



# Fourth Quarter 2018 Supplementary Information

February 26, 2019

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# 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; 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 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 (Loss) 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 (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 and non-cash share-based compensation, as well as the effect of more significant non-operational 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-operational 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.

# 2018 Highlights<sup>1</sup>

## ■ Corporate

- Generated \$68.4 million of cash flows from operating activities and \$79.4 million of adjusted cash flows from operating activities<sup>(2)</sup>
- Refinanced our senior secured term loan in April 2018, extending the maturity from December 2020 to April 2024; entered into an agreement for a \$15 million revolving line of credit, available for general corporate purposes, as part of our new credit facility
- Used \$15.0 million received from the sale of the rental property management business to Front Yard Residential Corporation (“RESI”) and \$49.9 million received and anticipated to be received from the discontinuation of the Buy-Renovate-Lease-Sell (“BRS”) business to repay debt
- Launched Project Catalyst to better align the Company’s cost structure with anticipated revenue, and improve operating margins and performance; we incurred \$11.6 million of severance costs, professional services fees and facility shutdown costs in connection with Project Catalyst
- Repurchased 1.6 million shares of our common stock at an average price of \$25.53 per share
- Ended 2018 with \$94.5 million of cash, cash equivalents and investment in equity securities
- Ended 2018 with \$244.3 million of net debt less investment in equity securities<sup>(2)</sup>
- Signed agreements with three new enterprise customers in the fourth quarter and was recognized as an industry leader by Forrester® in two Wave reports, one for Journey Visioning Platforms and the other for Journey Orchestration Platforms, in the Pointillist business

<sup>1</sup> Applies to 2018 unless otherwise indicated

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

# 2018 Highlights<sup>1</sup>

## ■ Mortgage Market

- Executed an agreement with one of the largest institutional real estate and mortgage investors in the U.S. to provide REO, foreclosure and short sale auctions, and began receiving REO referrals in the third quarter and foreclosure auction referrals in the fourth quarter (anticipate receiving short sale auction referrals in the first quarter 2019)
- Executed an agreement with a top-10 servicer to provide REO asset management and related services, and began receiving referrals in January 2019
- Executed an agreement with a top-5 servicer to provide field services, and anticipate beginning to receive referrals in the second quarter 2019
- Grew inventory of Hubzu homes by 64% from January 1, 2018 to December 31, 2018 (1,470 units on January 1, 2018 compared to 2,412 units on December 31, 2018) from customers other than Ocwen Financial Corporation (“Ocwen”), New Residential Investment Corp. (individually, together with one or more of its subsidiaries or one or more of its subsidiaries individually, “NRZ”) and RESI
- Launched the Trelix end-to-end fulfillment services offering

<sup>1</sup> Applies to 2018 unless otherwise indicated

# 2018 Highlights<sup>1</sup>

## ■ Real Estate Market

- Launched a new and improved Owners.com user experience (website and mobile applications) for home buyers and sellers and our real estate agents, to improve purchase and sale funnel conversion rates
- Grew Consumer Real Estate Solutions service revenue by 82% and the number of home purchase and sale transactions by 61%, in 2018 compared to 2017
- Increased the Consumer Real Estate Solutions active customer base from 2,300 clients at the end of 2017 to 5,300 clients at the end of 2018
- Sold the Real Estate Investor Solutions rental property management business to RESI for total transaction proceeds of \$18.0 million, \$15.0 million of which was received on the closing date and \$3.0 million of which will be received on the earlier of a RESI change of control or August 8, 2023; recognized a \$13.7 million pretax gain on the sale of this business
- Announced plans to sell the Real Estate Investor Solutions short-term investments in real estate and discontinue the BRS business; used \$49.9 million in proceeds and anticipated proceeds from BRS sales to repay a portion of the senior secured term loan
- Ended 2018 with \$39.9 million of BRS inventory consisting of 287 homes; the Company anticipates selling the majority of the BRS inventory in 2019

<sup>1</sup> Applies to 2018 unless otherwise indicated

# Full Year and Fourth Quarter 2018 Financial Results

\$ millions (except per share data)	FY 2018	Vs. FY 2017	Q4 2018	Vs. Q4 2017
Revenue	\$838.2	-11%	\$217.6	1%
Service Revenue	805.5	-10%	210.9	2%
Income from Operations	42.5	-15%	2.0	-76%
Adjusted Operating Income <sup>2</sup>	88.3	-1%	24.3	36%
Pretax Income (Loss) <sup>1</sup>	1.4	-96%	(12.8)	-512%
Adjusted Pretax Income Attributable to Altisource <sup>2</sup>	62.0	-14%	17.6	50%
Net Loss Attributable to Altisource	(5.4)	-102%	(11.5)	-104%
Adjusted Net Income Attributable to Altisource <sup>2</sup>	42.6	-23%	10.1	-6%
Loss Per Share - Diluted	(0.32)	-102%	(0.69)	-104%
Adjusted Earnings Per Share – Diluted <sup>2</sup>	2.43	-18%	0.59	-%

<sup>1</sup> Includes net income attributable to non-controlling interests of \$2.7 million and \$2.7 million for FY 2018 and FY 2017, respectively (\$0.6 million and \$0.6 million for Q4 2018 and Q4 2017, respectively)

<sup>2</sup> 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 <sup>3</sup>			Actual	
	Scenario A	Scenario B	Midpoint of Scenarios A and B	FY 2018	Percentage of Midpoint
Service Revenue	\$ 745	\$ 825	\$ 785	\$ 805	103%
Related to Ocwen / NRZ	510	560	535	569	106%
Unrelated to Ocwen / NRZ	235	265	250	236	94%
Investments	45	35	40	44	109%
Pretax Income (Loss) <sup>1,2,4</sup>	10	16	13	(1)	-10%
Adjusted Pretax Income <sup>1,2</sup>	48	56	52	62	119%
Adjusted EBITDA <sup>2</sup>	105	113	109	118	109%
Net Income (Loss) <sup>1,4</sup>	6	10	8	(5)	-67%
Adjusted Net Income <sup>1,2</sup>	32	38	35	43	122%
Earnings (Loss) per Share - Diluted <sup>4</sup>	0.36	0.57	0.46	(0.32)	-70%
Adjusted Earnings per Share - Diluted <sup>2</sup>	1.86	2.18	2.01	2.43	121%

<sup>1</sup> Attributable to Altisource

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

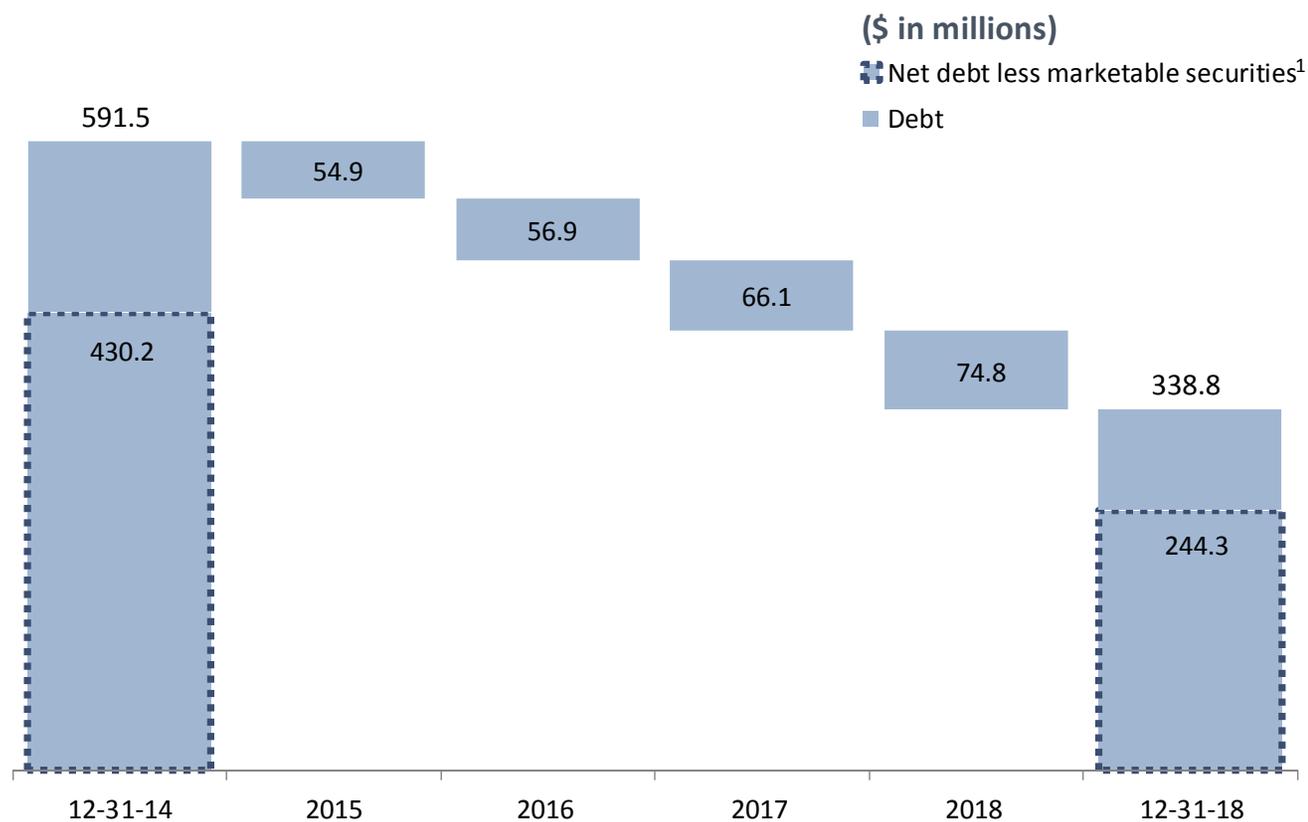
<sup>3</sup> Scenarios assume (1) an effective income tax rate of 30.0% and (2) average diluted shares outstanding of 17.5 million

<sup>4</sup> Scenarios do not assume a change in the fair value of equity securities

Note: Numbers may not sum due to rounding

# Long-Term Debt and Net Debt Less Marketable Securities<sup>1</sup>

Altisource has reduced its outstanding debt and net debt less marketable securities<sup>1</sup> by 43% since 2014



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

# Progress with Select Customer Wins

Notified of win	Customer description <sup>1</sup>	Service	Agreements executed	Agreements in negotiation	Went live in	Anticipated "Go Live" Date	Began receiving referrals in	Est. Stabilized revenue opportunity <sup>2</sup>
2H'17	Top 5 Servicer	Field Services	√			Q2'19		Very Large
2H'17	Top 10 Servicer	REO Asset Management	√		Q1'19		Q1'19	Very Large
1Q'18	Top 25 Servicer	Hubzu Foreclosure Auctions	√		Q3'18		Q3'18	Medium
1Q'18	Servicer	Field Services	√		Q4'18		Q4'18	Large
2Q'18	Servicer	Field Services	√		Q4'18		Q4'18	Medium
2Q'18	One of the largest institutional real estate and mortgage investors in the US	Hubzu REO Auctions	√		Q3'18		Q3'18	Very Large
		Hubzu Foreclosure Auctions	√		Q3'18		Q4'18	
		Hubzu Short Sale Auctions	√			Q1'19		
Q4'18	Lender	Trelix - End-to-End Services		√		Q2'19		Medium
Q4'18	Servicer	REO Asset Management		√		Q1'19		Medium
Q4'18	Top 25 Servicer	Field Services		√		Q3'19		Medium

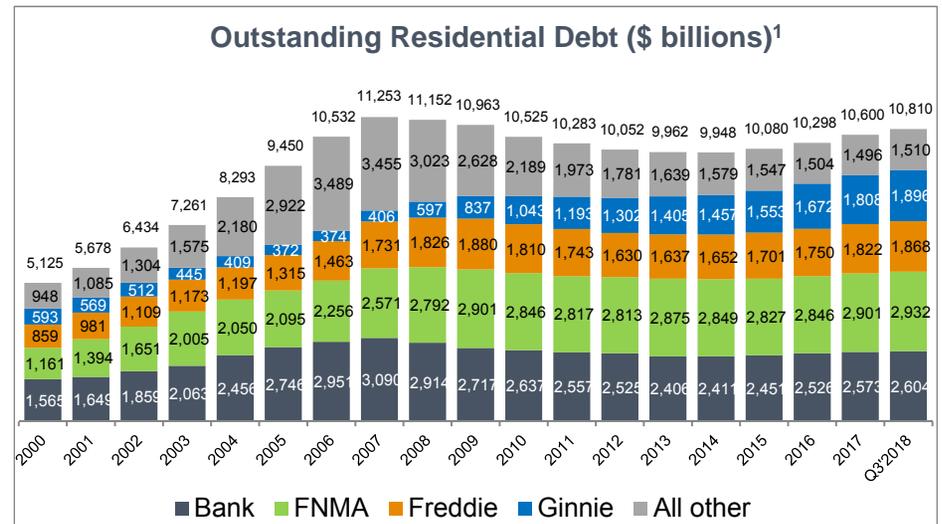
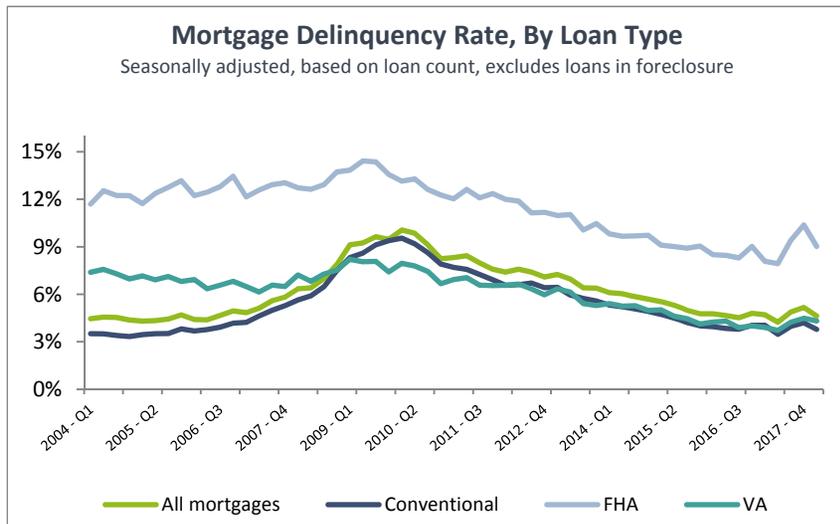
<sup>1</sup> Servicer size based on information from Inside Mortgage Finance

<sup>2</sup> Estimated 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.

# Market – Delinquent Mortgages

- Altisource is well positioned to benefit from a potential downturn in the economy
  - As delinquencies have declined, there are fewer default related service providers with a full suite of services, a nationwide footprint and scale
  - Altisource has a very attractive customer base, providing services to some of the largest mortgage servicers in the U.S.
  - If delinquencies rise, Altisource is poised to benefit from growth in referrals from our existing customer base and new customers



1. Outstanding residential debt represents mortgages on 1-4 family residences. Amounts are as of the end of each period indicated. Source: The Federal Reserve

# 2019 Scenarios

## 2019 Scenarios

\$ millions (except EPS)	Scenario A	Scenario B	Midpoint of Scenarios A and B
Service Revenue	\$ 652	\$ 705	\$ 679
Related to Ocwen / NRZ	444	473	459
Unrelated to Ocwen / NRZ	208	232	220
Investments	33	27	30
Pretax Income <sup>1,2</sup>	3	7	5
Adjusted Pretax Income <sup>1,2</sup>	50	58	54
Net Income <sup>1</sup>	2	4	3
Adjusted Net Income <sup>1,2</sup>	34	40	37
Earnings per Share - Diluted	0.12	0.22	0.17
Adjusted Earnings per Share - Diluted <sup>2</sup>	2.06	2.40	2.23

<sup>1</sup> Attributable to Altisource

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

Note: Numbers may not sum due to rounding

# 2019 Scenarios - Select Assumptions

- Exit / sale of certain businesses
  - Remaining buy-rotate-lease-sell assets are sold during 2019
  - No revenue or earnings from the 2018 sale of the Rental Property Management business and lower revenue and earnings from RESI's diminishing non-performing loan and REO portfolio
- Ocwen related:
  - Current Ocwen-serviced portfolios run off at rates that are similar to historical patterns and Altisource continues to receive referrals from these portfolios as it has in the past
  - Altisource begins receiving referrals from the Ocwen-serviced PHH portfolios on April 1, 2019
  - Ocwen transitions to another servicing system, and Altisource continues to receive referrals from these portfolios on an uninterrupted basis throughout the transition
- Corporate:
  - Debt is reduced by an additional \$45 million
  - No changes in the fair value of investments in equity securities
  - Effective tax rate is 30%
  - Average diluted shares outstanding are 16.5 million
- Execution of Project Catalyst initiatives is largely completed during 2019, and the Company incurs restructuring charges of approximately \$20 million

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# Financial Performance

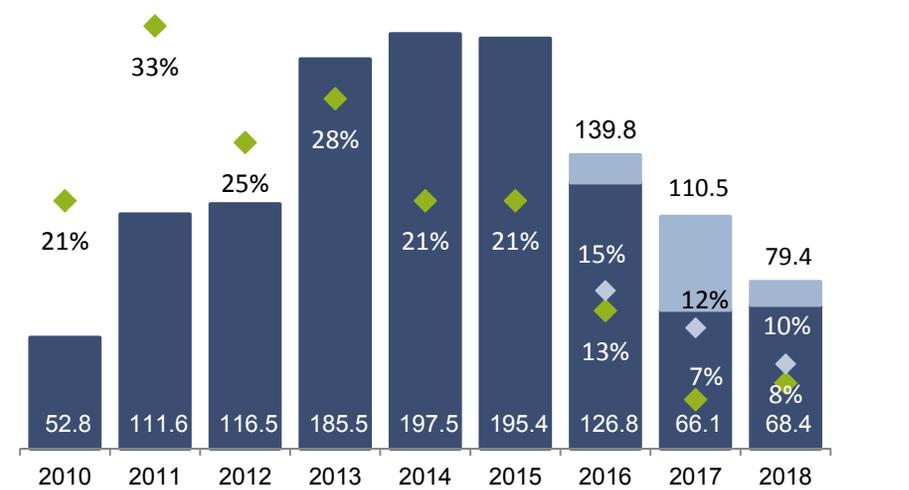
## Service Revenue (\$ millions)

- ◆ 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

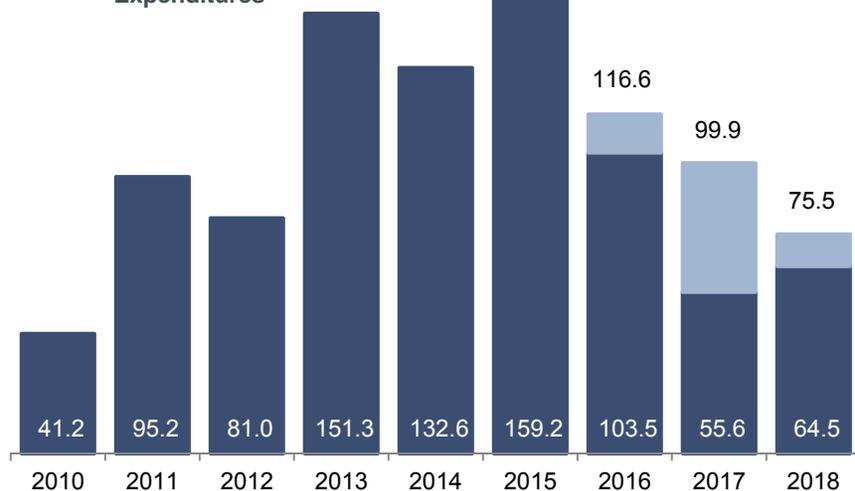


<sup>1</sup> This is a non-GAAP measure defined and reconciled in this Appendix

# Financial Performance

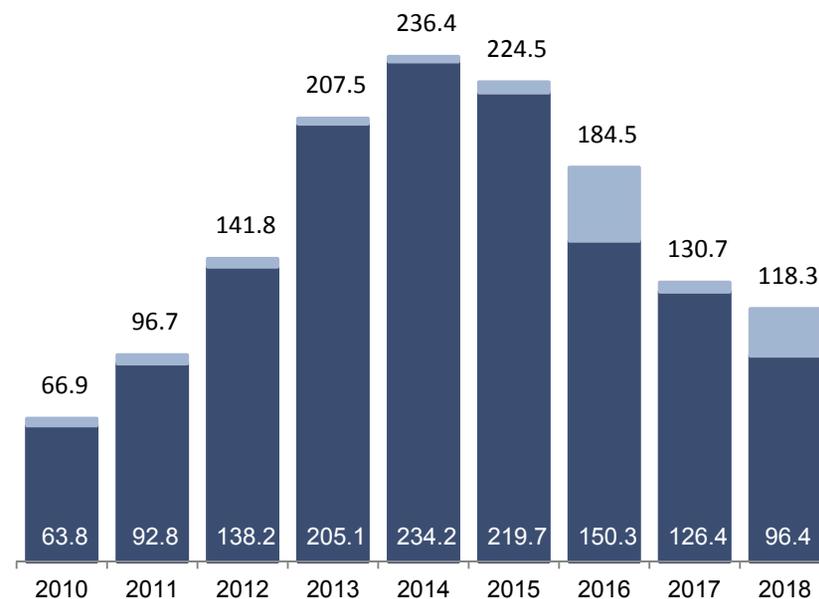
## Cash Flows From Operating Activities Less Capital Expenditures (\$ millions)

- 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>

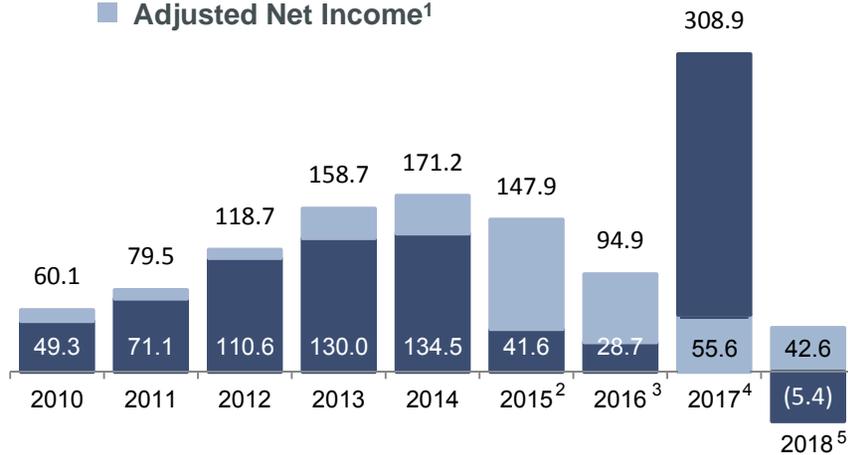


<sup>1</sup> This is a non-GAAP measure defined and reconciled in this Appendix

# Financial Performance

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

- GAAP Net Income (Loss)
- Adjusted Net Income<sup>1</sup>



## Earnings (Loss) 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 this 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 2016, we recognized a \$24.6 million after-tax litigation settlement loss, net of insurance recovery

<sup>4</sup> In 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

<sup>5</sup> In 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 \$9.6 million, realized an after-tax gain on sale of business of \$9.3 million, recognized an after-tax sales tax accrual of \$4.6 million, recognized an after-tax litigation settlement loss of \$0.3 million, recognized an after-tax loss on restructuring charges of \$9.0 million, recognized an after-tax goodwill write-off of \$2.0 million and recognized foreign income tax reserves of \$1.6 million

# Operating Metrics

	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18
<b>Ocwen Serviced Portfolio<sup>1</sup>:</b>									
<b>Default Related Services excluding mortgage charge-off:</b>									
Service revenue per delinquent loan <sup>2</sup> per quarter <sup>3</sup>									
Non-GSE	\$ 719	\$ 810	\$ 887	\$ 820	\$ 711	\$ 697	\$ 837	\$ 874	\$ 883
GSE <sup>4</sup>	\$ 110	\$ 95	\$ 108	\$ 95	\$ 95	\$ 85	\$ 88	\$ 91	\$ 88
Average number of delinquent loans serviced by Ocwen on REALServicing <sup>5</sup>									
Non-GSE (in thousands)	204	191	177	178	182	171	153	144	141
GSE (in thousands)	18	17	16	17	18	17	15	14	13
Average delinquency rate of loans on REALServicing									
Non-GSE	19.3%	18.7%	17.9%	18.7%	19.8%	19.1%	17.8%	17.3%	17.5%
GSE	5.8%	5.5%	5.3%	5.7%	6.5%	6.4%	5.9%	5.4%	5.3%
Provisional loan count on REALServicing as of the end of the period									
Non-GSE (in thousands)	1,046	1,012	977	943	912	883	853	825	800
GSE (in thousands)	315	308	300	291	275	268	258	246	238
<b>Servicer Technologies and IT Infrastructure Services:</b>									
Service revenue per loan per quarter	\$13	\$9	\$8	\$9	\$9	\$10	\$11	\$13	\$10
Average number of loans serviced by Ocwen on REALServicing (in thousands) <sup>5</sup>	1,376	1,334	1,291	1,248	1,204	1,163	1,123	1,084	1,048

<sup>1</sup> Includes the MSR's 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/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

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

<sup>5</sup> Average loans serviced for Q4'18 is provisional and subject to change

# Operating Metrics

	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18
<b>Hubzu:</b>									
Service revenue (in millions) <sup>1,2</sup>	\$ 50.8	\$ 53.5	\$ 53.4	\$ 48.2	\$ 43.3	\$ 43.3	\$ 45.5	\$ 37.5	\$ 33.4
Number of homes sold on Hubzu:									
Ocwen serviced portfolios <sup>3</sup>	5,991	6,000	5,648	4,984	4,464	3,880	4,374	4,018	3,577
Front Yard Residential	463	412	524	447	315	199	138	69	34
All other <sup>4</sup>	94	122	165	193	267	214	288	257	369
<b>Total</b>	<b>6,548</b>	<b>6,534</b>	<b>6,337</b>	<b>5,624</b>	<b>5,046</b>	<b>4,293</b>	<b>4,800</b>	<b>4,344</b>	<b>3,980</b>

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

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

<sup>3</sup> Includes the portfolios acquired (or to be acquired) by NRZ from Ocwen

<sup>4</sup> 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 (loss) 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 removing intangible asset amortization expense, share-based compensation expense, gain on sale of business, sales tax accrual, restructuring charges, goodwill write-off from business exit, litigation settlement loss, impairment loss and gain on Equator earn out liability, from income 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 attributable to Altisource is calculated by removing non-controlling interests, intangible asset amortization expense, share-based compensation expense, gain on sale of business, sales tax accrual, restructuring charges, loss on debt refinancing, goodwill write-off from business exit, unrealized loss on investment in equity securities, litigation settlement loss, impairment loss and gain on Equator earn out liability, from income (loss) before income taxes and non-controlling interests.
- Adjusted net income attributable to Altisource is calculated by removing intangible asset amortization expense (net of tax), share-based compensation expense (net of tax), gain on sale of business (net of tax), sales tax accrual (net of tax), restructuring charges (net of tax), loss on debt refinancing (net of tax), goodwill write-off from business exit (net of tax), unrealized loss on investment in equity securities (net of tax), certain income tax related items, net, litigation settlement loss (net of tax), impairment loss (net of tax) and gain on Equator earn out liability (net of tax), from net income (loss) attributable to Altisource.

# Non-GAAP Measures

- Adjusted diluted earnings per share is calculated by dividing net (loss) income attributable to Altisource after removing intangible asset amortization expense (net of tax), share-based compensation expense (net of tax), gain on sale of business (net of tax), sales tax accrual (net of tax), restructuring charges (net of tax), loss on debt refinancing (net of tax), goodwill write-off from business exit (net of tax), unrealized loss on investment in equity securities (net of tax), certain income tax related items, net and litigation settlement loss (net of tax), impairment loss (net of tax) and gain on Equator earn out liability (net of tax), by the weighted average number of diluted shares.
- Adjusted cash flow from operating activities is calculated by removing the cash payment related to the net litigation settlement loss, net of insurance recovery, and the change in short-term investments in real estate 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 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, 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, 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, goodwill write-off from business exit and share-based compensation less non-cash gains associated with reductions of the Equator earn out liability and gain on sale of business, 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 21 to 31

# Non-GAAP Measures

Reconciliation (\$ in millions except per share data)	2010	2011	2012	2013	2014	2015	2016	2017	2018	Q4'17	Q4'18
Income From Operations	55.0	85.7	127.4	162.1	170.5	79.1	65.1	49.7	42.5	8.6	2.0
Add: Intangible asset amortization expense	4.9	5.3	5.0	28.2	37.7	41.1	47.6	35.4	28.4	8.2	7.1
Add: Share-based compensation	3.1	3.9	3.6	2.4	2.2	4.8	6.2	4.3	10.2	1.0	4.0
Less: Gain on sale of business	-	-	-	-	-	-	-	-	(13.7)	-	-
Add: Sales tax accrual	-	-	-	-	-	-	-	-	6.2	-	0.4
Add: Restructuring charges	-	-	-	-	-	-	-	-	11.6	-	8.1
Add: Goodwill write-off from business exit	-	-	-	-	-	-	-	-	2.6	-	2.6
Add: Litigation settlement loss <sup>1</sup>	-	-	-	-	-	-	28.0	-	0.5	-	-
Add: Impairment loss	2.8	-	-	-	37.5	71.8	-	-	-	-	-
Less: Gain on Equator earn out liability	-	-	-	-	(37.9)	(7.6)	-	-	-	-	-
Adjusted Operating Income	65.8	94.9	136.1	192.6	209.9	189.2	146.9	89.3	88.3	17.8	24.3
Income (Loss) Before Income Taxes and Non-Controlling Interests	55.8	85.9	124.6	142.3	147.3	53.1	44.3	35.4	1.4	3.1	(12.8)
Less: Net income attributable to non-controlling interests	(6.9)	(6.9)	(5.3)	(3.8)	(2.6)	(3.2)	(2.7)	(2.7)	(2.7)	(0.6)	(0.6)
Pretax Income (Loss) Attributable to Altisource	48.9	79.1	119.4	138.5	144.7	49.9	41.6	32.6	(1.3)	2.5	(13.4)
Add: Intangible asset amortization expense	4.9	5.3	5.0	28.2	37.7	41.1	47.6	35.4	28.4	8.2	7.1
Add: Share-based compensation	3.1	3.9	3.6	2.4	2.2	4.8	6.2	4.3	10.2	1.0	4.0
Less: Gain on sale of business	-	-	-	-	-	-	-	-	(13.7)	-	-
Add: Sales tax accrual	-	-	-	-	-	-	-	-	6.2	-	0.4
Add: Restructuring charges	-	-	-	-	-	-	-	-	11.6	-	8.1
Add: Loss on debt refinancing	-	-	-	-	-	-	-	-	4.4	-	-
Add: Goodwill write-off from business exit	-	-	-	-	-	-	-	-	2.6	-	2.6
Add: Unrealized loss on investment in equity securities	-	-	-	-	-	-	-	-	13.0	-	8.8
Add: Litigation settlement loss <sup>1</sup>	-	-	-	-	-	-	28.0	-	0.5	-	-
Add: Impairment loss	2.8	-	-	-	37.5	71.8	-	-	-	-	-
Less: Gain on Equator earn out liability	-	-	-	-	(37.9)	(7.6)	-	-	-	-	-
Adjusted Pretax Income Attributable to Altisource	59.7	88.3	128.0	169.1	184.1	160.0	123.4	72.3	62.0	11.7	17.6



<sup>1</sup> 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	2018	Q4'17	Q4'18
Net Income (Loss) Attributable to Altisource	49.3	71.1	110.6	130.0	134.5	41.6	28.7	308.9	(5.4)	286.4	(11.5)
Add: Intangible asset amortization expense, net of tax	4.9	4.8	4.7	26.5	35.1	38.2	36.8	27.5	19.9	7.6	4.2
Add: Share-based compensation, net of tax	3.1	3.6	3.4	2.3	2.1	4.5	4.8	3.3	7.1	0.9	2.4
Less: Gain on sale of business, net of tax	-	-	-	-	-	-	-	-	(9.3)	-	-
Add: Sales tax accrual, net of tax	-	-	-	-	-	-	-	-	4.6	-	0.3
Add: Restructuring charges, net of tax	-	-	-	-	-	-	-	-	9.0	-	6.3
Add: Loss on debt refinancing, net of tax	-	-	-	-	-	-	-	-	3.2	-	-
Add: Goodwill write-off from business exit, net of tax	-	-	-	-	-	-	-	-	2.0	-	2.0
Add: Unrealized loss on investment in equity securities, net of tax	-	-	-	-	-	-	-	-	9.6	-	6.5
(Less) Add: Certain income tax related items, net	-	-	-	-	-	-	-	(284.1)	1.6	(284.1)	-
Add: Litigation settlement loss <sup>1</sup> , net of tax	-	-	-	-	-	-	24.6	-	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)	-	-	-	-	-
Adjusted Net Income Attributable to Altisource	60.1	79.5	118.7	158.7	171.2	147.9	94.9	55.6	42.6	10.8	10.1

<sup>1</sup> 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	2018	Q4'17	Q4'18
Earnings (Loss) Per Share – Diluted	1.88	2.77	4.43	5.19	5.69	2.02	1.46	16.53	(0.32)	15.72	(0.69)
Add: Impact of using diluted share count instead of basic share count for loss per share	-	-	-	-	-	-	-	-	0.01	-	0.01
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	1.14	0.42	0.25
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	0.41	0.05	0.14
Less: Gain on sale of business, net of tax per diluted share	-	-	-	-	-	-	-	-	(0.53)	-	-
Add: Sales tax accrual, net of tax per diluted share	-	-	-	-	-	-	-	-	0.26	-	0.02
Add: Restructuring charges, net of tax per diluted share	-	-	-	-	-	-	-	-	0.51	-	0.37
Add: Loss on debt refinancing, net of tax per diluted share	-	-	-	-	-	-	-	-	0.18	-	-
Add: Goodwill write-off from business exit, net of tax per diluted share	-	-	-	-	-	-	-	-	0.11	-	0.11
Add: Unrealized loss on investment in equity securities, net of tax per diluted share	-	-	-	-	-	-	-	-	0.55	-	0.38
(Less) Add: Certain income tax related items, net per diluted share	-	-	-	-	-	-	-	(15.20)	0.09	(15.60)	-
Add: Litigation settlement loss <sup>1</sup> , net of tax per diluted share	-	-	-	-	-	-	1.25	-	0.02	-	-
Add: Impairment loss, net of tax per diluted share	0.11	-	-	-	1.48	3.43	-	-	-	-	-
Less: Gain on Equator earn out liability, net of tax per diluted share	-	-	-	-	(1.49)	(0.34)	-	-	-	-	-
Adjusted Earnings Per Share – Diluted	2.29	3.09	4.75	6.34	7.24	7.18	4.84	2.98	2.43	0.59	0.59

<sup>1</sup> 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	2018	Q4'17	Q4'18
Cash Flows From Operating Activities	52.8	111.6	116.5	185.5	197.5	195.4	126.8	66.1	68.4	19.0	24.8
Add: Litigation settlement loss <sup>1</sup>	-	-	-	-	-	-	-	28.0	0.5	-	0.5
Add: Increase (decrease) in short-term real estate investments related to buy-rotate-lease-sell	-	-	-	-	-	-	13.0	16.4	10.5	4.8	(11.8)
Adjusted Cash Flows From Operating Activities	52.8	111.6	116.5	185.5	197.5	195.4	139.8	110.5	79.4	23.7	13.4
Cash Flows From Operating Activities	52.8	111.6	116.5	185.5	197.5	195.4	126.8	66.1	68.4	19.0	24.8
Less: Capital Expenditures	11.6	16.4	35.6	34.1	64.8	36.2	23.3	10.5	(3.9)	(3.0)	0.3
Cash Flows From Operating Activities Less Capital Expenditures	41.2	95.2	81.0	151.3	132.6	159.2	103.5	55.6	64.5	15.9	25.0
Add: Litigation settlement loss payment <sup>1</sup>	-	-	-	-	-	-	-	28.0	0.5	-	0.5
Add: Increase (decrease) in short-term real estate investments related to buy-rotate-lease-sell	-	-	-	-	-	-	13.0	16.4	10.5	4.8	(11.8)
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	75.5	20.7	13.7
Net Income (Loss) Attributable to Altisource	49.3	71.1	110.6	130.0	134.5	41.6	28.7	308.9	(5.4)	286.4	(11.5)
Add (Less): Income tax provision (benefit)	(0.4)	7.9	8.7	8.5	10.2	8.3	12.9	(276.3)	4.1	(283.9)	(2.0)
Add: Interest expense, net of interest income	0.1	0.1	1.0	19.4	23.3	28.1	24.3	22.0	25.5	5.3	6.4
Add: Depreciation and amortization	12.0	13.6	17.8	47.2	66.7	77.6	84.4	71.8	59.2	17.3	13.2
Add: Unrealized loss on investment in equity securities	-	-	-	-	-	-	-	-	13.0	-	8.8
Add: Impairment losses	2.8	-	-	-	37.5	71.8	-	-	-	-	-
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	96.4	25.0	14.9
Add: Share-based compensation	3.1	3.9	3.6	2.4	2.2	4.8	6.2	4.3	10.2	1.0	4.0
Less: Gain on sale of business	-	-	-	-	-	-	-	-	(13.7)	-	-
Add: Sales tax accrual	-	-	-	-	-	-	-	-	6.2	-	0.4
Add: Restructuring charges	-	-	-	-	-	-	-	-	11.6	-	8.1
Add: Loss on debt refinancing	-	-	-	-	-	-	-	-	4.4	-	-
Add: Goodwill write-off from business exit	-	-	-	-	-	-	-	-	2.6	-	2.6
Add: Litigation settlement loss <sup>1</sup>	-	-	-	-	-	-	28.0	-	0.5	-	-
Adjusted EBITDA	66.9	96.7	141.8	207.5	236.4	224.5	184.5	130.7	118.3	26.0	30.0

<sup>1</sup> 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	2018	Q4'17	Q4'18
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	28.4	8.2	7.1
Tax benefit from intangible asset amortization	-	(0.5)	(0.4)	(1.7)	(2.6)	(2.9)	(10.8)	(7.8)	(8.5)	(0.6)	(2.9)
Intangible asset amortization expense, net of tax	4.9	4.8	4.7	26.5	35.1	38.2	36.8	27.5	19.9	7.6	4.2
Diluted share count (in 000s)	26,259	25,685	24,962	25,053	23,634	20,619	19,612	18,692	17,523	18,211	17,091
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	1.14	0.42	0.25
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	10.2	1.0	4.0
Tax benefit from share-based compensation	-	(0.4)	(0.3)	(0.1)	(0.2)	(0.3)	(1.4)	(0.9)	(3.1)	(0.1)	(1.7)
Share-based compensation, net of tax	3.1	3.6	3.4	2.3	2.1	4.5	4.8	3.3	7.1	0.9	2.4
Diluted share count (in 000s)	26,259	25,685	24,962	25,053	23,634	20,619	19,612	18,692	17,523	18,211	17,091
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	0.41	0.05	0.14
Calculation of the impact of the unrealized loss on investment in equity securities, net of tax											
Unrealized loss on investment in equity securities	-	-	-	-	-	-	-	-	13.0	-	8.8
Tax benefit from the unrealized loss on investment in equity securities	-	-	-	-	-	-	-	-	(3.4)	-	(2.3)
Unrealized loss on investment in equity securities, net of tax	-	-	-	-	-	-	-	-	9.6	-	6.5
Diluted share count (in 000s)	26,259	25,685	24,962	25,053	23,634	20,619	19,612	18,692	17,523	18,211	17,091
Unrealized loss on investment in equity securities, net of tax per diluted share	-	-	-	-	-	-	-	-	0.55	-	0.38

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	2018	Q4'17	Q4'18
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	17,523	18,211	17,091
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	17,523	18,211	17,091
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 <sup>1</sup>	-	-	-	-	-	-	28.0	-	0.5	-	-
Tax benefit from litigation settlement loss <sup>1</sup>	-	-	-	-	-	-	(3.4)	-	(0.2)	-	-
Litigation settlement loss <sup>1</sup> , net of tax	-	-	-	-	-	-	24.6	-	0.3	-	-
Diluted share count (in 000s)	26,259	25,685	24,962	25,053	23,634	20,619	19,612	18,692	17,523	18,211	17,091
Litigation settlement loss <sup>1</sup> , net of tax per diluted share	-	-	-	-	-	-	1.25	-	0.02	-	-

<sup>1</sup> 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	2018	Q4'17	Q4'18
Calculation of the impact of gain on sale of business, net of tax											
Gain on sale of business	-	-	-	-	-	-	-	-	(13.7)	-	-
Tax provision from gain on sale of business	-	-	-	-	-	-	-	-	4.3	-	-
Gain on sale of business, net of tax	-	-	-	-	-	-	-	-	(9.3)	-	-
Diluted share count (in 000s)	26,259	25,685	24,962	25,053	23,634	20,619	19,612	18,692	17,523	18,211	17,091
Gain on sale of business, net of tax per diluted share	-	-	-	-	-	-	-	-	(0.53)	-	-
Calculation of the impact of sales tax accrual, net of tax											
Sales tax accrual	-	-	-	-	-	-	-	-	6.2	-	0.4
Tax benefit from sales tax accrual	-	-	-	-	-	-	-	-	(1.6)	-	(0.1)
Sales tax accrual, net of tax	-	-	-	-	-	-	-	-	4.6	-	0.3
Diluted share count (in 000s)	26,259	25,685	24,962	25,053	23,634	20,619	19,612	18,692	17,523	18,211	17,091
Sales tax accrual, net of tax per diluted share	-	-	-	-	-	-	-	-	0.26	-	0.02
Calculation of the Goodwill write-off from business exit, net of tax											
Goodwill write-off from business exit	-	-	-	-	-	-	-	-	2.6	-	2.6
Tax benefit from Goodwill write-off from business exit	-	-	-	-	-	-	-	-	(0.7)	-	(0.7)
Goodwill write-off from business exit, net of tax	-	-	-	-	-	-	-	-	2.0	-	2.0
Diluted share count (in 000s)	26,259	25,685	24,962	25,053	23,634	20,619	19,612	18,692	17,523	18,211	17,091
Goodwill write-off from business exit, net of tax per diluted share	-	-	-	-	-	-	-	-	0.11	-	0.11
Calculation of the impact of restructuring charges, net of tax											
Restructuring charges	-	-	-	-	-	-	-	-	11.6	-	8.1
Tax benefit from restructuring charges	-	-	-	-	-	-	-	-	(2.6)	-	(1.8)
Restructuring charges, net of tax	-	-	-	-	-	-	-	-	9.0	-	6.3
Diluted share count (in 000s)	26,259	25,685	24,962	25,053	23,634	20,619	19,612	18,692	17,523	18,211	17,091
Restructuring charges, net of tax per diluted share	-	-	-	-	-	-	-	-	0.51	-	0.37

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	2018	Q4'17	Q4'18
Calculation of the impact of certain income tax related items, net resulting from:											
Luxembourg subsidiaries merger, net	-	-	-	-	-	-	-	(300.9)	-	-	-
Other income tax rate changes	-	-	-	-	-	-	-	6.3	-	-	-
Foreign income tax reserves	-	-	-	-	-	-	-	10.5	-	-	-
Certain income tax related items, net	-	-	-	-	-	-	-	(284.1)	1.6	-	-
Diluted share count (in 000s)	26,259	25,685	24,962	25,053	23,634	20,619	19,612	18,692	17,523	18,211	17,091
Certain income tax related items, net per diluted share	-	-	-	-	-	-	-	(15.20)	0.09	-	-
Calculation of the impact of the loss on debt refinancing											
Tax benefit from the loss on debt refinancing	-	-	-	-	-	-	-	-	4.4	-	-
Loss on debt refinancing, net of tax	-	-	-	-	-	-	-	-	(1.2)	-	-
Diluted share count (in 000s)	26,259	25,685	24,962	25,053	23,634	20,619	19,612	18,692	17,523	18,211	17,091
Loss on debt refinancing, net of tax per diluted share	-	-	-	-	-	-	-	-	0.18	-	-

## Net Debt Less Marketable Securities

Reconciliation (\$ in millions)	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018
Senior secured term loans	\$591.5	\$536.6	\$479.7	\$413.6	\$338.8
Less: Cash and cash equivalents	(161.4)	(179.3)	(149.3)	(105.0)	(58.3)
Less: Marketable securities	-	-	(45.8)	(49.2)	(36.2)
Net debt less marketable securities	\$430.2	\$357.3	\$284.6	\$259.4	\$244.3

Note: Numbers may not sum due to rounding

# Non-GAAP Measures

Reconciliation (\$ in millions)	2018 Scenarios <sup>1</sup>			Actual
	A	B	Midpoint	2018
Income Before Taxes and Non-Controlling Interests	13	20	16	1
Less: Net income attributable to non-controlling interests	(3)	(4)	(3)	(3)
Pretax Income (Loss) Attributable to Altisource	10	16	13	(1)
Add: Intangible asset amortization expense	25	27	26	28
Add: Share-based compensation	8	9	8	10
Less: Gain on sale of business	-	-	-	(14)
Add: Sales tax accrual	-	-	-	6
Add: Restructuring charges	-	-	-	12
Add: Loss on debt refinancing	4	4	4	4
Add: Goodwill write-off from business exit	-	-	-	3
Add: Unrealized loss on investment in equity securities	-	-	-	13
Add: Litigation settlement loss	-	-	-	1
Adjusted Pretax Income Attributable to Altisource	48	56	52	62
Pretax Income (Loss) Attributable to Altisource	10	16	13	(1)
Add: Interest expense, net of interest income	27	27	27	26
Add: Depreciation and amortization	56	57	56	59
Add: Share-based compensation	8	9	8	10
Less: Gain on sale of business	-	-	-	(14)
Add: Sales tax accrual	-	-	-	6
Add: Restructuring charges	-	-	-	12
Add: Loss on debt refinancing	4	4	4	4
Add: Goodwill write-off from business exit	-	-	-	3
Add: Unrealized loss on investment in equity securities	-	-	-	13
Add: Litigation settlement loss	-	-	-	1
Adjusted EBITDA	105	113	109	118

<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

# Non-GAAP Measures

Reconciliation (\$ in millions, except per share data)	2018 Scenarios <sup>1</sup>			Actual
	A	B	Midpoint	2018
Net Income (Loss) Attributable to Altisource	6	10	8	(5)
Add: Intangible asset amortization expense, net of tax	17	19	18	20
Add: Share-based compensation, net of tax	6	6	6	7
Less: Gain on sale of business, net	-	-	-	(9)
Add: Sales tax accrual, net	-	-	-	5
Add: Restructuring charges, net	-	-	-	9
Add: Loss on debt refinancing, net of tax	3	3	3	3
Add: Goodwill write-off from business exit, net of tax	-	-	-	2
Add: Unrealized loss on investment in equity securities, net of tax	-	-	-	10
Add: Certain income tax related items, net	-	-	-	2
Add: Litigation settlement loss, net of tax	-	-	-	0
Adjusted Net Income Attributable to Altisource	32	38	35	43
Earnings (Loss) Per Share – Diluted	0.36	0.57	0.46	(0.32)
Impact of using diluted share count instead of basic share count for a loss per share	-	-	-	0.01
Add: Intangible asset amortization expense, net of tax per diluted share	0.99	1.09	1.04	1.14
Add: Share-based compensation, net of tax per diluted share	0.33	0.35	0.33	0.41
Less: Gain on sale of business, net of tax per diluted share	-	-	-	(0.53)
Add: Sales tax accrual, net of tax per diluted share	-	-	-	0.26
Add: Restructuring charges, net of tax per diluted share	-	-	-	0.51
Add: Loss on debt refinancing, net of tax per diluted share	0.18	0.18	0.18	0.18
Add: Goodwill write-off from business exit, net of tax per diluted share	-	-	-	0.11
Add: Unrealized loss on investment in equity securities, net of tax per diluted share	-	-	-	0.55
Add: Certain income tax related items, net per diluted share	-	-	-	0.09
Add: Litigation settlement loss, net of tax per diluted share	-	-	-	0.02
Adjusted Earnings Per Share - Diluted	1.86	2.18	2.01	2.43
Cash Flows From Operating Activities	30	21	25	68
Add: Increase in short-term real estate investments related to buy-renovate-lease-sell	50	70	60	10
Add: Litigation settlement loss	-	-	-	1
Adjusted Cash Flows From Operating Activities	80	91	85	79

<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



# Non-GAAP Measures

## 2019 Scenarios<sup>1</sup>

Reconciliation (\$ in millions, except per share data)	A	B	Midpoint
Income Before Taxes and Non-Controlling Interests	6	10	8
Less: Net income attributable to non-controlling interests	(3)	(3)	(3)
Pretax Income Attributable to Altisource	3	7	5
Add: Intangible asset amortization expense	20	22	21
Add: Share-based compensation	8	8	8
Add: Restructuring charges	19	21	20
Adjusted Pretax Income Attributable to Altisource	50	58	54
Net Income Attributable to Altisource	2	4	3
Add: Intangible asset amortization expense, net of tax	14	15	15
Add: Share-based compensation, net of tax	5	6	6
Add: Restructuring charges, net	13	15	14
Adjusted Net Income Attributable to Altisource	34	40	37
Earnings Per Share – Diluted	0.12	0.22	0.17
Add: Intangible asset amortization expense, net of tax per diluted share	0.85	0.93	0.89
Add: Share-based compensation, net of tax per diluted share	0.32	0.36	0.34
Add: Restructuring charges, net	0.77	0.89	0.83
Adjusted Earnings After Investments Per Share - Diluted	2.06	2.40	2.23

<sup>1</sup> Scenarios assume (1) an effective income tax rate of 30.0% and (2) average diluted shares outstanding of 16.5 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: <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 6,000



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