Slide #	**Commentary**
	Bruce Thomas
1	Thank you, Operator. Good afternoon and welcome to Encore Capital Group's fourth quarter 2017 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 Paul Grinberg, President of Encore's International business. Ashish and Jon will make prepared remarks today, and then we will be happy to take your questions.
2 Safe Harbor	Before we begin, we have a few housekeeping items. Unless otherwise noted, comparisons made on this conference call will be between the fourth quarter of 2017 and the fourth quarter of 2016. We'll also be comparing full-year 2017 results to those from 2016. 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 Intro/ Encore Update	Thanks, Bruce, and good afternoon everyone. Similar to a year ago, positive trends in the expansion of consumer credit and higher charge-off rates, continue to drive a favorable market for debt buyers in the U.S. In particular, we're seeing significant continuing growth in the supply of charged-off receivables as well as pricing at levels that are lower than they were last year. Looking forward to the future, we believe supply in the U.S. will continue its solid growth as delinquencies and charge-offs amongst the issuers are expected to continue to rise. In addition, our consumer-centric liquidation programs continue to differentiate our business and help drive better returns. As we look at the competitive landscape in the U.S., we believe we are well positioned to take advantage of this intersection of favorable market dynamics and our operational scale and expertise. In Europe, our scale and scope in the United Kingdom differentiated our business and allowed us to secure a number of larger portfolios. These deployments contributed to a strong purchasing year, particularly in the U.K., which accounted for nearly three-quarters of our European deployments. From an operational perspective, significant progress in liquidation improvement initiatives led to better collections and stronger financial performance in 2017. Cabot is poised to have another solid year in 2018, particularly in the United Kingdom, where its effectiveness and unmatched scale provide competitive advantage. I'd like to begin today's presentation by reviewing Encore's U.S. business…

4 U.S. Market	Consistent with recent trends, buying conditions in the U.S. market remain favorable. A year ago we estimated that the supply of charged-off credit card receivables sold to debt buyers in the U.S. grew more than 15 percent in 2016. We believe supply in the U.S. grew even more rapidly in 2017 and was up more than 20 percent. The Federal Reserve recently released December 2017 figures, and revolving credit in the U.S., which is comprised largely of credit cards, has again reached an all-time high. Meanwhile, the commentary coming from issuing banks during recent earnings reports suggests charge-off rates should continue to increase. The combination of growing loan portfolios and rising loss rates has traditionally been a leading indicator for future supply growth and improving purchasing opportunities. As such, we believe market supply will continue to grow, both in 2018 and over the longer term. Consistent with this backdrop of healthy supply, pricing remains favorable. Importantly, according to our estimates, the fresh segment continues to grow as a percentage of the whole market, comprising approximately three-quarters of all credit card receivables sold in 2017. Because we have focused on expanding and improving our ability to collect on fresh paper over the past several years, we are now particularly well positioned to benefit from this industry trend. We will continue to steadily add operational capacity in 2018, as we've done in recent years, to take advantage of this opportunity. In particular, we will expand the number of skilled account managers who are capable of supporting our consumer-centric collections model, which corresponds especially well to our fresh paper strategy. In addition, we continue to expand our internal legal collections capacity.

4 U.S. Market (continued)	With issuers selling more of their accounts sooner after charge-off, and given our proficiency in fresh paper collections, we are capitalizing on larger buying opportunities in the market. The fourth quarter was particularly strong from a deployment perspective as we purchased approximately $170 million dollars of charged-off credit card receivables. Indicative of the growth in the U.S. market and the strength of our issuer relationships, forward flow commitments for 2018 have already surpassed our total deployments in the U.S. during 2017, which totaled $536 million dollars. Turning now to our largest international business…

5 Cabot	Our subsidiary Cabot Credit Management strengthened its position as the leading debt buyer in the U.K. in 2017 and delivered solid financial results. Cabot deployed $420 million dollars toward portfolio purchases in 2017 with approximately three-quarters of that deployment in the U.K. Cabot's liquidation improvement initiatives, which include operational, analytical and technology-based programs, continue to drive better collections performance across many of Cabot's pool groups. The improvements from these initiatives, when combined with the benefits from a number of cost efficiency programs, enable us to effectively deploy capital in Europe's competitive market. Cabot's strong collections performance continued in Q4 and is expected to remain so in the future. As a result, in the fourth quarter we reversed an additional $8 million dollars of the Q3 2016 allowance charge on certain pool groups in Europe. In the fourth quarter Cabot completed its acquisition of Wescot, making Cabot both the U.K.'s largest debt buyer and its largest servicer. As a result of this acquisition, Cabot has begun to consolidate its locations for debt servicing and BPO activities in order to improve efficiency and streamline its business. In total, the Wescot acquisition and the associated restructuring at Cabot resulted in a $12 million dollar charge in Q4. I'd also like to spend a moment addressing the Cabot IPO, which was withdrawn in November and resulted in a fourth quarter charge of $15 million dollars. While marketing the IPO, Cabot attracted a high level of engagement and interest. However, the equity market in the U.K. turned unfavorable at a critical time in the process, and a number of IPOs planned for the London Exchange at the same time either performed poorly or were pulled. As a result, despite Cabot's positive reception in the market, we decided to withdraw the IPO.

5 Cabot (continued)	As Cabot generates strong earnings and already has sufficient capital to achieve its growth plan, we saw no reason to complete the IPO in an unfavorable market. Encore has always viewed Cabot as a strategic holding and Cabot remains focused and committed to its business plan.

6 Consumer Experience, Compliance & Risk Management	Turning back to the United States… No matter how regulatory agendas take shape, we remain committed to improving the consumer experience, as well as being focused on the compliance and risk management principles we have developed over the years. Issuers remain focused on managing reputational risk, and continue to push for high standards in governing consumer interactions. These principles form the basis for issuer audits, which have played a large role in providing sellers with the confidence they seek in their debt buying partners. We have spent years developing and documenting detailed operational procedures in order to earn this confidence. We apply constant attention to detail in the monitoring of activities regarding federal, state and local laws, to continue to raise the bar against which we and our competitors are judged. Encore hosted 37 issuer audits and due diligence exercises in 2017 and again passed each one. In fact, we frequently receive compliments from issuers with regard to our culture of fair consumer treatment, the sophistication of our compliance systems, as well as the thorough nature of our risk management program, which together provide sellers a clear path to achieving their goals. This is a good and necessary emphasis for the continued long-term growth and maturity of the U.S. debt buying market. As issuers continue to expect this level of commitment and performance from their debt buyers, it reinforces the depth and breadth of the moat surrounding our industry. I'll now turn it over to Jon, who will go through the financial results in more detail. Jon…

	Jonathan Clark
7 Detailed Financial Discussion	Thank you, Ashish. Before I go into our financial results in detail, I would like to remind you, that as required by US GAAP, we are showing 100 percent of the results for Cabot, Refinancia and Baycorp in our financial statements. Where indicated, we will adjust the numbers to account for non-controlling interests.
8 Q4 Results	Turning to Encore's results in the fourth quarter, Encore earned GAAP net income from continuing operations of $13 million dollars, or $0.48 per share. Adjusted income was $28 million dollars or $1.05 per share. The largest factors in the difference between our GAAP net income and adjusted earnings results were the expenses related to the withdrawn Cabot IPO and the acquisition costs and restructuring expenses related to the purchase of Wescot. Cash collections in the quarter were $438 million dollars and our ERC at December 31 was $7 billion dollars, a new, all-time high for our business.
9 2017 Results	For the year, GAAP net income of $83 million dollars, or $3.16 per share, was also heavily impacted by the expense related to the withdrawn Cabot IPO. Adjusted income was $106 million dollars, or $4.04 per share in terms of Economic EPS. We collected nearly $1.8 billion dollars in 2017, which was up approximately 5% compared to the prior year. Let's now take a closer look at some of the underlying financial metrics…

10 Q4 and 2017 Deployments	Deployments totaled $301 million dollars in the fourth quarter. In the United States, all of our $170 million dollars of deployments represented charged-off credit card paper and were almost exclusively fresh accounts. European deployments through Cabot and Grove totaled $110 million dollars during the fourth quarter, with the majority attributed to portfolio purchases in the U.K. We deployed $22 million dollars in other geographies in the fourth quarter, including purchases in Australia and in Latin America. Overall in 2017, we deployed $536 million dollars in the U.S. and our European purchasing totaled $464 million dollars. For the full year 2017, Encore's capital deployment reached $1.1 billion dollars.
11 Q4 Collections	Worldwide collections grew 10 percent to $438 million dollars in the fourth quarter, compared to $397 million dollars a year ago. When compared to last year, collections in our U.S. call centers grew 11 percent in the fourth quarter, as we continue to benefit from increased purchasing volume and the acquisition in recent periods of portfolios with higher returns. Also keep in mind, as Ashish mentioned earlier, given the expected continued growth in the U.S. market, we are investing to increase the capacity of our call centers and legal collections network.

12 2017 Collections	On a global basis, we collected a record $1.8 billion dollars in 2017 compared to 2016 collections, which totaled $1.7 billion dollars. European collections in 2017 grew 12 percent compared to the prior year, primarily as a result of higher purchasing volumes and better performance from liquidation improvement initiatives at Cabot. This growth was partially offset by a foreign currency translation headwind, primarily driven by the weakening of the pound against the U.S. dollar.
13 Q4 Revenue	Worldwide revenue in the fourth quarter grew 17 percent to $317 million dollars, compared to $271 million dollars in the prior year. Domestic revenues of $167 million dollars in Q4 were flat when compared to the same quarter last year. Q4 revenue in Europe was $129 million dollars and grew primarily as a result of the increase in collections driven by our liquidation improvement initiatives. In the fourth quarter, we increased domestic yields primarily in pool groups in the 2012 through 2016 vintages as a result of sustained over-performance. In Europe, we increased yields on certain pool groups in the 2013 through 2016 vintages, also as a result of sustained over-performance. Encore generated $33 million dollars of zero-basis revenue in Q4, compared to $38 million dollars in the same period a year ago.

14 2017 Revenue	Revenue for the full year of 2017 grew 15 percent to $1.2 billion dollars, compared to $1 billion dollars of revenue we generated in 2016, and primarily reflected the impacts of past portfolio allowances and reversals as well as our growth in Europe.
15 ERC	Our year end Estimated Remaining Collections, or ERC, established an all-time record of $7 billion dollars, and was up 19%, or $1.1 billion dollars, compared to the end of 2016.
16 Q4 EPS Walk	In the fourth quarter, we recorded GAAP earnings from continuing operations of $0.48 per share. The largest adjustments in the quarter included expenses associated with Cabot's acquisition of Wescot and related restructuring charges, as well as expenses related to the withdrawn Cabot IPO. After applying the income tax effect and adjusting for non-controlling interest, we end up with $1.05 per fully diluted share, and our non-GAAP Economic EPS was also $1.05. We did not exclude any shares from the calculation of our Economic EPS in the fourth quarter. One additional note: Cabot's earnings were negatively impacted by items totaling approximately $0.40, which were primarily comprised of their portion of expenses related to the withdrawn IPO, as well as restructuring charges related to their acquisition of Wescot.

17 2017 EPS Walk	There were also certain items that affected our full-year 2017 results. After making these adjustments, Encore's adjusted income was $4.01 per fully diluted share. In calculating our Economic EPS for the year, we eliminated approximately 200,000 shares associated with our convertible debt that won't be issued as a result of certain hedging transactions. As a result, our non-GAAP Economic EPS for 2017 was $4.04.
18 Debt Leverage	Our consolidated debt to equity ratio at year-end was 5.5 times. Considering this ratio without Cabot, our debt to equity ratio was substantially lower at 2.5 times. It is important to remember that we fully consolidate Cabot's debt on our balance sheet because of our significant economic interest in Cabot and our control of their board. However, Cabot's debt has no recourse to Encore. It is clear from this illustration that Encore is far less levered than our financials would otherwise indicate. We believe this information will make it much easier for investors to understand Encore's true financial condition. With that, I'd like to turn it back over to Ashish.

	Ashish Masih
19 2018 Expectations	In closing, I'd like to summarize our message and share some of our expectations with you for 2018. To begin, the U.S. market remains strong and we're buying portfolio at better returns than a year ago. We've made great progress in locking up attractive contracts for the new year. In fact, forward flow commitments for 2018 have already surpassed our total deployments in the U.S. during 2017. Internationally, Cabot deployed a record amount of capital in 2017, positioning us well for 2018. As we look ahead, we see strong growth opportunities in the US market, and we will continue to invest in collections capacity to capitalize on them. Even with these investments, we expect our year-over-year earnings growth in 2018 to be at a rate comparable to 2017.
20 Q&A Session	Now we'd be happy to answer any questions that you may have. Operator, please open up the lines for questions.
20 Sign Off	That concludes the call for today. Thanks for taking the time to join us and we look forward to providing our first quarter 2018 results in early May.