Slide #	**Commentary**
	Bruce Thomas
1	Thank you, Operator. Good afternoon and welcome to Encore Capital Group's third quarter 2019 earnings call. With me on the call today are Ashish Masih, our President and Chief Executive Officer, Jonathan Clark, Executive Vice President and Chief Financial Officer, and by phone Ken Stannard, the 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 2019 and the third quarter of 2018. 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 Introduction & Q3 Highlights	Thanks, Bruce, and good afternoon everyone. Thank you for joining our earnings call. Today Encore announced financial results for the third quarter of 2019. I am pleased to report that Q3 was an outstanding quarter for Encore. We have again achieved record results across a number of key financial measures, and our business is delivering its strongest performance in years. We continue to make solid progress on key strategic priorities that are contributing to our success. I will provide some background on these priorities today and an update on our accomplishments. But first, let me provide a few highlights on the third quarter: Global collections from our debt purchasing business were $499 million dollars, up 2% in constant currency. Global revenues were a record $356 million dollars in Q3 and were up 6% as reported and up 8% in constant currency. Within that total, U.S. revenues grew 18% to a record $211 million dollars. At the end of the quarter, our worldwide ERC was $7.3 billion dollars, up 4% in constant currency. Encore's GAAP net income was up 88% to $39 million dollars, or $1.23 per share. Adjusted income in Q3 was up 45% to a record $52 million dollars, or $1.64 per share.

4 Progress on Strategic Priorities	This strong financial performance is the result of our steady progress on three strategic priorities, which are strengthening our business and creating shareholder value. First, we have taken steps to strengthen our balance sheet while continuing to deliver strong financial results. Second, we have sharpened our focus on the U.S. and U.K. markets, where we have the highest risk-adjusted returns. Third, we continue to innovate to enhance our competitive advantages. Let's now take a closer look at these priorities.
5 Balance Sheet Strength	Strengthening our balance sheet continues to be a key priority for Encore. Through disciplined capital deployment and improved operational performance, we have continued to grow earnings and increase ERC, while reducing leverage. We have reduced our debt to equity ratio over the last two years from 5.9 times to 3.7 times. We have also reduced our ratio of net debt to adjusted EBITDA, a measure common in the debt purchasing industry in the U.S. and in Europe. Since the first quarter of 2018, we have reduced this ratio from 3.2 times to 2.7 times, resulting in a level that is amongst the lowest in our industry. Although a portion of our improvement this year was driven by Cabot's efforts to reduce their leverage, Encore's de-levering began almost two years ago, when our stronger operating performance and refocused capital deployment began to drive higher levels of efficiency and improved profitability.

5 Balance Sheet Strength (continued)	Since the beginning of 2018, not only have we been purchasing portfolios at attractive returns, we have also reduced our leverage while simultaneously growing ERC by 11% on a constant currency basis. We have grown our ERC over this time period despite a reduction of $120 million dollars in ERC from the sale of Baycorp in the third quarter. Another key component to a stronger balance sheet is the timing of our debt maturities. We have taken steps over the past two years to extend maturities in both the US and Europe to provide additional financial flexibility. This is particularly constructive as we believe both the U.S. and U.K. debt purchasing markets are poised for substantial increases in supply.
6 Our Market Opportunity	The recurring market opportunity is substantial within the $1.1 trillion dollars of outstanding revolving consumer debt in the U.S., as well as the quarter-billion dollars of outstanding unsecured consumer credit in the U.K. Our continuing success in producing strong returns from these two consumer debt markets is the primary source of our optimism for the future. In total, we estimate that $18 billion dollars in face value debt was sold by issuers in the U.S. in 2018, with an approximate investment opportunity of $2 billion dollars, which is nearly double the investment opportunity in 2014. In the U.K., we believe the investment opportunity in 2018 was approximately $1 billion dollars based on $6 billion dollars of face value sold.

7 Market Focus	We have demonstrated our increasing commitment to these two markets through our capital allocation decisions and the execution of our business strategy. In the first three quarters of 2019, 94% of our portfolio purchasing was directed toward either the U.S. or the U.K., and we remain on track to set another record for annual deployments in the U.S. in 2019. We have also streamlined and simplified our business structure through the sale of Refinancia in South America last December and the sale of Baycorp in Australia in August. These divestitures were consistent with our strategy of concentrating our resources in our businesses with the highest risk-adjusted returns.
8 Our Market-Leading Scale	Within these markets, we believe it is vitally important to develop scale advantages in order to achieve superior returns. Encore's collective scale in these markets is unmatched and we continue to leverage this advantage through disciplined portfolio purchasing in the U.S. and the U.K., and continually seeking to improve our operating performance in these regions.

9 Competitive Advantage	Our improved operating performance for both MCM and Cabot has been enabled by our consumer-centric approach to collections. For MCM, it was five years ago that we began to transform the way our call centers interacted with consumers. Similarly, Cabot experienced its own consumer-oriented transformation when the FCA standardized affordability assessments in the U.K. In both cases, it is clear to us that the progress we have made in improving our liquidation effectiveness is driving our strong financial results and providing us with competitive advantage. For MCM, we are increasingly collecting a higher percentage of our U.S. collections from our lower cost call center & digital channel. Meanwhile, our consumer-centric approach builds loyalty as demonstrated by Cabot's extremely low breakage rates on payment plans. As we grow our business, these low breakage rates lead to increasing levels of cost efficiency. In both our MCM business in the U.S. and in our Cabot business in the U.K., we are continuing to convert more consumers to payers, and we are collecting more cash sooner in the collections process.
10 MCM Efficiency	Our improvement in collections efficiency is particularly evident in our MCM business, where we have grown collections while improving cost to collect. Since 2017, MCM collections have grown more than 17% while MCM's cost to collect has improved by a full 360 basis points.

11 Cabot Consumer Satisfaction	While Cabot has built its market leadership on unmatched scale and superior returns, it has also excelled on a very different dimension, which is best-in-class consumer satisfaction. Banks must weigh a number of factors when choosing the firms with whom they do business, whether through debt sales or when selecting servicing partners. Cabot consistently receives very high consumer satisfaction scores in independent studies, and continues to win important customer satisfaction awards in the U.K. When banks decide to partner with Cabot, they have the confidence that their customers will be treated with the respect they deserve, reducing both their regulatory and reputational risk.
12 MCM (U.S.) Business	Let's now turn to third quarter performance for MCM, our U.S. business. We deployed $173 million dollars in the U.S. in the third quarter, up 41% compared to a year ago, and again one of our strongest purchasing quarters ever in the U.S. This level of purchasing keeps us on track to establish a new record for annual deployments in the U.S. in 2019. MCM collections were $331 million dollars, growing 4% compared to the third quarter of 2018. The principal driver of this growth for MCM was our call center & digital channel. Collections were up 10% in this channel in Q3 compared to a year ago, as our consumer-centric approach and improved productivity continue to drive a higher proportion of collections through this channel. Initiatives to reduce costs and improve efficiency continue to have a meaningful impact on our MCM business, and have helped to improve operating leverage and reduce cost-to-collect, which improved 90 basis points compared to Q3 last year.

13 Cabot (Europe) Business	Turning to Europe, our portfolio purchases in Q3 totaled $85 million dollars, and were at returns that are 200 basis points higher than last year. These higher returns are being driven by our operational scale as well as the unique access to portfolio purchasing brought about by our leading servicing platform. Collections in the third quarter from our European debt purchasing business grew 3% in constant currency, compared to the same period a year ago. Our European ERC of $3.6 billion dollars was up 4% in constant currency compared to the end of the third quarter last year. Cabot's debt leverage continues to decline, driven by our improved operating performance while we maintain our focus on being more selective in our portfolio purchases. Finally, Cabot's collections efficiency continues to improve as we have now completed the consolidation of our operations in Spain.
14 TTM Operating Margin	As we mentioned a quarter ago, we have passed an inflection point in our business in which the majority of our U.S. collections are now derived from portfolios purchased in 2017 and later, which have more attractive returns than those of the recent past. When coupled with new deployments in our key markets at even higher returns, along with our improvement in overall operating efficiency, we are delivering a new level of operating margin performance and profitability. Our operating margin compares favorably to our peer group and is driven by a number of factors described earlier. We have achieved scale advantages in our key markets, which share certain characteristics that include market sophistication, substantial opportunities for growth, and significant barriers to entry for new participants.

14 TTM Operating Margin (continued)	We continue to strive for improved operating efficiency by lowering our costs and moving more of our collections to our lowest cost channel, the call center & digital channel. We continue to leverage advanced analytical tools and capabilities, and we employ proprietary data assets to underwrite portfolios and develop collections strategies to make the most of each investment opportunity. Finally, we have divested our Baycorp and Refinancia businesses, which operated with lower margins and risk-adjusted returns than our U.S. and European businesses.
15 Return on Equity	Our improved level of operating performance has also led to a new level of returns in our business – in fact, the best returns we have seen in years - and is a key driver of our ability to continue to increase profits. As I mentioned earlier, our ultimate goal when setting priorities in our business is to create shareholder value. In this regard, we believe our return on equity performance is a solid indicator of attractive, steady returns to shareholders over time. With that, I'd like to hand the call over to Jon for a more detailed review of our financial results…

	Jonathan Clark
16 Detailed Financial Discussion	Thank you, Ashish. As a reminder - we will sometimes refer to our U.S. business by its brand name, Midland Credit Management, or more simply MCM. We may also refer to our European business as Cabot. We delivered strong third quarter results despite the impact of foreign currency exchange rate headwind, the magnitude of which we will identify for certain financial measures to better demonstrate the strength of our underlying business. In addition, our results in Q3 this year do not include the contributions from Refinancia, which we sold in December of 2018, or the full quarter performance from Baycorp, which we sold in a transaction previously announced in August of this year.
17 Q3 Deployments	Global deployments totaled \$260 million dollars in the third quarter, compared to \$249 million dollars in the third quarter of 2018. MCM deployed a total of \$173 million dollars in the U.S. during Q3, up 41% from the same period a year ago, when we deployed \$123 million dollars. This year, our MCM business in the U.S. remains on track to establish a new annual record level of purchasing directly from issuers. European deployments totaled \$85 million dollars during the third quarter, compared to \$115 million dollars in the same quarter a year ago. As we have previously discussed, European deployments decreased due to more selective purchasing related to our plan to reduce Cabot's leverage over time.

18 Q3 Collections	Global collections were $499 million dollars in the third quarter. That's flat when compared to a year ago, but grew 2% in constant currency terms. MCM collections from our debt purchasing business in the U.S. grew 4% in Q3, to $331 million dollars. Call center and digital collections for MCM were up 10% compared to Q3 of last year, due to the benefits of our consumer-centric collections approach and improved productivity. Collections in Europe in the third quarter were up 3% in constant currency terms when compared to the same period last year.
19 Q3 Revenues	Global revenues, adjusted by net allowances, were a record $356 million dollars in the third quarter, up 6% compared to $337 million dollars in Q3 of 2018, and were up 8% in constant currency terms. In the U.S., MCM revenues, adjusted by net allowances, were a record $211 million dollars in the third quarter, up 18% compared to the same quarter a year ago. In Europe, Q3 revenues, adjusted by net allowances, were $131 million dollars and were up 1% in constant currency terms.

20 ERC	Our ERC was $7.3 billion dollars at the end of September, up $76 million dollars when compared to the end of September 2018, and up 4% in constant currency terms. This growth in ERC more than offset a reduction of $120 million dollars of ERC associated with our sale of Baycorp in August.
21 Q3 EPS Walk	In the third quarter, we recorded GAAP earnings of $1.23 per share, up 78% compared to Q3 a year ago. As Ashish mentioned earlier, Encore's GAAP earnings were impacted by our divestiture of Baycorp in August, which drove a $0.22 per share reduction in EPS after tax. After applying this and other adjustments and their related income tax effects, our adjusted EPS was a record $1.64 per fully diluted share, and our non-GAAP Economic EPS was also a record $1.64, up 38% compared to Q3 a year ago, when Encore purchased Cabot. Our earnings have also recently benefited from a larger proportion of our U.S. revenues being derived from pool groups with stronger returns. With that, I'd like to turn it back over to Ashish.

	Ashish Masih
22 Summary & Outlook	Thank you, Jon. In summary, Q3 was a fantastic quarter for Encore and I am very pleased with our operational and financial performance. I continue to be very excited about our prospects. We reported record results in the third quarter as global revenues and adjusted earnings reached new all-time highs. In the U.S., portfolio purchases were up 41% over Q3 last year, and we reported record revenues for MCM in the third quarter, and call center & digital collections were up 10% compared to Q3 a year ago. We also continue to make progress on our strategic priorities which include: • #1: Strengthening our balance sheet while delivering strong results, • #2: Concentrating on the U.S. and U.K., our most valuable markets with the highest risk-adjusted returns, and • #3: Innovating to continually enhance MCM's and Cabot's competitive advantages. Our progress on these priorities is strengthening our business and helping to drive a new level of financial performance for Encore. We are operating under conditions in which more of our revenues are generated by portfolios with strong returns, and we are purchasing portfolios with even better returns. This highly desirable combination is reflected in our improved operating margin and the best returns that Encore has delivered in years, as we continue our focus on creating shareholder value.

23 Q&A Session	Now we'd be happy to answer any questions that you may have. Operator, please open up the lines for questions.
	That concludes the call for today. Thanks for taking the time to join us and we look forward to providing our fourth quarter 2019 results in February.