

Encore Overview

Encore Capital Group, Inc.

November 2025

Legal Disclaimers

The statements in this presentation that are not historical facts, including, most importantly, those statements preceded by, or that include, the words “will,” “may,” “believe,” “projects,” “expects,” “anticipates” or the negation thereof, or similar expressions, constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 (the “Reform Act”). These statements may include, but are not limited to, statements regarding our future operating results (including portfolio purchase volumes, collections and cash generation), supply, portfolio pricing, returns, run rates, tax rates, the consumer credit cycle and the impacts of inflation, interest rates and other macroeconomic factors. For all “forward-looking statements,” the Company claims the protection of the safe harbor for forward-looking statements contained in the Reform Act. Such forward-looking statements involve risks, uncertainties and other factors which may cause actual results, performance or achievements of the Company and its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These risks, uncertainties and other factors are discussed in the reports filed by the Company with the Securities and Exchange Commission, including its most recent report on Form 10-K, as it may be amended from time to time. The Company disclaims any intent or obligation to update these forward-looking statements.



Introduction to Encore

Who We Are

 **7300**
global colleagues

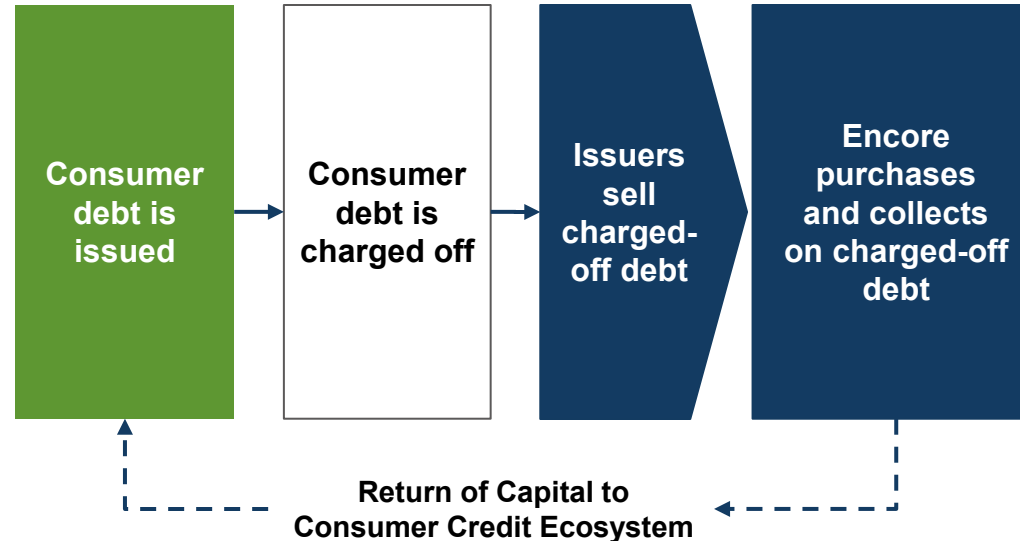
 **8**
countries where we operate

 **25+**
years in business

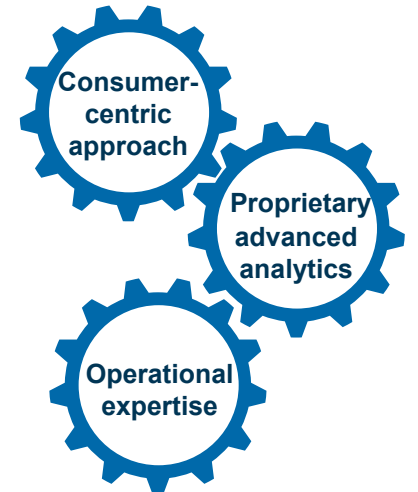
ENCORE ENABLES THE FUNCTIONING OF A HEALTHY CREDIT ECOSYSTEM

By purchasing NPL portfolios, we return capital to banks, enabling further lending and thus playing a key role in the consumer credit ecosystem. Our two largest operating units are Midland Credit Management (U.S.) and Cabot Credit Management (Europe).

Encore's primary business is the purchase and collection of charged-off consumer debt in the U.S. and Europe



Encore
Engages consumers in collection activities



\$14.5B

Amount of capital returned to the consumer credit ecosystem through our portfolio purchases since our inception

Encore at a Glance

Market Presence



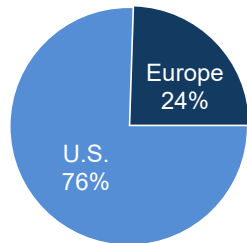
- Market leader in the United States
- 25+ years in operation



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

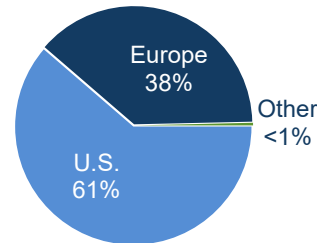
Capital Deployed

LTM Q3 2025 Deployments
Total \$1.6b



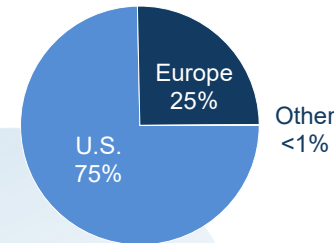
ERC⁽¹⁾

Q3 2025 180m ERC
Total \$9.5b



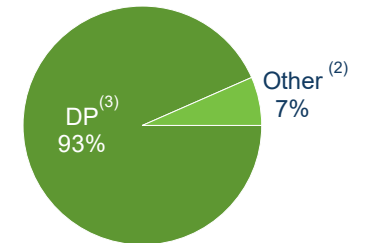
Collections

LTM Q3 2025 Collections
Total \$2.5b



Revenues

LTM Q3 2025 Revenues
Total \$1.6b



Source: Company filings.
 1) ERC represents total estimated remaining gross collections including real-estate owned assets.
 2) Represents servicing revenue and other revenues.
 3) DP (debt purchasing) represents revenues from owned receivable portfolios.

Our Mission, Vision and Values



Mission

Creating pathways to economic freedom



Vision

We help make credit accessible by partnering with consumers to restore their financial health



Values



We Care

We put people first and engage with honesty, empathy and respect



We Find a Better Way

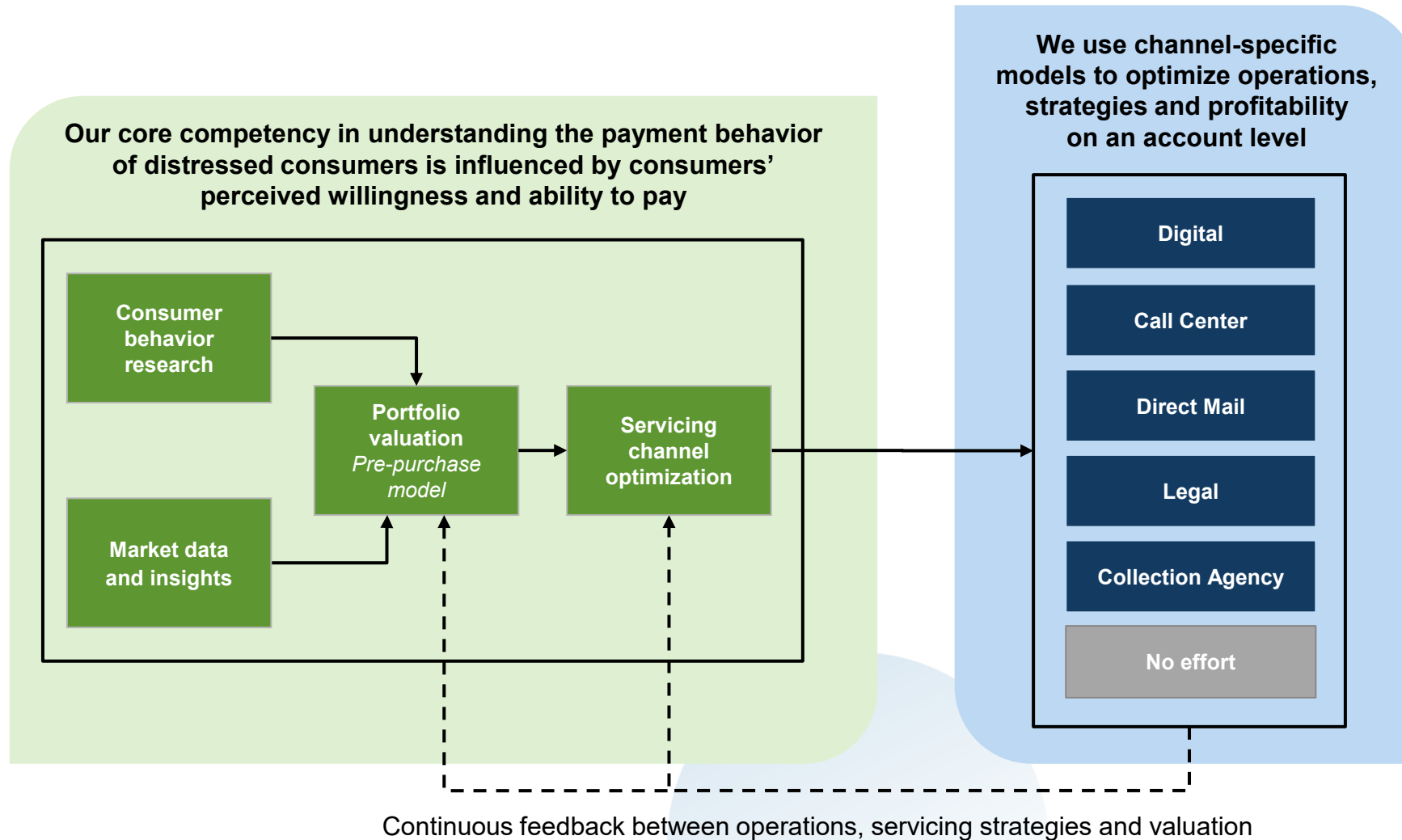
We deliver our best in everything we do, find ways to make a positive difference, and achieve impactful results



We are Inclusive and Collaborative

We embrace our differences and work together to ensure every individual can thrive

Our large data sets feed proprietary predictive models to optimize valuation, pricing and account level collection strategies





Our Strategy and Financial Priorities

Our Business and Our Strategy

Our Business

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



Our Strategy

- Market Focus
- Competitive Advantage
- Balance Sheet Strength

First Pillar of Our Strategy – Market Focus

Concentrating on our most valuable markets with the highest risk-adjusted returns

- Target market characteristics:
 - Large, consistent flow of purchasing opportunities
 - Strong regulatory framework
 - Sophistication and data availability
 - Stable, long-term returns
- Thrive on recurring portfolio sales through the credit cycle: Our success does not rely on large macro events
- Currently focusing capital allocation in the U.S. due to exceptional purchasing environment
- One of the largest players in the U.K. and building a stronger position in France and Spain

Second Pillar of Our Strategy – Competitive Advantage

Innovating and executing to enhance our competitive advantages

We have developed competitive advantages that provide the foundation for strong, consistent performance:



- Consumer focused approach that treats people with empathy and builds trust-based relationships to help resolve their debt challenges
- Leverage large sets of data collected from 25+ years of experience that underpin our analytical models for pricing and collections strategies
 - Embed compliance in everything we do to be effective in highly regulated markets
 - Integrated omni-channel capabilities (e.g., call center, web, mobile, email, chat) to serve evolving consumer preferences and enhance collections effectiveness
- Speech analytics technology to enhance collections effectiveness and compliance

Third Pillar of Our Strategy – Balance Sheet Strength

Continuing focus on the strength of our balance sheet

- Leverage ratio¹ of 2.5x at September 30, 2025, is at the midpoint of our targeted range of 2.0x-3.0x
- Combined balance sheets of our U.S. and European businesses, formed unified global funding structure
- Established best-in-class capital structure: cost, tenor, diversification of capital sources, overall flexibility
- Well-positioned with operational capability and access to funding to increase portfolio purchases and capitalize on opportunities through the cycle

Our Financial Priorities

Balance Sheet Objectives

- Preserve financial flexibility
- Target leverage¹ between 2.0x and 3.0x
- Maintain a strong BB debt rating



Capital Allocation Priorities

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

Deliver strong ROIC through the credit cycle



Our Value Proposition

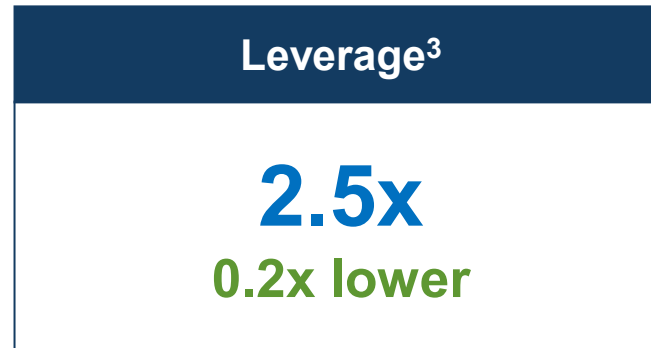
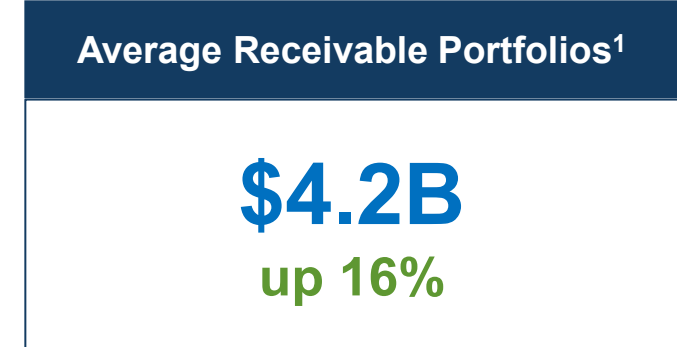
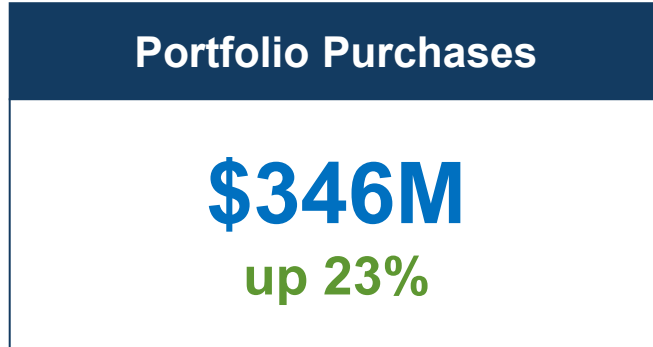
Our Value Proposition

- A global leader in the debt purchasing industry, which is a critical component of the world's credit ecosystem
- Industry leadership in the U.S., the world's largest and most valuable credit market
- An industry leader in the U.K. while cultivating business growth in Spain and France
- Interactions with consumers are conducted with respect and empathy, emphasizing a thorough understanding of each consumer's individual circumstance to arrive at an optimal solution
- Business results driven by best-in-class collections operation anchored by deep analytics and more than 25 years of experience
- Balance sheet amongst the strongest in the industry, focused on preserving financial flexibility, operating with appropriate leverage and maintaining access to many sources of funding
- Clear financial objectives and capital allocation priorities
- Significant cash generation and strong returns



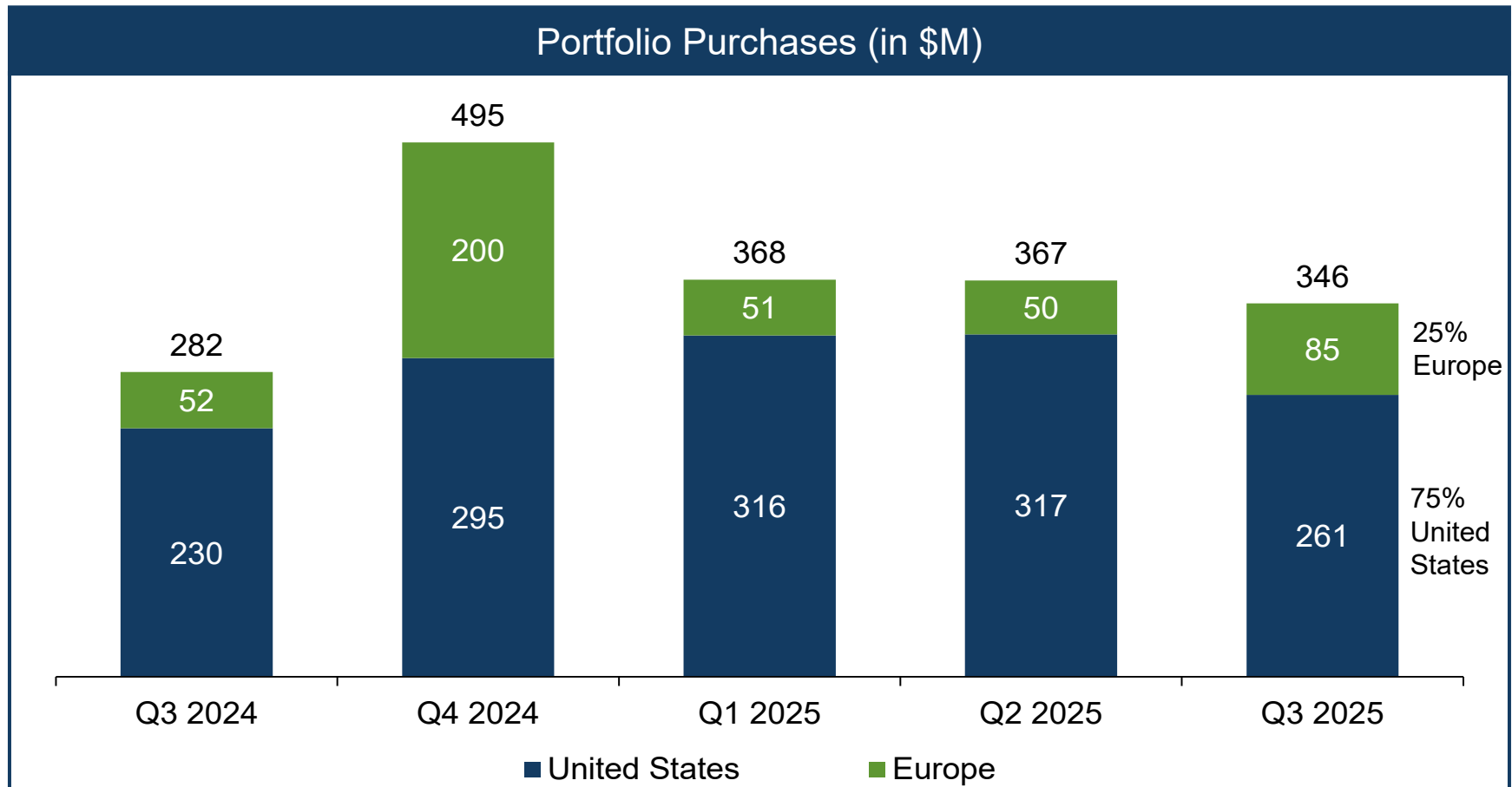
Q3 2025 Update

Q3 2025 Financial Highlights

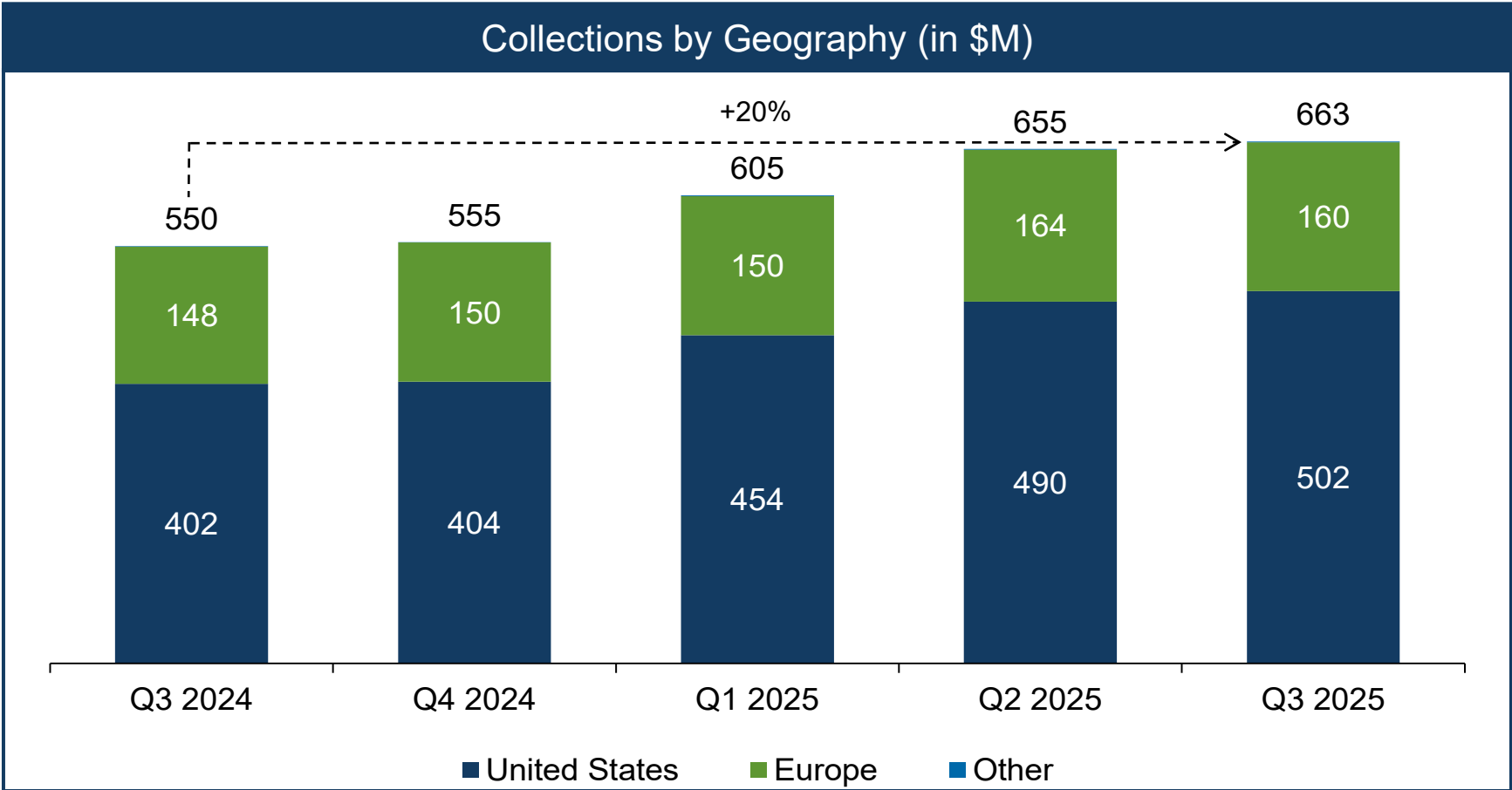


- 1) Represents the average of receivable portfolios for the quarter (the sum of receivable portfolios at the beginning and end of the quarter divided by 2).
 - 2) 180-Month Estimated Remaining Collections
 - 3) Leverage (or leverage ratio) utilizes non-GAAP metrics and is defined as Net Debt ÷ (LTM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

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

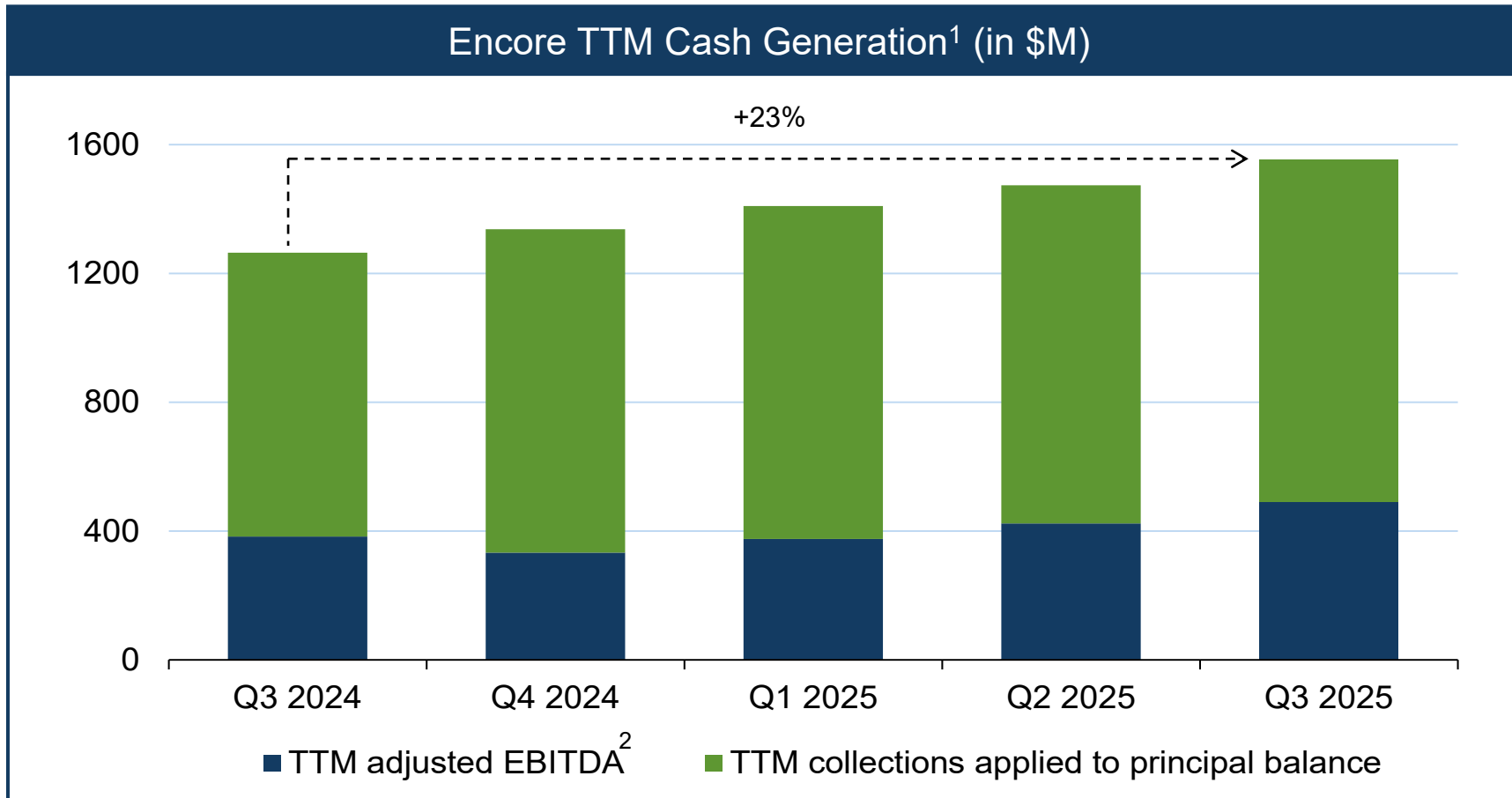


Collections increased by 20% to a quarterly record \$663 million



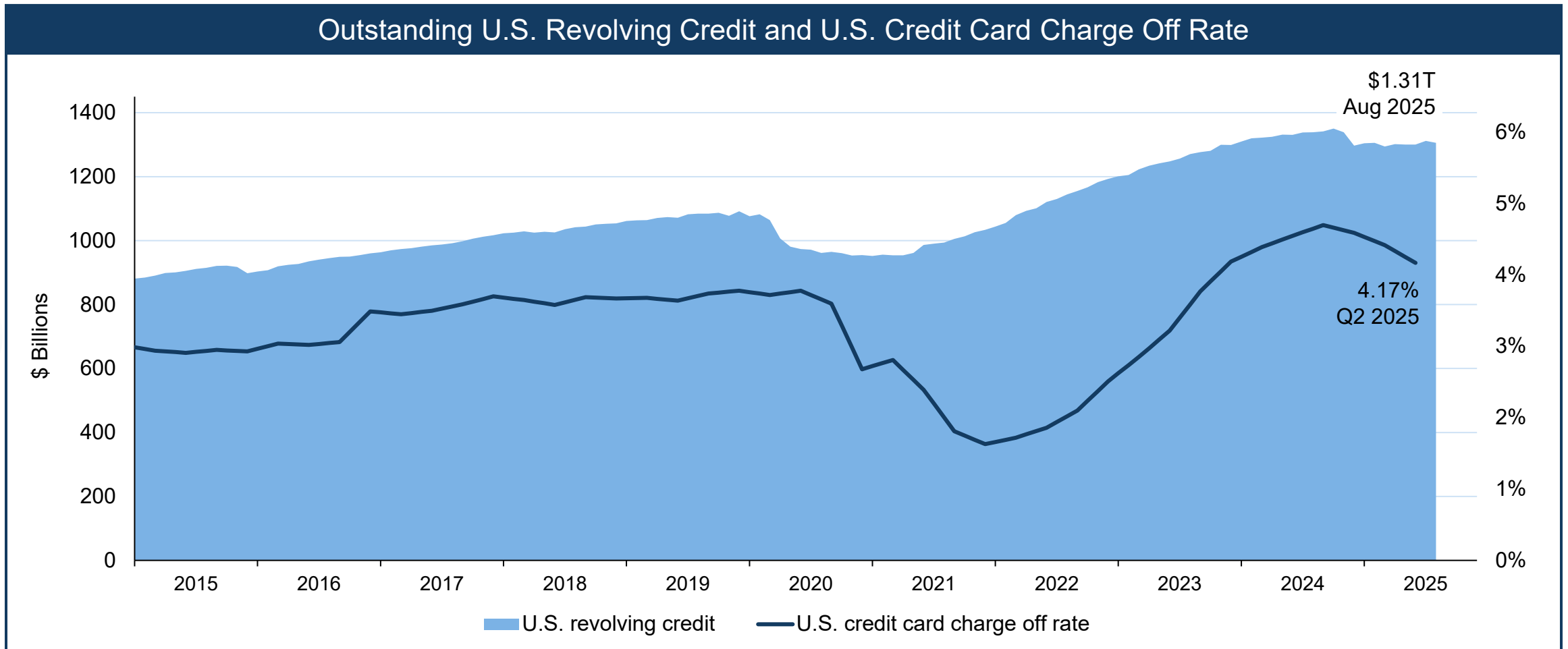
Note: Global, U.S. and Europe collections through Q3 2025 were 108%, 108% and 111% (107%, 108% and 105% in constant currency), respectively, of the Dec 31, 2024 portfolio ERC forecasts for portfolios purchased prior to Dec 31, 2024.

Cash generation increased by 23%

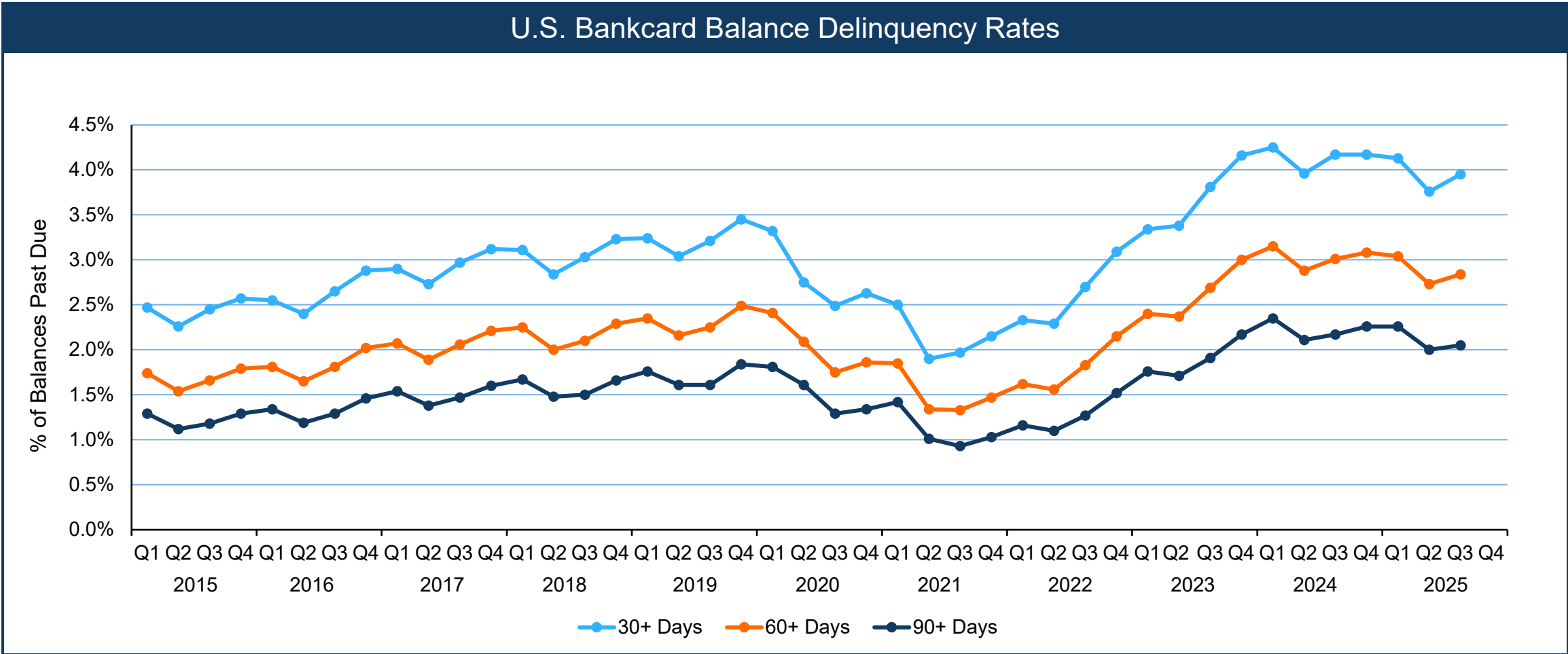


- 1) Trailing Twelve Month ("TTM") cash generation defined as TTM adjusted EBITDA + TTM collections applied to principal balance.
- 2) See appendix for reconciliation of Adjusted EBITDA to GAAP net income.

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



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

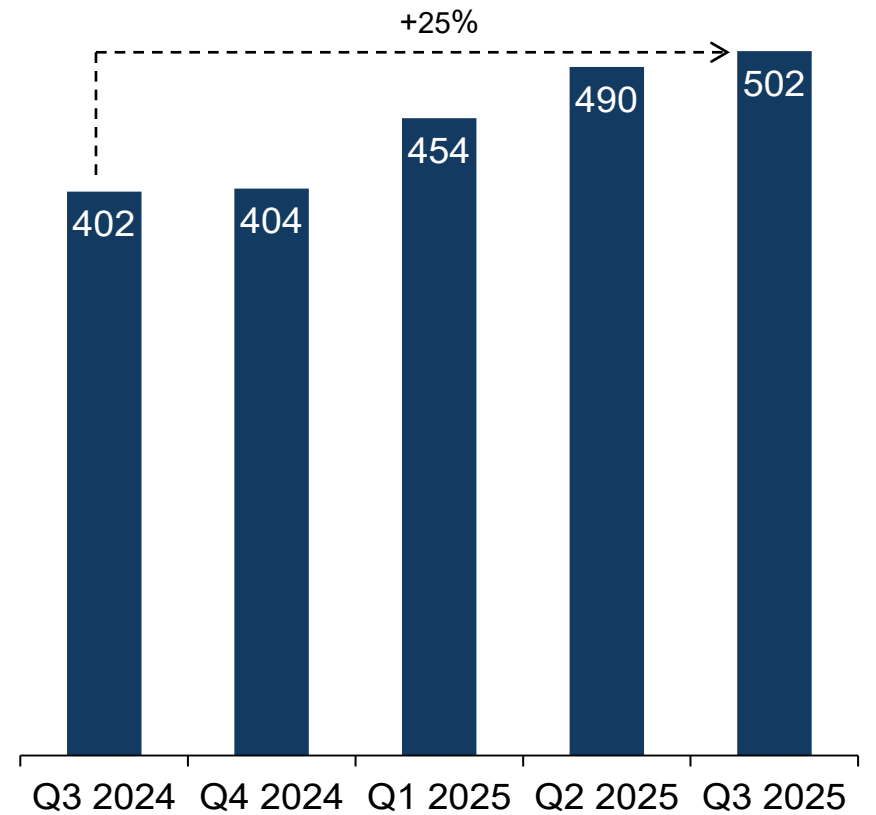


MCM continues to deliver very strong results

MCM (U.S.)

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

MCM Collections (in \$M)

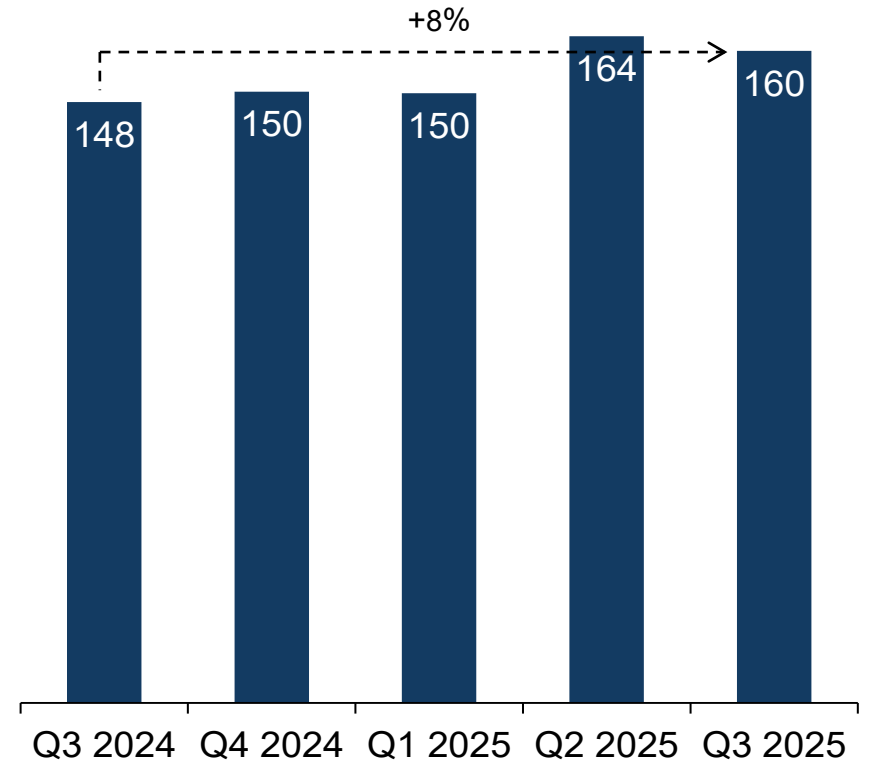


Cabot delivered a solid Q3

Cabot (Europe)

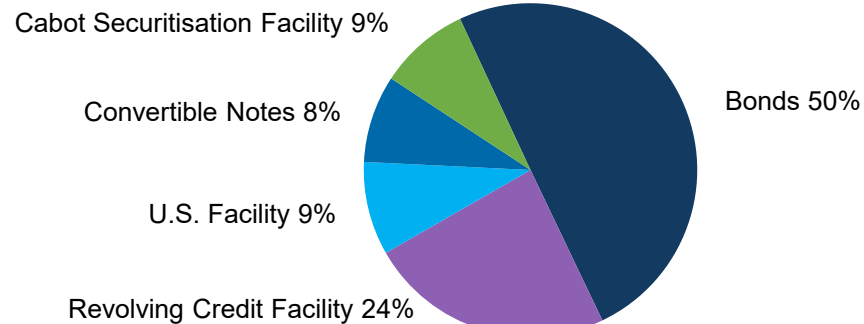
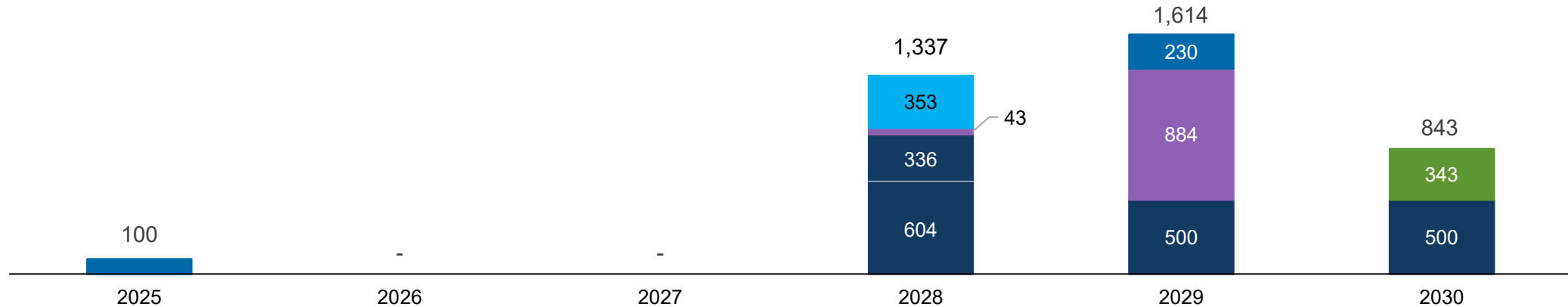
- Cabot portfolio purchases of \$85M in Q3 2025 were higher than prior quarters due to spot opportunities
- U.K. market remains impacted by subdued consumer lending, low delinquencies and robust competition
- Cabot collections in Q3 2025 of \$160M increased by 8% compared to Q3 2024

Cabot Collections (in \$M)



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

Debt Maturity Profile at September 30, 2025 (in \$M)¹



- As of September 30, 2025, available liquidity was \$736M (available RCF of \$491M, available U.S. Facility of \$97M and cash² of \$148M).
- In July we increased the size of our US facility by \$150M to \$450M and extended its maturity to 2028.
- In October we issued \$500M of 6.625% Senior Secured Notes due April 2031.
- Also in October, we settled the \$100M of 2025 Convertible Notes entirely in cash.

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

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

Updating our full-year guidance

Guidance

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

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

We believe Encore is truly differentiated from our competitors

- Encore is the largest player in the attractive U.S. debt buying market
- Our higher purchase price multiples lead to collecting more over a vintage's lifetime, which generates more cash, more earnings and higher returns
- Well-diversified, strong global balance sheet offers flexible funding solutions and enables allocation of capital to opportunities with the highest returns

Appendix

Financial Results

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

Key financial measures			Variance	
<i>\$ in millions</i>	Q3 25	Q3 24	\$	%
Collections	663.0	550.3	112.8	20.5%
Portfolio purchases	346.1	282.5	63.6	22.5%
Average receivable portfolios ¹	4,227.4	3,651.3	576.1	15.8%
ERC	9,489.8	8,648.9	840.9	9.7%
Cash efficiency margin ²	58.4%	54.8%	3.6%	NM
Leverage	2.5	2.7	(0.2)	NM
Annualized Yields			Variance	
Collection yield ³	62.7%	60.3%	2.5%	NM
Portfolio yield ⁴	35.0%	35.9%	(0.9)%	NM
Impact of changes in recoveries ⁵	6.0%	1.4%	4.6%	NM
Debt purchasing yield⁶	41.0%	37.3%	3.7%	NM

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

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

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

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

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

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

Receivable portfolios and annualized yields

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

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

Definitions:

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

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

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

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

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

Supporting financial modeling formulas

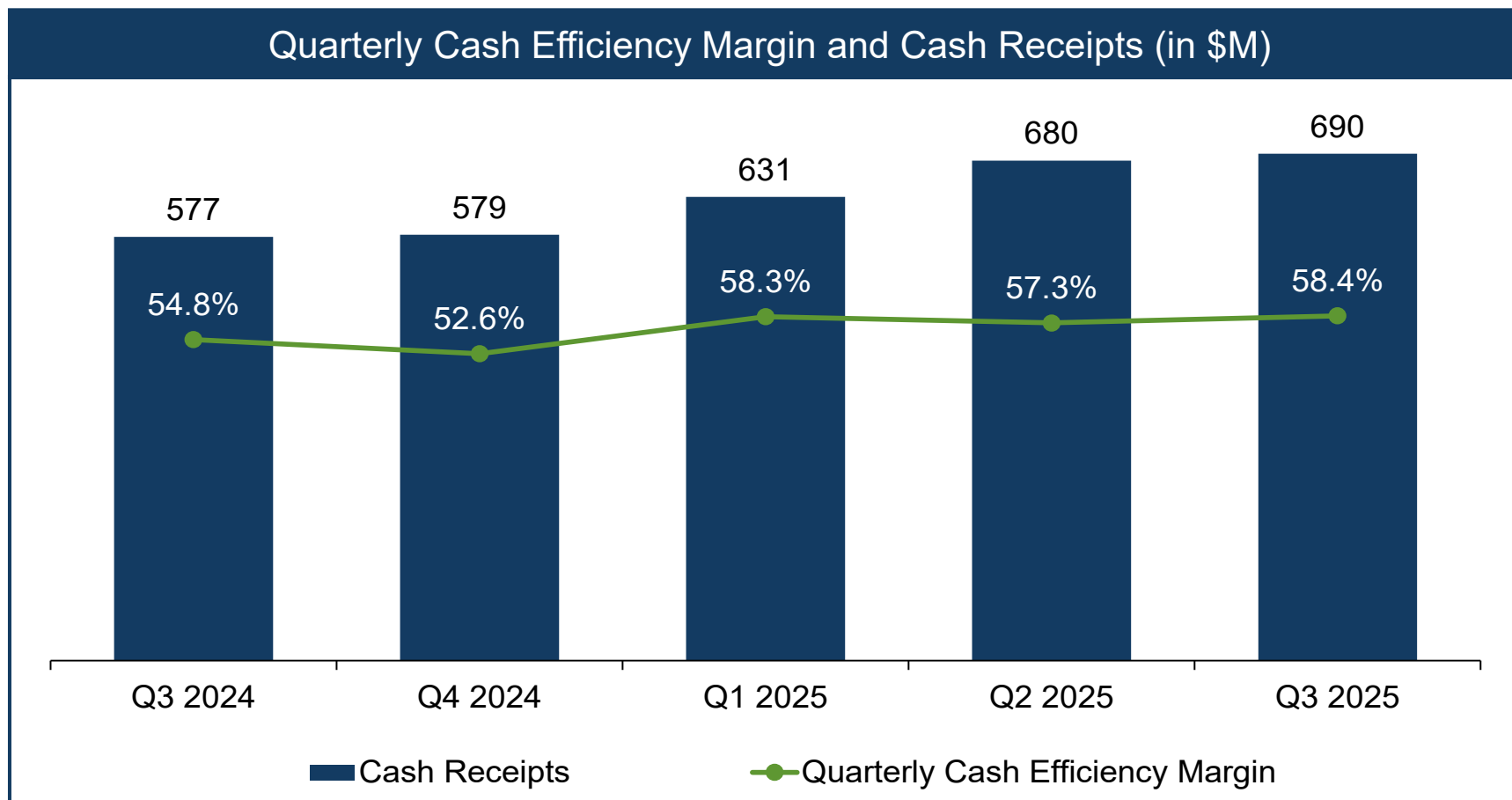
$$\text{Average receivable portfolios} \times \text{Portfolio yield} = \text{Portfolio revenue}$$

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

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

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

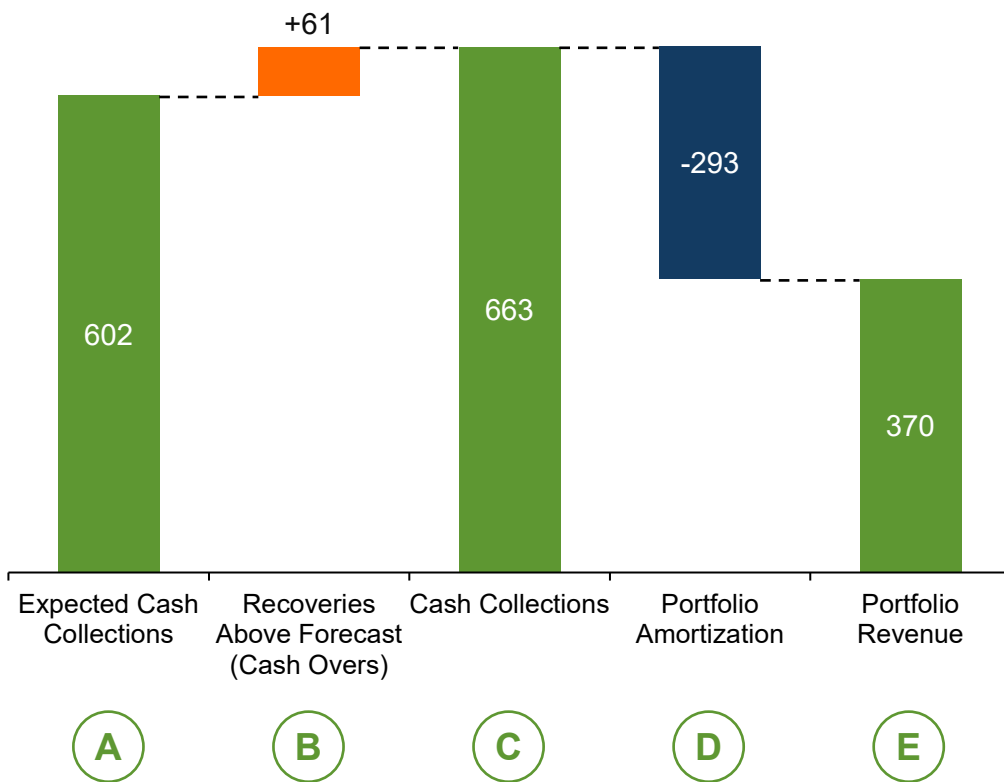
Quarterly Cash Efficiency Margin



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

Q3 2025 Cash Collections and Revenue Reconciliation

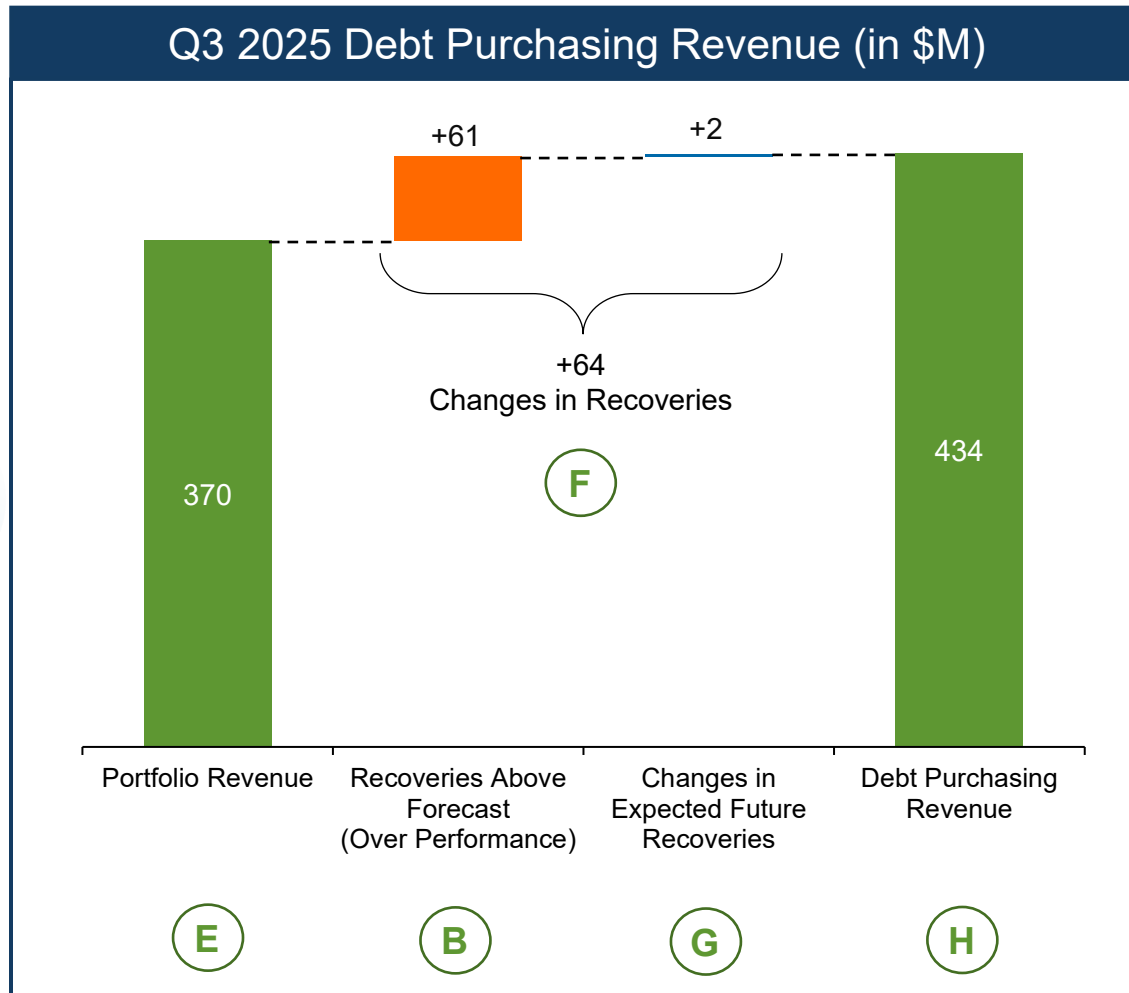
Q3 2025 Collections and Revenue Reconciliation (in \$M)



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

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

Components of Debt Purchasing Revenue in Q3 2025



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

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

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

(G) Changes in Expected Future Recoveries¹ is the present value of changes to future ERC, which generally consists of:

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

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

Debt Purchasing Revenue in the Financial Statements

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

Non-GAAP Financial Measures

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

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

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

Calculation of Quarterly Cash Efficiency Margin

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

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

Calculation of Cash Generation

Reconciliation of Adjusted EBITDA to Net Income

LTM Adjusted EBITDA					
\$ in millions	Q3 24	Q4 24	Q1 25	Q2 25	Q3 25
LTM net income, as reported	(184.7)	(139.2)	(115.7)	(89.1)	(45.1)
Adjustments:					
Interest expense	238.5	252.5	267.3	279.9	287.2
Interest income	(6.4)	(7.0)	(7.2)	(6.8)	(5.9)
Provision for income taxes	26.8	43.0	49.4	58.4	73.5
Depreciation and amortization	32.4	32.4	31.9	31.8	30.8
Stock-based compensation expense	14.6	14.0	14.1	14.7	15.3
Net gain on derivative instruments ¹	0.1	(0.3)	(0.1)	0.0	(0.0)
Acquisition, integration and restructuring related expenses ²	5.2	10.5	8.4	7.5	7.5
Loss on extinguishment of debt	-	7.8	7.8	7.8	7.8
Goodwill impairment ³	238.2	100.6	100.6	100.6	100.6
Impairment of assets ³	18.7	18.5	18.5	18.5	18.5
LTM adjusted EBITDA	383.4	332.9	375.2	423.4	490.3
LTM collections applied to principal balance⁴	880.5	1,004.2	1,034.0	1,049.7	1,062.7

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

Calculation of Net Debt and Leverage

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

Calculation of ROIC

Reconciliation of Adjusted Income from Operations

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

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