Slide #	**Commentary**
	Bruce Thomas
1	Thank you, Operator. Good afternoon and welcome to Encore Capital Group's third quarter 2020 earnings call. Joining me on the call today are Ashish Masih, our President and Chief Executive Officer, Jonathan Clark, Executive Vice President and Chief Financial Officer, Ryan Bell, President of Midland Credit Management, and Craig Buick, CEO of Cabot Credit Management. Ashish and Jon will make prepared remarks today, and then we will be happy to take your questions.
2 Safe Harbor	Unless otherwise noted, comparisons made on this conference call will be between the third quarter of 2020 and the third quarter of 2019. In addition, today's discussion will include forward-looking statements subject to risks and uncertainties. Actual results could differ materially from these forward-looking statements. Please refer to our SEC filings for a detailed discussion of potential risks and uncertainties. During this call, we will use rounding and abbreviations for the sake of brevity. We will also be discussing non-GAAP financial measures. Reconciliations to the most directly comparable GAAP financial measures are included in our earnings presentation, which was filed on Form 8-K earlier today. As a reminder, this conference call will also be made available for replay on the Investors section of our website, where we will also post our prepared remarks following the conclusion of this call. With that, let me turn the call over to Ashish Masih, our President and Chief Executive Officer.

	Ashish Masih
3 Introduction & Q3 Financial Highlights	Thanks, Bruce, and good afternoon everyone. Thank you for joining our earnings call. With the COVID-19 pandemic persisting, we hope that each of you and your families remain safe and healthy while adapting to the realities of your current circumstances. At Encore, through a combination of working from home and the creation of safe workplaces, we continue to prioritize the welfare of our employees and we remain fully operational in all the markets we serve. Working through the changing dynamics of the pandemic around the world, our team continues to perform at or above the high level of productivity we exhibited before the pandemic. The consumer dynamics we discussed a quarter ago continued into the third quarter. Our consumers are reaching out to us for assistance with their financial recovery. We deal with consumers in financial hardship every day and have been able to extend relief when appropriate while we help increasing numbers of consumers resolve their debts. As expected, this past Friday the CFPB released new rules for our industry in the U.S. These rules provide much needed clarity and create uniformity in the fair treatment of consumers in debt collection. They also provide opportunities for us to communicate with consumers through more modern means, consistent with the way consumers prefer to interact with us. The new rules are largely consistent with those proposed eighteen months ago and, as a result, we are well prepared to fully implement them with no significant incremental operational changes. Through these new rules, we remain very much aligned with the CFPB's goal of making consumer financial markets work for consumers, responsible providers, and the economy as a whole.

3 Introduction & Q3 Financial Highlights (continued)	The third quarter was a period of great achievement for Encore. The steady improvement of our balance sheet has been a strategic priority of ours for some time. As part of this effort, we had a goal of combining the strength of our U.S. and European balance sheets into one unified global funding structure. We accomplished this goal in September through a series of actions that now maximizes our financial flexibility. More specifically the benefits include enhanced access to capital markets, improved ability to deploy capital in the markets with the best returns, and a line of sight to reducing our funding costs. Jon will recap the highlights of our new funding structure in a few moments. It was also an outstanding quarter operationally for Encore in which we delivered strong results: • Global collections for the third quarter were a record $540 million dollars and came in better than expected for both MCM and Cabot. • Revenues of $404 million dollars were up 13% compared to the third quarter a year ago. • Our ERC was a record $8.5 billion dollars and was up 15% compared to Q3 last year. • As a result of our strong collections performance and well-controlled expenses, we delivered third quarter GAAP net income of $55 million dollars, or $1.72 per share, which was up more than 40% compared to Q3 last year. • Non-GAAP adjusted income was $74 million dollars, or $2.31 per share. {continued on next page}

3 Introduction & Q3 Financial Highlights (continued)	In addition to these results, a clear indication of our performance can be found in the higher level of returns in our business. Our return on equity reached 21.3% on a trailing 12-months basis in Q3, as we continue to operate efficiently and deploy capital at solid returns. The result demonstrates our ability to deliver strong returns under current market conditions as well as over time. We believe it is difficult to find such attractive returns at other companies in or around our industry.
4 Strong Cash Generation	Our consistent growth in cash generation demonstrates the steady improvement in our business over the past several years. In fact, in the third quarter, we again set a new record for adjusted EBITDA plus collections applied to principal, which is the industry benchmark for cash generation. We continue to operate efficiently and purchase portfolios at attractive multiples. Even after subtracting cash taxes, cash interest and capex, we continue to generate substantial cash each quarter. Turning now to our U.S. business…

5 MCM (U.S.) Business	MCM collections in Q3 were a record $391 million dollars, up 18% compared to the third quarter of last year. Our MCM performance continues to benefit from our efforts to direct a larger proportion of our collections toward the call center & digital channel. We continue to see strong demand from our consumer base to engage with us through our digital platform. As a result, Q3 collections in the call center & digital channel were up 32% compared to the same quarter last year. MCM deployments in the third quarter were $141 million dollars. Our cost-to-collect continues to improve when compared to the year ago period, which is a strong reflection of our continued focus on expense management, our operating efficiency and the resulting operating leverage we have created in our business. Due to COVID-related impacts and constraints, MCM's expenses in the third quarter were somewhat lower than we would have incurred otherwise. These constraints are expected to diminish going forward. And as I mentioned a moment ago, we believe the new rules released by the CFPB last week provide clarity and create uniformity in how consumers should be treated across the industry. In addition, MCM requires no significant incremental operational changes to achieve compliance with the new rules as they are largely consistent with the CFPB's proposed rules that were issued 18 months ago, giving us time to prepare.

6 Cabot (Europe) Business	Turning to Cabot, in the U.K. and in continental Europe, our collections in the third quarter showed continued signs of recovery and were down only 6% compared to Q3 a year ago. In Europe, government measures resulting from the COVID pandemic continue to impact our litigation related collection practices. At the same time, collections in our call center and digital channel in Q3 were broadly in line with last year, as we continue to see no material change in payment plan breakage rates. Cabot's focus on cost management throughout the pandemic has enabled continued solid profitability. The subdued purchasing environment in the U.K. and in continental Europe continued into Q3 and we expect this lower level of supply to persist through the end of 2020. However, we are seeing a stronger pipeline of servicing opportunities forming in the U.K. We anticipate an increase in purchasing opportunities as charge-offs are expected to rise meaningfully after government assistance programs subside. Looking forward, our new global funding structure removes the prior constraints related to Cabot's standalone leverage and thus provides us an enhanced ability to deploy capital at attractive returns. I'd now like to hand over the call to Jon for a more detailed look at our third quarter financial results…

	Jonathan Clark
7 Detailed Financial Discussion	Thank you, Ashish. As a reminder - we will sometimes refer to our U.S. business by its brand name, Midland Credit Management, or more simply MCM. We may also refer to our European business as Cabot.
8 Q3 Deployments	Global deployments were $170 million dollars in the third quarter, compared to $260 million dollars in the third quarter of 2019. MCM deployed $141 million dollars in the U.S. during Q3, down from $173 million dollars in the same period a year ago, due to better pricing coupled with somewhat lower supply. European deployments totaled $29 million dollars during the third quarter, compared to $85 million dollars in the same quarter a year ago. The decrease in Q3 was primarily due to a limited supply of portfolios coming to market as a result of the COVID pandemic.

9 Q3 Collections	Global collections were a record $540 million dollars in the third quarter, up 8% compared to the same quarter a year ago. MCM collections grew 18% in Q3, to a record $391 million dollars. Within that total, MCM's call center and digital collections grew 32% compared to Q3 of last year. Cabot's collections from our debt purchasing business in Europe in the third quarter were $141 million dollars, down 6% compared to Q3 last year. Overall, Encore's global collections through the first three quarters of 2020 were at 100% of our ERC as of December 31, 2019.
10 Q3 Revenues	Global revenues in the third quarter were up 13% to $404 million dollars, compared to $356 million dollars in Q3 a year ago. In the U.S., revenues were $256 million dollars in the third quarter. In Europe, Q3 revenues were $142 million dollars. Higher-than-expected collections drove an incremental $30 million dollars of revenue in the third quarter. This is reflected in our income statement under "Changes in expected current and future recoveries". We believe the majority of our overperformance in the third quarter reflected over-collections against the forecast reductions made at the onset of the Covid-19 pandemic.

11 Q3 ERC	Our global ERC was $8.5 billion dollars at the end of September, up 15% when compared to the end of Q3 last year.
12 Q3 EPS Walk	In the third quarter, we reported GAAP earnings of $1.72 per share, compared to $1.23 per share in Q3 of last year. After making non-cash and non-operating adjustments, and accounting for the tax effects of those adjustments, our non-GAAP Economic EPS was $2.31 per share in the third quarter. This compares to $1.64 per share of Economic EPS in Q3 of last year. There are two items that I would like to highlight: First, our GAAP EPS in Q3 this year is net of the impact of a $15-million-dollar payment we made to the CFPB to settle a complaint they filed in September, which translates to $0.47 per share. Second, both our GAAP and economic EPS in Q3 are net of a $0.59 per share impact from expenses associated with establishing our new global funding structure, which totaled $19 million dollars after tax.

13 New Global Funding Structure	As Ashish mentioned in his opening remarks, we successfully implemented our new global funding structure in September, which effectively combined the balance sheets of our MCM and Cabot businesses and allows us to fully leverage their combined scale. Among the many benefits from this new structure: • We have maximized our financial flexibility, allowing us to better leverage our global borrowing base and enhancing our access to capital markets; • We have extended our debt maturities; • We have removed the prior leverage constraints that were specific to Cabot, providing us with an enhanced ability to allocate capital to the markets with the best returns; • And we now have line of sight to reduced funding costs.

14 Balance Sheet Strength	As a result of our new funding structure, and the strengthening of our balance sheet over the past two-plus years, we have put ourselves in a strong position to capitalize on the attractive opportunities that lie ahead. Since the beginning of 2018, we have reduced our debt to equity ratio from 5.9 times to 2.9 times. We have also reduced our ratio of net debt to adjusted EBITDA plus collections applied to principal, a measure common in our industry. We have reduced this ratio from 3.2 times to 2.4 times, resulting in a level that is among the lowest in our peer group. Encore's de-levering has been driven by strong operating performance and focused capital deployment, which have in turn, driven higher levels of efficiency and cash flow. Available capacity under our new global RCF was $465 million dollars at the end of the third quarter, and we concluded Q3 with $150 million dollars of non-client cash on the balance sheet. We also paid off $89 million of convertible notes that matured in July, which reduced the size of our convertible debt complex by 13%. If you follow us closely, you will recall that we are in the midst of a concerted effort to reduce the level of convertible debt in our capital stack. With that, I'd like to turn it back over to Ashish.

	Ashish Masih
15 Our Strategic Priorities and Q3 Summary	Thank you, Jon. As I have mentioned in the past, we believe our three strategic priorities continue to be instrumental in building shareholder value and driving strong results. The three priorities include: • Focusing on the U.S. and the U.K., the two largest and most valuable markets, • Innovating to maintain and enhance our competitive edge, and • Continuing to strengthen our balance sheet while delivering strong results. With our steady emphasis on these priorities, we continue to deliver solid operating performance each quarter and remain well positioned for the attractive opportunities expected in our markets. In summary, Q3 was an outstanding quarter for Encore in which we achieved record collections, ERC and cash generation. Our results in the third quarter are a continuation of significant growth in our GAAP earnings over the past five years. Our strong Return on Equity reflects Encore's solid performance over time. We are pleased to see the finalization of the rules for our industry in the U.S. The new rules issued by the CFPB will provide clarity and create uniformity in how consumers are treated across the industry. And finally, in addition to our new global funding structure, the quality of our balance sheet and our liquidity have us well-positioned to capitalize on the significant increase in charge-offs expected in 2021 and beyond. Now we'd be happy to answer any questions that you may have. Operator, please open up the lines for questions.

15 Closing	That concludes the call for today. Thanks for taking the time to join us and we look forward to providing our fourth quarter 2020 results in February.