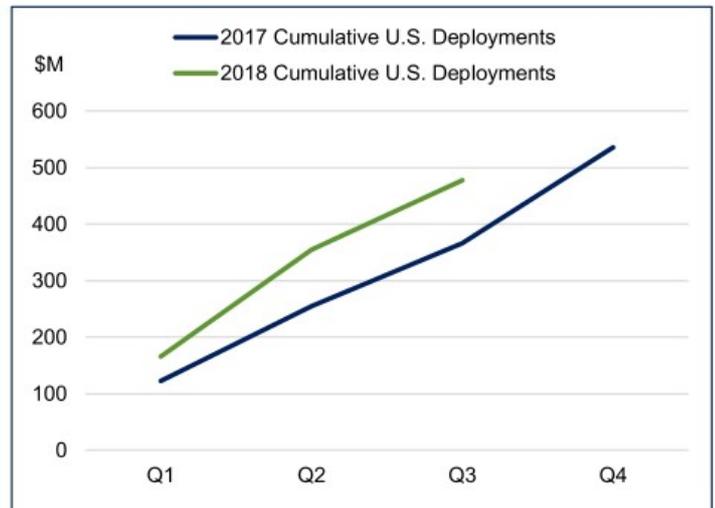
When the U.S. unemployment rate begins to rise, we expect to see a further rise in charge-offs

WE EXPECT TO DEPLOY MORE THAN \$600M IN THE U.S. IN 2018, A HIGHER LEVEL THAN ANY OTHER YEAR IN OUR HISTORY

Encore's U.S. Business

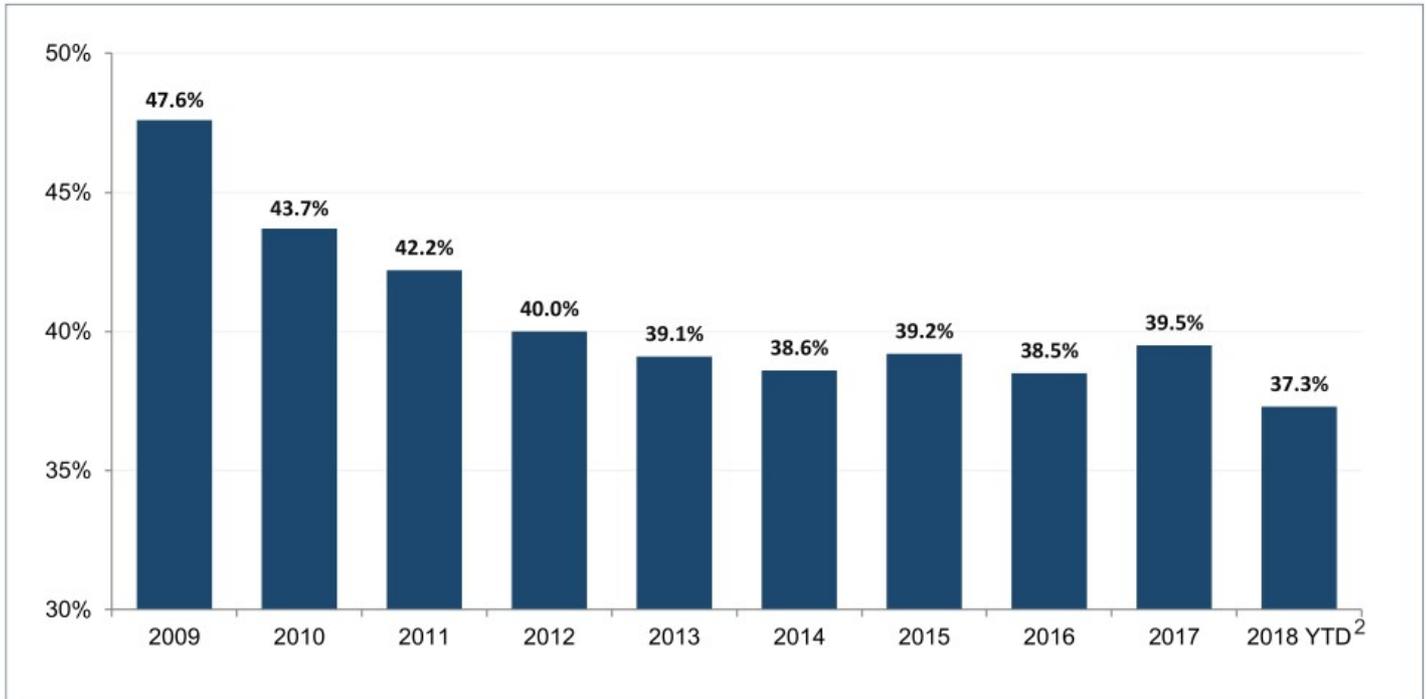
- ▶ Pricing environment remains favorable and provides attractive returns
- ▶ The sale of fresh paper continues to dominate U.S. supply
- ▶ Encore deployed \$123M in Q3 2018 compared to \$111M in Q3 a year ago
- ▶ We expect to deploy more than \$600M in 2018, our highest level ever
- ▶ We secured valuable forward flow opportunities that will carry forward into 2019
- ▶ Operational innovation, including digital collections and speech analytics, along with our steady capacity expansion, continue to drive better collections, which achieved a record level in Q3

Encore U.S. Cumulative Deployments



WE CONTINUE TO FOCUS ON DRIVING OPERATIONAL EFFICIENCIES AND REDUCING COSTS

Encore Overall Cost to Collect¹

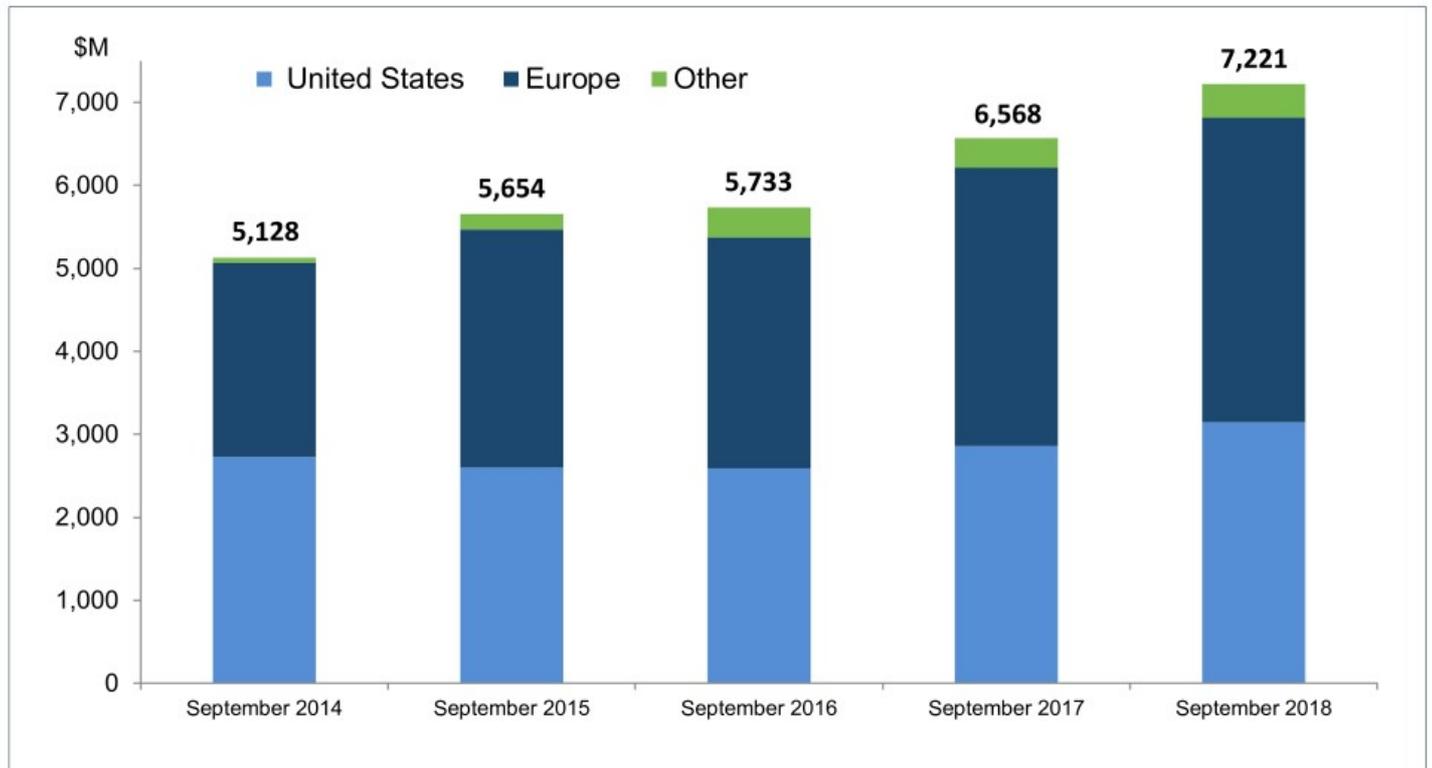


1) Cost to Collect, also known as Cost Per Dollar Collected, is related to Encore's portfolio purchasing and recovery business and is defined and provided in Encore's annual and quarterly filings with the SEC

2) Cost to Collect through Q3 2018

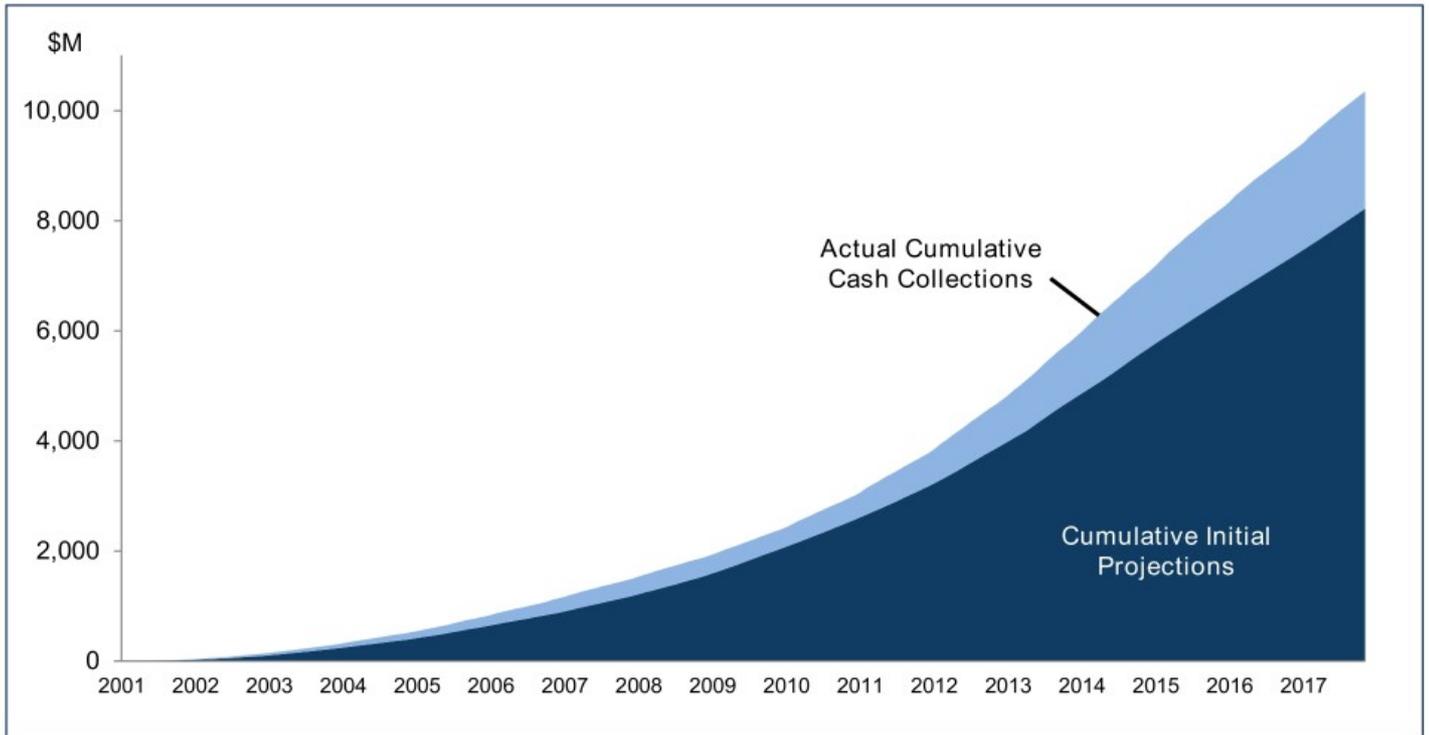
ESTIMATED REMAINING COLLECTIONS GREW \$653 MILLION IN THE LAST 12 MONTHS, TO A RECORD \$7.2 BILLION

Encore Total Estimated Remaining Collections



WE HAVE A TRACK RECORD OF CASH COLLECTIONS THAT EXCEED OUR INITIAL PROJECTIONS

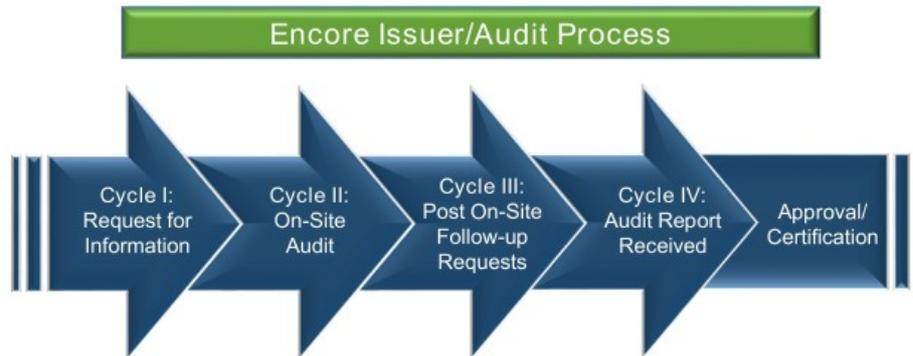
Encore Cumulative Collections - U.S. Core through FY2017



Note: U.S. Core market is defined as all non-bankruptcy, direct from issuer, unsecured credit card and personal installment loan sales

OUR ISSUER CERTIFICATION PROGRAM IS A KEY DIFFERENTIATOR IN THE U.S. MARKET

- ▶ We average roughly 35 issuer audits and due diligence exercises per year
- ▶ The certifications received through these audits are a prerequisite for purchasing debt from issuers
- ▶ Encore has achieved certification from all major U.S. issuers who sell their charged-off accounts



“Encore by far is the most transparent, prepared, and buttoned up of any debt buyer we’ve audited. You have raised and set a new bar in the industry.”

- Top 5 Credit Card Issuer

THE COMPLETION OF THE CABOT ACQUISITION WAS A TRANSFORMATIONAL EVENT, SOLIDIFYING OUR GLOBAL STRATEGIC POSITION

Strategically Aligned

- ▶ Strengthens our position in the growing, attractive European market with a clear opportunity to further expand
- ▶ Provides continued benefits from diversification across geographies and products
- ▶ Increases competitiveness in Spain through consolidation of operations and combining of complementary strengths in consumer and SME
- ▶ Enables complete sharing of best practices in products, decision science, analytics, operational excellence, digital collections and call strategies

Financially Attractive

- ▶ Accretive to earnings – 2018 EPS growth expected to be at least 20%
- ▶ Simplifies Encore financials and company structure

Low-Risk

- ▶ Shareholders and partners of Cabot for ~5 years

CABOT IS A MARKET LEADER AND STRONG PERFORMER WITH CONSIDERABLE GROWTH POTENTIAL

 <ul style="list-style-type: none"> ▶ 2500+ people ▶ 20 years of operating experience ▶ Largest Credit Management Servicing business in the U.K. 	Compelling Geographic and Asset Footprint	<ul style="list-style-type: none"> ▶ Cabot is the industry leader in the U.K. and Ireland with additional operations and portfolios in Spain & France ▶ Portfolios and further growth opportunities in select European countries ▶ Consumer unsecured, mortgages, REO, SME/corporate debt, telco, utilities debt, and auto
	Servicing Expertise	<ul style="list-style-type: none"> ▶ Significant capital-light servicing capabilities generate fee revenue, led by Wescot
	Operational Excellence	<ul style="list-style-type: none"> ▶ Operational and litigation expertise, combined with use of data analytics and behavioral science, leading to best-in-class performance
	Profitable Growth	<ul style="list-style-type: none"> ▶ Cash collections CAGR of 20% from 2012 to 2017
	Attractive Back Book	<ul style="list-style-type: none"> ▶ Seasoned and stable back book representing 72% of U.K. collections from affordable payment plans in 2017
	Market-Leading Reputation	<ul style="list-style-type: none"> ▶ First large debt buyer to be licensed by the FCA ▶ A consumer-centric operator and trusted partner of banks and other credit providers

IN EUROPE, WE'RE SEEING AN ACTIVE MARKET WITH MANY EXCITING OPPORTUNITIES TO WIN BUSINESS AT ATTRACTIVE RETURNS

European Market

- ▶ Q3 was characterized by strong deal flow in the U.K. and in several other European countries
- ▶ Following record portfolio sales in 2017, banks continue to clean up their balance sheets through sales of charged-off receivables, encouraged by continuing regulatory and supervisory pressure
- ▶ In general, banks are looking to sell paper closer to charge off than in the past
- ▶ A growing pipeline of servicing opportunities is emerging as banks look to offload more of their credit management needs

CABOT CONTINUES TO DELIVER SOLID FINANCIAL AND OPERATIONAL PERFORMANCE

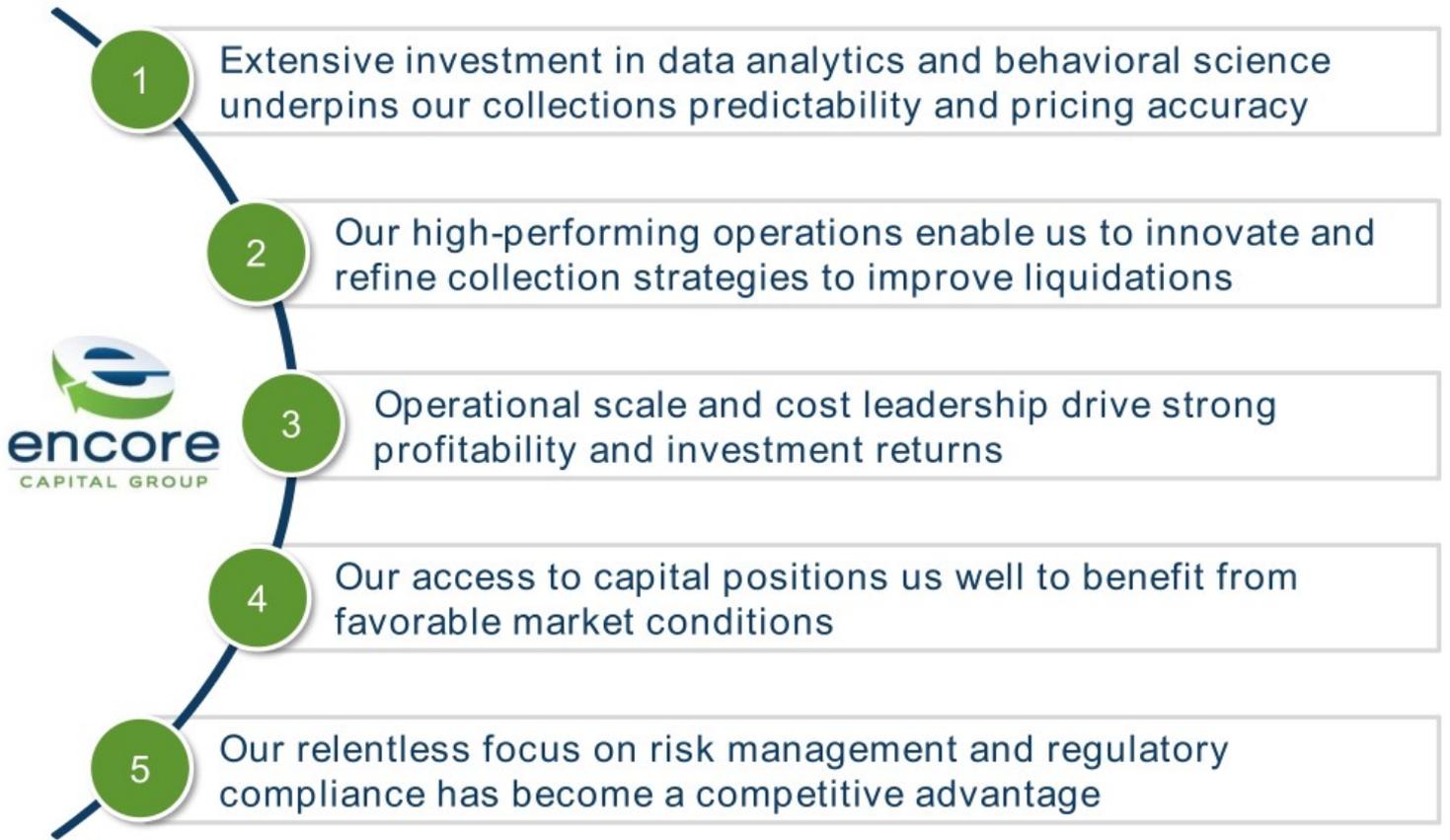
Encore's European Business

- ▶ We deployed \$115M of capital in new portfolio purchases in Q3 with the majority in the U.K.
- ▶ Our servicing capabilities are providing us with growth opportunities as we work with a broad range of banks on BPO contracts as well as on pre- and post-charge-off servicing arrangements
- ▶ Operational innovation continues to drive better collections and improve the consumer experience as we invest in our digital collections platform and speech analytics

SUMMARY OF Q3 2018 RESULTS AND 2018 EXPECTATIONS

- ▶ Encore's Q3 2018 results included records for cash collections and ERC
- ▶ We believe we are in the very early stages of an expanding U.S. market for debt purchasing
- ▶ Our increased capacity and high-performing collections operation position us well to capture the U.S. market's attractive returns
- ▶ We completed the acquisition of Cabot, transforming Encore into a clear leader in the U.S. and the U.K., the world's two most important markets for our industry
- ▶ Cabot continues to generate differentiated returns
- ▶ Encore's 2018 EPS growth expected to be at least 20%

ENCORE IS A MARKET LEADER IN THE DEBT PURCHASING AND RECOVERY INDUSTRY





Appendix

RECONCILIATION OF ADJUSTED EBITDA

Reconciliation of Adjusted EBITDA to GAAP Net Income (Unaudited, In \$ Thousands) Three Months Ended

	03/31/13	06/30/13	09/30/13	12/31/13	03/31/14	06/30/14	09/30/14	12/31/14
GAAP net income (loss), as reported	\$ 19,448	\$ 11,012	\$ 21,064	\$ 22,216	\$ 18,830	\$ 21,353	\$ 30,138	\$ 27,957
(Income) loss from discontinued operations, net of tax	(388)	(323)	(836)	463	(967)	(1,212)	(2,068)	(958)
Interest expense	6,854	7,482	29,186	29,747	37,962	43,218	43,498	42,264
Interest income ¹	-	-	-	-	(168)	(238)	(258)	(298)
Provision (Benefit) for income taxes	12,191	6,950	9,707	14,805	11,275	13,100	8,636	15,558
Depreciation and amortization	1,732	2,057	4,395	4,873	5,897	6,619	6,725	7,860
Stock-based compensation expense	3,001	2,179	3,983	3,486	4,836	4,715	4,009	3,621
Acquisition, integration and restructuring related expenses ²	1,162	16,148	7,703	4,003	10,943	4,616	1,000	2,212
Settlement fees and related administrative expenses	-	-	-	-	-	-	-	-
Gain on fair value adjustments to contingent considerations ³	-	-	-	-	-	-	-	-
Expenses related to Cabot IPO ⁴	-	-	-	-	-	-	-	-
Loss on derivatives in connection with Cabot Transaction ⁵	-	-	-	-	-	-	-	-
Adjusted EBITDA	\$ 44,000	\$ 45,505	\$ 75,202	\$ 79,593	\$ 88,608	\$ 92,171	\$ 91,680	\$ 98,216
Collections applied to principal balance ⁶	129,487	131,044	157,262	116,861	159,106	161,048	155,435	139,076

- 1) In the fourth quarter of 2016, we made a change to our presentation of adjusted EBITDA to adjust for interest income. In previous years we did not include interest income as an adjustment because it was immaterial. We have updated prior periods for comparability.
- 2) Amount represents acquisition, integration and restructuring related expenses. We adjust for this amount because we believe these expenses are not indicative of ongoing operations; therefore adjusting for these expenses enhances comparability to prior periods, anticipated future periods, and our competitors' results.
- 3) Amounts represent the gain recognized as a result of fair value adjustments to contingent considerations that were established for our acquisitions of debt solution service providers in Europe. We have adjusted for these amounts because we do not believe these are indicative of ongoing operations. Refer to Note 4 "Fair Value Measurement - Contingent Consideration" in the notes to our condensed consolidated financial statements for further details.
- 4) Amount represents expenses related to our previous consideration of a potential initial public offering by our subsidiary Cabot. We adjust for this amount because we believe these expenses are not indicative of ongoing operations; therefore adjusting for these expenses enhances comparability to prior periods, anticipated future periods, and our competitors' results.
- 5) Amount represents the loss recognized on the forward contract we entered into in anticipation of the completion of the Cabot Transaction. We adjust for this amount because we believe the loss is not indicative of ongoing operations; therefore adjusting for this loss enhances comparability to prior periods, anticipated future periods, and our competitors' results.
- 6) Collections applied to principal balance represents (a) gross collections from receivable portfolios less (b) revenue from receivable portfolios and (c) allowance charges or allowance reversals on receivable portfolios.

RECONCILIATION OF ADJUSTED EBITDA (CONTINUED)

Reconciliation of Adjusted EBITDA to GAAP Net Income (Unaudited, In \$ Thousands) Three Months Ended

	03/31/15	06/30/15	09/30/15	12/31/15	03/31/16	06/30/16	09/30/16	12/31/16
GAAP net income (loss), as reported	\$ 29,967	\$ 25,185	\$ (9,364)	\$ 1,596	\$ 26,607	\$ 30,833	\$ (51,946)	\$ 11,323
(Income) loss from discontinued operations, net of tax	(1,880)	(1,661)	(2,286)	29,214	3,182	-	-	(829)
Interest expense	42,303	46,250	47,816	50,187	50,691	50,597	48,632	48,447
Interest income ¹	(414)	(370)	(407)	(473)	(499)	(620)	(694)	(725)
Provision (Benefit) for income taxes	14,614	14,921	(6,361)	3,988	10,148	13,451	(13,768)	28,374
Depreciation and amortization	8,137	7,878	8,043	9,102	9,861	8,235	8,032	8,740
Stock-based compensation expense	5,905	6,198	5,156	4,749	3,718	5,151	633	3,125
Acquisition, integration and restructuring related expenses ²	2,766	7,892	2,235	2,635	2,141	3,271	3,843	7,457
Settlement fees and related administrative expenses	-	-	63,019	-	2,988	698	2,613	-
Gain on fair value adjustments to contingent considerations ³	-	-	-	-	-	-	-	(8,111)
Expenses related to Cabot IPO ⁴	-	-	-	-	-	-	-	-
Loss on derivatives in connection with Cabot Transaction ⁵	-	-	-	-	-	-	-	-
Adjusted EBITDA	\$ 101,398	\$ 106,293	\$ 107,851	\$ 100,998	\$ 108,837	\$ 111,616	\$ (2,655)	\$ 97,801
Collections applied to principal balance ⁶	160,961	167,024	156,229	144,075	177,711	166,648	247,427	147,203

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RECONCILIATION OF ADJUSTED EBITDA (CONTINUED)

Reconciliation of Adjusted EBITDA to GAAP Net Income (Unaudited, In \$ Thousands) Three Months Ended

	03/31/17	06/30/17	09/30/17	12/31/17	03/31/18	06/30/18	09/30/18
GAAP net income (loss), as reported	\$ 14,979	\$ 19,076	\$ 42,144	\$ 2,779	\$ 23,713	\$ 26,974	\$ 13,016
(Income) loss from discontinued operations, net of tax	199	-	-	-	-	-	-
Interest expense	49,198	50,516	52,755	51,692	57,462	60,536	65,094
Interest income ¹	(779)	(919)	(943)	(994)	(1,017)	(1,082)	(747)
Provision (Benefit) for income taxes	12,067	13,531	17,844	8,607	9,470	11,308	16,879
Depreciation and amortization	8,625	8,672	8,522	14,158	10,436	10,923	9,873
Stock-based compensation expense	750	2,760	3,531	3,358	2,276	3,169	5,007
Acquisition, integration and restructuring related expenses ²	855	3,520	342	7,245	572	3,655	8,475
Settlement fees and related administrative expenses	-	-	-	-	-	-	-
Gain on fair value adjustments to contingent considerations ³	-	(2,773)	-	(49)	(2,274)	(2,378)	-
Expenses related to Cabot IPO ⁴	-	-	-	15,339	2,984	-	-
Loss on derivatives in connection with Cabot Transaction ⁵	-	-	-	-	-	6,578	2,737
Adjusted EBITDA	\$ 85,894	\$ 94,383	\$ 124,195	\$ 102,135	\$ 103,622	\$ 119,683	\$ 120,334
Collections applied to principal balance ⁶	188,893	173,946	159,408	150,788	198,282	185,799	199,457

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