Slide #	Commentary
	Bruce Thomas
1	Thank you, Operator. Good afternoon and welcome to Encore Capital Group's fourth quarter 2021 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 fourth quarter of 2021 and the fourth quarter of 2020 or between the full year 2021 and the full year 2020. 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. Please note that at the conclusion of today's call, we will post our annual report to our website, which includes, among other items, a letter to shareholders and a copy of our Form 10-K. 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.
Today's Call	On today's call, I will start with a high-level recap of 2021, including a few key achievements. Then I'll review our strategy and financial priorities, as well as key measures that are important indicators of the strength of our business. Then Jon will review our financial results, after which I'll comment on our outlook for 2022 and beyond. Importantly, at the conclusion of today's call, we will also post to our website our annual report. It includes, among other items, my letter to shareholders. We will begin with a look back at our performance in 2021…

4 FY2021 Highlights	In a year of challenges across the globe related to the ongoing COVID-19 pandemic, we continued to execute on our strategy and delivered exceptional performance in 2021. We maintained a disciplined, consistent approach to our business that drives shareholder value and positions the company for long-term success. Let me point to a number of highlights in 2021 that illustrate this success: To begin, our financial performance was driven primarily by our strong collections, particularly within our MCM business. Overall, we achieved new all-time highs for collections, returns and earnings. On a global basis, our portfolio purchases were $665 million dollars in 2021, slightly exceeding Encore's purchase total from a year ago when we deployed $660 million dollars. Our weighted average purchase price multiple for the year remained attractive at 2.4 times. Our focus on returns as well as continuous improvements in our collections operation allowed us to mitigate portfolio pricing that was somewhat higher in 2021 than in 2020. Although banks continued to sell portfolios throughout 2021, markets in the U.S. and the U.K. have been impacted by lower supply as a result of fewer charge-offs. However, we're beginning to see indications that credit normalization has begun. I'll expand upon this a bit later in our presentation. Throughout 2021, our business performed extremely well, delivering strong returns and cashflows. As a result, our balance sheet has continued to strengthen as we improved our leverage ratio to 1.9 times by the end of the year. We also refinanced the last of the legacy Cabot bonds in 2021, further reducing our cost of capital. {continued on next page}

4 FY2021 Highlights (continued)	Our strong cash generation and balance sheet, combined with a lower level of portfolio purchasing opportunities, allowed us to return a meaningful amount of capital to shareholders in 2021. In total, including open market purchases throughout the year and our tender offer in the fourth quarter, we repurchased 23% of Encore's outstanding shares for $390 million dollars.
5 Our Business and Our Strategy	We play a critical role 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 in honest, empathetic and respectful conversations. As part of our business model, we look to purchase portfolios of non-performing loans at attractive returns, using funding with the lowest cost available to us. 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, positions us well to capitalize on future opportunities and 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. Consistent with this strategy, we sold our portfolios in Colombia and Peru during 2021.

6 Market Focus: Supply Normalization	Changes in consumer behavior and government support of the economy led to lower credit card balances and below-average charge offs, which resulted in lower portfolio sales by banks in 2020 and 2021. However, it is now clear that credit card balances are rising again in the U.S. and the U.K. and we expect their continued normalization toward pre-COVID levels during 2022. We anticipate that this increased lending will translate into more charge offs and lead to higher levels of portfolio sales in due course.
7 Market Focus: Portfolio Purchasing	Despite quarter-to-quarter variability that often characterizes market supply in our industry, our portfolio purchasing volumes over the past two years have generally followed the trend of credit card balances within our primary markets. Even though our level of deployment was nearly the same in both 2020 and 2021, we believe the underlying volume trends clearly support our belief that the bottom of the supply environment is now behind us and we expect our deployments for the year to grow in both our MCM and Cabot businesses. Importantly, while being mindful of lower market supply, we maintained our focus on returns, which we believe will enable us to deliver a strong ROIC through the credit cycle. Turning now to our largest and most valuable market in the U.S…

8 Market Focus: U.S. Business	In 2021, the ongoing effects of the pandemic caused a greater number of consumers to reassess their financial circumstances. Many consumers chose to improve their financial standing by reducing or eliminating their credit card debt and resolving their charged off accounts. We were well positioned to react to this change in consumer behavior and play our part in the credit ecosystem, providing hardship relief when appropriate and also providing solutions for a large number of consumers who were able to pay off their debts. Our MCM business in the U.S. delivered exceptional performance in 2021 as collections grew 7% to an all-time high of $1.6 billion dollars. The continuous improvement in collections operations, the scale effect of higher collections and the change in consumer behavior during the pandemic led to a lower cost to collect for MCM in 2021 compared to 2020. We successfully implemented the CFPB's new industry rules in November. We are pleased to see the completion of this multi-year process, which resolved uncertainty and finally leveled the playing field for participants in our industry. The new rules help modernize communications with consumers and allow us to engage with them using methods consumers prefer. For the year, MCM deployed $409 million dollars to purchase portfolios at an average purchase price multiple of 2.4 times in a market where supply was limited by the impacts of the pandemic. Even though we encountered somewhat higher pricing in the fourth quarter, we continue to deploy capital at the best returns in the industry.

9 Purchase Price Multiples	Our superior returns are the culmination of years of consistently applying our business strategy. Our disciplined purchasing and superior collections effectiveness enable us to purchase portfolios at strong purchase price multiples. Then over time, our continuous collection improvement efforts have enabled us to collect substantially more from both current and historical portfolio vintages, which raises our current multiple for each vintage even higher and helps drive our differentiated returns.
10 Market Focus: U.K. and European Business	Turning to our business in Europe… Our collections recovered in 2021, growing 16% compared to the prior year and reaching a new all-time high after considerable COVID-related volatility in 2020. Our collections mix in 2021 led to a higher cost-to-collect for Cabot compared to the prior year. Deployments in 2021 of $256 million dollars more than doubled compared to the prior year, as our markets in the U.K. and Europe began to recover from the impacts of the pandemic. Portfolio pricing in 2021 was somewhat higher within our European footprint while purchasing activity has also begun to pick up more recently in the region. All the while, we maintained our return-focused discipline in purchasing portfolios.

11 Competitive Advantage: Cash Generation	The second pillar of our strategy focuses on enhancing our competitive advantages. Our competitive platform enables us to consistently generate significant cash flow. Our cash generation in 2021 increased 14% compared to last year, reflecting the steady improvement in our business, the efficiency of our operations and the resilience of our portfolios. Our growth in cash generation has contributed to our reduced borrowings and the de-leveraging of our balance sheet. Our strong cash generation also provides us with additional flexibility when we consider our capital allocation priorities, including the return of capital to shareholders through steady open market share repurchases and our tender offer in the fourth quarter of 2021.
12 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 our return on invested capital which takes into account 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 and that we maintain these strong returns through the credit cycle. Our ROIC performance in 2021, and our performance over time, are solid indicators of how we execute in comparison to our peers. In simple terms, we deliver the highest return per invested dollar in the industry.

13 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 have driven higher levels of cash flow and contributed to a lower level of debt, which in turn have reduced our leverage substantially over time. By the end of 2021, we had reduced our leverage ratio to 1.9 times, down from 2.4 times a year ago, and near the lowest in the industry even after the repurchase of $390 million dollars of our shares during the year.
14 Our Financial Priorities	As a reminder, our financial priorities include objectives for our balance sheet as well as a clear capital allocation framework, all underpinned by our long-term focus on delivering strong returns through the credit cycle. We have made tremendous progress in developing a strong and financially flexible balance sheet. The previously mentioned leverage of 1.9 times at year-end is now just below our target range of 2 to 3 times, and we have maintained a strong double B debt rating. A consistent capital allocation framework is critical to success in our business and our priorities are clear. Our business is fueled by our ability to purchase portfolios at attractive returns and we have demonstrated our discipline in this area by delivering the best returns in our industry. In keeping with our capital allocation priorities, we began repurchasing Encore shares in 2021 to return capital to shareholders.

15 Share Repurchases	Our strong cash generation and balance sheet, combined with a lower level of portfolio purchasing opportunities, allowed us to return a meaningful amount of capital to shareholders in 2021, culminating in a highly successful tender offer in the fourth quarter. As a result of our actions, during the year we repurchased approximately 23% of Encore's outstanding shares for $390 million dollars. These share repurchases were consistent with our capital allocation priorities and fully aligned with our balance sheet objectives to preserve financial flexibility and maintain prudent leverage. Even after repurchasing more than 7 million Encore shares in 2021, the majority of our multi-year share repurchase authorization, which we expanded last May, remained available at the end of the year. I'd now like to hand over the call to Jon for a more detailed look at our financial results…
	Jonathan Clark
16 Detailed Financial Discussion	Thank you, Ashish.
17 2021 Key Financial Measures	In 2021, strong collections drove higher revenue, net income and returns. The resulting strong cash generation, combined with lower purchase volume, led to a further reduction in our leverage ratio and lower ERC.

18 Q4 2021 Key Financial Measures	In the fourth quarter, collections declined 3% compared to Q4 of last year, the result of lower portfolio purchasing in 2020 and 2021. However, portfolio purchases totaled $183 million dollars in Q4, up 44% compared to Q4 of 2020. Our effective tax rate for Q4 was lower than normal at 11% as a result of a favorable tax benefit related to the release of valuation allowances in certain foreign subsidiaries. Looking forward, we expect our tax rate for 2022 to be in the low to mid-20's on a percentage basis.
19 2021 Collections	Collections were a record $2.3 billion dollars in 2021, up 9% compared to the prior year. MCM collections grew 7% in 2021, to a record $1.6 billion dollars. Cabot's collections through our debt purchasing business in Europe were a record $645 million dollars in 2021, up 16% compared to the prior year. Encore's global collections in 2021 - for all portfolios owned at the end of 2020 - was 116% of our ERC forecast for the year.
20 2021 Revenues	Revenues in 2021 were up 8% to $1.6 billion dollars, compared to the prior year. In the U.S., revenues were up 12% to $1.1 billion dollars in 2021. In Europe, 2021 revenues were flat when compared to the prior year.

21 Diversified Funding	Our global funding structure provides many benefits to Encore, including lower funding costs and extended maturities. Accordingly, in mid-2021, we further strengthened our diversified funding structure by refinancing the last of the legacy Cabot bonds with new senior notes at a significantly lower coupon. Available capacity under our global RCF was $643 million dollars at the end of 2021, and we concluded the year with $160 million dollars of non-client cash on the balance sheet. With our strong balance sheet, our financial flexibility and access to a variety of capital sources, we funded portfolio purchases and share buy-backs throughout 2021 as well as the tender offer in Q4. Looking forward, we plan to settle our 2022 convertible notes with cash when they mature in mid-March, and we have sufficient liquidity and capacity to fund the opportunities that lie ahead. With that, I'd like to turn it back over to Ashish.

	Ashish Masih
22	Thank you, Jon.
ESG	Aligned with our three core Values - We Care, We Find a Better Way, and We are Inclusive and Collaborative - Encore is committed to high standards and transparency around our Environmental, Social and Governance priorities. In 2021, we further expanded our organization's commitment to this area by formalizing our internal ESG governance and oversight, publishing new disclosures, aligning our priorities against well-established frameworks, and ensuring this is all underpinned by our five ESG pillars: Consumer, People, Environment, Community, and Operating Responsibly. We're proud of the progress we've made to date, and we're looking forward to advancing our ESG program in 2022 by further increasing our disclosures, formalizing our environmental reporting and issuing our first ESG annual report.

23 Our Priorities and Outlook	Looking back at the last two years, I am amazed and gratified how Encore's employees all over the world came together to support our consumers and each other during these unprecedented times. While doing so, we've enhanced Encore's position as a vibrant, consumer-focused operator and a thoughtful, disciplined allocator of capital. We have clear financial objectives, a solid balance sheet and the best returns in the industry. I'm pleased with our market position and excited about our future prospects. We all look forward to 2022 and beyond in anticipation that all of our lives - the lives of our consumers, our colleagues and the world at large – will finally return to normal. In terms of market supply, we anticipate that the credit markets in the U.S. and Europe will continue to normalize as revolving credit and credit card balances are on the rise. As a result, we expect that both MCM and Cabot will grow portfolio purchase volumes in 2022. In addition, we expect the collections environment to normalize compared to the exceptional level we saw in 2021, and we project our ERC to start growing again in 2022. Consistent with our long-term view, we believe our strategy will continue to be instrumental in driving strong results and enhancing shareholder value. Now we'd be happy to answer any questions that you may have. Operator, please open up the lines for questions.
Q&A Session	

23 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, executing effectively to deliver strong returns on our portfolios, and maintaining a strong balance sheet are key drivers of our best-in-class performance. As credit continues to normalize and supply starts rising again, we stand ready to increase our portfolio purchases to drive Encore's continued success. Thanks for taking the time to join us and we look forward to providing our first quarter results in May.