



Third Quarter 2017 Supplementary Information

October 26, 2017

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Forward-Looking Statements and Estimates

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

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

Non-GAAP Measures

Adjusted Operating Income, Pretax Income (Loss) Attributable to Altisource, Adjusted Pretax Income, Adjusted Pretax Income Before Investments, Earnings Before Interest, Taxes, Depreciation and Amortization (“EBITDA”), Adjusted EBITDA, Adjusted EBITDA Before Investments, Adjusted Net Income, Adjusted Earnings Per Share – Diluted, Adjusted Earnings Before Investments Per Share – Diluted, Adjusted Operating Cash Flow, Free Cash Flow, Adjusted Free Cash Flow and Net Debt Less Marketable Securities are non-GAAP measures used by management, existing shareholders, potential shareholders and other users of our financial information to measure Altisource’s performance and do not purport to be alternatives to income (loss) before income taxes and non-controlling interests, income (loss) from operations, net income (loss) attributable to Altisource, operating cash flow, diluted earnings (loss) per share and long-term debt, including current portion. We believe these measures are useful to management, existing shareholders, potential shareholders and other users of our financial information in evaluating operating profitability more on a continuing cost basis as they exclude amortization expense related to acquisitions that occurred in prior periods, depreciation expenses, financing expenses, costs related to the development of new businesses and technologies, as well as the effect of more significant non-recurring items from earnings and long term debt net of cash on hand and marketable securities. We believe these measures are useful to management, existing shareholders, potential shareholders and other users of our financial information 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 income (loss) before income taxes and non-controlling interests, net income (loss) attributable to Altisource, earnings (loss) per share – diluted, operating cash flow or long-term debt, including current portion in the Appendix to this presentation.

Third Quarter 2017 Highlights¹

- Strong quarter with service revenue of \$224.3 million, operating cash flow of \$34.6 million and adjusted operating cash flow² of \$44.1 million
 - On target to exceed the mid-point of our full year 2017 scenarios for service revenue and to be within the range of the midpoint of our full year 2017 scenarios³ for adjusted diluted earnings per share
- Growing diversification momentum with non-Ocwen/non-New Residential Investment Corp. (“NRZ”) client revenue
 - Three notable recent wins in the Servicer Solutions business and one in the Origination Solutions business (in the third quarter and early fourth quarter)
 - Tangible improvements in lead conversions in the Consumer Real Estate Solutions business
 - Continued transition of the Real Estate Investor Solutions business with a focus on (1) directly buying, renovating, leasing and selling homes, (2) providing renovation management services and (3) developing and growing our rental and investor property data sales
- 2018 is shaping up to be very busy, given our recent client wins and a very active sales pipeline

¹ Applies to the third quarter of 2017 unless otherwise indicated

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

³ The scenarios have been adjusted to reflect the anticipated impact of the agreements with NRZ and certain operational changes

Third Quarter 2017 Highlights¹

- Continued execution on opportunistic debt and share repurchases
 - Purchased \$24.1 million of the Company's senior secured term loan at an average discount of 7.5%, generating a \$1.5 million gain
 - Repurchased 273 thousand shares of Altisource's common stock at an average price of \$23.48 per share
- Prior investments and long-term contractual relationships provide strong free cash flow generation and a high degree of visibility into future earnings
 - On August 28, 2017 entered into a long-term Cooperative Brokerage Agreement with NRZ, one of the largest and most active owners of non-GSE MSR in the industry, to provide REO brokerage services on NRZ MSR sub-serviced by Ocwen and certain other non-Ocwen sub-serviced MSR portfolios, and a letter of intent to enter into a Services Agreement within 60 days
 - Engaged in constructive negotiations with NRZ on the Services Agreement
 - Effective as of October 23, 2017, entered into an amendment with NRZ to extend the term of the letter of intent to provide the parties until January 12, 2018 to finalize the Services Agreement, as further described in the Company's third quarter 2017 Form 10-Q
- Committed to investing in growth initiatives given our success in the Mortgage Market segment and our ability to leverage our experience and expansive suite of offerings to grow the newer Real Estate Market businesses

¹ Applies to the third quarter of 2017 unless otherwise indicated

Third Quarter 2017 Financial Results

\$ millions (except EPS)	YTD 2017		Q3 2017		Q3 2017	
		Vs. YTD 2016		Vs. Q3 2016	Q2 2017	Vs. Q2 2017
Revenue	\$726.1	-4%	\$235.0	-7%	\$250.7	-6%
Service Revenue	\$692.3	-3%	\$224.3	-6%	\$238.1	-6%
Pretax Income ¹	\$32.3	-49%	\$10.4	-45%	\$12.2	-15%
EBITDA ²	\$101.4	-30%	\$32.2	-28%	\$35.2	-8%
Adjusted Pretax Income Attributable to Altisource ²	\$57.3	-42%	\$18.2	-38%	\$20.9	-13%
Net Income Attributable to Altisource	\$22.5	-54%	\$7.0	-34%	\$9.0	-23%
Adjusted Net Income Attributable to Altisource ²	\$43.3	-45%	\$13.4	-24%	\$16.5	-19%
Earnings Per Share – Diluted	\$1.20	-52%	\$0.38	-30%	\$0.48	-21%
Adjusted Earnings Per Share – Diluted ²	\$2.30	-42%	\$0.73	-19%	\$0.88	-17%

¹ Includes net income attributable to non-controlling interests of \$2.1 million and \$2.0 million for YTD 2017 and YTD 2016, respectively (\$0.8 million, \$0.7 million and \$0.9 million for Q3 2017, Q2 2017 and Q3 2016, respectively)

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

2017 Scenarios¹

\$ millions (except EPS)	Scenarios			Actual	
	Scenario A ⁵	Scenario B ⁵	Midpoint of Scenarios A and B	YTD 2017 Actual	Percentage of Midpoint
Service Revenue	\$ 790	\$ 930	\$ 860	\$ 692	80%
Related to Ocwen / NRZ	\$ 515	\$ 565	\$ 540	\$ 514	95%
Unrelated to Ocwen / NRZ	\$ 275	\$ 365	\$ 320	\$ 178	56%
Before Investments:					
Adjusted Pretax Income ³	\$ 123	\$ 130	\$ 126	\$ 103	82%
EBITDA ³	\$ 177	\$ 185	\$ 181	\$ 145	80%
Adjusted Earnings per Share - Diluted ³	\$ 4.46	\$ 4.73	\$ 4.60	\$ 4.16	90%
Investments ⁴	\$ 54	\$ 47	\$ 50	\$ 46	91%
After Investments:					
Pretax Income ^{2,3}	\$ 35	\$ 48	\$ 41	\$ 30	73%
Adjusted Pretax Income ³	\$ 69	\$ 83	\$ 76	\$ 57	75%
EBITDA ³	\$ 126	\$ 139	\$ 132	\$ 101	77%
Net Income ²	\$ 23	\$ 33	\$ 28	\$ 23	80%
Adjusted Net Income ³	\$ 48	\$ 57	\$ 52	\$ 43	83%
Earnings per Share - Diluted	\$ 1.21	\$ 1.72	\$ 1.47	\$ 1.20	82%
Adjusted Earnings per Share - Diluted ³	\$ 2.48	\$ 2.99	\$ 2.74	\$ 2.30	84%

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

² Attributable to Altisource

³ This is a non-GAAP measure defined and reconciled in the Appendix

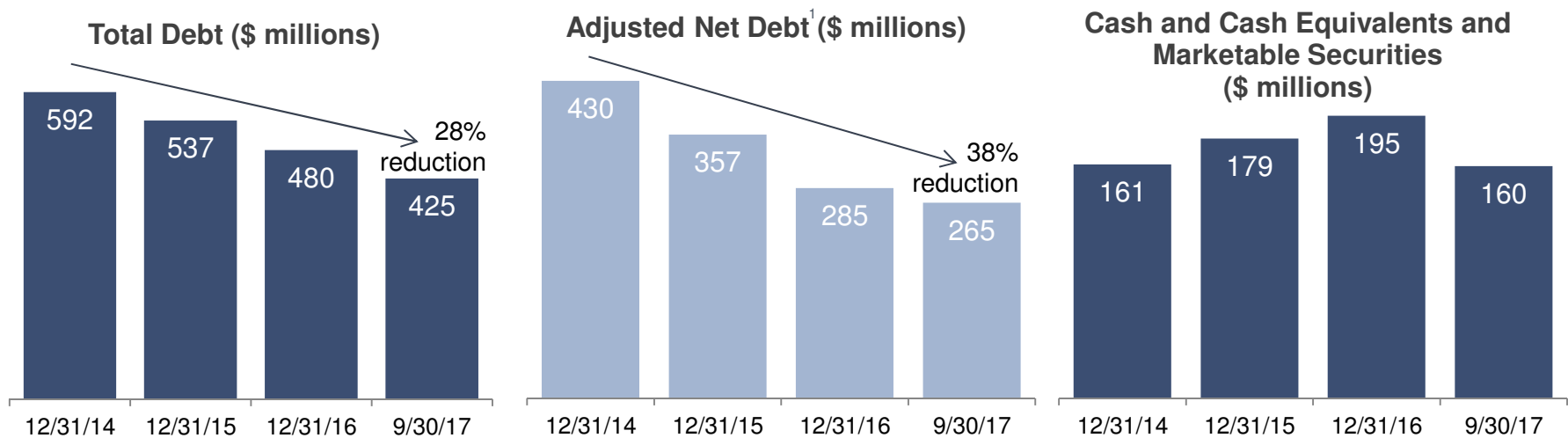
⁴ For the purposes of this presentation, investments are primarily comprised of operating losses of some of our earlier stage businesses and technology development costs that we do not capitalize. Investments exclude capital expenditures

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

Note: Numbers may not sum due to rounding

Strong Balance Sheet and Active Liability Management

Capitalizing on secondary market pricing, Altisource has used portions of its cash flow to reduce Debt and Net Debt



- Since December 31, 2014, Altisource reduced its total debt by \$166.5 million, including voluntary purchases of \$150.1 million par value at a weighted average discount of 11.9%
- Altisource plans to continue to opportunistically purchase its debt and common stock given the strong contractual cash flows from the Ocwen and NRZ portfolios and the progress we are making with existing and new customers

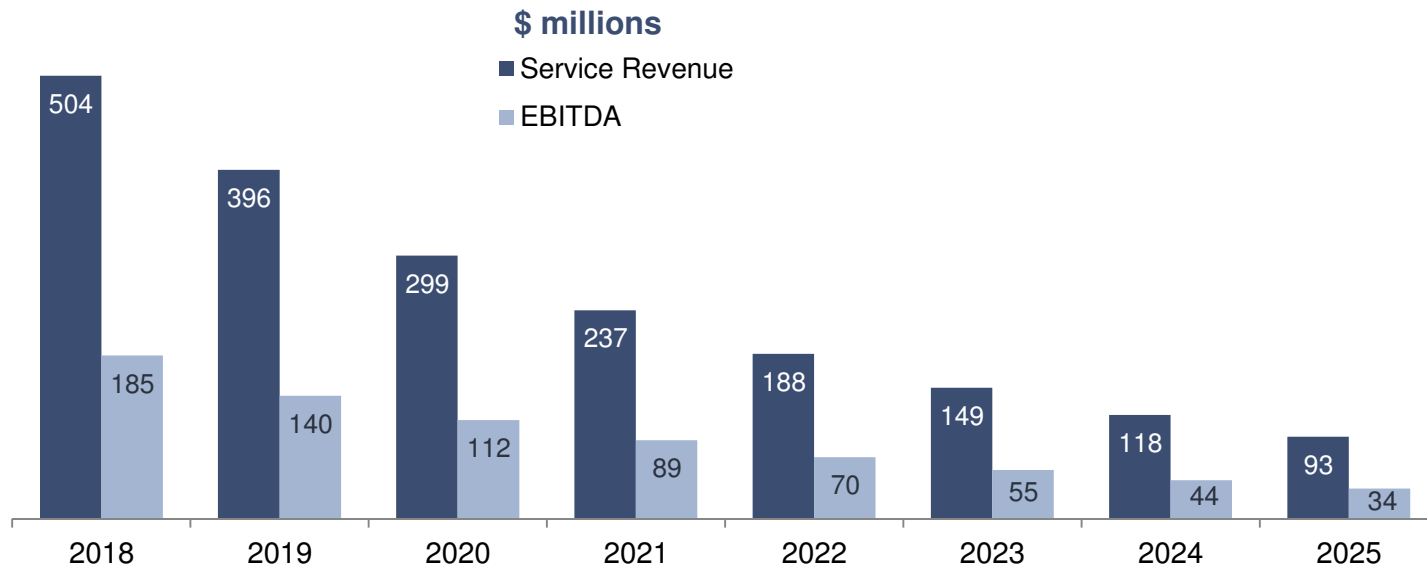
¹ This is a non-GAAP measure defined and reconciled in the Appendix

History of Successful Acquisitions and Investments

Year	Acquisition / Investment	Business	Assessment
2010	The Mortgage Partnership of America L.L.C	Origination Solutions	Provided access to mortgage bankers that currently originate ~15% of U.S. origination volumes; facilitating the development of other Origination Solutions businesses and cross-selling other Origination Solutions offerings
2012	Altisource Residential Corporation and Altisource Asset Management Corporation spin-off to shareholders ("spin-off")	Real Estate Investor Solutions	Returned value to shareholders (value of spin-off is equal to approximately \$12 per ASPS share above ASPS' trading price, as of October 20, 2017); developed a new customer for Altisource with meaningful revenue and earnings; supported the development of the Real Estate Investor Solutions business
2013	Homeward Residential Inc.'s fee based businesses	Servicer Solutions	Provided scale and enhanced the long term profitability and earnings visibility of Servicer Solutions businesses
2013	Residential Capital LLC.'s fee based businesses	Servicer Solutions	
2013	Equator, LLC	Servicer Solutions	Expanded our suite of offerings and our customer base; cross-selling other Servicer Solution offerings
2014	Mortgage Builder Software Inc.	Origination Solutions	Requires higher-than-anticipated investments; beginning to cross-sell other Origination Solutions offerings
2014	Owners Advantage, LLC	Consumer Real Estate Solutions	Under new leadership; continuing operational and organizational improvements; beginning to cross-sell other Altisource offerings
2015	CastleLine Holdings, LLC	Origination Solutions	Expanded our suite of offerings and, when coupled with other Origination Solutions offerings, driving strong growth in those businesses
2015	Investability and RentRange	Real Estate Investor Solutions	Requires higher-than-anticipated investments; deploying the capabilities of the Investability business into the broader online real estate strategy (buy, renovate, lease and sell / renovation services / rent range data sales) to reduce investment and position for growth
2016	Granite Loan Management of Delaware, LLC	Servicer and Origination Solutions	Strong market opportunity; expanded our suite of offerings and our customer base; beginning to cross-sell other Servicer Solution and Origination Solutions offerings

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

We anticipate that the existing Ocwen and NRZ portfolios will provide an estimated \$2.0 billion of revenue and \$730 million of EBITDA through 2025



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

New Business Update

Third Quarter and Early Fourth Quarter

Servicer Solutions

- Existing top-4 bank customer anticipated to increase our monthly field services revenue from \$250,000 in September 2017 to more than \$1,000,000 by the middle of 2018
- New top-5 bank customer advised that it intends to retain us for end-to-end REO services including property inspection and preservation, valuation, title, brokerage and online auction, for a portion of its portfolio
- New non-bank customer advised that it intends to retain us for property auction services for a portion of its portfolio
- New top-25 bank advised that it intends to retain us for REO brokerage and auction services for a portion of its portfolio
- Engaged in active dialogue with two existing top-4 bank customers and an existing GSE customer to provide online real estate auction pilot programs

Origination Solutions

- New correspondent lender grew platform solutions revenue from \$40,000 in April to over \$300,000 a month in the third quarter of 2017
- Member attendance at the Lenders One Summer Conference increased by approximately 35% year over year
- Engaged in active dialogue with an existing Servicer Solutions top-10 bank customer to provide a suite of services related to its nascent correspondent lending division.

Consumer Real Estate Solutions

- Completed 239 home purchase and sale transactions in the third quarter of 2017, a 7% increase in unit transactions and a 12% increase in service revenue compared to the second quarter of 2017
- Increased the percentage of leads becoming active clients by 38% in the third quarter of 2017 compared to the second quarter of 2017

Real Estate Investor Solutions

- Increased the inventory of homes in the buy-renovate-sell program by 70% to 172 homes as of the end of the third quarter of 2017 compared to the second quarter of 2017; purchased 96 homes and sold 25 homes in the third quarter of 2017

Update on Negotiations With NRZ

Engaged in constructive negotiations with NRZ to execute the Services Agreement and broaden the relationship

- On August 28, 2017, Altisource and NRZ entered into a Cooperative Brokerage Agreement, letter agreement and a Letter of Intent to enter into a Services Agreement within 60 days that we believe strengthens Altisource's existing position as a leading services provider to the mortgage industry
- Altisource will provide REO brokerage services on the Ocwen portfolio and the PHH portfolio that were acquired, or are to be acquired, by NRZ, irrespective of the sub-servicer
- Altisource and NRZ have started negotiating the Services Agreement
- Effective as of October 23, 2017, entered into an amendment with NRZ to extend the term of the letter of intent to provide the parties until January 12, 2018 to finalize the Services Agreement, as further described in the Company's third quarter 2017 Form 10-Q
- In early September, Altisource received notice of NRZ's acquisition of certain MSR's from Ocwen, and began providing brokerage services directly to NRZ on these MSR's
- Following the execution of the Services Agreement and the transfer of the MSR's from Ocwen to NRZ, we anticipate that revenue from NRZ would increase and revenue from Ocwen would decrease. As MSR's continue to transfer from Ocwen to NRZ, we anticipate that NRZ will become our largest customer. Had NRZ acquired all of the MSR's and our agreements with NRZ were in place as of the beginning of the year, we estimate that approximately 50% of our revenue would have been related to NRZ

Strategic Initiatives



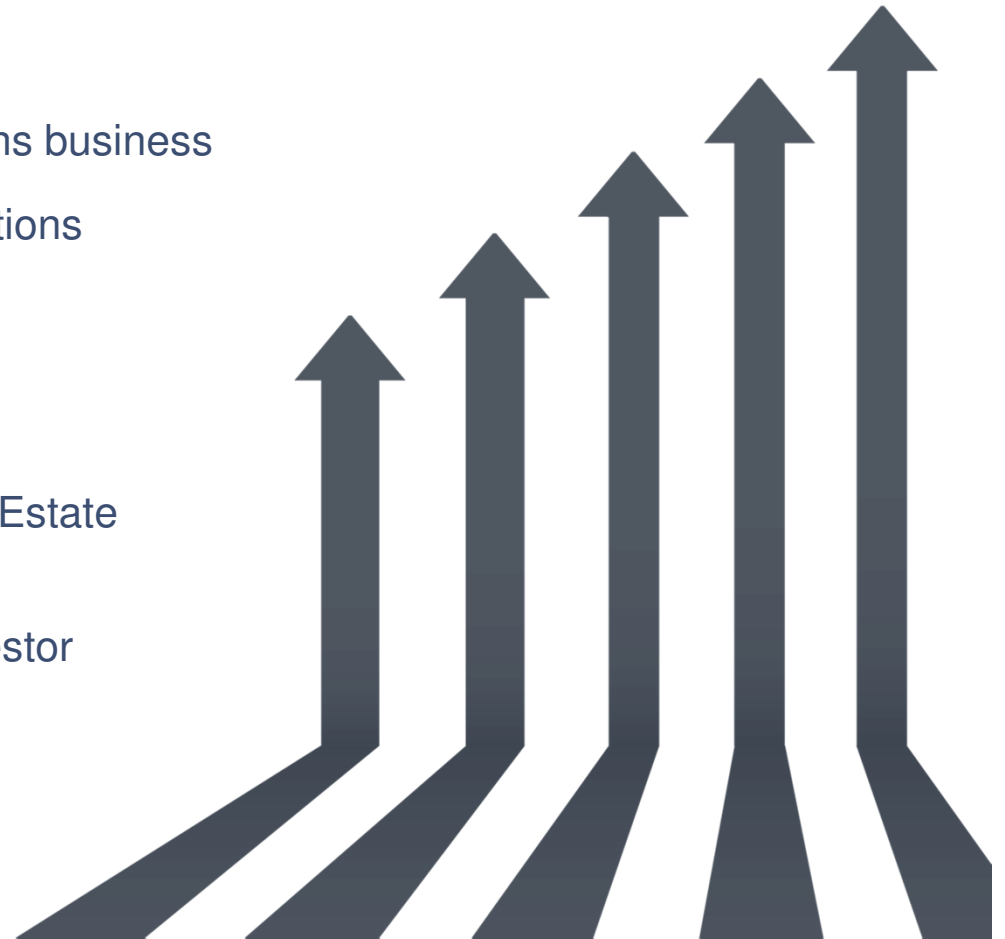
Mortgage Market

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



Real Estate Market

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





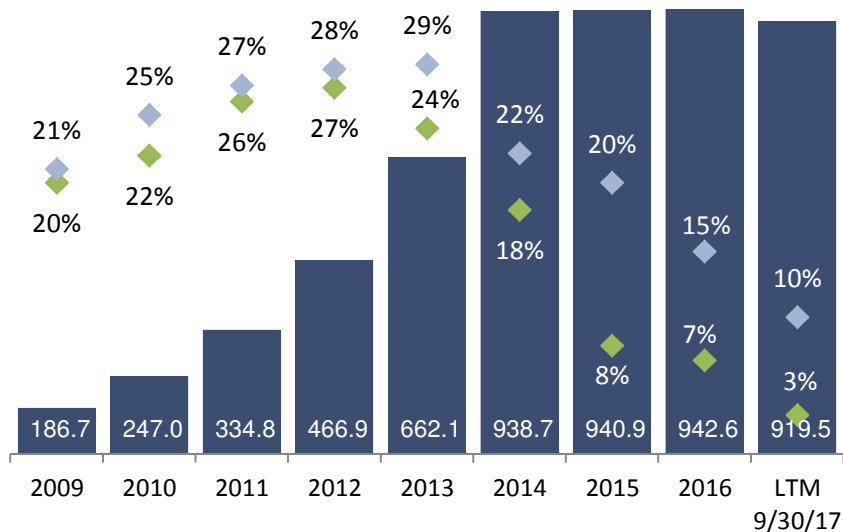
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Financial Performance

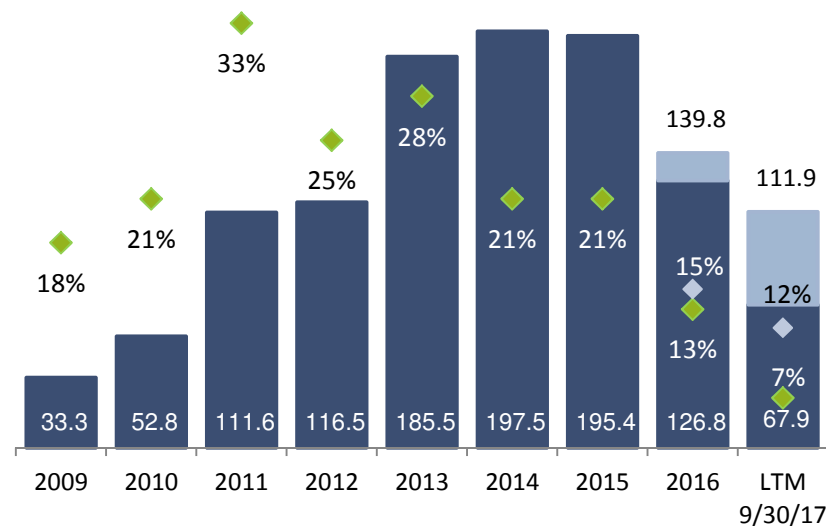
Service Revenue (\$ millions)

- ◆ Operating Income Margin%
- ◆ Adjusted Operating Income¹ Margin%



Operating Cash Flow (\$ millions)

- Operating Cash Flow
- ◆ % of Service Revenue
- Adjusted Operating Cash Flow¹
- ◆ % of Service Revenue

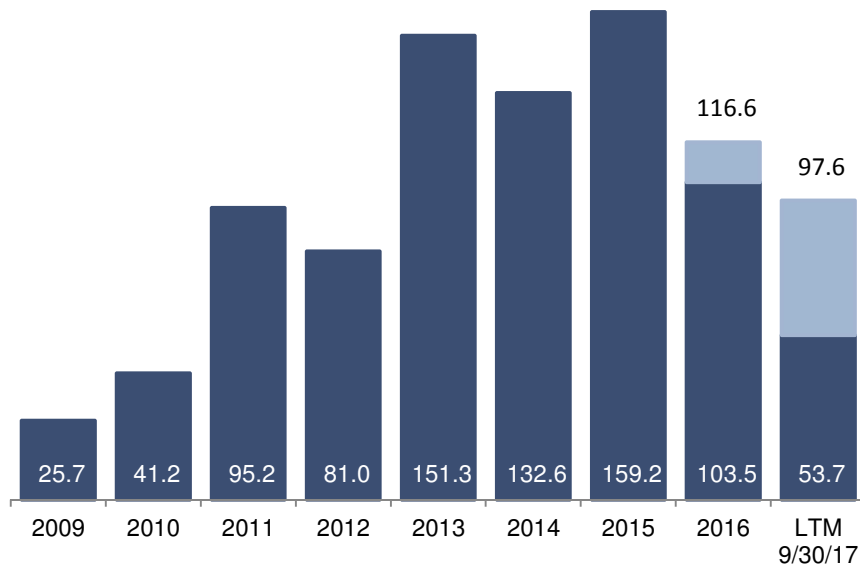


¹ This is a non-GAAP measure defined and reconciled in the Appendix

Financial Performance

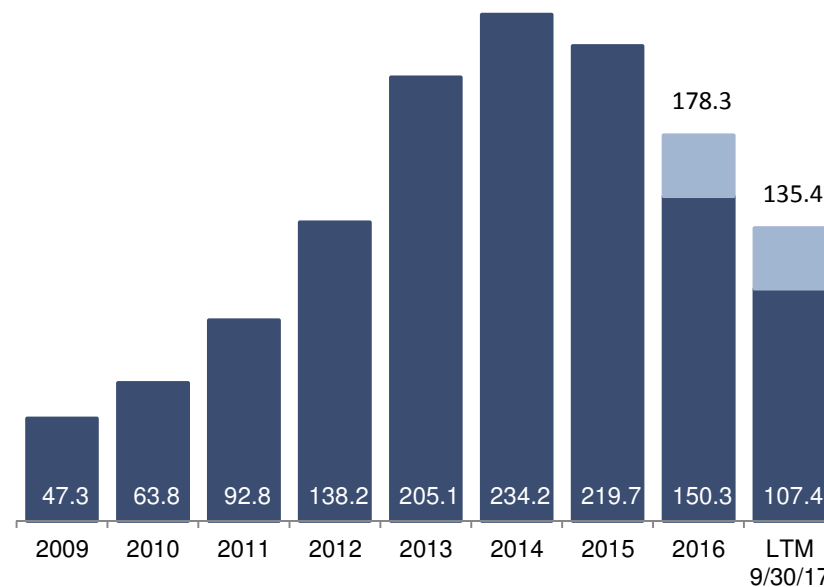
Free Cash Flow (\$ millions)

- Free Cash Flow¹
- Adjusted Free Cash Flow¹



EBITDA (\$ millions)

- EBITDA¹
- Adjusted EBITDA¹

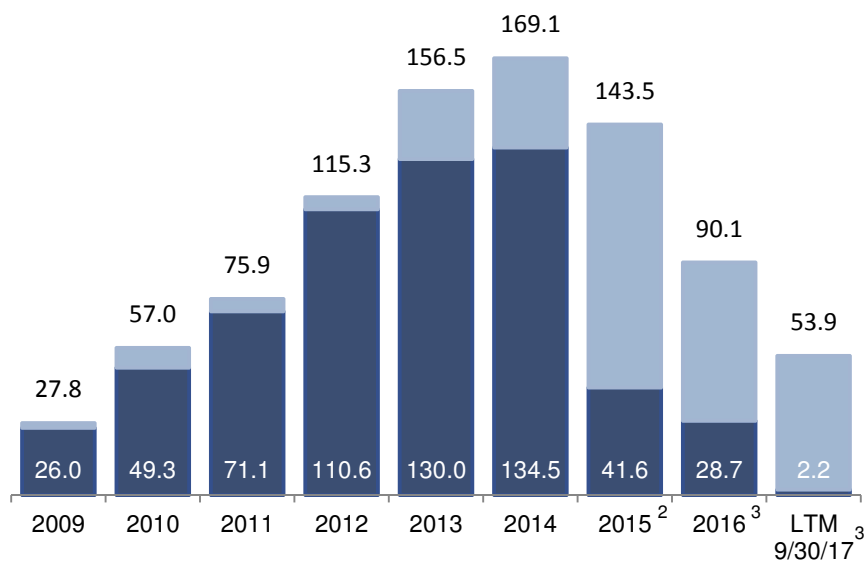


¹ This is a non-GAAP measure defined and reconciled in the Appendix

Financial Performance

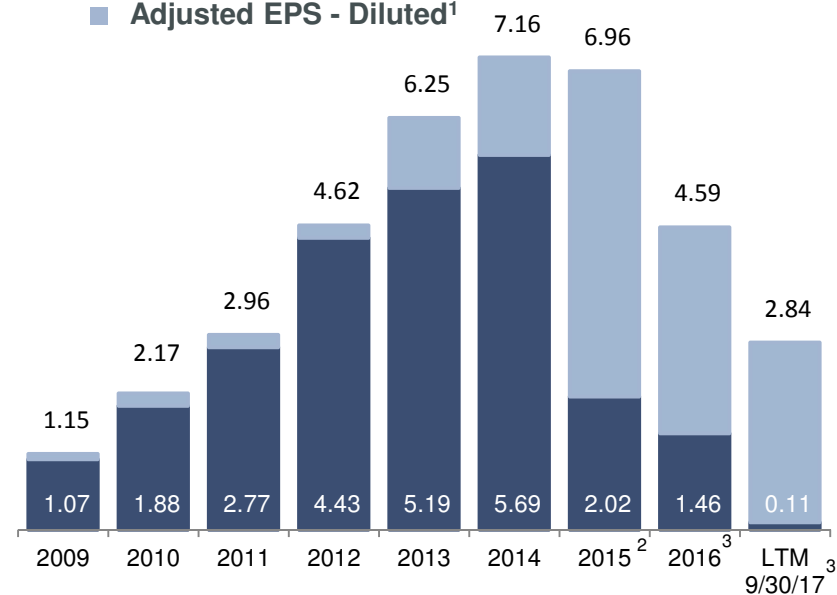
Net Income Attributable to Altisource (\$ millions)

- GAAP Net Income
- Adjusted Net 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

Operating Metrics

	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17
Ocwen Serviced Portfolio¹:									
Default Related Services excluding mortgage charge-off:									
Service revenue per delinquent loan ² per quarter ³									
Non-GSE	\$ 565	\$ 598	\$ 611	\$ 692	\$ 722	\$ 719	\$ 810	\$ 887	\$ 820
GSE ⁴	\$ 125	\$ 85	\$ 93	\$ 100	\$ 114	\$ 110	\$ 95	\$ 108	\$ 95
Average number of delinquent loans serviced by Ocwen on REALServicing ⁵									
Non-GSE (in thousands)	269	257	238	222	211	204	191	177	178
GSE (in thousands)	50	34	25	20	19	18	17	16	17
Average delinquency rate of loans on REALServicing									
Non-GSE	21.5%	21.3%	20.4%	19.6%	19.3%	19.3%	18.7%	17.9%	18.7%
GSE	7.4%	7.3%	6.6%	5.7%	5.8%	5.8%	5.5%	5.3%	5.7%
Provisional loan count on REALServicing as of the end of the period									
Non-GSE (in thousands)	1,232	1,193	1,158	1,146	1,081	1,046	1,012	977	943
GSE (in thousands)	568	397	360	355	325	315	308	300	291
Servicer Technologies and IT Infrastructure Services:									
Service revenue per loan per quarter	\$13	\$16	\$11	\$10	\$12	\$13	\$9	\$8	\$9
Average number of loans serviced by Ocwen on REALServicing (in thousands) ⁵	1,932	1,680	1,543	1,487	1,425	1,376	1,334	1,291	1,248

¹ Includes the portfolios 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 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 Q3'17 is provisional and subject to change

Operating Metrics

	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17
Hubzu:									
Service revenue (in millions) ^{1,2,3}	\$ 54.9	\$ 51.7	\$ 55.0	\$ 61.4	\$ 55.6	\$ 50.8	\$ 53.5	\$ 53.4	\$ 48.2
Number of homes sold on Hubzu:									
Ocwen serviced portfolios ⁴	7,552	6,903	6,477	6,596	6,221	5,991	6,000	5,648	4,984
All other ⁵	936	930	1,201	1,329	824	557	534	689	640
Total	8,488	7,833	7,678	7,925	7,045	6,548	6,534	6,337	5,624

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

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

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

⁴ Includes the portfolios acquired (or to be acquired) by NRZ from Ocwen

⁵ Includes homes sold under the company's buy-renovate-sell program

Non-GAAP Measures

- Adjusted Operating Income, Pretax Income Attributable to Altisource, Adjusted Pretax Income, EBITDA, Adjusted EBITDA, Adjusted EBITDA Before Investments, Adjusted Pretax Income before Investments, Adjusted Net Income, Adjusted Earnings Per Share – Diluted, Adjusted Earnings Before Investments Per Share - Diluted, Adjusted Operating Cash Flow, Free Cash Flow, Adjusted Free Cash Flow and Net Debt Less Marketable Securities, are non-GAAP measures used by our Chief Executive Officer (our chief operating decision maker), existing shareholders and potential shareholders to measure Altisource's performance
- Adjusted Operating Income is calculated by adding intangible asset amortization expense, non-cash impairment losses and litigation settlement loss, net of insurance recovery to, and deducting non-cash gains associated with reductions of the Equator earn out liability from, GAAP income (loss) from operations
- Pretax Income (Loss) Attributable to Altisource is calculated by reducing net income attributable to non-controlling interests from income (loss) before income taxes and non-controlling interests
- Adjusted Pretax Income is calculated by adding intangible assets amortization expense, non-cash impairment losses and litigation settlement loss, net of insurance recovery to, and deducting non-cash gains associated with reductions of the Equator earn out liability and net income attributable to non-controlling interests from, income (loss) before income taxes and non-controlling interests
- Adjusted Pretax Income before Investments is calculated by adding intangible assets amortization expense, non-cash impairment losses, litigation settlement loss, net of insurance recovery and investments¹ to, and deducting non-cash gains associated with reductions of the Equator earn out liability and net income attributable to non-controlling interests from, income (loss) before income taxes and non-controlling interests
- Adjusted Net Income is calculated by adding intangible asset amortization expense (net of tax), non-cash impairment losses (net of tax) and litigation settlement loss (net of insurance recovery net of tax) to, and deducting non-cash gains associated with reductions of the Equator earn out liability (net of tax) from, GAAP net income (loss) attributable to Altisource
- Adjusted Earnings Per Share - Diluted is calculated by dividing net income (loss) attributable to Altisource plus adding intangible asset amortization expense (net of tax), non-cash impairment losses (net of tax) and litigation settlement loss (net of insurance recovery net of tax) less non-cash gains associated with reductions of the Equator earn out liability (net of tax) by the weighted average number of diluted shares

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

Non-GAAP Measures

- Adjusted Earnings Before Investments Per Share - Diluted is calculated by dividing net income (loss) attributable to Altisource plus adding intangible asset amortization expense (net of tax), non-cash impairment losses (net of tax), litigation settlement loss (net of insurance recovery net of tax) and investments¹ (net of tax) less non-cash gains associated with reductions of the Equator earn out liability (net of tax) by the weighted average number of diluted shares
- Adjusted Operating Cash Flow is calculated by adding litigation settlement loss (net of insurance recovery), and short-term real-estate investments related to the buy-renovate-sell program to cash provided by operating activities
- Free Cash Flow is calculated by deducting capital expenditures from cash provided by operating activities
- Adjusted Free Cash Flow is calculated by adding litigation settlement loss (net of insurance recovery) and short-term real-estate investments related to the buy-renovate-sell program to, and deducting capital expenditures from, cash provided by operating activities
- EBITDA is calculated by adding income tax provision, interest expense (net of interest income), non-cash impairment losses, depreciation and amortization less non-cash gains associated with reductions of the Equator earn out liability from, GAAP net income (loss) attributable to Altisource
- Adjusted EBITDA is calculated by adding income tax provision, interest expense (net of interest income), non-cash impairment losses, depreciation and amortization, litigation settlement loss (net of insurance recovery) less non-cash gains associated with reductions of the Equator earn out liability from, GAAP net income (loss) attributable to Altisource
- Adjusted EBITDA Before Investments is calculated by adding income tax provision, interest expense (net of interest income), and non-cash impairment losses, depreciation and amortization, litigation settlement loss (net of insurance recovery) and investments¹ (excluding depreciation and amortization) less non-cash gains associated with reductions of the Equator earn out liability from, GAAP net income (loss) attributable to Altisource
- Net Debt Less Marketable Securities is calculated as long-term debt, including current portion, minus cash and cash equivalents and marketable securities
- The reconciliations of non-GAAP measures to GAAP measures are shown on slides 21 to 27

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

Non-GAAP Measures

Reconciliation (\$ in millions except share count and per share values)	LTM 9/30/17													
	2009	2010	2011	2012	2013	2014	2015	2016	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Total
Income (loss) before taxes and non-controlling interests	37.6	55.8	85.9	124.6	142.3	147.3	53.1	44.3	18.8	(19.5)	9.7	12.2	10.4	12.7
Less: Net income attributable to non-controlling interests	-	(6.9)	(6.9)	(5.3)	(3.8)	(2.6)	(3.2)	(2.7)	(0.9)	(0.7)	(0.6)	(0.7)	(0.8)	(2.8)
GAAP Pretax Income (Loss) Attributable to Altisource	37.6	48.9	79.1	119.4	138.5	144.7	49.9	41.6	17.9	(20.3)	9.1	11.5	9.6	9.9
Add: Intangible asset amortization expense	2.7	4.9	5.3	5.0	28.2	37.7	41.1	47.6	11.5	11.1	9.1	9.4	8.6	38.3
Add: Impairment loss	-	2.8	-	-	-	37.5	71.8	-	-	-	-	-	-	-
Gain on Equator earn out liability	-	-	-	-	-	(37.9)	(7.6)	-	-	-	-	-	-	-
Add: Litigation settlement loss ¹	-	-	-	-	-	-	-	28.0	-	28.0	-	-	-	28.0
Adjusted Pretax Income	40.2	56.6	84.3	124.4	166.7	181.9	155.2	117.2	29.4	18.9	18.3	20.9	18.2	76.2
GAAP Operating Income (Loss)	36.5	55.0	85.7	127.4	162.1	170.5	79.1	65.1	24.9	(14.6)	14.8	12.8	13.5	26.5
Add: Intangible asset amortization expense	2.7	4.9	5.3	5.0	28.2	37.7	41.1	47.6	11.5	11.1	9.1	9.4	8.6	38.3
Add: Impairment loss	-	2.8	-	-	-	37.5	71.8	-	-	-	-	-	-	-
Gain on Equator earn out liability	-	-	-	-	-	(37.9)	(7.6)	-	-	-	-	-	-	-
Add: Litigation settlement loss ¹	-	-	-	-	-	-	-	28.0	-	28.0	-	-	-	28.0
Adjusted Operating Income	39.2	62.7	91.0	132.5	190.2	207.7	184.4	140.7	36.3	24.5	24.0	22.2	22.1	92.8
GAAP Net Income (Loss) Attributable to Altisource	26.0	49.3	71.1	110.6	130.0	134.5	41.6	28.7	10.6	(20.4)	6.5	9.0	7.0	2.2
Add: Intangible asset amortization expense, net of tax	1.8	4.9	4.8	4.7	26.5	35.1	38.2	36.8	7.0	6.5	6.7	7.5	6.5	27.2
Add: Impairment loss, net of tax	-	2.8	-	-	-	34.9	70.6	-	-	-	-	-	-	-
Gain on Equator earn out liability, net of tax	-	-	-	-	-	(35.3)	(6.9)	-	-	-	-	-	-	-
Add: Litigation settlement loss ¹ , net of tax	-	-	-	-	-	-	-	24.6	-	24.6	-	-	-	24.6
Adjusted Net Income	27.8	57.0	75.9	115.3	156.5	169.1	143.5	90.1	17.6	10.7	13.3	16.5	13.4	53.9

¹ Net of insurance recovery

Note: Numbers may not sum due to rounding



Non-GAAP Measures

Reconciliation (\$ in millions except share count and per share values)	LTM 9/30/17													
	2009	2010	2011	2012	2013	2014	2015	2016	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Total
GAAP Earnings (Loss) Per Share – Diluted	1.07	1.88	2.77	4.43	5.19	5.69	2.02	1.46	0.54	(1.08)	0.34	0.48	0.38	0.11 ²
Add: Impact of using diluted share count instead of basic share count	-	-	-	-	-	-	-	-	-	0.01	-	-	-	-
Add: Intangible asset amortization expense, net of tax per diluted share	0.08	0.19	0.19	0.19	1.06	1.48	1.85	1.88	0.36	0.34	0.35	0.40	0.35	1.43 ²
Add: Impairment loss, net of tax per diluted share	-	0.11	-	-	-	1.48	3.43	-	-	-	-	-	-	-
Gain on Equator earn out liability, net of tax per diluted share	-	-	-	-	-	(1.49)	(0.34)	-	-	-	-	-	-	-
Add: Litigation settlement loss ¹ , net of tax per diluted share	-	-	-	-	-	-	-	1.25	-	1.28	-	-	-	1.30 ²
Adjusted Earnings Per Share – Diluted	1.15	2.17	2.96	4.62	6.25	7.16	6.96	4.59	0.90	0.55	0.69	0.88	0.73	2.84 ²
Operating Cash Flow	33.3	52.8	111.6	116.5	185.5	197.5	195.4	126.8	36.6	20.8	(18.4)	30.9	34.6	67.9
Add: Litigation settlement loss ¹	-	-	-	-	-	-	-	-	-	-	28.0	-	-	28.0
Add (Less): Increase (decrease) in short-term real estate investments related to buy-renovate-sell	-	-	-	-	-	-	-	13.0	6.6	4.4	2.5	(0.4)	9.5	15.9
Adjusted Operating Cash Flow	33.3	52.8	111.6	116.5	185.5	197.5	195.4	139.8	43.2	25.2	12.2	30.5	44.1	111.9
Operating Cash Flow	33.3	52.8	111.6	116.5	185.5	197.5	195.4	126.8	36.6	20.8	(18.4)	30.9	34.6	67.9
Less: Capital Expenditures	7.5	11.6	16.4	35.6	34.1	64.8	36.2	23.3	4.1	6.7	1.9	3.7	1.8	14.2
Free Cash Flow	25.7	41.2	95.2	81.0	151.3	132.6	159.2	103.5	32.5	14.0	(20.3)	27.2	32.8	53.7
Add: Litigation settlement loss payment ¹	-	-	-	-	-	-	-	-	-	-	28.0	-	-	28.0
Add (Less): Increase (decrease) in short-term real estate investments related to buy-renovate-sell	-	-	-	-	-	-	-	13.0	6.6	4.4	2.5	(0.4)	9.5	15.9
Adjusted Free Cash Flow	25.7	41.2	95.2	81.0	151.3	132.6	159.2	116.6	39.1	18.4	10.2	26.8	42.3	97.6

¹ Net of insurance recovery

² Calculated by dividing the related after-tax items by the diluted share count for the trailing twelve months ended September 30, 2017

Note: Numbers may not sum due to rounding

Non-GAAP Measures

Reconciliation (\$ in millions except share count and per share values)	2009	2010	2011	2012	2013	2014	2015	2016	Q3'16	LTM 9/30/17				Total
										Q4'16	Q1'17	Q2'17	Q3'17	
GAAP Net Income Attributable to Altisource	26.0	49.3	71.1	110.6	130.0	134.5	41.6	28.7	10.6	(20.4)	6.5	9.0	7.0	2.2
Add: Income tax provision	11.6	(0.4)	7.9	8.7	8.5	10.2	8.3	12.9	7.3	0.1	2.6	2.4	2.6	7.7
Add: Interest expense, net of interest income	1.6	0.1	0.1	1.0	19.4	23.3	28.1	24.3	5.9	5.9	5.7	5.4	5.6	22.6
Add: Impairment losses	-	2.8	-	-	-	37.5	71.8	-	-	-	-	-	-	-
Less: Gain on Equator earn-out	-	-	-	-	-	(37.9)	(7.6)	-	-	-	-	-	-	-
Add: Depreciation and amortization	8.1	12.0	13.6	17.8	47.2	66.7	77.6	84.4	20.6	20.4	19.2	18.3	17.1	75.0
EBITDA	47.3	63.8	92.8	138.2	205.1	234.2	219.7	150.3	44.5	6.0	34.0	35.2	32.2	107.4
Add: Litigation settlement loss ¹	-	-	-	-	-	-	-	28.0	-	28.0	-	-	-	28.0
Adjusted EBITDA	47.3	63.8	92.8	138.2	205.1	234.2	219.7	178.3	44.5	34.0	34.0	35.2	32.2	135.4

¹ Net of insurance recovery

Note: Numbers may not sum due to rounding

Non-GAAP Measures

Reconciliation (\$ in millions except share count and per share values)	LTM 9/30/17													
	2009	2010	2011	2012	2013	2014	2015	2016	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Total
Calculation of the impact of intangible asset amortization expense, net of tax														
Intangible amortization expense	2.7	4.9	5.3	5.0	28.2	37.7	41.1	47.6	11.5	11.1	9.1	9.4	8.6	38.3
Tax benefit from intangible asset amortization	(0.8)	-	(0.5)	(0.4)	(1.7)	(2.6)	(2.9)	(10.8)	(4.5)	(4.7)	(2.4)	(1.9)	(2.2)	(11.1)
Intangible asset amortization expense, net of tax	1.8	4.9	4.8	4.7	26.5	35.1	38.2	36.8	7.0	6.5	6.7	7.5	6.5	27.2
Diluted share count (in 000s)	24,261	26,259	25,685	24,962	25,053	23,634	20,619	19,612	19,568	19,246	19,304	18,836	18,429	18,954 ¹
Intangible asset amortization expense, net of tax per diluted share	0.08	0.19	0.19	0.19	1.06	1.48	1.85	1.88	0.36	0.34	0.35	0.40	0.35	1.43
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)	24,261	26,259	25,685	24,962	25,053	23,634	20,619	19,612	19,568	19,246	19,304	18,836	18,429	18,954 ¹
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 benefit from gain on Equator earn out liability	-	-	-	-	-	2.6	0.7	-	-	-	-	-	-	-
Gain on Equator earn out liability, net of tax	-	-	-	-	-	(35.3)	(6.9)	-	-	-	-	-	-	-
Diluted share count (in 000s)	24,261	26,259	25,685	24,962	25,053	23,634	20,619	19,612	19,568	19,246	19,304	18,836	18,429	18,954 ¹
Gain on Equator earn out liability, net of tax per diluted share	-	-	-	-	-	(1.49)	(0.34)	-	-	-	-	-	-	-

¹ Calculated as the simple average of the quarterly diluted share counts in each quarter of the twelve month period ended September 30, 2017

Note: Numbers may not sum due to rounding

Non-GAAP Measures

Reconciliation (\$ in millions except share count and per share values)	2009	2010	2011	2012	2013	2014	2015	2016	Q3'16	LTM 9/30/17				Total
										Q4'16	Q1'17	Q2'17	Q3'17	
Calculation of the impact of litigation loss, net of tax														
Litigation settlement loss ¹	-	-	-	-	-	-	-	28.0	-	28.0	-	-	-	28.0
Tax benefit from litigation settlement loss ¹	-	-	-	-	-	-	-	(3.4)	-	(3.4)	-	-	-	(3.4)
Litigation settlement loss ¹ , net of tax	-	-	-	-	-	-	-	24.6	-	24.6	-	-	-	24.6
Diluted share count (in 000s)	24,261	26,259	25,685	24,962	25,053	23,634	20,619	19,612	19,568	19,246	19,304	18,836	18,429	18,954 ²
Litigation settlement loss ¹ , net of tax per diluted share	-	-	-	-	-	-	-	1.25	-	1.28	-	-	-	1.30

¹ Net of insurance recovery

² Calculated as the simple average of the quarterly diluted share counts in each quarter of the twelve month period ended September 30, 2017

Note: Numbers may not sum due to rounding

Non-GAAP Measures

Reconciliation (\$ in millions except share count and per share values)	2017 Scenarios			Actual
	A	B	Midpoint	YTD 2017
Income before taxes and non-controlling interests	39	53	46	32
Less: Net income attributable to non-controlling interests	(5)	(5)	(5)	(2)
Pretax Income Attributable to Altisource	35	48	41	30
Add: Intangible asset amortization expense	35	35	35	27
Adjusted Pretax Income	69	83	76	57
Add: Investments ¹	54	47	50	46
Adjusted Pretax Income Before Investments	123	130	126	103
GAAP Net Income Attributable to Altisource	23	33	28	23
Add: Intangible asset amortization expense, net of tax	24	24	24	21
Adjusted Net Income	48	57	52	43
GAAP Net Income Attributable to Altisource	23	33	28	23
Add: Income tax provision	11	15	13	8
Add: Interest expense, net of interest income	22	22	22	17
Add: Depreciation and amortization	69	69	69	55
EBITDA	126	139	132	101
Add: Investments ¹ (excluding depreciation and amortization)	52	45	49	43
Adjusted EBITDA before Investments	177	185	181	145
GAAP Earnings Per Share – Diluted	1.21	1.72	1.47	1.20
Add: Intangible asset amortization expense, net of tax per diluted share	1.27	1.27	1.27	1.10
Adjusted Earnings After Investments Per Share - Diluted	2.48	2.99	2.74	2.30
Add: Investments ¹ , net of tax per diluted share	1.98	1.73	1.86	1.86
Adjusted Earnings Before Investments Per Share - Diluted	4.46	4.73	4.60	4.16

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

Note: Numbers may not sum due to rounding

Non-GAAP Measures

Reconciliation (\$ in millions except share count and per share values)	2017 Scenarios			Actual
	A	B	Midpoint	YTD 2017
Calculation of the impact of intangible asset amortization expense, net of tax per share				
Intangible amortization expense	35	35	35	27
Tax benefit from intangible asset amortization	(10)	(10)	(10)	(6)
Intangible asset amortization expense, net of tax	24	24	24	21
Diluted share count (in 000s)	19,175	19,175	19,175	18,854
Intangible asset amortization expense, net of tax per diluted share	1.27	1.27	1.27	1.10
Calculation of the impact of investments ¹ , net of tax per share				
Investment expenses	54	47	50	46
Tax benefit from investment expenses	(16)	(14)	(14)	(11)
Investment expenses, net of tax	38	33	36	35
Diluted share count (in 000s)	19,175	19,175	19,175	18,854
Investment expenses, net of tax per diluted share	1.98	1.73	1.86	1.86

Net Debt Less Marketable Securities

Reconciliation (\$ in millions)	12/31/2014	12/31/2015	12/31/2016	9/30/2017
Senior secured term loan	\$591.5	\$536.6	\$479.7	\$425.1
Less: Cash and cash equivalents	(161.4)	(179.3)	(149.3)	(114.1)
Less: Marketable securities	-	-	(45.8)	(46.0)
Net debt less marketable securities	\$430.2	\$357.3	\$284.6	\$264.9

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

Note: Numbers may not sum due to rounding

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 market.
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 7,700

