
**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 7, 2013

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 1300, 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))
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Item 2.02. Results of Operations and Financial Condition.

On November 7, 2013, Encore Capital Group, Inc. posted a slide presentation on its website. A copy of the slide presentation is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference herein.

The information in Item 2.02 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 2.02, 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.

99.1 Slide presentation of Encore Capital Group, Inc. dated November 7, 2013

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 7, 2013

/s/ Paul Grinberg

Paul Grinberg
Executive Vice President, Chief Financial Officer and
Treasurer

EXHIBIT INDEX

**Exhibit
Number**

Description

99.1 Slide presentation of Encore Capital Group, Inc. dated November 7, 2013



Encore Capital Group, Inc.

Q3 2013 EARNINGS CALL

CAUTIONARY NOTE ABOUT FORWARD-LOOKING STATEMENTS

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, earnings per share, 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, each as it may be amended from time to time. The Company disclaims any intent or obligation to update these forward-looking statements.



ENCORE DELIVERED A RECORD QUARTER

GAAP EPS*	Adjusted EPS**	Collections
\$0.82	\$1.02	\$380 million
GAAP Net Income*	Adjusted Net Income**	Adjusted EBITDA**
\$22 million	\$27 million	\$234 million
		Cost to Collect***
		40.7%

Estimated Remaining Collections of \$4.0 billion

* From continuing operations attributable to Encore

** Please refer to Appendix for reconciliation of Adjusted EPS, Adjusted EBITDA, and Adjusted Net Income to GAAP

*** Cost to Collect is Adjusted Operating Cost / Dollars collected. See Appendix for reconciliation of Adjusted Operating Cost to GAAP

Note: All Figures Include Cabot Credit Management UK results unless otherwise indicated



PROPRIETARY

YEAR TO DATE PERFORMANCE HAS BEEN STRONG

GAAP EPS*	Adjusted EPS**	Collections
\$2.06	\$2.74	\$928 million
GAAP Net Income*	Adjusted Net Income**	Adjusted EBITDA**
\$53 million	\$69 million	\$586 million
		Cost to Collect***
		38.9%

* From continuing operations attributable to Encore

** Please refer to Appendix for reconciliation of Adjusted EPS, Adjusted EBITDA, and Adjusted Net Income to GAAP

*** Cost to Collect is Adjusted Operating Cost / Dollars collected. See Appendix for reconciliation of Adjusted Operating Cost to GAAP

Note: All Figures Include Cabot Credit Management UK results unless otherwise indicated



PROPRIETARY

OUR STRATEGIC MOVES ARE BEARING FRUIT



Asset Acceptance

- ▶ Continued to move accounts to Encore - 835k in Q3
- ▶ Collections were ahead of plan
- ▶ Expenses were under budget

Cabot Credit Management

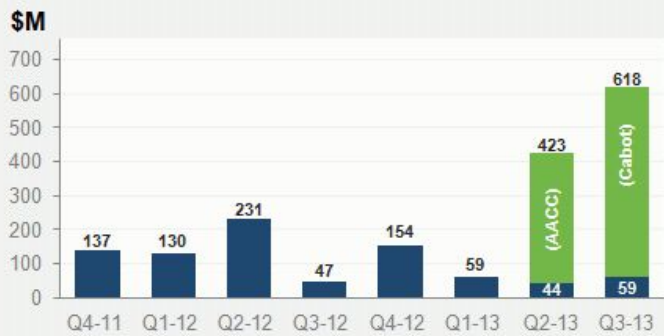
- ▶ Analysis well underway to expand into new market segments
- ▶ India team fully engaged – expect to be making calls into the UK in Q1 2014

Propel

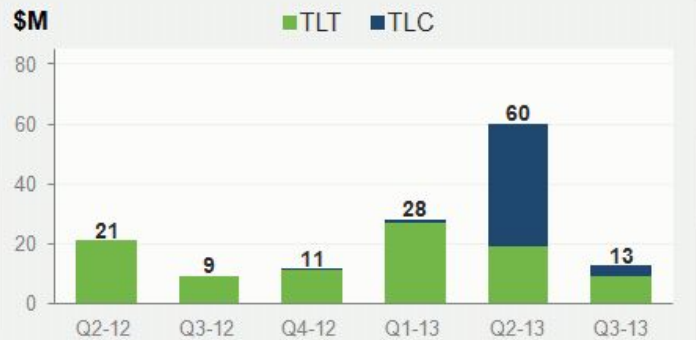
- ▶ Now in 9 states
- ▶ First Nevada tax lien transfer executed
- ▶ Well positioned for industry consolidation

GROWTH IN DEPLOYMENTS WAS LED BY THE ACQUISITION OF CABOT CREDIT MANAGEMENT

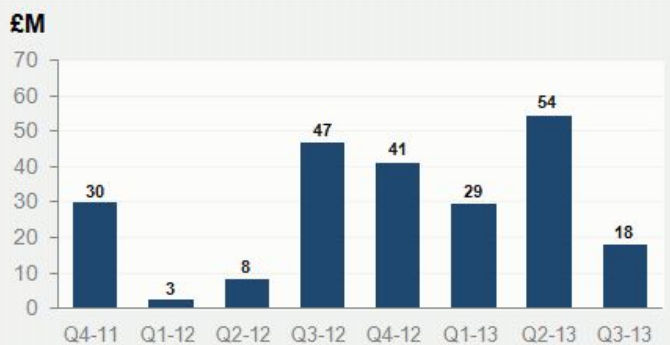
DEPLOYMENTS



PROPEL DEPLOYMENTS



CABOT DEPLOYMENTS



Market comments

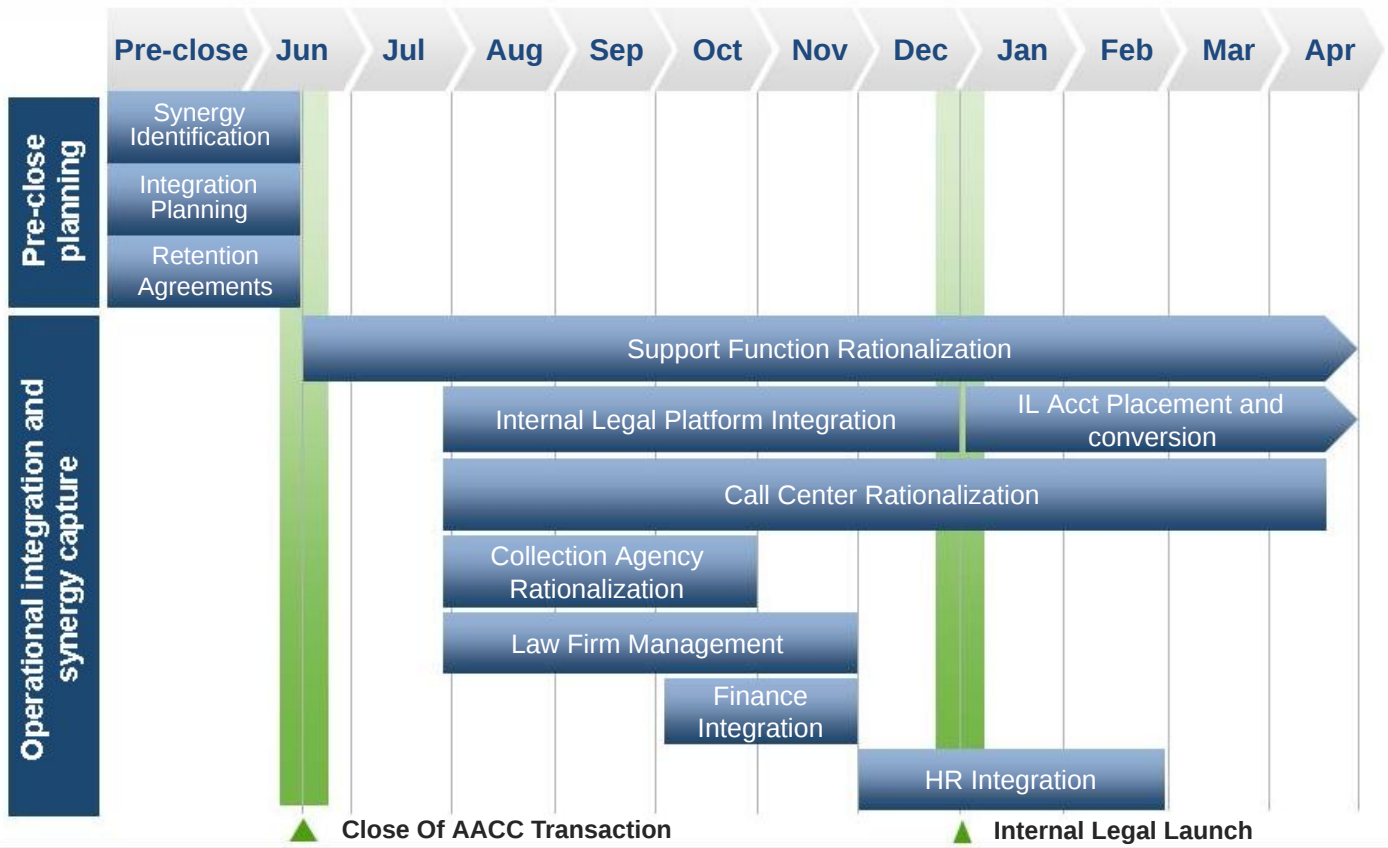
- ▶ US direct-from-issuer pricing pressure remains, with consolidation among fewer, more stable buyers
- ▶ UK market dominated by a few large players
- ▶ UK issuer inventory backlog expected to come to market over the next few years

THE CABOT TRANSACTION RESULTED IN STRONG GROWTH IN ERC

Estimated Remaining Collections



OUR INTEGRATION PLAN FOR AACC REMAINS ON TRACK



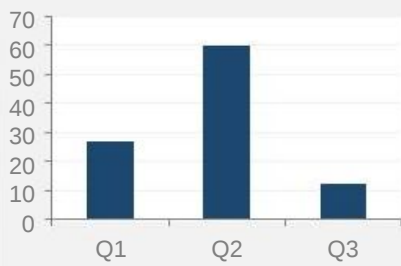
PROPEL CONTINUES TO GROW AND CONTRIBUTE TO ENCORE

\$100 million of capital deployed YTD

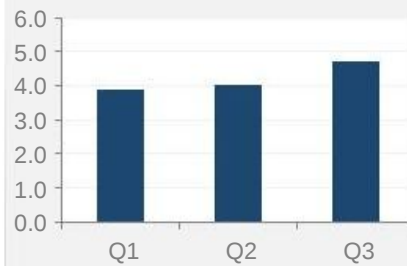
Now operating in 9 states

Funded first tax lien transfer in Nevada

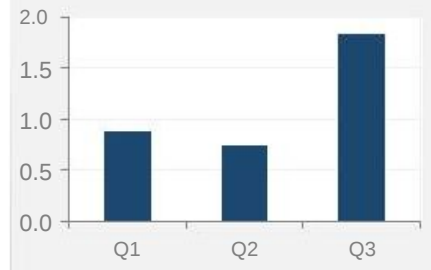
Capital Deployed



Revenue



Operating Income



CABOT'S Q3 RESULTS WERE STRONG AND IN LINE WITH OUR INVESTMENT MODEL

Adjusted EBITDA*	Collections	Cost to Collect**
\$50.6 million	\$67.4 Million	27.2%
Portfolio purchases	Revenue	
\$27.0 million	\$46.5 million	

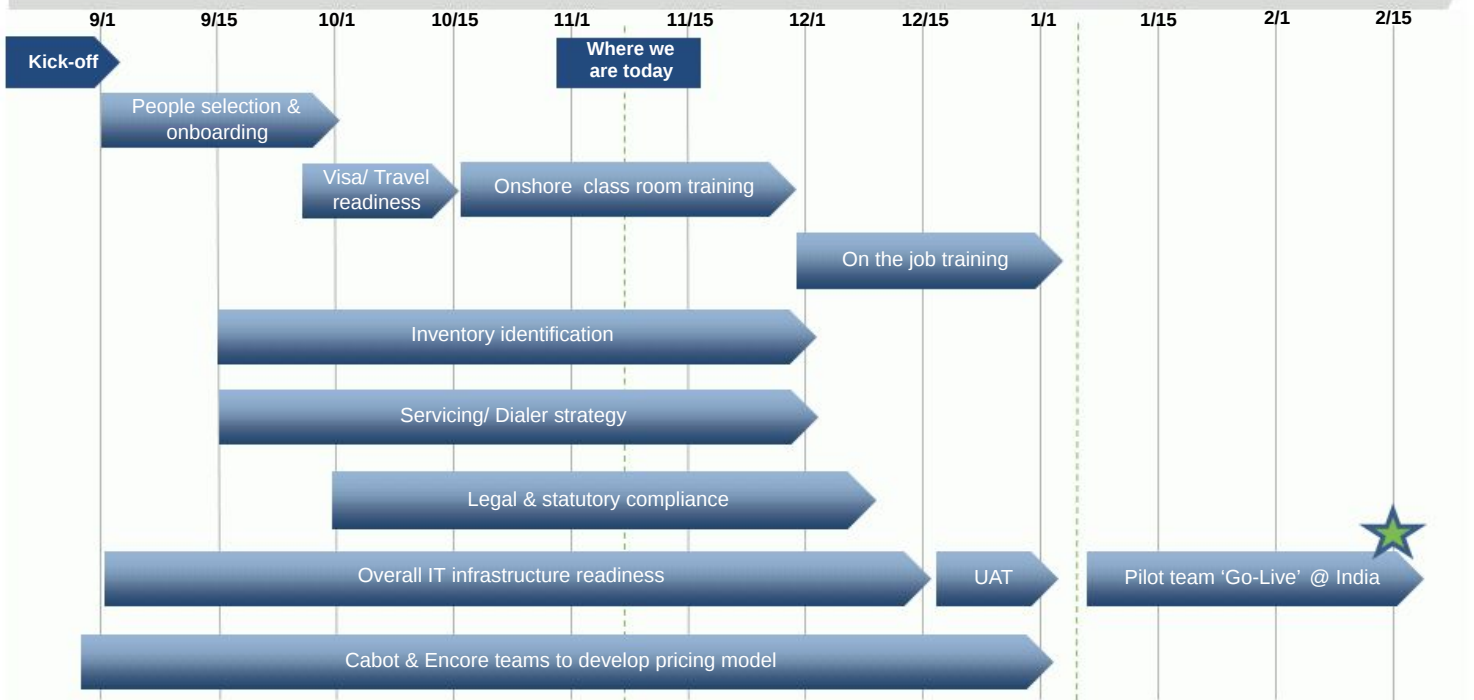
120-Month Estimated Remaining Collections of \$1.5 billion

* Please refer to Appendix for reconciliation of Adjusted EBITDA to GAAP

** Cost to Collect is Adjusted Operating Cost / Dollar collected. See Appendix for reconciliation of Adjusted Operating Cost to GAAP

OUR FOCUS AT CABOT IS TO BEGIN LEVERAGING OUR INDIA SITE DURING THE DAY HOURS IN Q1 2014

ROADMAP – CABOT INDIA OPERATIONS LAUNCH



REGULATORY DEVELOPMENTS CONTINUE TO HAVE A MEANINGFUL EFFECT ON THE INDUSTRY



Office of the Comptroller of the Currency (OCC)



- ▶ Debt Sales Best Practices Memo – 3Q13
- ▶ Emphasizes importance of vendor management and procedures designed to reduce issuer risk
- ▶ Accelerated issuer audit programs



Consumer Financial Protection Bureau (CFPB)

- ▶ Advanced Notice of Proposed Rulemaking (ANPR) – 4Q13
- ▶ Notice of Proposed Rulemaking (NPR) – summer 2014
- ▶ Final rulemaking late 2014

ENCORE HAS LONG SHARED REGULATORS' VISION TO RAISE INDUSTRY STANDARDS

Encore Initiatives	Outcomes	Regulators
<p>Consumer Credit Research Institute</p>	<p>Benefit to consumers</p>	
<p>Consumer Bill of Rights</p>	<p>Regulatory clarity & balance</p>	<p>OCC </p>
<p>Consumer Experience Council</p>	<p>Industry consolidation</p>	<p>CFPB </p>
<p>Enterprise Risk Management</p>	<p>Stronger collections industry</p>	

ENCORE IS WELL POSITIONED TO MAINTAIN ITS MOMENTUM & CONTINUE DELIVERING TOP QUARTILE TSR

Top Quartile Total Shareholder Return

Growth, Margin Expansion, Free Cash Flow, PE Multiple Expansion



Management Team • Learning Organization • Principled Intent

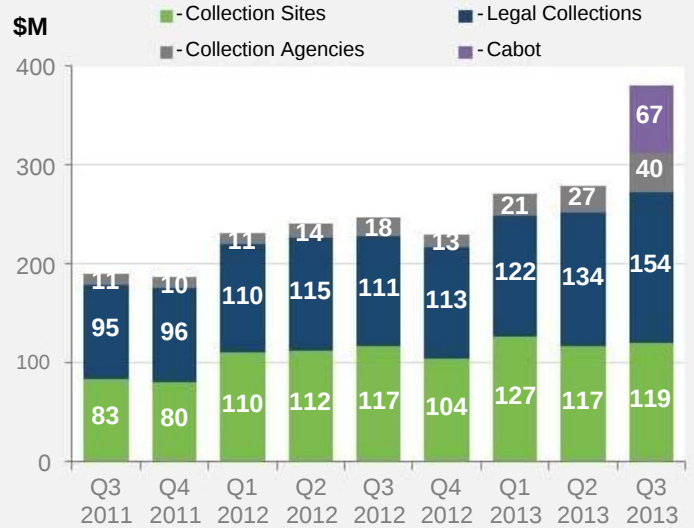




Detailed Financial Discussion

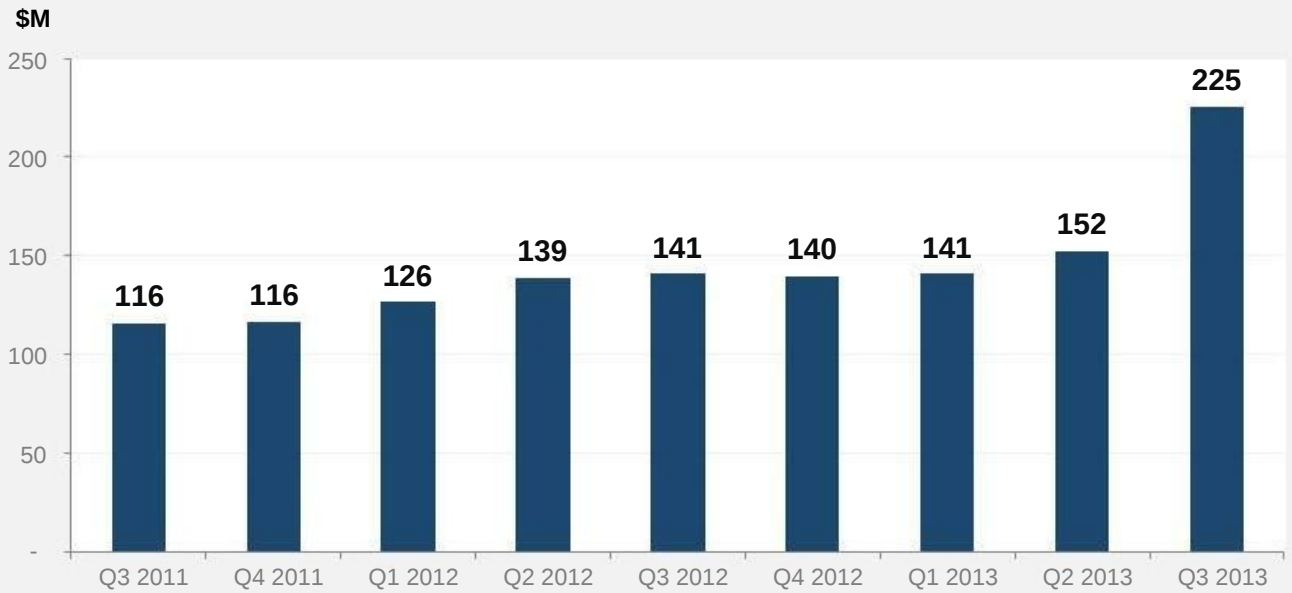
THE AACC AND CABOT ACQUISITIONS ACCELERATED Q3 COLLECTIONS

Core Collections

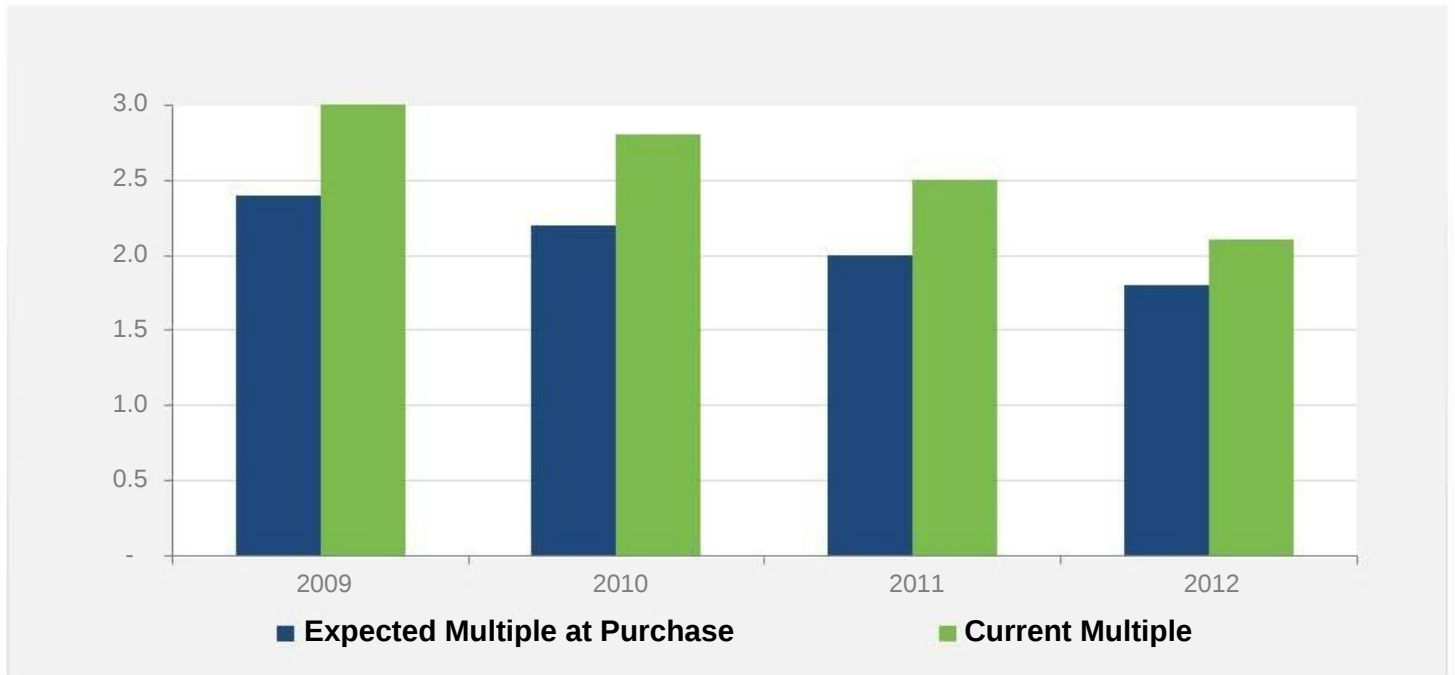


STRONG COLLECTIONS LED TO SOLID REVENUE GROWTH

Revenue From Core Collections

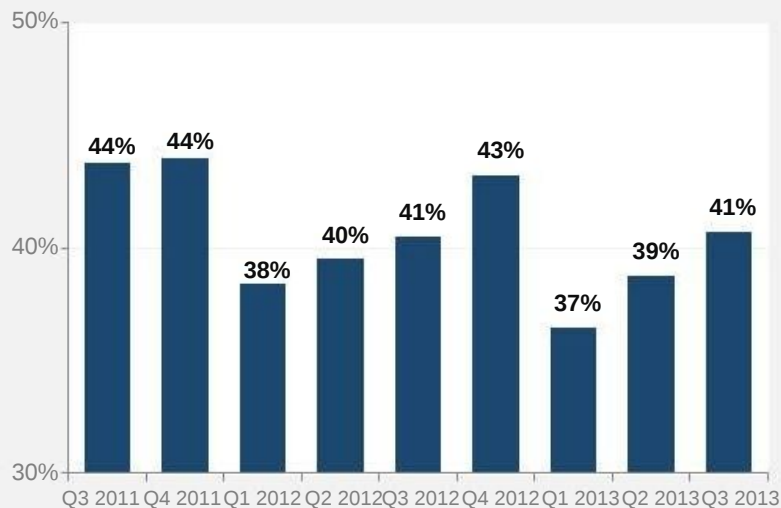


COLLECTION MULTIPLES CONTINUE TO INCREASE OVER TIME



ENCORE'S COST TO COLLECT FULLY REFLECTS AACCC'S AND CABOT'S OPERATIONS

Overall Cost to Collect*

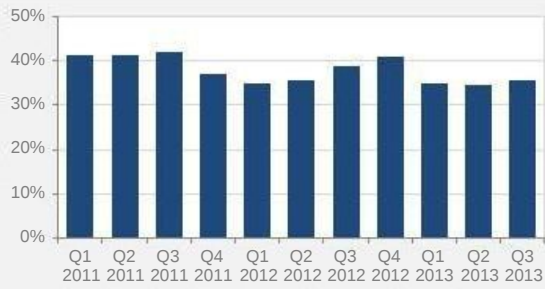


Channel	Q3 2013 CTC	Q3 2012 CTC
Cabot	27.2%	24.5%
Legal	39.6%	41.5%
Core sites	8.4%	5.9%

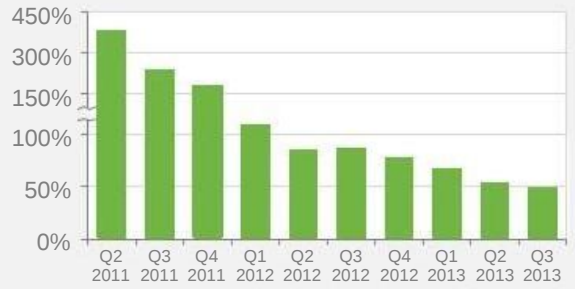
* Cost to Collect is Adjusted Operating Cost / Dollar collected. See Appendix for reconciliation of Adjusted Operating Cost to GAAP.

AFTER SEVERAL QUARTERS OF INVESTMENT, COST TO COLLECT IN INTERNAL LEGAL IS DECLINING

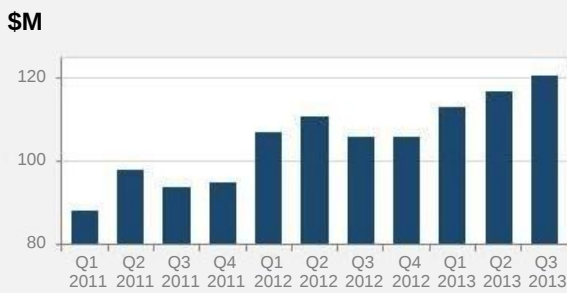
Legal Outsourcing Cost to Collect



Internal Legal Cost to Collect



Legal Outsourcing Collections

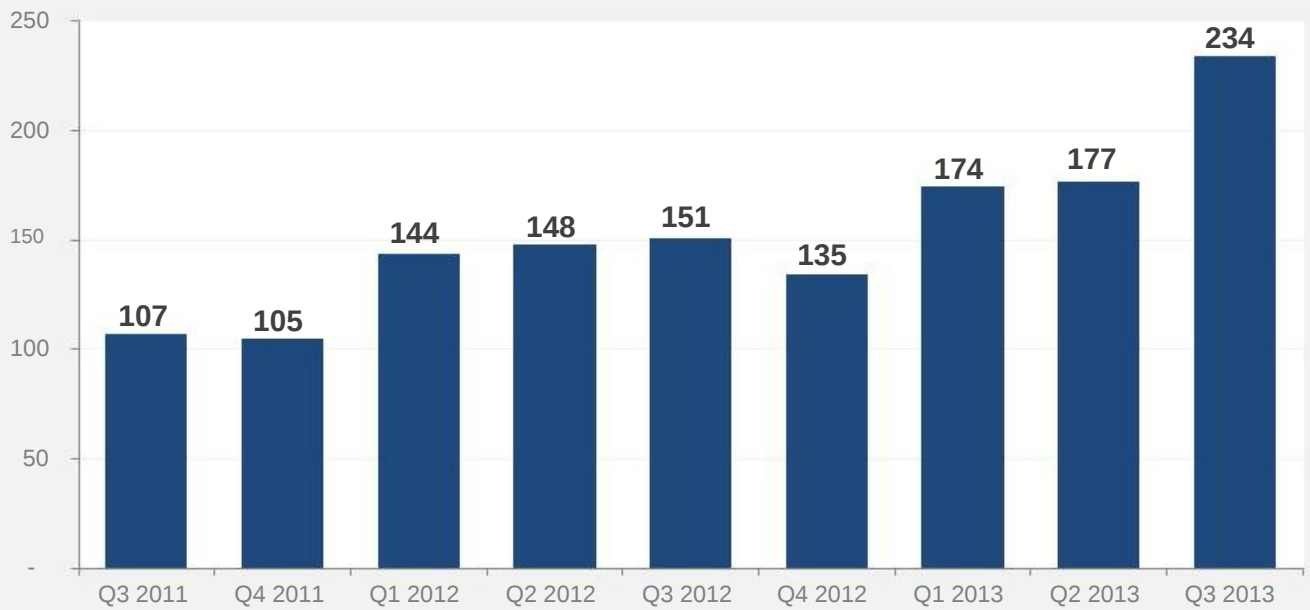


Internal Legal Collections



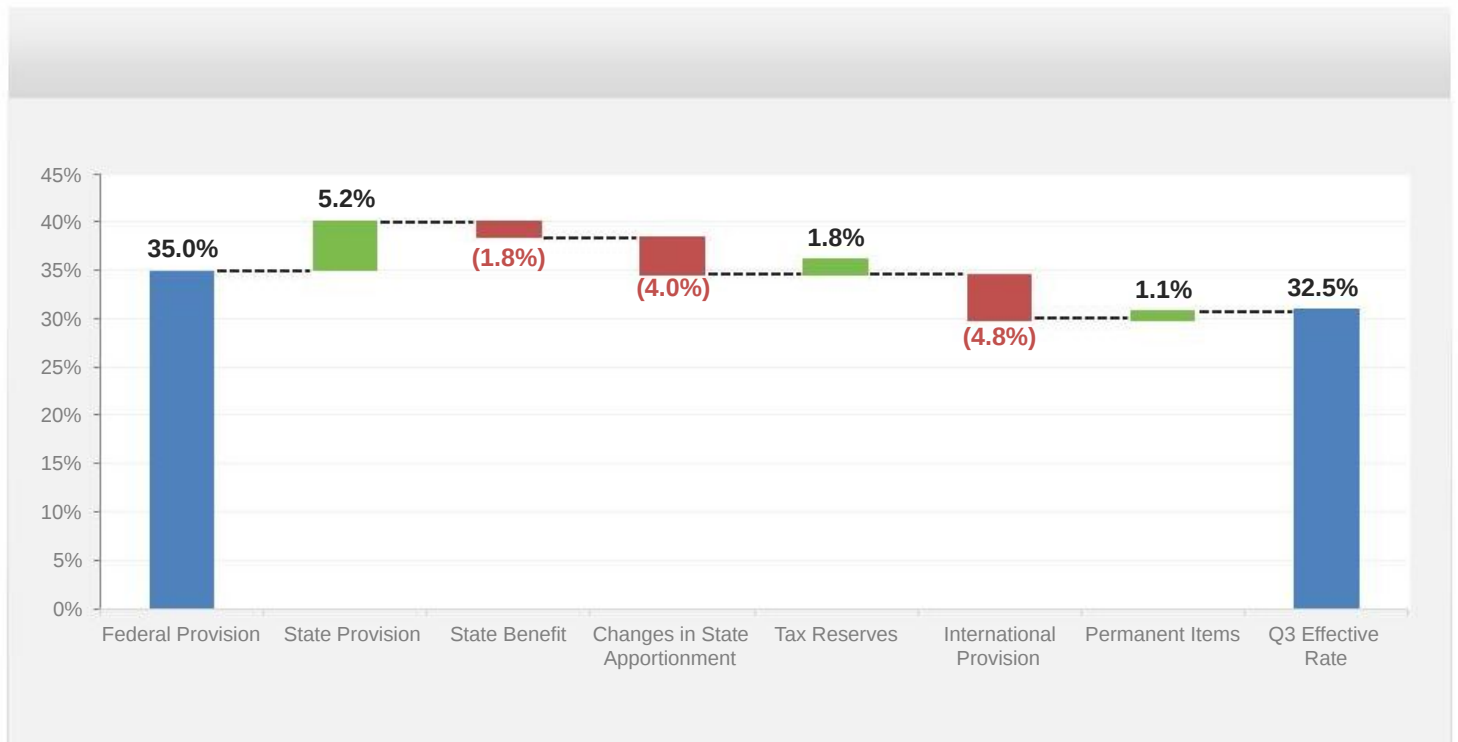
COLLECTIONS GROWTH AND COST IMPROVEMENTS LED TO IMPROVED CASH FLOWS

Adjusted EBITDA*

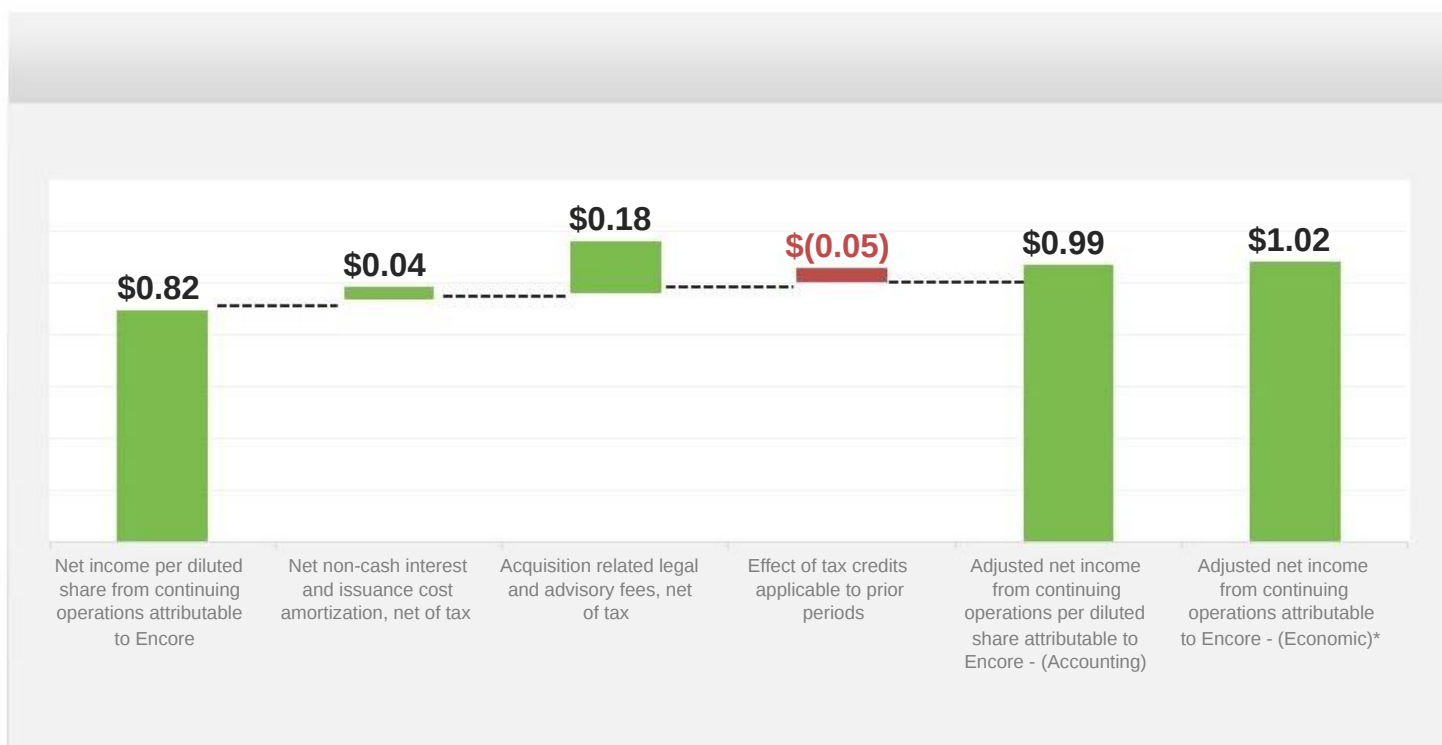


* Please refer to Appendix for reconciliation of Adjusted EBITDA to GAAP

WE SAW IMPROVEMENT IN OUR EFFECTIVE TAX RATE



ENCORE'S Q3 ADJUSTED EPS SET A RECORD OF \$1.02 PER FULLY DILUTED SHARE



* Please refer to Appendix for reconciliation of Adjusted EPS measurements to GAAP

Note: the following slide contains additional detail

OUR CONVERTIBLE HEDGE HAS PROTECTED US FROM SIGNIFICANT ECONOMIC DILUTION

- Issued \$115 million of convertible bonds, due in 2017
- The bonds are convertible at \$31.5625
- Purchased hedges to increase the effective conversion price to \$44.1875
- The average price of Encore stock during Q3 2013 was \$40.52
- Initial cost of warrants \$11.6 million
- Protected from 1.04 million shares of dilution

Q3 GAAP Fully Diluted Shares Outstanding	27.2 million
(-) Shares from 2017 Bond Hedge	0.8 million
Non-GAAP Economic Shares Outstanding	26.4 million
Adjusted Income from Continuing Operations Attributable to Encore	\$26.8 million
Adjusted EPS - accounting	\$0.99
Adjusted EPS - economic	\$1.02

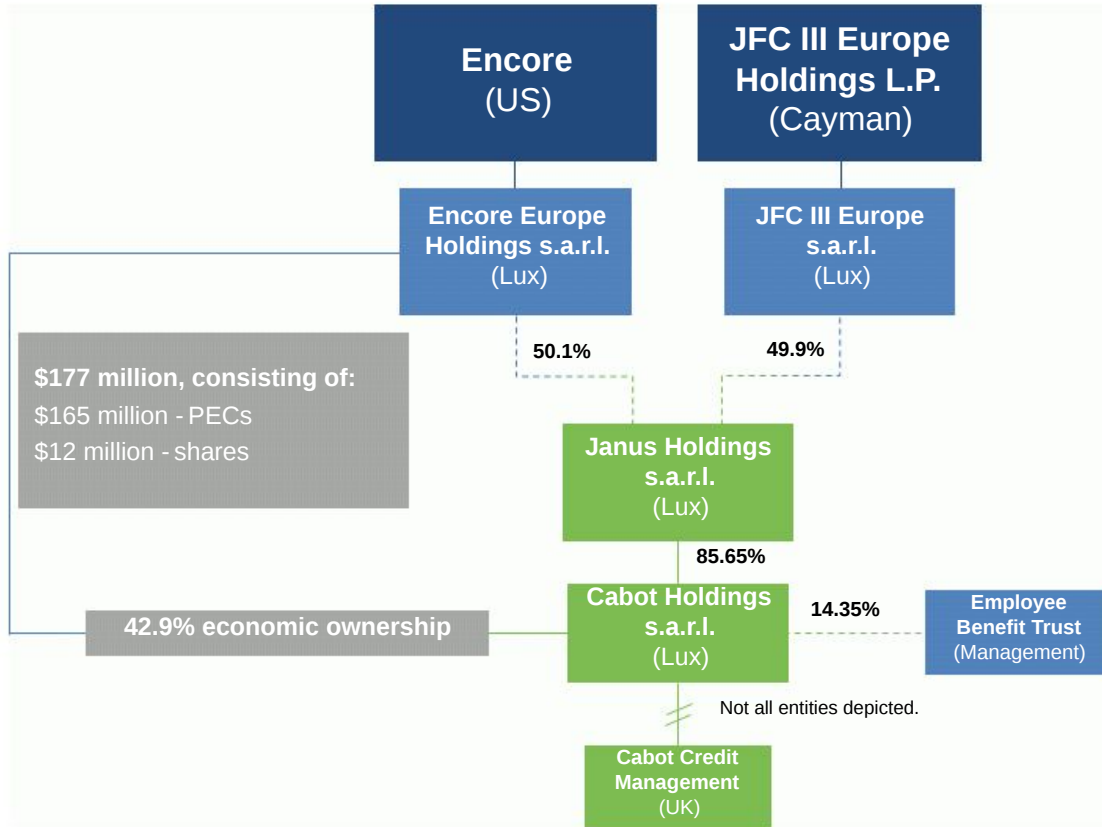
Impact of 3.00% Convertible due 2017 on Diluted Share Count

Increase to Diluted Share Count	=	$\frac{\text{Principal Amt Outstanding}}{\text{Conversion Price}} \times \frac{\text{Q3 Applicable Share Price} - \text{Conversion Price}}{\text{Q3 Applicable Share Price}}$
~805 Thousand Shares	=	$\frac{\$115 \text{ million}}{\$31.56} \times \frac{\$40.52 - \$31.56}{\$40.52}$



Note: Non-GAAP economic EPS also removes non-cash interest expense from EPS numerator

ENCORE'S OWNERSHIP OF CABOT REFLECTS THE MINORITY INTERESTS OF J.C. FLOWERS AND MANAGEMENT



CABOT CONTRIBUTED \$0.17 TO ENCORE'S Q3 RESULTS

In 000's except per share amounts	Janus	Encore Europe Holdings	EEH Consolidated
Revenue / other income	<u>\$46,568</u>	-	<u>\$46,568</u>
Total Expenses	<u>(22,179)</u>	-	<u>(22,179)</u>
EBITDA	24,389	-	24,389
Depreciation and Amortization	(1,461)	-	(1,461)
Non-PEC Interest Expense	(12,319)	-	(12,319)
PEC Interest – JCF / Mgmt	(5,877)	-	(5,877)
PEC Interest – Encore	(4,998)	4,998	-
Total Interest	<u>(23,194)</u>	<u>4,998</u>	<u>(18,196)</u>
Earnings Before Income Tax	(266)	4,998	4,731
Income tax	(1,173)	-	(1,173)
Net (loss) / profit before minority interest	<u>(1,440)</u>	<u>4,998</u>	<u>3,558</u>
JCF / Mgmt non-controlling interest	<u>(822)</u>	-	<u>(822)</u>
Net (loss) / profit attributable to Encore	<u>(618)</u>	<u>4,998</u>	<u>4,380</u>

ENCORE'S LONG-TERM PROSPECTS CONTINUE TO BE FAVORABLE

Operating Results & Deployment

A culture of constant improvement drives improved results

Liquidity & Capital Access

Strong liquidity and access to capital enhance our ability to take advantage of consolidating markets and new opportunities

Solid Cash Flows

Additional asset classes and geographies continue to enhance ERC and collections

Geographic & Asset Class Diversification

We are an international company in several asset classes, positioned for strong earnings growth going forward



Appendix

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, which is materially similar to a financial measure contained in covenants used in the Company's revolving credit facility, in the evaluation of its operations and believes that this measure 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 information concerning Adjusted Operating Expenses in order to facilitate a comparison of approximate cash costs to cash collections for the portfolio purchasing and recovery business in the periods presented. The Company has included Adjusted Income from Continuing Operations per Share because management believes that investors regularly rely on this measure to assess operating performance, in order highlight trends in the Company's business that may not otherwise be apparent when relying on financial measures calculated in accordance with GAAP. Adjusted EBITDA, Adjusted Operating Expenses and Adjusted Income from Continuing Operations per Share 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 and total operating expenses as indicators of the Company's operating performance. 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.

RECONCILIATION OF ADJUSTED EPS

Reconciliation of Adjusted EPS to GAAP EPS (Unaudited, in thousands, except per share amounts), Three Months Ended

	September 30,					
	2013			2012		
	\$	Per Diluted Share – Accounting	Per Diluted Share – Economic	\$	Per Diluted Share – Accounting	Per Diluted Share – Economic
Net income from continuing operations attributable to Encore	22,194	\$0.82	0.84	21,308	\$0.82	\$0.82
Adjustments:						
Net non-cash interest and issuance cost amortization, net of tax	1,103	\$0.04	0.04	-	-	-
Acquisition related legal and advisory fees, net of tax	4,775	\$0.18	0.18	-	-	-
Acquisition related integration and consulting fees, net of tax	-	-	-	-	-	-
Effect of tax credits applicable to prior periods	(1,236)	(0.05)	(0.05)	-	-	-
Adjusted net income from continuing operations attributable to Encore	26,836	\$0.99	\$1.02	\$21,308	\$0.82	0.82

RECONCILIATION OF ADJUSTED EPS

Reconciliation of Adjusted EPS to GAAP EPS (Unaudited, in thousands, except per share amounts), Nine Months Ended

	September 30,					
	2013			2012		
	\$	Per Diluted Share – Accounting	Per Diluted Share – Economic	\$	Per Diluted Share – Accounting	Per Diluted Share – Economic
Net income from continuing operations attributable to Encore	52,654	\$2.06	2.08	58,404	\$2.25	\$2.25
Adjustments:						
Net non-cash interest and issuance cost amortization, net of tax	2,103	0.08	0.08	-	-	-
Acquisition related legal and advisory fees, net of tax	9,756	0.38	0.39	2,567	0.10	0.10
Acquisition related integration and consulting fees, net of tax	5,502	0.22	0.22	-	-	-
Effect of tax credits applicable to prior periods	(712)	(0.03)	(0.03)	-	-	-
Adjusted net income from continuing operations attributable to Encore	69,303	\$2.71	\$2.74	\$60,971	\$2.35	\$2.35

RECONCILIATION OF ADJUSTED EBITDA

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

	6/30/08	9/30/08	12/31/08	3/31/09	6/30/09	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	3/31/11
GAAP net income, as reported	6,162	3,028	(2,095)	8,997	6,641	9,004	8,405	10,861	11,730	12,290	14,171	13,679
(Gain) loss from discontinued operations, net of tax	(89)	46	(483)	(457)	(365)	(410)	(901)	(687)	(684)	(315)	28	(397)
Interest expense	4,831	5,140	5,401	4,273	3,958	3,970	3,959	4,538	4,880	4,928	5,003	5,593
Provision for income taxes	4,161	2,429	(1,781)	5,670	3,936	5,676	4,078	6,080	6,356	6,474	9,057	8,349
Depreciation and amortization	482	396	391	410	402	443	516	522	591	650	789	904
Amount applied to principal on receivable portfolios	35,785	35,140	46,364	42,851	48,851	49,188	47,384	58,265	64,901	63,507	53,427	85,709
Stock-based compensation expense	1,288	860	382	1,080	994	1,261	1,049	1,761	1,446	1,549	1,254	1,765
Adjusted EBITDA	52,560	47,039	48,179	62,824	63,869	69,132	64,490	81,340	89,220	89,083	83,729	115,602

	6/30/11	9/30/11	12/31/11	3/31/12	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13	9/30/13
GAAP net income, as reported	14,775	15,310	17,134	11,406	16,598	21,308	20,167	19,448	11,012	21,064
(Gain) loss from discontinued operations, net of tax	(9)	(60)	101	6,702	2,392	-	-	-	-	308
Interest expense	5,369	5,175	4,979	5,515	6,497	7,012	6,540	6,854	7,482	29,186
Provision for income taxes	9,475	9,834	10,418	11,660	12,846	13,887	13,361	12,571	7,267	10,272
Depreciation and amortization	958	1,054	1,165	1,240	1,420	1,533	1,647	1,846	2,158	4,523
Amount applied to principal on receivable portfolios	83,939	73,187	69,462	104,603	101,813	105,283	90,895	129,487	131,044	157,262
Severance and Stock-based compensation expense	1,810	2,405	1,729	2,266	2,539	1,905	2,084	3,001	5,455	3,983
Acquisition related expense	-	-	-	489	3,774	-	-	1,276	12,757	7,752
Adjusted EBITDA	116,317	106,905	104,988	143,881	147,877	150,928	134,694	174,483	177,175	234,350

Note: The periods 6/30/08 through 12/31/08 have been adjusted to reflect the retrospective application of ASC 470-20. All periods have been adjusted to show discontinued ACG operations.



PROPRIETARY

RECONCILIATION OF ADJUSTED EBITDA - CABOT

Reconciliation of Adjusted EBITDA to GAAP net income (Unaudited, In Thousands) Three Months Ended

	September 30, 2013
GAAP net income attributable to Encore Europe Holdings s.a.r.l.	4,380
Loss from noncontrolling interest	(822)
GAAP net income	3,558
Adjustments:	
Interest expense	18,196
Provision for income taxes	1,174
Depreciation and amortization	1,461
Amount applied to principal on receivable portfolios	26,235
Adjusted EBITDA	50,624

RECONCILIATION OF ADJUSTED OPERATING COST

Reconciliation of Adjusted Operating Cost to GAAP Operating Cost (Unaudited, In Thousands) Three Months Ended

	9/30/11	12/31/11	3/31/12	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13	9/30/13
GAAP total operating expenses, as reported	89,804	97,048	91,394	102,809	103,621	103,872	105,872	126,238	174,429
Adjustments:									
Stock-based compensation expense	(2,405)	(1,729)	(2,266)	(2,539)	(1,905)	(2,084)	(3,001)	(2,179)	(3,983)
Operating expense related to other operating segments	(4,622)	(13,409)	-	(1,513)	(2,055)	(2,113)	(3,022)	(3,504)	(8,008)
Acquisition related integration and consulting fees and severance costs	-	-	-	-	-	-	-	(5,455)	-
Acquisition related legal and advisory fees	-	-	(489)	(3,774)	-	-	(1,276)	(6,948)	(7,752)
Adjusted operating expenses for the portfolio purchasing and recovery business	82,777	81,910	88,639	94,983	99,661	99,675	98,573	108,152	154,686

RECONCILIATION OF ADJUSTED OPERATING COST - CABOT

Reconciliation of Adjusted Operating Cost to GAAP Operating Cost (Unaudited, In Thousands) Three Months Ended

	September 30, 2012	September 30, 2013
GAAP total operating expenses, as reported	\$17,735	\$23,640
Adjustments:		
Operating expense related to other operating segments	(4,301)	(5,280)
Adjusted operating expenses for the portfolio purchasing and recovery business	\$13,434	\$18,360



Encore Capital Group, Inc.

Q3 2013 EARNINGS CALL