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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

**Date of report (Date of earliest event reported): June 6, 2012**

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**ENCORE CAPITAL GROUP, INC.**

**(Exact Name of Registrant as Specified in Charter)**

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**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)**

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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 7.01. Regulation FD Disclosure.**

On June 6, 2012, Encore Capital Group, Inc. (the “Company”) made available an investor presentation following the Company’s 2012 Annual Meeting of Stockholders. A copy of the slides used in the Company’s presentation is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information in 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 7.01, 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 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.**

**(d) Exhibits.**

<u>Exhibit Number</u>	<u>Description</u>
99.1	Encore Capital Group, Inc. presentation dated June 6, 2012.

**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: June 6, 2012

/s/ Paul Grinberg

Paul Grinberg

Executive Vice President, Chief Financial Officer and Treasurer

**EXHIBIT INDEX**

Exhibit  
Number

Description

99.1 Encore Capital Group, Inc. presentation dated June 6, 2012.



# **ENCORE CAPITAL GROUP, INC.**

*WELL-POSITIONED, DEEP STRENGTHS,  
DRIVING GROWTH*

2012 Investor Day

New York, NY

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June 6, 2012

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## CAUTIONARY NOTE ABOUT FORWARD-LOOKING STATEMENTS

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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 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 the most recent reports on Forms 10-K, 10-Q and 8-K, each as it may be amended from time to time. The Company disclaims any intent or obligation to update these forward-looking statements.*

**Brandon Black**

Chief Executive Officer

**Dr. Christopher Trepel**

Chief Scientific Officer

**Paul Grinberg**

Chief Financial Officer

**Jack Nelson**

President, Propel Financial Services

# ENCORE IS A GROWING COMPANY WITH SOPHISTICATED OPERATIONS AND DEEP CONSUMER EXPERTISE



**1 in 9** American consumers have accounts with us

**2.5 million** consumers have satisfied their obligations

**\$800 million** collected in the last twelve months

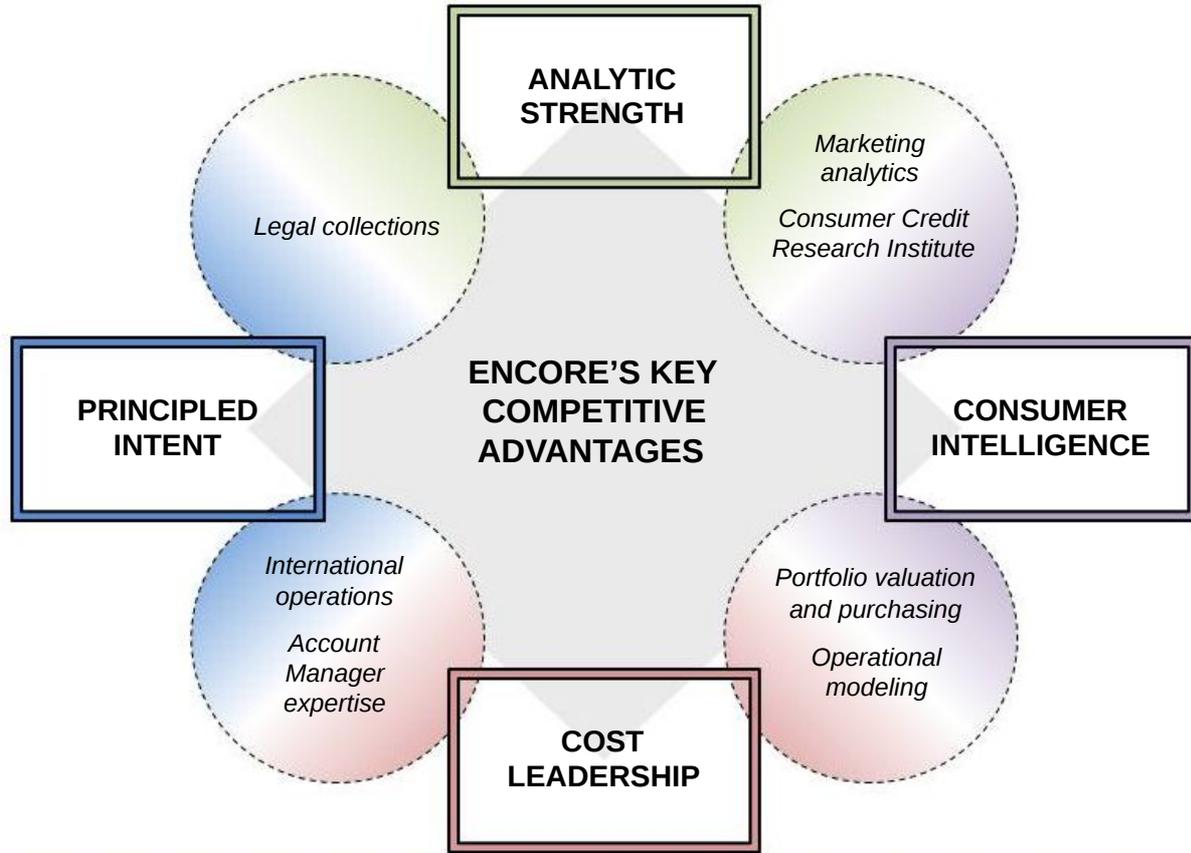
**\$2 billion** in estimated remaining collections

**26%** Adjusted EBITDA<sup>†</sup> 5-year compound annual growth rate

**2,600** employees worldwide

<sup>†</sup> See endnote

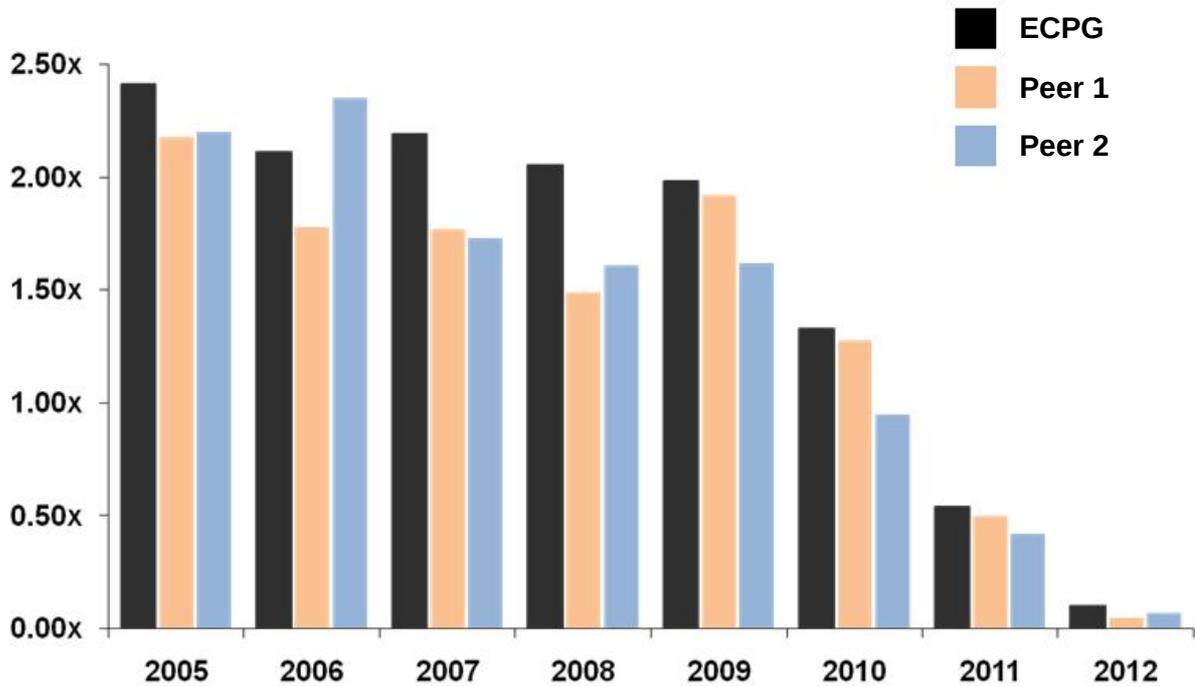
# OUR SUCCESS IS DRIVEN BY OUR CORE COMPETENCIES



# OUR VALUATION AND OPERATING CAPABILITIES HAVE ESTABLISHED ENCORE AS THE INDUSTRY LEADER

## Cumulative actual collection multiples by vintage year, as of March 31, 2012

(Total collections / Purchase price)

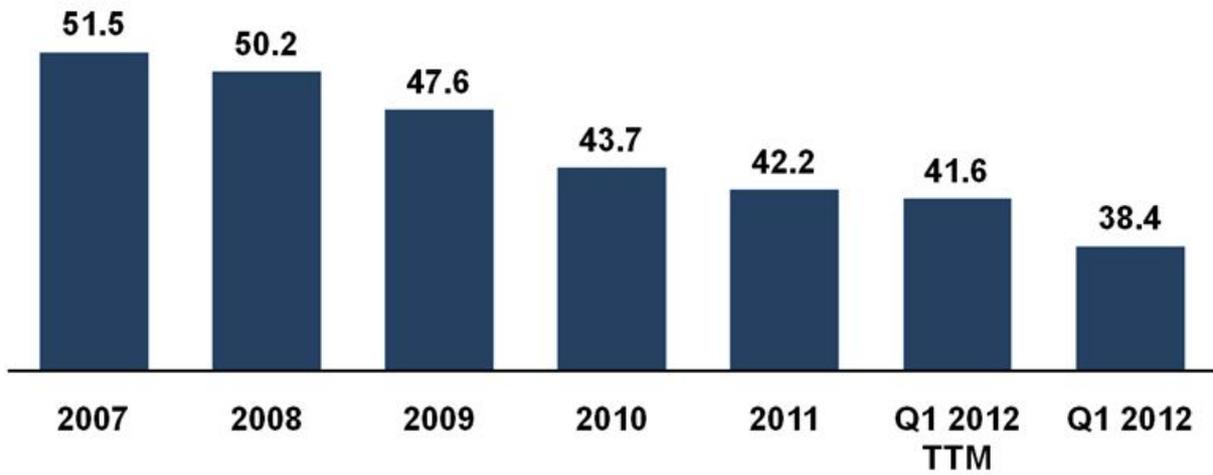


Source: SEC filings

# AND THE DRAMATIC IMPROVEMENT IN OUR COST TO COLLECT HAS GIVEN US A KEY COMPETITIVE ADVANTAGE

## Overall cost to collect

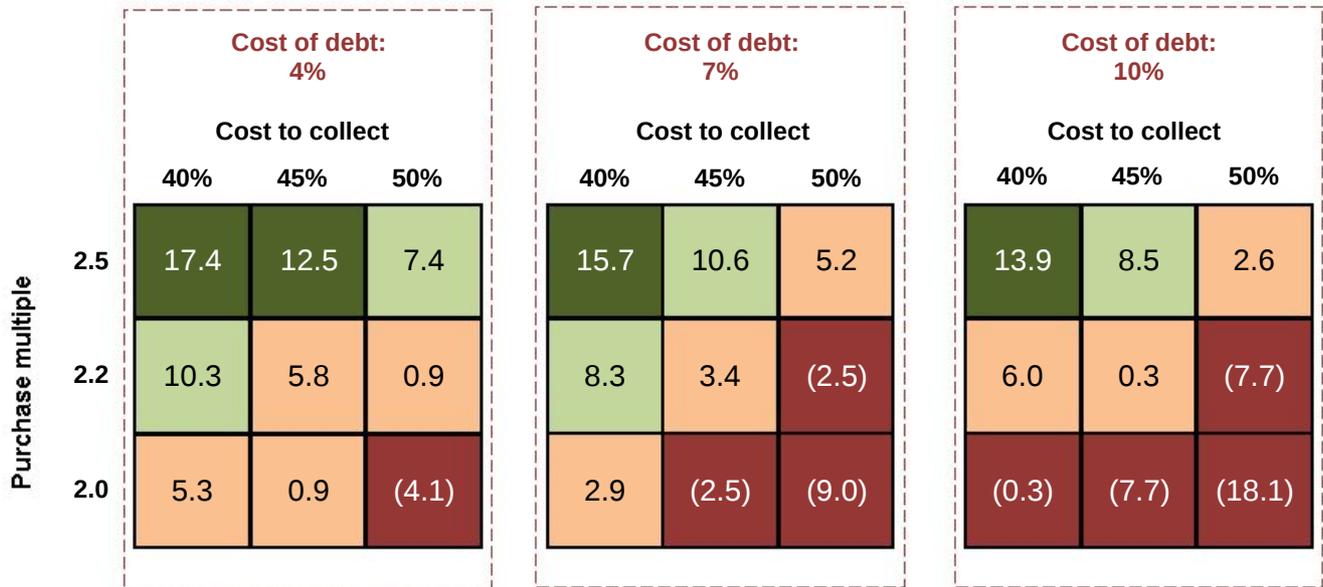
(%)



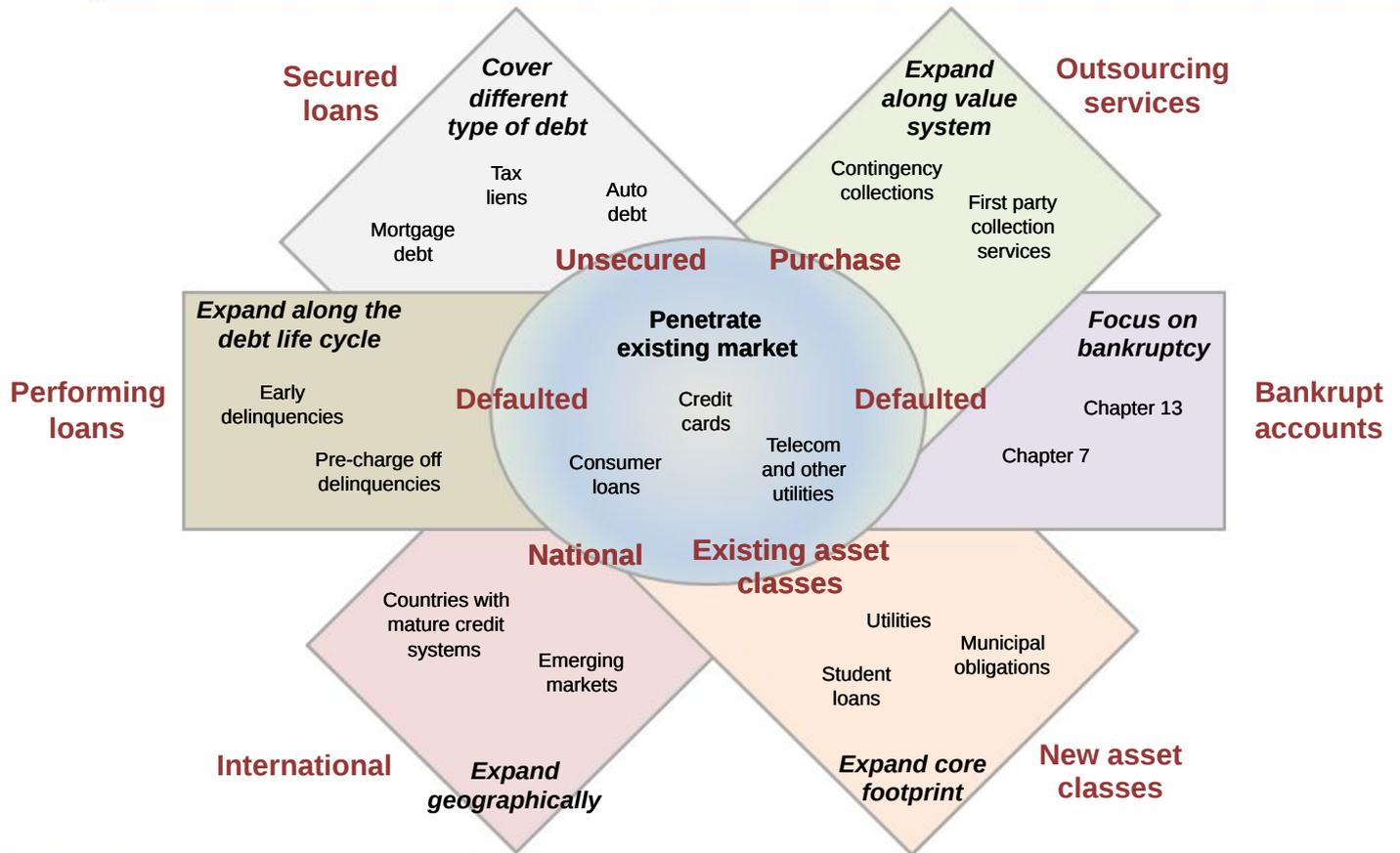
# OUR OPERATING MODEL AND COST ADVANTAGES ALLOW US TO REMAIN PROFITABLE WHEN OTHERS CANNOT

## Interplay of multiples with the costs of debt and collection

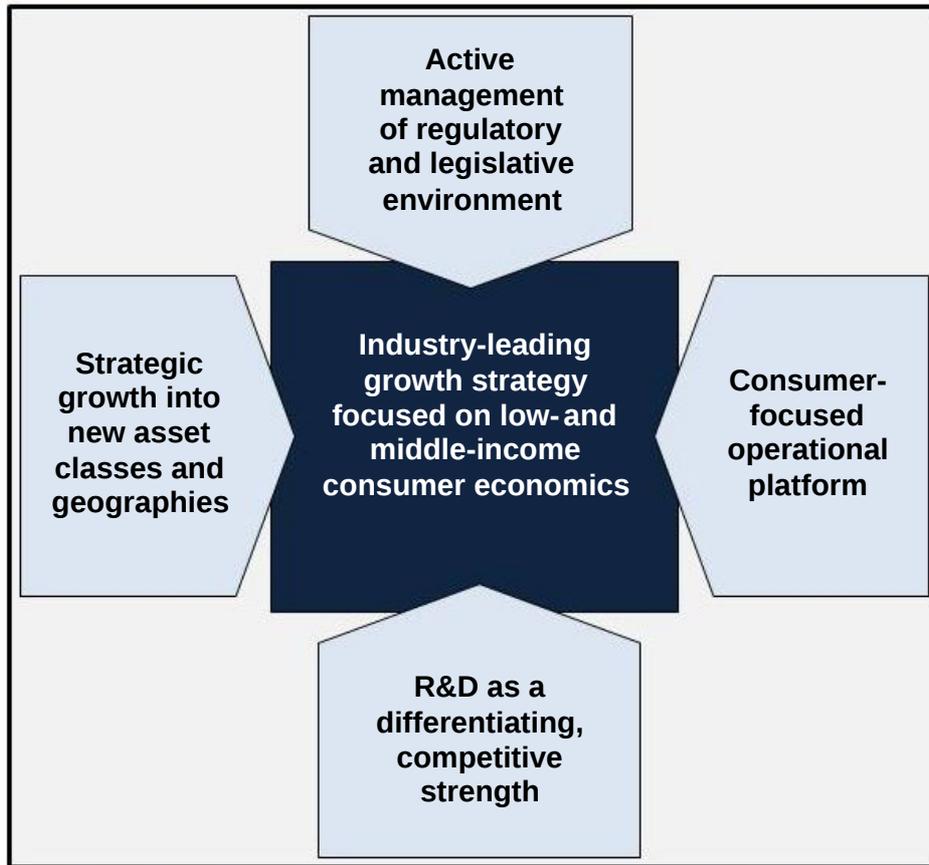
(Unlevered IRR)



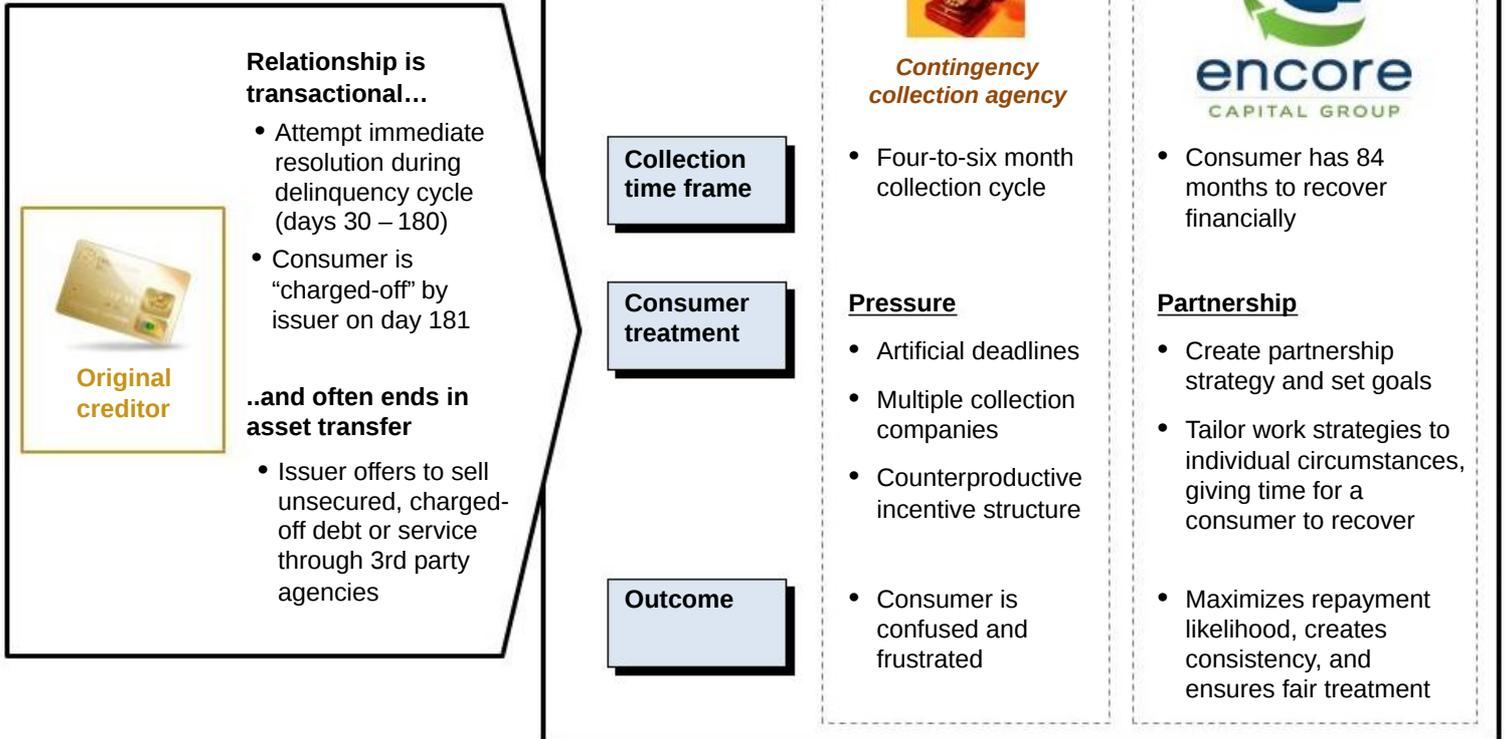
# AS WE LOOK TO THE FUTURE, WE ARE EXPLORING WAYS TO LEVERAGE OUR CORE COMPETENCIES



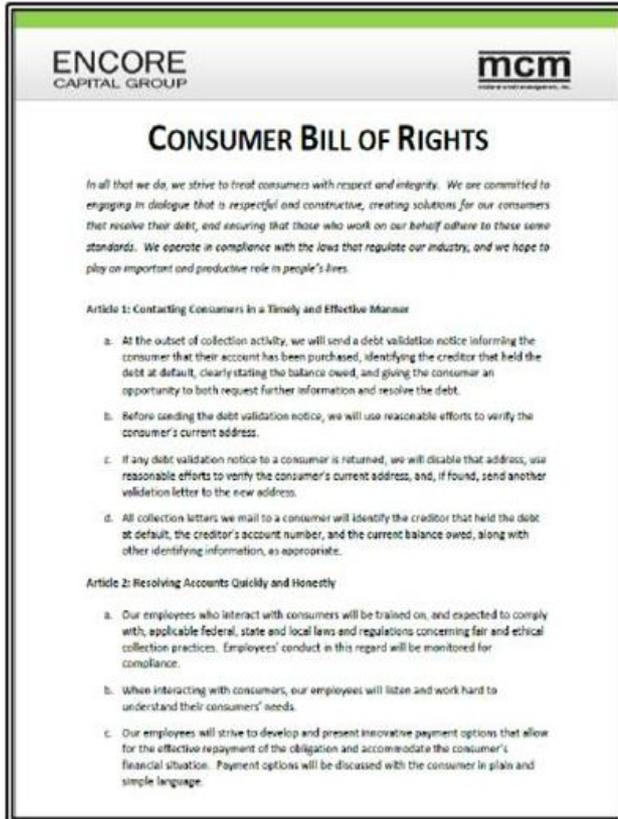
# TODAY, YOU WILL HEAR ABOUT FOUR KEY FACTORS IN OUR ONGOING SUCCESS



# ENCORE PROVIDES AN ESSENTIAL SERVICE AND ITS MODEL SHOULD BECOME THE INDUSTRY STANDARD



# WE INTRODUCED THE INDUSTRY'S FIRST CONSUMER BILL OF RIGHTS



- Clearly states what consumers should expect from Encore

- Gives concrete assurance regarding Encore's conduct

- Suspends interest during payment plans
- Prohibits "robo-messaging"
- Halts collections under certain circumstances

- Positions Encore as an industry leader

- Sets the standard by which the industry should be judged

# WHICH IS A CORNERSTONE OF OUR COMPREHENSIVE GOVERNMENT AFFAIRS STRATEGY

## Consumer Financial Protection Bureau

- Have proactively met with the CFPB several times on policy matters
- Assembled compliance-focused task force with representation from all key areas across the company

## State legislative landscape

- Leading active lobbying efforts in collaboration with other major industry players
- Have successfully informed bills across a number of states

## State Attorneys General

- Building a working group in several states to address remaining questions
- Individual discussions continue with certain states

# OPERATIONALLY, WE'RE BUILDING A PLATFORM THAT ENCOURAGES A DIFFERENT KIND OF RELATIONSHIP WITH OUR CONSUMERS

## Addressing debt cycles

- Acknowledging the limitations of our consumers' household balance sheets
- Living the *Consumer Bill of Rights*

## Making focused investments

- Creating specialized work groups
- Leveraging our industry-leading cost efficiency
- Increasing direct control over consumer experience

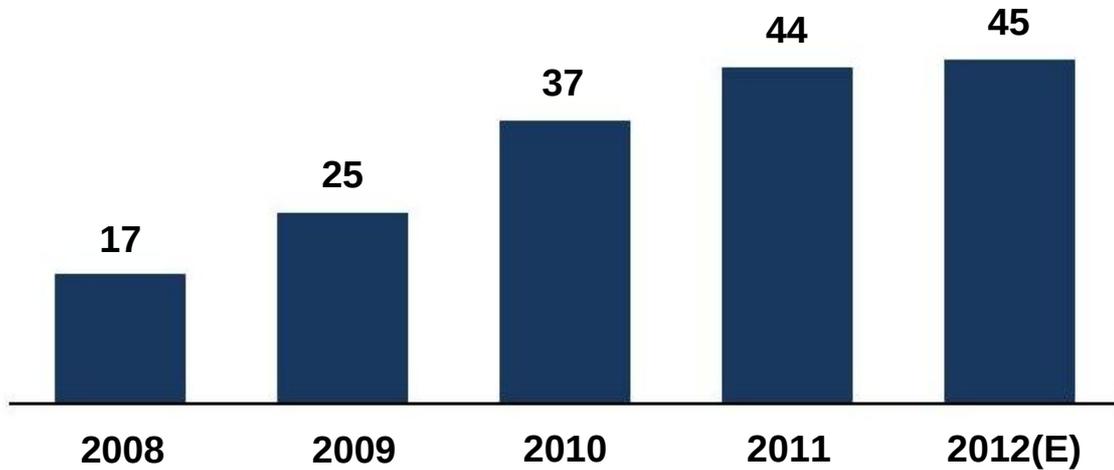
## Improving consumer experience

- Using market-based surveys and tests to understand consumer satisfaction
- Partnering to develop new products and services
- Pointing consumers to the best external references

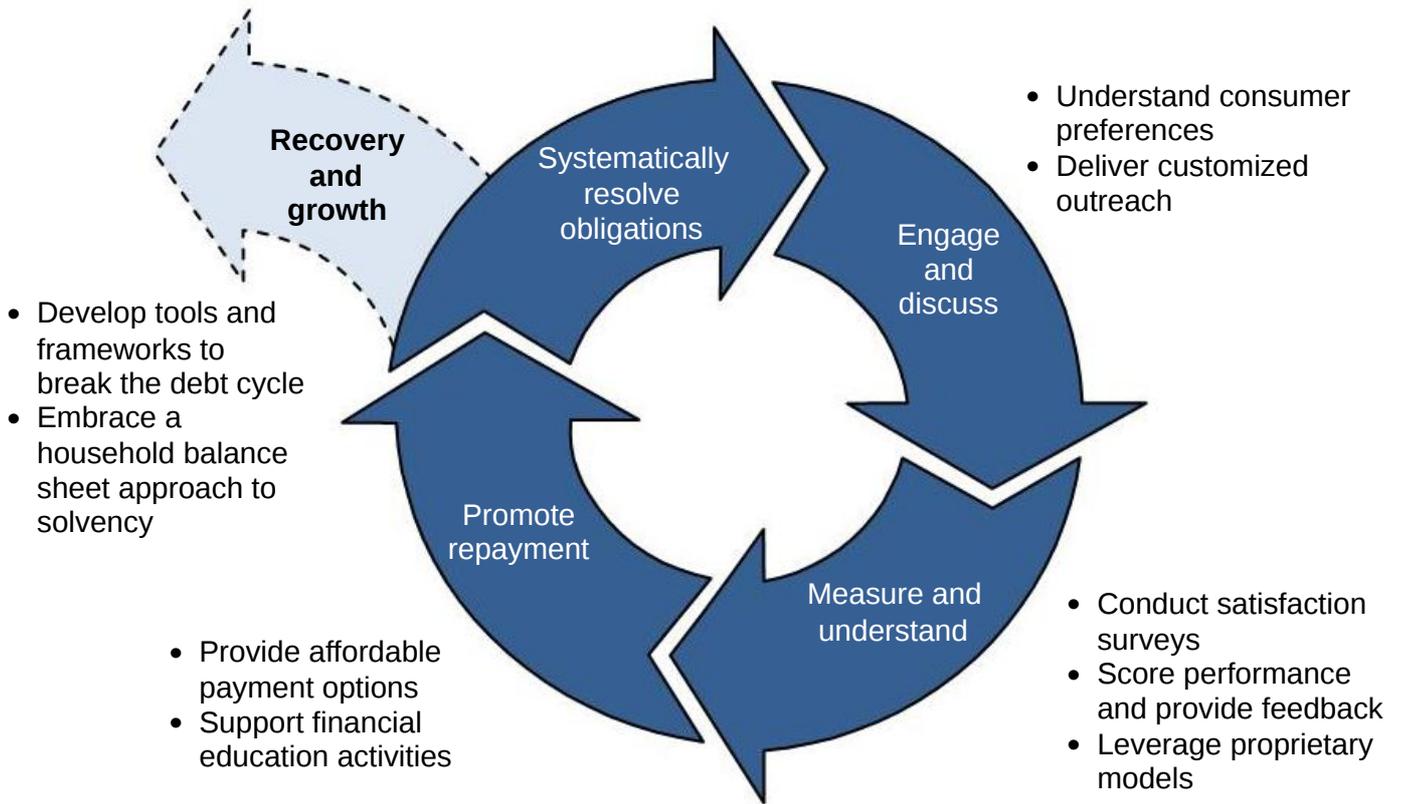
# WE'VE SEEN A SIGNIFICANT INCREASE IN THE NUMBER OF CONSUMERS WITH MULTIPLE OBLIGATIONS

## Multiple obligations held within new portfolios, by purchase vintage

*(% of unique consumers)*



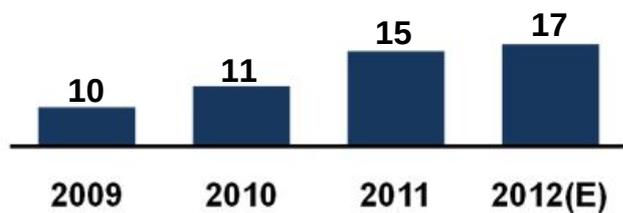
# WE ARE MORE CLOSELY ALIGNING OUR ENGAGEMENT MODEL TO OUR CONSUMERS' NEEDS AND GOALS



# WE'VE ESTABLISHED SPECIALIZED COLLECTION TEAMS TO OPTIMIZE REPAYMENT RATES AND CONSUMER EXPERIENCE

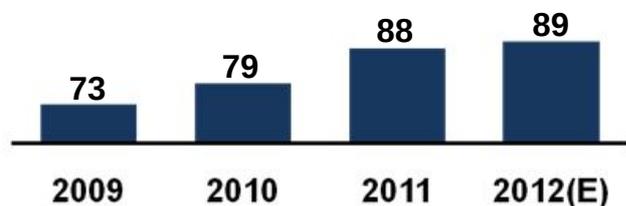
## Increasing call center specialization

(Number of distinct teams)



## Internal call center share of non-legal collections

(%)



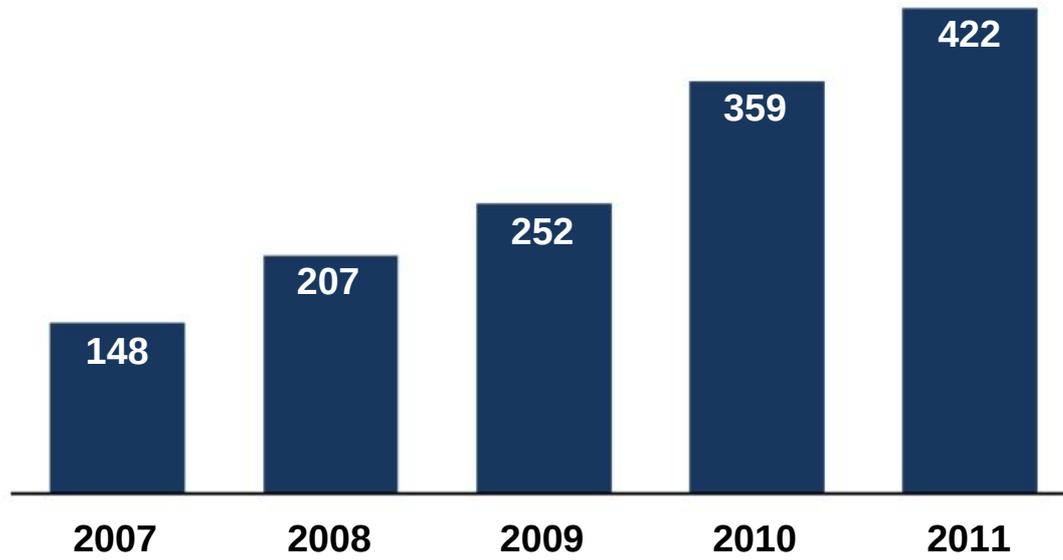
Increasing work group specialization and control allows for:

- Discounts that are better customized to consumer circumstance
- Increasing numbers of deep discounts for those consumers most in need

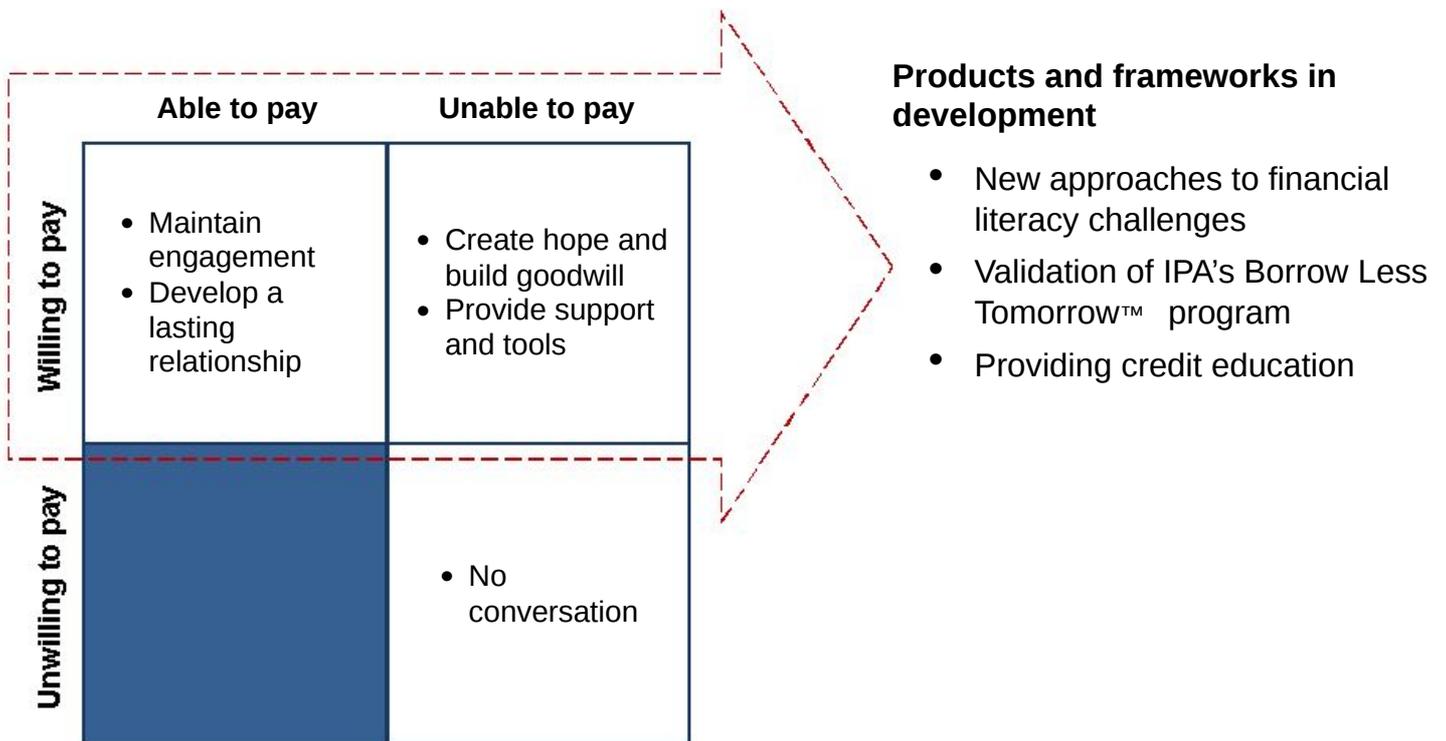
# OUR CALL CENTER PRODUCTIVITY HAS STEADILY IMPROVED THROUGH SPECIALIZATION

## Productivity of Phoenix Call Center

*(Dollars collected per paid hour)*

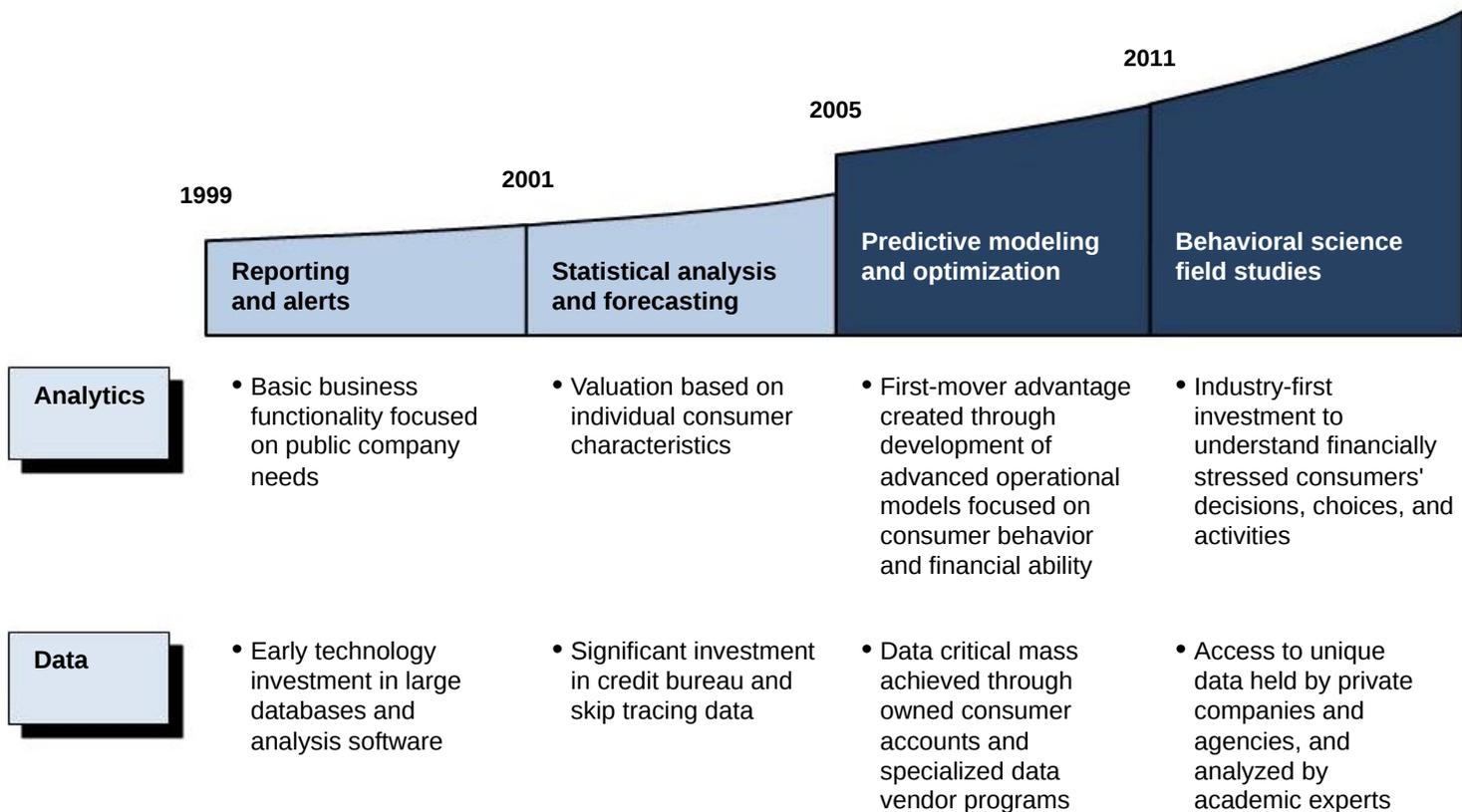


# THE NEW PRODUCT OFFERINGS ESTABLISH A DIFFERENT DIALOGUE WITH CONSUMERS AND PROMOTE RECOVERY



**Dr. Christopher Trepel  
Chief Scientific Officer**

# UNDERSTANDING FINANCIALLY STRESSED CONSUMER BEHAVIOR IS AT THE HEART OF OUR COMPANY'S EVOLUTION



# THIS IS CLEARLY SEEN IN OUR APPROACH TO ASSET VALUATION

## High willingness High capability

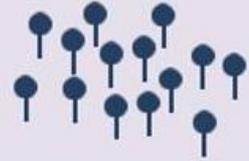
- Strong partnership and recovery opportunities



*Encore's individual underwriting approach to portfolio valuation accommodates our specialized operational strengths*

## Low willingness High ability

- Enforce legal contract through formal channels



## High willingness Moderate capability

- Payment plans and opportunities to build longer relationships



## High willingness Low capability

- Significant discounts and many small payments



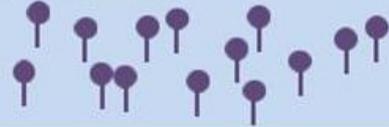
## Low willingness Moderate ability

- Remind consumers through legal messaging

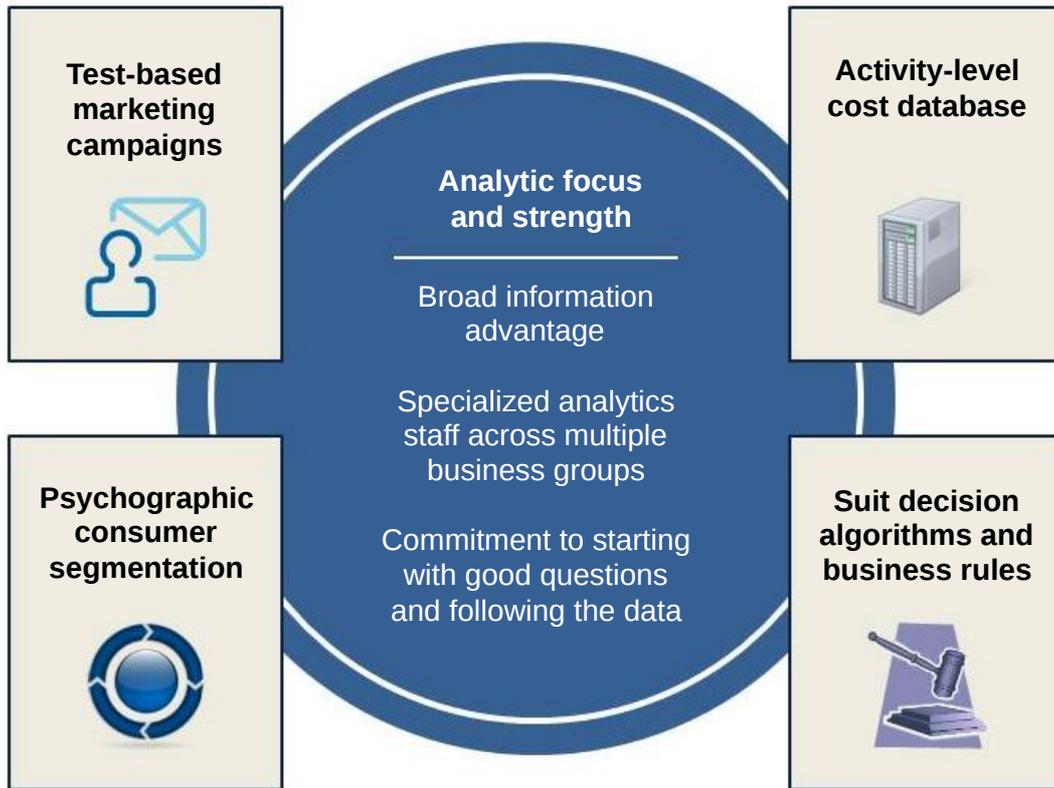


## Low willingness Low ability

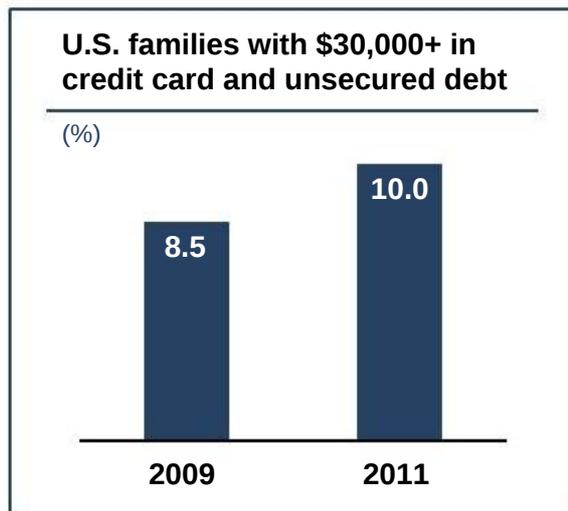
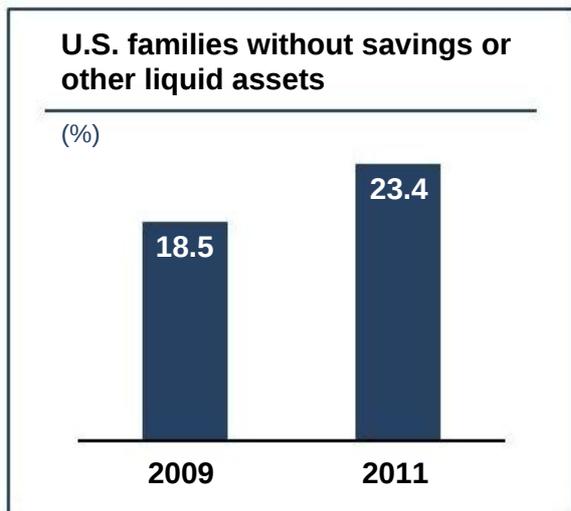
- Hardship strategies and warehousing



# COMMITMENT TO ANALYTIC RIGOR UNDERPINS EVERY ASPECT OF OUR OPERATIONAL STRATEGY



# THE DEMAND FOR INFORMATION AND NEW THINKING ABOUT CONSUMER FINANCIAL BEHAVIOR HAS NEVER BEEN STRONGER

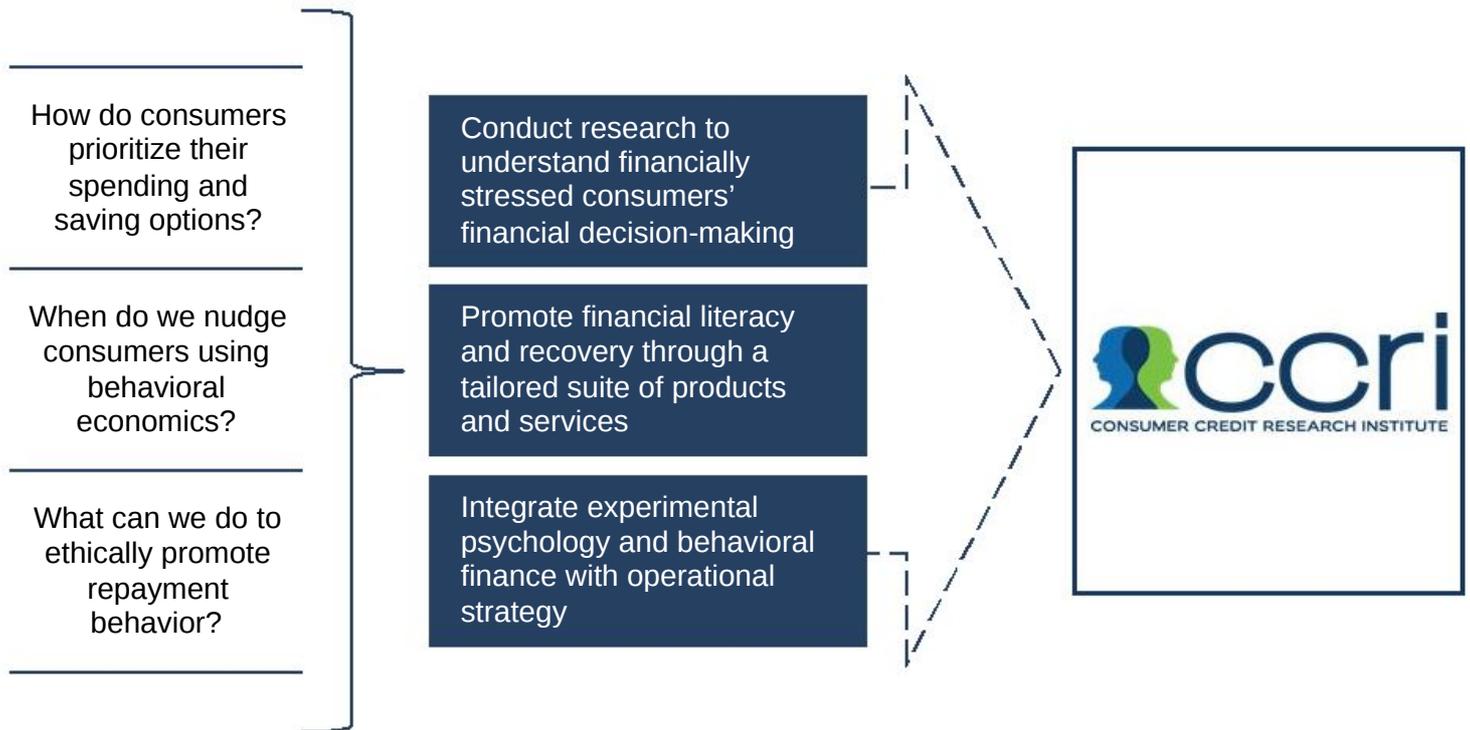


Low- and middle-income consumers were hit especially hard during the 2008 recession and are continuing to struggle financially

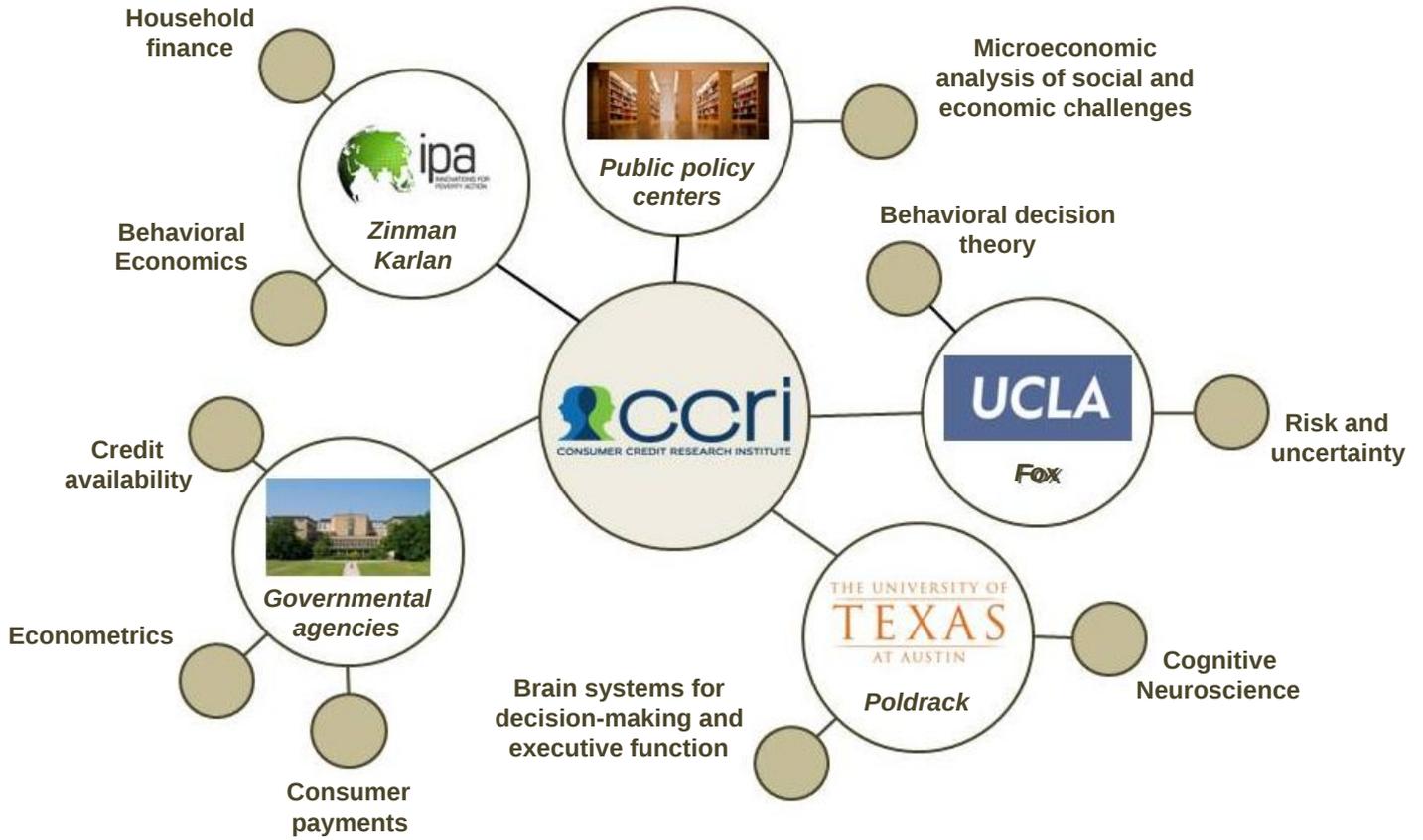
Debt repayment is essential to improve household balance sheet stability and insulate families against insolvency

Source: Stafford et al. (May 2012) *Mortgage Distress and Financial Liquidity: How U.S. Families are Handling Savings, Mortgages and Other Debts*. Survey Research Center, Institute for Social Research, University of Michigan.

# WE MAXIMIZE OUR IMPACT BY ASKING IMPORTANT QUESTIONS ABOUT CONSUMERS AND THEIR CIRCUMSTANCES



# WE ARE COLLABORATING WITH LEADING INSTITUTIONS TO AUGMENT OUR SCIENTIFIC EXPERTISE



# OUR RESEARCH PIPELINE IS ROBUST AND FOCUSED ON BOTH TRADITIONAL AND NOVEL PROGRAMS

Program	Focus	Concept	Planning	Pilot Study	Full Study	Application
<b>Consumer parametrics</b>	<ul style="list-style-type: none"> <li>Scientific understanding of consumer decision triggers and biases</li> </ul>	[Progress bar spanning Concept and Planning]		[Pilot Study]	[Full Study]	[Application]
<b>Settlement economics</b>	<ul style="list-style-type: none"> <li>Supply and demand factors that shape repayment behavior</li> </ul>	[Progress bar spanning Concept and Planning]		[Pilot Study]	[Full Study]	[Application]
<b>Model enhancement</b>	<ul style="list-style-type: none"> <li>Describe consumer trajectories to enhance operational strategies</li> </ul>	[Progress bar spanning Concept and Planning]		[Pilot Study]	[Full Study]	[Application]
<b>Information mapping</b>	<ul style="list-style-type: none"> <li>Combining data sets to reveal new variable inter-relationships</li> </ul>	[Progress bar in Concept]	[Planning]	[Pilot Study]	[Full Study]	[Application]
<b>Debiasing platforms</b>	<ul style="list-style-type: none"> <li>Develop new tools to improve consumer decision-making</li> </ul>	[Progress bar spanning Concept and Planning]		[Pilot Study]	[Full Study]	[Application]
<b>Credit availability</b>	<ul style="list-style-type: none"> <li>Understand the effect of collections on credit availability and repayment</li> </ul>	[Progress bar in Concept]	[Planning]	[Pilot Study]	[Full Study]	[Application]

# OUR INNOVATIVE RESEARCH AND DEVELOPMENT PLATFORM WILL CREATE SIGNIFICANT NEW VALUE FOR ENCORE

## Valuation and purchasing

- Identify hidden portfolio segments that carry incremental, new value and every additional opportunity to bid safely and aggressively
- Provide additional valuation protection against weak portfolios and bidding protection against overpayment

## Operations

- Drive new insights by combining traditional sources of data (e.g., issuer, credit bureau, prior affiliation) with direct consumer surveys, data mining, and psychographic information
- Inform and guide highly rigorous marketing tests that pinpoint consumer repayment triggers

## Policy and regulation

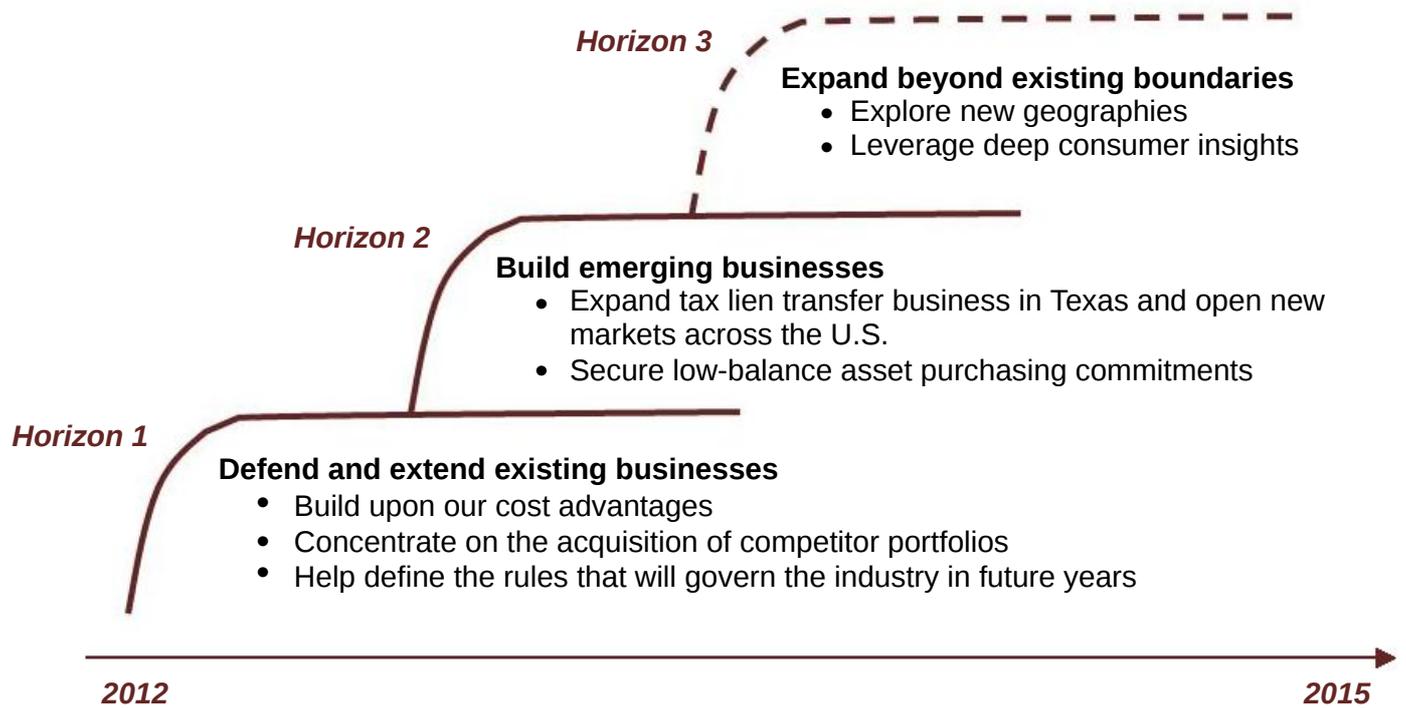
- Provide new basis for a “seat at the table” with governmental, policy center, and non-profit constituencies
- Encourage third parties to think differently about Encore’s goals and motives

# RECENT STRATEGIC TRANSACTIONS POSITION US WELL FOR OUR NEXT STAGE OF GROWTH

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**Paul Grinberg**  
**Chief Financial Officer**

# WE THINK ABOUT GROWTH OVER THREE HORIZONS



# IN THE LAST 30 DAYS, WE'VE MADE THREE KEY STRATEGIC MOVES

## Encore's largest portfolio acquisition

Our analytical and operating advantages enabled the successful valuation and integration of the large purchase

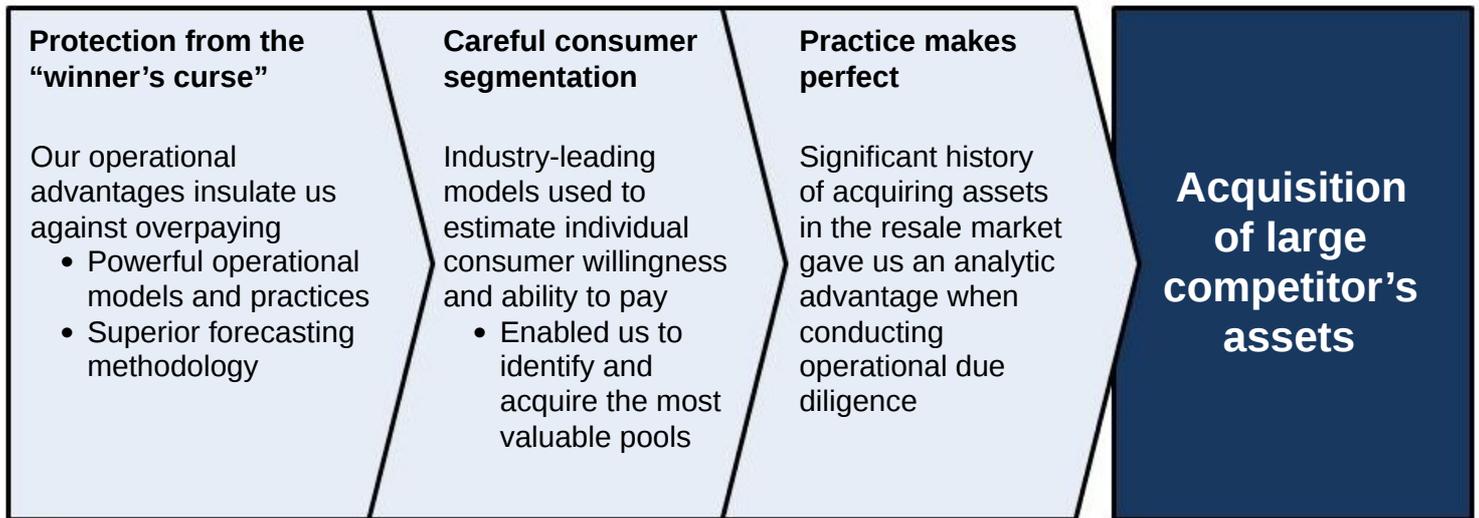
## Divestiture of our bankruptcy servicing subsidiary

We transitioned Ascension Capital Group to a capable owner with expertise in the bankruptcy space

## Acquisition of Propel Financial Services

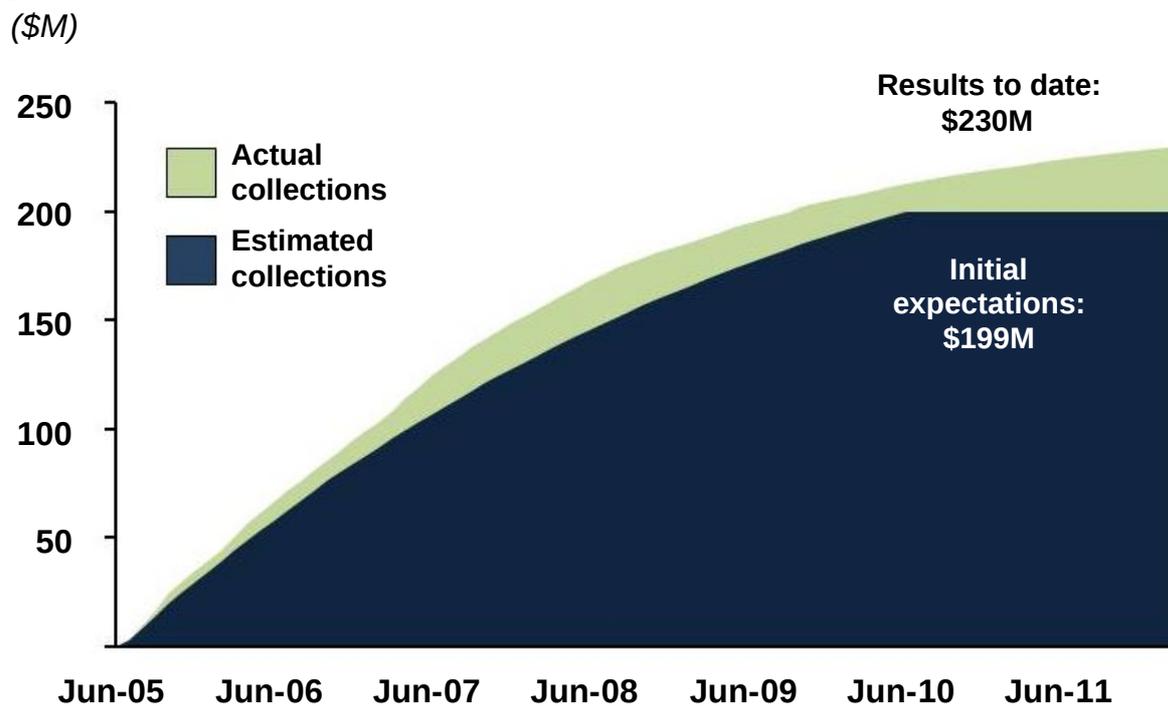
We identified and pursued a strong cultural and strategic fit that lends itself to strong long-term growth

# ENCORE IS WELL POSITIONED TO PROVIDE A SOLUTION FOR COMPETITORS WHO EXIT THE MARKET



# OUR CONFIDENCE IS TIED TO THE SUCCESSFUL COMPLETION OF ONE OF THE INDUSTRY'S FEW DEALS OF THIS SIZE

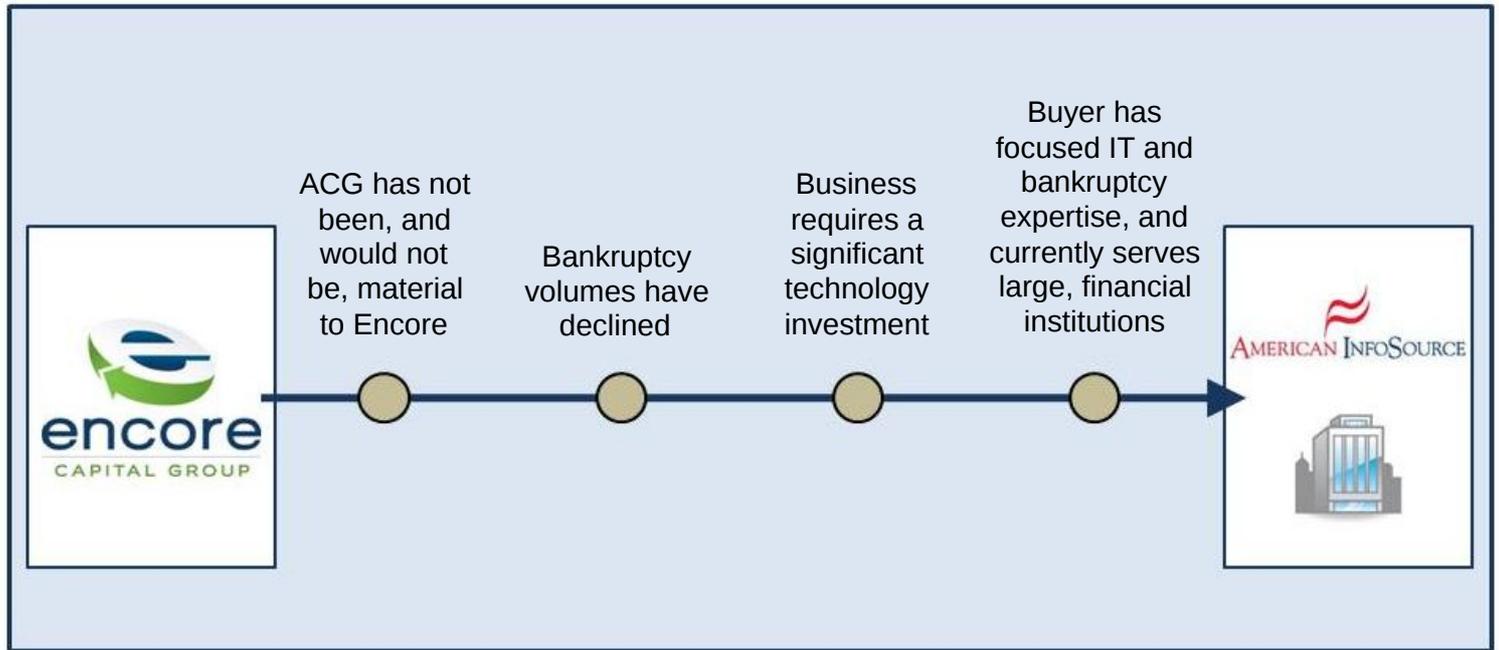
## \$90M portfolio purchase in 2005, cumulative collections



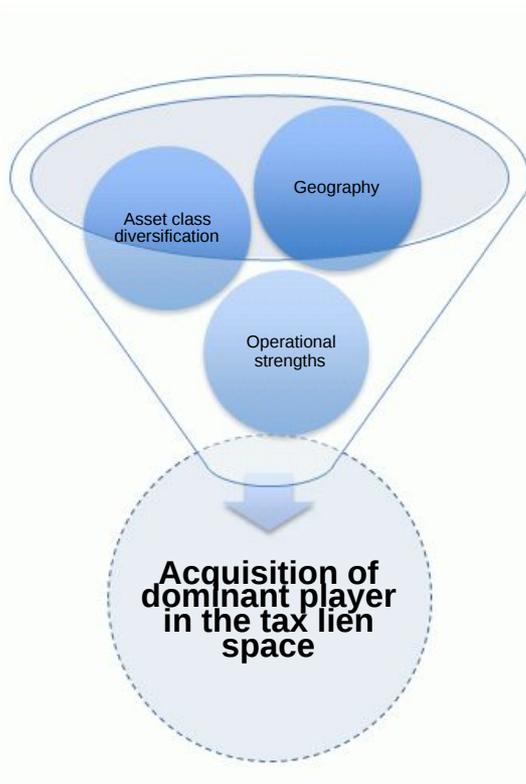
# OUR OPERATIONAL STRENGTHS ARE UNIQUELY SUITED TO EXECUTING COMPLEX DEALS



# WE HAVE TRANSITIONED OUR BANKRUPTCY BUSINESS TO A BETTER-SUITED OWNER



# WE STUDIED MANY MARKETS AND GEOGRAPHIES BEFORE FINDING AN OPPORTUNITY THAT SATISFIED OUR ACQUISITION CRITERIA



## Leverage Encore's strengths

- Consumer intelligence platform focused on helping financially stressed individuals
- Industry-leading asset valuation methodology
- Low-cost operational platform

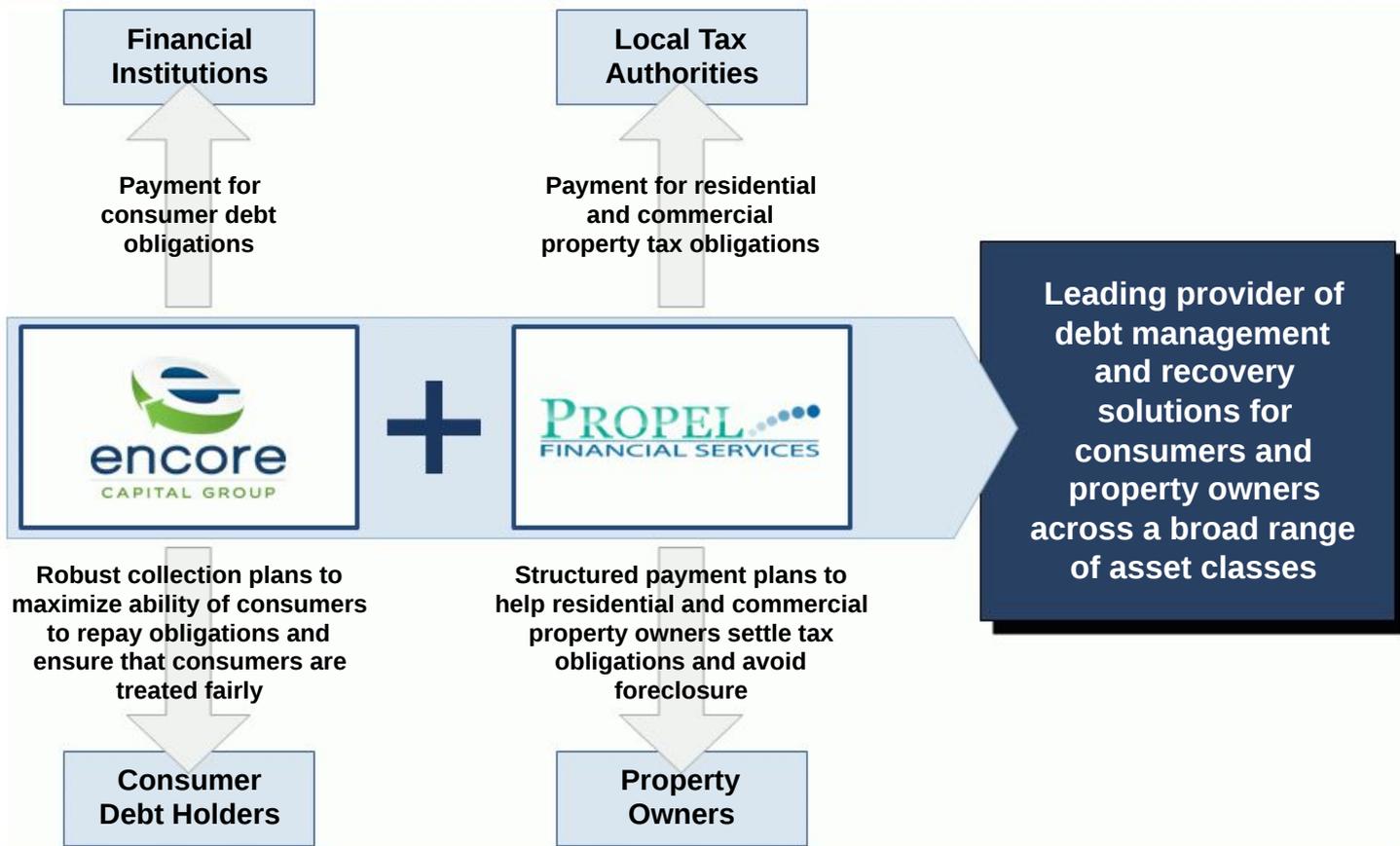
## Meaningful market opportunity

- Between \$7B and \$10B sold each year
- Advantageous timing as large players exit the market for non-financial reasons

## Consumer focused model

- Used to fund essential services
- Allows consumers to protect home from foreclosure and avoid financial penalties
- Propel was recognized as a 2011 "Top Workplace" by San Antonio Express-News

# THE BUSINESS MODELS ARE VERY SIMILAR, AS BOTH PROVIDE ESSENTIAL SERVICES FOR CONSUMERS AND CREDITORS



# OUR BALANCE SHEET REMAINS STRONG

## Covenant analysis\*

(\$M)	2010	2011	Pro forma <sup>‡</sup> Q1 2012 TTM
<b>Cash flow leverage ratio</b>			
Debt	385.3	389.0	715.5
Trailing 4-quarter Adjusted EBITDA <sup>†</sup>	346.7	445.0	515.4
<b>Debt/Adjusted EBITDA* (maximum 2.0x)</b>	1.11	0.87	1.39
<b>Minimum net worth</b>			
<b>Excess room</b>	95.1	133.5	140.7
<b>Interest coverage ratio</b>			
<b>EBIT/interest expense (minimum 2.0x)</b>	5.0	5.7	4.8

\* Subject to adjustments at closing based on originations and collections

‡ Encore only for 2010 and 2011; pro forma includes Encore with May 2012 competitor portfolio purchases and Propel Financial Services acquisition

† See endnote

# WITH PROPEL, WE'VE ACQUIRED EXPERTISE, AN INDUSTRY-LEADING PLATFORM, AND A HIGHLY PROFITABLE PORTFOLIO

## Strong portfolio and platform

- Opportunities to leverage Encore's core strengths

## Similar economics to core business

- Used DCF analysis to value acquisition

## Smooth earnings profile

- Fast-growing, highly secure \$140M portfolio, earning >13% interest

**Acquisition characterized by complementary strengths, very strong economics, and significant growth potential**

**Jack Nelson**  
**President, Propel Financial Services**

# WE WORK WITH CONSUMERS THROUGH A WELL-DEFINED PROCESS



- Delinquent Tax Roll (DTR) created on February 1<sup>st</sup>
- 48% statutory penalty fee timeline begins

- The DTR is released by the counties
- Direct mail marketing campaigns begin

- Property owners contact Propel and apply for tax lien transfers
- Propel negotiates an appropriate repayment plan

- Propel pays delinquent county taxes
- County records and transfers tax lien rights to Propel

- Consumer makes monthly payments to Propel
- Propel services the accounts directly

## Property owners

- Stop the accruing of penalties
- Get time to repay their obligation
- Avoid foreclosure
- Obtain peace of mind

## Tax authorities

- Collect otherwise delayed revenue
- More funds become available for essential services like schools and hospitals
- Maintain positive relationships with constituents

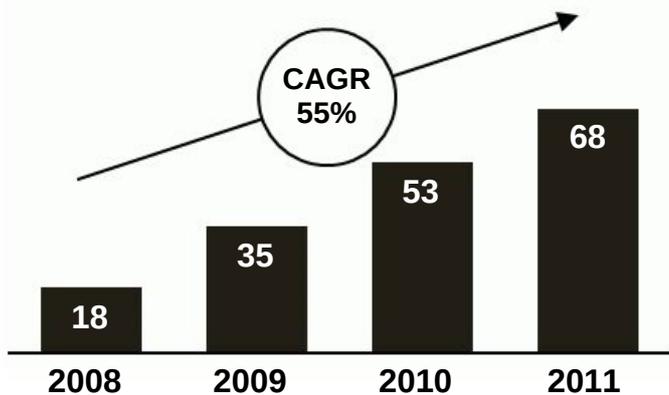
## Secured lenders

- Preserve equity values
- Avoid costly foreclosure proceedings and potential REOs

# WHICH HAS ALLOWED US TO GROW OUR PORTFOLIO WHILE MAINTAINING AN EXCEPTIONALLY LOW RISK PROFILE

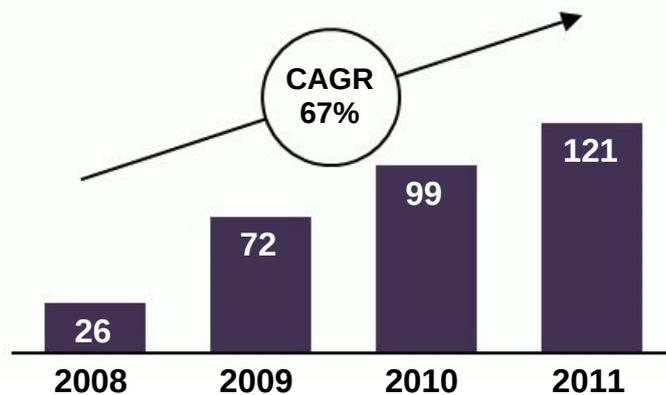
## Propel originations

(\$M)



## Propel portfolio size

(\$M)



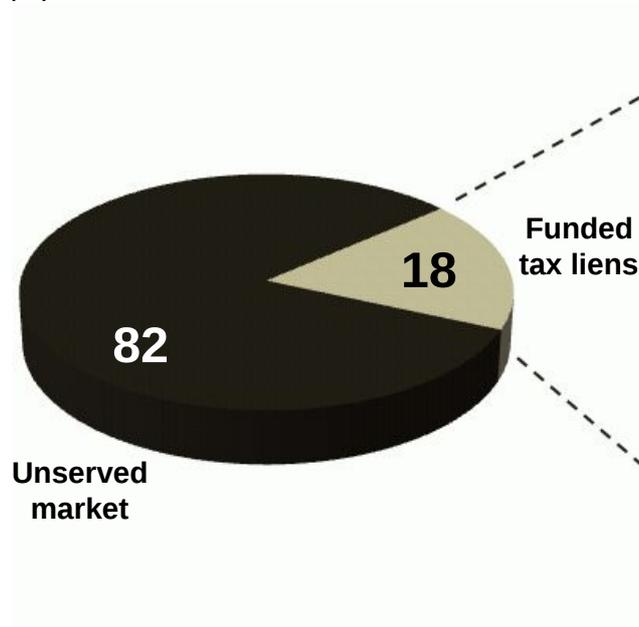
## Residential portfolio characteristics

- \$6,000 average balance
- 7-year term
- 3.5-year weighted average life
- 13-14% typical interest rate
- \$180,000 average property value
- 4% average LTV
- 0.3% foreclosure rate
- Zero losses

# THE COMPETITIVE LANDSCAPE IS FAVORABLE AND THE TEXAS MARKET IS LARGE AND RELATIVELY UNTAPPED

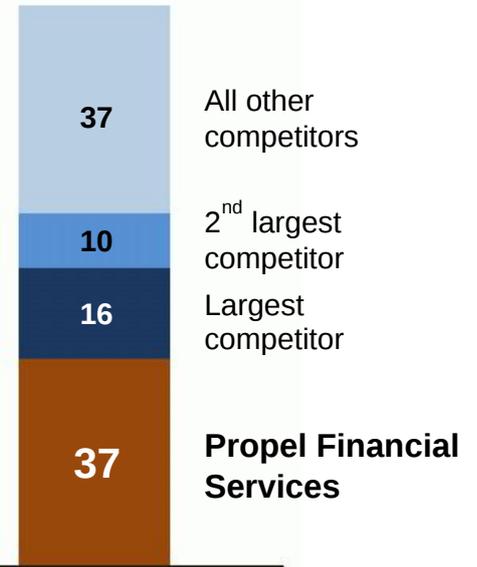
## 2011 market penetration

(%)



## Propel market share

(Originations, %)



## WE WILL LEVERAGE SOME OF ENCORE'S CORE COMPETENCIES TO DRIVE GROWTH



### **Customer support**

Encore's robust call center operations will allow us to provide broader inbound and outbound customer acquisition and support services



### **Direct mail marketing**

Applying Encore's in-depth marketing analytics will improve ROI on direct mail campaigns



### **Consumer analytics**

Leveraging Encore's industry-leading consumer analytics will strengthen our ability to underwrite and provide service to our customers

# WE PLAN TO EXPAND IN OUR CORE MARKET AND INTO OTHER STATES



## ***Existing market***

Working to penetrate the 80% of the Texas market that has yet to use a tax lien transfer



## ***New markets***

Lobbying to introduce legislation in other states that will create new markets



## ***New opportunities***

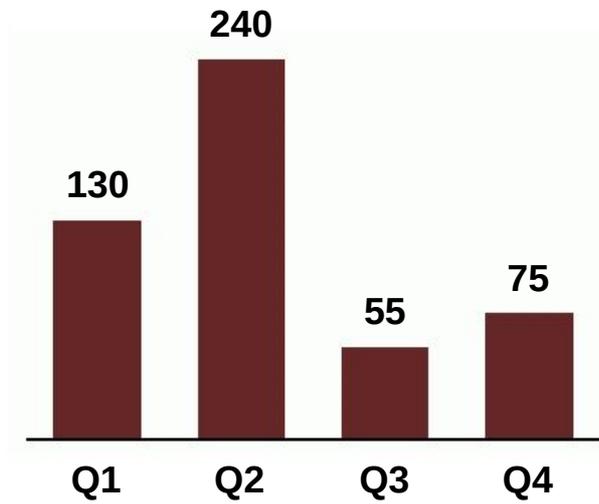
Exploring alternative tax lien models that will allow us to expand into new markets

**Brandon Black**  
**President and Chief Executive Officer**

# ON A NORMALIZED BASIS, WE EXPECT TO DEPLOY NEARLY \$500 MILLION THIS YEAR

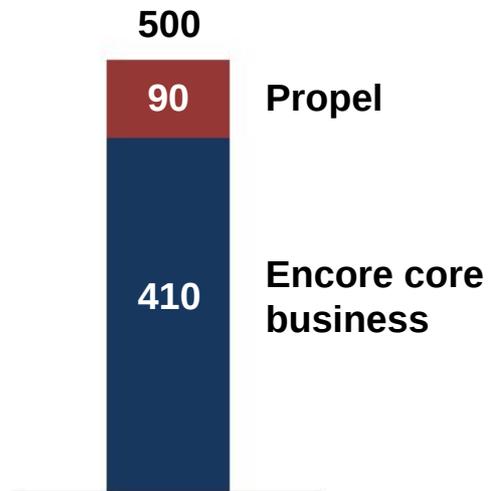
## 2012 purchasing outlook

(\$M)



## 2012 normalized capital deployment

(\$M)



## ENCORE'S LONG-TERM PROSPECTS CONTINUE TO BE STRONG AND ARE GAINING STRENGTH

- **Operating results continue to be strong and are exceeding our internal projections**
- **Significant purchases in the second quarter will drive growth throughout 2012 and into 2013**
- **Working collaboratively with legislators and policymakers to shape the future of the collection industry**
- **Acquisition of the market leader in tax lien transfer business provides flexibility for future purchase needs**

## ENDNOTE

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- † The Company has included information concerning Adjusted EBITDA because management utilizes this information 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. Adjusted EBITDA has not been prepared in accordance with generally accepted accounting principles (GAAP). The Company has included a reconciliation of Adjusted EBITDA to reported earnings under GAAP, in the financial tables included in the Appendix, and in the Company's Form 8-K filed today.

# APPENDIX

# RECONCILIATION OF ADJUSTED EBITDA

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

	3/31/07	6/30/07	9/30/07	12/31/07	3/31/08	6/30/08	9/30/08	12/31/08	3/31/09	6/30/09	9/30/09	12/31/09
GAAP net income, as reported	4,991	(1,515)	4,568	4,187	6,751	6,162	3,028	(2,095)	8,997	6,641	9,004	8,405
Interest expense	4,042	4,506	4,840	5,260	5,200	4,831	5,140	5,401	4,273	3,958	3,970	3,959
Contingent interest expense	3,235	888	-	-	-	-	-	-	-	-	-	-
Pay-off of future contingent interest	-	11,733	-	-	-	-	-	-	-	-	-	-
Provision for income taxes	3,437	(1,031)	1,315	2,777	4,509	4,225	2,408	(1,442)	5,973	4,166	5,948	4,609
Depreciation and amortization	869	840	833	810	722	766	674	652	623	620	652	697
Amount applied to principal on receivable portfolios	28,259	29,452	26,114	29,498	40,212	35,785	35,140	46,364	42,851	48,303	49,188	47,384
Stock-based compensation expense	801	1,204	1,281	1,001	1,094	1,228	860	382	1,080	994	1,261	1,049
Impairment charge for goodwill and identifiable intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition related expense	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted EBITDA	45,634	46,077	38,951	43,533	58,488	52,997	47,250	49,262	63,797	64,682	70,023	66,103

	3/31/10	6/30/10	9/30/10	12/31/10	3/31/11	6/30/11	9/30/11	12/31/11	3/31/12
GAAP net income, as reported	10,861	11,730	12,290	14,171	13,679	14,775	15,370	17,134	11,406
Interest expense	4,538	4,880	4,928	5,003	5,593	5,369	5,175	4,979	5,515
Contingent interest expense	-	-	-	-	-	-	-	-	-
Pay-off of future contingent interest	-	-	-	-	-	-	-	-	-
Provision for income taxes	6,490	6,749	6,632	9,075	8,601	9,486	9,868	10,351	7,344
Depreciation and amortization	673	752	816	958	1,053	1,105	1,194	1,309	1,363
Amount applied to principal on receivable portfolios	58,265	64,901	63,507	53,427	85,709	83,939	73,187	69,462	104,603
Stock-based compensation expense	1,761	1,446	1,549	1,254	1,765	1,810	2,405	1,729	2,266
Impairment charge for goodwill and identifiable intangible assets	-	-	-	-	-	-	-	-	10,349
Acquisition related expense	-	-	-	-	-	-	-	-	489
Adjusted EBITDA	82,588	90,458	89,722	83,888	116,400	116,484	107,199	104,964	143,335

Note: The periods 3/31/07 through 12/31/08 have been adjusted to reflect the retrospective application of ASC 470-20



PROPRIETARY