First Quarter 2025 Investor Presentation

Encore Capital Group, Inc.

May 7, 2025

Better Solutions. Better Life.®

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A strong start to Encore's 2025

- Encore off to a strong start in 2025
  - Portfolio purchases of $368M up 24%
  - Collections of $605M up 18%
  - EPS of $1.93 in Q1 2025 compared to $0.95 in Q1 2024
  - Leverage[1] improved to 2.6x from 2.8x year/year and flat quarter/quarter despite record U.S. purchasing
  - Share repurchases of $10M in Q1
- MCM (U.S.) continues to deliver very strong results
  - Portfolio supply in the U.S. remains robust
  - Record portfolio purchases of $316M at very attractive returns
  - Record collections of $454M up 23%
- Cabot (Europe) delivers solid Q1
  - Portfolio purchases of $51M in line with historical trend
  - Collections of $150M up 7%

1) 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.

Our Strategy and Market Presence

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

Our Market Presence

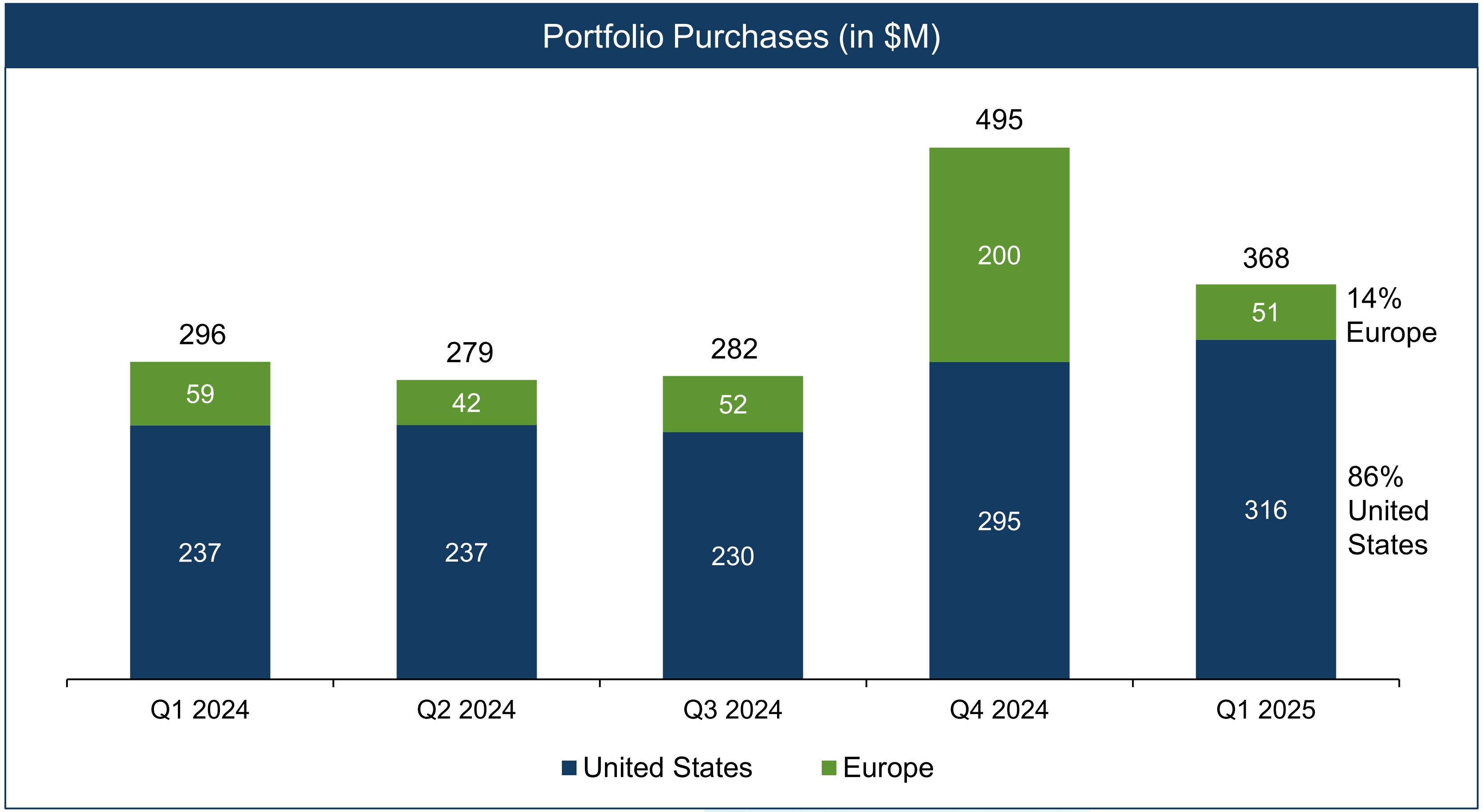
MCM Midland Credit Management™

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

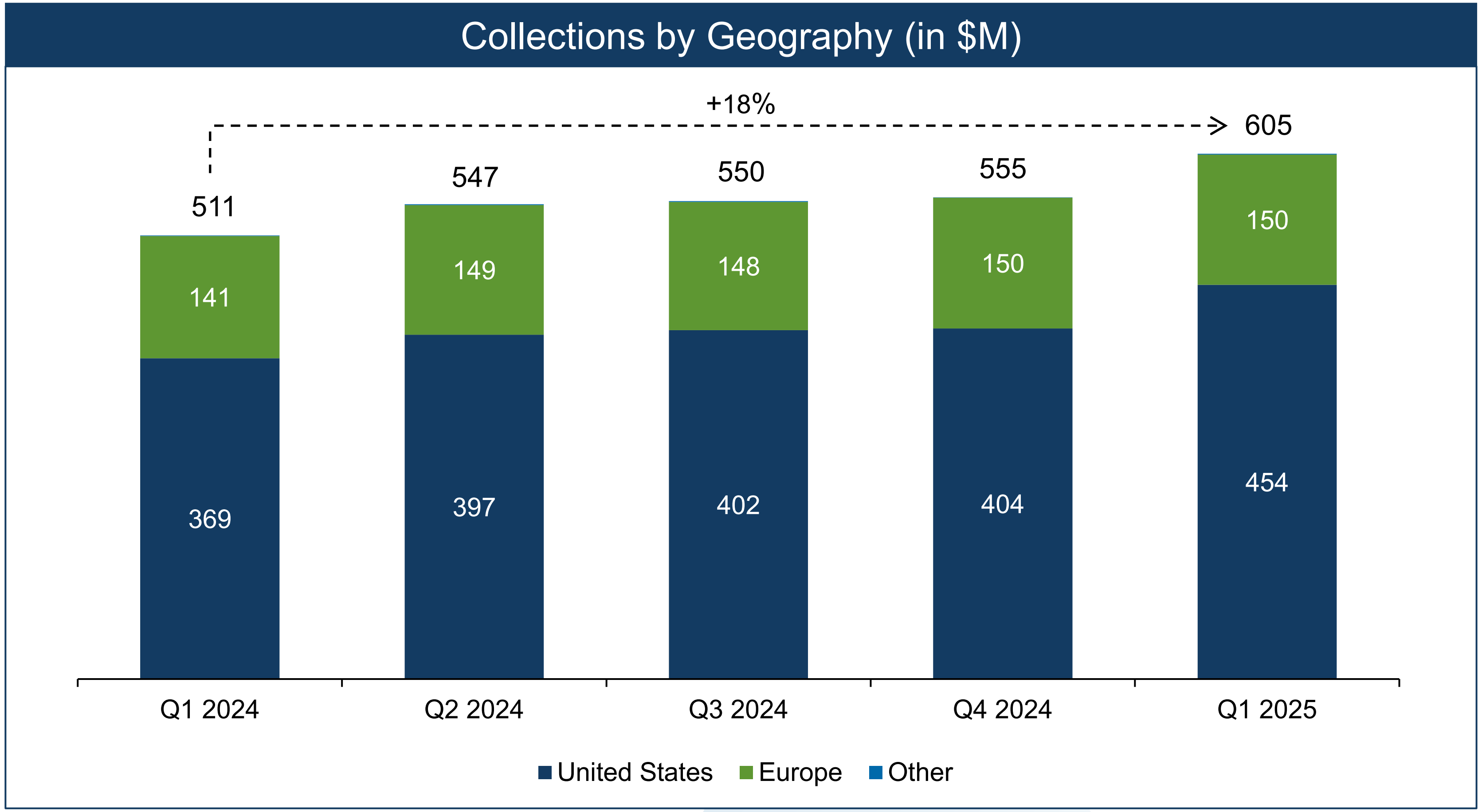
CABOT CREDIT MANAGEMENT

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

Record U.S. portfolio purchasing in Q1 2025 as we continue to allocate capital to U.S. opportunities, where returns are highest



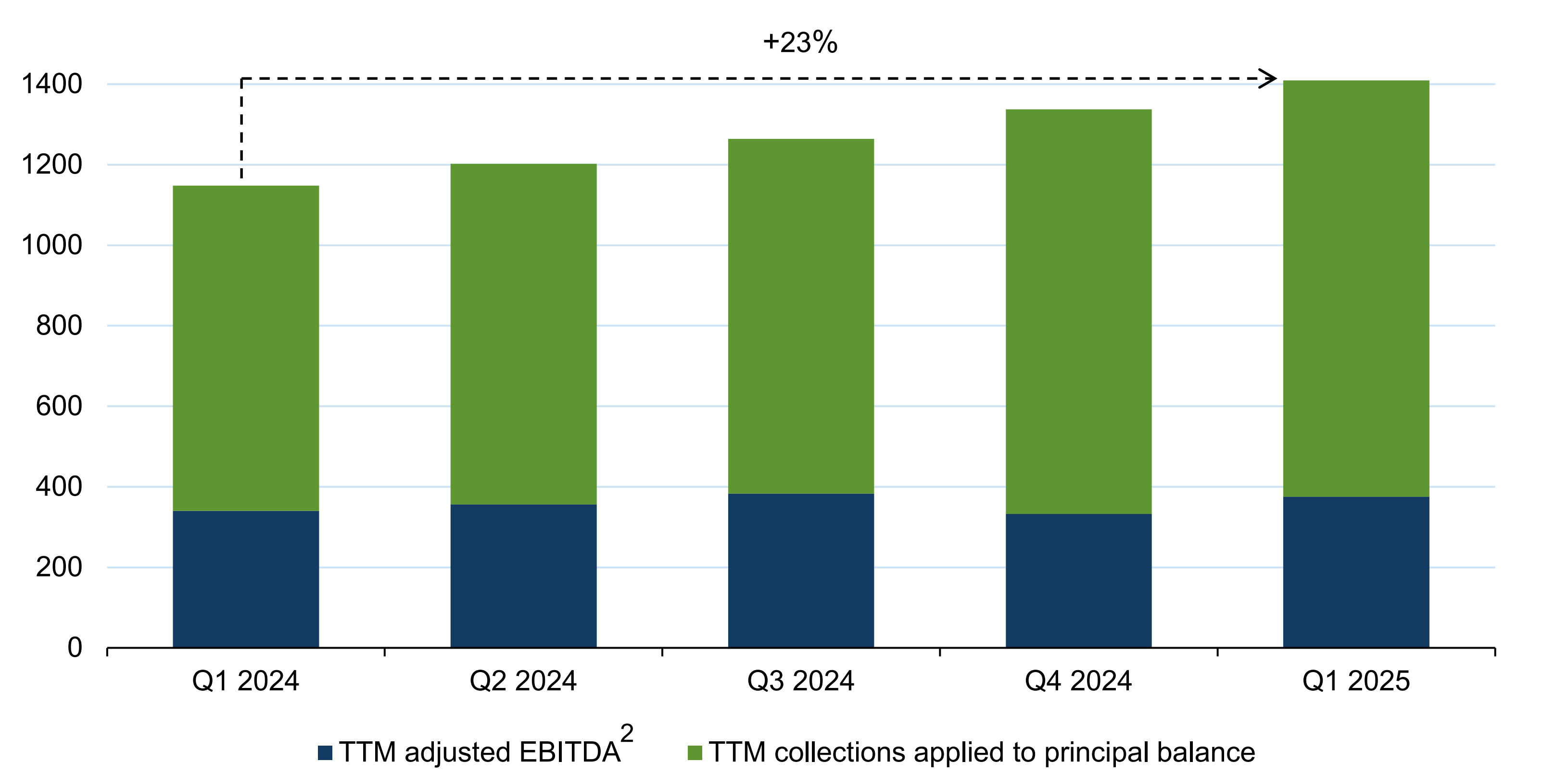
Collections increased by 18% in Q1 2025 compared to Q1 2024



Note: Global, U.S. and Europe collections in Q1 2025 were 103%, 102% and 108% (103%, 102% and 107% in constant currency), respectively, of the Dec 31, 2024 portfolio ERC forecasts for portfolios purchased prior to Dec 31, 2024.

Cash generation for trailing twelve months increased by 23% for Q1 2025 compared to Q1 2024

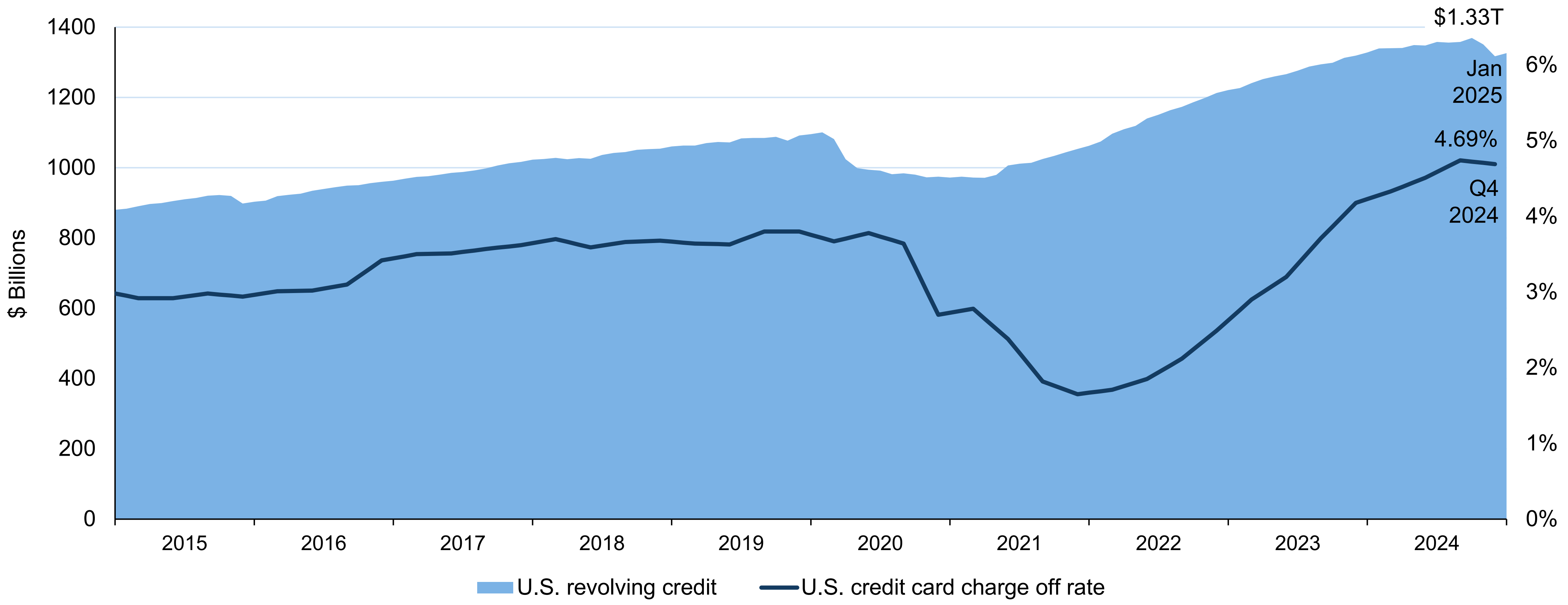
Encore TTM Cash Generation[1] (in $M)



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.

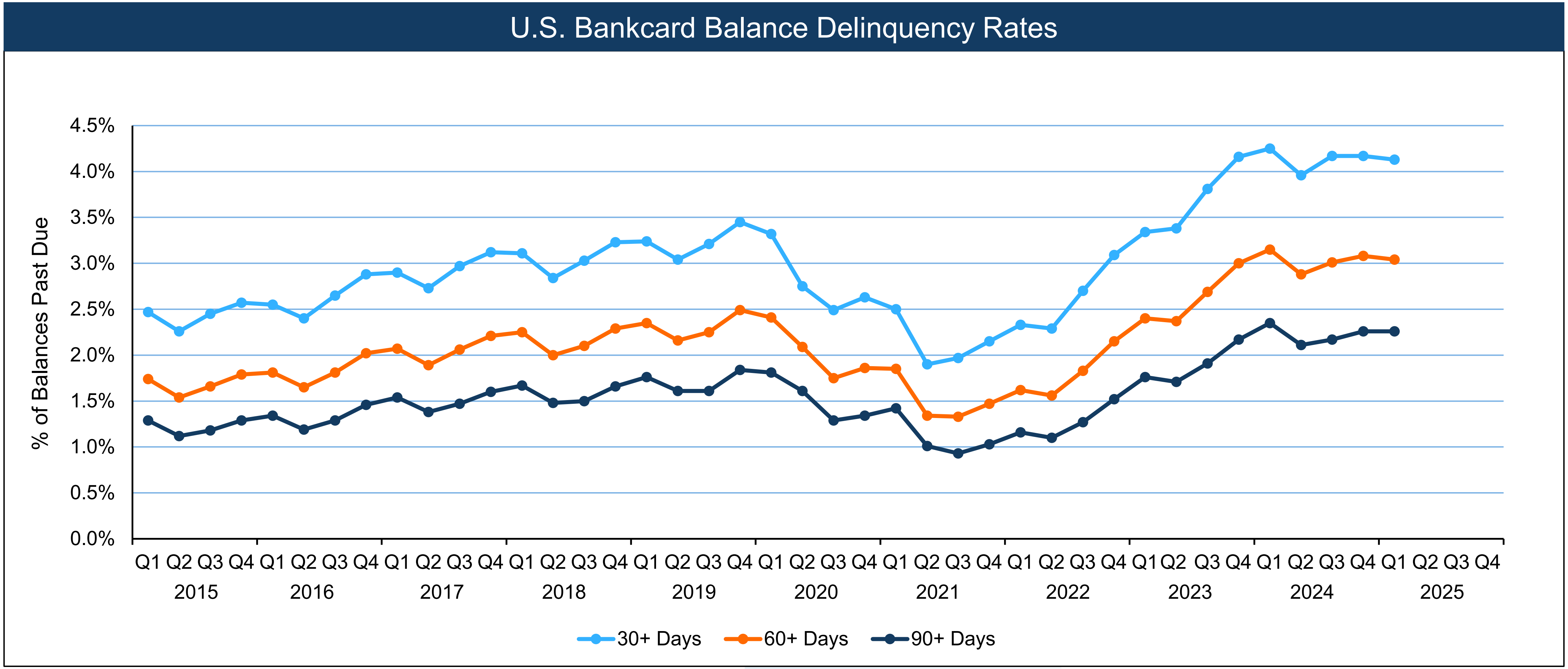
Strong portfolio supply driven by highest U.S. charge off rate in more than 10 years combined with growth in lending

Outstanding U.S. Revolving Credit and U.S. Credit Card Charge Off Rate



Source: U.S. Federal Reserve, seasonally adjusted

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



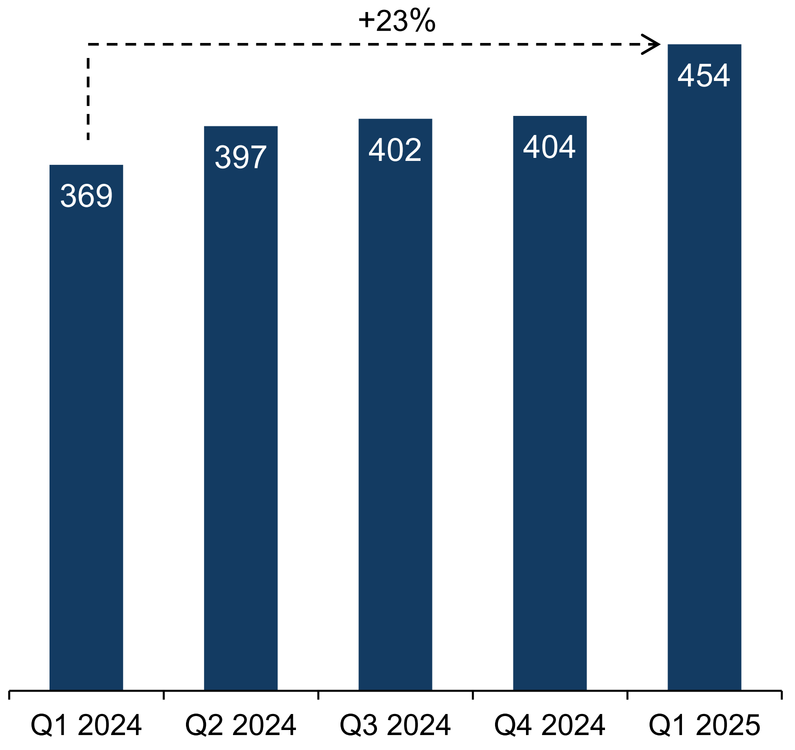
Source: TransUnion

MCM continues to deliver very strong results

MCM (U.S.)

- Portfolio supply in the U.S. remains robust
- Record MCM portfolio purchases of $316M in Q1 2025 were up 34% compared to Q1 2024
- Record MCM collections of $454M in Q1 2025 increased by 23% compared to Q1 2024 driven by strong execution
- Consumer payment behavior remains stable

MCM Collections (in $M)

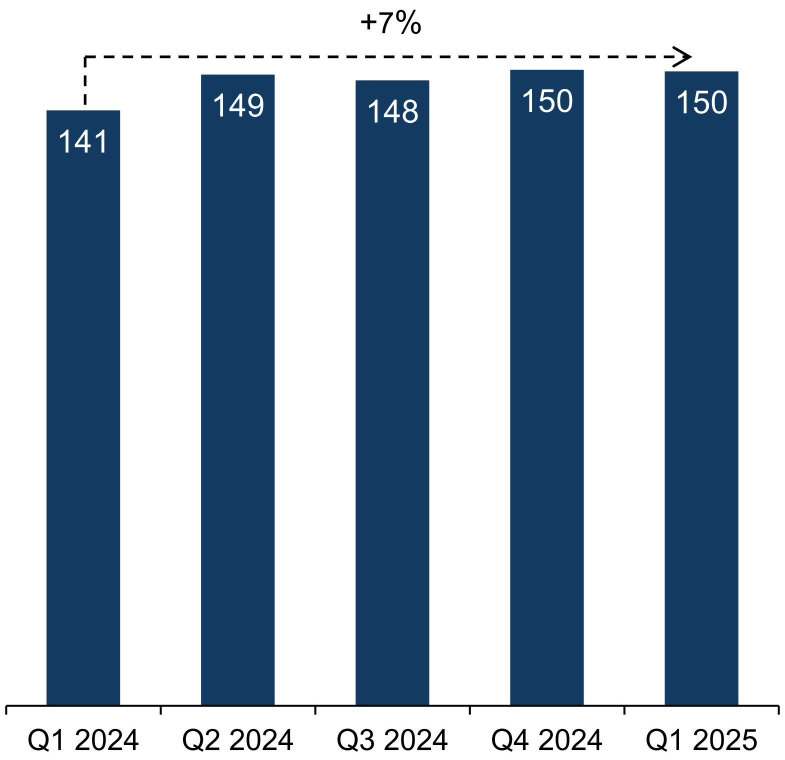


Cabot delivered a solid Q1

Cabot (Europe)

- Cabot collections in Q1 2025 of $150M increased by 7% compared to Q1 2024
- Cabot portfolio purchases of $51M in Q1 2025 in line with historical trend
- U.K. market remains impacted by subdued consumer lending, low delinquencies and robust competition

Cabot Collections (in $M)



Detailed Financial Discussion

Financial Results

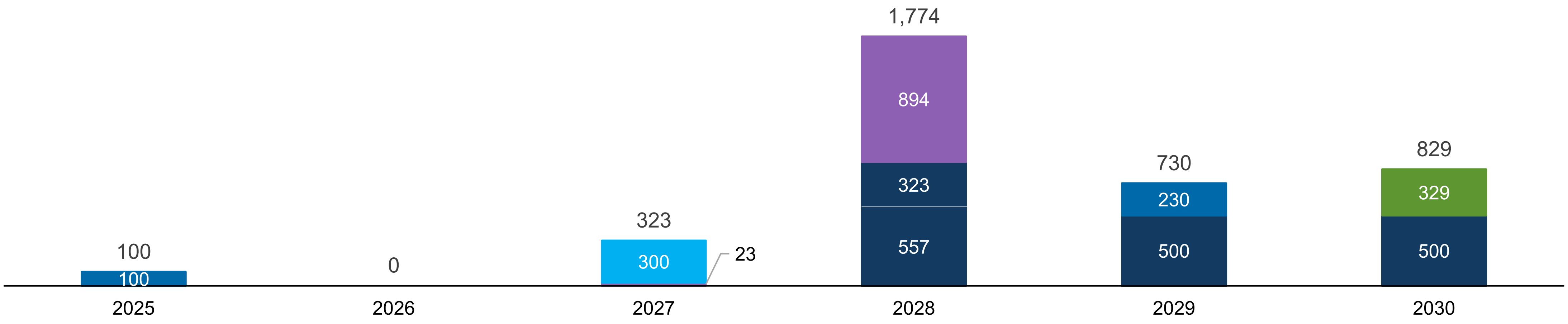
Summary earnings statement			Variance	
$ in millions, except EPS	Q1 25	Q1 24		
Portfolio revenue	345.2	315.9	29.4	9.3%
Changes in recoveries	21.5	(12.4)	33.9	NM
Debt purchasing revenues	**366.7**	**303.4**	**63.2**	**20.8%**
Servicing & other revenues	26.1	24.9	1.2	4.6%
Total revenues	**392.8**	**328.4**	**64.4**	**19.6%**
Operating expenses	(263.4)	(244.8)	(18.6)	7.6%
Income from operations	**129.3**	**83.6**	**45.8**	**54.7%**
Interest expense & other income	(68.9)	(53.1)	(15.8)	29.7%
Income before income taxes	**60.5**	**30.5**	**30.0**	**98.3%**
Provision for income taxes	(13.7)	(7.3)	(6.4)	88.4%
Net income	**46.8**	**23.2**	**23.6**	**101.4%**
EPS	**$1.93**	**$0.95**	**$0.98**	**103.2%**

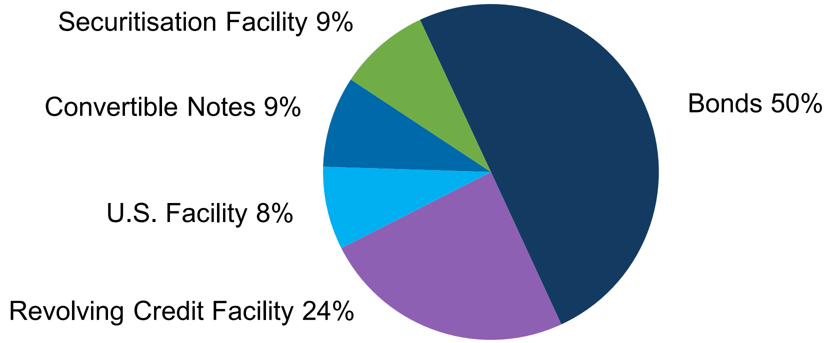
Key financial measures			Variance	
$ in millions	Q1 25	Q1 24		
Collections	604.8	510.9	93.9	18.4%
Portfolio purchases	367.9	295.7	72.1	24.4%
Average receivable portfolios[1]	3,864.5	3,499.9	364.5	10.4%
ERC	8,862.7	8,307.3	555.4	6.7%
Cash efficiency margin[2]	58.3%	54.8%	3.5%	NM
Leverage	2.6	2.8	(0.2)	NM
Annualized yields	**Q1 25**	**Q1 24**	**Variance**	
Collections yield[3]	62.6%	58.4%	4.2%	NM
Portfolio yield[4]	35.7%	36.1%	(0.4)%	NM
Impact of changes in recoveries[5]	2.2%	(1.4)%	3.6%	NM
Debt purchasing yield[6]	**37.9%**	**34.7%**	**3.2%**	**NM**

1) Represents the average of receivable portfolios for the quarter (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

Proactively managing borrowings with no significant maturities until 2027

Debt Maturity Profile at March 31, 2025 (in $M)[1]





As of March 31, 2025, available liquidity was $544M (available RCF of $379M and cash[2] of $165M).

1) Does not include other borrowings of approximately $69M.
2) Excludes client cash that was collected on behalf of, and remains payable to, third party clients.

Our capital allocation priorities

Balance Sheet Objectives	Capital Allocation Priorities
▪ Preserve financial flexibility ▪ Target leverage[1] between 2.0x and 3.0x ▪ Maintain a strong BB debt rating	▪ Portfolio purchases at attractive returns ▪ Share Repurchases ▪ Strategic M&A

Deliver strong ROIC through the credit cycle

1) Leverage defined as Net Debt ÷ (LTM Adjusted EBITDA + LTM collections applied to principal balance), which we also refer to as our Leverage Ratio.

Reiterating our full-year guidance

Guidance

	2025 Guidance
Portfolio Purchases	Exceed $1.35B
Collections	+11% to $2.4B

- Interest expense in 2025 of $285M
- Effective tax rate in 2025 to be in the mid-20's %

Appendix

Receivable portfolios and annualized yields

Receivable portfolios					
$ in millions	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25
Balance, beginning of period	3,468.4	3,531.4	3,583.3	3,719.3	3,776.4
Portfolio purchases	295.7	278.7	282.5	495.1	367.9
Collections	(510.9)	(546.7)	(550.3)	(554.6)	(604.8)
Portfolio revenue	315.9	321.9	328.1	336.7	345.2
Changes in recoveries	(12.4)	5.8	12.7	(95.8)	21.5
Other	(25.3)	(7.7)	62.9	(124.3)	46.4
Balance, end of period	**3,531.4**	**3,583.3**	**3,719.3**	**3,776.4**	**3,952.5**
Average balance	**3,499.9**	**3,557.4**	**3,651.3**	**3,747.8**	**3,864.5**

Annualized yields	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25
Collections yield	58.4%	61.5%	60.3%	59.2%	62.6%
Portfolio yield	36.1%	36.2%	35.9%	35.9%	35.7%
Impact of changes in recoveries	(1.4)%	0.6%	1.4%	(10.2)%	2.2%
Debt purchasing yield	**34.7%**	**36.8%**	**37.3%**	**25.7%**	**37.9%**

Definitions:

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

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

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

Debt purchasing yield =
(portfolio yield + 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

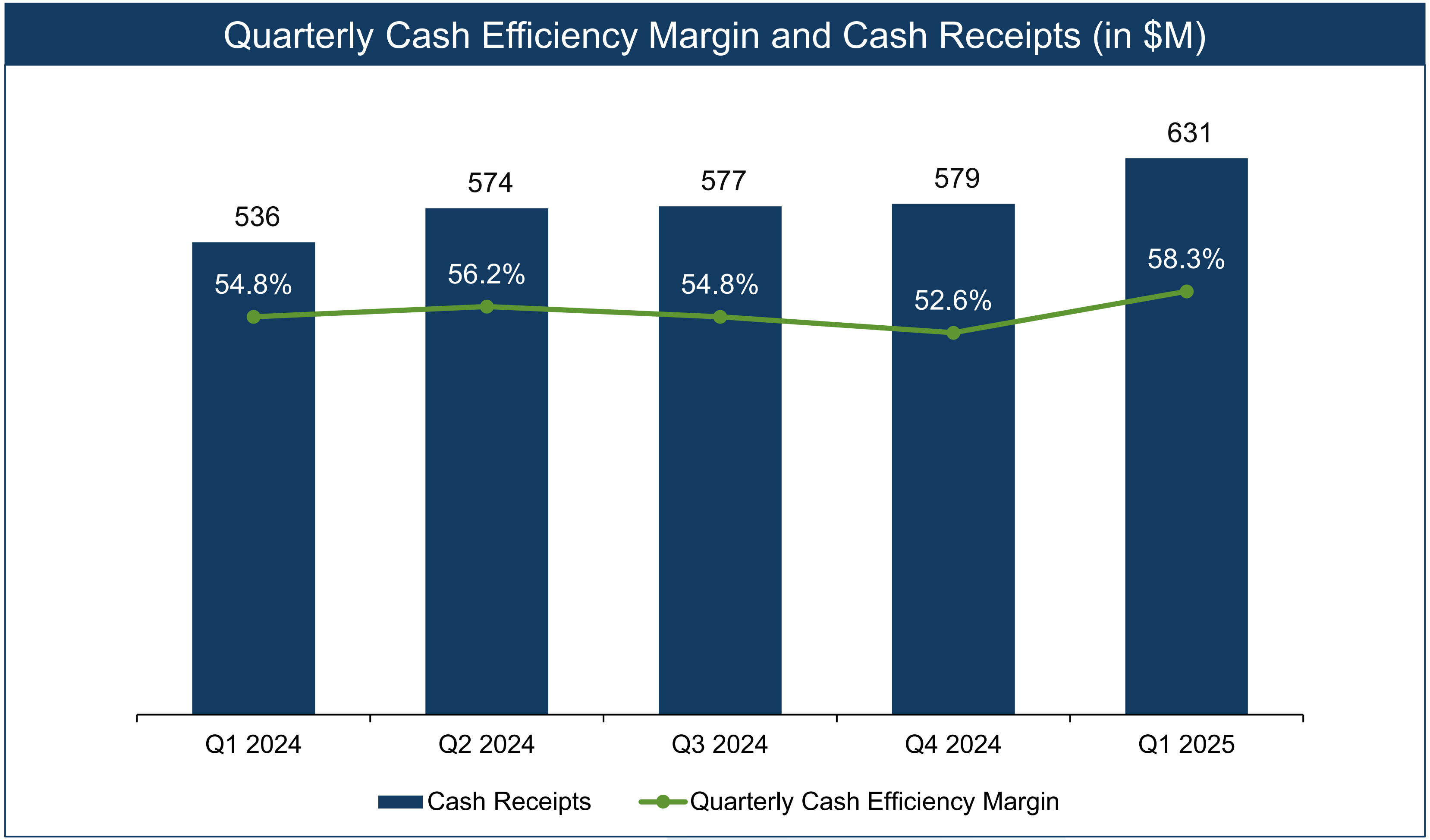
Average receivable portfolios x Portfolio yield = Portfolio revenue

Average receivable portfolios x Collections yield = Collections

Collections + Servicing & other revenue = Cash receipts

Cash receipts x (1 - Cash efficiency margin) = Operating expenses

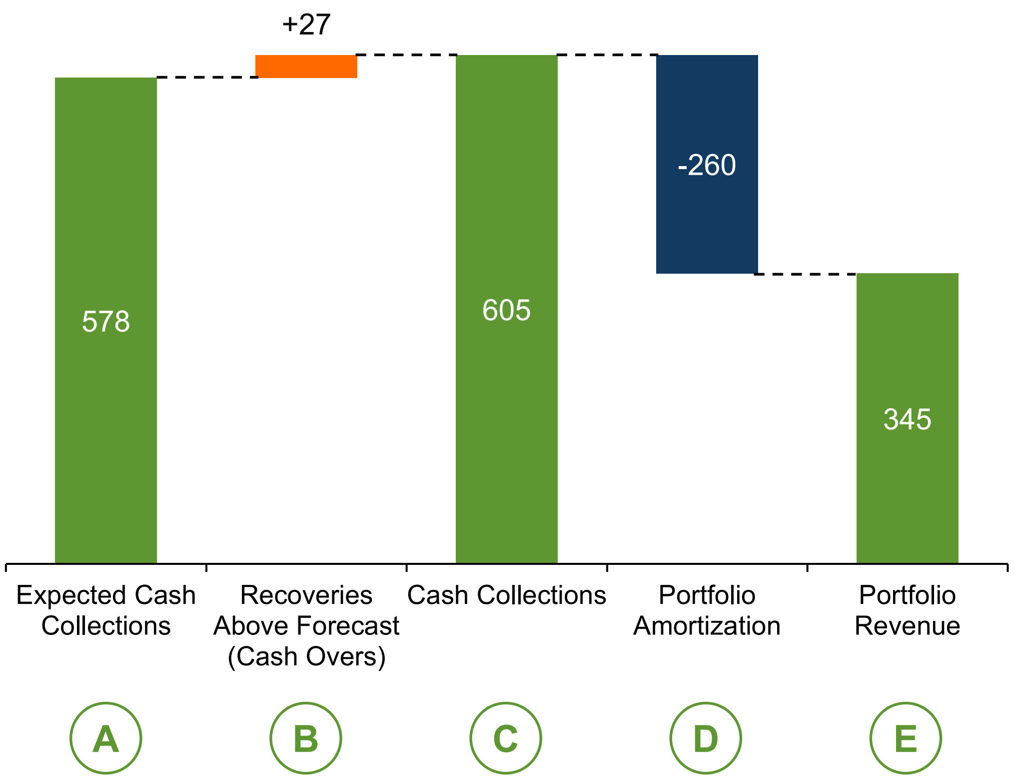
Quarterly Cash Efficiency Margin



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

Q1 2025 Cash Collections and Revenue Reconciliation

Q1 2025 Collections and Revenue Reconciliation (in $M)



A $578M **Expected Cash Collections**, equal to the sum of Q4 2024 ERC plus expected collections from portfolios purchased in Q1 2025

B $27M **Recoveries Above Forecast**, cash collections above Expected Cash Collections for Q1 2025

C $605M **Cash Collections** from debt purchasing business in Q1 2025

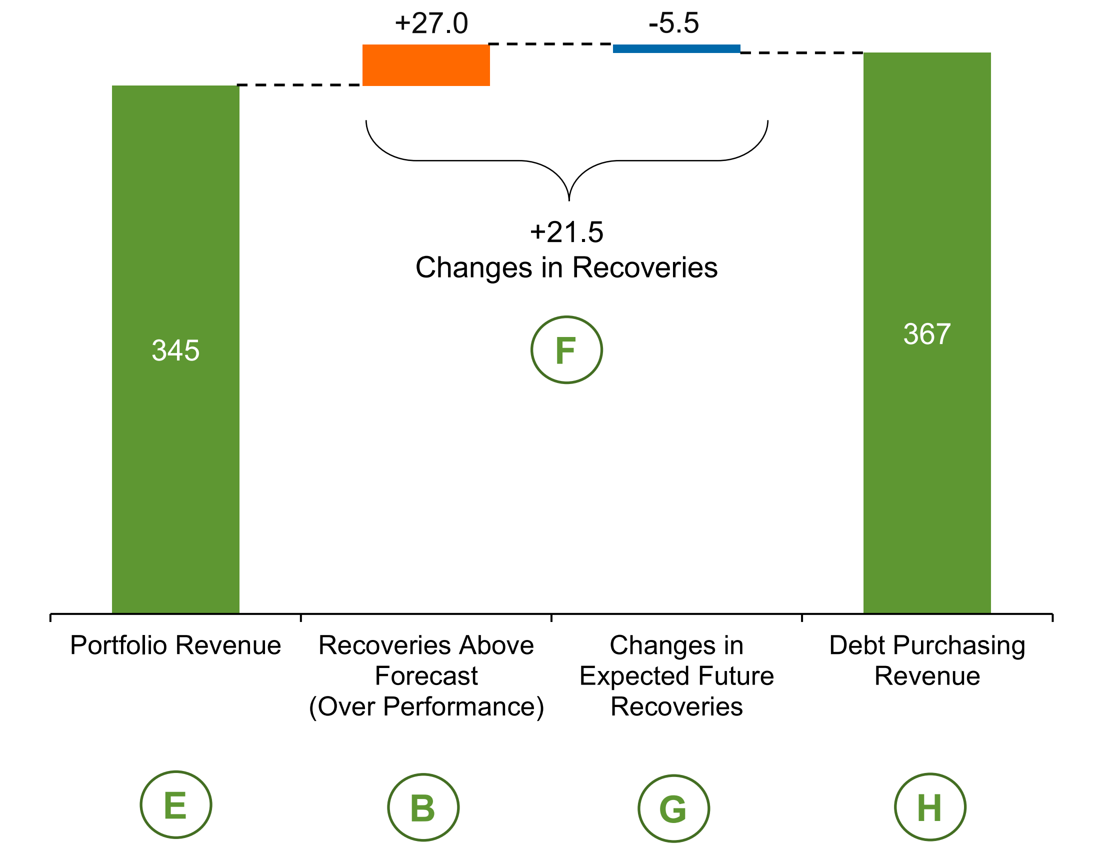
D $260M **Portfolio Amortization**

E $345M **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 March 31, 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 Q1 2025

Q1 2025 Debt Purchasing Revenue (in $M)



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-unders”.

G **Changes in Expected Future Recoveries**[1] 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 March 31, 2025	Three Months Ended March 31, 2024
Revenues		
Portfolio revenue	$ 345,218	$ 315,852
Changes in recoveries	21,464	(12,409)
Total debt purchasing revenue	366,682	303,443

Note: References within our reporting to Collections Applied to Principal primarily reflects the aggregate of Changes in Future Recoveries plus Portfolio Amortization.

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.

Calculation of Quarterly Cash Efficiency Margin

Quarterly cash efficiency margin[1]					
$ in millions, except percentages	**Q1 24**	**Q2 24**	**Q3 24**	**Q4 24**	**Q1 25**
Collections	510.9	546.7	550.3	554.6	604.8
Servicing revenues	20.4	21.1	22.8	20.5	22.5
Other revenues	4.6	6.5	3.5	4.2	3.5
Cash receipts (A)	535.8	574.3	576.5	579.3	630.9
Operating expenses	244.8	253.4	261.0	399.8	263.4
Acquisition, integration and restructuring related expenses	(2.5)	(2.0)	(0.2)	(6.1)	(0.2)
Goodwill impairment[2]	-	-	-	(100.6)	-
Impairment of assets[2]	-	-	-	(18.5)	-
Adjusted operating expenses (B)	242.3	251.5	260.8	274.6	263.2
Quarterly cash efficiency margin (A-B) / A	**54.8%**	**56.2%**	**54.8%**	**52.6%**	**58.3%**

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 GAAP Net Income

LTM Adjusted EBITDA					
$ in millions	**Q1 24**	**Q2 24**	**Q3 24**	**Q4 24**	**Q1 25**
LTM GAAP net income, as reported	(201.9)	(196.0)	(184.7)	(139.2)	(115.7)
Adjustments:					
Interest expense	210.8	222.2	238.5	252.5	267.3
Interest income	(5.2)	(5.8)	(6.4)	(7.0)	(7.2)
Provision for income taxes	27.1	27.4	26.8	43.0	49.4
Depreciation and amortization	38.7	35.5	32.4	32.4	31.9
Stock-based compensation expense	13.2	13.9	14.6	14.0	14.1
Net gain on derivative instruments[1]	(3.4)	(3.4)	0.1	(0.3)	(0.1)
Acquisition, integration and restructuring related expenses[2]	4.2	5.6	5.2	10.5	8.4
Loss on extinguishment of debt	-	-	-	7.8	7.8
Goodwill impairment[3]	238.2	238.2	238.2	100.6	100.6
Impairment of assets[3]	18.7	18.7	18.7	18.5	18.5
LTM adjusted EBITDA	**340.5**	**356.3**	**383.4**	**332.9**	**375.2**
LTM collections applied to principal balance[4]	**807.9**	**846.1**	**880.5**	**1,004.2**	**1,034.0**

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.

Calculation of Net Debt and Leverage

Net debt and leverage					
$ in millions, except leverage	**Q1 24**	**Q2 24**	**Q3 24**	**Q4 24**	**Q1 25**
GAAP Borrowings	3,364.0	3,455.1	3,550.6	3,672.8	3,790.7
Debt issuance costs and debt discounts	46.9	49.7	46.8	37.3	34.2
Cash & cash equivalents	(173.0)	(250.6)	(247.4)	(199.9)	(187.1)
Client cash	19.6	20.9	23.4	21.5	22.2
Net debt (A)	**3,257.5**	**3,275.1**	**3,373.4**	**3,531.6**	**3,659.9**
LTM adjusted EBITDA (B)	340.5	356.3	383.4	332.9	375.2
LTM collections applied to principal balance (C)	807.9	846.1	880.5	1,004.2	1,034.0
Leverage A / (B+C)	**2.8x**	**2.7x**	**2.7x**	**2.6x**	**2.6x**

Calculation of ROIC
Reconciliation of Adjusted Income from Operations

Adjusted income from operations and ROIC					
$ in millions, except percentages	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25
Numerator					
LTM income from operations	**30.0**	**43.8**	**74.3**	**157.3**	**203.1**
Adjustments:					
Acquisition, integration and restructuring related expenses[1]	4.4	5.9	5.4	10.7	8.4
Amortization of certain acquired intangible assets[2]	2.4	1.2	-	-	-
Goodwill impairment[3]	238.2	238.2	238.2	100.6	100.6
Impairment of assets[3]	18.7	18.7	18.7	18.5	18.5
Changes in recoveries related to exit activities[4]	-	-	7.8	30.1	30.1
LTM adjusted income from operations	293.6	307.7	344.5	317.3	360.8
Denominator					
Average net debt	3,121.6	3,179.1	3,199.9	3,373.9	3,458.7
Average equity	1,069.0	1,111.0	1,123.4	851.9	886.5
Total average invested capital	4,190.6	4,290.0	4,323.4	4,225.8	4,345.2
Adjusted pre-tax ROIC	**7.0%**	**7.2%**	**8.0%**	**7.5%**	**8.3%**

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.