Encore Capital Group, Inc.

Q4 2015 EARNINGS CALL

CAUTIONARY NOTE ABOUT FORWARD-LOOKING STATEMENTS

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

ENCORE UPDATE

- Revenues, profits and deployments have all grown substantially over the past three years
- While earnings growth over the period has been strong, compression in ROIC has occurred
- Going forward, we will focus less on large platform acquisitions
- EPS and ROIC should rise in tandem
- We are divesting Propel as we see more opportunities for higher returns in the U.S. and around the world
- Propel sale expected to provide liquidity, debt reduction, lower leverage and ROIC improvement

ENCORE DELIVERED ECONOMIC EPS GROWTH OF 12% IN THE FOURTH QUARTER

GAAP Loss per Share*	Economic EPS**	Collections
($0.04)	$1.31	$417 million
		Adjusted EBITDA**
		$248 million
GAAP Net Loss*	**Adjusted Income****	**Cost-to-Collect*****
($1) million	$34 million	41.5%

Estimated Remaining Collections of $5.7 billion

* Attributable to Encore
** Please refer to appendix for reconciliation of Economic EPS, Adjusted EBITDA, and Adjusted income to GAAP
*** Cost-to-Collect = Adjusted operating expenses / dollars collected. See appendix for reconciliation of Adjusted operating expenses to GAAP.

ENCORE DELIVERED ECONOMIC EPS GROWTH OF 14% IN 2015

GAAP EPS*	Economic EPS**
$1.69	$5.15

GAAP Net Income*	Adjusted Income**
$45 million	$134 million

Collections
$1.70 billion

Adjusted EBITDA**
$1.06 billion

Cost-to-Collect***
39.2%

Estimated Remaining Collections of $5.7 billion

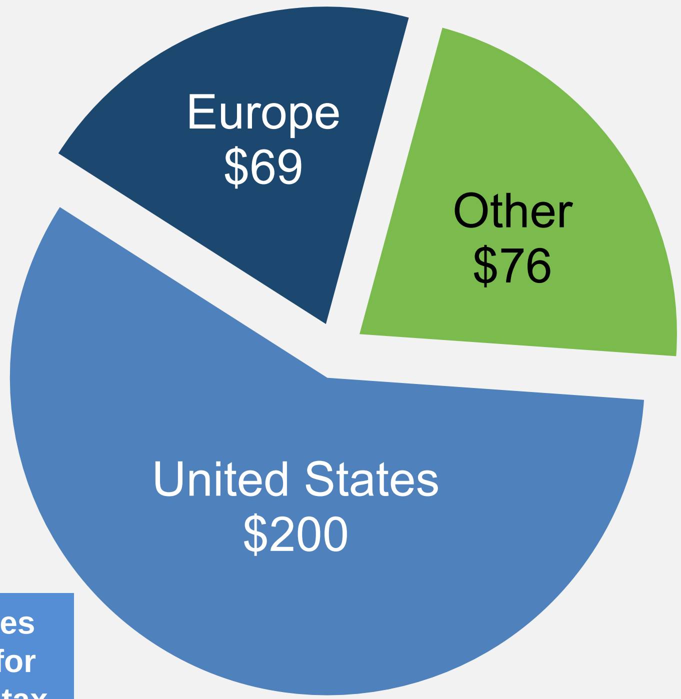
* From continuing operations attributable to Encore
** Please refer to appendix for reconciliation of Economic EPS, Adjusted EBITDA, and Adjusted income to GAAP
*** Cost-to-Collect = Adjusted operating expenses / dollars collected. See appendix for reconciliation of Adjusted operating expenses to GAAP.

Q4 AND 2015 DEPLOYMENTS REFLECT A DIVERSE GLOBAL BUSINESS

Q4-2015 Deployments

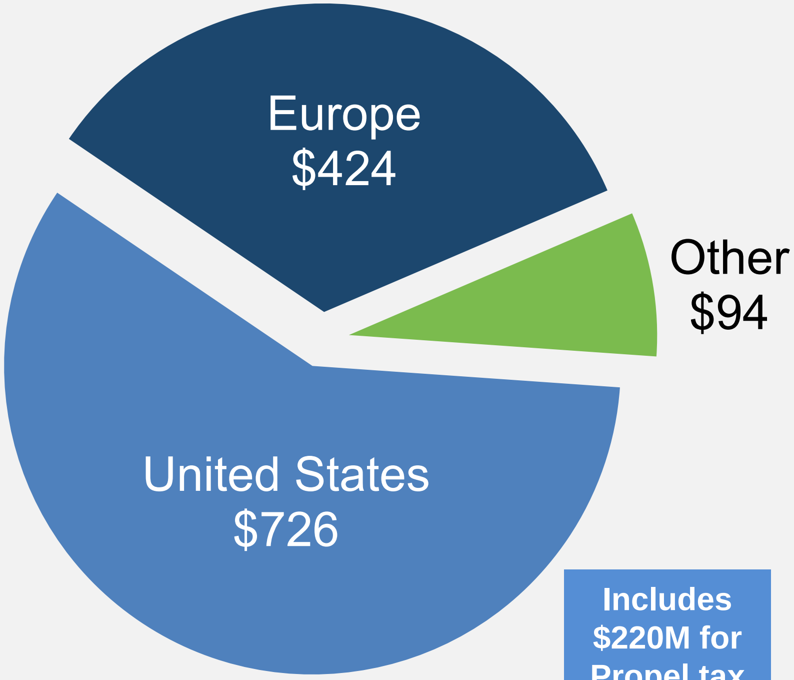
2015 Deployments

$M



Includes $52M for Propel tax liens

Total $345



Includes $220M for Propel tax liens

Total $1,243

CABOT CONTINUES TO IMPROVE ITS POSITION AS THE LEADER IN THE U.K. DEBT RECOVERY MARKET

Cabot Update

- Increased revenues 23% in Q4 of 2015 compared to Q4 of 2014
- Increased revenues 22% in 2015 compared to 2014

- Increased collections 14% in Q4 of 2015 compared to Q4 of 2014
- Increased collections 18% in 2015 compared to 2014

- Deployed $400 million of capital in 2015

- ERC at the end of 2015 was $2.7 billion

- Cabot contributed $1.20 of Economic EPS to Encore earnings in 2015

SALE OF PROPEL IMPROVES OVERALL RETURNS, ELIMINATES DEBT, IMPROVES LEVERAGE AND GENERATES CASH

Propel Sale Transaction

propel financial services™

- Propel is a good business that has grown assets, revenues and profits as part of Encore
- With our expansion into new global markets and improving returns in the U.S., Encore now has more attractive opportunities to deploy capital at higher returns to improve overall ROIC
- Achieving adequate returns on tax lien investments requires high levels of leverage, which is not consistent with our longer term goal of deleveraging our balance sheet
- Propel sale expected to eliminate $230M+ of debt from Encore's balance sheet and improve debt ratios
- After-tax cash proceeds expected to be in excess of $150M
- Non-cash goodwill impairment charge of $49M taken by Encore in Q4

THE DIVESTITURE OF PROPEL REDUCES ENCORE'S LEVERAGE

Debt and Debt Ratios[1] at December 31, 2015

Encore	With Cabot, With Propel	With Cabot, Without Propel	Without Cabot, Without Propel
Total Debt	$2.995 B	$2.614 B[2]	$1.148 B[2]
Total Debt / Adjusted EBITDA	2.83x	2.50x	1.57x
Total Debt / Equity	5.02x	4.38x	1.92x

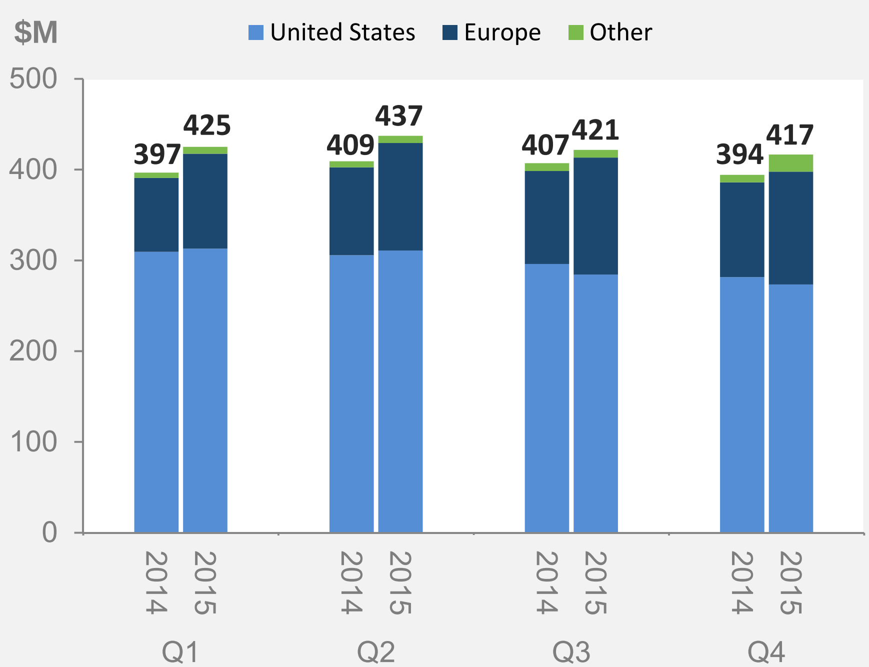
1) Preferred equity certificates treated as equity.
2) Assumes $150M in Propel sale proceeds used to retire additional debt.

Although we fully consolidate Cabot's debt on our balance sheet, their debt is non-recourse to Encore, despite our 43% economic interest

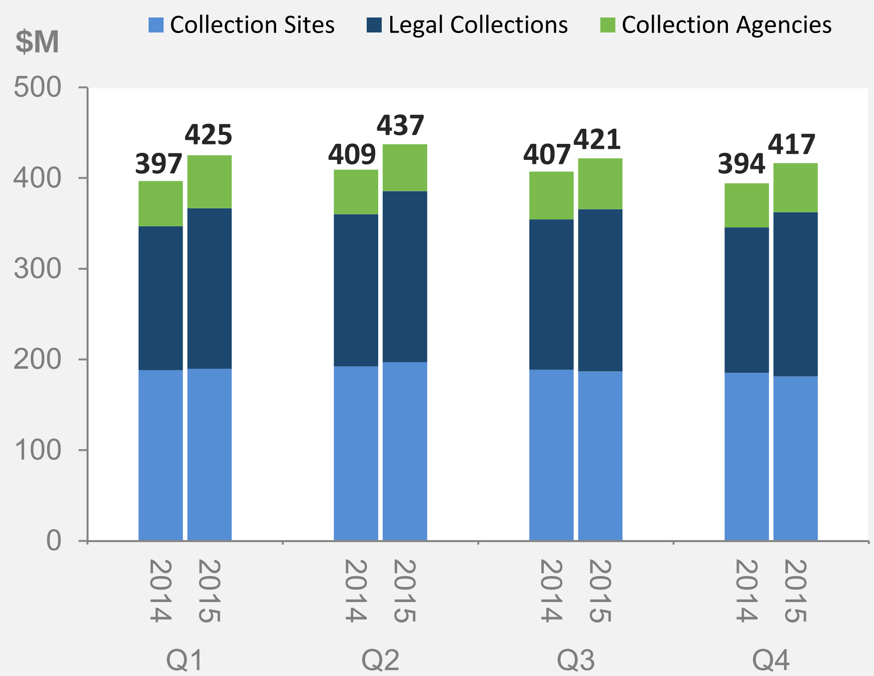
Detailed Financial Discussion

Q4 COLLECTIONS REFLECT STEADY EXECUTION AND GROWTH

Collections by Geography

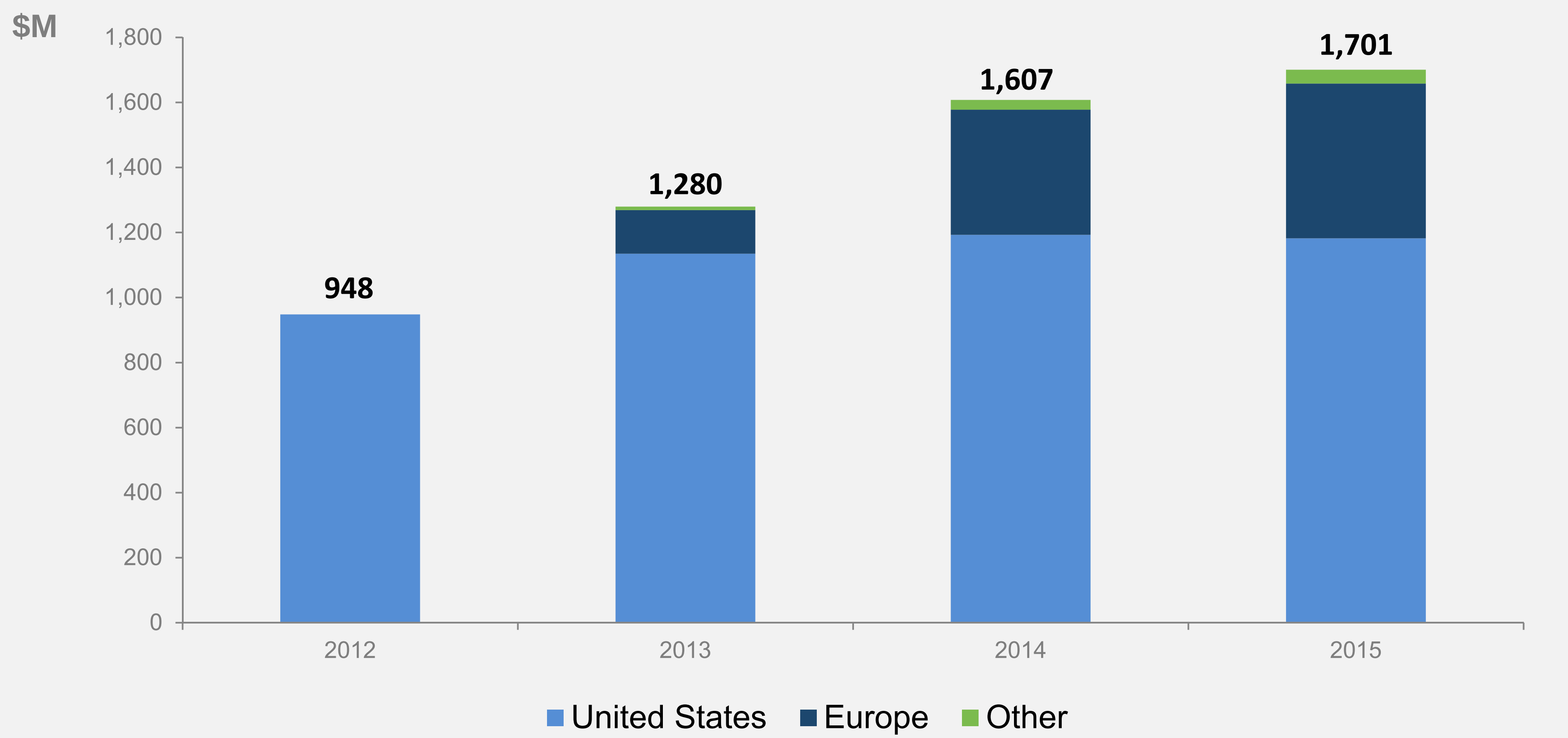


Collections by Channel



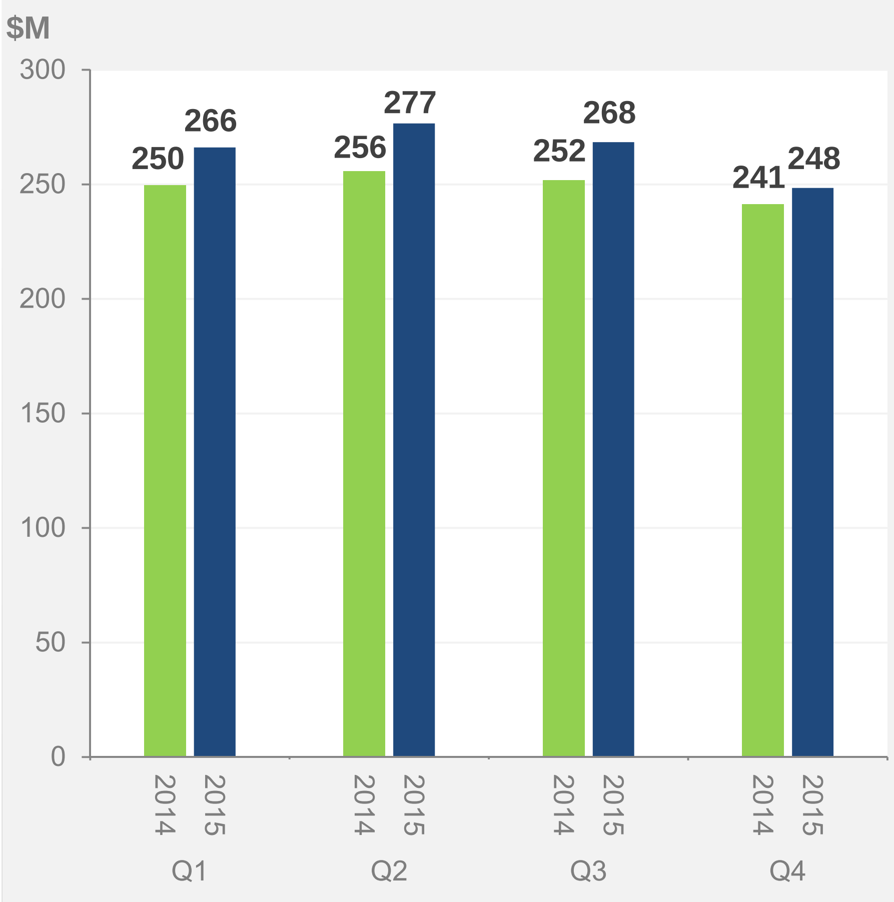
2015 COLLECTIONS REFLECT SOLID GROWTH OUTSIDE OF THE UNITED STATES

Collections by Geography

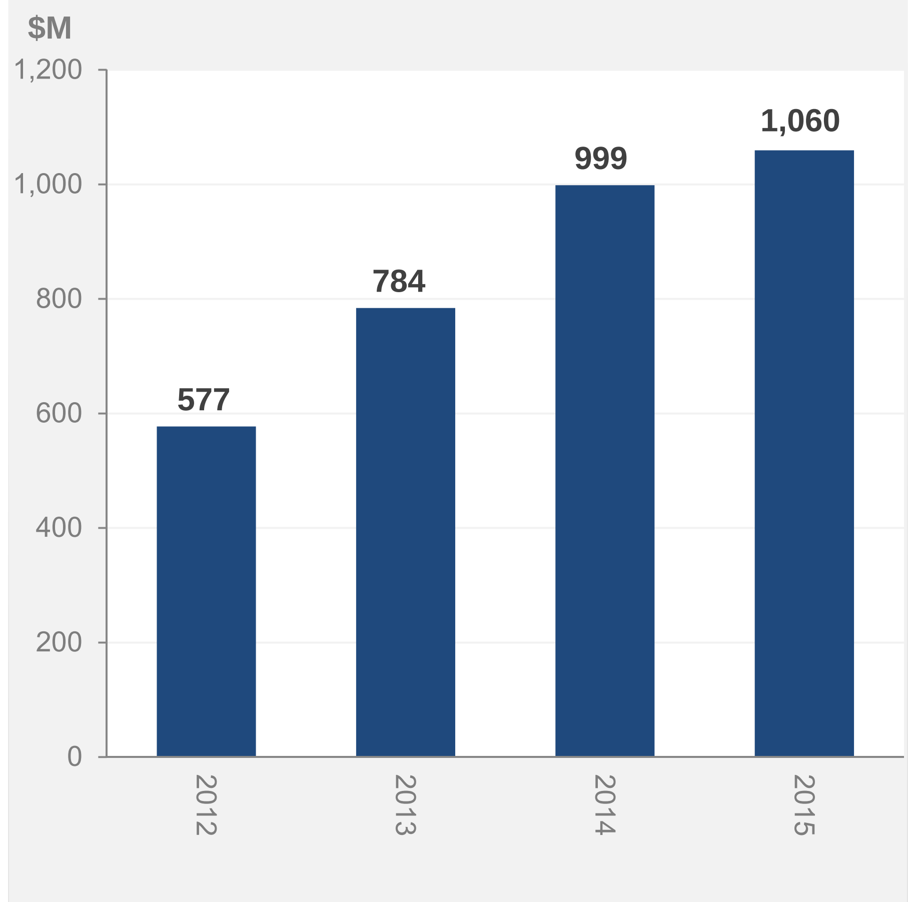


SOLID COLLECTIONS GROWTH LED TO IMPROVED CASH FLOWS

Quarterly Adjusted EBITDA*

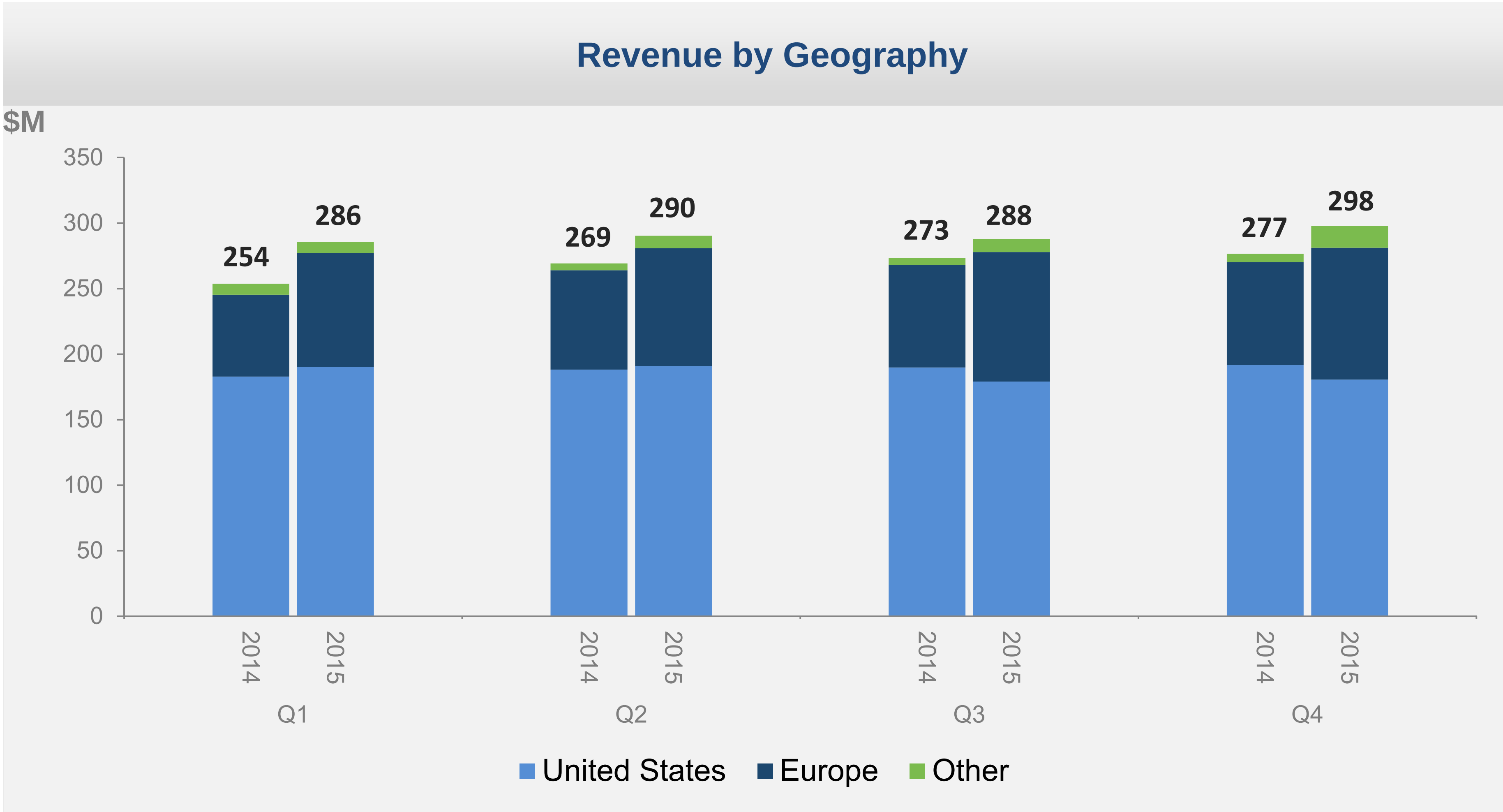


Annual Adjusted EBITDA*

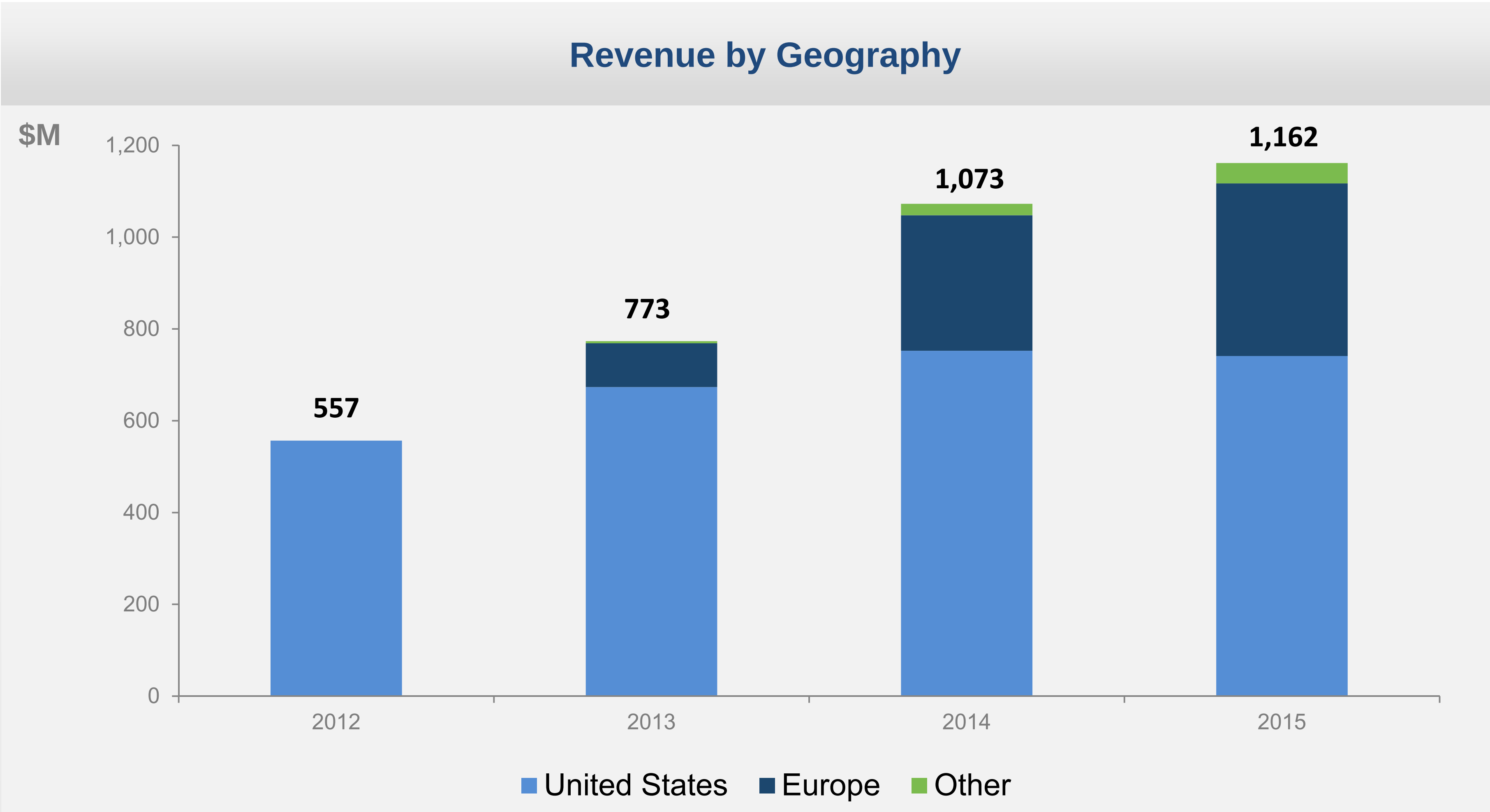


* Please refer to Appendix for reconciliation of Adjusted EBITDA to GAAP

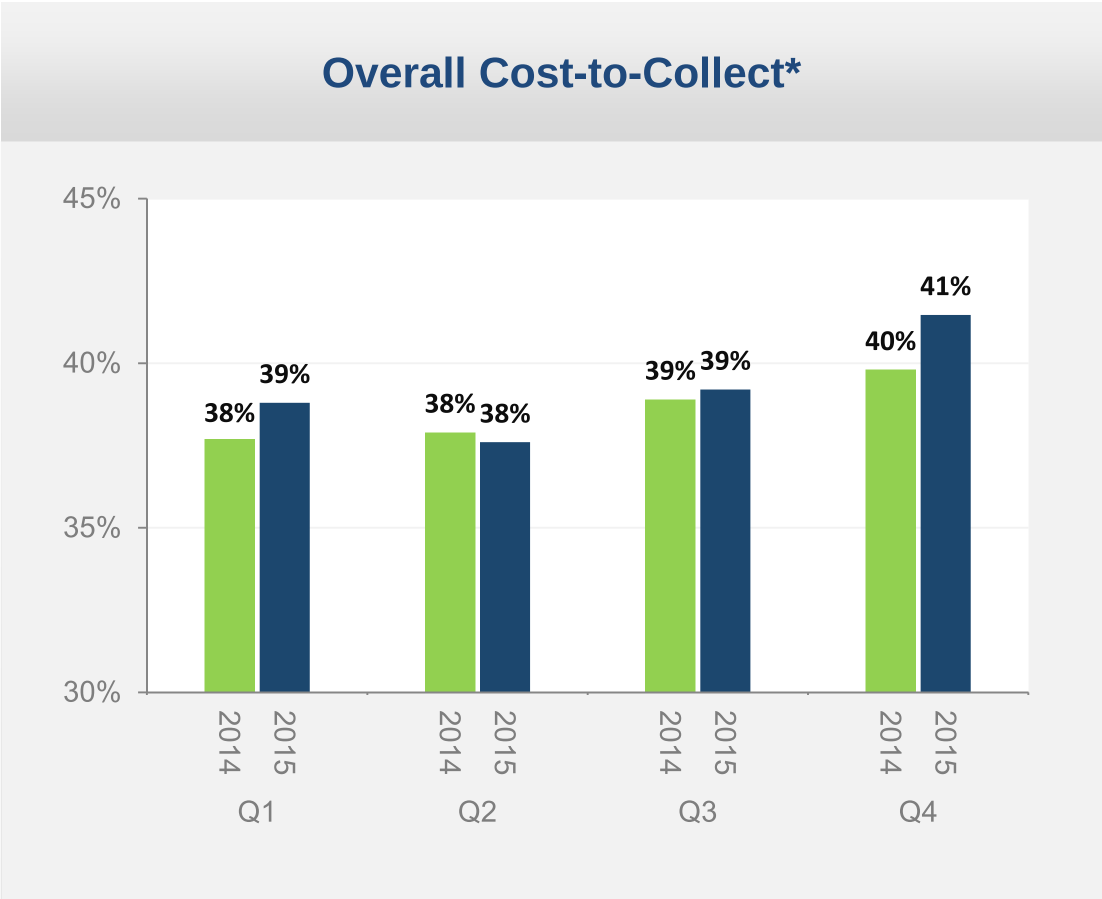
OUR QUARTERLY REVENUE GROWTH WAS DRIVEN BY STRONG PERFORMANCE ABROAD



OUR REVENUE GROWTH IN 2015 WAS DRIVEN LARGELY BY OUR EXPANSION OUTSIDE THE UNITED STATES



COST-TO-COLLECT REMAINS STABLE, EVEN AS WE CONTINUE TO INVEST IN COMPLIANCE AND OPPORTUNITIES TO IMPROVE NPV

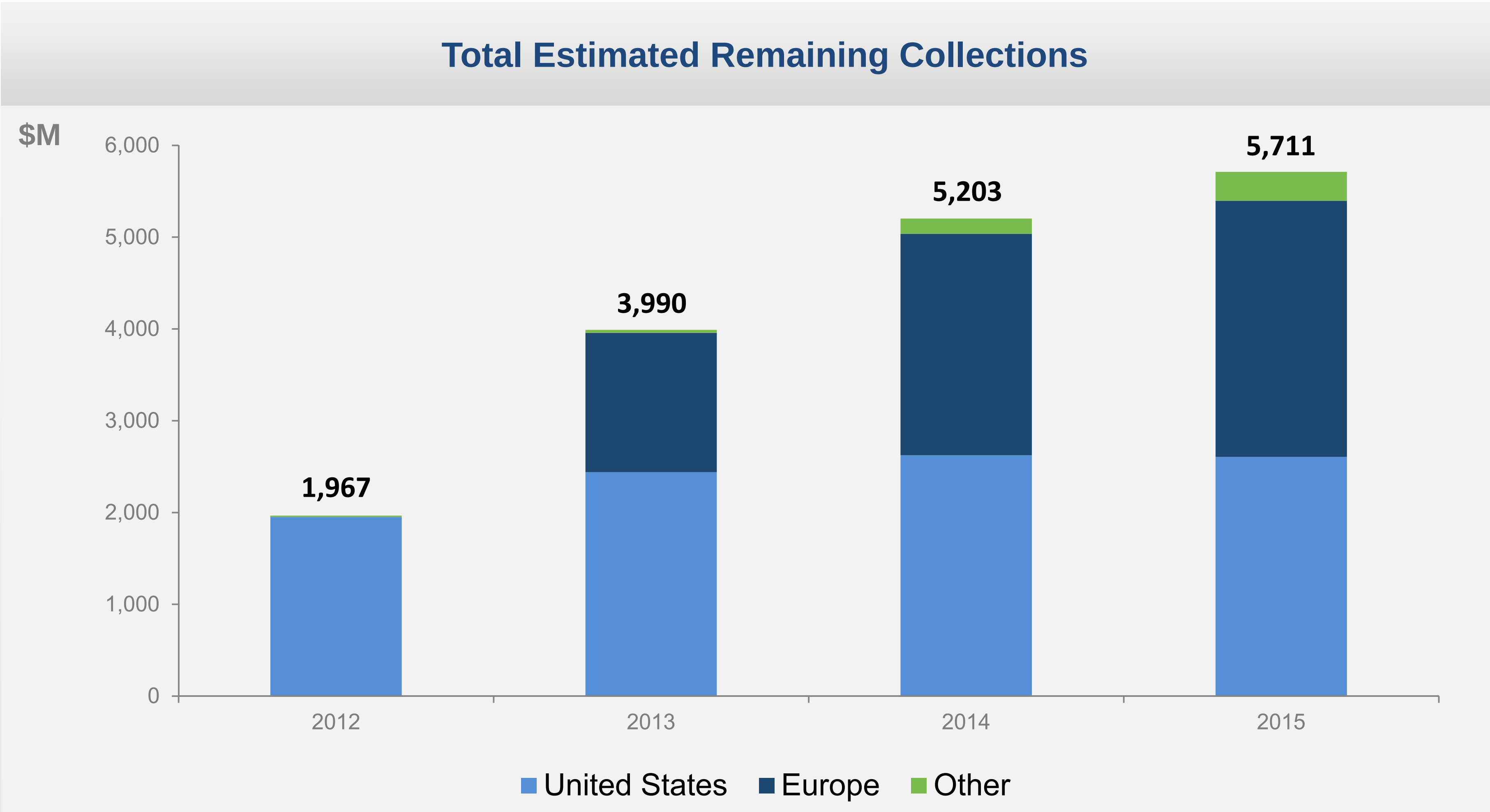


Location	Q4 2015 CTC	Q4 2014 CTC
United States	43.9%	44.5%
Europe	36.7%	27.8%
Other	37.5%	30.7%
Encore total	41.5%	39.8%

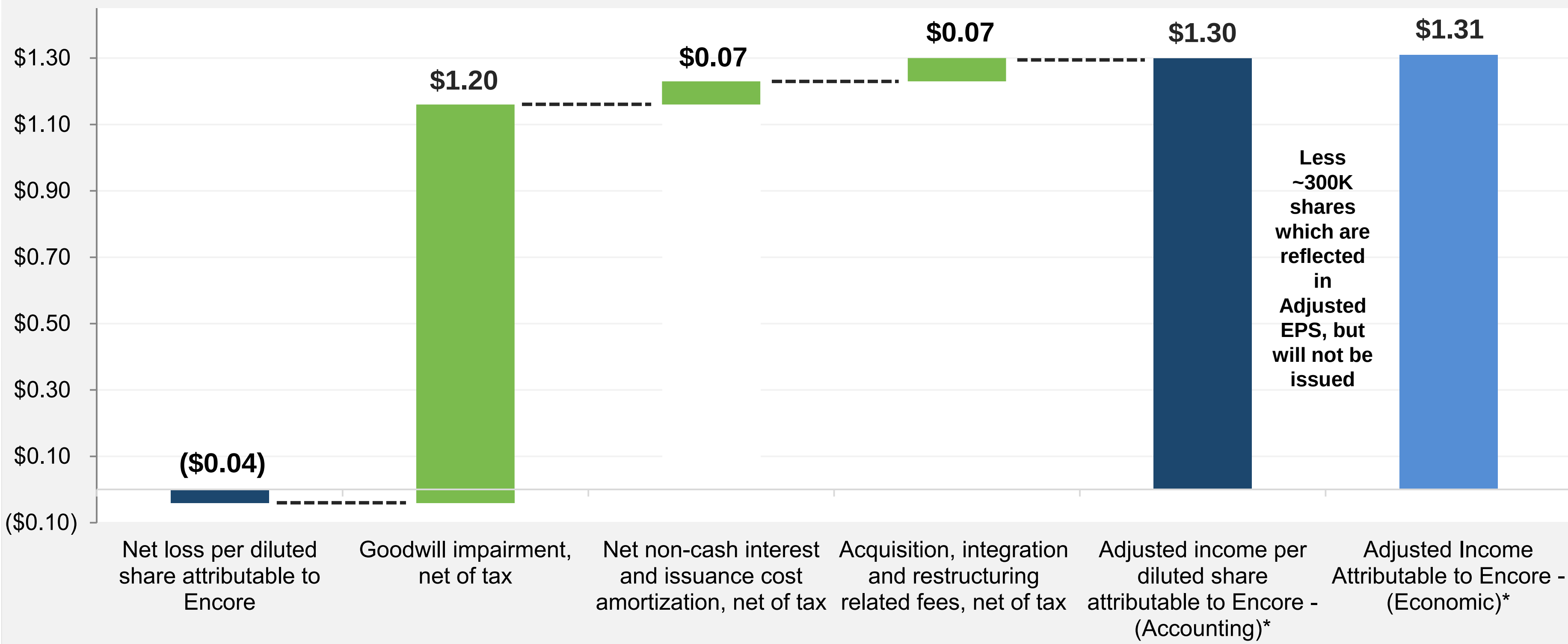
Location	FY 2015 CTC	FY 2014 CTC
United States	42.0%	41.7%
Europe	33.0%	29.3%
Other	32.9%	30.2%
Encore total	39.2%	38.6%

* Cost-to-Collect = Adjusted operating expenses / dollars collected. See appendix for reconciliation of Adjusted operating expenses to GAAP.

OUR ERC GREW OVER $500 MILLION IN THE LAST YEAR

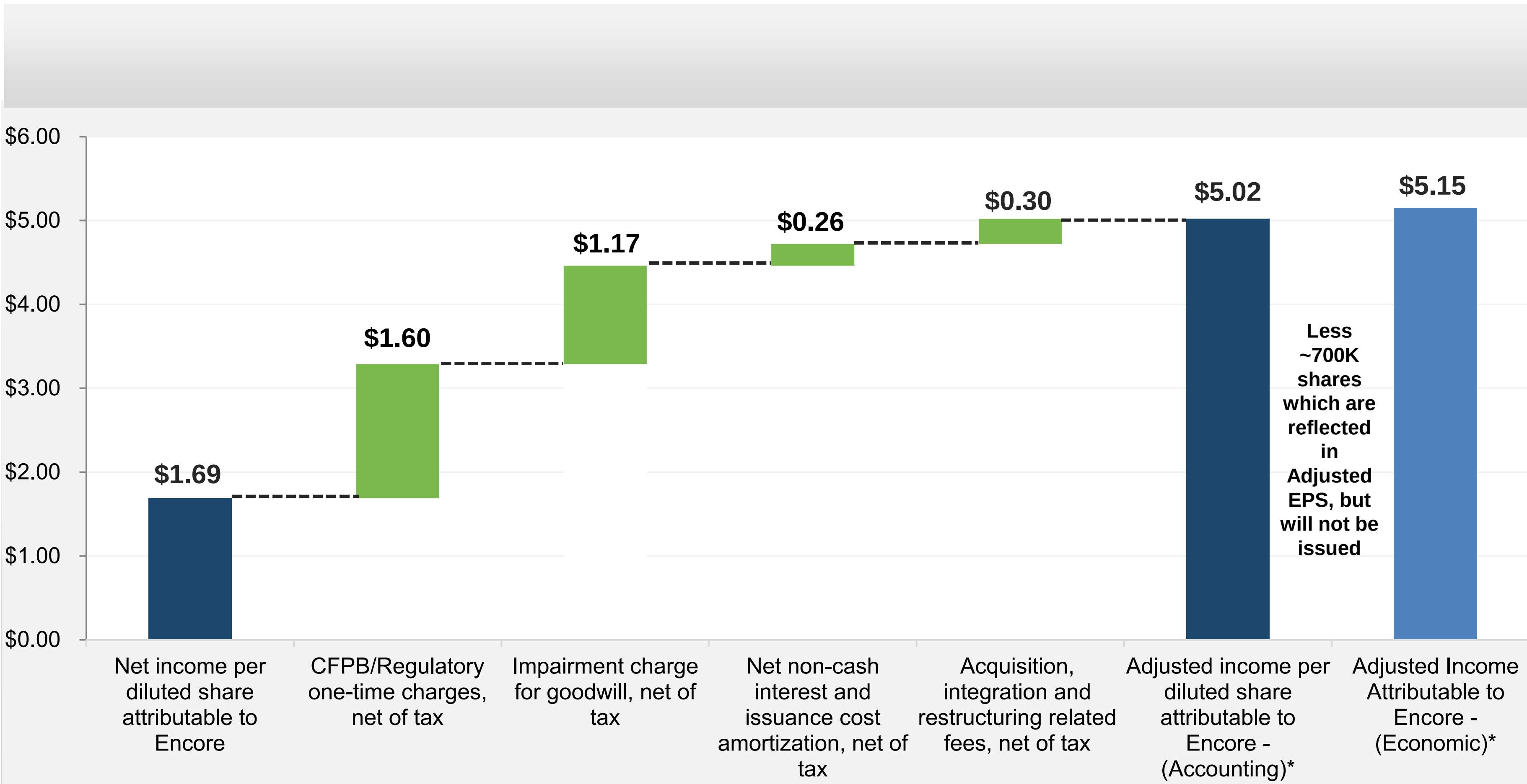


ENCORE DELIVERED ECONOMIC EPS OF $1.31 IN Q4



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

ENCORE DELIVERED RECORD ECONOMIC EPS OF $5.15 IN 2015



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

SUMMARY AND OUTLOOK

Solid Start to 2016	• We have already secured $270 million in forward flow commitments for the U.S. market in 2016
Higher U.S. Investment IRR's	• Committed U.S. forward flows are expected to generate investment returns 15% higher than in 2015
Expansion Markets Are Healthy	• Our businesses in our expansion markets, especially in Latin America, are demonstrating attractive after-tax IRR's
ROIC to Increase	• Our overall return on invested capital for the company is expected to rise • We will focus less on large platform acquisitions going forward • Propel divestiture allows us to deploy more capital at higher returns

Q&A

Appendix

NON-GAAP FINANCIAL MEASURES

This presentation includes certain financial measures that exclude the impact of certain items and therefore have not been calculated in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"). The Company has included information concerning Adjusted EBITDA because management utilizes this information, which is materially similar to a financial measure contained in covenants used in the Company's revolving credit facility, in the evaluation of its operations and believes that this measure is a useful indicator of the Company's ability to generate cash collections in excess of operating expenses through the liquidation of its receivable portfolios. The Company has included information concerning Adjusted Operating Expenses in order to facilitate a comparison of approximate cash costs to cash collections for the portfolio purchasing and recovery business in the periods presented. The Company has included Adjusted Income 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 highlight trends in the Company's business that may not otherwise be apparent when relying on financial measures calculated in accordance with GAAP. Adjusted EBITDA, Adjusted Operating Expenses, 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

	December 31,					
	2015			2014		
	$	Per Diluted Share – Accounting	Per Diluted Share – Economic*	$	Per Diluted Share – Accounting	Per Diluted Share – Economic*
GAAP net (loss) income from continuing operations attributable to Encore, as reported	$ (988)	$ (0.04)	$ (0.04)	$ 28,262	$ 1.04	$ 1.08
Adjustments:						
Convertible notes non-cash interest and issuance cost amortization, net of tax	1,790	0.07	0.07	1,655	0.06	0.06
Acquisition, integration and restructuring related expenses, net of tax	1,753	0.07	0.07	703	0.02	0.03
Goodwill impairment, net of tax	31,187	1.20	1.21	-	-	-
Adjusted income from continuing operations attributable to Encore	**$ 33,742**	**$ 1.30**	**$ 1.31**	**$ 30,620**	**$ 1.12**	**$ 1.17**

* Economic EPS for the three months ended December 31, 2015 and December 31, 2014 excludes approximately 0.3 million and 1.0 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), Twelve Months Ended

	December 31,					
	2015			2014		
	$	Per Diluted Share – Accounting	Per Diluted Share – Economic*	$	Per Diluted Share – Accounting	Per Diluted Share – Economic
GAAP net income from continuing operations attributable to Encore, as reported	$ 45,135	$ 1.69	$ 1.74	$ 105,338	$ 3.83	$ 3.99
Adjustments:						
Convertible notes non-cash interest and issuance cost amortization, net of tax	6,896	0.26	0.26	6,413	0.23	0.24
CFPB/regulatory one-time charges, net of tax	42,554	1.60	1.64	-	-	-
Acquisition, integration and restructuring related expenses, net of tax	8,063	0.30	0.31	9,898	0.36	0.37
Goodwill impairment, net of tax	31,187	1.17	1.20	-	-	-
Net effect of non-recurring tax adjustments	-	-	-	(2,291)	(0.08)	(0.08)
Adjusted Income from continuing operations attributable to Encore	**$ 133,835**	**$ 5.02**	**$ 5.15**	**$ 119,358**	**$ 4.34**	**$ 4.52**

* Economic EPS for the twelve months ended December 31, 2015 and December 31, 2014 excludes approximately 0.7 million and 1.1 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 EBITDA

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

	3/31/14	6/30/14	9/30/14	12/31/14	3/31/15	6/30/15	9/30/15	12/31/15
GAAP net income, as reported	$ 18,830	$ 21,353	$ 30,138	$ 27,957	$ 29,967	$ 25,185	($ 9,364)	$ 1,596
Loss from discontinued operations, net of tax	---	---	---	1,612	---	---	---	---
Interest expense	37,962	43,218	43,498	42,264	42,303	46,250	47,816	50,187
(Benefit) provision for income taxes	11,742	14,010	10,154	16,819	15,883	15,964	(4,887)	(13,363)
Depreciation and amortization	6,117	6,829	6,933	8,070	8,350	8,084	8,235	9,276
Amount applied to principal on receivable portfolios	159,106	161,048	155,435	139,075	160,961	167,024	156,229	144,075
Stock-based compensation expense	4,836	4,715	4,009	3,621	5,905	6,198	5,156	4,749
CFPB / Regulatory one-time charges	---	---	---	---	---	---	63,019	---
Acquisition, integration and restructuring related expenses	11,081	4,645	1,622	1,951	2,772	7,900	2,246	2,635
Goodwill impairment	---	---	---	---	---	---	---	49,277
Adjusted EBITDA	**$ 249,674**	**$ 255,818**	**$ 251,789**	**$ 241,369**	**$ 266,141**	**$ 276,605**	**$ 268,450**	**$248,432**

RECONCILIATION OF ADJUSTED EBITDA

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

	12/31/12	12/31/13	12/31/14	12/31/15
GAAP net income, as reported	$ 69,477	$ 73,740	$ 98,278	$ 47,384
Loss from discontinued operations, net of tax	9,094	1,740	1,612	---
Interest expense	25,564	73,269	166,942	186,556
Provision for income taxes	51,754	45,388	52,725	13,597
Depreciation and amortization	5,840	13,547	27,949	33,945
Amount applied to principal on receivable portfolios	402,594	534,654	614,665	628,289
Stock-based compensation expense	8,794	12,649	17,181	22,008
CFPB / Regulatory one-time charges	---	---	---	63,019
Acquisition, integration and restructuring related expenses	4,263	29,321	19,299	15,553
Goodwill impairment	---	---	---	49,277
Adjusted EBITDA	**$ 577,380**	**$ 784,308**	**$ 998,651**	**$ 1,059,628**

RECONCILIATION OF ADJUSTED OPERATING EXPENSES

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

	3/31/14	6/30/14	9/30/14	12/31/14	3/31/15	6/30/15	9/30/15	12/31/15
GAAP total operating expenses, as reported	$ 185,472	$ 190,689	$ 188,960	$ 188,224	$ 199,627	$ 203,352	$ 253,307	$ 259,984
Adjustments:								
Stock-based compensation expense	(4,836)	(4,715)	(4,009)	(3,621)	(5,905)	(6,198)	(5,156)	(4,749)
Operating expense related to other operating segments	(19,832)	(26,409)	(25,058)	(25,866)	(26,349)	(24,928)	(25,946)	(79,857)
Operating expense related to CFPB / regulatory one-time charges	---	---	---	---	---	---	(54,697)	---
Acquisition, integration and restructuring related expenses	(11,081)	(4,645)	(1,622)	(1,951)	(2,772)	(7,900)	(2,246)	(2,635)
Adjusted Operating Expenses	**$ 149,723**	**$ 154,920**	**$ 158,271**	**$ 156,786**	**$ 164,601**	**$ 164,326**	**$ 165,262**	**$ 172,743**

IMPACT OF FLUCTUATIONS IN FOREIGN CURRENCY EXCHANGE RATES

(Unaudited, In Thousands, except per share amounts)

Three Months Ended 12/31/15	As Reported	Constant Currency
Revenue	$ 297,757	$ 307,045
Operating expenses	$ 259,984	$ 266,542
Net income attributable to Encore	$ (988)	$ 173
Adjusted net income attributable to Encore	$ 33,742	$ 34,925
GAAP EPS	$ (0.04)	$ 0.01
Economic EPS	$ 1.31	$ 1.36
Collections	$ 416,577	$ 427,718
ERC	$ 5,711,340	$ 5,927,779

Year Ended 12/31/15	As Reported	Constant Currency
Revenue	$ 1,161,572	$ 1,205,157
Operating expenses	$ 916,270	$ 944,361
Net income attributable to Encore	$ 45,135	$ 50,115
Adjusted net income attributable to Encore	$ 133,835	$ 139,137
GAAP EPS	$ 1.69	$ 1.88
Economic EPS	$ 5.15	$ 5.36
Collections	$ 1,700,725	$ 1,754,476
ERC	$ 5,711,340	$ 5,927,779