

# Third Quarter 2025 Investor Presentation

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Encore Capital Group, Inc.

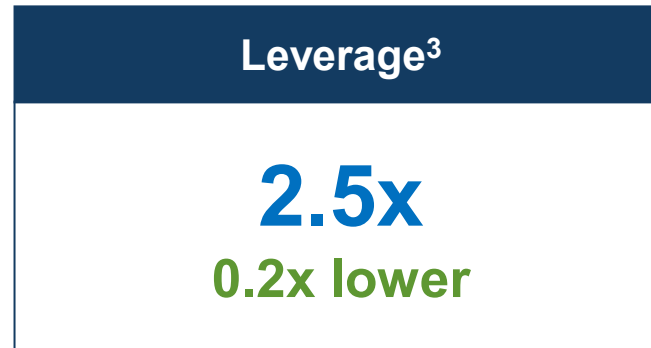
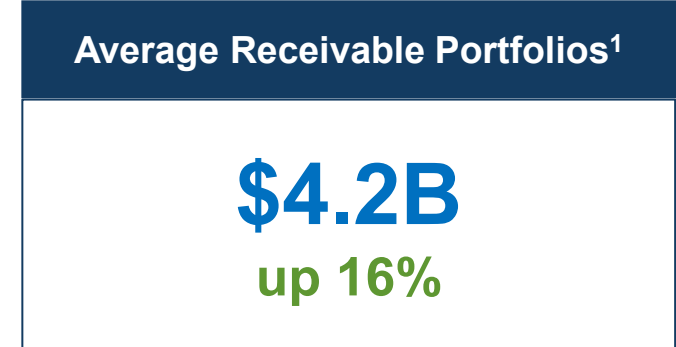
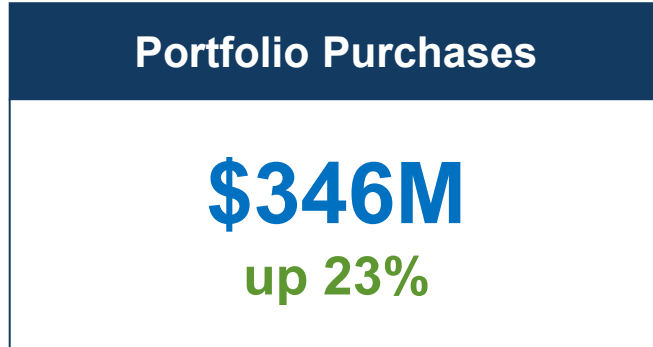
November 5, 2025

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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 (including portfolio purchase volumes, collections, cash generation and yields), performance, business plans or prospects, as well as statements regarding supply, portfolio pricing, returns, run rates, tax rates, interest expense, ability to access capital markets, the consumer credit cycle, interest rates and other macroeconomic factors. 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, as it may be amended from time to time. The Company disclaims any intent or obligation to update these forward-looking statements.

Totals in this presentation may reflect slight differences due to rounding.

# Q3 2025 Financial Highlights



- 1) Represents the average of receivable portfolios for the quarter (the sum of receivable portfolios at the beginning and end of the quarter divided by 2).
  - 2) 180-Month Estimated Remaining Collections
  - 3) Leverage (or leverage ratio) utilizes non-GAAP metrics and is defined as Net Debt ÷ (LTM Adjusted EBITDA + LTM collections applied to principal balance). See appendix for calculation and a reconciliation to GAAP.
- Note: All comparisons are between Q3 2025 and Q3 2024

# Our Strategy and Market Presence

## Our Business

- Purchase NPL portfolios at attractive cash returns
- Focus on the consumer and ensure the highest level of compliance
- Meet or exceed collection expectations
- Maintain efficient cost structure
- Minimize cost of funding

## Our Strategy

- Market Focus
- Competitive Advantage
- Balance Sheet Strength



## Our Market Presence



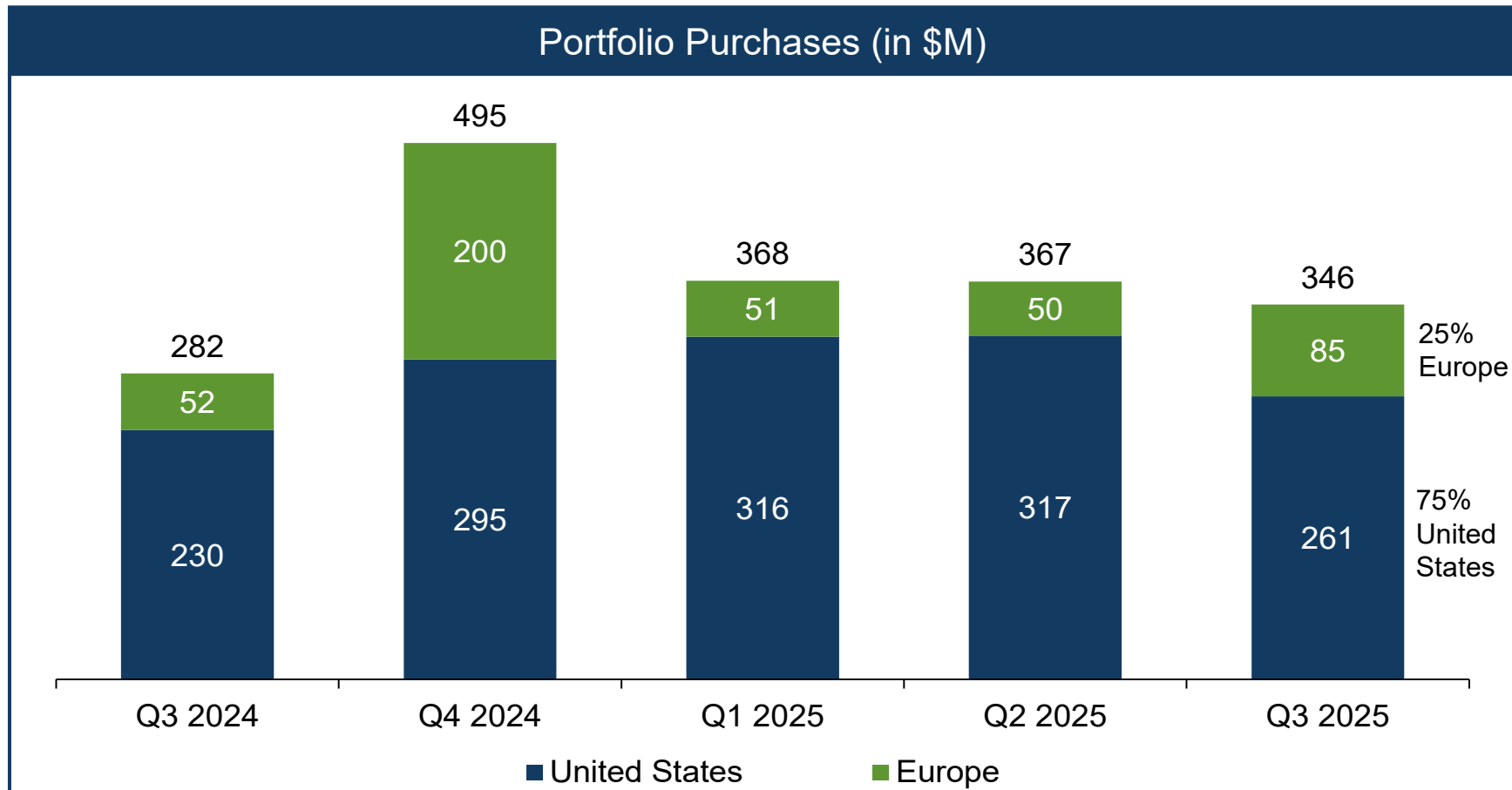
Midland  
Credit  
Management™

- Market leader in the United States
- 25+ years in operation

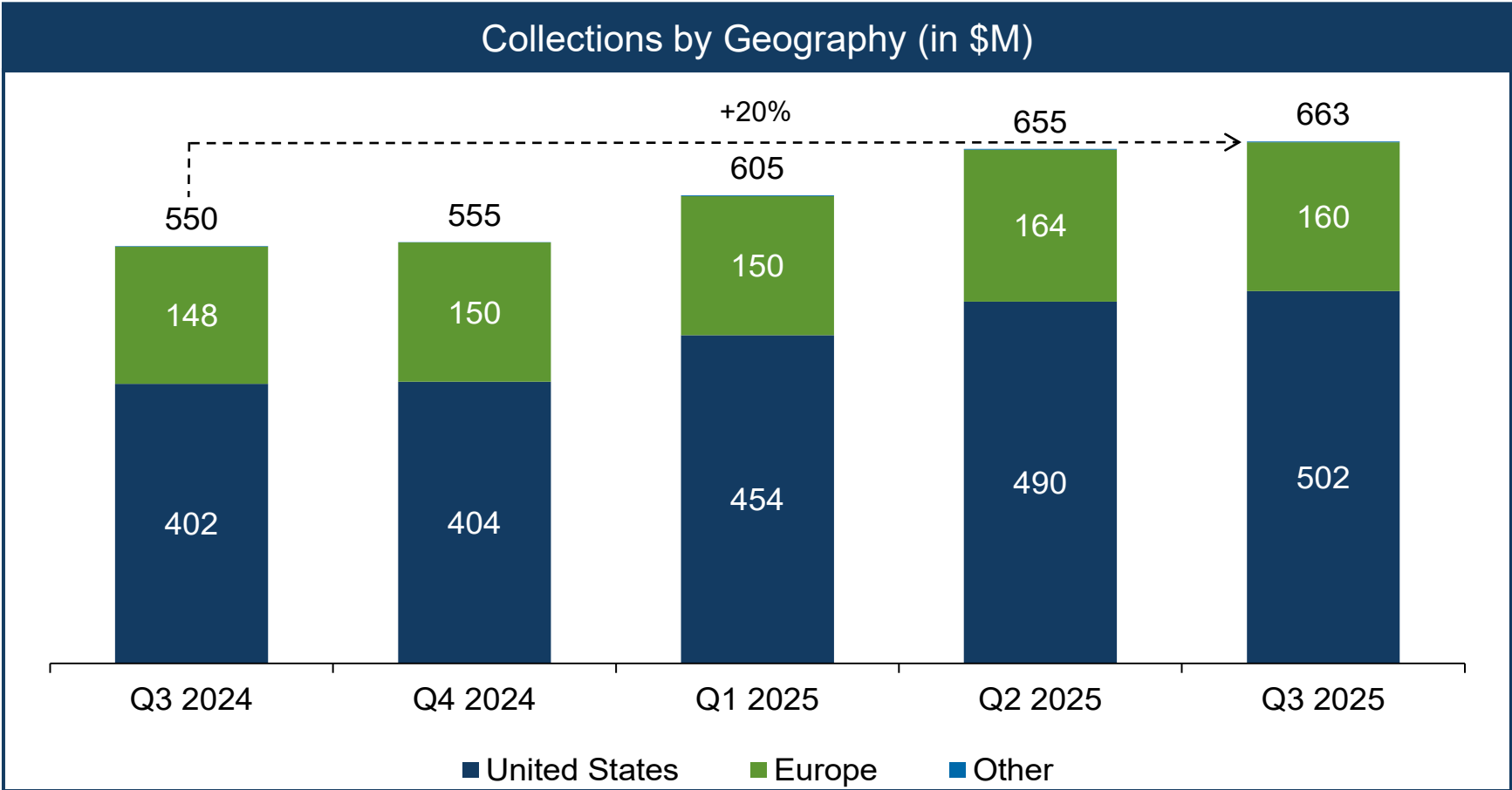


- One of the largest players in the UK (20+ years in operation)
- Building strength in select European markets (France and Spain)

# We continue to allocate more capital to U.S. opportunities, where returns are highest

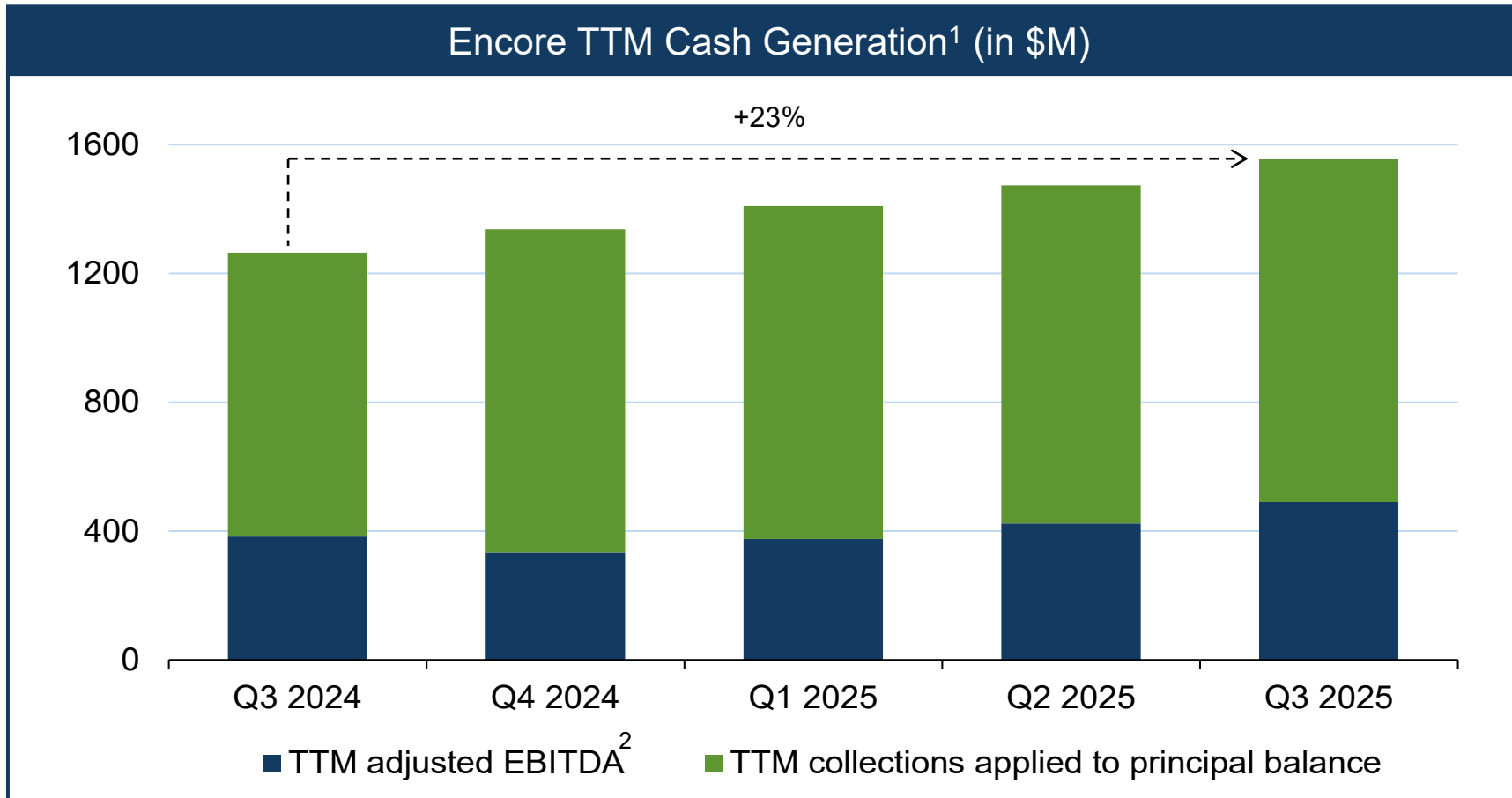


# Collections increased by 20% to a quarterly record \$663 million



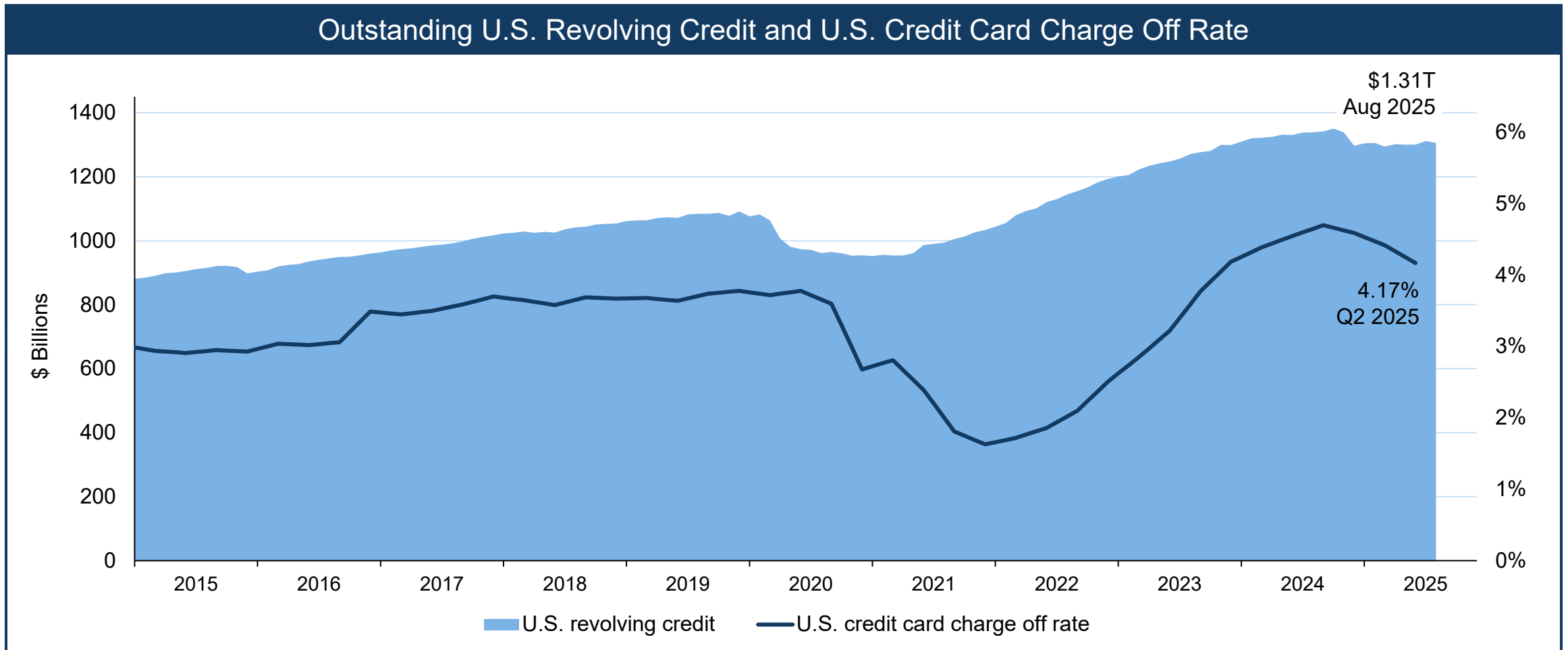
Note: Global, U.S. and Europe collections through Q3 2025 were 108%, 108% and 111% (107%, 108% and 105% in constant currency), respectively, of the Dec 31, 2024 portfolio ERC forecasts for portfolios purchased prior to Dec 31, 2024.

# Cash generation increased by 23%

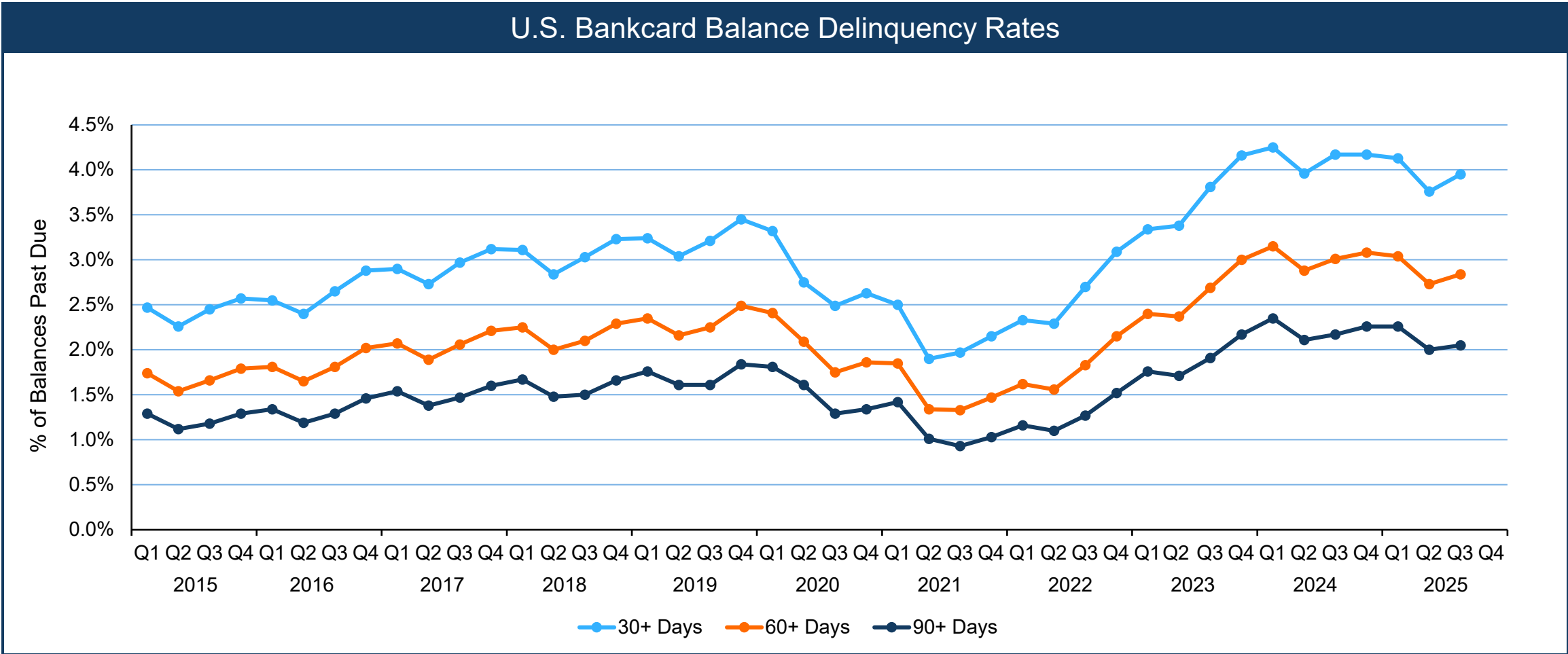


- 1) Trailing Twelve Month (“TTM”) cash generation defined as TTM adjusted EBITDA + TTM collections applied to principal balance.
- 2) See appendix for reconciliation of Adjusted EBITDA to GAAP net income.

# Robust U.S. portfolio supply driven by high charge off rate combined with continued strong lending



# U.S. consumer credit card delinquency rates remain at high levels

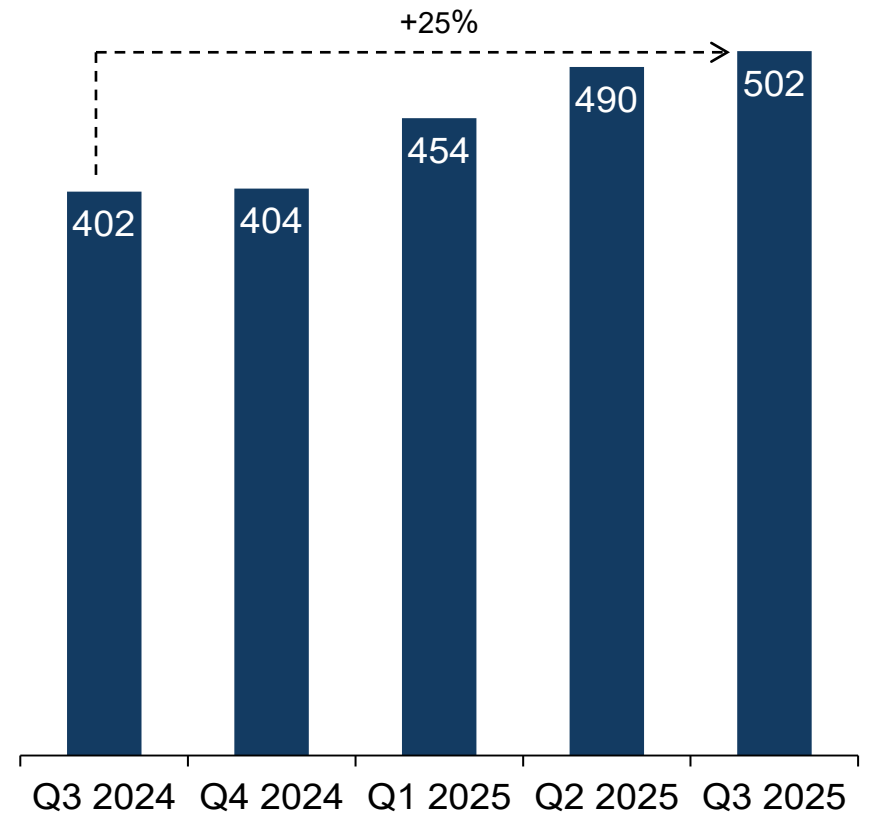


# MCM continues to deliver very strong results

## MCM (U.S.)

- Portfolio supply in the U.S. remains robust
- MCM portfolio purchases of \$261M in Q3 2025 were up 13% compared to Q3 2024
- Record MCM collections of \$502M in Q3 2025 increased by 25% compared to Q3 2024
- Collections overperformance driven by:
  - Deployment of new technologies
  - Enhanced digital capabilities
  - Continued operational innovation
  - Growing and resilient payer book
- Consumer payment behavior remains stable

## MCM Collections (in \$M)

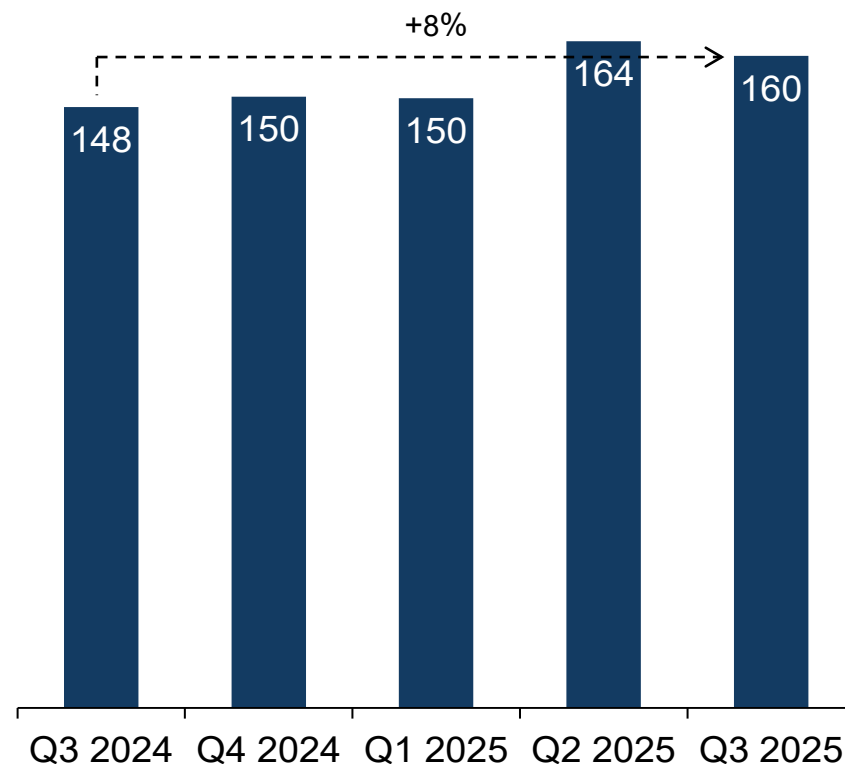


# Cabot delivered a solid Q3

## Cabot (Europe)

- Cabot portfolio purchases of \$85M in Q3 2025 were higher than prior quarters due to spot opportunities
- U.K. market remains impacted by subdued consumer lending, low delinquencies and robust competition
- Cabot collections in Q3 2025 of \$160M increased by 8% compared to Q3 2024

## Cabot Collections (in \$M)





# Detailed Financial Discussion

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# Financial Results

Summary earnings statement			Variance	
<i>\$ in millions, except EPS</i>	Q3 25	Q3 24	\$	%
Portfolio revenue	370.1	328.1	42.0	12.8%
Changes in recoveries	63.6	12.7	51.0	NM
<b>Debt purchasing revenues</b>	<b>433.8</b>	<b>340.8</b>	<b>93.0</b>	<b>27.3%</b>
Servicing & other revenues	26.6	26.3	0.3	1.2%
<b>Total revenues</b>	<b>460.4</b>	<b>367.1</b>	<b>93.3</b>	<b>25.4%</b>
Operating expenses	287.2	261.0	26.2	10.0%
<b>Income from operations</b>	<b>173.2</b>	<b>106.1</b>	<b>67.1</b>	<b>63.2%</b>
Interest expense & other income	(73.3)	(65.3)	(8.0)	12.2%
<b>Income before income taxes</b>	<b>99.9</b>	<b>40.8</b>	<b>59.1</b>	<b>145.0%</b>
Provision for income taxes	(25.2)	(10.1)	(15.1)	149.1%
<b>Net income</b>	<b>74.7</b>	<b>30.6</b>	<b>44.0</b>	<b>143.7%</b>
<b>EPS</b>	<b>\$3.17</b>	<b>\$1.26</b>	<b>\$1.91</b>	<b>151.6%</b>

Key financial measures			Variance	
<i>\$ in millions</i>	Q3 25	Q3 24	\$	%
Collections	663.0	550.3	112.8	20.5%
Portfolio purchases	346.1	282.5	63.6	22.5%
Average receivable portfolios <sup>1</sup>	4,227.4	3,651.3	576.1	15.8%
ERC	9,489.8	8,648.9	840.9	9.7%
Cash efficiency margin <sup>2</sup>	58.4%	54.8%	3.6%	NM
Leverage	2.5	2.7	(0.2)	NM
Annualized Yields			Variance	
Collection yield <sup>3</sup>	62.7%	60.3%	2.5%	NM
Portfolio yield <sup>4</sup>	35.0%	35.9%	(0.9)%	NM
Impact of changes in recoveries <sup>5</sup>	6.0%	1.4%	4.6%	NM
<b>Debt purchasing yield<sup>6</sup></b>	<b>41.0%</b>	<b>37.3%</b>	<b>3.7%</b>	<b>NM</b>

1) Represents the average of receivable portfolios for the quarter (the sum of receivable portfolios at the beginning and end of the quarter divided by 2)

2) Quarterly cash efficiency margin utilizes non-GAAP metrics. See appendix for calculation and a reconciliation to GAAP.

3) Collections yield = (collections / average receivable portfolios) x 4

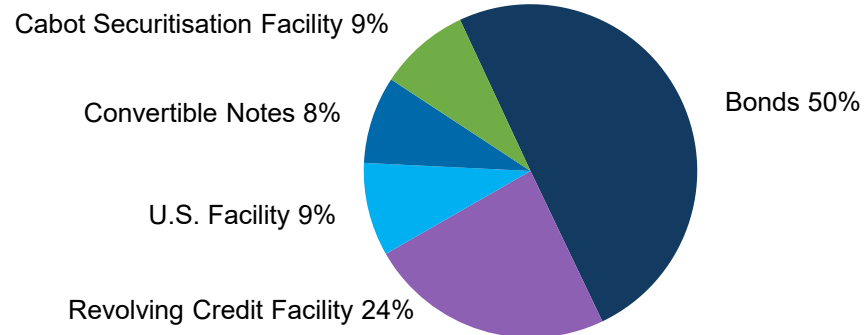
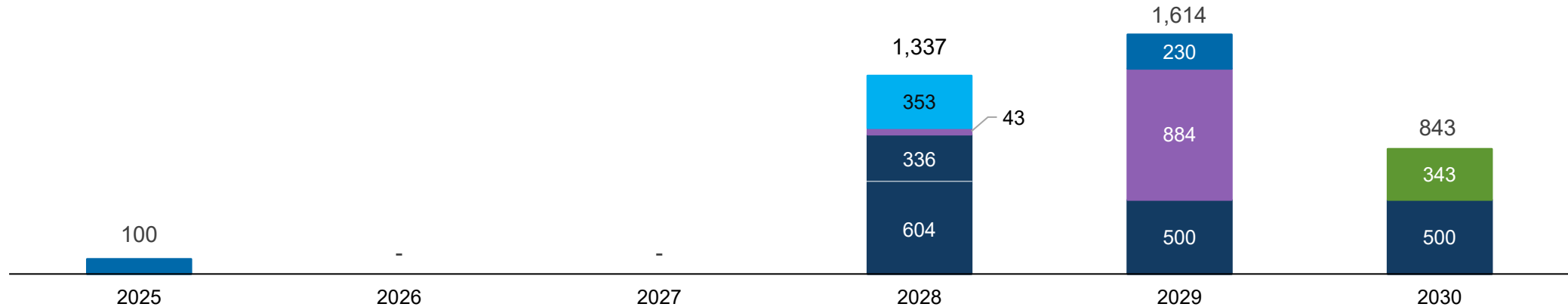
4) Portfolio yield = (portfolio revenue / average receivable portfolios) x 4

5) Impact of changes in recoveries = (changes in recoveries / average receivable portfolios) x 4

6) Debt purchasing yield = portfolio yield + impact of changes in recoveries

# As a result of our actions in Q3 and in October, we added \$550M of liquidity and have no significant maturities until 2028

Debt Maturity Profile at September 30, 2025 (in \$M)<sup>1</sup>



- As of September 30, 2025, available liquidity was \$736M (available RCF of \$491M, available U.S. Facility of \$97M and cash<sup>2</sup> of \$148M).
- In July we increased the size of our US facility by \$150M to \$450M and extended its maturity to 2028.
- In October we issued \$500M of 6.625% Senior Secured Notes due April 2031.
- Also in October, we settled the \$100M of 2025 Convertible Notes entirely in cash.

1) Does not include other borrowings of approximately \$71M.

2) Excludes client cash that was collected on behalf of, and remains payable to, third party clients.

# Our capital allocation priorities

## Balance Sheet Objectives

- Preserve financial flexibility
- Target leverage<sup>1</sup> between 2.0x and 3.0x
- Maintain a strong BB debt rating



## Capital Allocation Priorities

- Portfolio purchases at attractive returns
- Share Repurchases
- Strategic M&A

Deliver strong ROIC through the credit cycle

# Updating our full-year guidance

## Guidance

	Previous 2025 Guidance <sup>1</sup>	Updated 2025 Guidance <sup>1</sup>
Portfolio Purchases	Exceed \$1.35B	Exceed \$1.35B
Collections	+15.5% to \$2.5B	+18% to \$2.55B

- Interest expense in 2025 of \$295M
- Effective tax rate in 2025 to be in the mid-20's %

# Appendix

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# Receivable portfolios and annualized yields

Receivable portfolios					
\$ in millions	Q3 24	Q4 24	Q1 25	Q2 25	Q3 25
Balance, beginning of period	3,583.3	3,719.3	3,776.4	3,952.5	4,184.8
Portfolio purchases	282.5	495.1	367.9	367.1	346.1
Collections	(550.3)	(554.6)	(604.8)	(655.0)	(663.0)
Portfolio revenue	328.1	336.7	345.2	361.2	370.1
Changes in recoveries	12.7	(95.8)	21.5	55.6	63.6
Other	62.9	(124.3)	46.4	103.4	(31.6)
<b>Balance, end of period</b>	<b>3,719.3</b>	<b>3,776.4</b>	<b>3,952.5</b>	<b>4,184.8</b>	<b>4,270.0</b>
<b>Average balance</b>	<b>3,651.3</b>	<b>3,747.8</b>	<b>3,864.5</b>	<b>4,068.7</b>	<b>4,227.4</b>

Annualized yields	Q3 24	Q4 24	Q1 25	Q2 25	Q3 25
Collections yield	60.3%	59.2%	62.6%	64.4%	62.7%
Portfolio yield	35.9%	35.9%	35.7%	35.5%	35.0%
Impact of changes in recoveries	1.4%	(10.2)%	2.2%	5.5%	6.0%
<b>Debt purchasing yield</b>	<b>37.3%</b>	<b>25.7%</b>	<b>37.9%</b>	<b>41.0%</b>	<b>41.0%</b>

## Definitions:

Collections yield =  
 $(\text{collections} / \text{average receivable portfolios}) \times 4$

Portfolio yield =  
 $(\text{portfolio revenue} / \text{average receivable portfolios}) \times 4$

Impact of changes in recoveries =  
 $(\text{changes in recoveries} / \text{average receivable portfolios}) \times 4$

Debt purchasing yield =  
 $(\text{portfolio yield} + \text{impact of changes in recoveries})$

Note: 2025 guidance is provided on portfolio purchases and collections to facilitate roll forward of receivable portfolios average balance

# Supporting financial modeling formulas

$$\text{Average receivable portfolios} \times \text{Portfolio yield} = \text{Portfolio revenue}$$

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$$\text{Average receivable portfolios} \times \text{Collections yield} = \text{Collections}$$

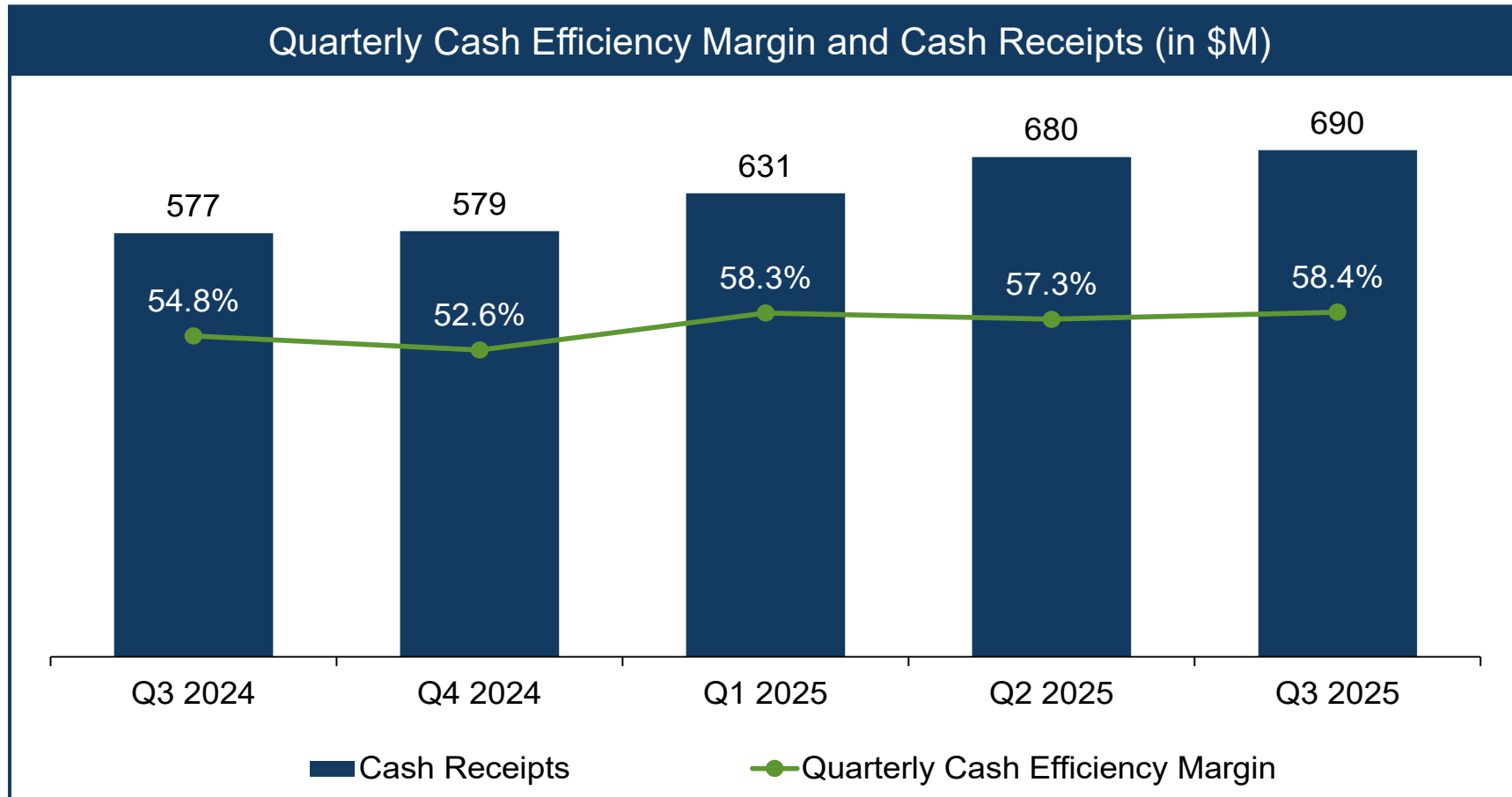
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$$\text{Collections} + \text{Servicing \& other revenue} = \text{Cash receipts}$$

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$$\text{Cash receipts} \times \left( 1 - \text{Cash efficiency margin} \right) = \text{Operating expenses}$$

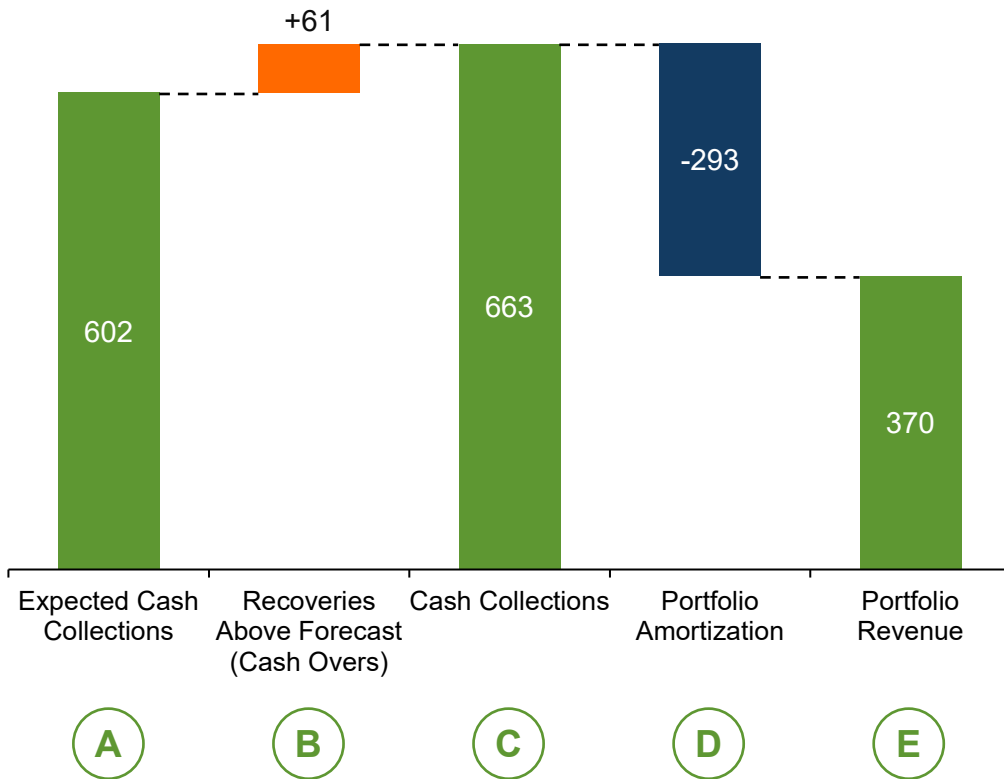
# Quarterly Cash Efficiency Margin



Note: Quarterly cash efficiency margin utilizes non-GAAP metrics defined as  $(\text{cash receipts} - \text{adjusted operating expenses}) \div \text{cash receipts}$ , where cash receipts = collections + servicing revenues + other revenues. See appendix for calculation and a reconciliation to GAAP.

# Q3 2025 Cash Collections and Revenue Reconciliation

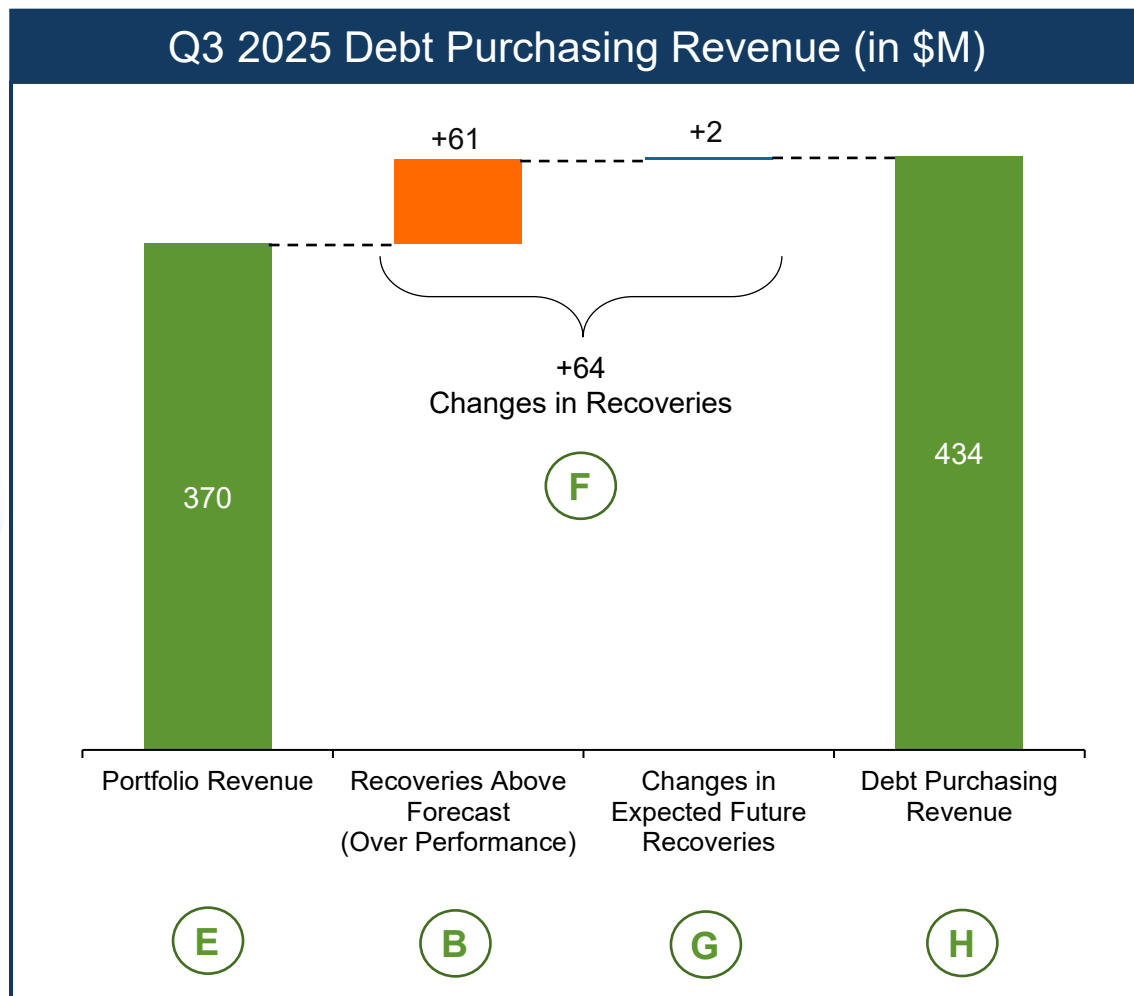
## Q3 2025 Collections and Revenue Reconciliation (in \$M)



- (A)** \$602M **Expected Cash Collections**, equal to the sum of Q2 2025 ERC plus expected collections from portfolios purchased in Q3 2025
- (B)** \$61M **Recoveries Above Forecast**, cash collections above Expected Cash Collections for Q3 2025
- (C)** \$663M **Cash Collections** from debt purchasing business in Q3 2025
- (D)** \$293M **Portfolio Amortization**
- (E)** \$370M **Portfolio Revenue** is further detailed on the next slide

Notes: For simplicity, amounts reported above do not include the immaterial impacts of put-backs and recalls, which were ~\$5M for the three months ended September 30, 2025. References within our reporting to Collections Applied to Principal primarily reflects the aggregate of Changes in Future Recoveries plus Portfolio Amortization.

# Components of Debt Purchasing Revenue in Q3 2025



**(E) Portfolio Revenue** is revenue from expected collections and is a formulaic calculation based on the investment in receivable balance and an effective interest rate (EIR) that is established at the time of the purchase of each portfolio.

**(F) Changes in Recoveries** is the sum of **B + G**

**(B) Recoveries Above/Below Forecast** is the amount collected as compared to forecast for the period and represents over/under performance for the period. Colloquially referred to as “cash-overs” or “cash-under”.

**(G) Changes in Expected Future Recoveries<sup>1</sup>** is the present value of changes to future ERC, which generally consists of:

- Collections “pulled forward from” or “pushed out to” future periods (amounts either collected early or expected to be collected later); and
- Magnitude and timing changes to estimates of expected future collections (which can be increases or decreases)

**(H) Debt Purchasing Revenue** is the sum of **E + F**

## Debt Purchasing Revenue in the Financial Statements

	Three Months Ended September 30,	
	2025	2024
Revenues		
Portfolio revenue	\$ 370,126	\$ 328,119
Changes in recoveries	63,636	12,675
<b>Total debt purchasing revenue</b>	<b>433,762</b>	<b>340,794</b>
Service revenue	22,175	22,772

# Non-GAAP Financial Measures

This presentation includes certain financial measures that exclude the impact of certain items and therefore have not been calculated in accordance with U.S. Generally Accepted Accounting Principles (“GAAP”). The Company has included information concerning Adjusted EBITDA because management utilizes this information in the evaluation of its operations and believes that this measure, when added to collections applied to principal balance, is a useful indicator of the Company’s ability to generate cash collections in excess of operating expenses through the liquidation of its receivable portfolios. The Company has included Pre-Tax ROIC as management uses this measure to monitor and evaluate operating performance relative to our invested capital and because the Company believes it is a useful measure for investors to evaluate effective use of capital. The Company has included Net Debt and Leverage as management uses these measures to monitor and evaluate its ability to incur and service debt. The Company has included Adjusted Operating Expenses in order to calculate Cash Efficiency Margin, which can be used as a measure of expense efficiency. The Company has included impacts from foreign currency exchange rates to facilitate a comparison of operating metrics that are unburdened by variations in foreign currency exchange rates over time.

Adjusted EBITDA, Adjusted Income from Operations (used in Pre-Tax ROIC), Net Debt, Leverage, Adjusted Operating Expenses (used in Cash Efficiency Margin) and impacts from foreign currency exchange rates have not been prepared in accordance with GAAP. These non-GAAP financial measures should not be considered as alternatives to, or more meaningful than, net income, income from operations, or operating expenses as indicators of the Company’s operating performance or liquidity. Further, these non-GAAP financial measures, as presented by the Company, may not be comparable to similarly titled measures reported by other companies. The Company has attached to this presentation a reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures.

Constant Currency figures are calculated by employing Q3 2024 foreign currency exchange rates to recalculate Q3 2025 results. Constant Currency values for operating metrics are calculated based on the average exchange rates during the respective periods.

# Calculation of Quarterly Cash Efficiency Margin

Quarterly cash efficiency margin <sup>1</sup>					
<i>\$ in millions, except percentages</i>	Q3-FY24	Q4-FY24	Q1-FY25	Q2-FY25	Q3-FY25
Collections	550.3	554.6	604.8	655.0	663.0
Servicing revenues	22.8	20.5	22.5	22.3	22.2
Other revenues	3.5	4.2	3.5	3.0	4.4
Cash receipts (A)	576.5	579.3	630.9	680.3	689.6
Operating expenses	261.0	399.8	263.4	291.4	287.2
Acquisition, integration and restructuring related expenses <sup>2</sup>	(0.2)	(6.1)	(0.2)	(1.0)	(0.2)
Goodwill impairment <sup>2</sup>	-	(100.6)	-	-	-
Impairment of assets	-	(18.5)	-	-	-
Adjusted operating expenses (B)	260.8	274.6	263.2	290.3	287.0
<b>Quarterly cash efficiency margin (A-B) / A</b>	<b>54.8%</b>	<b>52.6%</b>	<b>58.3%</b>	<b>57.3%</b>	<b>58.4%</b>

- 1) Quarterly cash efficiency margin defined as (cash receipts – adjusted operating expenses) ÷ cash receipts, where cash receipts = collections + servicing revenues + other revenues  
Note: Beginning with the investor presentation covering the period ending December 31, 2024, we modified the adjustments to operating expenses used in the calculation of cash efficiency margin to enhance the comparability to prior periods, anticipated future periods, and our competitors' results. Beginning with the investor presentation covering the period ending March 31, 2025, we also include other revenues in calculating cash receipts. We have updated prior periods for comparability.
- 2) During the quarter ended December 31, 2024, we recorded a non-cash goodwill impairment charge of \$100.6 million. We also recorded a non-cash impairment of long-lived assets of \$18.5 million during the quarter ended December 31, 2024. We believe these non-cash impairment charges are not indicative of ongoing operations, therefore adjusting for these expenses enhances comparability to prior periods, anticipated future periods, and our competitors' results.

# Calculation of Cash Generation

## Reconciliation of Adjusted EBITDA to Net Income

<b>LTM Adjusted EBITDA</b>					
<b>\$ in millions</b>	<b>Q3 24</b>	<b>Q4 24</b>	<b>Q1 25</b>	<b>Q2 25</b>	<b>Q3 25</b>
LTM net income, as reported	(184.7)	(139.2)	(115.7)	(89.1)	(45.1)
Adjustments:					
Interest expense	238.5	252.5	267.3	279.9	287.2
Interest income	(6.4)	(7.0)	(7.2)	(6.8)	(5.9)
Provision for income taxes	26.8	43.0	49.4	58.4	73.5
Depreciation and amortization	32.4	32.4	31.9	31.8	30.8
Stock-based compensation expense	14.6	14.0	14.1	14.7	15.3
Net gain on derivative instruments <sup>1</sup>	0.1	(0.3)	(0.1)	0.0	(0.0)
Acquisition, integration and restructuring related expenses <sup>2</sup>	5.2	10.5	8.4	7.5	7.5
Loss on extinguishment of debt	-	7.8	7.8	7.8	7.8
Goodwill impairment <sup>3</sup>	238.2	100.6	100.6	100.6	100.6
Impairment of assets <sup>3</sup>	18.7	18.5	18.5	18.5	18.5
<b>LTM adjusted EBITDA</b>	<b>383.4</b>	<b>332.9</b>	<b>375.2</b>	<b>423.4</b>	<b>490.3</b>
<b>LTM collections applied to principal balance<sup>4</sup></b>	<b>880.5</b>	<b>1,004.2</b>	<b>1,034.0</b>	<b>1,049.7</b>	<b>1,062.7</b>

- 1) Amount represents gain or loss recognized on derivative instruments that are not designated as hedging instruments or gain or loss recognized on derivative instruments upon dedesignation of hedge relationships. We adjust for this amount because we believe the gain or loss on derivative contracts is not indicative of ongoing operations.
- 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) During the quarters ended December 31, 2024 and 2023, we recorded a non-cash goodwill impairment charge of \$100.6 million and \$238.2 million, respectively. We recorded a non-cash impairment of long-lived assets of \$18.5 million and a non-cash impairment of intangible assets of \$18.7 million during the quarters ended December 31, 2024, and 2023, respectively. We believe these non-cash impairment charges are not indicative of ongoing operations, therefore adjusting for these expenses enhances comparability to prior periods, anticipated future periods, and our competitors' results.
- 4) Amount represents (a) gross collections from receivable portfolios less (b) debt purchasing revenue, plus (c) proceeds applied to basis from sales of real estate owned ("REO") assets and exit activities.  
\* Totals may reflect slight differences due to rounding

# Calculation of Net Debt and Leverage

Net debt and leverage					
<i>\$ in millions, except leverage</i>	Q3 24	Q4 24	Q1 25	Q2 25	Q3 25
GAAP Borrowings	3,550.6	3,672.8	3,790.7	3,965.5	3,933.9
Debt issuance costs and debt discounts	46.8	37.3	34.2	33.1	30.5
Cash & cash equivalents	(247.4)	(199.9)	(187.1)	(172.9)	(172.5)
Client cash	23.4	21.5	22.2	23.4	24.5
<b>Net debt (A)</b>	<b>3,373.4</b>	<b>3,531.6</b>	<b>3,659.9</b>	<b>3,849.0</b>	<b>3,816.4</b>
LTM adjusted EBITDA (B)	383.4	332.9	375.2	423.4	490.3
LTM collections applied to principal balance (C)	880.5	1,004.2	1,034.0	1,049.7	1,062.7
<b>Leverage A / (B+C)</b>	<b>2.7x</b>	<b>2.6x</b>	<b>2.6x</b>	<b>2.6x</b>	<b>2.5x</b>

# Calculation of ROIC

## Reconciliation of Adjusted Income from Operations

Adjusted income from operations and ROIC					
<i>\$ in millions, except percentages</i>	Q3 24	Q4 24	Q1 25	Q2 25	Q3 25
<b>Numerator</b>					
<b>LTM income from operations</b>	<b>74.3</b>	<b>157.3</b>	<b>203.1</b>	<b>252.0</b>	<b>319.1</b>
Adjustments:					
Acquisition, integration and restructuring related expenses <sup>1</sup>	5.4	10.7	8.4	7.5	7.5
Amortization of certain acquired intangible assets <sup>2</sup>	0.0	-	-	-	-
Goodwill impairment <sup>3</sup>	238.2	100.6	100.6	100.6	100.6
Impairment of assets <sup>3</sup>	18.7	18.5	18.5	18.5	18.5
Changes in recoveries related to exit activities <sup>4</sup>	7.8	30.1	30.1	30.1	22.3
<b>LTM adjusted income from operations</b>	<b>344.5</b>	<b>317.3</b>	<b>360.8</b>	<b>408.8</b>	<b>468.1</b>
<b>Denominator</b>					
Average net debt	3,199.9	3,373.9	3,458.7	3,562.1	3,594.9
Average equity	1,123.4	851.9	886.5	942.0	1,000.5
<b>Total average invested capital</b>	<b>4,323.4</b>	<b>4,225.8</b>	<b>4,345.2</b>	<b>4,504.1</b>	<b>4,595.4</b>
<b>Pre-tax ROIC</b>	<b>8.0%</b>	<b>7.5%</b>	<b>8.3%</b>	<b>9.1%</b>	<b>10.2%</b>

- 1) 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.
- 2) We have acquired intangible assets, such as trade names and customer relationships, as a result of our acquisition of debt solution service providers. These intangible assets are valued at the time of the acquisition and amortized over their estimated lives. We believe that amortization of acquisition-related intangible assets, especially the amortization of an acquired company's trade names and customer relationships, is the result of pre-acquisition activities. In addition, the expense related to these acquired intangibles is a non-cash static expense that is not affected by operations during any reporting period.
- 3) We recorded non-cash goodwill impairment charges of \$100.6 million and \$238.2 million related to our Cabot business during the quarters ended December 31, 2024 and December 31, 2023, respectively. We recorded non-cash impairments of assets of \$18.5 million and \$18.7 million in the quarters ended December 31, 2024 and December 31, 2023, respectively. We believe these non-cash impairment charges are not indicative of ongoing operations, therefore adjusting for these expenses enhances comparability to prior periods, anticipated future periods, and our competitors' results.
- 4) Amount represents the net present value of ERC eliminated as a result of the sale of portfolios associated with Cabot's exit from the Italian NPL market and Spanish secured NPL market in the year ending December 31, 2024. We have adjusted for this amount because we do not believe this is indicative of ongoing operations.