



## Q2 2017 EARNINGS PRESENTATION

## ABOUT FORWARD-LOOKING STATEMENTS

Statements herein, other than statements of historical fact, are forward-looking statements, which are based on our current beliefs, projections, assumptions and expectations concerning future operations and financial performance. Such statements involve uncertainties and risks, some of which are not currently known to us, and may be superseded by future events that could cause actual results to differ materially from those expressed or implied herein. You are cautioned not to place undue reliance on forward-looking statements, which speak only as of today, and are qualified in their entirety by these cautionary statements. Information regarding risk factors and other information that could change our projections or impact our actual results can be found in our most recent Annual Report on Form 10-K and in subsequent public filings, and should be considered in evaluating the forward looking statements herein. Except as required by law, we assume no obligation to update or revise these statements to reflect changes in events, conditions or circumstances on which any such forward-looking statements are based, in whole or in part.



## Q2 2017 EARNINGS PRESENTATION

# REVENUE MODEL\*

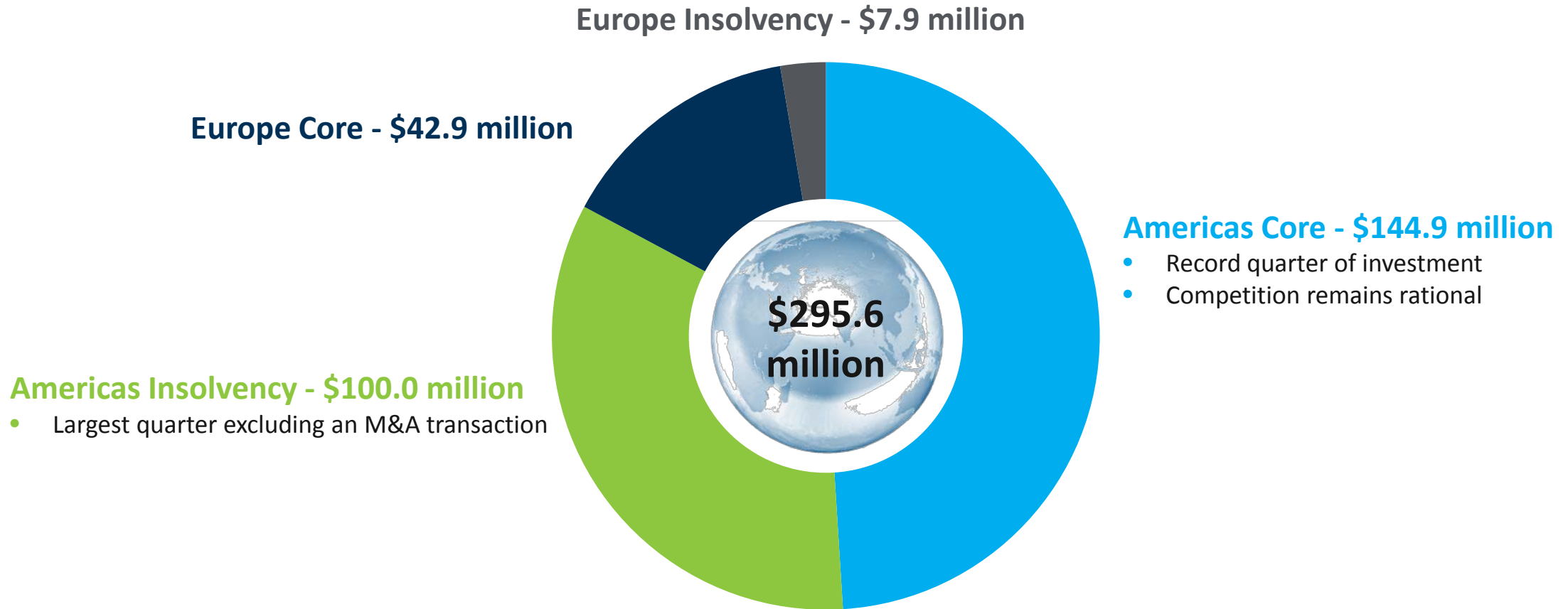
Calculating Next Quarter's Existing NFR Revenue from Filings by Product and Vintage – Q2 2017 Estimate

- 1 Calculate gross quarterly yield for **each vintage in each product** =  $\frac{\text{Q1 2017 gross revenue (from 10-Q)}}{\text{average NFR: Q1 2017 and Q4 2016 (From 10-Q/K)}}$
- 2 Apply yield from Step 1 to Q1 2017 NFR to estimate Q2 2017 revenue on current portfolio
- 3 Estimated Q2 2017 revenues from owned portfolio = \$183.6 million
- 4 This estimate can be impacted by four items that occur in the quarter

	Forecast based on Q1 2017
Base Q2 2017 estimate	\$183.6 million
+ Buying in the quarter (assumed same purchasing volume and yield from Q1 2017)	\$4.8 million
+ Revenue from fully amortized pools (assumed same as Q1 2017)	\$2.5 million
- Allowance charges (assumed same as Q1 2017)	(\$2.6 million)
+ Yield raises (none assumed)	
Q2 2017 estimate	\$188.2 million
Actual Q2 2017 NFR revenue	\$190.8 million

1.4% difference

# PORTFOLIO PURCHASES WERE VERY PROMISING IN Q2 2017



# OPERATIONAL RESULTS – GLOBAL INSOLVENCY AND AMERICAS CORE



## Global Insolvency

- Cash decline headwind is lessening
- Cash collections increased sequentially
- Operations remain solid and scalable

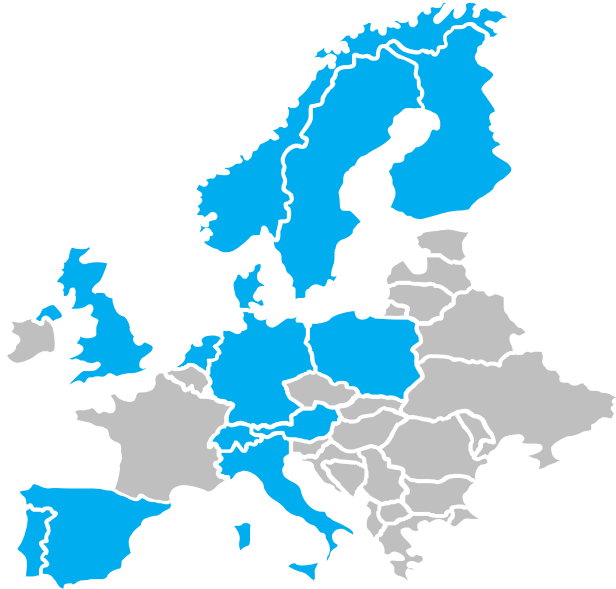
## Americas Core

- U.S. call center cash collections increased \$3 million
- Collector headcount over 2,200
- Planning to open new sites in the U.S.

## Regulatory Environment

- TCPA
- CFPB rule making
- IRS

# OPERATIONAL RESULTS – EUROPE CORE



## Europe Core Market Dynamics

- Competitive
- Focus on deals that are justified at the market pricing
- Provide sellers with a reliable, trusted, consumer-focused partner

## Europe Core Operations

- Slow progress on legal process in Italy given complexity
- Building data to be bigger participant in the SME market

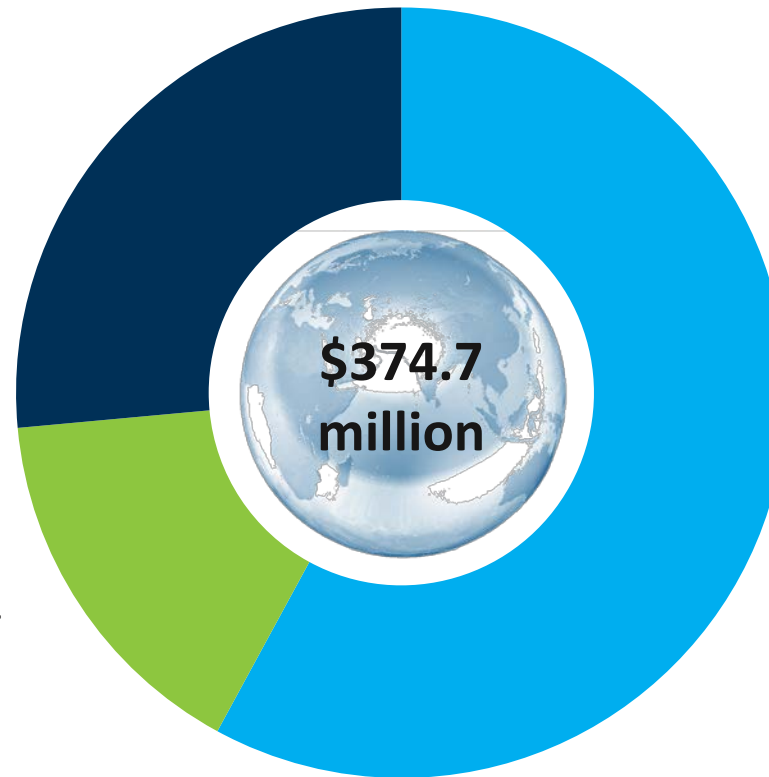
# CASH COLLECTIONS

## Europe Core - \$99.1 million

- Increased \$2 million on a currency adjusted basis versus second quarter 2016

## Global Insolvency - \$58.5 million

- Declined \$12 million versus second quarter 2016
- Encouraged by the sequential increase in U.S. Insolvency cash collections



## Americas Core - \$217.0 million

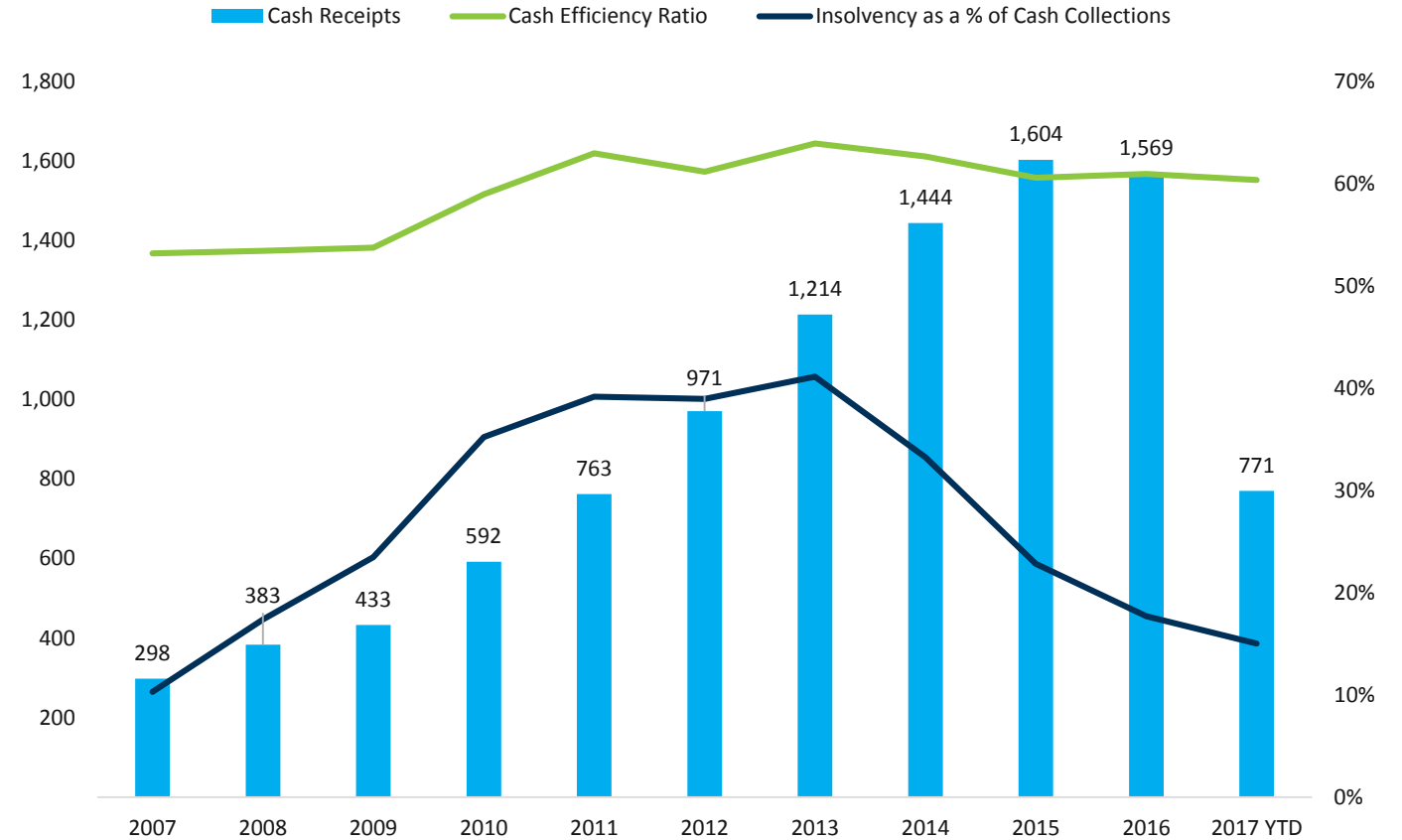
- Increased \$3 million versus second quarter 2016
- Growth in Brazil and U.S. call centers
- Trends in cash indicate staffing increases are having desired effect



# OPERATING EXPENSES

(\$ in millions)

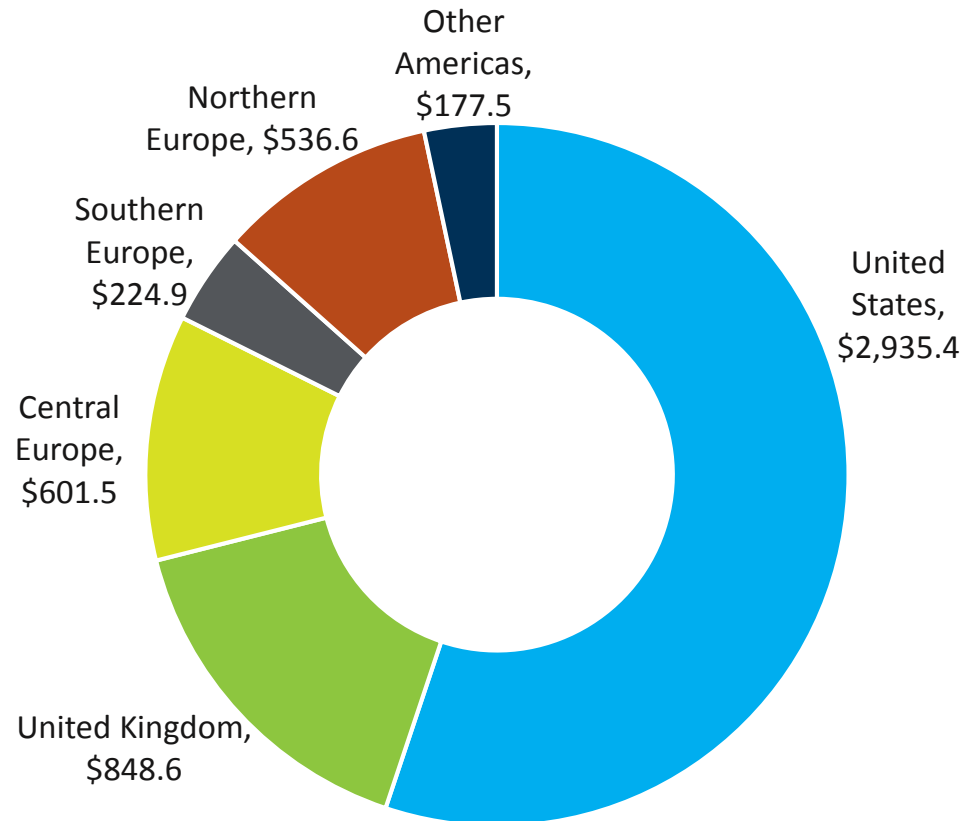
- \$152 million, down \$4 million from previous year
- Decreased legal collection expense and agency fees
- Increased outside fees and services largely due to nonrecurring items (pretax)
  - \$2.3 million in legal fees not associated with normal operations,
  - \$1.0 in expenses associated with PRA Location Services, and
  - \$700,000 in financing costs expensed in the quarter.



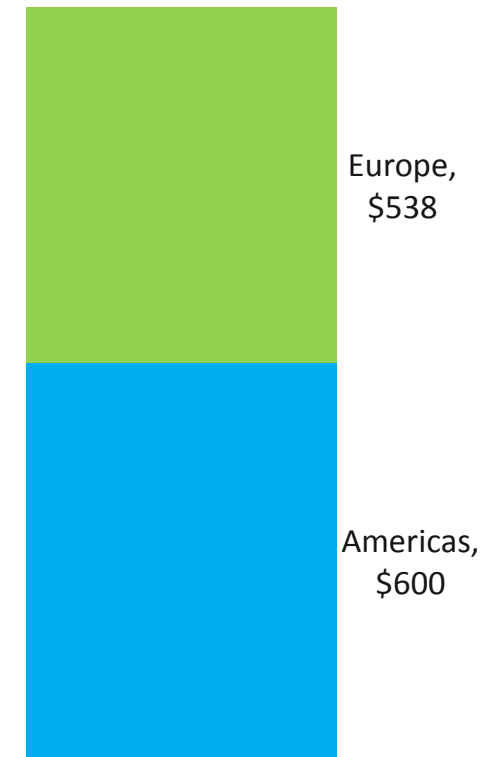
# ESTIMATED REMAINING COLLECTIONS AND CAPITAL DEPLOYMENT

(\$ in millions)

## Estimated Remaining Collections \$5.3 billion



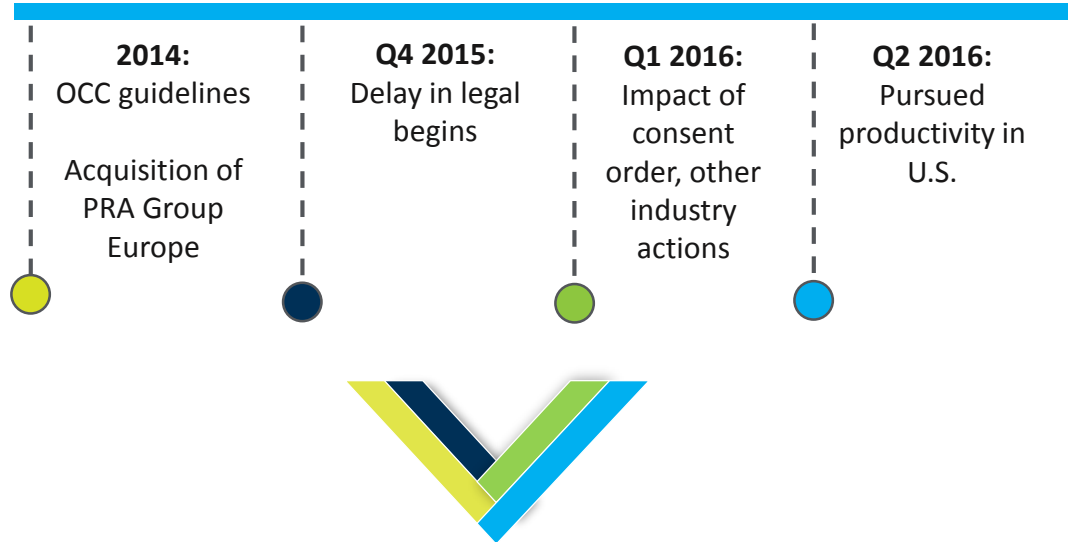
## Capital Available for Portfolio Purchases \$1.1 billion



# Q3 2017 REVENUE MODEL - \$ IN THOUSANDS

Americas Core	1996-2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
2017 YTD Gross NFR Revenue (page 34 of Q2 2017 10-Q)	3,327	1,971	1,865	4,438	6,429	14,454	14,332	30,499	42,685	49,874	73,371	17,362	
Q1 2017 Gross NFR Revenue (page 32 of Q1 2017 10-Q)	1,840	1,077	992	2,328	3,505	7,675	7,626	15,904	22,262	26,085	37,859	4,069	
Q2 2017 Gross Revenue (2017 YTD Gross NFR minus Q1 2017 Gross NFR)	1,487	894	873	2,110	2,924	6,779	6,706	14,595	20,423	23,789	35,512	13,293	
Q2 2017 NFR (page 34 of Q2 2017 10-Q)	3,492	5,361	5,768	1,195	5,938	15,930	31,894	88,141	140,609	230,710	339,617	253,680	
Q1 2017 NFR (page 32 of Q1 2017 10-Q)	3,927	6,124	6,519	2,040	7,158	17,719	35,799	95,067	151,074	256,606	369,988	115,773	
Average Q1 and Q2 2017 NFR	3,710	5,743	6,144	1,618	6,548	16,825	33,847	91,604	145,842	243,658	354,803	184,727	
Quarterly Yield (Q2 2017 Gross NFR Revenue/Average Q1 and Q2 2017 NFR)	40%	16%	14%	130%	45%	40%	20%	16%	14%	10%	10%	7%	
Q3 2017 Estimated Revenue (Q2 2017 NFR * Quarterly Yield)	1,400	835	820	1,559	2,652	6,419	6,319	14,043	19,690	22,525	33,992	18,255	128,508
<b>Americas Insolvency</b>	<b>1996-2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>Total</b>
2017 YTD Gross NFR Revenue (page 34 of Q2 2017 10-Q)	67	38	73	861	1,294	2,376	11,954	6,960	5,632	2,146	3,282	1,233	
Q1 2017 Gross NFR Revenue (page 32 of Q1 2017 10-Q)	39	21	41	451	689	1,508	6,609	3,435	2,990	1,044	1,743	210	
Q2 2017 Gross Revenue (2017 YTD Gross NFR minus Q1 2017 Gross NFR)	28	17	32	410	605	868	5,345	3,525	2,642	1,102	1,539	1,023	
Q2 2017 NFR (page 34 of Q2 2017 10-Q)	-	104	521	-	-	-	1,275	22,092	40,148	40,524	64,998	159,465	
Q1 2017 NFR (page 32 of Q1 2017 10-Q)	-	125	567	-	-	-	5,198	31,420	47,808	45,465	72,644	66,450	
Average Q1 and Q2 2017 NFR	-	115	544	-	-	-	3,237	26,756	43,978	42,995	68,821	112,958	
Quarterly Yield (Q2 2017 Gross NFR Revenue/Average Q1 and Q2 2017 NFR)		15%	6%				165%	13%	6%	3%	2%	1%	
Q3 2017 Estimated Revenue (Q2 2017 NFR * Quarterly Yield)	-	15	31	-	-	-	2,106	2,911	2,412	1,039	1,454	1,444	11,411
<b>Europe Core</b>	<b>1996-2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>Total</b>
2017 YTD Gross NFR Revenue (page 34 of Q2 2017 10-Q)							984	397	60,567	15,756	13,187	1,503	
Q1 2017 Gross NFR Revenue (page 32 of Q1 2017 10-Q)							500	206	30,617	7,673	6,647	486	
Q2 2017 Gross Revenue (2017 YTD Gross NFR minus Q1 2017 Gross NFR)							484	191	29,950	8,083	6,540	1,017	
Q2 2017 NFR (page 34 of Q2 2017 10-Q)							-	765	362,871	260,603	303,868	81,785	
Q1 2017 NFR (page 32 of Q1 2017 10-Q)							-	809	368,473	261,171	306,747	38,942	
Average Q1 and Q2 2017 NFR							-	787	365,672	260,887	305,308	60,364	
Quarterly Yield (Q2 2017 Gross NFR Revenue/Average Q1 and Q2 2017 NFR)								24%	8%	3%	2%	2%	
Q3 2017 Estimated Revenue (Q2 2017 NFR * Quarterly Yield)							-	186	29,721	8,074	6,509	1,378	45,868
<b>Europe Insolvency</b>	<b>1996-2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>Total</b>
2017 YTD Gross NFR Revenue (page 34 of Q2 2017 10-Q)									709	653	1,066	33	
Q1 2017 Gross NFR Revenue (page 32 of Q1 2017 10-Q)									346	261	466	10	
Q2 2017 Gross Revenue (2017 YTD Gross NFR minus Q1 2017 Gross NFR)									363	392	600	23	
Q2 2017 NFR (page 34 of Q2 2017 10-Q)									2,929	9,699	32,645	14,256	
Q1 2017 NFR (page 32 of Q1 2017 10-Q)									3,185	10,279	33,749	6,054	
Average Q1 and Q2 2017 NFR									3,057	9,989	33,197	10,155	
Quarterly Yield (Q2 2017 Gross NFR Revenue/Average Q1 and Q2 2017 NFR)									12%	4%	2%	0%	
Q3 2017 Estimated Revenue (Q2 2017 NFR * Quarterly Yield)									348	381	590	32	1,351
<b>Total 3Q 2017 Estimated NFR Revenue based on SEC filings</b>													<b>187,136</b>

# BUSINESS HAS TRANSFORMED OVER THREE YEARS



## Accomplishments:

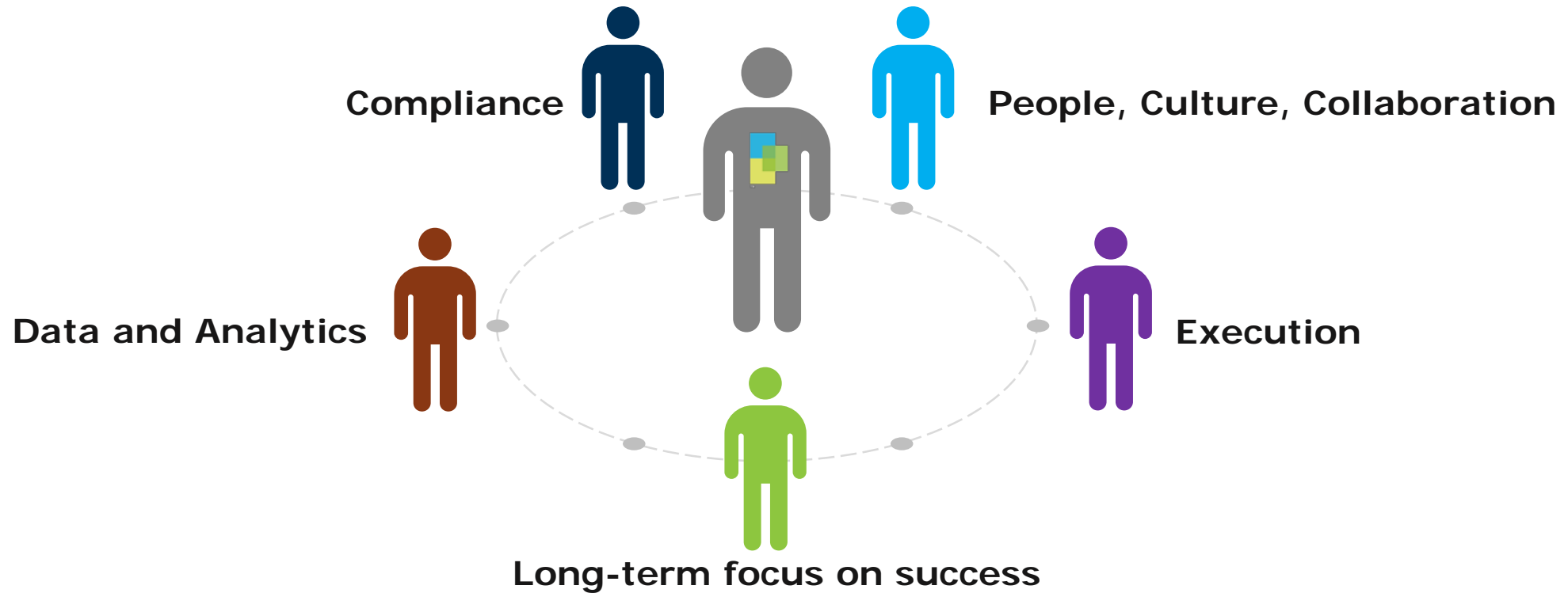
- ✓ Identified issues and found solutions
- ✓ Legal channel up and running in a few quarters
- ✓ Disputes process refined
- ✓ Almost 900 net new collectors in one year

## Current Trends

*Supply increasing in U.S., U.S. cash collections showing positive trends in Core and Insolvency, hiring new collectors and adding new sites*

*Settled two large lawsuits on reasonable terms and increased credit capacity in Europe and Americas*

# ONE COMPANY, ONE TEAM, WORLDWIDE





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# Appendix

# Q2 2017 REVENUE MODEL - \$ IN THOUSANDS

Americas Core	1996-2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
Q1 2017 Gross Revenue (page 32 of Q1 2017 10-Q)	1,840	1,077	992	2,328	3,505	7,675	7,626	15,904	22,262	26,085	37,859	4,069	
Q4 2016 NFR (Page 34 of 2016 10-K)	4,458	6,737	7,344	3,029	8,503	20,111	40,235	103,081	163,557	287,053	403,485		
Q1 2017 NFR (Page 32 of Q1 2017 10-Q)	3,927	6,124	6,519	2,040	7,158	17,719	35,799	95,067	151,074	256,606	369,998	115,773	
Avg Q4 2016 and Q1 2017 NFR	4,193	6,431	6,932	2,535	7,831	18,915	38,017	99,074	157,316	271,830	386,742	115,773	
Quarterly Yield (Q1 2017 Gross Revenue/Average NFR)	44%	17%	14%	92%	45%	41%	20%	16%	14%	10%	10%	4%	
Q2 2017 estimated NFR revenue (Q1 2017 NRF * Quarterly Yield)	1,723	1,026	933	1,874	3,204	7,190	7,181	15,261	21,379	24,624	36,219	4,069	124,682
<b>Americas Insolvency</b>													
Q1 2017 Gross Revenue (page 32 of Q1 2017 10-Q)	39	21	41	451	689	1,508	6,609	3,435	2,990	1,044	1,743	210	
Q4 2016 NFR (Page 34 of 2016 10-K)	-	149	715	-	82	-	9,605	41,337	54,692	49,131	78,905		
Q1 2017 NFR (Page 32 of Q1 2017 10-Q)	-	125	567	-	-	-	5,198	31,420	47,808	45,465	72,644	66,450	
Avg Q4 2016 and Q1 2017 NFR	-	137	641	-	41	-	7,402	36,379	51,250	47,298	75,775	66,450	
Quarterly Yield (Q1 2017 Gross Revenue/Average NFR)		15%	6%		1680%		89%	9%	6%	2%	2%	0%	
Q2 2017 estimated NFR revenue (Q1 2017 NRF * Quarterly Yield)	-	19	36	-	-	-	4,641	2,967	2,789	1,004	1,671	210	13,337
<b>Europe Core</b>													
Q1 2017 Gross Revenue (page 32 of Q1 2017 10-Q)							500	206	30,617	7,673	6,647	486	
Q4 2016 NFR (Page 34 of 2016 10-K)							-	960	388,379	271,489	314,373		
Q1 2017 NFR (Page 32 of Q1 2017 10-Q)							-	809	368,473	261,171	306,747	38,942	
Avg Q4 2016 and Q1 2017 NFR							-	885	378,426	266,330	310,560	38,942	
Quarterly Yield (Q1 2017 Gross Revenue/Average NFR)								23%	8%	3%	2%	1%	
Q2 2017 estimated NFR revenue (Q1 2017 NRF * Quarterly Yield)							-	188	29,812	7,524	6,565	486	44,576
<b>Europe Insolvency</b>													
Q1 2017 Gross Revenue (page 32 of Q1 2017 10-Q)									346	261	466	10	
Q4 2016 NFR (Page 34 of 2016 10-K)									3,555	11,179	35,825		
Q1 2017 NFR (Page 32 of Q1 2017 10-Q)									3,185	10,279	33,749	6,054	
Avg Q4 2016 and Q1 2017 NFR									3,370	10,729	34,787	6,054	
Quarterly Yield (Q1 2017 Gross Revenue/Average NFR)									10%	2%	1%	0%	
Q2 2017 estimated NFR revenue (Q1 2017 NRF * Quarterly Yield)									327	250	452	10	1,039
<b>Total Q2 2017 estimated NFR revenue based on SEC filings</b>													<b>183,635</b>

Total Q2 2017 estimated NFR revenue based on SEC filings	183,635
Add estimated Q2 2017 NFR revenue from purchases (based on Q1 2017 buying and 2017 quarterly yield)	4,763
Add cash collected on fully amortized pools not accounted for in model	2,498
Subtract allowances in Q1 2017 (add reversals if applicable)	(2,679)
Total estimated revenue excluding impact of potential yield raises	188,217