Slide #	Commentary
	Bruce Thomas
1	Thank you, Operator. Good afternoon and welcome to Encore Capital Group's third quarter 2017 earnings call. With me on the call today are Ashish Masih, our President and Chief Executive Officer, and Jonathan Clark, Executive Vice President and Chief Financial Officer. Ashish and Jon will make prepared remarks today, and then we will be happy to take your questions. Paul Grinberg, President of Encore's International business, is also here and will be available for the Question and Answer session.
2 (Safe Harbor)	Before we begin, we have a few items to note. Unless otherwise specified, all comparisons made on this conference call will be between the third quarter of 2017 and the third quarter of 2016. 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 (Intro/ Encore Update)	Good afternoon and welcome to our third quarter earnings call. I'm pleased to report that Encore has delivered solid financial and operational performance this quarter. Overall, U.S. investment returns continue to improve as a result of the favorable domestic purchasing environment coupled with our long-term progress on liquidation improvement initiatives. In Europe, deployments were very strong in the third quarter and our international business continues to deliver solid results due to sustained improved collections. Cabot continues to execute on its liquidation improvement plans resulting in strong collections performance. Let's now turn to a review of Encore's domestic business…

4 (U.S. Market)	In the third quarter, we continued to see favorable purchasing dynamics in the U.S. market. Banks are building their loan loss provisions and net charge-off rates continue to increase with some large credit card issuers reporting an acceleration in charge-off rates when compared to prior periods. As a result, we expect a meaningful growth in supply through next year and beyond. Overall pricing remained favorable in the U.S. as our commitment to our disciplined pricing strategy remained firm. Although our domestic deployments for charged-off credit card portfolios in Q3 were lower than a year ago, we continue to book new business at better returns than those of last year, enabling us to generate more ERC for each dollar we deploy. The money multiple for our consumer credit card portfolio purchases year-to-date through the end of Q3 was 2.0, which compares favorably to the 1.8 multiple from a year ago. Through our prudent capital management, our focus on improving liquidations and our solid relationships with issuers, we are positioning ourselves through capacity expansion for a period of strong deployments with attractive returns. As a result of successful portfolio purchases and forward flow arrangements, by the end of the third quarter, commitments for 2018 already totaled more than $280 million dollars.

5 (Hurricanes)	Unfortunately, a number of Encore's consumers and employees were impacted by hurricanes hitting the U.S. and Puerto Rico. These weather systems have had a profound impact on the communities in their paths. In the wake of these storms, our first order of business was to establish contact with each of our employees who work in the affected areas. The hardest hit was our Puerto Rico office. After a number of anxious days, we were grateful to confirm that all of our people there were safe. Although our offices in each of the affected areas are back up and running, as you would expect, we temporarily suspended collections activity in impacted locations while recovery is underway, consistent with Encore's hardship policies. Our pool groups typically consist of accounts from a broad geographical footprint, which generally dilutes the effects of any regional impacts - such as these hurricanes - on any particular pool group. However, we have two pool groups, included in the 2012 and 2014 vintages, which are heavily concentrated in Puerto Rico. For these two pool groups, we recorded an allowance charge of approximately $10 million dollars in the third quarter, as it will take time to re-establish normal operations and commerce on the island, while the community there works hard to recover its footing. After the allowance, the Puerto Rico-based accounts in these two pool groups have a remaining book value of approximately $12 million dollars. We do not anticipate incurring any allowance charges resulting from this quarter's hurricanes on our other pool groups. Let's now turn our focus to our International business.

6 (Cabot)	Cabot deployed over $165 million dollars in Q3. Cabot's operational, technological and analytical initiatives continue to drive better collections performance over a large number of pool groups. Combined with the benefits from a number of cost efficiency programs, the improvements from these initiatives enable us to deploy capital in Europe's competitive market at strong risk-adjusted returns. We expect Cabot's strong collections performance, such as that delivered in Q3, to continue in the future. As a result, we reversed an additional $28 million dollars of the allowance charge from a year ago. We have previously mentioned that J.C. Flowers and Encore began a process that is expected to result in an initial public offering of Cabot shares. Cabot recently announced its intention to launch a public offering and apply for admission to the London Stock Exchange. As we have stated in the past, our ability to provide updates about any IPO or similar activity at Cabot is limited by securities laws.

7 (Debt Leverage)	Our consolidated debt to equity ratio at September 30th was 5.1. Considering this ratio without Cabot, our debt to equity ratio was 2.3, which reflects a substantial difference when compared to the consolidated ratio. It is important to remember that we fully consolidate Cabot's debt on our balance sheet because of our significant economic interest in Cabot and our control of their board. However, Cabot's debt has no recourse to Encore. It is clear from this illustration that Encore is far less levered than our financials would indicate. As stated last quarter, upon consummation of a Cabot IPO, we intend to deconsolidate Cabot, significantly changing our financial statements. Deconsolidation would result in the removal of assets and liabilities attributable to Cabot from our balance sheet, and our investment in Cabot would be accounted for under equity method accounting. We believe this will make it much easier for investors to understand Encore's true financial condition. Before I pass it over to Jon, I would like to take this opportunity to publicly thank our outgoing Chairman, Will Mesdag, for his many years of service. Will's vision has been an inspiration to Encore's strategy over the years, and we all benefited in countless ways from his counsel. I am pleased that the Board has chosen Mike Monaco to become our new Chairman. Mike has been the chair of our Audit Committee for the past few years, and we look forward to his guidance and leadership. I'd now like to turn the call over to Jon for a more detailed look at our Q3 financial results…

	Jonathan Clark
8 (Detailed Financial Discussion)	Thank you, Ashish. Before I go into our financial results in detail, I would like to remind you, as required by US GAAP, we are showing 100 percent of the results for Cabot, Refinancia and Baycorp in our financial statements. Where indicated, we will adjust the numbers to account for non-controlling interests.
9 (Q3 Results)	Turning to Encore's results in the third quarter, Encore earned GAAP net income from continuing operations of $28 million dollars, or $1.05 per share. Adjusted income was $31 million dollars or $1.17 per share. Cash collections in the quarter were $443 million dollars and our ERC at September 30 was $6.6 billion dollars, a new all-time high for our business. Comparisons to prior period financial performance take on a different tone beginning this quarter as we are now a year removed from the U.K.'s vote in favor of Brexit, which occurred at the end of June last year. This activity caused the British pound to substantially decline in value versus the U.S. dollar, which made year-over-year comparisons for our European business more difficult over the past several quarters.

10 (Q3 Deployments)	Deployments totaled $292 million dollars in the third quarter, up 42% compared to the $206 million dollars of purchases we made in the same quarter a year ago. In the United States, the majority of our deployment of $111 million dollars represented fresh charged-off credit card portfolios. This compares to our core domestic deployment of $132 million dollars a year ago, which represented a particularly strong quarter. European deployments totaled $177 million dollars. This compares favorably to a year ago when we deployed $43 million dollars in Europe. Our liquidation improvement programs have allowed us to more than offset the competitive market dynamics in certain European markets to earn better returns than a year ago. During the third quarter we also deployed $4 million dollars in other geographies including Australia and Latin America, compared to $22 million dollars of purchases a year ago.
11 (Q3 Collections)	Worldwide collections grew 9 percent to $443 million dollars in the third quarter, compared to $407 million dollars a year ago. Encore's Q3 collections in our U.S. call centers also grew 9 percent when compared to last year, as we continue to benefit from increased purchasing volume and the acquisition in recent periods of portfolios with higher returns. Also keep in mind, given the continued growth in the U.S. market, we are investing to increase the capacity of our call centers and legal collections network.

12 (Q3 Revenue)	Worldwide revenue in the third quarter was $307 million dollars compared to $179 million dollars a year ago, a period in which our revenues were impacted by our European allowance charge. Domestic revenues were down 7 percent compared to the same quarter last year, primarily as a result of the $10 million dollar allowance charge associated with our Puerto Rican pool groups. Q3 revenue in Europe was $128 million dollars and benefited from the $28 million dollar allowance reversal resulting from the increases in collections driven by our liquidation improvement initiatives. In the third quarter, we increased domestic yields primarily in pool groups in the 2012 through 2015 vintages as a result of sustained over-performance. In Europe, we increased yields on certain pool groups in the 2014 through 2016 vintages, also as a result of sustained over-performance. Encore generated $34 million dollars of zero-basis revenue in Q3, compared to $38 million dollars in the same period a year ago.

13 (ERC)	Our ERC at September 30 was $6.6 billion dollars, up $836 million dollars, representing an increase of 15 percent compared to the end of the third quarter of 2016. In the third quarter, our higher purchase-price-multiple results in more ERC per dollar deployed than a year ago.
14 (Q3 EPS Walk)	In the third quarter, we recorded GAAP earnings from continuing operations of $1.05 per share. In reconciling our GAAP earnings to our adjusted earnings, adjustments totaled 16 cents per share. After applying the income tax effect of the adjustments and accounting for non-controlling interest, we end up with $1.15 per fully diluted share, and after deducting approximately 500,000 shares in Q3 related to our convertible debt, our non-GAAP Economic EPS was $1.17.

15 (Impacts to Earnings)	There were a number of items which impacted our earnings in Q3 which bear mentioning. I'd like to talk about these in the context of our Economic EPS. First, as Ashish indicated, we recorded an allowance charge of \$10.2 million dollars in Q3, or 24 cents, due to the impact of Hurricane Maria on Puerto Rico. With regard to Cabot, the previously mentioned \$28.0 million dollar allowance reversal, or 38 cents, was driven by sustained collections overperformance. In September, Cabot redeemed Marlin's original senior secured notes and generated a gain of \$5.7 million dollars in the third quarter, which represented approximately 8 cents of earnings contribution. With that, I'd like to turn it back over to Ashish.

	Ashish Masih
16 (Summary)	Thanks, Jon. As I reflect on our performance in the third quarter, I'm excited about the path ahead. Purchasing trends continue to favor debt buyers in the U.S., our largest market. We remain well-positioned to benefit from these market conditions and are working diligently to maximize our returns. To summarize, we delivered a solid quarter of financial and operational performance: • First, market supply in the U.S. continues to grow and is showing signs of long-term supply expansion. • Second, our improving liquidation rates together with continued favorable market conditions are enabling us to purchase charged-off credit card receivables with money multiples at 2.0. • Third, Cabot had a very strong purchasing quarter in Europe and its liquidation improvement initiatives are producing sustained improved collections, and • Finally, on October 20th Cabot announced their intention to float shares on the London Stock Exchange.
17 (Q&A Session)	Now we'd be happy to answer any questions that you may have. Operator, please open up the lines for questions.
17 (Sign Off)	That concludes the call for today. Thanks for taking the time to join us and we look forward to providing our fourth quarter 2017 results in February.