



# Fourth Quarter 2017 Supplementary Information

February 22, 2018

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# Forward-Looking Statements and Estimates

This presentation contains forward-looking statements that involve a number of risks and uncertainties. These forward-looking statements include all statements that are not historical fact, including statements about management's beliefs and expectations. These statements may be identified by words such as "anticipate," "intend," "expect," "may," "could," "should," "would," "plan," "estimate," "seek," "believe," "potential" and similar expressions. Forward-looking statements are based on management's beliefs as well as assumptions made by and information currently available to management. Because such statements are based on expectations as to the future and are not statements of historical fact, actual results may differ materially from what is contemplated by the forward-looking statements. Altisource undertakes no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise. The risks and uncertainties to which forward-looking statements are subject include, but are not limited to, various risks relating to the transactions described herein, including in respect of the satisfaction of closing conditions to New Residential Investment Corp.'s acquisition of the covered mortgage servicing rights ("MSR") portfolios, including obtaining the necessary third-party approvals; uncertainties as to the timing or completion of transfers related to New Residential Investment Corp.'s acquisition of the covered MSR portfolios; potential litigation relating to the transactions; the possibility of early termination of the Cooperative Brokerage Agreement; the possibility that Altisource and New Residential Investment Corp. will not be able to negotiate a satisfactory services agreement; the inability to obtain, or delays in achieving, the expected benefits of the transactions, as well as, Altisource's ability to integrate acquired businesses, retain key executives or employees, retain existing customers and attract new customers, general economic and market conditions, behavior of customers, suppliers and/or competitors, technological developments, governmental regulations, taxes and policies, availability of adequate and timely sources of liquidity and other risks and uncertainties detailed in the "Forward-Looking Statements," "Risk Factors" and other sections of Altisource's Form 10-K and other filings with the Securities and Exchange Commission.

The financial projections and scenarios contained in this presentation are expressly qualified as forward-looking statements and Altisource makes no representation that the actual financial results will be the same as those set out in the financial projections and scenarios. These financial projections and scenarios should not be unduly relied upon.

# Non-GAAP Measures

Adjusted Operating Income, Pretax Income (Loss) Attributable to Altisource, Adjusted Pretax Income Attributable to Altisource, Adjusted Pretax Income Before Investments, Earnings Before Interest, Taxes, Depreciation and Amortization (“EBITDA”), Adjusted EBITDA, Adjusted EBITDA Before Investments, Adjusted Net Income Attributable to Altisource, Adjusted Earnings Per Share – Diluted, Adjusted Earnings Before Investments Per Share – Diluted, Adjusted Cash Flows From Operating Activities, Cash Flows From Operating Activities Less Capital Expenditures, Adjusted Cash Flows From Operating Activities Less Capital Expenditures and Net Debt Less Marketable Securities, which are presented elsewhere in the presentation, are non-GAAP measures used by management, existing shareholders, potential shareholders and other users of our financial information to measure Altisource’s performance and do not purport to be alternatives to income (loss) from operations, income (loss) before income taxes and non-controlling interests, net income (loss) attributable to Altisource, cash flows from operating activities, diluted earnings (loss) per share and long-term debt, including current portion, as measures of financial performance. We believe these measures are useful to management, existing shareholders, potential shareholders and other users of our financial information in evaluating operating profitability and cash flow generation more on a basis of continuing cost and cash flows as they exclude amortization expense related to acquisitions that occurred in prior periods, depreciation expense, financing expense and costs related to the development of new businesses and technologies, as well as the effect of more significant non-recurring items from earnings, cash flows and long-term debt net of cash on-hand and marketable securities. We believe these measures are useful in evaluating the effectiveness of our operations and underlying business trends in a manner that is consistent with management’s evaluation of business performance. Furthermore, we believe the exclusion of more significant non-recurring items enables comparability to prior period performance and trend analysis.

It is management’s intent to provide non-GAAP financial information to enhance the understanding of Altisource’s GAAP financial information, and it should be considered by the reader in addition to, but not instead of, the financial statements prepared in accordance with GAAP. Each non-GAAP financial measure is presented along with the corresponding GAAP measure so as not to imply that more emphasis should be placed on the non-GAAP measure. The non-GAAP financial information presented may be determined or calculated differently by other companies. The non-GAAP financial information presented should not be unduly relied upon.

These non-GAAP measures are presented as supplemental information and reconciled to the appropriate GAAP measures in the Appendix.

# Key Observations

- Capital light company with long-term customer contracts
- Strong operating cash flow with limited capital expenditure requirements
- Accelerated momentum of customer wins in Q3 and Q4 2017 and continuing in 2018
- Investments in our businesses to support our competitive positioning and the tremendous opportunities the newer businesses represent
- Recent sales of two competitors, one field services provider and one online auction company, at very attractive multiples relative to Altisource's market valuation
- 2019 adjusted pretax income anticipated to be equal to or greater than 2018, and adjusted pretax income growth in succeeding years

# 2017 Highlights

## ■ Corporate

- Generated \$66.1 million of cash flows from operating activities and \$110.5 million of adjusted cash flows from operating activities<sup>(1)</sup>
- Ended 2017 with \$154.2 million of cash, cash equivalents and marketable securities
- Repurchased 1.6 million shares of our common stock at an average price of \$23.84 per share
- Repurchased \$60.1 million par value of our senior secured term loan at a weighted average discount of 10.7%, recognizing a net gain of \$5.6 million on the early extinguishment of debt
- Recognized a net income tax benefit of \$284.1 million in the fourth quarter of 2017 relating to the merger of two of the Company's Luxembourg subsidiaries, the impact of statutory tax rate changes in the U.S. and Luxembourg and foreign income tax reserves
- Amended our senior secured term loan to allow the Company to directly repurchase its debt in the open market and permit the internal restructuring of our Luxembourg subsidiaries

## ■ Servicer Solutions

- Selected by 9 bank and non-bank loan servicers to provide property preservation and inspection services, real estate brokerage and auction services, or title insurance and settlement services
- Selected as a service provider by 4 servicers in the first quarter of 2018
- Grew non-Ocwen Financial Corporation ("Ocwen") and non-NRZ (defined in next page) service revenue by 9% compared to 2016
- Maintained Altisource as one of the leading REO asset managers and online auctioneers of residential real estate through its Hubzu.com platform

<sup>1</sup> This is a non-GAAP measure defined and reconciled in the Appendix

# 2017 Highlights

- Servicer Solutions (continued)
  - Entered into agreements with New Residential Investment Corp. (individually, together with one or more of its subsidiaries, or one or more of its subsidiaries individually, “NRZ”) that establish Altisource as the exclusive provider of REO brokerage services for mortgage servicing rights that NRZ agreed to acquire from Ocwen
  - Entered into a non-binding Letter of Intent (subsequently amended) to enter into a Services Agreement with NRZ to provide fee-based services for mortgage servicing rights that NRZ agreed to acquire from Ocwen
- Origination Solutions
  - Approved as a loan fulfillment provider for residential loan securitizations by Standard & Poor’s Financial Services LLC, Moody’s Investors Service, Inc., Kroll Bond Rating Agency, Inc., DBRS, Inc. and Fitch Ratings Inc. (acceptance by Fitch as a reviewer of loans for securitizations was received in January 2018)
  - Selected by 7 lenders in 2017 and early 2018 to provide platform solutions including loan fulfillment services, loan processing services, or CastleLine® certification and insurance services
- Consumer Real Estate Solutions
  - Grew Owners.com® residential purchases and sales by 713% in 2017 from 106 transactions in 2016 to 862 transactions in 2017
  - Launched Owners.com Loans to broker mortgages to Owners.com home buyers to deliver an integrated solution for consumers and grow revenue per sale
  - Implemented an agile operating model inspired by best-in-class Internet companies

# 2017 Highlights

- Real Estate Investor Solutions

- Purchased 257 homes and sold 158 homes in the buy-rotate-lease-sell business in 2017 compared to 119 home purchases and 14 home sales in 2016
- Increased the inventory of homes in the buy-rotate-lease-sell business by 94% to 204 homes as of December 31, 2017 compared to December 31, 2016
- Received a residential rental property management vendor rating of MOR RV2 from Morningstar Credit Ratings, LLC

# Full Year and Fourth Quarter 2017 Financial Results

| \$ millions (except EPS)                                       | FY 2017 | Vs.<br>FY 2016 | Q4 2017 | Vs.<br>Q4 2016 |
|--|---------|----------------|---------|----------------|
| Revenue  | \$942.2 | -6%            | \$216.1 | -9%            |
| Service Revenue  | \$899.6 | -5%            | \$207.3 | -9%            |
| Pretax Income <sup>1</sup>                                     | \$35.4  | -20%           | \$3.1   | NM             |
| Adjusted Pretax Income Attributable to Altisource <sup>2</sup> | \$68.0  | -42%           | \$10.7  | -43%           |
| Net Income Attributable to Altisource                          | \$308.9 | 977%           | \$286.4 | NM             |
| Adjusted Net Income Attributable to Altisource <sup>2</sup>    | \$52.3  | -42%           | \$9.8   | -8%            |
| Earnings Per Share – Diluted                                   | \$16.53 | 1,032%         | \$15.72 | NM             |
| Adjusted Earnings Per Share – Diluted <sup>2</sup>             | \$2.80  | -39%           | \$0.54  | -2%            |

<sup>1</sup> Includes net income attributable to non-controlling interests of \$2.7 million and \$2.7 million for FY 2017 and FY 2016, respectively (\$0.6 million and \$0.7 million for Q4 2017 and Q4 2016, respectively)

<sup>2</sup> This is a non-GAAP measure defined and reconciled in the Appendix

NM: Not Meaningful

# 2017 Scenarios<sup>1</sup>

| \$ millions (except EPS)                           | Scenarios               |                         |                               | Actual      |                        |
|--|-------------------------|-------------------------|-------------------------------|-------------|------------------------|
|  | Scenario A <sup>5</sup> | Scenario B <sup>5</sup> | Midpoint of Scenarios A and B | 2017 Actual | Percentage of Midpoint |
| Service Revenue                                    | \$ 790                  | \$ 930                  | \$ 860                        | \$ 900      | 105%                   |
| Related to Ocwen / NRZ                             | \$ 515                  | \$ 565                  | \$ 540                        | \$ 662      | 123%                   |
| Unrelated to Ocwen / NRZ                           | \$ 275                  | \$ 365                  | \$ 320                        | \$ 238      | 74%                    |
| Before Investments:                                |                         |                         |                               |             |                        |
| Adjusted Pretax Income <sup>2,3</sup>              | \$ 123                  | \$ 130                  | \$ 126                        | \$ 128      | 101%                   |
| EBITDA <sup>3</sup>                                | \$ 177                  | \$ 185                  | \$ 181                        | \$ 183      | 101%                   |
| Adjusted Earnings per Share - Diluted <sup>3</sup> | \$ 4.46                 | \$ 4.73                 | \$ 4.60                       | \$ 5.29     | 115%                   |
| Investments <sup>4</sup>                           | \$ 54                   | \$ 47                   | \$ 50                         | \$ 60       | 119%                   |
| After Investments:                                 |                         |                         |                               |             |                        |
| Pretax Income <sup>2,3</sup>                       | \$ 35                   | \$ 48                   | \$ 41                         | \$ 33       | 79%                    |
| Adjusted Pretax Income <sup>2,3</sup>              | \$ 69                   | \$ 83                   | \$ 76                         | \$ 68       | 89%                    |
| EBITDA <sup>3</sup>                                | \$ 126                  | \$ 139                  | \$ 132                        | \$ 126      | 95%                    |
| Net Income <sup>2</sup>                            | \$ 23                   | \$ 33                   | \$ 28                         | \$ 309      | 1,103%                 |
| Adjusted Net Income <sup>2,3</sup>                 | \$ 48                   | \$ 57                   | \$ 52                         | \$ 52       | 100%                   |
| Earnings per Share - Diluted                       | \$ 1.21                 | \$ 1.72                 | \$ 1.47                       | \$16.53     | 1,124%                 |
| Adjusted Earnings per Share - Diluted <sup>3</sup> | \$ 2.48                 | \$ 2.99                 | \$ 2.74                       | \$ 2.80     | 102%                   |

<sup>1</sup> The scenarios have been adjusted to reflect the anticipated impact of the agreements with NRZ and certain operational changes

<sup>2</sup> Attributable to Altisource

<sup>3</sup> This is a non-GAAP measure defined and reconciled in the Appendix

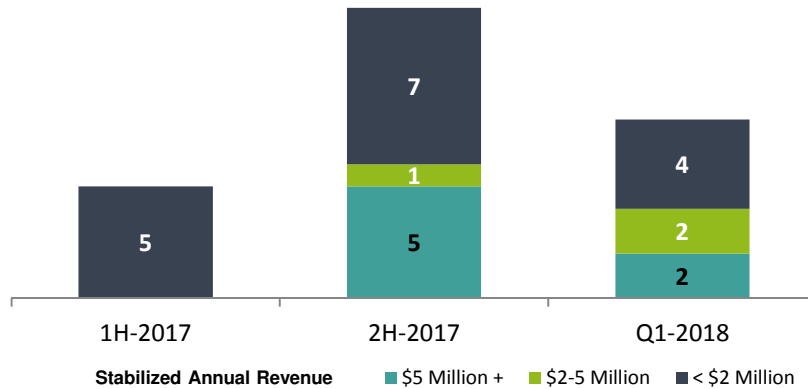
<sup>4</sup> For the purposes of this presentation, investments are primarily comprised of operating losses of some of our earlier stage businesses and technology development costs that we do not capitalize. Investments exclude capital expenditures

<sup>5</sup> Assumes (1) an effective income tax rate of 29.2% as we anticipated that the mix of income across the jurisdictions in which we operate will be similar to 2016 and (2) the average number of diluted shares outstanding will be 19.2 million

Note: Numbers may not sum due to rounding

# Momentum of Client Wins – Mortgage Market

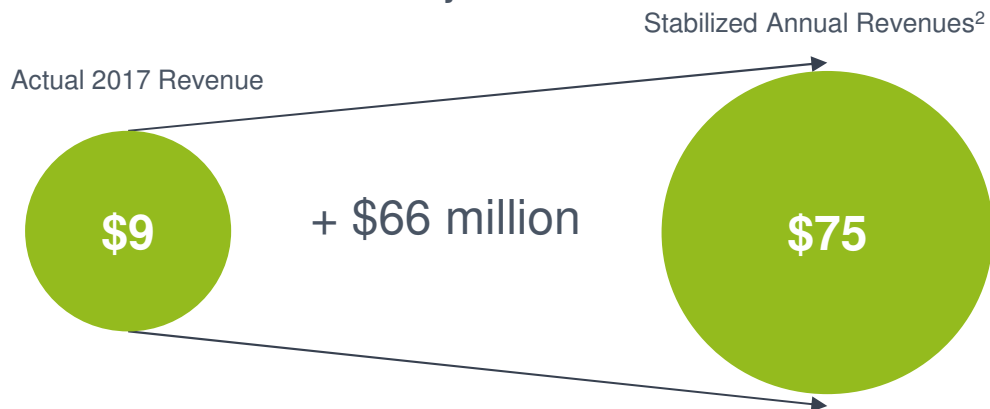
## Strong Momentum of Recent Key Client Wins<sup>1</sup>



## Revenue Growth from Key Client Wins Driven by:

- Contract and statement of work execution
- Customer onboarding
- Performance
- Wallet-share growth

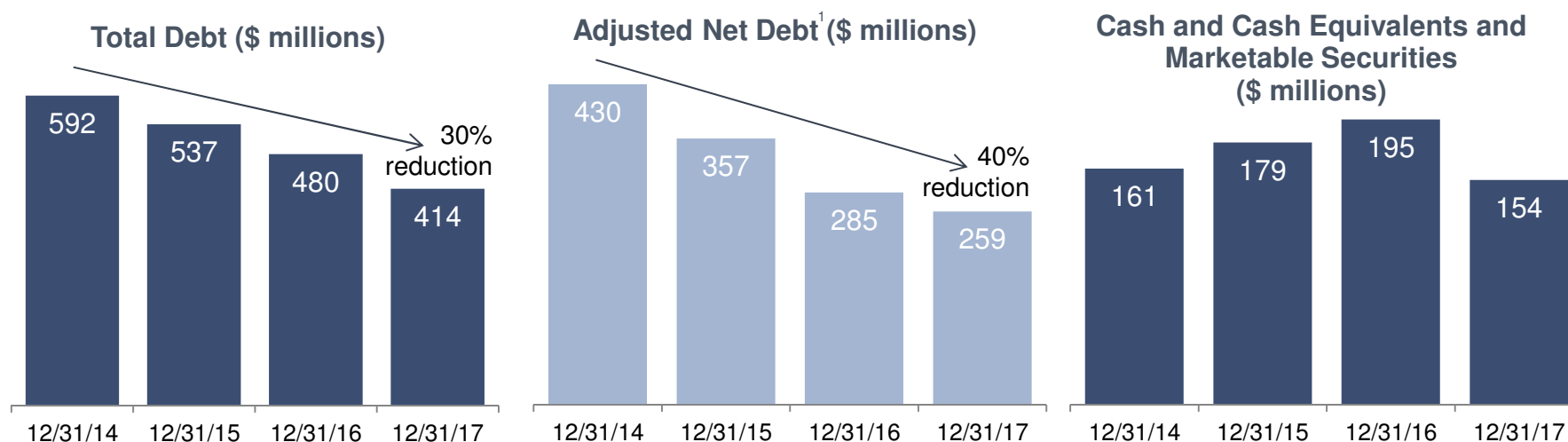
## Estimated Increase in Revenue From Recent Key Client Wins



- <sup>1</sup> The table represents the period in which we received verbal notification from new or existing clients of key wins or market share expansion
- <sup>2</sup> Stabilized Annual Revenue is based on the Company's internal estimates and client communications; the Company estimates it typically takes 12 – 24 months or longer from verbal notification of the win to stabilization

# Strong Balance Sheet and Active Liability Management

*Altisource has used portions of its cash flow to reduce Debt and Net Debt*



- Since December 31, 2014, Altisource reduced its total debt by \$178.0 million, including voluntary purchases of \$160.1 million par value at a weighted average discount of 11.4%
- Altisource plans to continue to opportunistically purchase its common stock and reduce debt given the strong cash flows from the Ocwen and NRZ portfolios and the progress we are making with existing and new customers

<sup>1</sup> This is a non-GAAP measure defined and reconciled in the Appendix

# 2018 Scenarios

## 2018 Scenarios<sup>4</sup>

| \$ millions (except EPS)                               | Scenario A | Scenario B | Midpoint of Scenarios A and B |
|--|------------|------------|-------------------------------|
| Service Revenue  | \$ 810     | \$ 900     | \$ 855                        |
| Related to Ocwen / NRZ                                 | \$ 510     | \$ 560     | \$ 535                        |
| Unrelated to Ocwen / NRZ                               | \$ 300     | \$ 340     | \$ 320                        |
| Investments  | \$ 45      | \$ 35      | \$ 40                         |
| Pretax Income <sup>1,2</sup>                           | \$ 19      | \$ 25      | \$ 22                         |
| Adjusted Pretax Income <sup>1,2,3</sup>                | \$ 52      | \$ 61      | \$ 56                         |
| Adjusted EBITDA <sup>2,3</sup>                         | \$ 105     | \$ 113     | \$ 109                        |
| Net Income <sup>1</sup>                                | \$ 13      | \$ 16      | \$ 14                         |
| Adjusted Net Income <sup>1,2,3</sup>                   | \$ 36      | \$ 41      | \$ 38                         |
| Earnings per Share - Diluted                           | \$ 0.72    | \$ 0.93    | \$ 0.82                       |
| Adjusted Earnings per Share - Diluted <sup>1,2,3</sup> | \$ 2.04    | \$ 2.37    | \$ 2.20                       |

<sup>1</sup> Attributable to Altisource

<sup>2</sup> This is a non-GAAP measure defined and reconciled in the Appendix

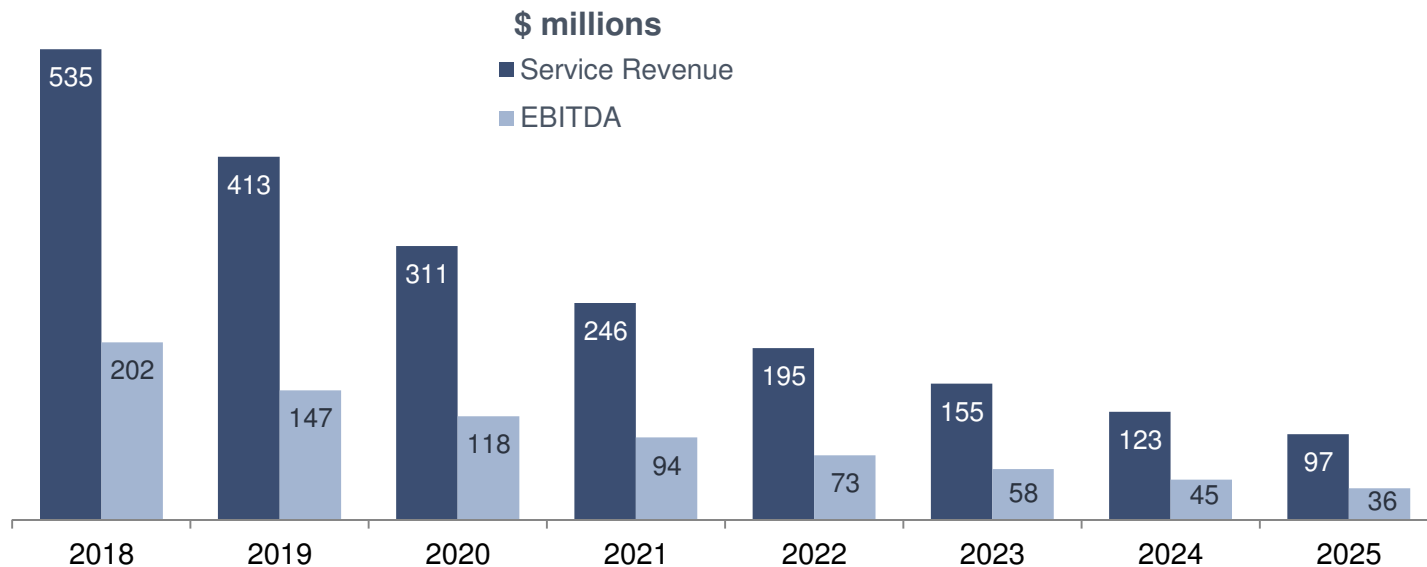
<sup>3</sup> Beginning in the first quarter of 2018, the Company plans to exclude stock-based compensation from these Non-GAAP measures

<sup>4</sup> Scenarios assume (1) an effective income tax rate of 30.0% and (2) average diluted shares outstanding of 17.5 million

Note: Numbers may not sum due to rounding

# Strong Visibility Into Revenue and Earnings From the Existing Ocwen and NRZ Portfolios

*We anticipate that the existing Ocwen and NRZ portfolios will provide an estimated \$2.1 billion<sup>1</sup> of revenue and approximately \$770 million<sup>1</sup> of EBITDA through 2025*



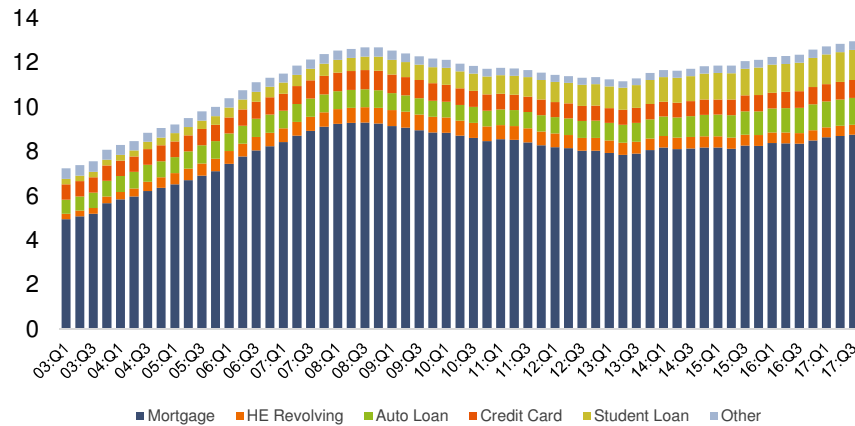
- The projections assume run-off of the portfolio and a decline in delinquencies consistent with recent trends; potential growth from Ocwen, NRZ or an economic downturn are not factored into these projections
- EBITDA does not consider corporate and segment overhead

<sup>1</sup> This slide has been updated following the Third Quarter 2017 Supplementary Information Presentation

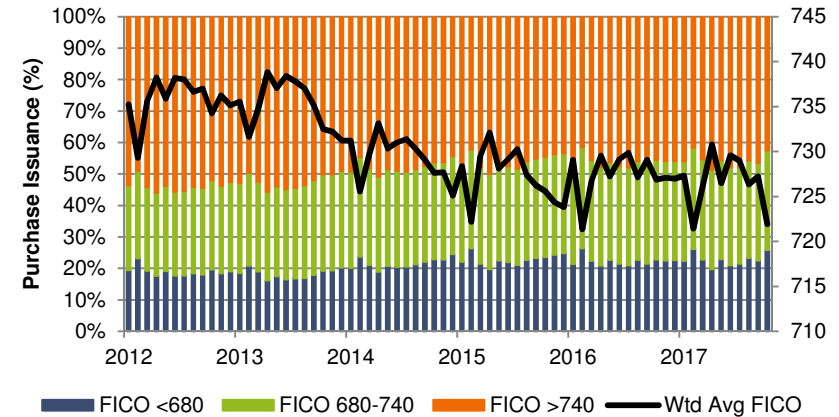
# Attractive Market Dynamics

## Aggregate household debt is increasing since its trough in Q2 2013

Total Debt Balance and its Composition (\$ trillions)



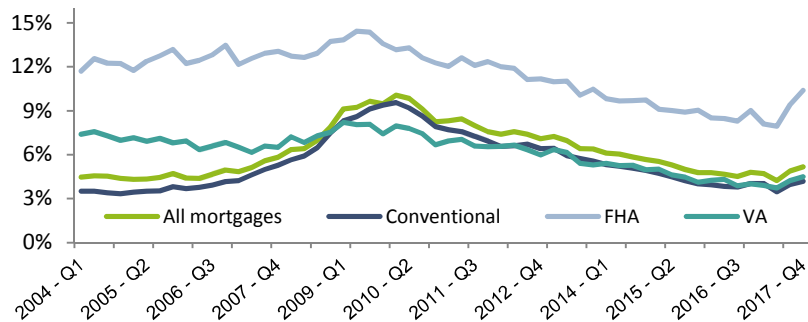
## Agency and FHA purchase money mortgages exhibit decreasing FICO scores



## FHA mortgages have higher delinquency rates than conventional Agency mortgages

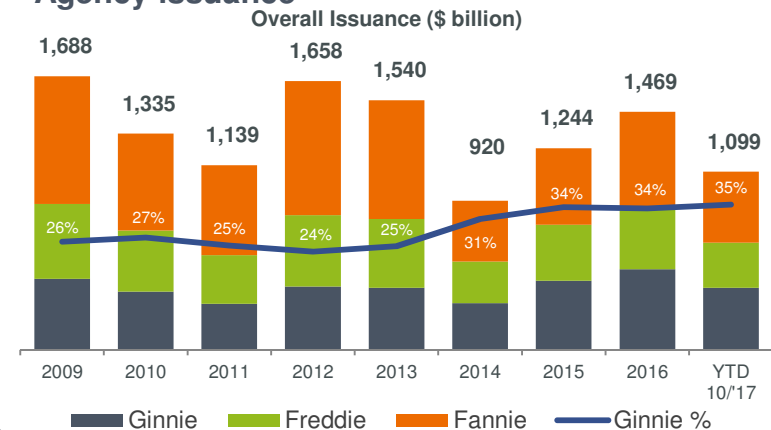
### Mortgage Delinquency Rate, By Loan Type

Seasonally adjusted, based on loan count, excludes loans in foreclosure



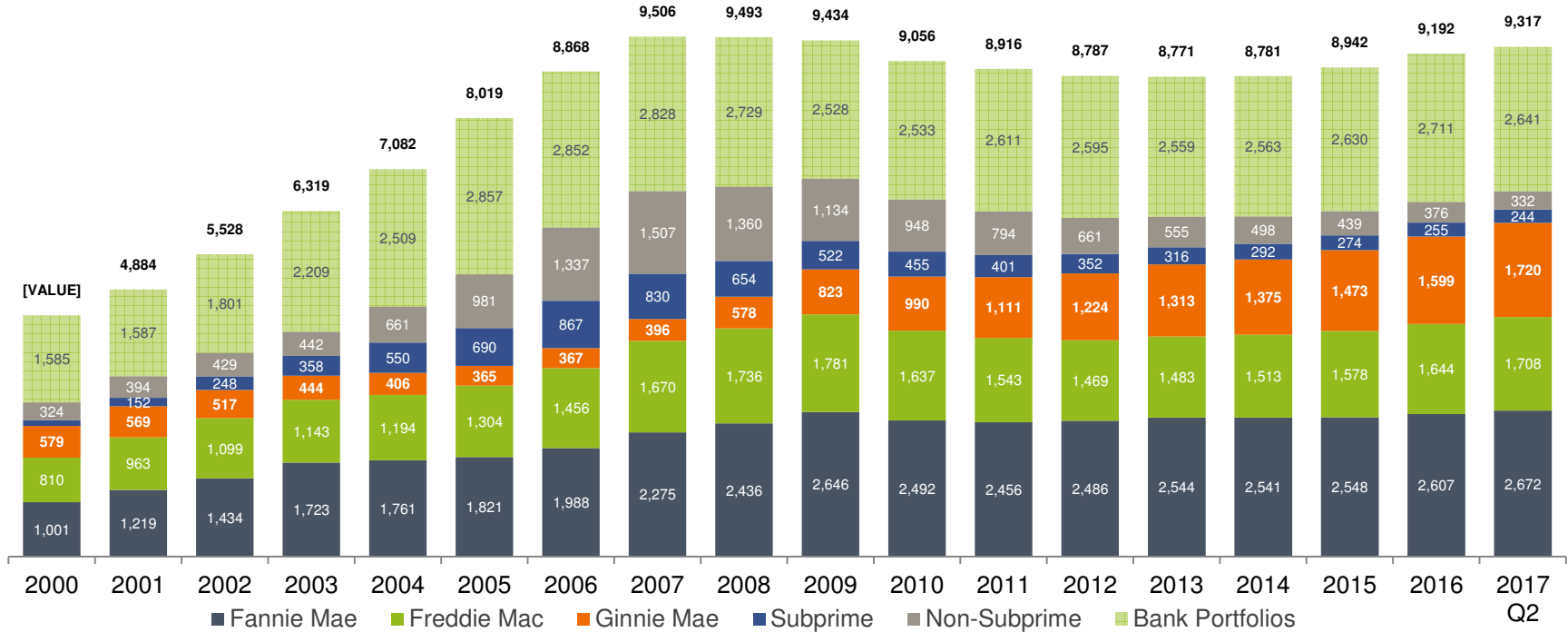
Sources: Federal Reserve Bank of New York, Fannie Mae, Freddie Mac, Ginnie Mae and Nomura Securities

## FHA issuance is increasing as a percentage of Agency issuance



# Attractive Market Dynamics

Outstanding Residential Debt (\$ billions)



FHA lending is growing and characterized by borrowers with high LTV and low FICO scores

|      | 2017 Originations |     |
|------|-------------------|-----|
|      | GSEs              | FHA |
| FICO | 741               | 690 |
| LTV  | 75                | 95  |
| DTI  | 35                | 42  |

Sources: Fannie Mae, Freddie Mac, Ginnie Mae, Intex and Nomura Securities

# Strategic Initiatives



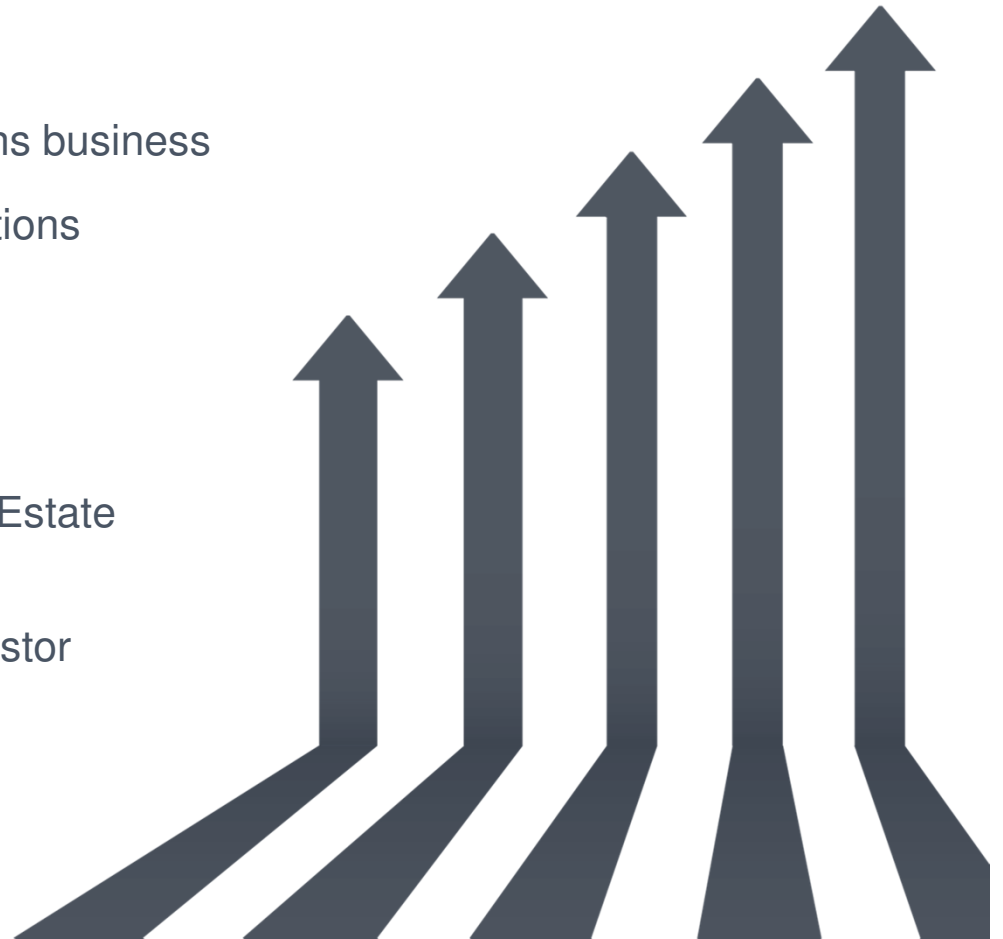
## Mortgage Market

- Grow our Servicer Solutions business
- Grow our Origination Solutions business



## Real Estate Market

- Grow our Consumer Real Estate Solutions business
- Grow our Real Estate Investor Solutions business



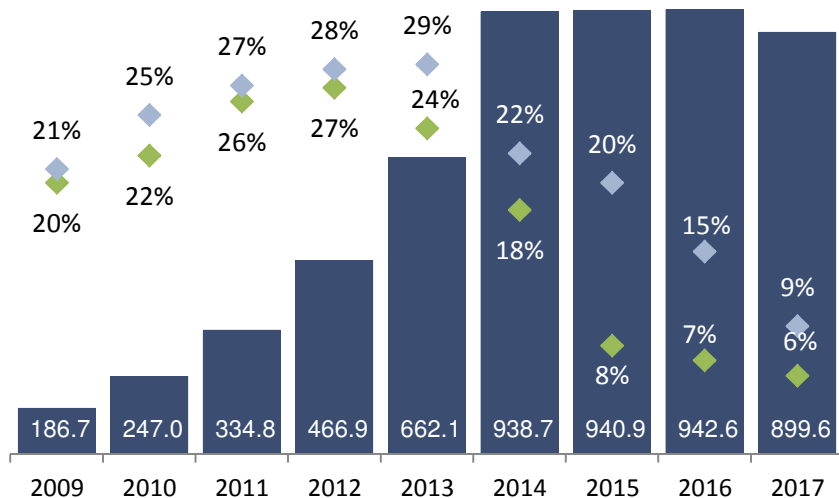
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# Financial Performance

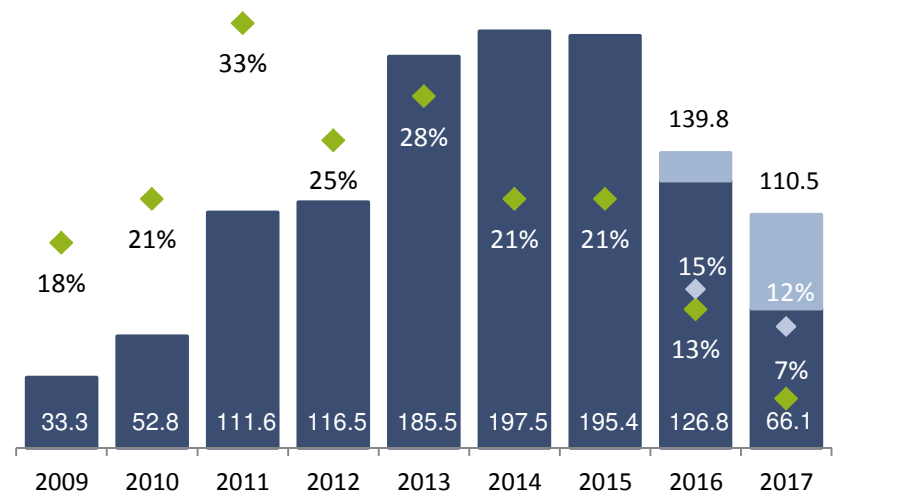
## Service Revenue (\$ millions)

- ◆ Operating Income Margin%
- ◆ Adjusted Operating Income<sup>1</sup> Margin%



## Cash Flows From Operating Activities (\$ millions)

- Cash Flows From Operating Activities
- ◆ Amount as a % of Service Revenue
- Adjusted Cash Flows From Operating Activities<sup>1</sup>
- ◆ Amount as a % of Service Revenue

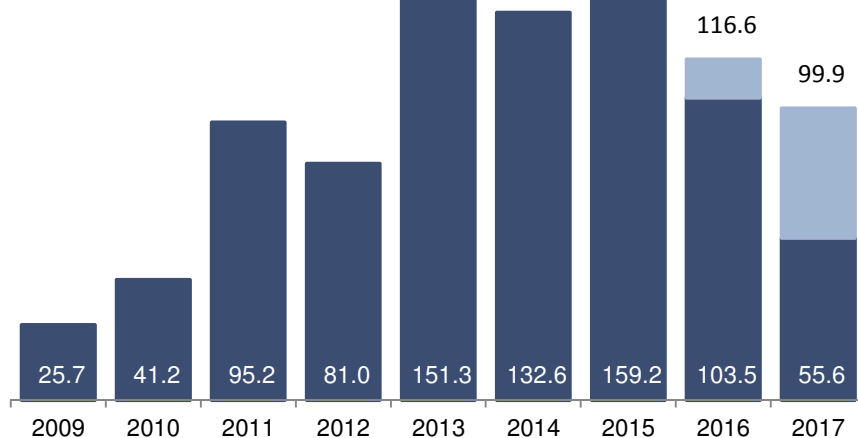


<sup>1</sup> This is a non-GAAP measure defined and reconciled in the Appendix

# Financial Performance

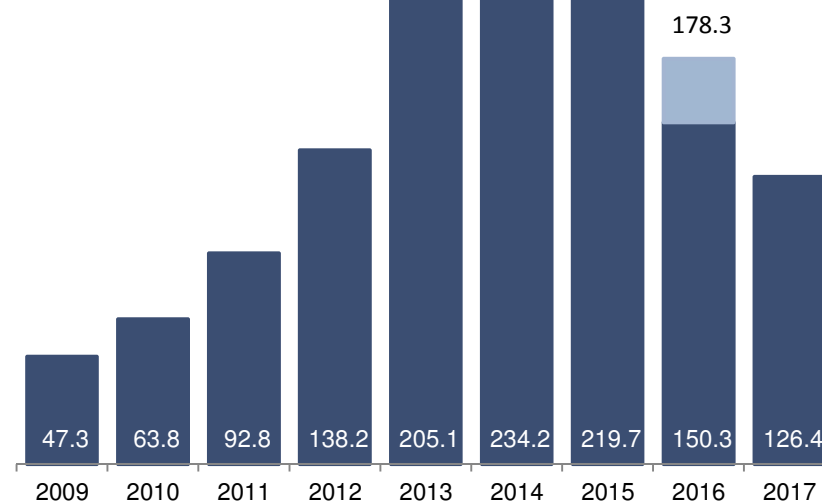
## Cash Flows From Operating Activities Less Capital Expenditures (\$ millions)

- Cash Flows From Operating Activities Less Capital Expenditures<sup>1</sup>
- Adjusted Cash Flows From Operating Activities Less Capital Expenditures<sup>1</sup>



## EBITDA (\$ millions)

- EBITDA<sup>1</sup>
- Adjusted EBITDA<sup>1</sup>

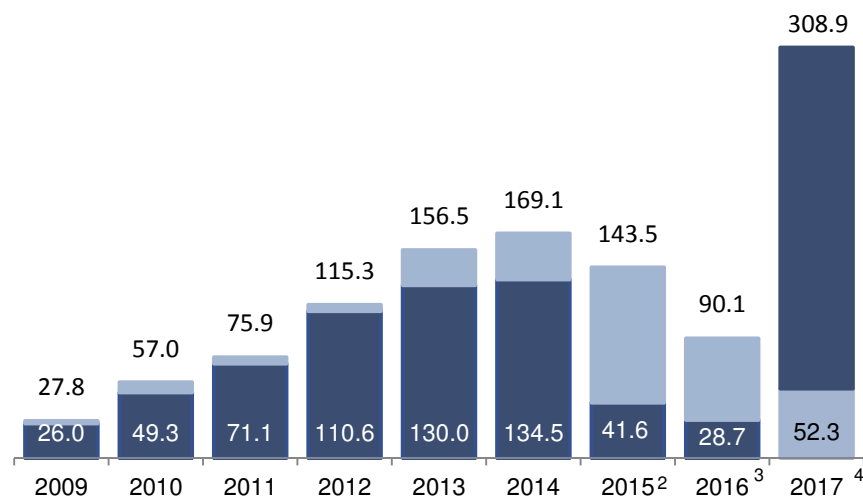


<sup>1</sup> This is a non-GAAP measure defined and reconciled in the Appendix

# Financial Performance

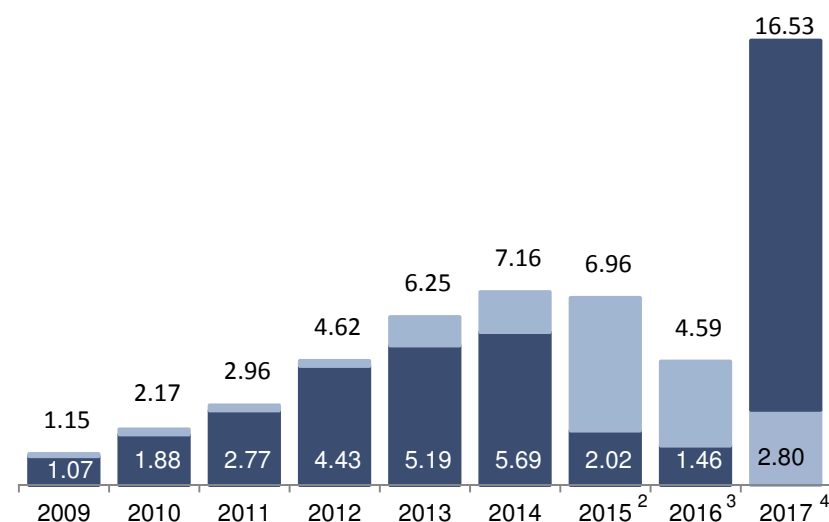
## Net Income Attributable to Altisource (\$ millions)

- GAAP Net Income
- Adjusted Net Income<sup>1</sup>



## Earnings Per Share - Diluted (\$)

- GAAP EPS - Diluted
- Adjusted EPS - Diluted<sup>1</sup>



<sup>1</sup> This is a non-GAAP measure defined and reconciled in the Appendix

<sup>2</sup> In 2015, we recognized a \$70.6 million after-tax non-cash impairment loss in our technology businesses

<sup>3</sup> In the fourth quarter 2016, we recognized a \$24.6 million after-tax litigation settlement loss, net of insurance recovery

<sup>4</sup> Recognized a net income tax benefit of \$284.1 million in the fourth quarter of 2017 relating to (i) the merger of two of the Company's Luxembourg subsidiaries, (ii) the impact of statutory tax rate changes in the U.S. and Luxembourg, and (iii) foreign income tax reserves

# Operating Metrics

|  | Q4'15  | Q1'16  | Q2'16  | Q3'16  | Q4'16  | Q1'17  | Q2'17  | Q3'17  | Q4'17  |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>Ocwen Serviced Portfolio<sup>1</sup>:</b>   |        |        |        |        |        |        |        |        |        |
| <b>Default Related Services exluding mortgage charge-off:</b>                          |        |        |        |        |        |        |        |        |        |
| Service revenue per delinquent loan <sup>2</sup> per quarter <sup>3</sup>              |        |        |        |        |        |        |        |        |        |
| Non-GSE  | \$ 598 | \$ 611 | \$ 692 | \$ 722 | \$ 719 | \$ 810 | \$ 887 | \$ 820 | \$ 711 |
| GSE <sup>4</sup>   | \$ 85  | \$ 93  | \$ 100 | \$ 114 | \$ 110 | \$ 95  | \$ 108 | \$ 95  | \$ 95  |
| Average number of delinquent loans serviced by Ocwen on REALServicing <sup>5</sup>     |        |        |        |        |        |        |        |        |        |
| Non-GSE (in thousands)   | 257    | 238    | 222    | 211    | 204    | 191    | 177    | 178    | 182    |
| GSE (in thousands)   | 34     | 25     | 20     | 19     | 18     | 17     | 16     | 17     | 18     |
| Average delinquency rate of loans on REALServicing                                     |        |        |        |        |        |        |        |        |        |
| Non-GSE  | 21.3%  | 20.4%  | 19.6%  | 19.3%  | 19.3%  | 18.7%  | 17.9%  | 18.7%  | 19.8%  |
| GSE  | 7.3%   | 6.6%   | 5.7%   | 5.8%   | 5.8%   | 5.5%   | 5.3%   | 5.7%   | 6.5%   |
| Provisional loan count on REALServicing as of the end of the period                    |        |        |        |        |        |        |        |        |        |
| Non-GSE (in thousands)   | 1,193  | 1,158  | 1,146  | 1,081  | 1,046  | 1,012  | 977    | 943    | 912    |
| GSE (in thousands)   | 397    | 360    | 355    | 325    | 315    | 308    | 300    | 291    | 275    |
| <b>Servicer Technologies and IT Infrastructure Services:</b>                           |        |        |        |        |        |        |        |        |        |
| Service revenue per loan per quarter   | \$16   | \$11   | \$10   | \$12   | \$13   | \$9    | \$8    | \$9    | \$9    |
| Average number of loans serviced by Ocwen on REALServicing (in thousands) <sup>5</sup> | 1,680  | 1,543  | 1,487  | 1,425  | 1,376  | 1,334  | 1,291  | 1,248  | 1,204  |

<sup>1</sup> Includes the MSRs acquired (or to be acquired) by NRZ from Ocwen

<sup>2</sup> Delinquent loans include loans that are delinquent for more than 30 days including loans in bankruptcy, foreclosure and REO

<sup>3</sup> Includes service revenue related to the portfolios serviced or subserviced by Ocwen when a party other than Ocwen selects Altisource as a service provider. Service revenue generated from certain services is not recorded separately for non-GSE and GSE loans. For these services, service revenue has been allocated between non-GSE and GSE loans based on estimates

<sup>4</sup> Throughout this presentation, GSE loans also include Government National Mortgage Association (Ginnie Mae)

<sup>5</sup> Average loans serviced for Q4'17 is provisional and subject to change

# Operating Metrics

|  | Q4'15   | Q1'16   | Q2'16   | Q3'16   | Q4'16   | Q1'17   | Q2'17   | Q3'17   | Q4'17   |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>Hubzu:</b>                                  |         |         |         |         |         |         |         |         |         |
| Service revenue (in millions) <sup>1,2,3</sup> | \$ 51.7 | \$ 55.0 | \$ 61.4 | \$ 55.6 | \$ 50.8 | \$ 53.5 | \$ 53.4 | \$ 48.2 | \$ 43.3 |
| Number of homes sold on Hubzu:                 |         |         |         |         |         |         |         |         |         |
| Ocwen serviced portfolios <sup>4</sup>         | 6,903   | 6,477   | 6,596   | 6,221   | 5,991   | 6,000   | 5,648   | 4,984   | 4,464   |
| All other <sup>5</sup>                         | 930     | 1,201   | 1,329   | 824     | 557     | 534     | 689     | 640     | 582     |
| Total  | 7,833   | 7,678   | 7,925   | 7,045   | 6,548   | 6,534   | 6,337   | 5,624   | 5,046   |

<sup>1</sup> Revenue from Ocwen homes sold on Hubzu is also reflected in service revenue per delinquent loan per quarter reported in the previous slide

<sup>2</sup> To conform with 2017 presentation, prior period amounts have been reclassified to reflect a change in Hubzu's share of revenue from certain other Servicer Solutions services

<sup>3</sup> Includes brokerage and fees generated from the sale of homes under the company's buy-renovate-lease-sell program

<sup>4</sup> Includes the portfolios acquired (or to be acquired) by NRZ from Ocwen

<sup>5</sup> Includes homes sold under the company's buy-renovate-lease-sell program

# Non-GAAP Measures

- Adjusted Operating Income, Pretax Income (Loss) Attributable to Altisource, Adjusted Pretax Income Attributable to Altisource, EBITDA, Adjusted EBITDA, Adjusted EBITDA Before Investments, Adjusted Pretax Income before Investments, Adjusted Net Income Attributable to Altisource, Adjusted Earnings Per Share – Diluted, Adjusted Earnings Before Investments Per Share - Diluted, Adjusted Cash Flows From Operating Activities, Cash Flows From Operating Activities Less Capital Expenditures, Adjusted Cash Flows From Operating Activities Less Capital Expenditures and Net Debt Less Marketable Securities, are non-GAAP measures used by our Chief Executive Officer (our chief operating decision maker), existing shareholders and potential shareholders to measure Altisource's performance
- Adjusted Operating Income is calculated by adding intangible asset amortization expense, non-cash impairment losses and litigation settlement loss, net of insurance recovery to, and deducting non-cash gains associated with reductions of the Equator earn out liability from, GAAP income (loss) from operations
- Pretax Income (Loss) Attributable to Altisource is calculated by reducing net income attributable to non-controlling interests from income (loss) before income taxes and non-controlling interests
- Adjusted Pretax Income is calculated by adding intangible assets amortization expense, non-cash impairment losses and litigation settlement loss, net of insurance recovery to, and deducting non-cash gains associated with reductions of the Equator earn out liability and net income attributable to non-controlling interests from, income (loss) before income taxes and non-controlling interests
- Adjusted Pretax Income before Investments is calculated by adding intangible assets amortization expense, non-cash impairment losses, litigation settlement loss, net of insurance recovery and investments<sup>1</sup> to, and deducting non-cash gains associated with reductions of the Equator earn out liability and net income attributable to non-controlling interests from, income (loss) before income taxes and non-controlling interests
- Adjusted Net Income is calculated by adding intangible asset amortization expense (net of tax), non-cash impairment losses (net of tax) and litigation settlement loss (net of insurance recovery net of tax) to, and deducting non-cash gains associated with reductions of the Equator earn out liability (net of tax) from, GAAP net income (loss) attributable to Altisource
- Adjusted Earnings Per Share - Diluted is calculated by dividing net income (loss) attributable to Altisource plus adding intangible asset amortization expense (net of tax), non-cash impairment losses (net of tax) and litigation settlement loss (net of insurance recovery net of tax) less non-cash gains associated with reductions of the Equator earn out liability (net of tax) by the weighted average number of diluted shares

<sup>1</sup> For the purposes of this presentation, investments are primarily comprised of operating losses of some of our earlier stage businesses and technology development costs that we do not capitalize. Investments exclude capital expenditures

# Non-GAAP Measures

- Adjusted Earnings Before Investments Per Share - Diluted is calculated by dividing net income (loss) attributable to Altisource plus adding intangible asset amortization expense (net of tax), non-cash impairment losses (net of tax), litigation settlement loss (net of insurance recovery net of tax) and investments<sup>1</sup> (net of tax) less non-cash gains associated with reductions of the Equator earn out liability (net of tax) by the weighted average number of diluted shares
- Adjusted Cash Flows From Operating Activities is calculated by adding litigation settlement loss (net of insurance recovery), and short-term real-estate investments related to the buy-renovate-lease-sell program to cash flows from operating activities
- Adjusted Cash Flow From Operating Activities Less Capital Expenditures is calculated by adding litigation settlement loss (net of insurance recovery) and short-term real-estate investments related to the buy-renovate-lease-sell program to, and deducting capital expenditures from, cash flows from operating activities
- EBITDA is calculated by deducting income tax benefit or adding income tax provision, interest expense (net of interest income), non-cash impairment losses, depreciation and amortization less non-cash gains associated with reductions of the Equator earn out liability from, GAAP net income (loss) attributable to Altisource
- Adjusted EBITDA is calculated by deducting income tax benefit or adding income tax provision, interest expense (net of interest income), non-cash impairment losses, depreciation and amortization, litigation settlement loss (net of insurance recovery) less non-cash gains associated with reductions of the Equator earn out liability from, GAAP net income (loss) attributable to Altisource
- Adjusted EBITDA Before Investments is calculated by deducting income tax benefit or adding income tax provision, interest expense (net of interest income), and non-cash impairment losses, depreciation and amortization, litigation settlement loss (net of insurance recovery) and investments<sup>1</sup> (excluding depreciation and amortization) less non-cash gains associated with reductions of the Equator earn out liability from, GAAP net income (loss) attributable to Altisource
- Net Debt Less Marketable Securities is calculated as long-term debt, including current portion, minus cash and cash equivalents and marketable securities
- The reconciliations of non-GAAP measures to GAAP measures are shown on slides 24 to 31

<sup>1</sup> For the purposes of this presentation, investments are primarily comprised of operating losses of some of our earlier stage businesses and technology development costs that we do not capitalize. Investments exclude capital expenditures

# Non-GAAP Measures

| Reconciliation<br>(\$ in millions except share count and per share values) | 2009 | 2010  | 2011  | 2012  | 2013  | 2014   | 2015  | 2016  | 2017    | Q4'16  | Q4'17   |
|--|------|-------|-------|-------|-------|--------|-------|-------|---------|--------|---------|
| Income (loss) before taxes and non-controlling interests                   | 37.6 | 55.8  | 85.9  | 124.6 | 142.3 | 147.3  | 53.1  | 44.3  | 35.4    | (19.5) | 3.1     |
| Less: Net income attributable to non-controlling interests                 | -    | (6.9) | (6.9) | (5.3) | (3.8) | (2.6)  | (3.2) | (2.7) | (2.7)   | (0.7)  | (0.6)   |
| Pretax Income (Loss) Attributable to Altisource                            | 37.6 | 48.9  | 79.1  | 119.4 | 138.5 | 144.7  | 49.9  | 41.6  | 32.6    | (20.3) | 2.5     |
| Add: Intangible asset amortization expense                                 | 2.7  | 4.9   | 5.3   | 5.0   | 28.2  | 37.7   | 41.1  | 47.6  | 35.4    | 11.1   | 8.2     |
| Add: Impairment loss   | -    | 2.8   | -     | -     | -     | 37.5   | 71.8  | -     | -       | -      | -       |
| Gain on Equator earn out liability   | -    | -     | -     | -     | -     | (37.9) | (7.6) | -     | -       | -      | -       |
| Add: Litigation settlement loss <sup>1</sup>                               | -    | -     | -     | -     | -     | -      | -     | 28.0  | -       | 28.0   | -       |
| Adjusted Pretax Income Attributable to Altisource                          | 40.2 | 56.6  | 84.3  | 124.4 | 166.7 | 181.9  | 155.2 | 117.2 | 68.0    | 18.9   | 10.7    |
| Operating Income (Loss)  | 36.5 | 55.0  | 85.7  | 127.4 | 162.1 | 170.5  | 79.1  | 65.1  | 49.7    | (14.6) | 8.6     |
| Add: Intangible asset amortization expense                                 | 2.7  | 4.9   | 5.3   | 5.0   | 28.2  | 37.7   | 41.1  | 47.6  | 35.4    | 11.1   | 8.2     |
| Add: Impairment loss   | -    | 2.8   | -     | -     | -     | 37.5   | 71.8  | -     | -       | -      | -       |
| Gain on Equator earn out liability   | -    | -     | -     | -     | -     | (37.9) | (7.6) | -     | -       | -      | -       |
| Add: Litigation settlement loss <sup>1</sup>                               | -    | -     | -     | -     | -     | -      | -     | 28.0  | -       | 28.0   | -       |
| Adjusted Operating Income  | 39.2 | 62.7  | 91.0  | 132.5 | 190.2 | 207.7  | 184.4 | 140.7 | 85.1    | 24.5   | 16.8    |
| Net Income (Loss) Attributable to Altisource                               | 26.0 | 49.3  | 71.1  | 110.6 | 130.0 | 134.5  | 41.6  | 28.7  | 308.9   | (20.4) | 286.4   |
| Add: Intangible asset amortization expense, net of tax                     | 1.8  | 4.9   | 4.8   | 4.7   | 26.5  | 35.1   | 38.2  | 36.8  | 27.5    | 6.5    | 7.6     |
| Add: Impairment loss, net of tax   | -    | 2.8   | -     | -     | -     | 34.9   | 70.6  | -     | -       | -      | -       |
| Gain on Equator earn out liability, net of tax                             | -    | -     | -     | -     | -     | (35.3) | (6.9) | -     | -       | -      | -       |
| Add: Litigation settlement loss <sup>1</sup> , net of tax                  | -    | -     | -     | -     | -     | -      | -     | 24.6  | -       | 24.6   | -       |
| Add: Certain income tax related items, net                                 | -    | -     | -     | -     | -     | -      | -     | -     | (284.1) | -      | (284.1) |
| Adjusted Net Income Attributable to Altisource                             | 27.8 | 57.0  | 75.9  | 115.3 | 156.5 | 169.1  | 143.5 | 90.1  | 52.3    | 10.7   | 9.8     |

<sup>1</sup> Net of insurance recovery

Note: Numbers may not sum due to rounding

# Non-GAAP Measures

| Reconciliation<br>(\$ in millions except share count and per share values)           | 2009 | 2010 | 2011  | 2012  | 2013  | 2014   | 2015   | 2016  | 2017    | Q4'16  | Q4'17   |
|--|------|------|-------|-------|-------|--------|--------|-------|---------|--------|---------|
| Earnings (Loss) Per Share – Diluted  | 1.07 | 1.88 | 2.77  | 4.43  | 5.19  | 5.69   | 2.02   | 1.46  | 16.53   | (1.08) | 15.72   |
| Add: Impact of using diluted share count instead of basic share count                | -    | -    | -     | -     | -     | -      | -      | -     | -       | 0.01   | -       |
| Add: Intangible asset amortization expense, net of tax per diluted share             | 0.08 | 0.19 | 0.19  | 0.19  | 1.06  | 1.48   | 1.85   | 1.88  | 1.47    | 0.34   | 0.42    |
| Add: Impairment loss, net of tax per diluted share                                   | -    | 0.11 | -     | -     | -     | 1.48   | 3.43   | -     | -       | -      | -       |
| Gain on Equator earn out liability, net of tax per diluted share                     | -    | -    | -     | -     | -     | (1.49) | (0.34) | -     | -       | -      | -       |
| Add: Litigation settlement loss <sup>1</sup> , net of tax per diluted share          | -    | -    | -     | -     | -     | -      | -      | 1.25  | -       | 1.28   | -       |
| Add: Certain income tax related items, net   | -    | -    | -     | -     | -     | -      | -      | -     | (15.20) | -      | (15.60) |
| Adjusted Earnings Per Share – Diluted  | 1.15 | 2.17 | 2.96  | 4.62  | 6.25  | 7.16   | 6.96   | 4.59  | 2.80    | 0.55   | 0.54    |
| Cash Flows From Operating Activities   | 33.3 | 52.8 | 111.6 | 116.5 | 185.5 | 197.5  | 195.4  | 126.8 | 66.1    | 20.8   | 19.0    |
| Add: Litigation settlement loss <sup>1</sup>   | -    | -    | -     | -     | -     | -      | -      | -     | 28.0    | -      | -       |
| Add: Increase in short-term real estate investments related to buy-rotate-lease-sell | -    | -    | -     | -     | -     | -      | -      | 13.0  | 16.4    | 4.3    | 4.8     |
| Adjusted Cash Flows From Operating Activities  | 33.3 | 52.8 | 111.6 | 116.5 | 185.5 | 197.5  | 195.4  | 139.8 | 110.5   | 25.1   | 23.7    |
| Cash Flows From Operating Activities   | 33.3 | 52.8 | 111.6 | 116.5 | 185.5 | 197.5  | 195.4  | 126.8 | 66.1    | 20.8   | 19.0    |
| Less: Capital Expenditures   | 7.5  | 11.6 | 16.4  | 35.6  | 34.1  | 64.8   | 36.2   | 23.3  | 10.5    | 6.7    | 3.0     |
| Cash Flows From Operating Activities Less Capital Expenditures                       | 25.7 | 41.2 | 95.2  | 81.0  | 151.3 | 132.6  | 159.2  | 103.5 | 55.6    | 14.0   | 15.9    |
| Add: Litigation settlement loss payment <sup>1</sup>                                 | -    | -    | -     | -     | -     | -      | -      | -     | 28.0    | -      | -       |
| Add: Increase in short-term real estate investments related to buy-rotate-lease-sell | -    | -    | -     | -     | -     | -      | -      | 13.0  | 16.4    | 4.3    | 4.8     |
| Adjusted Cash Flows From Operating Activities Less Capital Expenditures              | 25.7 | 41.2 | 95.2  | 81.0  | 151.3 | 132.6  | 159.2  | 116.6 | 99.9    | 18.4   | 20.7    |

<sup>1</sup> Net of insurance recovery

Note: Numbers may not sum due to rounding

# Non-GAAP Measures

| Reconciliation<br>(\$ in millions except share count and per share<br>values) | 2009 | 2010  | 2011 | 2012  | 2013  | 2014   | 2015  | 2016  | 2017    | Q4'16  | Q4'17   |
|---|------|-------|------|-------|-------|--------|-------|-------|---------|--------|---------|
| Net Income Attributable to Altisource   | 26.0 | 49.3  | 71.1 | 110.6 | 130.0 | 134.5  | 41.6  | 28.7  | 308.9   | (20.4) | 286.4   |
| Add: Income tax provision (benefit)   | 11.6 | (0.4) | 7.9  | 8.7   | 8.5   | 10.2   | 8.3   | 12.9  | (276.3) | 0.1    | (283.9) |
| Add: Interest expense, net of interest income                                 | 1.6  | 0.1   | 0.1  | 1.0   | 19.4  | 23.3   | 28.1  | 24.3  | 22.0    | 5.9    | 5.3     |
| Add: Impairment losses  | -    | 2.8   | -    | -     | -     | 37.5   | 71.8  | -     | -       | -      | -       |
| Less: Gain on Equator earn-out  | -    | -     | -    | -     | -     | (37.9) | (7.6) | -     | -       | -      | -       |
| Add: Depreciation and amortization  | 8.1  | 12.0  | 13.6 | 17.8  | 47.2  | 66.7   | 77.6  | 84.4  | 71.8    | 20.4   | 17.3    |
| EBITDA  | 47.3 | 63.8  | 92.8 | 138.2 | 205.1 | 234.2  | 219.7 | 150.3 | 126.4   | 6.0    | 25.0    |
| Add: Litigation settlement loss <sup>1</sup>                                  | -    | -     | -    | -     | -     | -      | -     | 28.0  | -       | 28.0   | -       |
| Adjusted EBITDA   | 47.3 | 63.8  | 92.8 | 138.2 | 205.1 | 234.2  | 219.7 | 178.3 | 126.4   | 34.0   | 25.0    |

<sup>1</sup> Net of insurance recovery

Note: Numbers may not sum due to rounding

# Non-GAAP Measures

| Reconciliation<br>(\$ in millions except share count and per share<br>values)     | 2009   | 2010   | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   | 2017   | Q4'16  | Q4'17  |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Calculation of the impact of intangible asset<br>amortization expense, net of tax |        |        |        |        |        |        |        |        |        |        |        |
| Intangible amortization expense   | 2.7    | 4.9    | 5.3    | 5.0    | 28.2   | 37.7   | 41.1   | 47.6   | 35.4   | 11.1   | 8.2    |
| Tax benefit from intangible asset amortization                                    | (0.8)  | -      | (0.5)  | (0.4)  | (1.7)  | (2.6)  | (2.9)  | (10.8) | (7.8)  | (4.7)  | (0.6)  |
| Intangible asset amortization expense, net of tax                                 | 1.8    | 4.9    | 4.8    | 4.7    | 26.5   | 35.1   | 38.2   | 36.8   | 27.5   | 6.5    | 7.6    |
| Diluted share count (in 000s)   | 24,261 | 26,259 | 25,685 | 24,962 | 25,053 | 23,634 | 20,619 | 19,612 | 18,692 | 19,246 | 18,211 |
| Intangible asset amortization expense, net of tax<br>per diluted share            | 0.08   | 0.19   | 0.19   | 0.19   | 1.06   | 1.48   | 1.85   | 1.88   | 1.47   | 0.34   | 0.42   |
| Calculation of the impact of impairment loss,<br>net of tax                       |        |        |        |        |        |        |        |        |        |        |        |
| Impairment loss   | -      | 2.8    | -      | -      | -      | 37.5   | 71.8   | -      | -      | -      | -      |
| Tax benefit from impairment loss  | -      | -      | -      | -      | -      | (2.6)  | (1.2)  | -      | -      | -      | -      |
| Impairment loss, net of tax   | -      | 2.8    | -      | -      | -      | 34.9   | 70.6   | -      | -      | -      | -      |
| Diluted share count (in 000s)   | 24,261 | 26,259 | 25,685 | 24,962 | 25,053 | 23,634 | 20,619 | 19,612 | 18,692 | 19,246 | 18,211 |
| Impairment loss, net of tax per diluted share                                     | -      | 0.11   | -      | -      | -      | 1.48   | 3.43   | -      | -      | -      | -      |
| Calculation of the gain on the Equator earn out<br>liability, net of tax          |        |        |        |        |        |        |        |        |        |        |        |
| Gain on Equator earn out liability  | -      | -      | -      | -      | -      | (37.9) | (7.6)  | -      | -      | -      | -      |
| Tax benefit from gain on Equator earn out liability                               | -      | -      | -      | -      | -      | 2.6    | 0.7    | -      | -      | -      | -      |
| Gain on Equator earn out liability, net of tax                                    | -      | -      | -      | -      | -      | (35.3) | (6.9)  | -      | -      | -      | -      |
| Diluted share count (in 000s)   | 24,261 | 26,259 | 25,685 | 24,962 | 25,053 | 23,634 | 20,619 | 19,612 | 18,692 | 19,246 | 18,211 |
| Gain on Equator earn out liability, net of tax per<br>diluted share               | -      | -      | -      | -      | -      | (1.49) | (0.34) | -      | -      | -      | -      |

Note: Numbers may not sum due to rounding

# Non-GAAP Measures

| Reconciliation<br>(\$ in millions except share count and per share<br>values) | 2009   | 2010   | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   | 2017   | Q4'16  | Q4'17  |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Calculation of the impact of litigation loss, net<br>of tax                   |        |        |        |        |        |        |        |        |        |        |        |
| Litigation settlement loss <sup>1</sup>                                       | -      | -      | -      | -      | -      | -      | -      | 28.0   | -      | 28.0   | -      |
| Tax benefit from litigation settlement loss <sup>1</sup>                      | -      | -      | -      | -      | -      | -      | -      | (3.4)  | -      | (3.4)  | -      |
| Litigation settlement loss <sup>1</sup> , net of tax                          | -      | -      | -      | -      | -      | -      | -      | 24.6   | -      | 24.6   | -      |
| Diluted share count (in 000s)   | 24,261 | 26,259 | 25,685 | 24,962 | 25,053 | 23,634 | 20,619 | 19,612 | 18,692 | 19,246 | 18,211 |
| Litigation settlement loss <sup>1</sup> , net of tax per<br>diluted share     | -      | -      | -      | -      | -      | -      | -      | 1.25   | -      | 1.28   | -      |

<sup>1</sup> Net of insurance recovery

Note: Numbers may not sum due to rounding

# Non-GAAP Measures

| Reconciliation (\$ in millions except share count and per share values)  | 2017 Scenarios |      |          | Actual  |
|--|----------------|------|----------|---------|
|  | A              | B    | Midpoint | 2017    |
| Income before taxes and non-controlling interests                        | 39             | 53   | 46       | 35      |
| Less: Net income attributable to non-controlling interests               | (5)            | (5)  | (5)      | (3)     |
| Pretax Income Attributable to Altisource                                 | 35             | 48   | 41       | 33      |
| Add: Intangible asset amortization expense                               | 35             | 35   | 35       | 35      |
| Adjusted Pretax Income   | 69             | 83   | 76       | 68      |
| Add: Investments <sup>1</sup>  | 54             | 47   | 50       | 60      |
| Adjusted Pretax Income Before Investments                                | 123            | 130  | 126      | 128     |
| Net Income Attributable to Altisource                                    | 23             | 33   | 28       | 309     |
| Add: Intangible asset amortization expense, net of tax                   | 24             | 24   | 24       | 28      |
| Add: Certain income tax related items, net                               | -              | -    | -        | (284)   |
| Adjusted Net Income Attributable to Altisource                           | 48             | 57   | 52       | 52      |
| Net Income Attributable to Altisource                                    | 23             | 33   | 28       | 309     |
| Add: Income tax provision  | 11             | 15   | 13       | (276)   |
| Add: Interest expense, net of interest income                            | 22             | 22   | 22       | 22      |
| Add: Depreciation and amortization                                       | 69             | 69   | 69       | 72      |
| EBITDA   | 126            | 139  | 132      | 126     |
| Add: Investments <sup>1</sup> (excluding depreciation and amortization)  | 52             | 45   | 49       | 56      |
| Adjusted EBITDA before Investments                                       | 177            | 185  | 181      | 183     |
| Earnings Per Share – Diluted   | 1.21           | 1.72 | 1.47     | 16.53   |
| Add: Intangible asset amortization expense, net of tax per diluted share | 1.27           | 1.27 | 1.27     | 1.47    |
| Add: Certain income tax related items, net per share - diluted           | -              | -    | -        | (15.20) |
| Adjusted Earnings After Investments per share - diluted                  | 2.48           | 2.99 | 2.74     | 2.80    |
| Add: Investments <sup>1</sup> , net of tax per diluted share             | 1.98           | 1.73 | 1.86     | 2.49    |
| Adjusted Earnings Before Investments Per Share - Diluted                 | 4.46           | 4.73 | 4.60     | 5.29    |

<sup>1</sup> For the purposes of this presentation, investments are primarily comprised of operating losses of some of our earlier stage businesses and technology development costs that we do not capitalize. Investments exclude capital expenditures

Note: Numbers may not sum due to rounding

# Non-GAAP Measures

| Reconciliation<br>(\$ in millions except share count and per share values)               | 2017 Scenarios |        |          | Actual |
|--|----------------|--------|----------|--------|
|  | A              | B      | Midpoint | 2017   |
| Calculation of the impact of intangible asset amortization expense, net of tax per share |                |        |          |        |
| Intangible amortization expense  | 35             | 35     | 35       | 35     |
| Tax benefit from intangible asset amortization   | (10)           | (10)   | (10)     | (8)    |
| Intangible asset amortization expense, net of tax  | 24             | 24     | 24       | 28     |
| Diluted share count (in 000s)  | 19,175         | 19,175 | 19,175   | 18,692 |
| Intangible asset amortization expense, net of tax per diluted share                      | 1.27           | 1.27   | 1.27     | 1.47   |
| Calculation of the impact of investments <sup>1</sup> , net of tax per share             |                |        |          |        |
| Investment expenses  | 54             | 47     | 50       | 60     |
| Tax benefit from investment expenses   | (16)           | (14)   | (14)     | (13)   |
| Investment expenses, net of tax  | 38             | 33     | 36       | 47     |
| Diluted share count (in 000s)  | 19,175         | 19,175 | 19,175   | 18,692 |
| Investment expenses, net of tax per diluted share  | 1.98           | 1.73   | 1.86     | 2.49   |

## Net Debt Less Marketable Securities

| Reconciliation<br>(\$ in millions)  | 12/31/2014 | 12/31/2015 | 12/31/2016 | 12/31/2017 |
|-------------------------------------|------------|------------|------------|------------|
| Senior secured term loan            | \$591.5    | \$536.6    | \$479.7    | \$413.6    |
| Less: Cash and cash equivalents     | (161.4)    | (179.3)    | (149.3)    | (105.0)    |
| Less: Marketable securities         | -          | -          | (45.8)     | (49.2)     |
| Net debt less marketable securities | \$430.2    | \$357.3    | \$284.6    | \$259.4    |

<sup>1</sup> For the purposes of this presentation, investments are primarily comprised of operating losses of some of our earlier stage businesses and technology development costs that we do not capitalize. Investments exclude capital expenditures

Note: Numbers may not sum due to rounding

# Non-GAAP Measures

## 2018 Scenarios<sup>1</sup>

| Reconciliation (\$ in millions )   | A    | B    | Midpoint |
|--|------|------|----------|
| Income before taxes and non-controlling interests                                      | 22   | 28   | 25       |
| Less: Net income attributable to non-controlling interests                             | (3)  | (3)  | (3)      |
| Pretax Income Attributable to Altisource   | 19   | 25   | 22       |
| Add: Intangible asset amortization expense   | 25   | 27   | 26       |
| Add: Share-based compensation  | 8    | 9    | 9        |
| Adjusted Pretax Income Attributable to Altisource                                      | 52   | 61   | 57       |
| Pretax Income Attributable to Altisource   | 19   | 25   | 22       |
| Add: Interest expense, net of interest income  | 22   | 22   | 22       |
| Add: Depreciation and amortization   | 56   | 57   | 56       |
| Add: Share-based compensation  | 8    | 9    | 9        |
| Adjusted EBITDA  | 105  | 113  | 109      |
| Net Income Attributable to Altisource  | 13   | 16   | 14       |
| Add: Intangible asset amortization expense, net of tax                                 | 17   | 19   | 18       |
| Add: Share-based compensation, net of tax  | 6    | 6    | 6        |
| Adjusted Net Income Attributable to Altisource   | 36   | 41   | 38       |
| Earnings Per Share – Diluted   | 0.72 | 0.93 | 0.82     |
| Add: Intangible asset amortization expense, net of tax per diluted share               | 0.99 | 1.09 | 1.04     |
| Add: Share-based compensation, net of tax per diluted share                            | 0.33 | 0.35 | 0.33     |
| Adjusted Earnings After Investments Per Share - Diluted                                | 2.04 | 2.37 | 2.20     |
| Cash Flows From Operating Activities   | 34   | 25   | 30       |
| Add: Increase in short-term real estate investments related to buy-renovate-lease-sell | 50   | 70   | 60       |
| Adjusted Cash Flows From Operating Activities  | 84   | 95   | 90       |

<sup>1</sup> Scenarios assume (1) an effective income tax rate of 30.0% and (2) average diluted shares outstanding of 17.5 million

Note: Numbers may not sum due to rounding

# Investor Relations Information

|                     |   |
|---------------------|---|
| About Altisource    | Altisource Portfolio Solutions S.A. is an integrated service provider and marketplace for the real estate and mortgage industries. Combining operational excellence with a suite of innovative services and technologies, Altisource helps solve the demands of the ever-changing markets we serve. |
| Contact Information | All Investor Relations inquiries should be sent to:<br><b><a href="mailto:Investor.relations@altisource.com">Investor.relations@altisource.com</a></b>  |
| Exchange            | NASDAQ Global Select Market   |
| Ticker              | ASPS  |
| Headquarters        | Luxembourg  |
| Employees           | Approximately 7,300   |

