



Altisource[®]

YOUR ONE SOURCE™

Third Quarter 2018 Supplementary Information

October 25, 2018

Forward-Looking Statements

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 does not undertake, and expressly disclaims, any 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, our ability to retain existing customers and attract new customers and the potential for changes in our customer relationships, including the possibility of early termination of our Cooperative Brokerage Agreement with New Residential Investment Corp. or the possibility that we may not be successful in negotiating a satisfactory services agreement with New Residential Investment Corp.; various risks relating to our ability to effectively manage our regulatory and contractual obligations; the adequacy of our financial resources, including our sources of liquidity and ability to repay borrowings and comply with our Credit Agreement, including the financial and other covenants contained therein; as well as Altisource's ability to retain key executives or employees, general economic and market conditions, behavior of customers, suppliers and/or competitors, technological developments, governmental regulations, taxes and policies, and other risks and uncertainties detailed in the "Forward-Looking Statements," "Risk Factors" and other sections of Altisource's Form 10-K, the Form 10-Q for the quarterly period ended June 30, 2018 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, as with other forward looking statements, should not be unduly relied upon.

Non-GAAP Measures

Adjusted Operating Income, Pretax Income Attributable to Altisource, Adjusted Pretax Income Attributable to Altisource, Adjusted Net Income Attributable to Altisource, Adjusted Earnings 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, Earnings Before Interest, Taxes, Depreciation and Amortization (“EBITDA”), Adjusted EBITDA, 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 from operations, income before income taxes and non-controlling interests, net income attributable to Altisource, cash flows from operating activities, diluted earnings 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 and non-cash share-based compensation, as well as the effect of more significant non-recurring items from earnings, cash flows from operating activities 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.

Third Quarter 2018 Highlights¹

■ Corporate

- Generated \$36.8 million of adjusted cash flows from operating activities²
- Ended the quarter with \$147.8 million of cash, cash equivalents and marketable securities and \$240.9 million of net debt less marketable securities²
- Ended the quarter with \$51.7 million of short-term investments in real estate (inventory in the Buy-Renovate-Lease-Sell business)
- Used the \$15 million received from the sale of the Rental Property Management business to repay debt
- Launched Project Catalyst to better align the Company's cost structure with anticipated revenue, and improve operating margins and performance; incurred \$3.4 million of restructuring costs in connection with Project Catalyst

■ Servicer Solutions

- Began receiving REO auction referrals in August and foreclosure auction referrals in October from one of the largest institutional real estate and mortgage investors in the U.S. and anticipate that we will begin receiving short sale auction referrals from this customer in the first quarter of 2019
- Made good progress onboarding a top-5 servicer customer for property inspection and preservation services and a top-10 servicer customer for REO asset management services, and anticipate that we will begin receiving referrals from both in the first quarter of 2019
- Grew inventory of Hubzu homes from customers other than Ocwen, New Residential Investment Corp. and Front Yard Residential Corporation ("RESI") by 43% to 1,920 compared to the end of the second quarter of 2018

¹ Applies to the third quarter 2018 unless otherwise indicated

² This is a non-GAAP measure defined and reconciled in the Appendix

Third Quarter 2018 Highlights¹

■ Origination Solutions

- Grew service revenue by 6% compared to the second quarter of 2018 in a challenging origination environment
- Completed the onboarding of two fulfillment customers that we won in the first half of the year

■ Real Estate Investor Solutions

- Sold the Rental Property Management business to RESI for \$18 million, \$15 million of which was received in the third quarter of 2018 and \$3 million of which will be received upon the earlier of (1) a change of control of RESI and (2) August 2023; generated a pretax gain on the sale of this business of \$13.7 million
- Ended the quarter with 392 homes in the buy-renovate-lease-sell business, compared to 172 homes at the end of the third quarter of 2017

■ Consumer Real Estate Solutions

- Grew service revenue by 16% and the number of home purchase and sale transactions by 17% compared to the second quarter of 2018; grew service revenue by 87% and the number of home purchase and sale transactions by 81% compared to the third quarter of 2017
- Working with approximately 5,300 clients at the end of the third quarter 2018, compared to 4,200 clients at the end of the second quarter of 2018 and 2,000 clients at the end of the third quarter of 2017

¹ Applies to the third quarter 2018 unless otherwise indicated

Third Quarter 2018 Financial Results

\$ millions (except per share data)	YTD 2018	Vs. YTD 2017	Q3 2018	Vs. Q3 2017	Q2 2018	Q3 2018 Vs. Q2 2018
Revenue	\$620.6	-15%	\$204.6	-13%	\$218.6	-6%
Service Revenue	\$594.5	-14%	\$196.9	-12%	\$208.9	-6%
Income from Operations	\$ 40.5	-2%	\$ 20.9	55%	\$ 12.4	68%
Adjusted Operating Income ²	\$ 64.0	-10%	\$ 25.7	10%	\$ 21.9	17%
Pretax Income ¹	\$ 14.2	-56%	\$ 16.1	56%	\$ 3.1	425%
Adjusted Pretax Income Attributable to Altisource ²	\$ 44.4	-27%	\$ 18.3	-6%	\$ 14.7	24%
Net Income Attributable to Altisource	\$ 6.1	-73%	\$ 8.7	25%	\$ 1.6	453%
Adjusted Net Income Attributable to Altisource ²	\$ 30.8	-33%	\$ 12.2	-16%	\$ 10.6	15%
Earnings Per Share – Diluted	\$ 0.35	-71%	\$ 0.49	29%	\$ 0.09	444%
Adjusted Earnings Per Share – Diluted ²	\$ 1.74	-28%	\$ 0.69	-12%	\$ 0.60	15%

¹ Includes net income attributable to non-controlling interests of \$2.1 million and \$2.1 million for YTD 2018 and YTD 2017, respectively (\$0.9 million, \$0.7 million and \$0.8 million for Q3 2018, Q2 2018 and Q3 2017, respectively)

² This is a non-GAAP measure defined and reconciled in the Appendix

Note: Numbers may not sum due to rounding

2018 Scenarios

\$ millions (except EPS)	2018 Scenarios ³			Actual	
	Scenario A	Scenario B	Midpoint of Scenarios A and B	YTD 2018 Actual	Percentage of Midpoint
Service Revenue	\$ 745	\$ 825	\$ 785	\$ 595	76%
Related to Ocwen / NRZ	\$ 510	\$ 560	\$ 535	\$ 430	80%
Unrelated to Ocwen / NRZ	\$ 235	\$ 265	\$ 250	\$ 165	66%
Investments	\$ 45	\$ 35	\$ 40	\$ 35	88%
Pretax Income ^{1,2,4}	\$ 10	\$ 16	\$ 13	\$ 12	94%
Adjusted Pretax Income ^{1,2}	\$ 48	\$ 56	\$ 52	\$ 44	85%
Adjusted EBITDA ²	\$ 105	\$ 113	\$ 109	\$ 88	81%
Net Income ^{1,4}	\$ 6	\$ 10	\$ 8	\$ 6	76%
Adjusted Net Income ^{1,2}	\$ 32	\$ 38	\$ 35	\$ 31	88%
Earnings per Share - Diluted ⁴	\$ 0.36	\$ 0.57	\$ 0.46	\$ 0.35	76%
Adjusted Earnings per Share - Diluted ²	\$ 1.86	\$ 2.18	\$ 2.01	\$ 1.74	87%

Note: Numbers may not sum due to rounding

¹ Attributable to Altisource

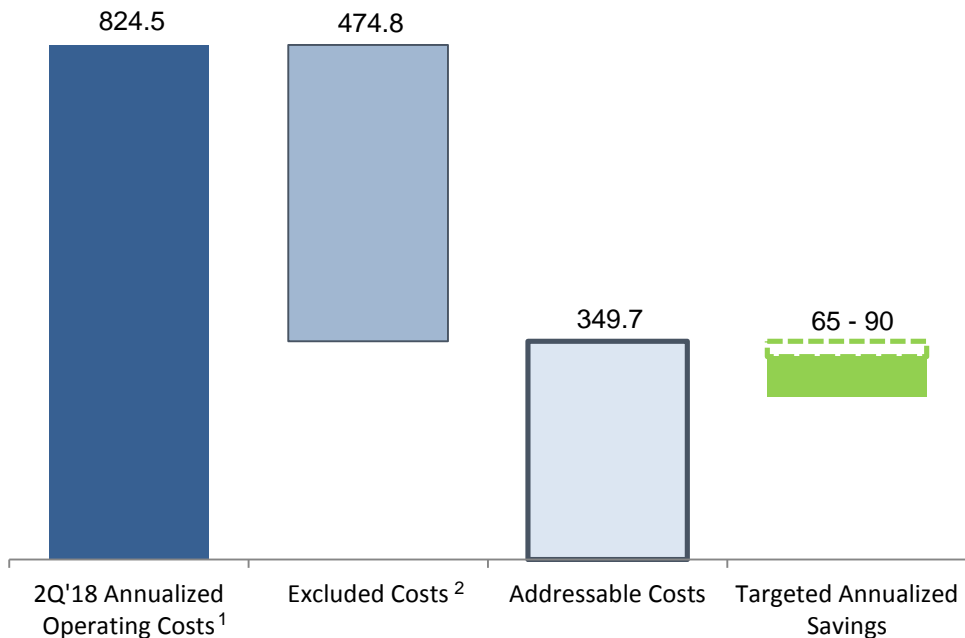
² This is a non-GAAP measure defined and reconciled in the Appendix

³ Scenarios assume (1) an effective income tax rate of 30.0% and (2) average diluted shares outstanding of 17.5 million

⁴ Scenarios do not assume a change in the fair value of equity securities

Project Catalyst

Targeted Annualized Cost Savings (\$ in millions)



¹ 2Q'18 Annualized Operating Costs is equal to Second Quarter 2018 Cost of Revenue of \$163.2 million and Selling, General and Administrative Expenses of \$42.9 million multiplied by four

² Excluded Costs represent (a) non-cash expenses such as depreciation and amortization, amortization of intangible assets and share-based compensation and (b) expenses that are not a primary focus of Project Catalyst such as outside fees and services, cost of real estate sold, reimbursable expenses, marketing costs and other

³ Includes estimated severance, one-time technology costs, data center migration costs, facility closure costs and professional services fees related to Project Catalyst

Project Catalyst focus areas:

- ✓ Improving operational efficiency and performance
- ✓ Optimizing organizational structure
- ✓ Rationalizing technology investments

Third Quarter Progress:

- ✓ Developed an initial strategy projected to achieve more than half of the targeted annualized savings in 2019 and the full run rate benefit in 2020
- ✓ Executed on “Quick Strike” opportunities, reducing annualized expenses by approximately \$23 million
- ✓ Recognized third quarter restructuring charges of \$3.4 million; total project restructuring charges are estimated to be between \$25 million and \$35 million³

Progress with Select Customer Wins

Notified of win	Customer description ¹	Service	Agreements executed	Agreements in negotiation	Went live in Q3 2018?	Anticipated "Go Live" Date	Receiving referrals?	Stabilized revenue opportunity ²
2H'17	Top 5 Servicer	Field Services	√			Q1 2019		Very Large
2H'17	Top 10 Servicer	REO Asset Management	√			Q1 2019		Very Large
1Q'18	Top 25 Servicer	Hubzu Foreclosure auctions	√		√		√	Medium
1Q'18	Servicer	Field Services	√			Q4 2018		Large
2Q'18	Servicer	Field Services	√			Q4 2018		Medium
2Q'18	One of the largest institutional real estate and mortgage investors in the US	Hubzu REO Auctions	√		√		√	Very Large (in October 2018)
		Hubzu Foreclosure auctions	√		√		√	
		Hubzu Short Sale auctions	√			Q1 2019		
Q3'18	Top 10 Servicer	Equator		√		TBD		Small
		Hubzu Short Sale auctions		√		TBD		

¹ Servicer size based on information from Inside Mortgage Finance

² Stabilized annual revenue opportunity categories:

Very Large: Stabilized annual revenue opportunity of greater than \$25 million

Large: Stabilized annual revenue opportunity of \$5 million – \$25 million

Medium: Stabilized annual revenue opportunity of \$1 million - \$4.9 million

Small: Stabilized annual revenue opportunity of less than \$1 million

Adjusted 2018 Scenario Mid-Point EBITDA Plus Investments Multiple

Altisource is trading at a 4.6 multiple of its 2018 Adjusted EBITDA plus investments, at the midpoint of its financial scenarios, and at a lower multiple if net debt is reduced by short term investments in real estate

(\$ in millions)	2018 Adjusted EBITDA plus Investments Multiple	Reduced by short term real estate investments
Market Capitalization ¹	\$ 446.7	\$ 446.7
Net debt less marketable securities ² :		
Long-term debt	388.8	
Less: Cash and cash equivalents	(102.9)	
Less: Investment in equity securities	(45.0)	
Net debt less marketable securities	240.9	240.9
Less: Short-term investments in real estate		(51.7)
Enterprise Value	\$ 687.6	\$ 635.9
Scenario Mid-Point Adjusted EBITDA plus Investments:		
2018 Adjusted EBITDA at Scenario Mid-Point	109.0	109.0
2018 Investments at Scenario Mid-Point	40.0	40.0
	149.0	149.0
Adjusted EBITDA Multiple	4.6	4.3

¹ Based upon the October 24, 2018 closing share price and the number of outstanding shares as of October 19, 2018

² As of September 30, 2018

Strategic Businesses



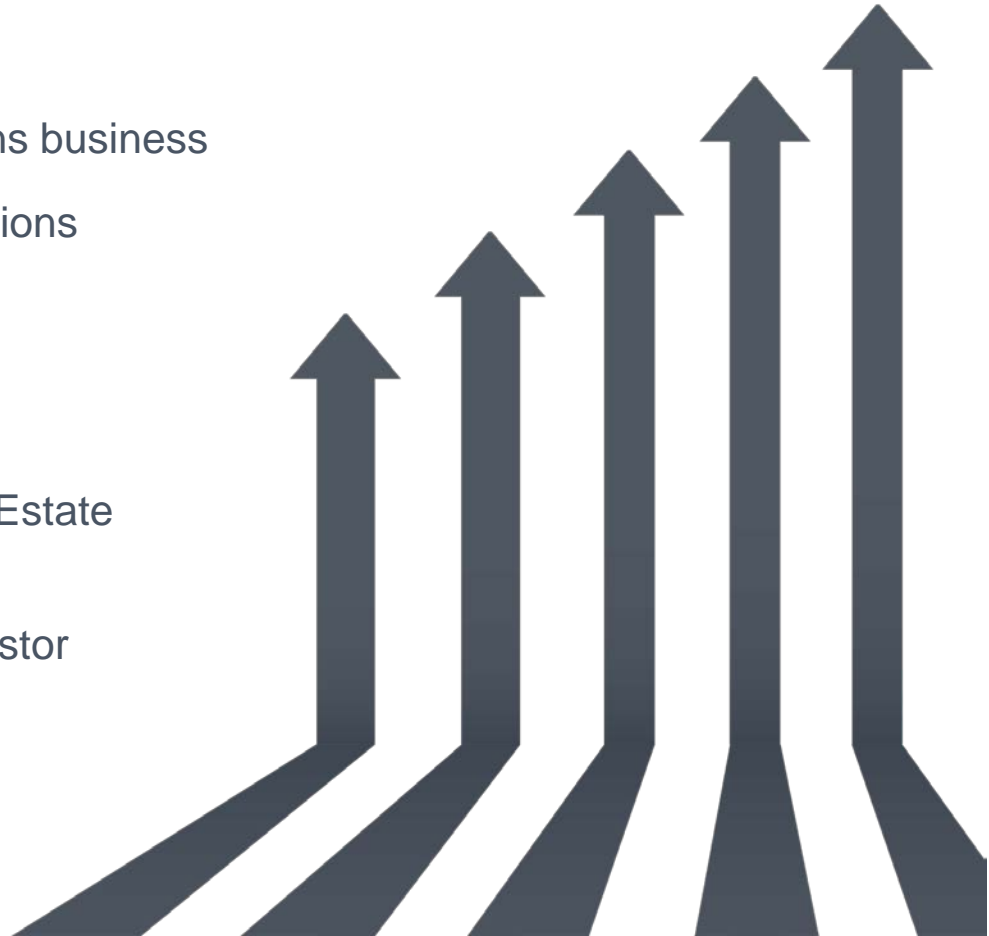
Mortgage Market

- 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



Appendix

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OWNERS.comSM
A NEW HOME FOR SELLERS AND BUYERSSM

Technology Enabled Real Estate Brokerage



1 Consumers prefer technology enabled real estate platforms that offer end-to-end services

TECH POWERED



MOBILE FIRST

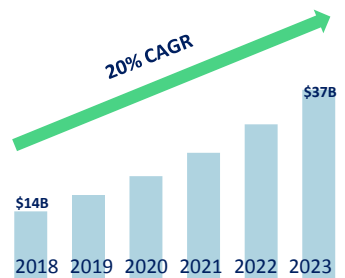


ONE STOP SHOPPING



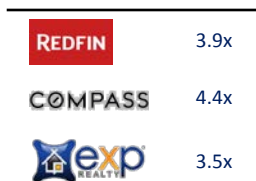
¹ Zillow 2018 Consumer Housing Trends Report ² 2015 NAR / Harris poll of Consumer Preferences for RE Services

2 Online real estate market is rapidly growing³ - innovators command high valuation multiples



³ Chart represents dollars of real estate brokerage commissions from real estate transactions that originated online (internal estimate based on National Association of Realtors published real estate website traffic reports and Zillow and Redfin filing data)

Revenue Multiples⁴



⁴ Valuation multiples based on public information: (1) Redfin (July 28, 2017 IPO); (2) Compass (Sept. 27, 2018 fund raise per bloomberg.com) and (3) eXP (Sept. 2018 market cap and Jul'17 – Jun'18 revenue).

3 Owners.com simplifies home buying and selling ...

Tech Enabled Agents and Consumers

- Book and confirm tours online ...
- ... and get digital tour reports

End to End Mobile Experience

- Enjoy a superior online search experience ...
- ... and continue it by managing home tours

One Stop Shopping

- Conveniently order the services needed ...
- ... and get additional savings at closing

4 ... with an innovative customer experience ...

	OWNERS.com
Preferences Based Search	✓
Rich Property Details	✓
Integrated Tour Manager	✓
Home Tour Reports	✓
Valuation Estimate	✓
Fast Listing Alerts	✓
Buyer and Agent Mobile Apps	✓
Bundled Service Offerings	✓

5 ... and best in class mobile-first execution

Preferences search

Tour manager

Bundle advantages

7 ... coupled with high unit economics ...

Service	OWNERS.com
Buy and Sell Brokerage	✓
Flat Fee MLS for self directed sellers	✓
Title and Closing Services	Launched in 2009; in 50 states
Mortgage Financing	Launched in 2016; in 15 states
Other Real Estate Services	Available ASPS Synergies

6 Owners.com has strong competitive advantages ...

High Barrier to Entry Services

Leading Edge Agile Internet Model

Smart Operations and Technology

- Leverages scaled existing businesses...
 - ... with expensive to replicate licensed services
- Drives strong conversion performance ...
 - ... based on leadership with experience from Tier 1 Internet firms
- Achieves competitive cost performance ...
 - ... from a lower cost global footprint

8 ... driving rapid consumer adoption



⁵Defined as customers using our agents for one or more services requiring a real estate license (e.g., showing a home)



Pointillist

Customer Journey
Analytics & Engagement

YOUR METRICS. THEIR JOURNEY.

Cross Channel

Data Unification

Customer Profiles

Journey Mapping

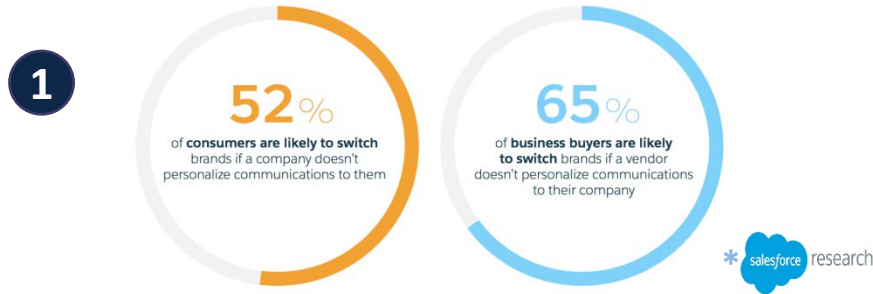
Machine Learning

Dashboards

Engagement

We enable companies to discover the most important opportunities and obstacles faced by their customers and prospects, optimize their journeys, and engage personally through our intelligent platform – at scale.

Large enterprises have an urgent problem. Customers expect personalized communications and their loyalty is on the line*



Established Leadership Position

Ask Google What is Customer Journey Analytics?

3

Customer journey analytics is the weaving together of every touchpoint that a customer interacts with, across multiple channels and over time. It connects millions of events into **journeys** from your customers' point of view and is a data-driven approach to discovering, analyzing and influencing your **customers' journeys**. Mar 1, 2018



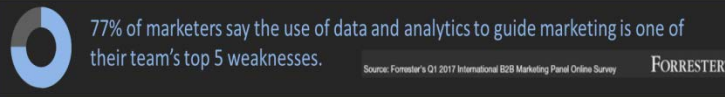
What is Customer Journey Analytics? – Pointillist
<https://www.pointillist.com/blog/what-is-customer-journey-analytics/>

About this result Feedback

#1 organic search result & de-facto Google definition

Ahead of: Adobe, Salesforce, Microsoft, Oracle, Gartner, McKinsey Forrester...

Key obstacles solved by Pointillist



Unifying Data

Labor intensive & slow



Extracting Insights

Talent limited & too late



Customer Journey Analytics Market is Large and Growing Rapidly



Customer Journey Analytics

Positioned to scale with enterprise customers

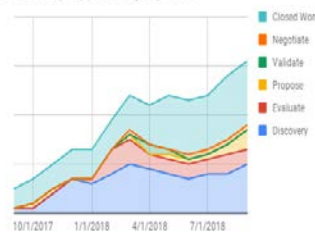
- Launched from the Altisource Consumer Analytics Division
- Led by proven entrepreneur and experienced start-up team
- Pricing: \$50k-\$1M+ annual contracts, \$20K pilots

5

New Subscription Opportunity Pipeline



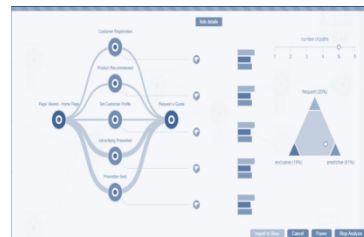
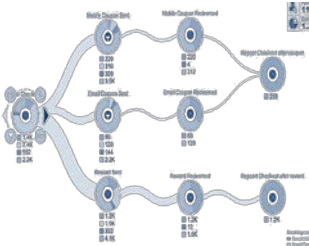
Partnership Opportunity Pipeline



Disruptive product

- Eliminates data integration and analytics obstacles to reveal customer journeys directly to marketing and customer experience teams
- Uses artificial intelligence and machine learning to guide companies to key opportunities to optimize customer experience, loyalty, and lifetime value

6



Name-brand customers and recognition



Enterprise Marketing
Product of the Year

Best New
Marketing Solution

Customer Product
of the Year



7

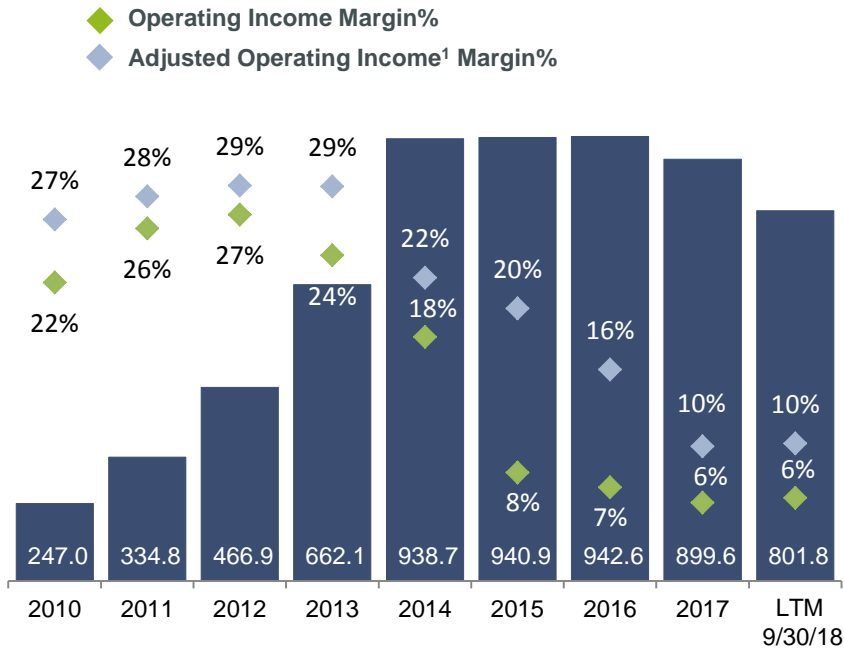
Marketing SaaS technology companies command high multiples

- Software-as-a-Service platforms can operate at 75%+ gross margins at scale
- Annual service contracts mean predictable, recurring revenue for companies that achieve good customer adoption
- Sought after private marketing technology companies often raise capital and exit at 10-20 times annually-recurring revenue

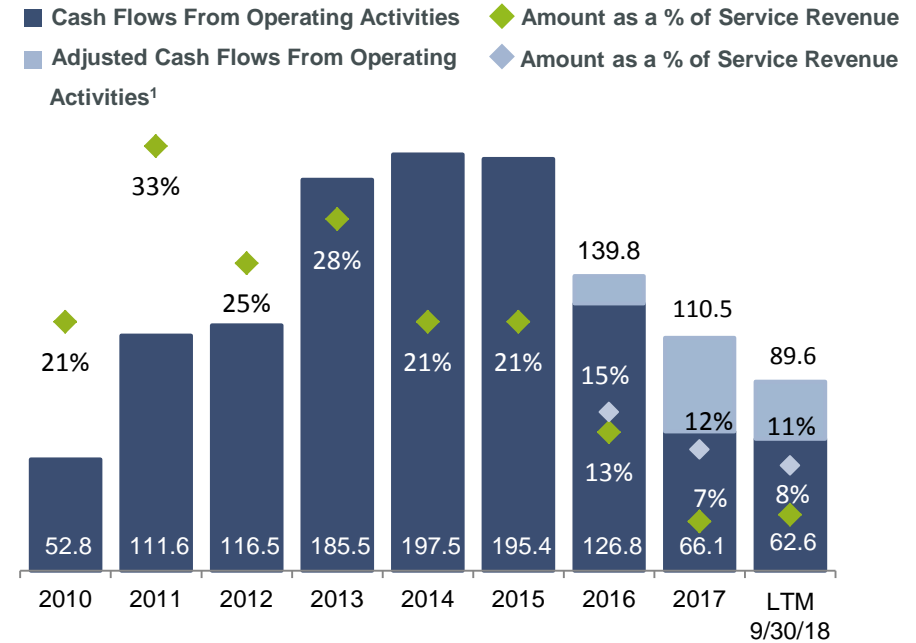
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Financial Performance

Service Revenue (\$ millions)



Cash Flows From Operating Activities (\$ millions)

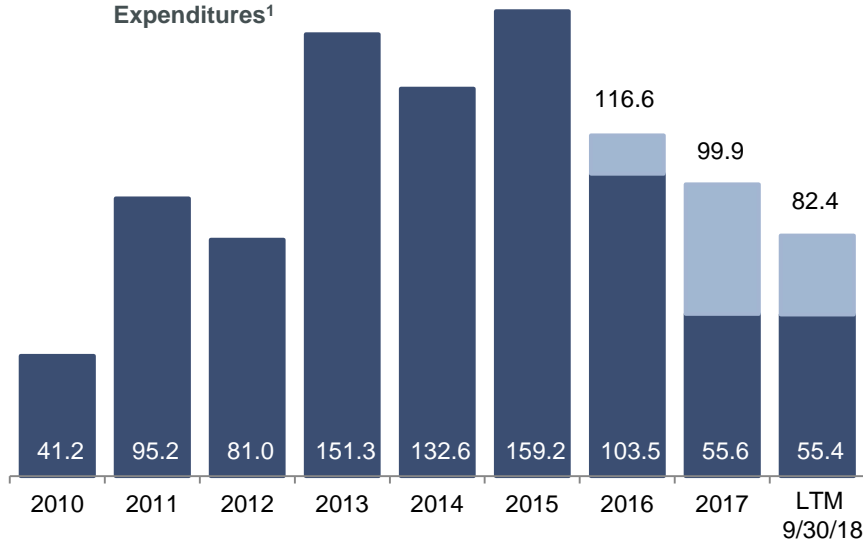


¹ This is a non-GAAP measure defined and reconciled in the Appendix

Financial Performance

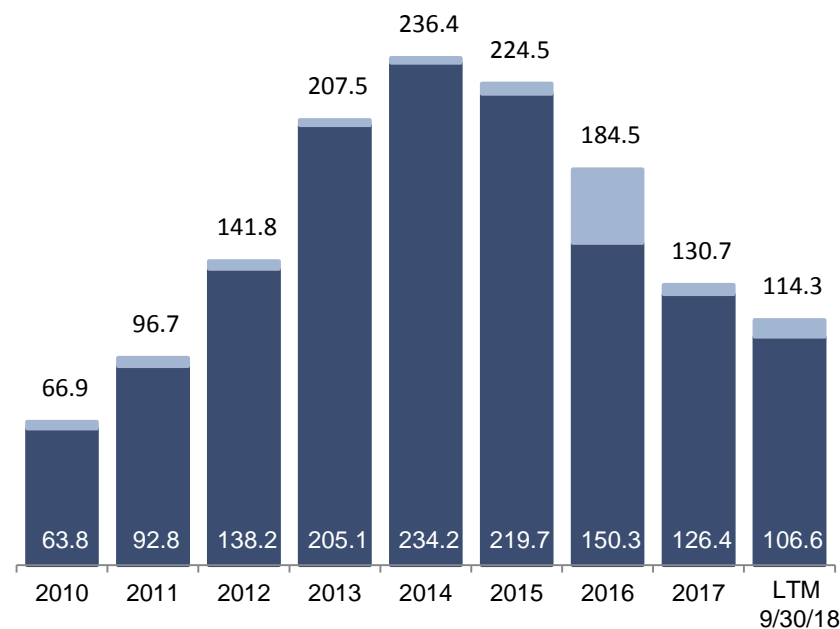
Cash Flows From Operating Activities Less Capital Expenditures (\$ millions)

- Cash Flows From Operating Activities Less Capital Expenditures¹
- Adjusted Cash Flows From Operating Activities Less Capital Expenditures¹



EBITDA (\$ millions)

- EBITDA¹
- Adjusted EBITDA¹

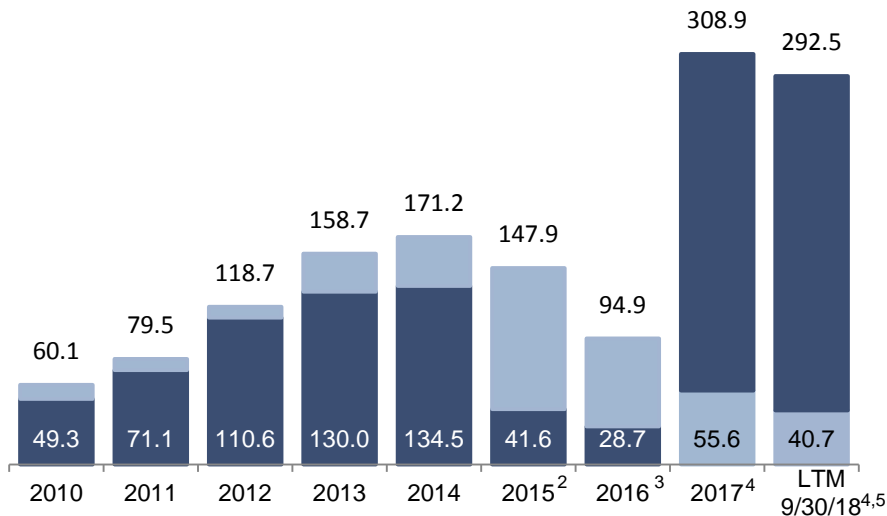


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Financial Performance

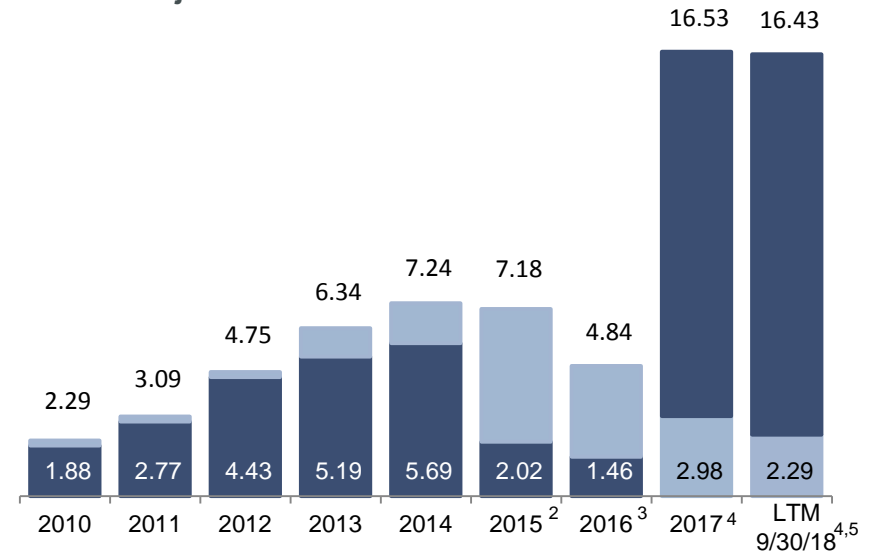
Net Income Attributable to Altisource (\$ millions)

- GAAP Net Income
- Adjusted Net Income¹



Earnings Per Share - Diluted (\$)

- GAAP EPS - Diluted
- Adjusted EPS - Diluted¹



¹ This is a non-GAAP measure defined and reconciled in the Appendix

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

³ In the fourth quarter 2016, we recognized a \$24.6 million after-tax litigation settlement loss, net of insurance recovery and, in the third quarter of 2018, recognized a \$0.3 million after tax cost associated with this matter

⁴ In the fourth quarter of 2017, we recognized a net income tax benefit of \$284.1 million 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 and, in the third quarter of 2018, recognized a net income tax expense of \$1.6 million relating to foreign income tax reserves

⁵ In the nine months of 2018, we recognized an after-tax loss on debt refinancing of \$3.2 million, recorded an unrealized after-tax loss on investment in equity securities of \$3.1 million, realized an after-tax gain on sale of business of \$9.3 million, recognized an after-tax sales tax accrual of \$4.0 million, recognized an after-tax litigation settlement loss of \$0.3 million, recognized an after-tax loss on restructuring charges of \$2.3 million and recognized foreign income tax reserves of \$1.6 million

Operating Metrics

	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18
Ocwen Serviced Portfolio¹:									
Default Related Services excluding mortgage charge-off:									
Service revenue per delinquent loan ² per quarter ³									
Non-GSE	\$ 722	\$ 719	\$ 810	\$ 887	\$ 820	\$ 711	\$ 697	\$ 837	\$ 874
GSE ⁴	\$ 114	\$ 110	\$ 95	\$ 108	\$ 95	\$ 95	\$ 85	\$ 88	\$ 91
Average number of delinquent loans serviced by Ocwen on REALServicing ⁵									
Non-GSE (in thousands)	211	204	191	177	178	182	171	153	144
GSE (in thousands)	19	18	17	16	17	18	17	15	14
Average delinquency rate of loans on REALServicing									
Non-GSE	19.3%	19.3%	18.7%	17.9%	18.7%	19.8%	19.1%	17.8%	17.3%
GSE	5.8%	5.8%	5.5%	5.3%	5.7%	6.5%	6.4%	5.9%	5.4%
Provisional loan count on REALServicing as of the end of the period									
Non-GSE (in thousands)	1,081	1,046	1,012	977	943	912	883	853	825
GSE (in thousands)	325	315	308	300	291	275	268	258	246
Servicer Technologies and IT Infrastructure Services:									
Service revenue per loan per quarter	\$12	\$13	\$9	\$8	\$9	\$9	\$10	\$11	\$13
Average number of loans serviced by Ocwen on REALServicing (in thousands) ⁵									
	1,425	1,376	1,334	1,291	1,248	1,204	1,163	1,123	1,084

¹ Includes the MSR's acquired (or to be acquired) by NRZ from Ocwen

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

³ Includes service revenue related to the portfolios serviced or subserviced by Ocwen when a party other than Ocwen/NRZ 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

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

⁵ Average loans serviced for Q3'18 is provisional and subject to change

Operating Metrics

	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18
Hubzu:									
Service revenue (in millions) ^{1,2}	\$ 55.6	\$ 50.8	\$ 53.5	\$ 53.4	\$ 48.2	\$ 43.3	\$ 43.3	\$ 45.5	\$ 37.5
Number of homes sold on Hubzu:									
Ocwen serviced portfolios ³	6,221	5,991	6,000	5,648	4,984	4,464	3,880	4,374	4,018
Front Yard Residential	616	463	412	524	447	315	199	138	69
All other ⁴	208	94	122	165	193	267	214	288	257
Total	7,045	6,548	6,534	6,337	5,624	5,046	4,293	4,800	4,344

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

² Includes brokerage and fees generated from the sale of homes under the company's buy-renovate-lease-sell program

³ Includes the portfolios acquired (or to be acquired) by NRZ from Ocwen

⁴ Includes homes sold under the company's buy-renovate-lease-sell program when those homes are sold on Hubzu

Non-GAAP Measures

- Adjusted Operating Income, Pretax Income Attributable to Altisource, Adjusted Pretax Income Attributable to Altisource, Adjusted Net Income Attributable to Altisource, Adjusted Earnings 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, EBITDA, Adjusted EBITDA, 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, share-based compensation, non-cash impairment losses, litigation settlement losses, net of insurance recovery, sales tax accrual and restructuring charges to, and deducting non-cash gains associated with reductions of the Equator earn out liability and gain on sale of business from, GAAP income from operations
- Pretax Income Attributable to Altisource is calculated by reducing net income attributable to non-controlling interests from income before income taxes and non-controlling interests
- Adjusted Pretax Income Attributable to Altisource is calculated by adding intangible asset amortization expense, share-based compensation, unrealized loss on investment in equity securities, loss on debt refinancing, sales tax accrual, restructuring charges, non-cash impairment losses and litigation settlement losses, net of insurance recovery to, and deducting non-cash gains associated with reductions of the Equator earn out liability, unrealized gain on investment in equity securities, gain on sale of business and net income attributable to non-controlling interests from, income before income taxes and non-controlling interests
- Adjusted Net Income Attributable to Altisource is calculated by adding intangible asset amortization expense (net of tax), share-based compensation (net of tax), unrealized loss on investment in equity securities (net of tax), loss on debt refinancing (net of tax), sales tax accrual (net of tax), restructuring charges (net of tax), non-cash impairment losses (net of tax) and litigation settlement losses (net of insurance recovery and net of tax) to, and deducting non-cash gains associated with reductions of the Equator earn out liability (net of tax), unrealized gain on investment in equity securities (net of tax), gain on sale of business (net of tax) and certain income tax related items relating to the Luxembourg subsidiary merger, other income tax rate changes in Luxembourg and the United States and an increase in foreign income tax reserves (and related interest) from, GAAP net income attributable to Altisource

Non-GAAP Measures

- Adjusted Earnings Per Share - Diluted is calculated by dividing net income attributable to Altisource plus adding intangible asset amortization expense (net of tax), share-based compensation (net of tax), unrealized loss on investment in equity securities (net of tax), loss on debt refinancing (net of tax), sales tax accrual (net of tax), restructuring charges (net of tax), non-cash impairment losses (net of tax) and litigation settlement losses (net of insurance recovery and net of tax) less non-cash gains associated with reductions of the Equator earn out liability (net of tax), unrealized gain on investment in equity securities (net of tax), gain on sale of business (net of tax) and certain income tax related items relating to the Luxembourg subsidiary merger, other income tax rate changes in Luxembourg and the United States and an increase in foreign income tax reserves (and related interest), by the weighted average number of diluted shares
- Adjusted Cash Flows From Operating Activities is calculated by removing litigation settlement loss (net of insurance recovery) and changes in short-term real estate investments related to the buy-renovate-lease-sell program from cash flows from operating activities
- Cash Flow From Operating Activities Less Capital Expenditures is calculated by deducting capital expenditures from cash flows from operating activities
- Adjusted Cash Flow From Operating Activities Less Capital Expenditures is calculated by removing litigation settlement loss (net of insurance recovery), changes in short-term real estate investments related to the buy-renovate-lease-sell program and 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, unrealized loss on investment in equity securities and depreciation and amortization less non-cash gains associated with reductions of the Equator earn out liability and unrealized gain on investment in equity securities from, GAAP net income 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, unrealized loss on investment in equity securities, loss on debt refinancing, depreciation and amortization, litigation settlement losses (net of insurance recovery), sales tax accrual, restructuring charges and share-based compensation less non-cash gains associated with reductions of the Equator earn out liability, gain on sale of business and unrealized gain on investment in equity securities from, GAAP net income 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 25 to 34

Non-GAAP Measures

Reconciliation (\$ in millions except per share data)	2010	2011	2012	2013	2014	2015	2016	2017	Q3'17	Q2'18	Q3'18	LTM 9/30/18	YTD 2017	YTD 2018
Income From Operations	55.0	85.7	127.4	162.1	170.5	79.1	65.1	49.7	13.5	12.4	20.9	49.1	41.1	40.5
Add: Intangible asset amortization expense	4.9	5.3	5.0	28.2	37.7	41.1	47.6	35.4	8.6	7.5	6.6	29.5	27.1	21.3
Add: Share-based compensation	3.1	3.9	3.6	2.4	2.2	4.8	6.2	4.3	1.4	1.9	2.0	7.2	3.2	6.2
Add: Impairment loss	2.8	-	-	-	37.5	71.8	-	-	-	-	-	-	-	-
Add: Litigation settlement loss ¹	-	-	-	-	-	-	28.0	-	-	-	0.5	0.5	-	0.5
Add: Sales tax accrual	-	-	-	-	-	-	-	-	-	-	5.9	5.9	-	5.9
Add: Restructuring charges	-	-	-	-	-	-	-	-	-	-	3.4	3.4	-	3.4
Less: Gain on Equator earn out liability	-	-	-	-	(37.9)	(7.6)	-	-	-	-	-	-	-	-
Less: Gain on sale of business	-	-	-	-	-	-	-	-	-	-	(13.7)	(13.7)	-	(13.7)
Adjusted Operating Income	65.8	94.9	136.1	192.6	209.9	189.2	146.9	89.3	23.4	21.9	25.7	81.9	71.5	64.0
Income Before Income Taxes and Non-Controlling Interests	55.8	85.9	124.6	142.3	147.3	53.1	44.3	35.4	10.4	3.1	16.1	17.3	32.3	14.2
Less: Net income attributable to non-controlling interests	(6.9)	(6.9)	(5.3)	(3.8)	(2.6)	(3.2)	(2.7)	(2.7)	(0.8)	(0.7)	(0.9)	(2.7)	(2.1)	(2.1)
Pretax Income Attributable to Altisource	48.9	79.1	119.4	138.5	144.7	49.9	41.6	32.6	9.6	2.4	15.3	14.6	30.2	12.2
Add: Intangible asset amortization expense	4.9	5.3	5.0	28.2	37.7	41.1	47.6	35.4	8.6	7.5	6.6	29.5	27.1	21.3
Add: Share-based compensation	3.1	3.9	3.6	2.4	2.2	4.8	6.2	4.3	1.4	1.9	2.0	7.2	3.2	6.2
Add (Less): Unrealized loss (gain) on investment in equity securities	-	-	-	-	-	-	-	-	-	(1.5)	(1.8)	4.2	-	4.2
Add: Loss on debt refinancing	-	-	-	-	-	-	-	-	-	4.4	-	4.4	-	4.4
Add: Sales tax accrual	-	-	-	-	-	-	-	-	-	-	5.9	5.9	-	5.9
Add: Restructuring charges	-	-	-	-	-	-	-	-	-	-	3.4	3.4	-	3.4
Add: Impairment loss	2.8	-	-	-	37.5	71.8	-	-	-	-	-	-	-	-
Add: Litigation settlement loss ¹	-	-	-	-	-	-	28.0	-	-	-	0.5	0.5	-	0.5
Less: Gain on Equator earn out liability	-	-	-	-	(37.9)	(7.6)	-	-	-	-	-	-	-	-
Less: Gain on sale of business	-	-	-	-	-	-	-	-	-	-	(13.7)	(13.7)	-	(13.7)
Adjusted Pretax Income Attributable to Altisource	59.7	88.3	128.0	169.1	184.1	160.0	123.4	72.3	19.5	14.7	18.3	56.1	60.5	44.4

¹ Net of insurance recovery

Note: Numbers may not sum due to rounding

Non-GAAP Measures

Reconciliation (\$ in millions except per share data)	2010	2011	2012	2013	2014	2015	2016	2017	Q3'17	Q2'18	Q3'18	LTM 9/30/18	YTD 2017	YTD 2018
Net Income Attributable to Altisource	49.3	71.1	110.6	130.0	134.5	41.6	28.7	308.9	7.0	1.6	8.7	292.5	22.5	6.1
Add: Intangible asset amortization expense, net of tax	4.9	4.8	4.7	26.5	35.1	38.2	36.8	27.5	6.5	5.5	4.5	21.8	20.7	15.1
Add: Share-based compensation, net of tax	3.1	3.6	3.4	2.3	2.1	4.5	4.8	3.3	1.0	1.4	1.4	5.3	2.5	4.4
Add (Less): Unrealized loss (gain) on investment in equity securities, net of tax	-	-	-	-	-	-	-	-	-	(1.1)	(1.3)	3.1	-	3.1
Add: Loss on debt refinancing, net of tax	-	-	-	-	-	-	-	-	-	3.2	-	3.2	-	3.2
Add: Sales tax accrual, net of tax	-	-	-	-	-	-	-	-	-	-	4.0	4.0	-	4.0
Add: Restructuring charges, net of tax	-	-	-	-	-	-	-	-	-	-	2.3	2.3	-	2.3
Add: Litigation settlement loss ¹ , net of tax	-	-	-	-	-	-	24.6	-	-	-	0.3	0.3	-	0.3
Add: Impairment loss, net of tax	2.8	-	-	-	34.9	70.6	-	-	-	-	-	-	-	-
Less: Gain on Equator earn out liability, net of tax	-	-	-	-	(35.3)	(6.9)	-	-	-	-	-	-	-	-
Less: Gain on sale of business, net of tax	-	-	-	-	-	-	-	-	-	-	(9.3)	(9.3)	-	(9.3)
(Less) Add: Certain income tax related items, net	-	-	-	-	-	-	-	(284.1)	-	-	1.6	(282.5)	-	1.6
Adjusted Net Income Attributable to Altisource	60.1	79.5	118.7	158.7	171.2	147.9	94.9	55.6	14.4	10.6	12.2	40.7	45.8	30.8

¹ Net of insurance recovery

Note: Numbers may not sum due to rounding

Non-GAAP Measures

Reconciliation (\$ in millions except per share data)	2010	2011	2012	2013	2014	2015	2016	2017	Q3'17	Q2'18	Q3'18	LTM 9/30/18	YTD 2017	YTD 2018
Earnings Per Share – Diluted	1.88	2.77	4.43	5.19	5.69	2.02	1.46	16.53	0.38	0.09	0.49	16.43	1.20	0.35
Add: Impact of using diluted share count instead of basic share count	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Add: Intangible asset amortization expense, net of tax per diluted share	0.19	0.19	0.19	1.06	1.48	1.85	1.88	1.47	0.35	0.31	0.26	1.23	1.10	0.85
Add: Share-based compensation, net of tax per diluted share	0.12	0.14	0.14	0.09	0.09	0.22	0.24	0.18	0.06	0.08	0.08	0.30	0.13	0.25
Add (Less): Unrealized loss (gain) on investment in equity securities, net of tax per diluted share	-	-	-	-	-	-	-	-	-	(0.06)	(0.08)	0.17	-	0.18
Add: Loss on debt refinancing, net of tax per diluted share	-	-	-	-	-	-	-	-	-	0.18	-	0.18	-	0.18
Add: Sales tax accrual, net of tax per diluted share	-	-	-	-	-	-	-	-	-	-	0.23	0.22	-	0.23
Add: Restructuring charges, net of tax per diluted share	-	-	-	-	-	-	-	-	-	-	0.13	0.13	-	0.13
Add: Impairment loss, net of tax per diluted share	0.11	-	-	-	1.48	3.43	-	-	-	-	-	-	-	-
Add: Litigation settlement loss ¹ , net of tax per diluted share	-	-	-	-	-	-	1.25	-	-	-	-	0.02	-	0.02
Less: Gain on Equator earn out liability, net of tax per diluted share	-	-	-	-	(1.49)	(0.34)	-	-	-	-	-	-	-	-
Less: Gain on sale of business, net of tax per diluted share	-	-	-	-	-	-	-	-	-	-	(0.53)	(0.52)	-	(0.53)
(Less) Add: Certain income tax related items, net per diluted share	-	-	-	-	-	-	-	(15.20)	-	-	0.09	(15.87)	-	0.09
Adjusted Earnings Per Share – Diluted	2.29	3.09	4.75	6.34	7.24	7.18	4.84	2.98	0.78	0.60	0.69	2.29	2.43	1.74

¹ Net of insurance recovery

Note: Numbers may not sum due to rounding

Non-GAAP Measures

Reconciliation (\$ in millions except per share data)	2010	2011	2012	2013	2014	2015	2016	2017	Q3'17	Q2'18	Q3'18	LTM 9/30/18	YTD 2017	YTD 2018
Cash Flows From Operating Activities	52.8	111.6	116.5	185.5	197.5	195.4	126.8	66.1	34.6	31.8	20.4	62.6	47.1	43.7
Add: Litigation settlement loss ¹	-	-	-	-	-	-	-	28.0	-	-	-	-	28.0	-
Add: Increase (decrease) in short-term real estate investments related to buy-rotate-lease-sell	-	-	-	-	-	-	13.0	16.4	9.5	(4.0)	16.4	27.0	11.6	22.3
Adjusted Cash Flows From Operating Activities	52.8	111.6	116.5	185.5	197.5	195.4	139.8	110.5	44.1	27.8	36.8	89.6	86.7	65.9
Cash Flows From Operating Activities	52.8	111.6	116.5	185.5	197.5	195.4	126.8	66.1	34.6	31.8	20.4	62.6	47.1	43.7
Less: Capital Expenditures	11.6	16.4	35.6	34.1	64.8	36.2	23.3	10.5	1.8	1.5	1.5	7.2	7.5	4.2
Cash Flows From Operating Activities Less Capital Expenditures	41.2	95.2	81.0	151.3	132.6	159.2	103.5	55.6	32.8	30.3	18.9	55.4	39.6	39.4
Add: Litigation settlement loss payment ¹	-	-	-	-	-	-	-	28.0	-	-	-	-	28.0	-
Add: Increase (decrease) in short-term real estate investments related to buy-rotate-lease-sell	-	-	-	-	-	-	13.0	16.4	9.5	(4.0)	16.4	27.0	11.6	22.3
Adjusted Cash Flows From Operating Activities Less Capital Expenditures	41.2	95.2	81.0	151.3	132.6	159.2	116.6	99.9	42.3	26.3	35.3	82.4	79.3	61.7
Net Income Attributable to Altisource	49.3	71.1	110.6	130.0	134.5	41.6	28.7	308.9	7.0	1.6	8.7	292.5	22.5	6.1
Add (Less): Income tax provision (benefit)	(0.4)	7.9	8.7	8.5	10.2	8.3	12.9	(276.3)	2.6	0.8	6.6	(277.8)	7.6	6.1
Add: Interest expense, net of interest income	0.1	0.1	1.0	19.4	23.3	28.1	24.3	22.0	5.6	6.9	6.5	24.5	16.7	19.2
Add: Impairment losses	2.8	-	-	-	37.5	71.8	-	-	-	-	-	-	-	-
Add (Less): Unrealized (gain) loss on investment in equity securities	-	-	-	-	-	-	-	-	-	(1.5)	(1.8)	4.2	-	4.2
Add: Depreciation and amortization	12.0	13.6	17.8	47.2	66.7	77.6	84.4	71.8	17.1	15.9	14.3	63.3	54.6	46.1
Less: Gain on Equator earn-out liability	-	-	-	-	(37.9)	(7.6)	-	-	-	-	-	-	-	-
EBITDA	63.8	92.8	138.2	205.1	234.2	219.7	150.3	126.4	32.2	23.7	34.3	106.6	101.4	81.6
Add: Loss on debt refinancing	-	-	-	-	-	-	-	-	-	4.4	-	4.4	-	4.4
Add: Litigation settlement loss ¹	-	-	-	-	-	-	28.0	-	-	-	0.5	0.5	-	0.5
Add: Sales tax accrual	-	-	-	-	-	-	-	-	-	-	5.9	5.9	-	5.9
Add: Restructuring charges	-	-	-	-	-	-	-	-	-	-	3.4	3.4	-	3.4
Add: Share-based compensation	3.1	3.9	3.6	2.4	2.2	4.8	6.2	4.3	1.4	1.9	2.0	7.2	3.2	6.2
Less: Gain on sale of business	-	-	-	-	-	-	-	-	-	-	(13.7)	(13.7)	-	(13.7)
Adjusted EBITDA	66.9	96.7	141.8	207.5	236.4	224.5	184.5	130.7	33.6	30.0	32.5	114.3	104.6	88.3

¹ Net of insurance recovery

Note: Numbers may not sum due to rounding

Non-GAAP Measures

Reconciliation (\$ in millions except per share data)	2010	2011	2012	2013	2014	2015	2016	2017	Q3'17	Q2'18	Q3'18	LTM 9/30/18	YTD 2017	YTD 2018
Calculation of the impact of intangible asset amortization expense, net of tax														
Intangible amortization expense	4.9	5.3	5.0	28.2	37.7	41.1	47.6	35.4	8.6	7.5	6.6	29.5	27.1	21.3
Tax benefit from intangible asset amortization	-	(0.5)	(0.4)	(1.7)	(2.6)	(2.9)	(10.8)	(7.8)	(2.2)	(2.0)	(2.1)	(7.7)	(6.4)	(6.2)
Intangible asset amortization expense, net of tax	4.9	4.8	4.7	26.5	35.1	38.2	36.8	27.5	6.5	5.5	4.5	21.8	20.7	15.1
Diluted share count (in 000s)	26,259	25,685	24,962	25,053	23,634	20,619	19,612	18,692	18,429	17,553	17,575	17,805 ¹	18,854	17,669
Intangible asset amortization expense, net of tax per diluted share	0.19	0.19	0.19	1.06	1.48	1.85	1.88	1.47	0.35	0.31	0.26	1.23	1.10	0.85
Calculation of the impact of share-based compensation, net of tax														
Share-based compensation	3.1	3.9	3.6	2.4	2.2	4.8	6.2	4.3	1.4	1.9	2.0	7.2	3.2	6.2
Tax benefit from share-based compensation	-	(0.4)	(0.3)	(0.1)	(0.2)	(0.3)	(1.4)	(0.9)	(0.3)	(0.5)	(0.6)	(1.9)	(0.8)	(1.8)
Share-based compensation, net of tax	3.1	3.6	3.4	2.3	2.1	4.5	4.8	3.3	1.0	1.4	1.4	5.3	2.5	4.4
Diluted share count (in 000s)	26,259	25,685	24,962	25,053	23,634	20,619	19,612	18,692	18,429	17,553	17,575	17,805 ¹	18,854	17,669
Share-based compensation, net of tax per diluted share	0.12	0.14	0.14	0.09	0.09	0.22	0.24	0.18	0.06	0.08	0.08	0.30	0.13	0.25
Calculation of the impact of the unrealized loss (gain) on investment in equity securities, net of tax														
Unrealized loss (gain) on investment in equity securities	-	-	-	-	-	-	-	-	-	(1.5)	(1.8)	4.2	-	4.2
Tax provision (benefit) from the unrealized loss (gain) on investment in equity securities	-	-	-	-	-	-	-	-	-	0.4	0.5	(1.1)	-	(1.1)
Unrealized loss (gain) on investment in equity securities, net of tax	-	-	-	-	-	-	-	-	-	(1.1)	(1.3)	3.1	-	3.1
Diluted share count (in 000s)	26,259	25,685	24,962	25,053	23,634	20,619	19,612	18,692	18,429	17,553	17,575	17,805 ¹	18,854	17,669
Unrealized loss (gain) on investment in equity securities, net of tax per diluted share	-	-	-	-	-	-	-	-	-	(0.06)	(0.08)	0.17	-	0.18

¹ Calculated as the simple average of the quarterly diluted share counts in each quarter of the twelve month period ended September 30, 2018
Note: Numbers may not sum due to rounding

Non-GAAP Measures

Reconciliation (\$ in millions except per share data)	2010	2011	2012	2013	2014	2015	2016	2017	Q3'17	Q2'18	Q3'18	LTM 9/30/18	YTD 2017	YTD 2018
Calculation of the impact of impairment loss, 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)	26,259	25,685	24,962	25,053	23,634	20,619	19,612	18,692	18,429	17,553	17,575	17,805 ¹	18,854	17,669
Impairment loss, net of tax per diluted share	0.11	-	-	-	1.48	3.43	-	-	-	-	-	-	-	-
Calculation of the gain on the Equator earn out liability, net of tax														
Gain on Equator earn out liability	-	-	-	-	(37.9)	(7.6)	-	-	-	-	-	-	-	-
Tax provision 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)	26,259	25,685	24,962	25,053	23,634	20,619	19,612	18,692	18,429	17,553	17,575	17,805 ¹	18,854	17,669
Gain on Equator earn out liability, net of tax per diluted share	-	-	-	-	(1.49)	(0.34)	-	-	-	-	-	-	-	-
Calculation of the impact of litigation settlement loss, net of tax														
Litigation settlement loss ²	-	-	-	-	-	-	28.0	-	-	-	0.5	0.5	-	0.5
Tax benefit from litigation settlement loss ²	-	-	-	-	-	-	(3.4)	-	-	-	(0.2)	(0.2)	-	(0.2)
Litigation settlement loss ² , net of tax	-	-	-	-	-	-	24.6	-	-	-	0.3	0.3	-	0.3
Diluted share count (in 000s)	26,259	25,685	24,962	25,053	23,634	20,619	19,612	18,692	18,429	17,553	17,575	17,805 ¹	18,854	17,669
Litigation settlement loss ² , net of tax per diluted share	-	-	-	-	-	-	1.25	-	-	-	0.02	0.02	-	0.02

¹ Calculated as the simple average of the quarterly diluted share counts in each quarter of the twelve month period ended September 30, 2018

² Net of insurance recovery

Note: Numbers may not sum due to rounding

Non-GAAP Measures

Reconciliation (\$ in millions except per share data)	2010	2011	2012	2013	2014	2015	2016	2017	Q3'17	Q2'18	Q3'18	LTM 9/30/18	YTD 2017	YTD 2018
Calculation of the impact of gain on sale of business, net of tax														
Gain on sale of business	-	-	-	-	-	-	-	-	-	-	(13.7)	(13.7)	-	(13.7)
Tax provision from gain on sale of business	-	-	-	-	-	-	-	-	-	-	4.3	4.3	-	4.3
Gain on sale of business, net of tax	-	-	-	-	-	-	-	-	-	-	(9.3)	(9.3)	-	(9.3)
Diluted share count (in 000s)	26,259	25,685	24,962	25,053	23,634	20,619	19,612	18,692	18,429	17,553	17,575	17,805 ¹	18,854	17,669
Gain on sale of business, net of tax per diluted share	-	-	-	-	-	-	-	-	-	-	(0.53)	(0.52)	-	(0.53)
Calculation of the impact of sales tax accrual, net of tax														
Sales tax accrual	-	-	-	-	-	-	-	-	-	-	5.9	5.9	-	5.9
Tax benefit from sales tax accrual	-	-	-	-	-	-	-	-	-	-	(1.9)	(1.9)	-	(1.9)
Sales tax accrual, net of tax	-	-	-	-	-	-	-	-	-	-	4.0	4.0	-	4.0
Diluted share count (in 000s)	26,259	25,685	24,962	25,053	23,634	20,619	19,612	18,692	18,429	17,553	17,575	17,805 ¹	18,854	17,669
Sales tax accrual, net of tax per diluted share	-	-	-	-	-	-	-	-	-	-	0.23	0.22	-	0.23
Calculation of the impact of restructuring charges, net of tax														
Restructuring charges	-	-	-	-	-	-	-	-	-	-	3.4	3.4	-	3.4
Tax benefit from restructuring charges	-	-	-	-	-	-	-	-	-	-	(1.1)	(1.1)	-	(1.1)
Restructuring charges, net of tax	-	-	-	-	-	-	-	-	-	-	2.3	2.3	-	2.3
Diluted share count (in 000s)	26,259	25,685	24,962	25,053	23,634	20,619	19,612	18,692	18,429	17,553	17,575	17,805 ¹	18,854	17,669
Restructuring charges, net of tax per diluted share	-	-	-	-	-	-	-	-	-	-	0.13	0.13	-	0.13

¹ Calculated as the simple average of the quarterly diluted share counts in each quarter of the twelve month period ended September 30, 2018

Note: Numbers may not sum due to rounding

Non-GAAP Measures

Reconciliation (\$ in millions except per share data)	2010	2011	2012	2013	2014	2015	2016	2017	Q3'17	Q2'18	Q3'18	LTM 9/30/18	YTD 2017	YTD 2018
Calculation of the impact of certain income tax related items, net resulting from:														
Luxembourg subsidiaries merger, net	-	-	-	-	-	-	-	(300.9)	-	-	-	(300.9)	-	-
Other income tax rate changes	-	-	-	-	-	-	-	6.3	-	-	-	6.3	-	-
Foreign income tax reserves	-	-	-	-	-	-	-	10.5	-	-	1.6	12.1	-	1.6
Certain income tax related items, net	-	-	-	-	-	-	-	(284.1)	-	-	-	(282.5)	-	-
Diluted share count (in 000s)	26,259	25,685	24,962	25,053	23,634	20,619	19,612	18,692	18,429	17,553	17,575	17,805 ¹	18,854	17,669
Certain income tax related items, net per diluted share	-	-	-	-	-	-	-	(15.20)	-	-	0.09	(15.87)	-	0.09
Calculation of the impact of the loss on debt refinancing														
Tax benefit from the loss on debt refinancing	-	-	-	-	-	-	-	-	-	4.4	-	4.4	-	4.4
Loss on debt refinancing, net of tax	-	-	-	-	-	-	-	-	-	(1.2)	-	(1.2)	-	(1.2)
Diluted share count (in 000s)	26,259	25,685	24,962	25,053	23,634	20,619	19,612	18,692	18,429	17,553	17,575	17,805 ¹	18,854	17,669
Loss on debt refinancing, net of tax per diluted share	-	-	-	-	-	-	-	-	-	0.18	-	0.18	-	0.18

Net Debt Less Marketable Securities

Reconciliation (\$ in millions)	12/31/2014	12/31/2015	12/31/2016	12/31/2017	9/30/2018
Senior secured term loans	\$591.5	\$536.6	\$479.7	\$413.6	\$388.8
Less: Cash and cash equivalents	(161.4)	(179.3)	(149.3)	(105.0)	(102.9)
Less: Marketable securities	-	-	(45.8)	(49.2)	(45.0)
Net debt less marketable securities	\$430.2	\$357.3	\$284.6	\$259.4	\$240.9

¹ Calculated as the simple average of the quarterly diluted share counts in each quarter of the twelve month period ended September 30, 2018

Note: Numbers may not sum due to rounding

Non-GAAP Measures

2018 Scenarios¹

Reconciliation (\$ in millions)	A	B	Midpoint	YTD 2018
Income Before Taxes and Non-Controlling Interests	13	20	16	14
Less: Net income attributable to non-controlling interests	(3)	(4)	(3)	(2)
Pretax Income Attributable to Altisource	10	16	13	12
Add: Intangible asset amortization expense	25	27	26	21
Add: Share-based compensation	8	9	8	6
Add: Unrealized loss on investment in equity securities	-	-	-	4
Add: Loss on debt refinancing	4	4	4	4
Less: Gain on sale of business	-	-	-	(14)
Add: Sales tax accrual	-	-	-	6
Add: Litigation settlement loss	-	-	-	1
Add: Restructuring charges	-	-	-	3
Adjusted Pretax Income Attributable to Altisource	48	56	52	44
Pretax Income Attributable to Altisource	10	16	13	12
Add: Interest expense, net of interest income	27	27	27	19
Add: Depreciation and amortization	56	57	56	46
Add: Share-based compensation	8	9	8	6
Add: Unrealized loss on investment in equity securities	-	-	-	4
Add: Loss on debt refinancing	4	4	4	4
Less: Gain on sale of business	-	-	-	(14)
Add: Sales tax accrual	-	-	-	6
Add: Litigation settlement loss	-	-	-	1
Add: Restructuring charges	-	-	-	3
Adjusted EBITDA	105	113	109	88

¹ 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

Non-GAAP Measures

2018 Scenarios¹

Reconciliation (\$ in millions)	A	B	Midpoint	YTD 2018
Net Income Attributable to Altisource	6	10	8	6
Add: Intangible asset amortization expense, net of tax	17	19	18	15
Add: Share-based compensation, net of tax	6	6	6	4
Add: Unrealized loss on investment in equity securities, net of tax	-	-	-	3
Add: Loss on debt refinancing, net of tax	3	3	3	3
Less: Gain on sale of business, net	-	-	-	(9)
Add: Sales tax accrual, net	-	-	-	4
Add: Litigation settlement loss, net of tax	-	-	-	-
Add: Restructuring charges, net	-	-	-	2
Add: Certain income tax related items, net	-	-	-	2
Adjusted Net Income Attributable to Altisource	32	38	35	31
Earnings Per Share – Diluted	0.36	0.57	0.46	0.35
Add: Intangible asset amortization expense, net of tax per diluted share	0.99	1.09	1.04	0.85
Add: Share-based compensation, net of tax per diluted share	0.33	0.35	0.33	0.25
Add: Unrealized loss on investment in equity securities, net of tax per diluted share	-	-	-	0.18
Add: Loss on debt refinancing, net of tax per diluted share	0.18	0.18	0.18	0.18
Less: Gain on sale of business, net	-	-	-	(0.53)
Add: Sales tax accrual, net	-	-	-	0.23
Add: Litigation settlement loss, net of tax	-	-	-	0.02
Add: Restructuring charges, net	-	-	-	0.13
Add: Certain income tax related items, net	-	-	-	0.09
Adjusted Earnings After Investments Per Share - Diluted	1.86	2.18	2.01	1.74
Cash Flows From Operating Activities	30	21	25	44
Add: Increase in short-term real estate investments related to buy-renovate-lease-sell	50	70	60	22
Adjusted Cash Flows From Operating Activities	80	91	85	66

¹ 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: Investor.relations@altisource.com
Exchange	NASDAQ Global Select Market
Ticker	ASPS
Headquarters	Luxembourg
Employees	Approximately 6,600

