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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 4, 2015**

\_\_\_\_\_  
**ENCORE CAPITAL GROUP, INC.**

(Exact Name of Registrant as Specified in Charter)

**Delaware**  
(State or Other Jurisdiction of Incorporation)

**3111 Camino Del Rio North, Suite 103, San Diego, California**  
(Address of Principal Executive Offices)

**000-26489**  
(Commission  
File Number)

**(877) 445-4581**  
(Registrant's telephone number, including area code)

**48-1090909**  
(IRS Employer  
Identification No.)  
**92108**  
(Zip 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))

**Item 7.01. Regulation FD Disclosure.**

A copy of a slide presentation made available by Encore Capital Group, Inc. at its previously announced June 4, 2015 investor day is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein solely for purposes of this Item 7.01.

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.**

<b>Exhibit Number</b>	<b>Description</b>
99.1	Slide presentation of Encore Capital Group, Inc. dated June 4, 2015.

**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 4, 2015

/s/ Jonathan Clark

Jonathan Clark

Executive Vice President, Chief Financial Officer and Treasurer

**EXHIBIT INDEX**

<b>Exhibit Number</b>	<b>Description</b>
99.1	Slide presentation of Encore Capital Group, Inc. dated June 4, 2015.



# 2015 ANNUAL MEETING & INVESTOR DAY

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June 4, 2015

New York, NY

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## SAFE HARBOR

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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, shareholder return, capital deployment 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, as they may be amended from time to time. The Company disclaims any intent or obligation to update these forward-looking statements.

# AGENDA

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## PRESENTATION

**Ken Vecchione**

President and Chief Executive Officer

**Paul Grinberg**

Group Executive, International and Corporate Development

**Jonathan Clark**

Executive Vice President and Chief Financial Officer

## GLOBAL LEADERSHIP PANEL

**Moderator**

**Ken Vecchione**, President and Chief Executive Officer

**Participants**

**Kevin Fuller**, CEO, Grove Capital Management

**Paul Grinberg**, Group Executive, International and Corporate Development

**Kenneth Mendiwelson**, CEO, Refinancia

**Ashish Masih**, Executive Vice President, US Debt Purchasing Operations

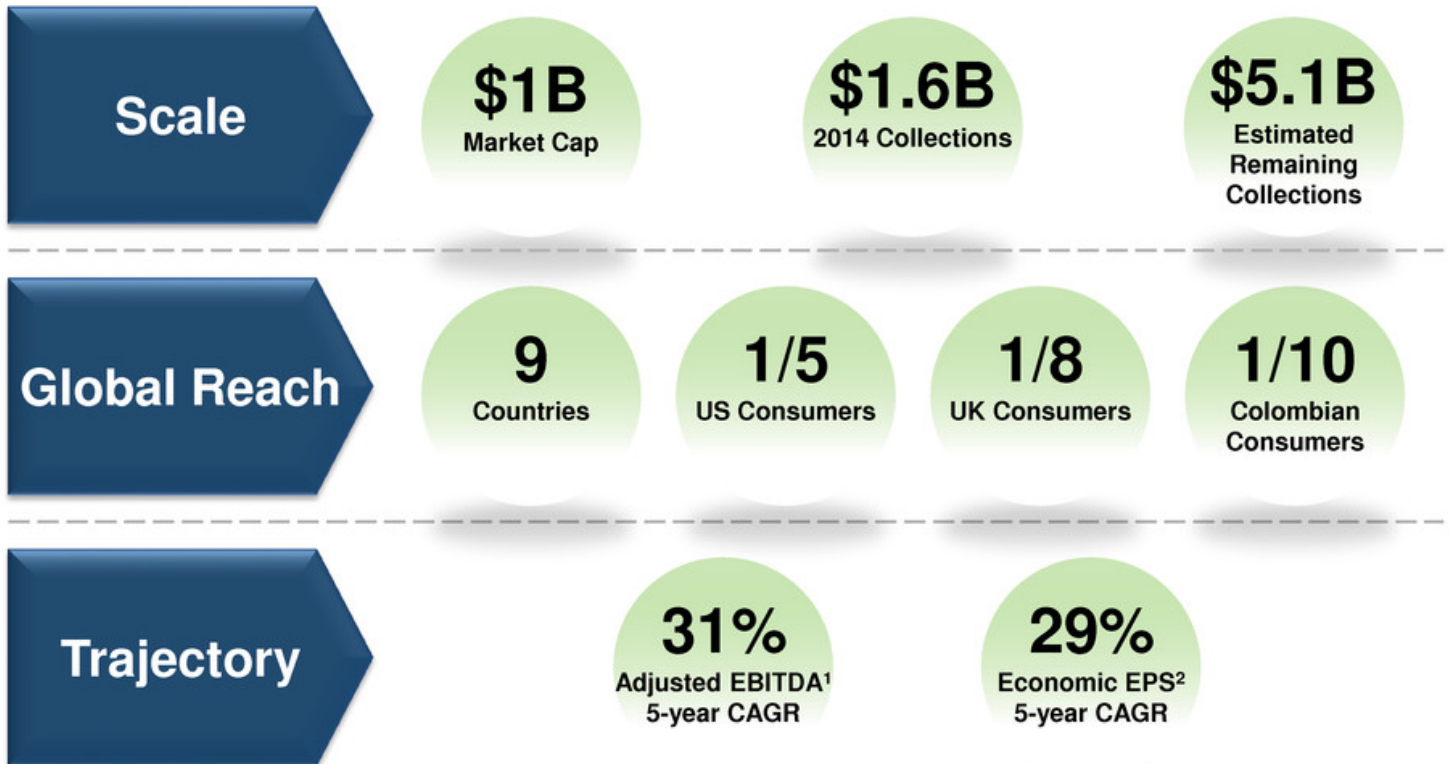
**Ken Stannard**, CEO, Cabot Credit Management

## Q&A

**Ken Vecchione  
President and CEO**



# ENCORE IS A TOP-TIER, GLOBAL PLAYER IN THE CONSUMER DEBT PURCHASING AND RECOVERY INDUSTRY



1. Adjusted EBITDA is a non-GAAP number which the company considers to be and utilizes as a meaningful indicator of operating performance. See Reconciliation of Adjusted EBITDA to GAAP Net Income at the end of this presentation. 2. Economic EPS is a non-GAAP number which the company considers to be and utilizes as a meaningful indicator of operating performance. See Reconciliation of Economic EPS to GAAP earnings per share at the end of this presentation.

# ENCORE PLAYS AN IMPORTANT ROLE IN SUPPORTING ACCESS TO CONSUMER CREDIT GLOBALLY

## United States

**As the economy recovers, consumer indebtedness increases**

- Total debt up 2% since 2014
- Unsecured debt up 5.6% since 2014

## United Kingdom

**Steady rise in consumer credit and indebtedness**

- Total debt up 2% since 2014
- Consumer credit up 6.4% since 2014

## Latin America

**Markets experiencing a massive surge in consumer credit**

- Consumer credit with a double-digit five-year CAGR in key markets

**We enable creditors to better serve consumers**

- Reduce losses from delinquent debt
- Contribute to profitability and solvency of financial system
- Enhance resilience of financial system

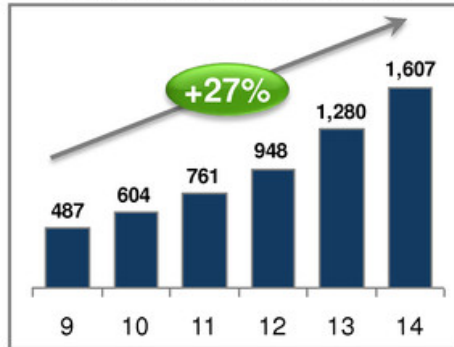
**We enable consumers to increase their access to credit**

- Help consumers to rehabilitate their credit history
- Increase the number and variety of lenders available

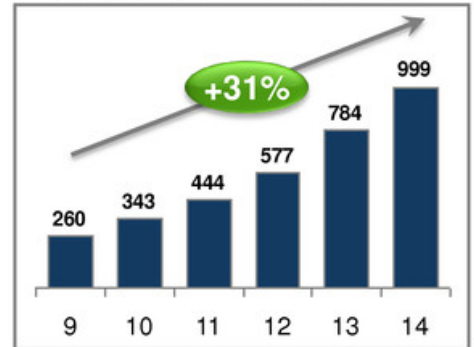
# ENCORE HAS DELIVERED A TRACK RECORD OF STRONG, SUSTAINABLE FINANCIAL RESULTS

Strong business fundamentals...

Cash collections (\$M)

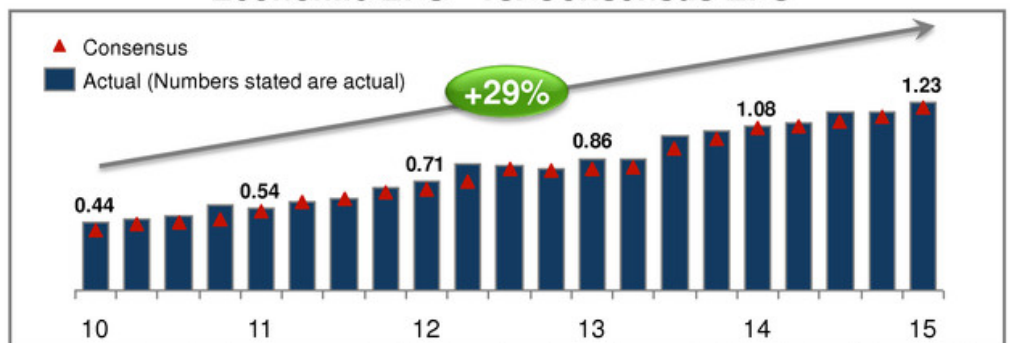


Adjusted EBITDA<sup>1</sup> (\$M)



...driving consistent, profitable growth

Economic EPS<sup>2</sup> vs. Consensus EPS<sup>3</sup>



1. Adjusted EBITDA is a non-GAAP number which the company considers to be and utilizes as a meaningful indicator of operating performance. See Reconciliation of Adjusted EBITDA to GAAP Net Income at the end of this presentation. 2. Economic EPS is a non-GAAP number which the company considers to be and utilizes as a meaningful indicator of operating performance. See Reconciliation of Economic EPS to GAAP earnings per share. EPS prior to 2012 were not affected by adjustments. 3. Per fully diluted economic share from continuing operations. Consensus estimates from Zacks and taken from 90 days before earnings announcement Q1 2012 EPS excludes the impact of the Ascension transaction, a \$0.25 reduction in EPS for the quarter. Note: Growth rate percentages for cash collections and Adjusted EBITDA, signify CAGR from 2009 – 2014; and for EPS signifies CAGR from Q1 2014 – Q1 2015.

# ENCORE HAS A STRONG MANAGEMENT TEAM WITH A LONG TRACK RECORD OF SUCCESS



**Ken Vecchione**  
Chief Executive Officer



**Amy Anuk**  
SVP, Business Development



**Anupam Arun**  
SVP, COO, Encore India



**Ryan Bell**  
SVP, Legal Collections



**Greg Call**  
SVP, General Counsel



**Jonathan Clark**  
Chief Financial Officer



**Carl Eberling**  
Chief Information Officer



**Barbara Kennedy**  
SVP, Human Resources



**Ashish Masih**  
EVP, US Debt Purchasing Operations



**Jaison Thomas**  
SVP India Operations



**Ken Stannard**  
CEO, Cabor



**Kevin Fuller**  
CEO, Grove



**Kenneth Mendiwelson**  
CEO, Refinancia



**Jack Nelson**  
CEO, Propel



**Paul Grinberg**  
Group Executive, Int'l & Corporate Development



**Kaushik Kundu**  
SVP, Internal Operations Collections



**Manu Rikhye**  
SVP, Indian Operations



**Sheryl Wright**  
SVP, External Affairs



# ENCORE CONTINUES TO SUSTAIN AND EVOLVE WITH THE US CORE MARKET

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## Growth Strategy

**Sustain  
The US Core**

**Expand  
Internationally**

**Maintain  
Strong Capital  
Stewardship**

## RECENT DEVELOPMENTS IN THE US DEBT MARKET ARE POSITIVE

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### What we told you last year

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**Regulatory agencies (such as CFPB) are increasing scrutiny on financial institutions and debt collectors**

**Debt buyers in our core market are consolidating**

**US banks are decreasing their credit card books and market default rates are decreasing**

### Where markets stand today

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**Regulatory agencies (such as CFPB) are preparing to finalize regulation**

- Cost of compliance will make it difficult for sub-scale players to remain competitive

**Further industry consolidation expected**

**Withdrawn suppliers are preparing to re-enter the market**

- Supply is expected to improve in the next 12–18 months

**Purchase inventory increasingly focused on fresh paper**

# WE EXPECT WITHDRAWN SUPPLIERS TO RETURN TO THE MARKET WITHIN THE NEXT 12 MONTHS

## Issuers were very clear about why they withdrew

*"We used to be completely focused on revenue, now all of the focus is on the risk of compliance incidents."*

*"We want to see our vendors have strong compliance, risk and oversight processes."*

*"Data quality and sharing is my number one concern"*

*"Debt buyers must understand the consumer experience issuers want to create."*

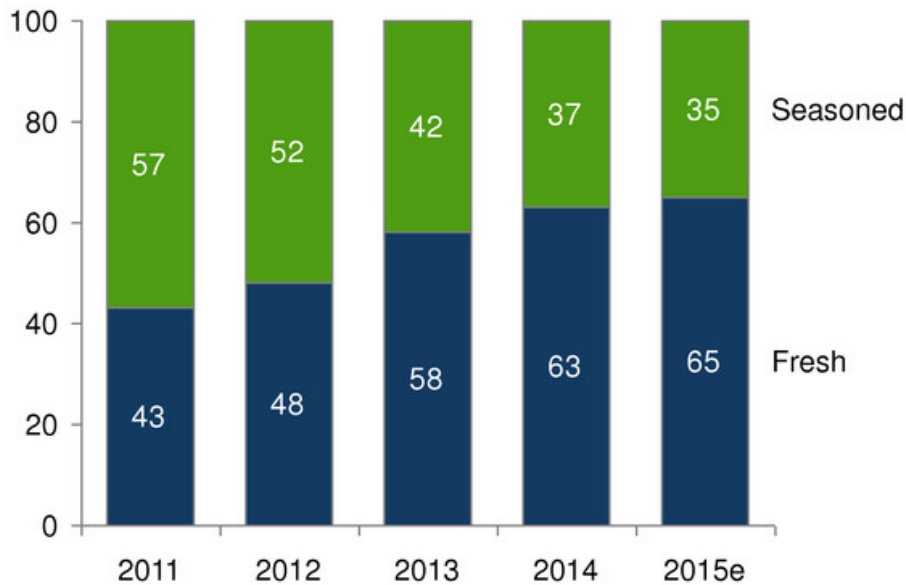
## ... and when they return we will be well positioned

- ✓ Outstanding performance in issuer certifications
- ✓ Substantial, proactive investments in compliance
- ✓ Best in class capabilities in data security and quality management
- ✓ Development of consumer-centric collections processes

# THE US CORE MARKET IS INCREASINGLY FOCUSED ON FRESH PAPER

## 5 Year Shift in U.S. Core Market Supply

% of Supply Available (direct from issuer)



## Our response

- Acquired ACF to benefit from their expertise in fresh paper
- Increased our purchase volume of fresh paper
- Launched Consumer-Focused programs to improve liquidations, emphasis on fresh paper

Note: US Core represents all non BK direct from issuer unsecured credit card and personal installment loans; Fresh is defined as <6 months from charge off  
Seasoned is defined as >6 months from charge off



# CONSUMER-FOCUSED PROGRAMS ARE CRITICAL TO DRIVING STRONG RETURNS ON FRESH PAPER

## Prior Model

One size fits all servicing approach within call centers

Efficient: Find the consumer who is capable of paying

Transaction Focused: Quick and efficient

Limited interaction channels and payment flexibility



## Enhanced Model

Custom servicing approaches for different consumers

Effective: Enable the consumer to be able to pay

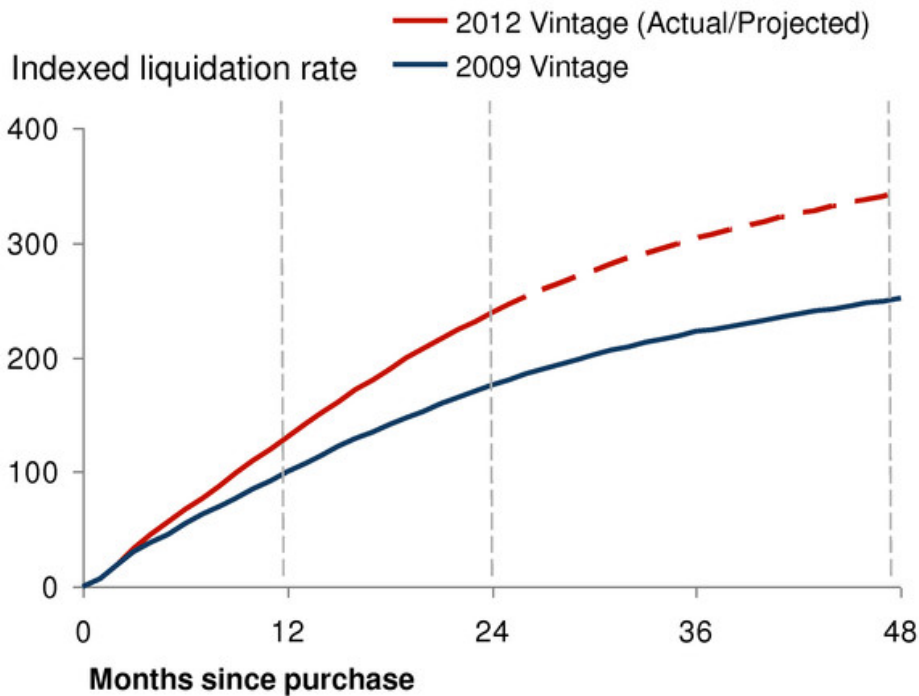
Relationship focused: Connect, listen, understand

Expanded interaction channels and payment flexibility

We have maintained our low cost-to-collect through this transformation

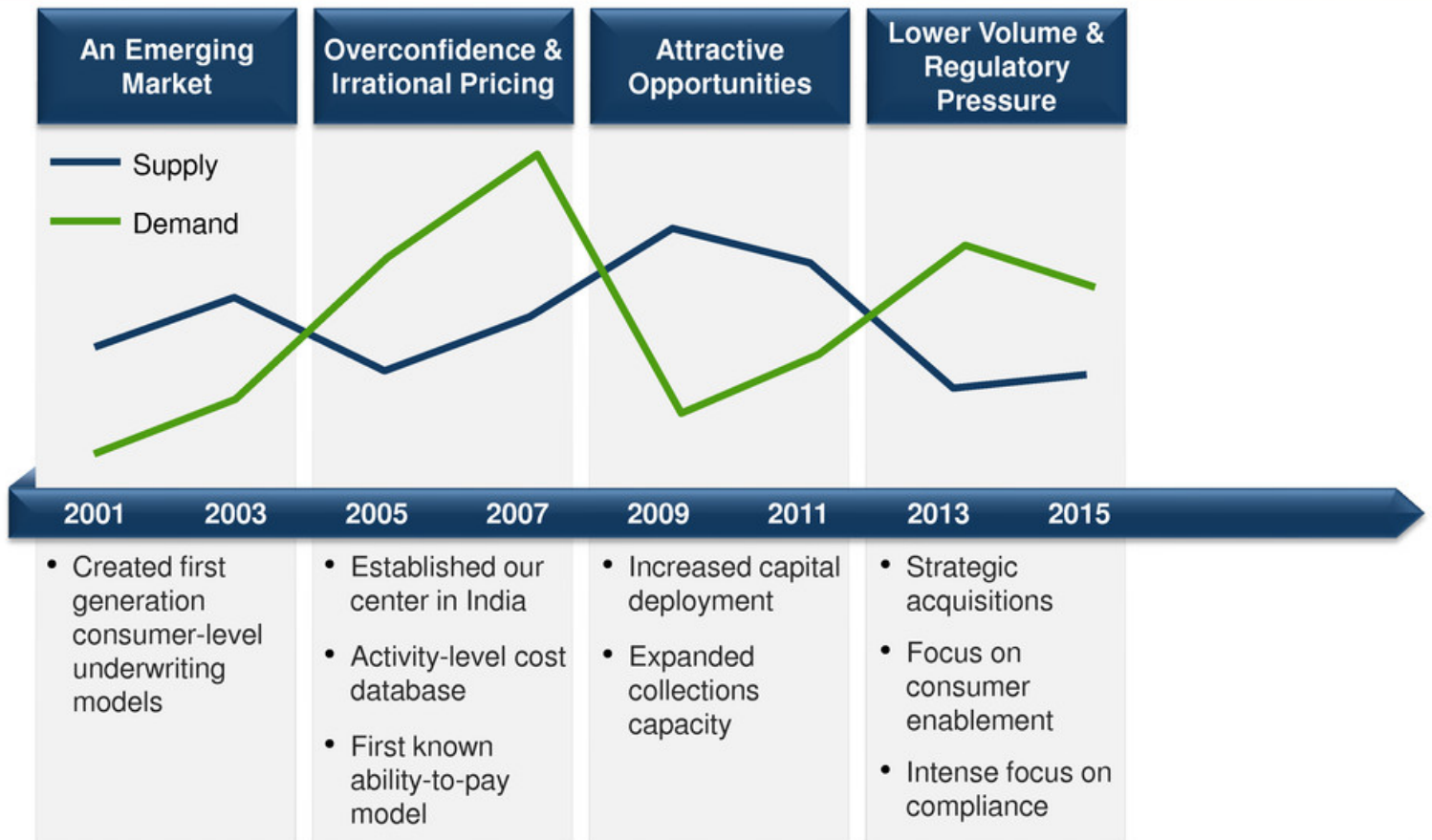
# THE ROLLOUT OF CONSUMER-FOCUSED PROGRAMS HAS EXCEEDED OUR EXPECTATIONS

## Liquidation performance of similar portfolios

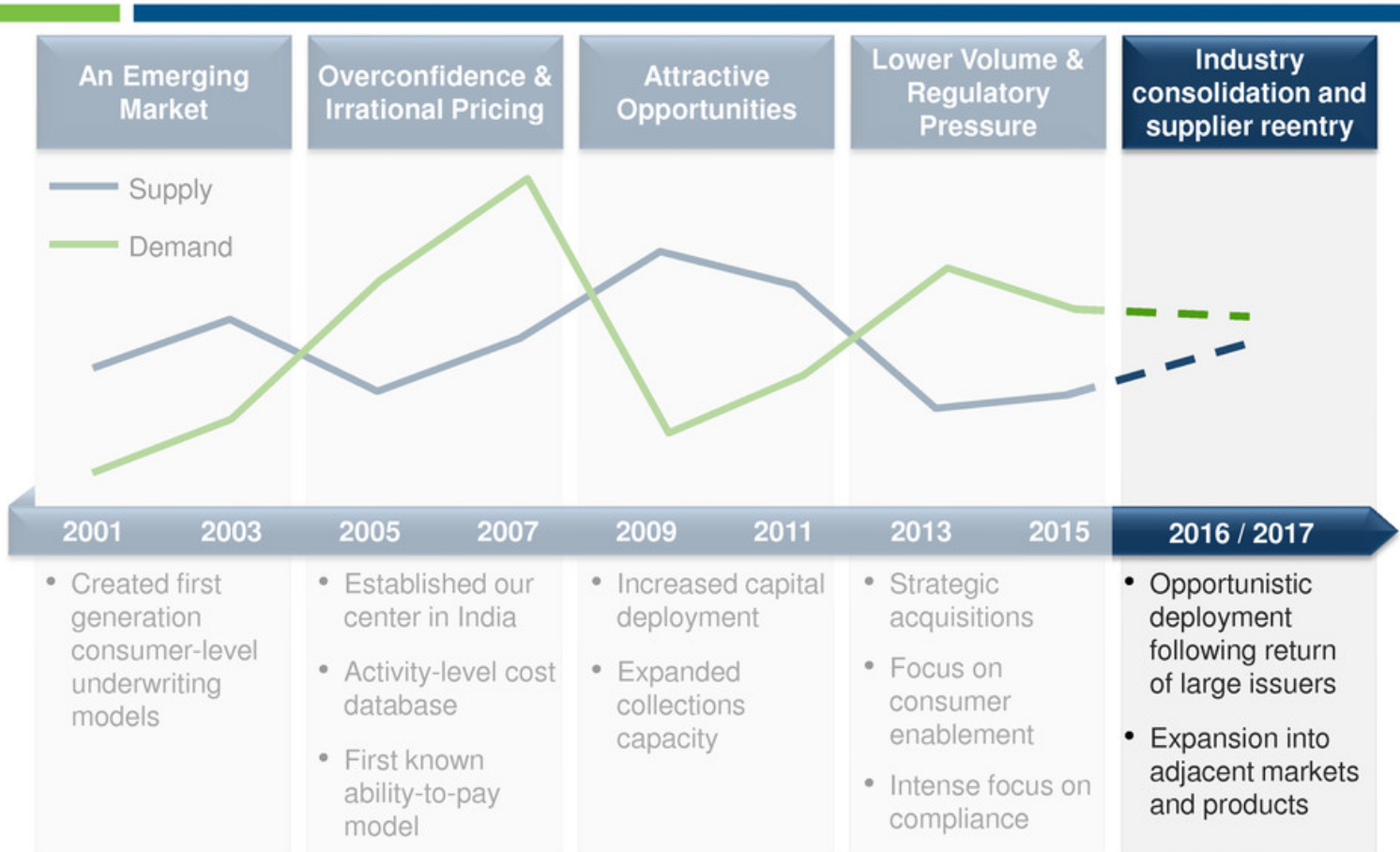


- Improved liquidations directly attributable to changes in our operations
- Improved liquidations will enhance returns in future deployments and current book
- We believe learnings will improve seasoned paper liquidations

# OUR STRATEGY ADAPTS TO INDUSTRY FLUCTUATIONS IN SUPPLY AND DEMAND...

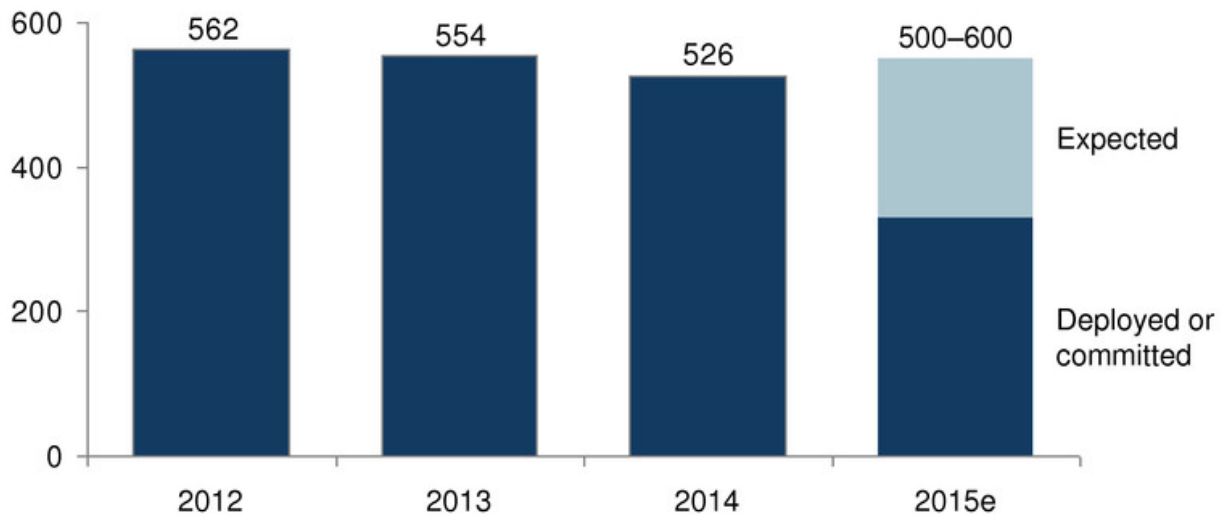


# ...AND WE ARE POISED TO TAKE ADVANTAGE OF IMPROVING MARKET DYNAMICS



# WE ARE ON-TRACK TO MEET OUR 2015 US CORE DEPLOYMENT TARGET

## US Core Deployment 2015e vs. Historical



**Our deployment in the US core market remains steady at \$500M - \$600M / year**

Core deployment excludes Propel

# ENCORE WILL CONTINUE TO PURSUE MARKET OPPORTUNITIES GLOBALLY

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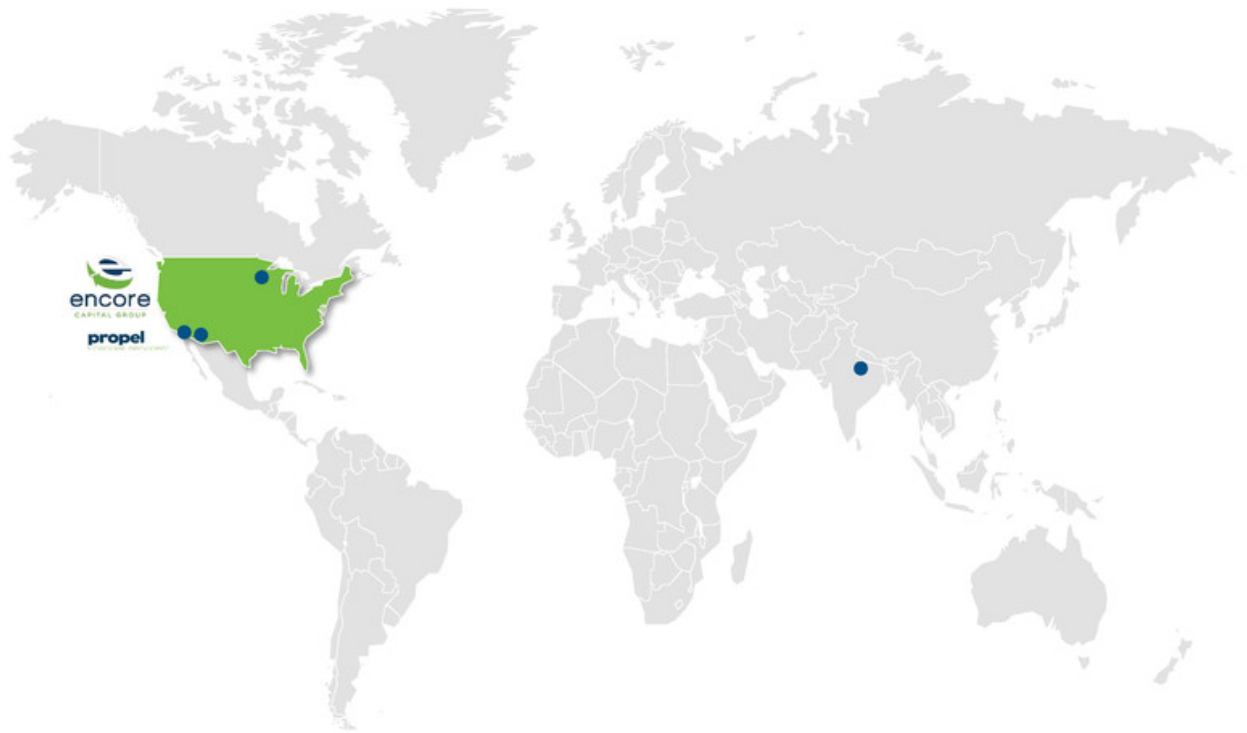
## Growth Strategy

Sustain  
The US Core

Expand  
Internationally

Maintain  
Strong Capital  
Stewardship

## IN 2012, ENCORE WAS A DEBT RECOVERY SPECIALIST WITH GLOBAL ASPIRATIONS



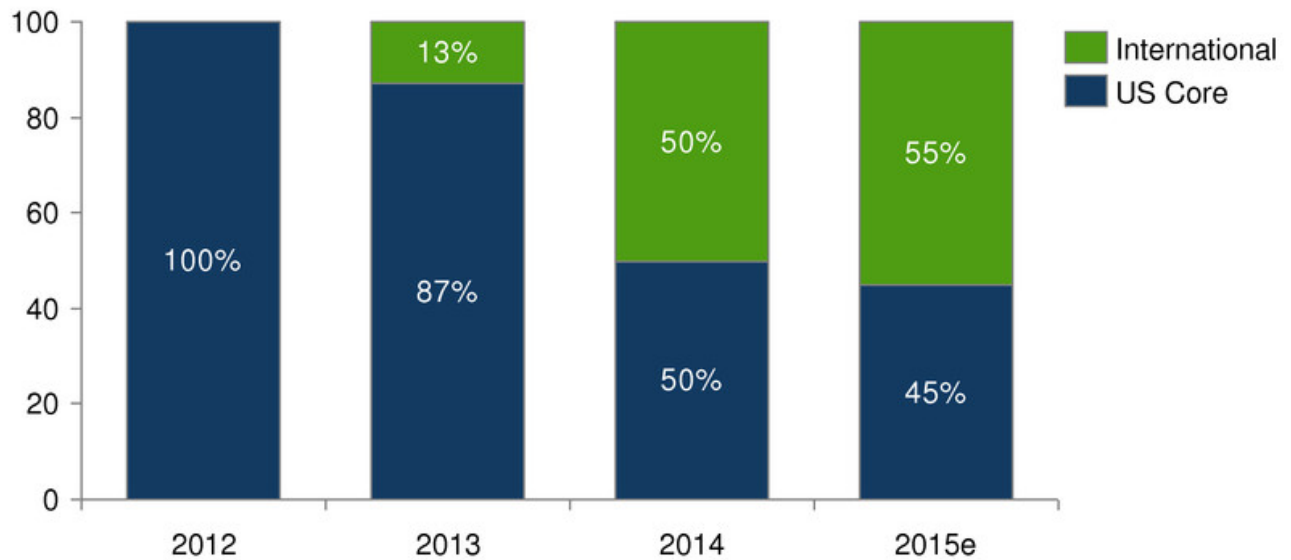
# OVER THE LAST THREE YEARS, WE HAVE MADE MULTIPLE STRATEGIC INVESTMENTS OUTSIDE THE U.S.





# WITH THAT HAS COME A MEANINGFUL SHIFT IN OUR CAPITAL DEPLOYED TO OUTSIDE OF THE UNITED STATES

## Encore capital deployment (2012-2015e)<sup>1</sup>



**Geographic expansion provides growth opportunities and diversifies our business**

1. Excludes portfolio purchases in Cabot, Refinancia acquisitions, Propel tax liens

## INTERNATIONAL EXPANSION IS AN IMPORTANT PART OF OUR GROWTH STRATEGY

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**Fits with our capabilities and infrastructure**

- ✓ **Our business capabilities and expertise are key to performance within all markets**
- ✓ **Many opportunities to acquire unsophisticated players and create value**
- ✓ **Much of our infrastructure is globally scalable**










**Diversifies our portfolio**

- ✓ **As we grow globally, single-country market dynamics become less likely to impact overall performance**

**Supports our earnings growth**

- ✓ **Many countries with no market leader; multiple opportunities to consolidate share**
- ✓ **Consumer credit in developing economies is expanding rapidly, driving increased NPL volumes**

# SINCE 2013, ENCORE HAS MADE MULTIPLE MOVES TO ENTER NEW MARKETS AND ACQUIRE AND CONSOLIDATE PLAYERS

	2013	2014	2015 / Early 2016
Europe	 <ul style="list-style-type: none"> <li>• Top Tier Player in UK: \$2.3B in ERC</li> <li>• Beachhead in Europe</li> </ul>	 <ul style="list-style-type: none"> <li>• Top-tier player in IVA</li> <li>• Entry to Continental Europe</li> </ul>  <ul style="list-style-type: none"> <li>• UK Consolidation</li> <li>• New asset type: Large balance, non-paying debt</li> </ul>	 <ul style="list-style-type: none"> <li>• Mid-tier player in legal collections</li> <li>• Ensures Cabot's 2015 deployments on-target</li> </ul>
Latin America	 <ul style="list-style-type: none"> <li>• Top Tier Player in Colombia and Peru: &gt;\$200M deployed</li> <li>• Exploratory for Latin America</li> </ul>	 <b>Mexico</b> <ul style="list-style-type: none"> <li>• \$57M deployment</li> <li>• Initiates Mexico opportunity</li> <li>• Multiples similar to US market 5-6 years ago</li> </ul>	 <b>Mexico &amp; Brazil</b> <ul style="list-style-type: none"> <li>• Expect further expansion in Mexico</li> <li>• Expect to enter Brazil market</li> </ul>
Asia-Pacific		 <b>India</b> <ul style="list-style-type: none"> <li>• Taking steps toward debt purchase with signed LOIs</li> <li>• Building on operations established in 2009</li> </ul>	 <b>India</b> <ul style="list-style-type: none"> <li>• Expect regulatory approval and capital deployments in India</li> </ul>

# WHEN WE CONSIDERED THESE ACQUISITIONS, AND AS WE EXPLORE NEW MARKETS, THERE ARE SEVERAL CRITERIA WE CONSIDER

## Market Size and Trajectory

- Size and growth rate of credit
- Size and growth rate of NPL
- Distribution of NPLs across asset types

## Market Maturity

- Established presence of global issuers
- Propensity of lenders to sell debt or outsource collections
- Pool of local buyers / servicers who we could acquire

## Market Stability

- Risk of political stability / corruption
- Risk of currency stability
- Risk of economic stability

## OUR APPROACH HAS BEEN TO ENTER NEW MARKETS THROUGH ACQUISITION, WHERE WE CAREFULLY EVALUATE THE TARGET...

### Target Requirements

#### Market position

- ✓ Top tier player in space
- ✓ Strong issuer relationships
- ✓ Market influencer
- ✓ Beachhead to market consolidation

#### Capabilities

- ✓ Management with deep market knowledge
- ✓ History of strong asset returns
- ✓ Opportunities to improve processes & operations

#### Culture

- ✓ Values analytics and data science
- ✓ Prioritizes ethical code
- ✓ Compliance-focused culture

## ... AND PUT A STRONG AND EFFECTIVE OVERSIGHT MODEL IN PLACE

### Target Requirements

#### Market position

- ✓ Top tier player in space
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#### Capabilities

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### Encore Oversight Model

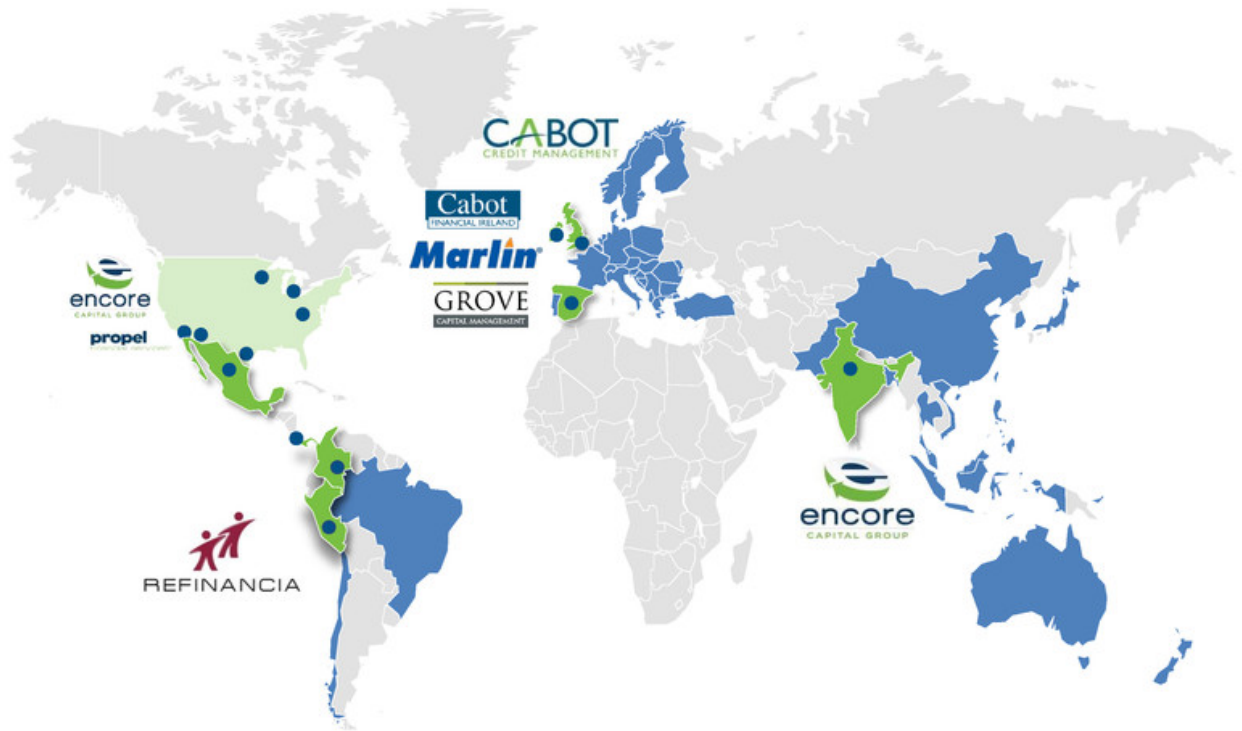
#### Governance

- ✓ Control the board, including chairmanship
- ✓ Approve all capital deployments
- ✓ Ensure local management teams have long-term incentives to drive value

#### Business management

- ✓ Conduct quarterly operating reviews, monthly business reviews, and weekly CEO calls
- ✓ Relocate seasoned Encore managers into senior roles in subsidiaries
- ✓ Hold regular meetings between subsidiary leadership on key topics

# WE ARE EXCITED ABOUT OUR OPPORTUNITIES FOR FURTHER INTERNATIONAL EXPANSION



Markets under consideration

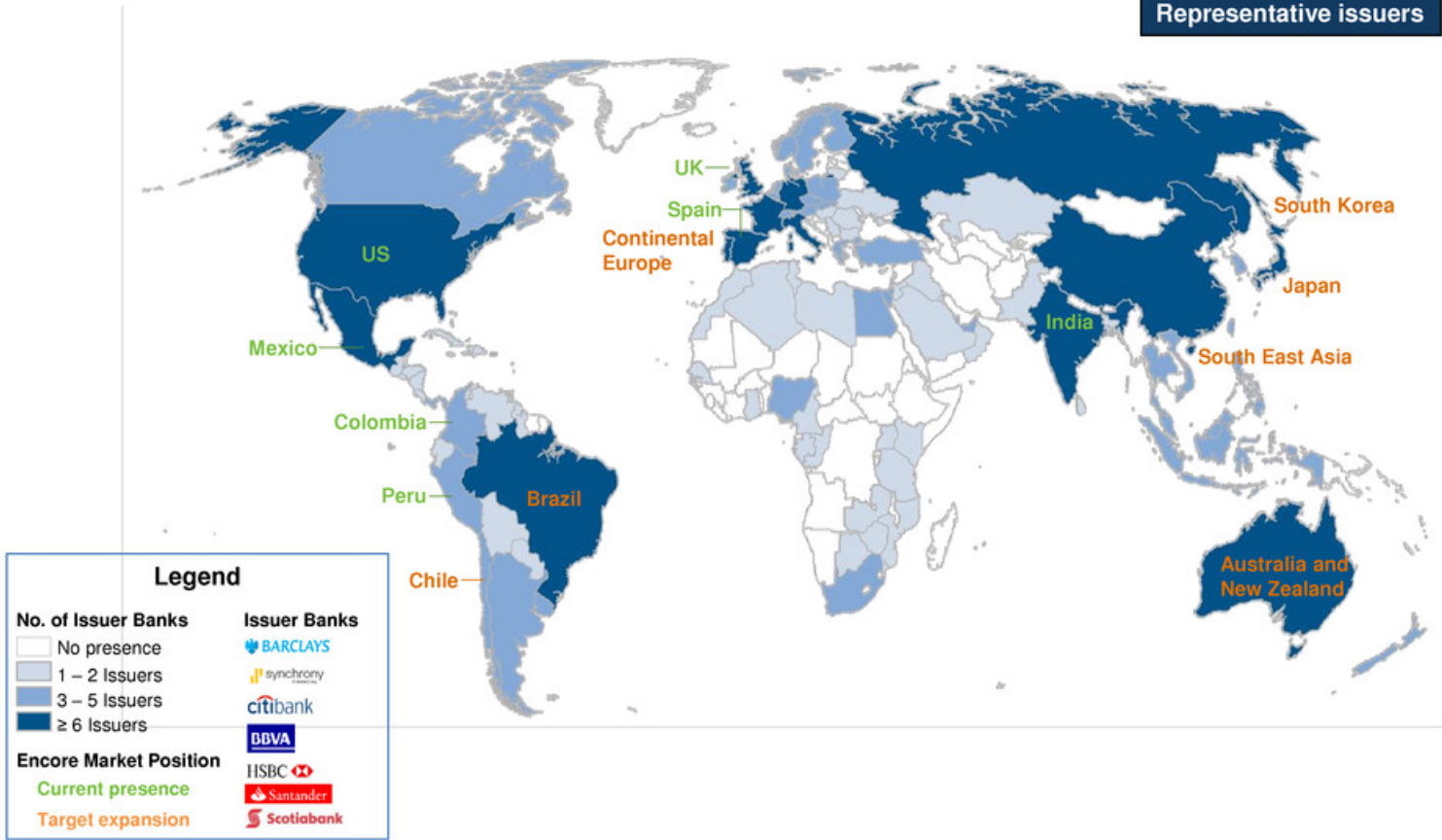
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**Paul Grinberg**  
**Group Executive, International**  
**and Corporate Development**



# THIS APPROACH IS WELL ALIGNED WITH THE PRESENCE OF GLOBAL ISSUER BANKS

Representative issuers



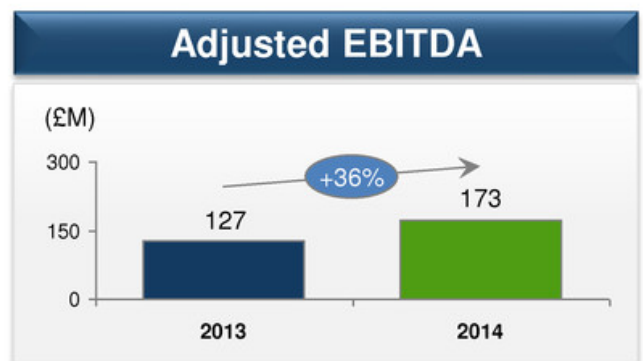
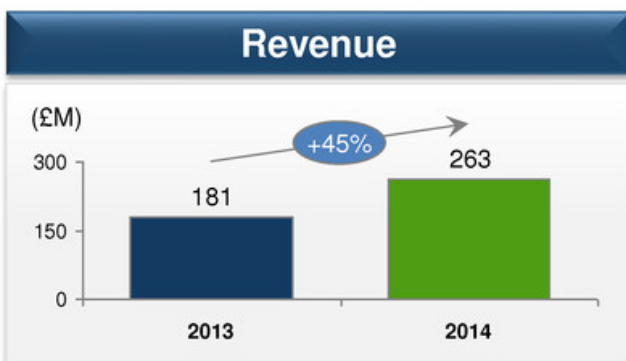
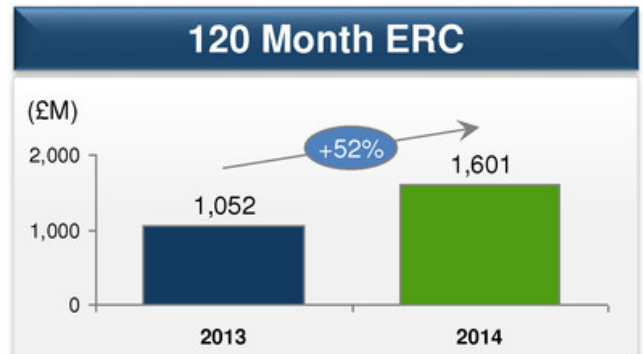
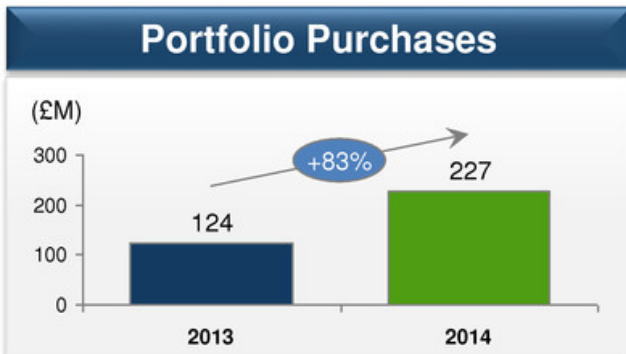
# THERE ARE THREE TARGET MARKETS IN OUR INTERNATIONAL STRATEGY, EACH WITH A DISTINCT EARNINGS TRAJECTORY



# WE ENHANCE THE VALUE OF OUR SUBSIDIARIES BY BRINGING BEST IN CLASS CAPABILITIES ACROSS MULTIPLE FRONTS



# TURNING TO EUROPE, CABOT HAS DELIVERED ON THE GROWTH WE EXPECT WHEN ENTERING A NEW MARKET...



Note: Figures are UK GAAP; includes Marlin acquisition

# CABOT DEMONSTRATES HOW WE BRING OUR CAPABILITIES TO ENHANCE THE VALUE OF A LEADING MARKET PLAYER

## Capital Investment

### Enabled acquisitions

- Marlin: Strong capabilities in large-balance debt
- dlc: Mid-tier player in legal collections
- XRS: Expansion in Ireland



## Operations Improvement

- Launched India operations
- Developed operational strategy model
- Built late-stage collections platform
- Enhanced pricing analytics

## Results: One year impact

- ✓ Rapid growth in Ireland: 7X purchase volume increase
- ✓ Modernized collections platform, data infrastructure
- ✓ Enhanced pricing and operational analytics
- ✓ Successful integration of Marlin: 2X cost savings, 2X back book litigation opportunity

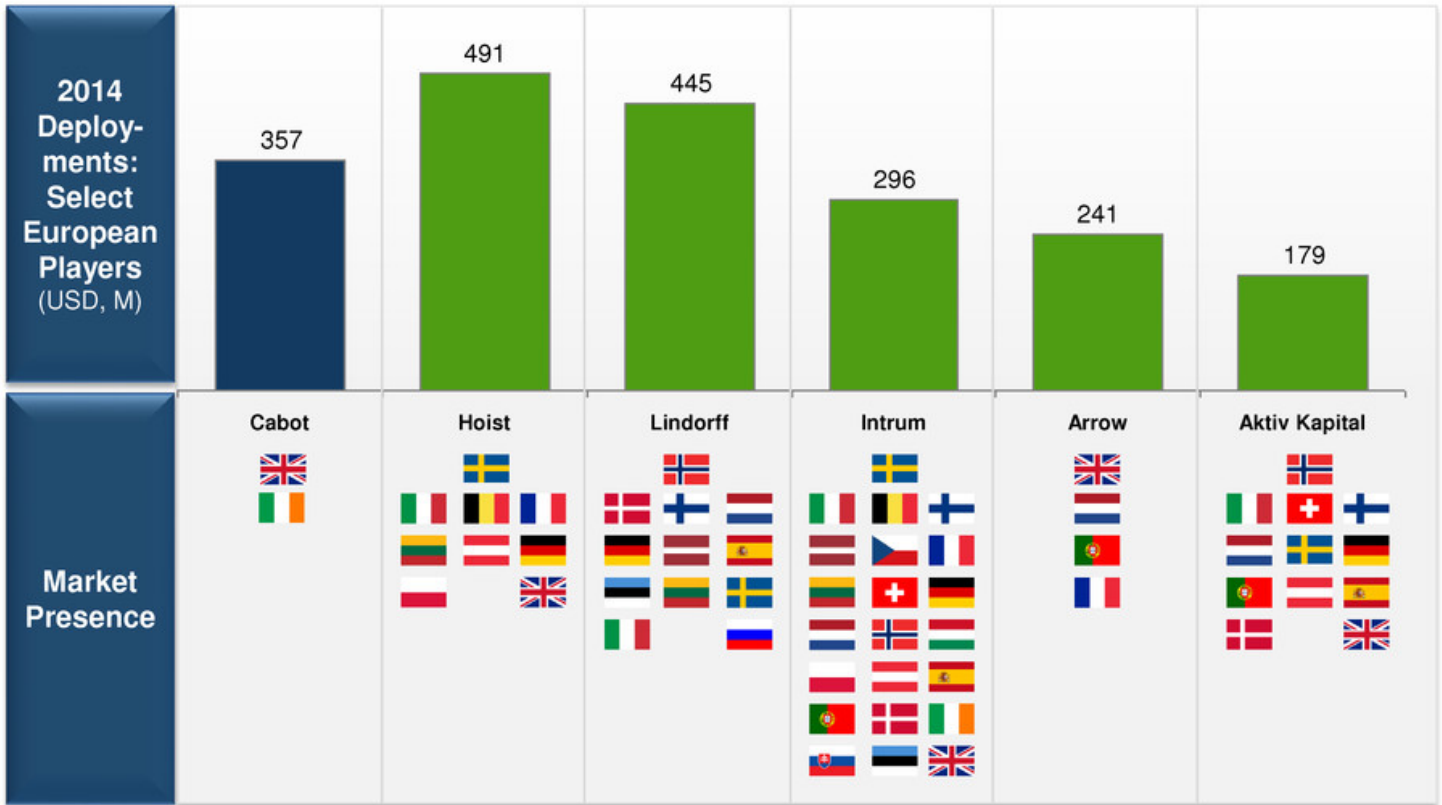
## Management & HR

- Transferred key Encore leaders to Cabot
- Supported integration of Cabot and Marlin

## Knowledge Sharing

- Improved approach to collaborating with regulators
- Improved knowledge sharing on call models and accounting treatments
- Collaborating on expansion strategy

# CABOT IS A LEADING DEBT PURCHASER IN EUROPE



Excludes acquisitions

## THE DLC ACQUISITION IS IMPORTANT FOR CABOT AND ENCORE

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### Attractive Portfolio

- Scale opportunity to acquire £245M of ERC and £43M of Cash EBITDA
- dlc will allow Cabot to deliver on its 2015 purchasing plan and consolidate overlapping debt contingency operations
- dlc is a profitable and debt free business

### Enhances Competitive Position

- dlc is the largest remaining DCA/DP target in the U.K.
- Removes mid-tier competitor in the legal collections space
- Prevents dlc from being consumed by a competitor

### Cost Savings Potential

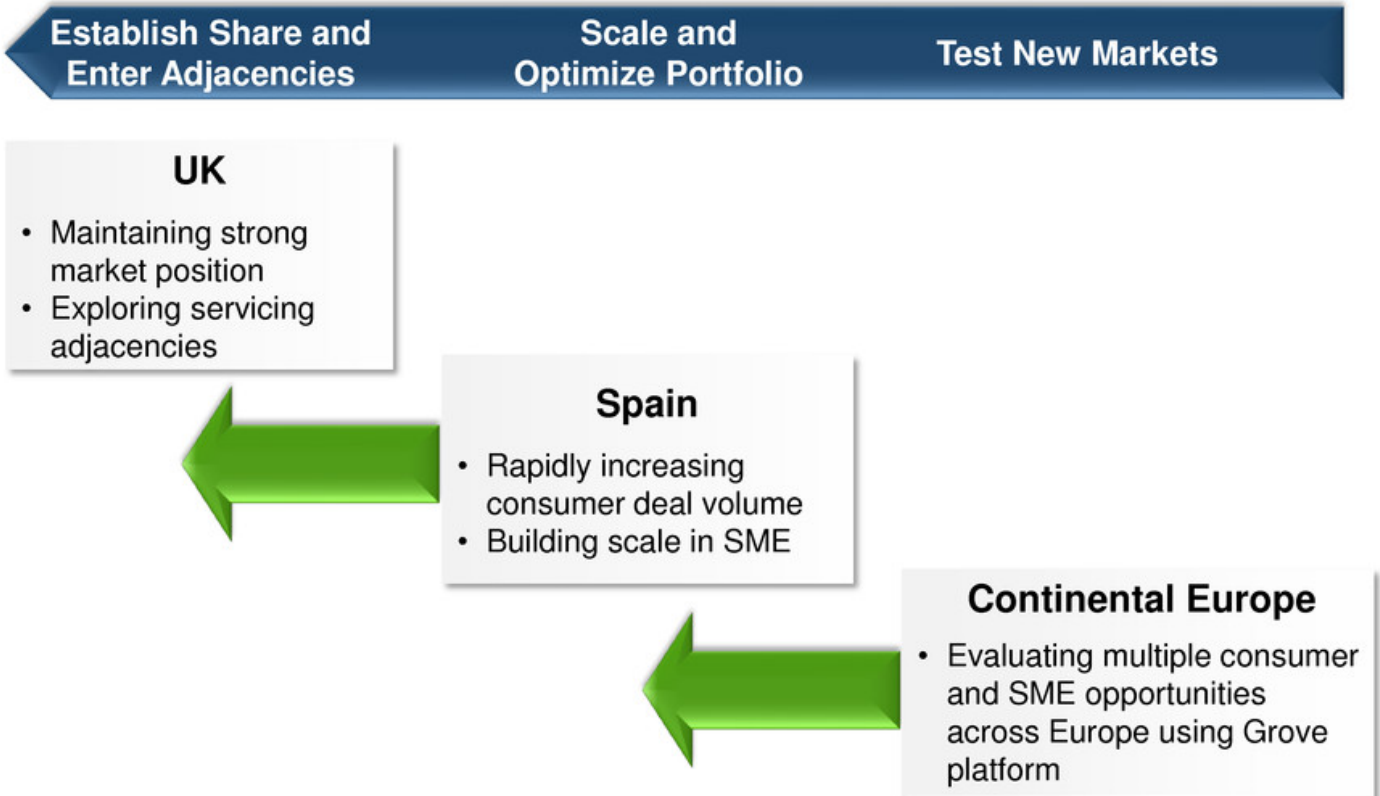
- Adds U.K. collections capacity:
  - 600 seat office site in Brackley, 50% utilised
  - Close proximity to Cabot's existing Stratford office, with sufficient capacity to on-board Stratford DCA operation

# CONSOLIDATION OF THE U.K. MARKET IS ALMOST COMPLETE; DLC REPRESENTS A CRITICAL OPPORTUNITY

Recent Acquisitions		Remaining Target or Sale Process Ongoing
Acquirer	Target	
		
		
		
		
		



# GROVE, WITH AN ALREADY STRONG SHARE OF THE UK INSOLVENCY MARKET, INCREASED ITS FOCUS ON SPAIN AND THE CONTINENT



## LEVERAGING OUR PLATFORM AND SERVICER RELATIONSHIPS, WE HAVE BEGUN SCALING OUR PORTFOLIO IN SPAIN

### 2013-14: Establish Presence in Spain

- Started in telecom debt where competition is lower ahead of moving into financial services
- Built database and developed analytics around financially stressed consumers
- Actively managing debt with 10 collection agencies

### 2015: Scale Portfolio & Optimize Operations

- Scale consumer financial services portfolio and validate SME segment opportunity
- Enhance decision science capabilities to improve valuations
- Build deeper partnerships with core collection agencies

### 2016: Enhance Servicing Capabilities

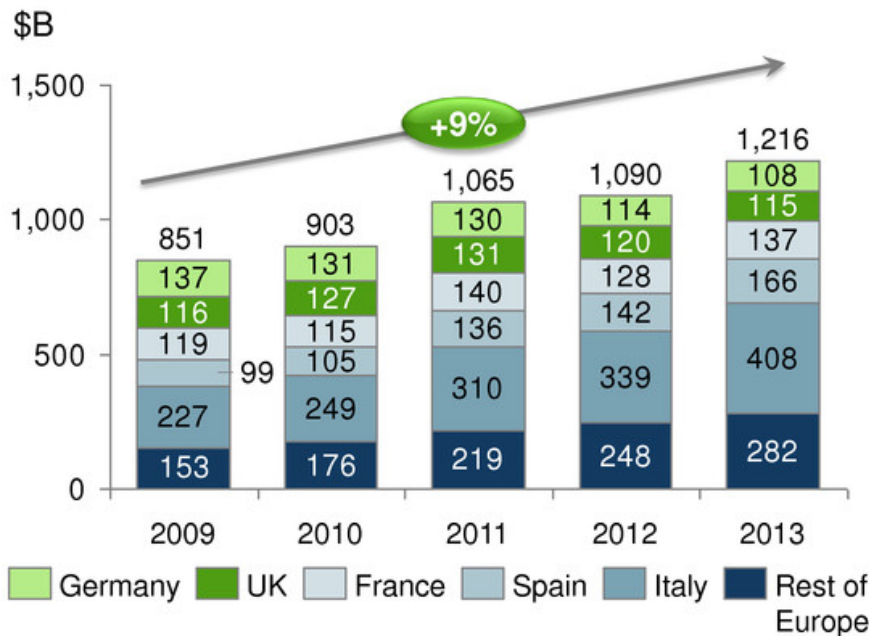
- Build or acquire servicing capability to complement collection agency relationships
- \$400 million annual deployment opportunity
- Actively seek retrade opportunities

# GROVE DEMONSTRATES HOW WE BRING OUR CAPABILITIES TO ENHANCE THE VALUE OF AN ESTABLISHED MARKET PLAYER



# GOING FORWARD, EUROPE PROVIDES NATURAL, NEAR-TERM EARNINGS' OPPORTUNITIES FOR CABOT AND GROVE

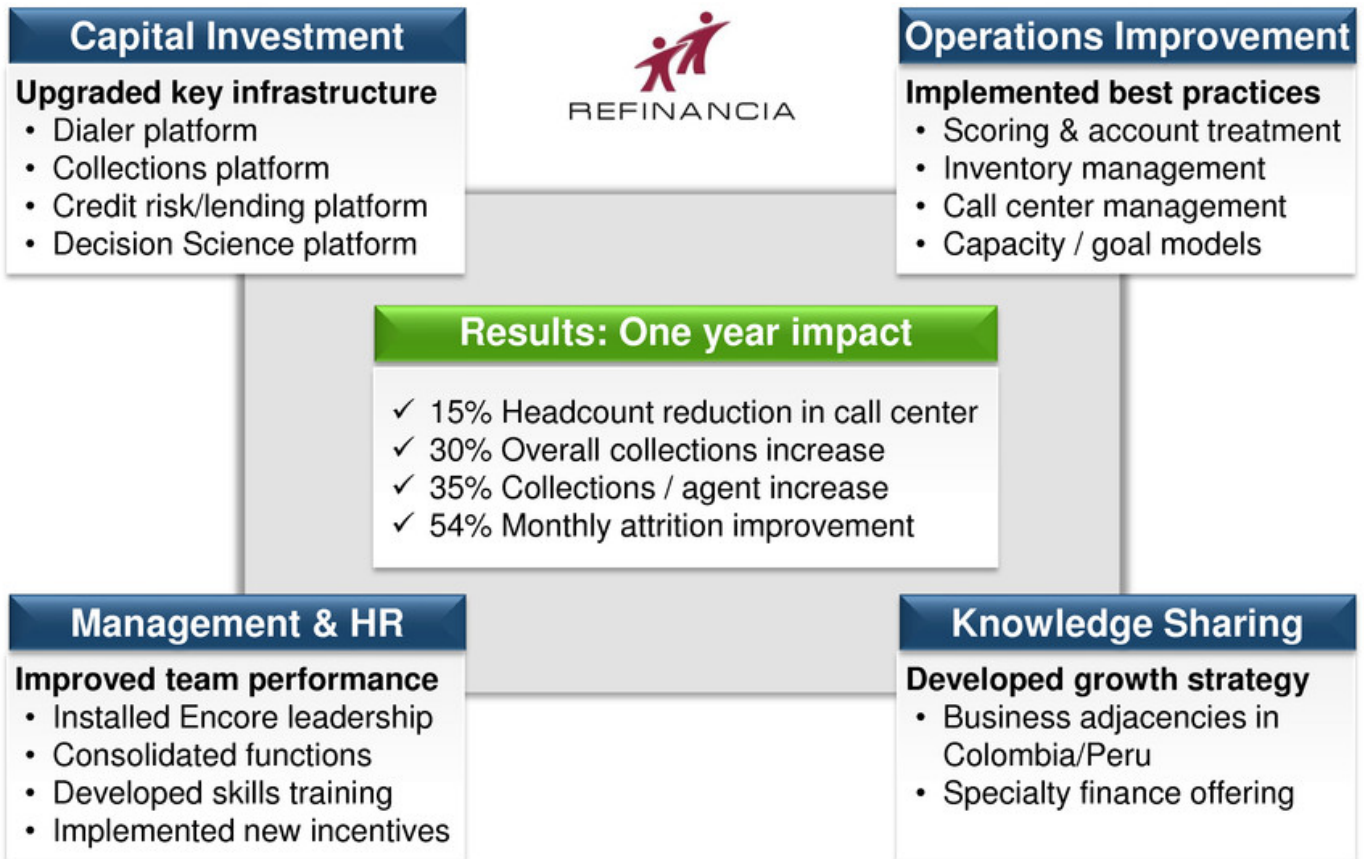
Annual NPLs for select European countries  
2009-2013<sup>1</sup>



- Strong potential for aggressive growth through market consolidation
- Market fragmented, many competitors lack best-in-class capabilities
- Economic fundamentals are attractive: Strong returns across multiple asset classes
- Regulatory environment discourages unsophisticated players

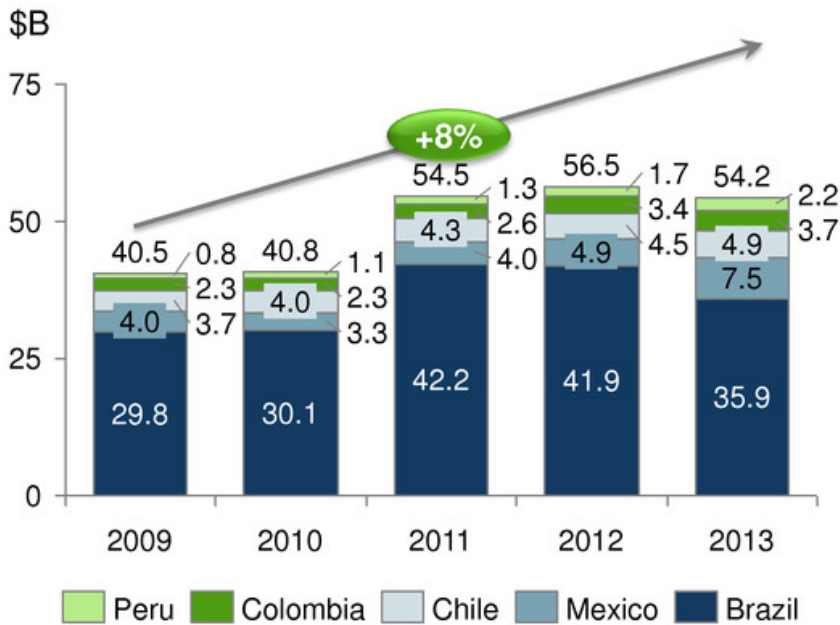
1. Includes retail and commercial  
Note: Average annual conversion rates applied  
Source: World Bank, Central banks of corresponding countries

# REFINANCIA DEMONSTRATES HOW WE BRING OUR CAPABILITIES TO ENHANCE THE VALUE OF AN EMERGING MARKET PLAYER...



# ...WHICH WE EXPECT TO DO IN OTHER LARGE AND GROWING MARKETS IN LATIN AMERICA

Annual NPLs for select Latin American countries  
2009-2013<sup>1</sup>



- Multiple opportunities to gain and consolidate share
- Market fragmented, unsophisticated competitors
- Expect further growth in market opportunity
  - Use of credit increasing across markets
  - Banks increasingly receptive to NPL sales

Note: Average annual conversion rates applied  
Source: World Bank, Central banks of corresponding countries

## THE INITIAL FOCUS OF OUR LATIN AMERICA EXPANSION WILL BE MEXICO AND BRAZIL



### Mexico

- We have entered the Mexican market with a \$57M deployment
- Initial returns are excellent
- **Enormous growth potential:**
  - Over \$7B in NPLs in 2013
  - Opportunities in consumer secured and unsecured, and SME
- Market entry strategy includes developing servicing capabilities

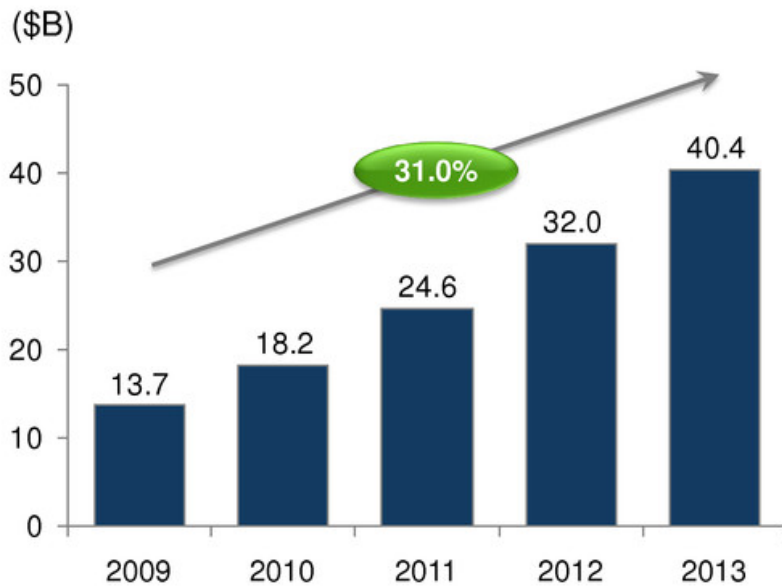


### Brazil

- Top priority for new market entry in Latin America
- **Enormous growth potential:**
  - Largest banking market in Latin America; 5th largest globally
  - Over \$35B in NPLs in 2013
  - Opportunities in consumer secured and unsecured, and SME
- We believe this is the right time to enter the market

## WITHIN ASIA PACIFIC, INDIA IS THE FIRST MARKET WHERE WE EXPECT TO BEGIN DEPLOYING CAPITAL

Annual NPLs for India  
2009-2013<sup>1</sup>



Note: Average annual conversion rates applied  
Source: World Bank, RBI

- Debt supply large and growing
- Favorable regulatory developments expected to continue
- Encore India has deep expertise in collections operations and analytics, and understands the local market
- On-track to deploy capital soon



# OUR ASSET RECONSTRUCTION COMPANY IN INDIA IS ON TRACK TO LAUNCH IN LATE 2015 OR EARLY 2016

## Hiring key positions

- Many key positions have been filled

## Entity creation & partner finalization

- Two equity partners identified and on board

## Operational planning and readiness

- Building IT platform (in progress)
- Developed framework to evaluate servicers, add capabilities, manage risk
- Formed partnerships with data providers, servicing partners
- Building relationships with issuers – several transactions in pipeline

## Regulatory approvals

- Regulatory filings underway

2014

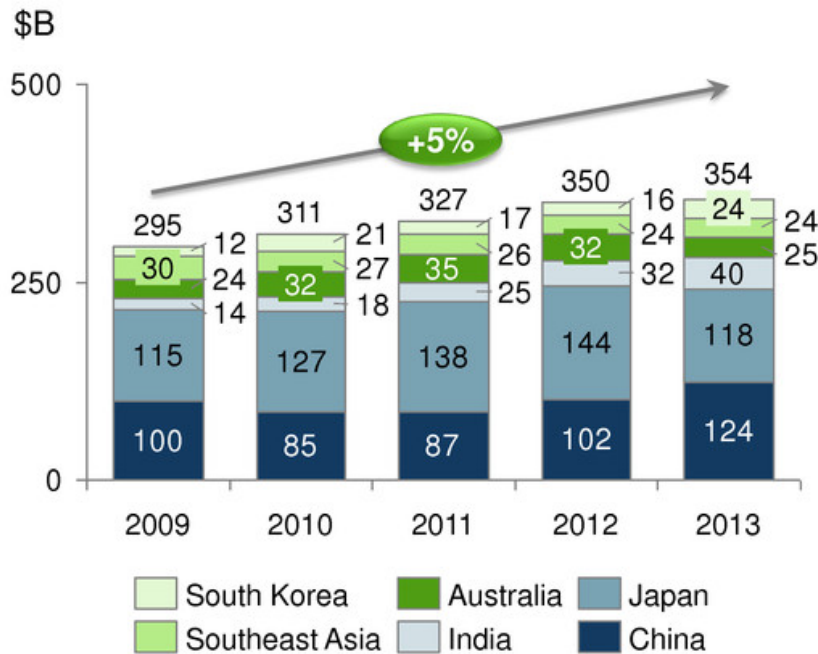
2015

Early 2016

Timeline subject to regulatory approvals

# OVER THE LONGER TERM, THERE WILL BE OTHER MARKETS WITHIN ASIA PACIFIC WHICH WE WILL EXPLORE

Annual NPLs select Asia Pacific countries  
2009-2013<sup>1</sup>



- **Australia:** Relatively mature market with many small players, providing consolidation opportunities
- **China and Southeast Asia:** Emerging markets with expanding consumer credit offers substantial growth at attractive returns
- **South Korea and Japan:** Established credit markets with substantial NPL volumes

Note: Average annual conversion rates applied  
Source: World Bank, Central banks of corresponding countries

## OUTSIDE OF THE US, SERVICING ON BEHALF OF ISSUERS WILL BE AN IMPORTANT COMPONENT OF OUR STRATEGY

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### Fits with our capabilities

- ✓ **Managing collections and payments is fundamental to Encore's existing business operations**
- ✓ **Leverages our deep understanding of the financially stressed consumer and our focus on compliance**

### Diversifies our portfolio

- ✓ **Long-term contracts with high switching costs**
- ✓ **EBITDA buffer in markets with lumpy sales**
- ✓ **Expands and deepens our relationship with issuers**

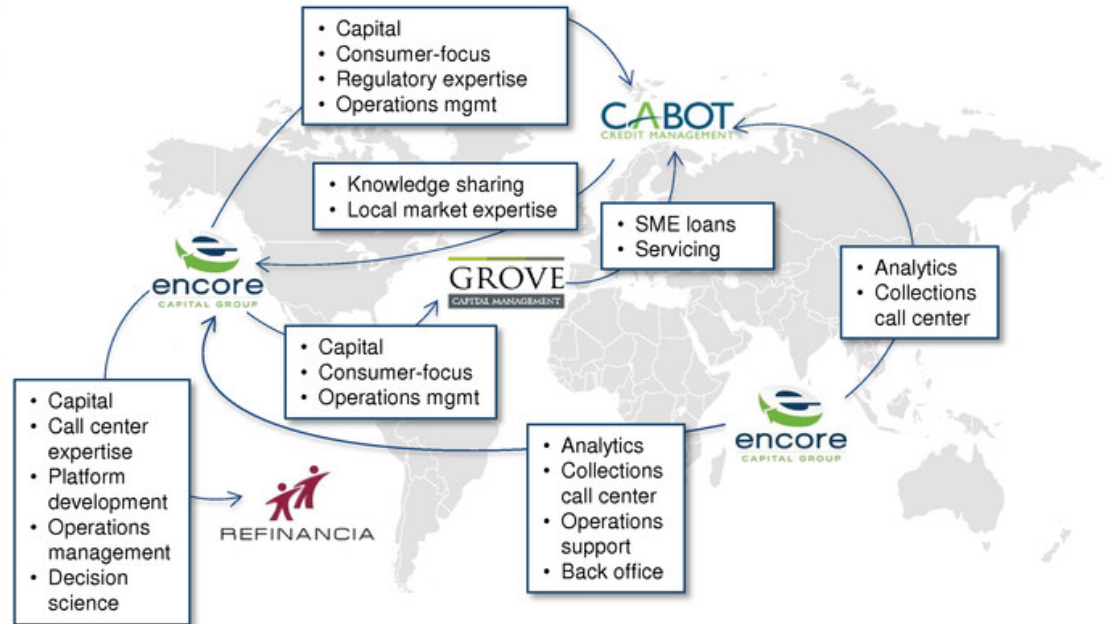
### Supports our earnings growth

- ✓ **Steady stream of recurring cash flows, less sensitive to market environment**
- ✓ **Supports entry into new geographies where NPL repurchase is undeveloped**

# AS WE CONTINUE TO EXPAND INTERNATIONALLY, OUR TIGHT INTEGRATION ACROSS MARKETS WILL CONTINUE TO CREATE VALUE

## Sources of global value creation

- Capital deployed in highest return market
- Targeted investment in undeveloped platforms
- Operations moved to lowest cost market
- Relocation of seasoned management to support subsidiaries
- Knowledge sharing across markets



# ENCORE WILL MAINTAIN OUR COMMITMENT TO STRONG CAPITAL STEWARDSHIP

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## Growth Strategy

Sustain  
The US Core

Expand  
Internationally

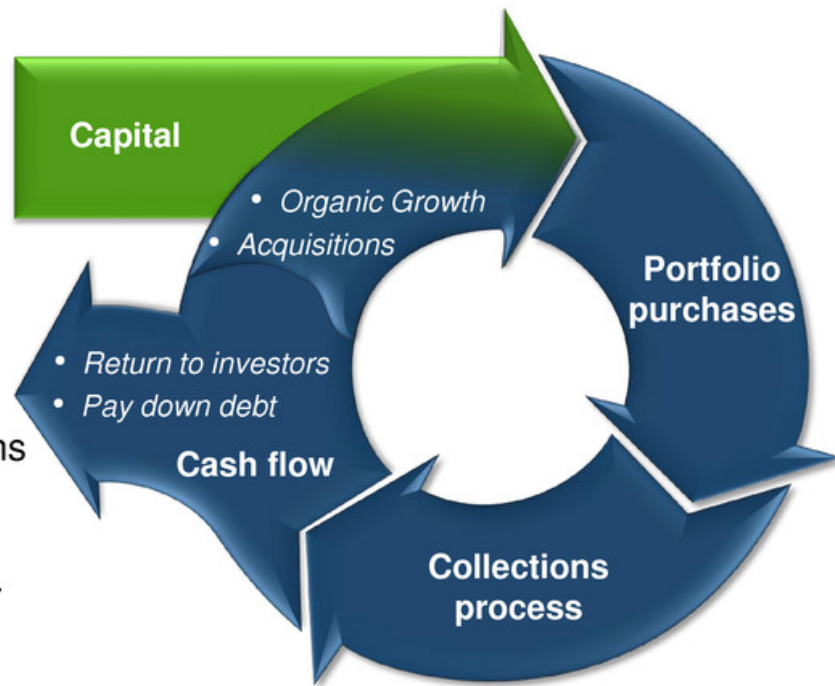
**Maintain  
Strong Capital  
Stewardship**

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**Jonathan Clark**  
**CFO, Encore Capital**

# EFFICIENT CAPITAL STEWARDSHIP IS CRITICAL TO ENCORE'S SUCCESS

- **Capital drives our growth engine**
- **Strong cash flow allows for value creating investments**
  - Reinvest in range of receivables
  - Prudent investment in acquisitions and adjacencies to support sustainable growth
  - Return capital to shareholders or pay down debt when it is right option



# WE CONSTANTLY EVALUATE ALTERNATIVES FOR DEPLOYING OUR CAPITAL



## Today's Focus

### **Organic Investment**

- How we evaluate opportunities to deploy capital and invest in the business

### **Acquisition**

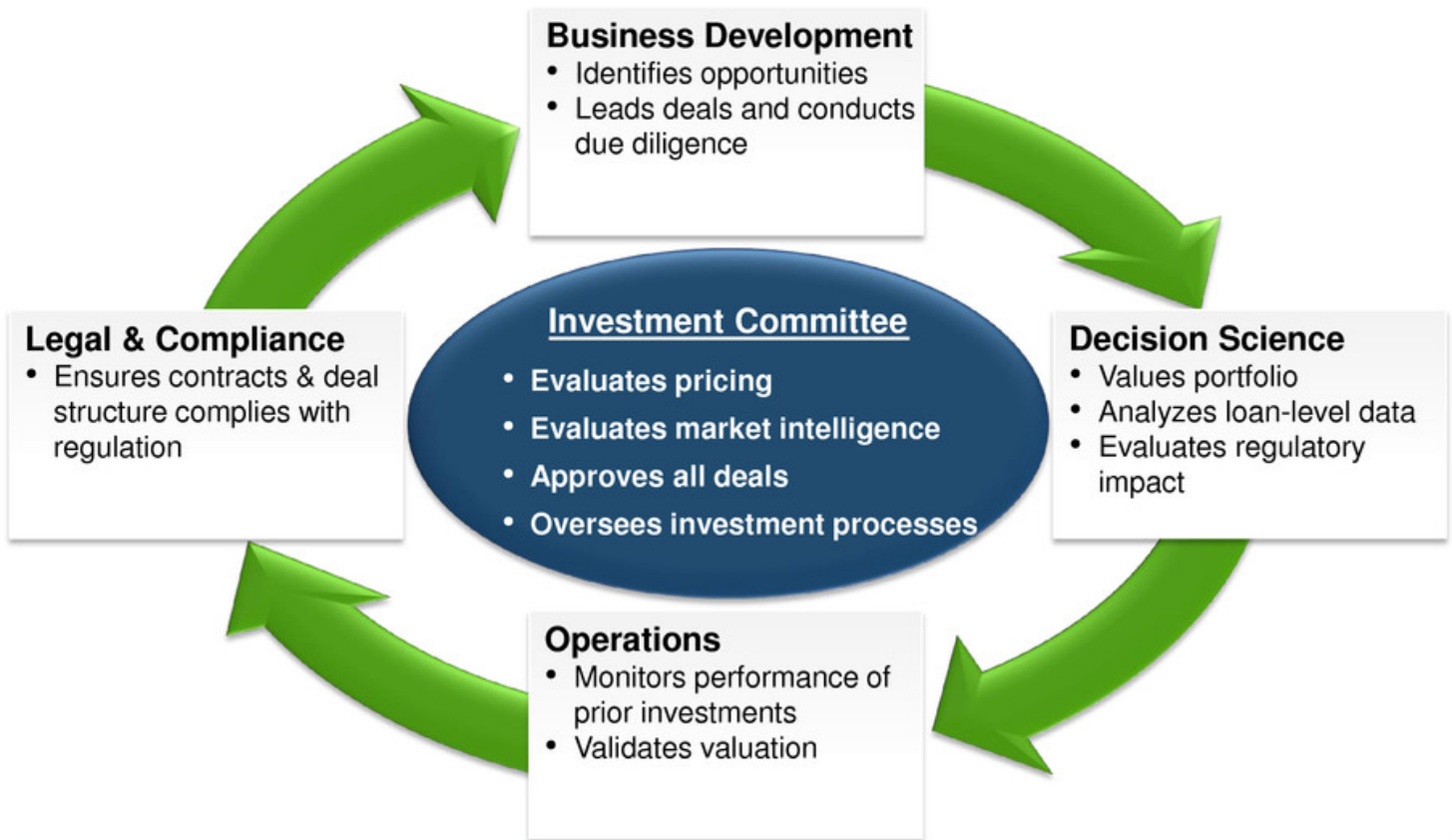
- Role of acquisition
- How we evaluate deal performance

### **Share Repurchase**

- Current and historical stock repurchase program

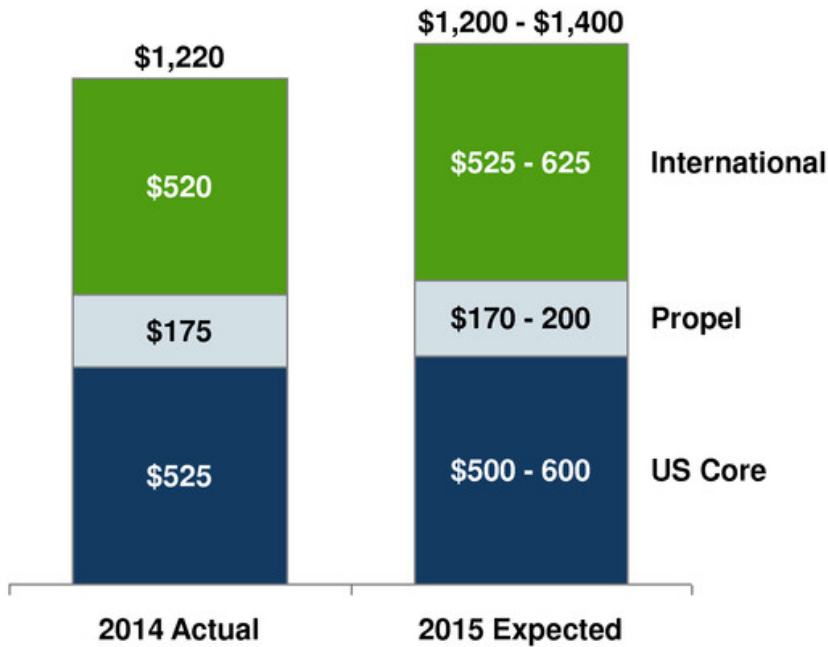


## WE MAINTAIN RIGOROUS CONTROLS AND STRUCTURE ACROSS ALL INVESTMENTS GLOBALLY



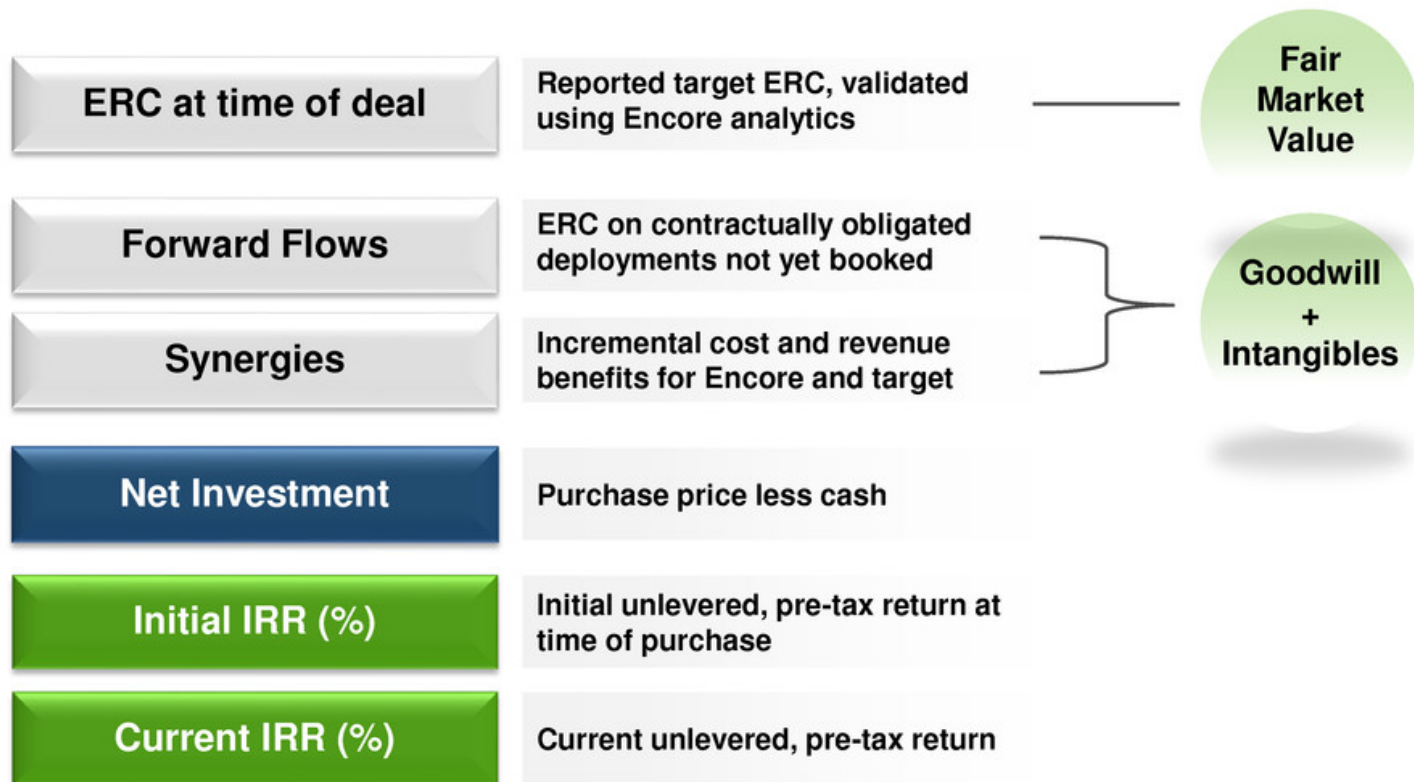
## OUR DEPLOYMENTS REFLECT THE BEST USE OF CAPITAL AVAILABLE GLOBALLY

### Global Capital Deployment: 2014 Actual and 2015 Expected (\$M)



- 2014 Actual in-line with last year's expectation
- 2015 Expected in-line with last year's target
- 2014 and 2015 deployment with expected performance above our hurdle rate

# THERE ARE SEVERAL FACTORS WHICH IMPACT HOW WE VALUE AN ACQUISITION





**THE CONTRIBUTION OF EACH FACTOR TO IRR WILL VARY BY ACQUISITION...**



<b>ERC at time of deal</b>	<b>\$952M</b>	<b>\$275M</b>
<b>Forward Flows</b>	<b>\$50M Deployment</b>	<b>\$125M Deployment</b>
<b>Synergies</b>	<b>Moderate</b>	<b>Extensive</b>
<b>Net Investment</b>	<b>\$356M</b>	<b>\$179M</b>
<b>Initial IRR (%)</b>	<b>Low-to-mid teens</b>	<b>Low-teens</b>
<b>Current IRR (%)</b>	<b>Mid-to-high teens</b>	<b>Mid-teens</b>

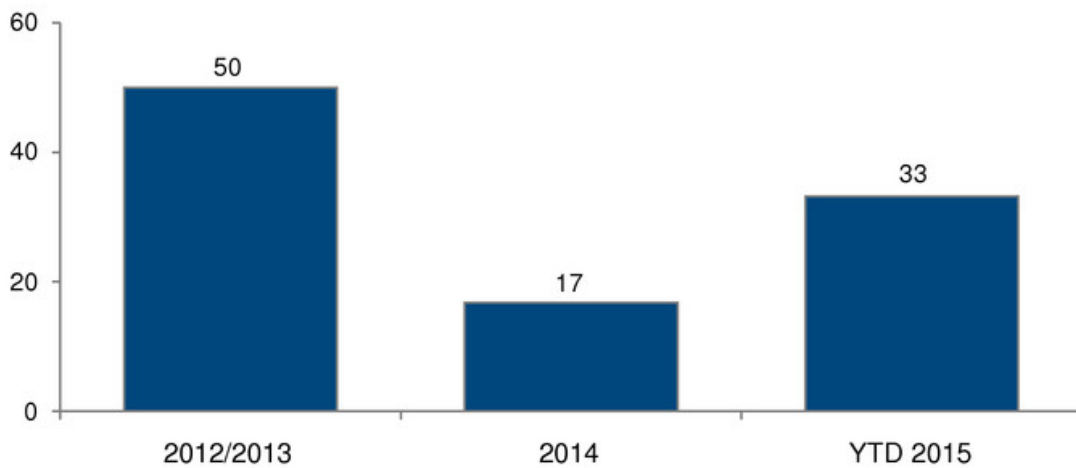
# ...AND GOODWILL & INTANGIBLES ALLOCATION WILL NATURALLY VARY BY ACQUISITION

	 AACC <small>Asset Acceptance Capital Corp.</small>	 Atlantic <small>CREDIT &amp; FINANCE INCORPORATED</small> <small>WHEN PERFORMANCE MATTERS™</small>
<b>Net Investment</b>	<b>\$356M</b>	<b>\$179M</b>
<b>Goodwill &amp; Intangibles</b>	<b>~17% of Purchase Price</b>	<b>~41% of Purchase Price</b>
<b>Forward Flows</b>	<b>\$50M Deployment</b>	<b>\$125M Deployment</b>
<b>Synergies</b>	<b>Moderate</b> <ul style="list-style-type: none"> <li>• Bankruptcy platform</li> <li>• Internal legal collections capabilities</li> </ul>	<b>Extensive</b> <ul style="list-style-type: none"> <li>• Capability to become competitive in fresh paper</li> <li>• Improved portfolio liquidations</li> </ul>

# WE REMAIN COMMITTED TO SHARE BUYBACKS GIVEN UPSIDE POTENTIAL IN SHARE PRICE & TOTAL SHAREHOLDER RETURN

## Encore share repurchases 2012-Present

Total Share Repurchase (\$M)



Price per share<sup>1</sup>

\$27.83

\$42.04

\$39.54

Number of shares (k)

1886

400

839

1. Weighted average repurchase price for the period

**Ken Vecchione**  
**President and CEO**

## THERE ARE MANY REASONS TO LIKE OUR PROSPECTS

<b>Strong Financial Track-Record</b>	<ul style="list-style-type: none"><li>• We are outstanding value creators who consistently drive double-digit earnings growth in a wide range of market environments.</li></ul>
<b>Excellent US Competitive Position</b>	<ul style="list-style-type: none"><li>• We will continue to achieve target US core deployment at strong returns.</li><li>• We are poised to benefit from improvements in the US market as the supply of debt increases with few qualified buyers remaining.</li></ul>
<b>Adaptable To Evolving Markets</b>	<ul style="list-style-type: none"><li>• Our recent call center transformation to support fresh paper liquidations is testament to our ability to consistently thrive in evolving markets.</li></ul>
<b>Proven International Capabilities</b>	<ul style="list-style-type: none"><li>• With Cabot and Grove, we are the established market leader in Europe.</li><li>• We have built beachheads in India and Latin America.</li><li>• We have a proven strategy for entering new markets and creating value.</li></ul>
<b>Exciting International Opportunity</b>	<ul style="list-style-type: none"><li>• We are on the cusp of a value creation catalyst, driven by imminent growth and outstanding returns in India, Mexico, and Brazil.</li><li>• We will enter servicing, a new source of unbounded, reliable revenues.</li></ul>
<b>Disciplined Capital Stewardship</b>	<ul style="list-style-type: none"><li>• We remain committed to managing our capital in a manner that drives the greatest return for our investors.</li></ul>



## GLOBAL LEADERSHIP PANEL

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### **Moderator**

**Ken Vecchione**, President and Chief Executive Officer

### **Participants**

**Kevin Fuller**, CEO, Grove Capital Management

**Paul Grinberg**, Group Executive, International and Corporate Development

**Kenneth Mendiwelson**, CEO, Refinancia

**Ashish Masih**, Executive Vice President, US Debt Purchasing Operations

**Ken Stannard**, CEO, Cabot Credit Management



# Encore Capital Group, Inc.

2015 Investor Day  
New York, NY  
June 4, 2015

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## Appendix

## NON-GAAP FINANCIAL MEASURES

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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 Adjusted Income Attributable to Encore and Adjusted Income Attributable to Encore per Share (also referred to as Economic EPS when adjusted for certain shares associated with our convertible notes that will not be issued but are reflected in the fully diluted share count for accounting purposes) because management uses these measures to assess operating performance, in order to 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 Income Attributable to Encore and Adjusted Income Attributable to Encore per Share/Economic EPS 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, net income per share, 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 INCOME AND ECONOMIC / ADJUSTED EPS

## Reconciliation of Adjusted Income and Economic / Adjusted EPS to GAAP EPS (Unaudited, In Thousands, except per share amounts), Three Months Ended

	March 31,					
	2015			2014		
	\$	Per Diluted Share – Accounting	Per Diluted Share – Economic*	\$	Per Diluted Share – Accounting	Per Diluted Share – Economic*
GAAP net income attributable to Encore, as reported	\$ 29,425	\$ 1.08	\$ 1.11	\$ 23,180	\$ 0.82	\$ 0.87
Adjustments:						
Convertible notes non-cash interest and issuance cost amortization, net of tax	1,666	0.06	0.07	1,291	0.05	0.05
Acquisition, integration and restructuring related expenses, net of tax	1,352	0.05	0.05	4,358	0.15	0.16
<b>Adjusted Income Attributable to Encore</b>	<b>\$ 32,443</b>	<b>\$ 1.19</b>	<b>\$ 1.23</b>	<b>\$ 28,829</b>	<b>\$ 1.02</b>	<b>\$ 1.08</b>

\* Economic EPS for the three months ended March 31, 2015 and March 31, 2014 excludes approximately 0.9 million and 1.5 million shares, respectively, issuable upon the conversion of the company's convertible senior notes that are included for accounting purposes but will not be issued due to certain hedge and warrant transactions.

# RECONCILIATION OF ADJUSTED INCOME AND ECONOMIC / ADJUSTED EPS

## Reconciliation of Adjusted Income and Economic / Adjusted EPS to GAAP EPS (Unaudited, In Thousands, except per share amounts), Three Months Ended

	March 31,					
	2013			2012		
	\$	Per Diluted Share – Accounting	Per Diluted Share – Economic	\$	Per Diluted Share – Accounting	Per Diluted Share – Economic
GAAP net income attributable to Encore, as reported	\$ 19,448	\$ 0.80	\$ 0.80	\$ 18,108	\$ 0.70	\$ 0.70
Adjustments:						
Convertible notes non-cash interest and issuance cost amortization, net of tax	673	0.03	0.03	-	-	-
Acquisition, integration and restructuring related expenses, net of tax	775	0.03	0.03	316	0.01	0.01
<b>Adjusted Income Attributable to Encore</b>	<b>\$ 20,896</b>	<b>\$ 0.86</b>	<b>\$ 0.86</b>	<b>\$ 18,424</b>	<b>\$ 0.71</b>	<b>\$ 0.71</b>

\* Economic EPS and GAAP EPS are the same for all periods prior to the three months ended March 31, 2012.

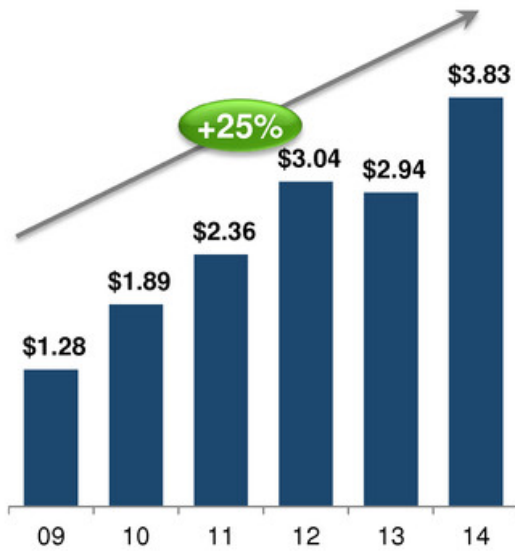
# RECONCILIATION OF ADJUSTED EBITDA

## Reconciliation of Adjusted EBITDA to GAAP Net Income (Unaudited, In \$ Thousands) Year Ended

	12/31/09	12/31/10	12/31/11	12/31/12	12/31/13	12/31/14
GAAP net income, as reported	\$ 33,047	\$ 49,052	\$ 60,958	\$ 69,477	\$ 73,740	\$ 98,278
(Income) loss from discontinued operations, net of tax	(2,133)	(1,658)	(365)	9,094	1,740	1,612
Interest expense	16,160	19,349	21,116	25,564	73,269	166,942
Provision for income taxes	19,360	27,967	38,076	51,754	45,388	52,725
Depreciation and amortization	1,771	2,552	4,081	5,840	13,547	27,949
Amount applied to principal on receivable portfolios	187,726	240,100	312,297	402,594	534,654	614,665
Stock-based compensation expense	4,384	6,010	7,709	8,794	12,649	17,181
Acquisition, integration and restructuring related expenses	-	-	-	4,263	29,321	19,299
<b>Adjusted EBITDA</b>	<b>\$ 260,315</b>	<b>\$ 343,372</b>	<b>\$ 443,872</b>	<b>\$ 577,380</b>	<b>\$ 784,308</b>	<b>\$ 998,651</b>

# GAAP EPS VS. ECONOMIC EPS

### GAAP EPS<sup>1</sup>



### Economic EPS<sup>2</sup>



1. Per fully diluted share from continuing operations. 2. Per fully diluted economic share from continuing operations. See Reconciliation of Economic EPS to GAAP EPS at the end of this presentation. EPS prior to 2012 were not affected by adjustments.

Note: Growth rate percentages for cash collections, Adjusted EBITDA, and EPS signify compounded annual growth rate from 2009–2014





# Encore Capital Group, Inc.

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