



Mr. CooperGroup®

4Q'23 EARNINGS REVIEW

February 9, 2024

IMPORTANT INFORMATION

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Forward-looking statements may include the words "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "strategy," "future," "opportunity," "may," "should," "will," "would," "will be," "will continue," "will likely result," and similar expressions. Such forward-looking statements involve risks and uncertainties that may cause actual events, results or performance to differ materially from those indicated by such statements. Certain of these risks are identified and discussed in documents Mr. Cooper has filed or will file from time to time with the SEC. These risk factors will be important to consider in determining future results and should be reviewed in their entirety. These forward-looking statements are expressed in good faith, and Mr. Cooper believes there is a reasonable basis for them. However, the events, results or trends identified in these forward-looking statements may not occur or be achieved. Forward-looking statements speak only as of the date they are made, and Mr. Cooper is not under any obligation, and expressly disclaims any obligation, to update, alter or otherwise revise any forward-looking statement, except as required by law. Readers should carefully review the statements set forth in the reports that Mr. Cooper has filed or will file from time to time with the SEC.

Non-GAAP Measures. This presentation contains certain references to non-GAAP measures. Please refer to the Appendix for more information on non-GAAP measures.

2023 FULL-YEAR HIGHLIGHTS

Financial

- Reported \$500 million net income and \$660 million pretax operating income⁽¹⁾
- Generated ROTCE of 12.5% and operating ROTCE⁽¹⁾ of 12.5%
- TBV⁽¹⁾ increased to \$63.67 per share, up 12% y/y
- TNW/assets⁽¹⁾ was 29%, with available liquidity of \$2.4 billion

Operational

- Servicing generated \$869 million pretax operating income⁽¹⁾
- Servicing portfolio grew to \$992 billion, up 14% y/y
- Originations generated \$100 million pretax operating income⁽¹⁾ on funded volume of \$12.6 billion

Other

- Repurchased 5.6 million shares for \$276 million at an average price of \$49.53
- Attained BB credit rating from **Fitch**Ratings
- Completed strategic acquisitions:



FOURTH QUARTER HIGHLIGHTS

Financial

- Reported \$46 million net income and \$151 million pretax operating income⁽¹⁾
- Generated ROTCE of 4.5% and operating ROTCE⁽¹⁾ of 11.1%
- TBV⁽¹⁾ increased to \$63.67 per share, 15th consecutive quarter of growth

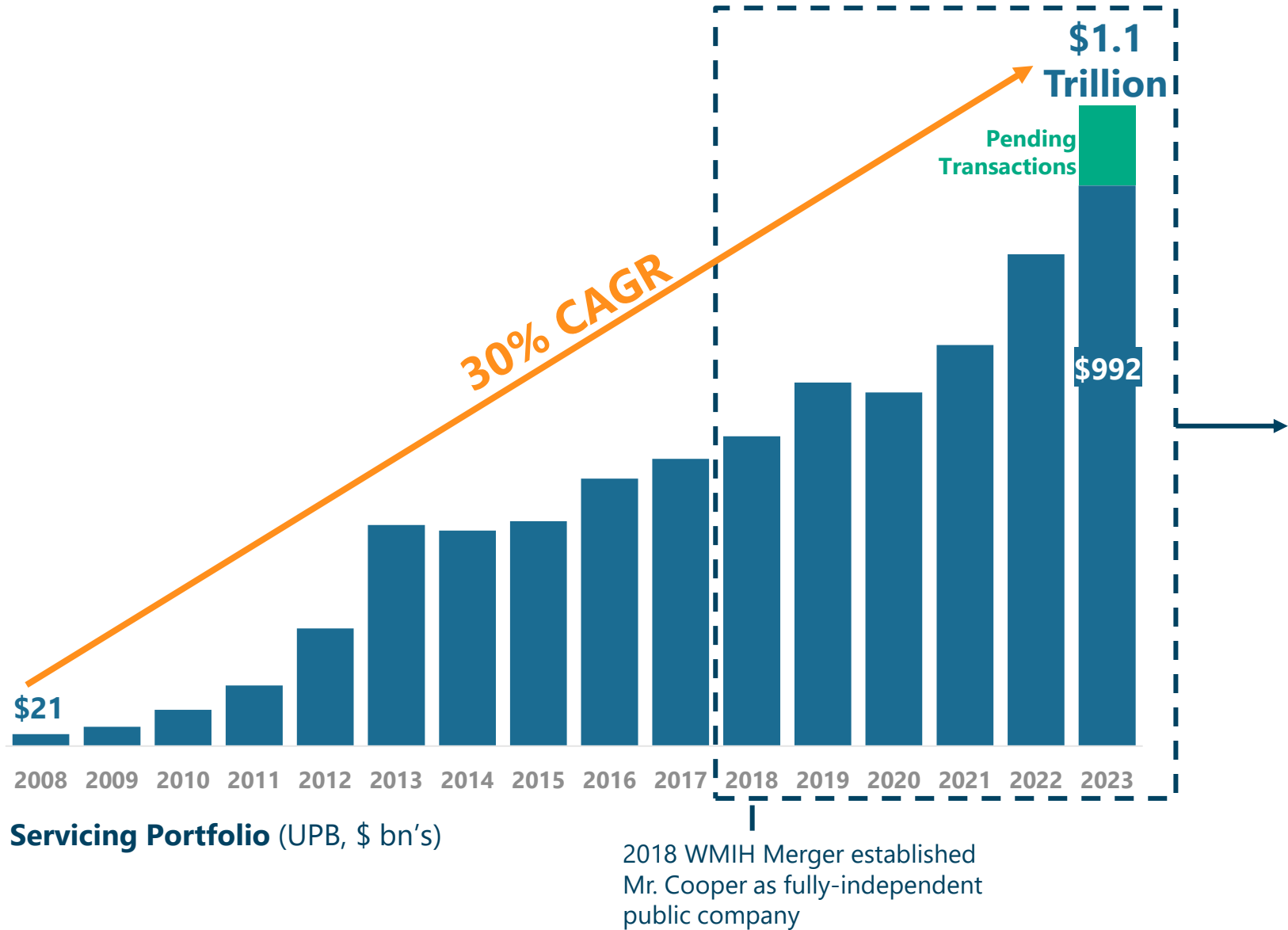
Operational

- Servicing generated \$229 million pretax operating income⁽¹⁾
- Servicing portfolio grew to \$992 billion, up 6% q/q and 14% y/y
- Originations generated \$10 million pretax operating income⁽¹⁾ on funded volume of \$2.7 billion

Other

- Repurchased 1.3 million shares for \$72 million
- Attained BB Fitch credit rating and subsequent to quarter-end, upgraded to Ba3 by Moody's
- Subsequent to quarter-end, issued \$1 billion senior notes at 7.125%

MR. COOPER IS THE MARKET LEADER

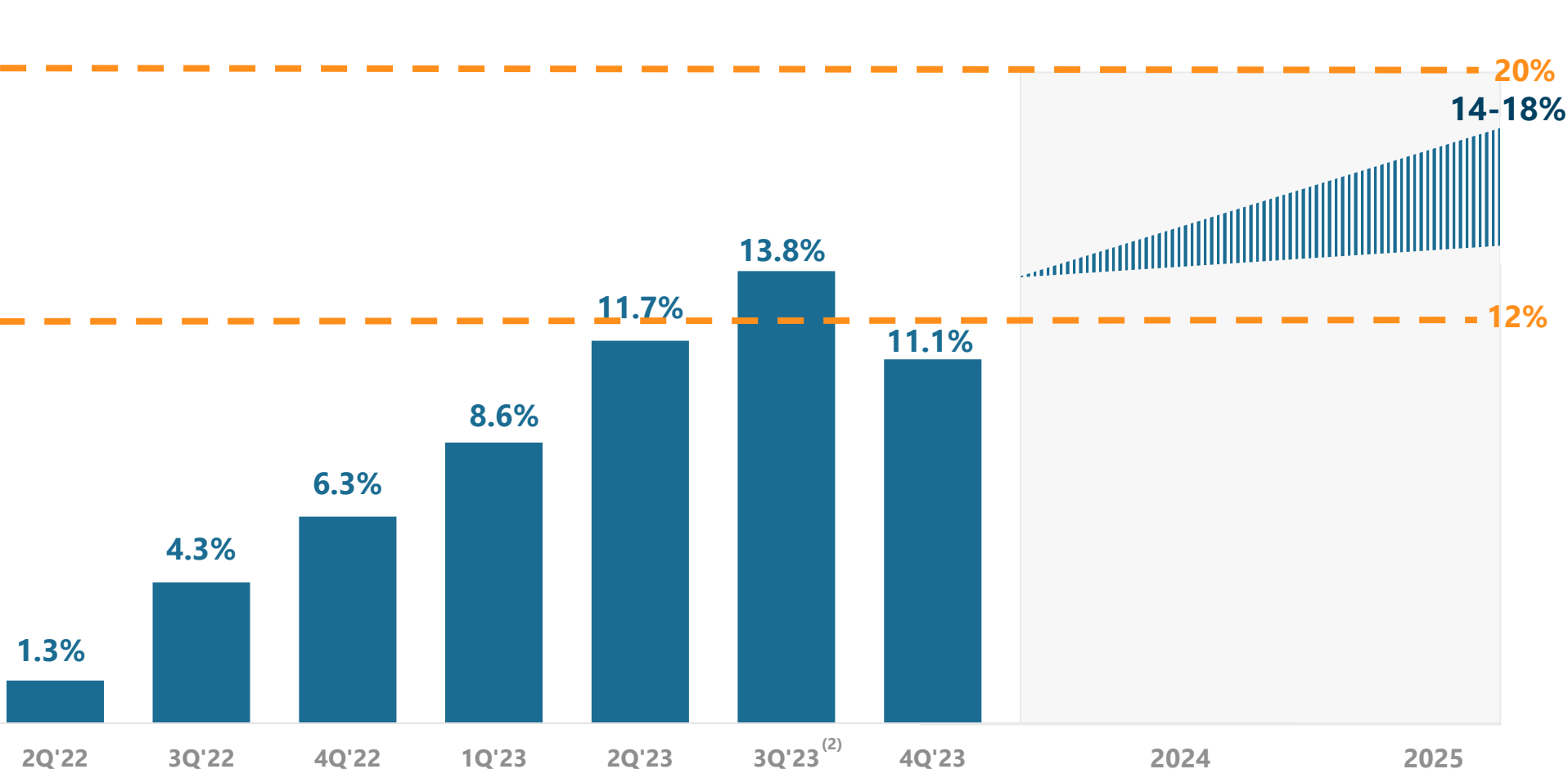


Since becoming a fully-independent public company, we've delivered consistent execution on strategic goals

- ✓ Strengthened balance sheet through deleveraging and focus on asset quality
- ✓ Bolstered liquidity and delivered over 500,000 customer solutions during Pandemic
- ✓ Divested Xome Title, Field Services & Valuations, and Reverse
- ✓ Drove down servicing costs by 30%, now down 38% below industry peer average
- ✓ Achieved record customer retention, exceeding 60% refinance recapture target
- ✓ Implemented 75% MSR hedge ratio
- ✓ Utilized deferred tax assets, down 63% since WMIH merger
- ✓ Achieved \$1 trillion strategic target⁽¹⁾

OUR STRATEGIC GOAL = SUSTAINED HIGHER RETURNS

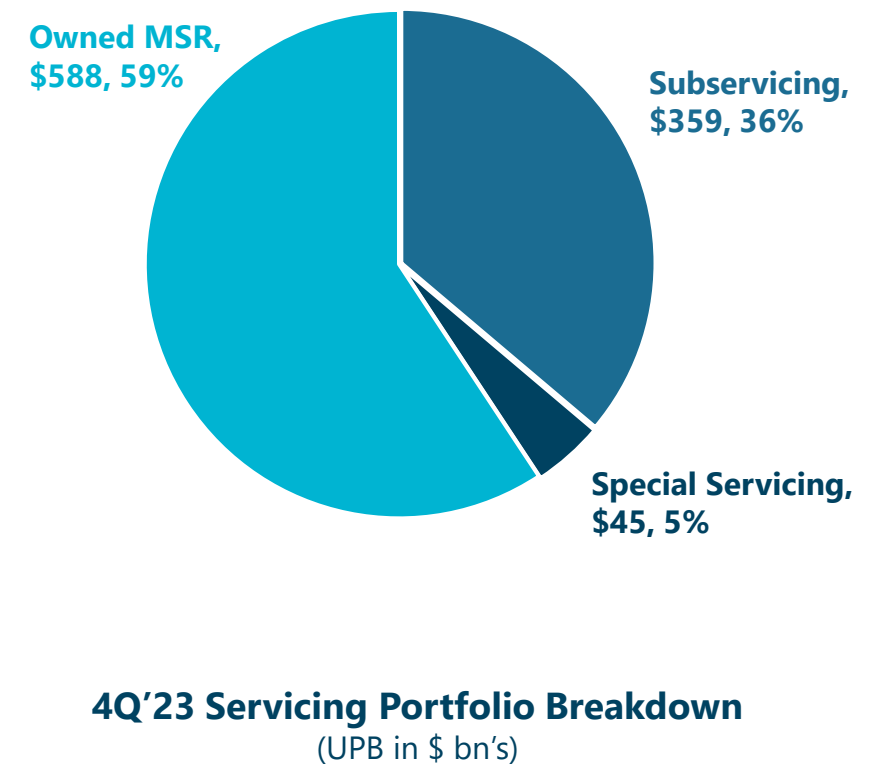
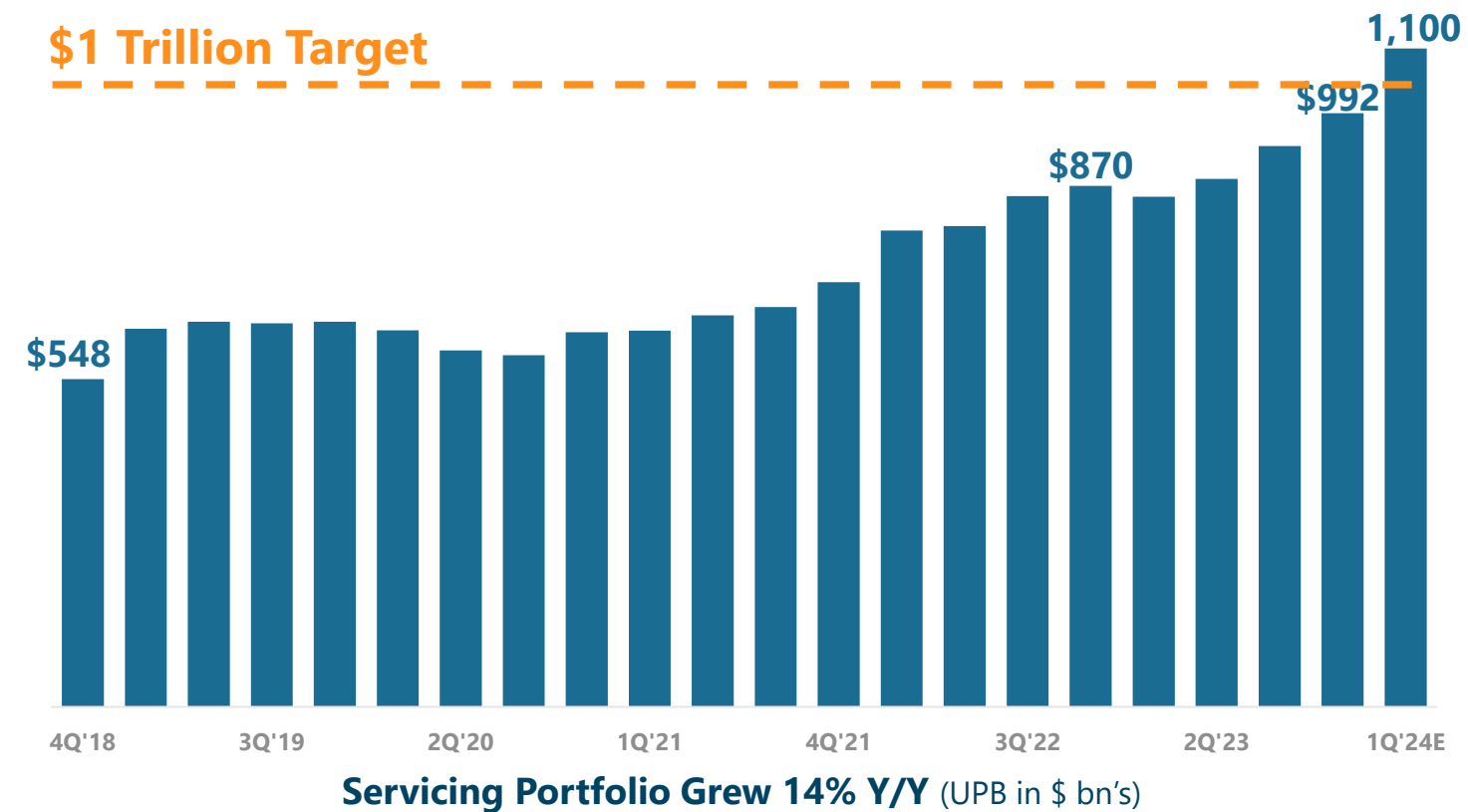
Operating ROTCE Benefitting from Balanced Business Model⁽¹⁾



ROTCE Drivers

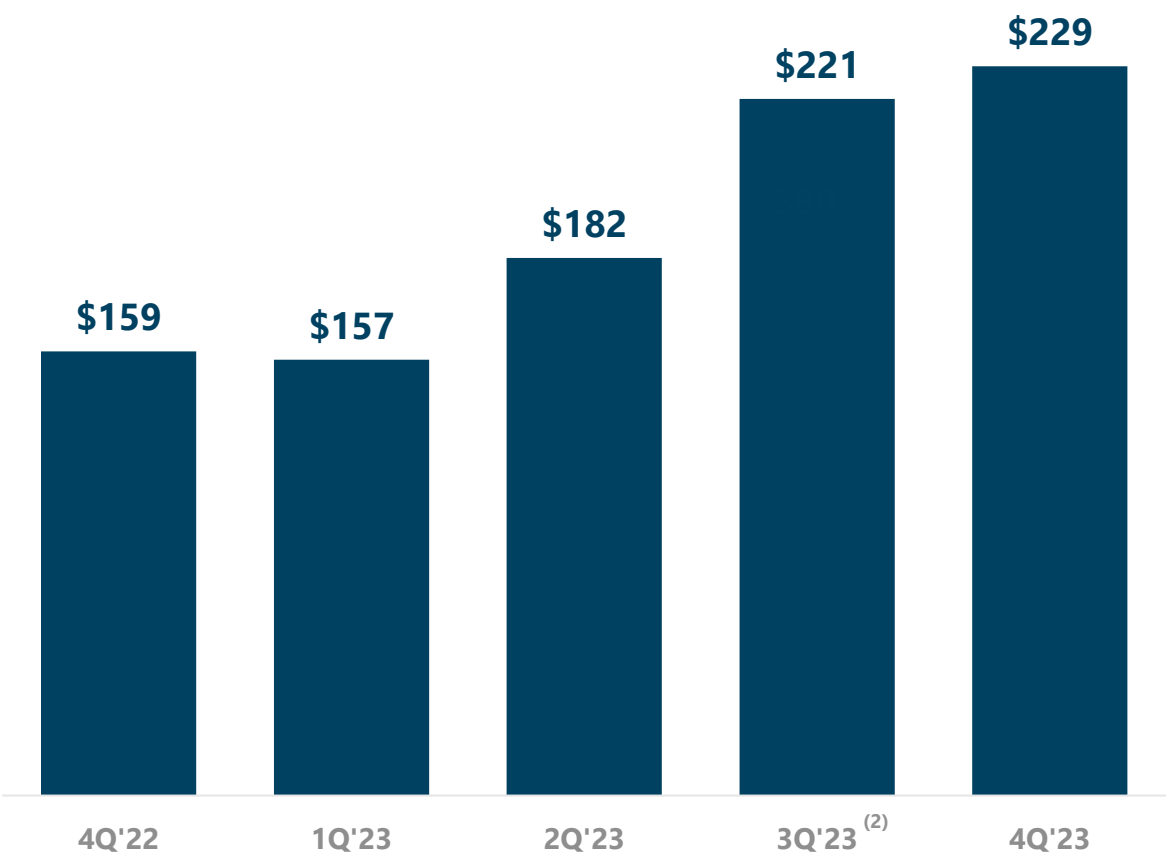
- Scale
- Asset Light
- Cost Leadership
- Expand DTC
- Balance Sheet

SURPASSING STRATEGIC GROWTH TARGET WITH STRONG MOMENTUM



SERVICING INCOME MOMENTUM FROM GROWTH, OPERATING LEVERAGE, RATES

Pretax Operating Income⁽¹⁾ Benefitting from
Portfolio Growth and Efficiency
(\$ mm's)



2024 Outlook

Portfolio Growth



Operating Leverage



Amortization



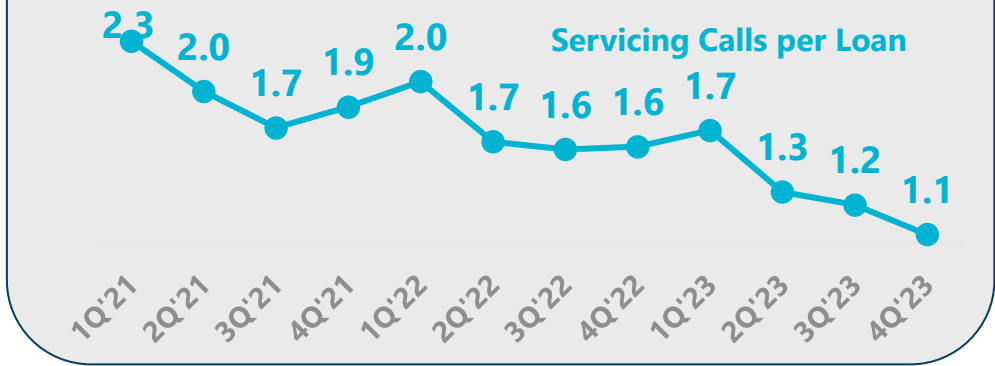
Interest Income



DTC

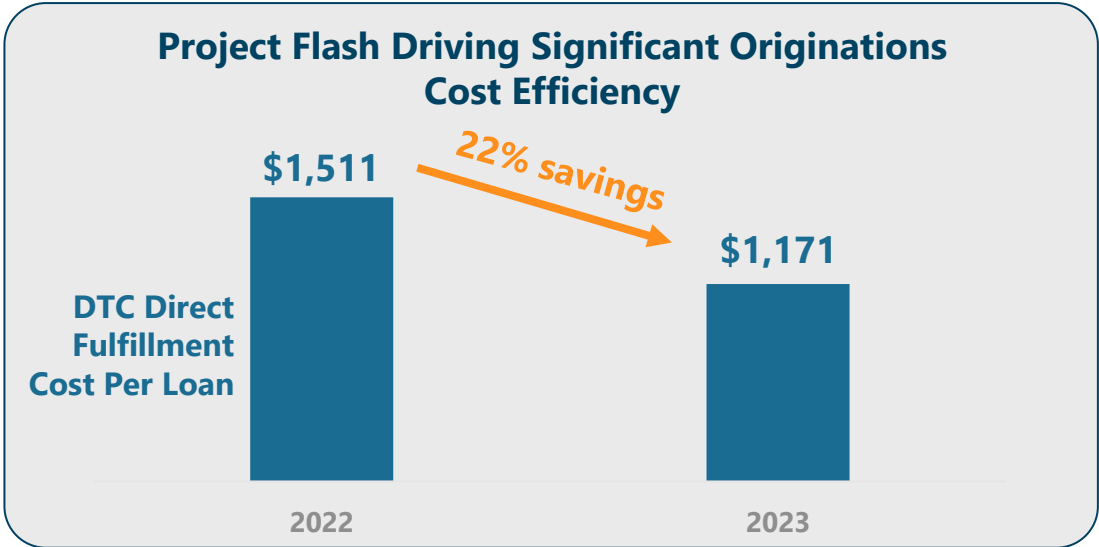
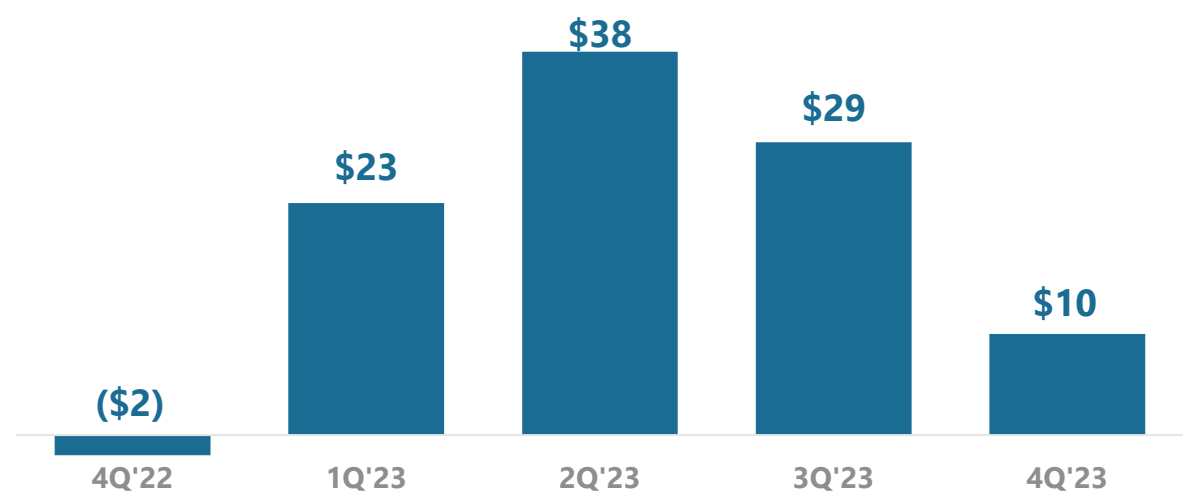


No-touch environment driving
meaningful efficiency gains

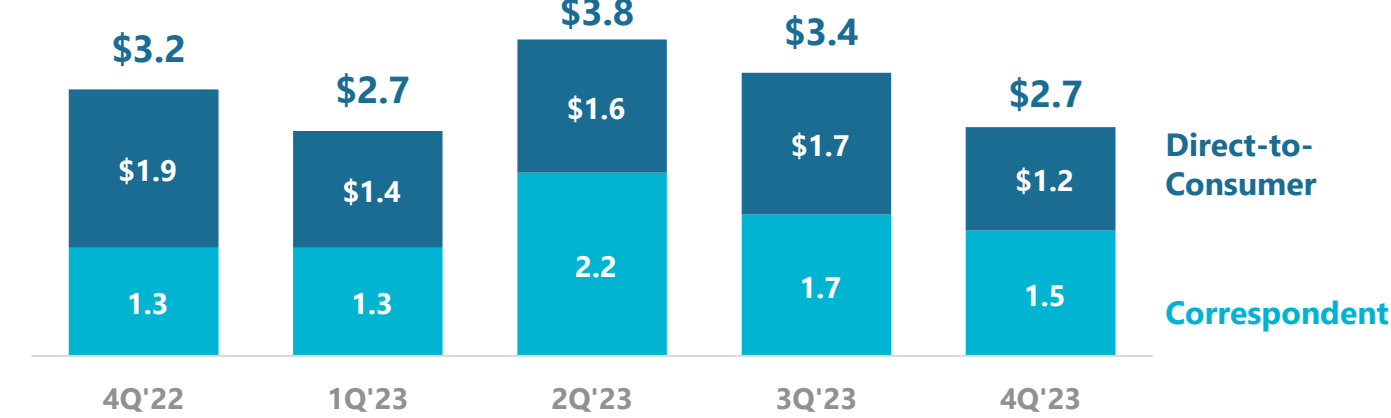


ORIGINATIONS REMAINS SOLIDLY PROFITABLE DESPITE CHALLENGING ENVIRONMENT

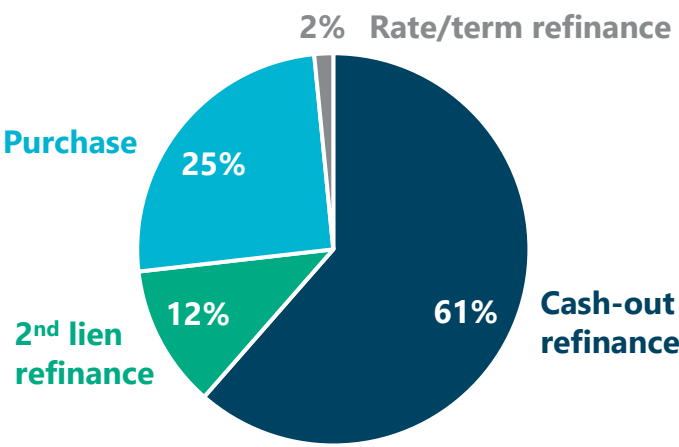
Origination Pretax Operating Income⁽¹⁾ Outperforms Guidance
(\$ mm's)



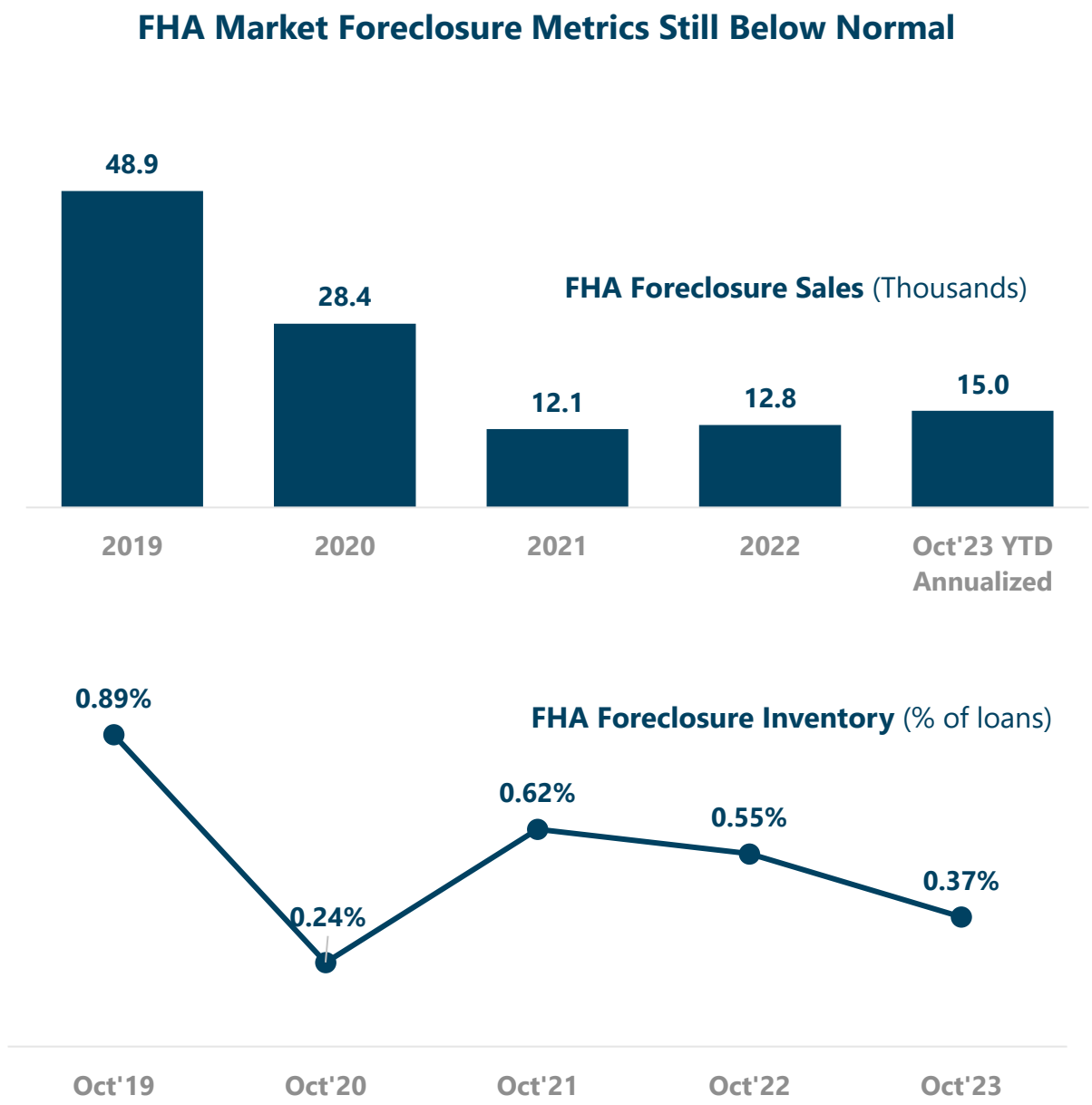
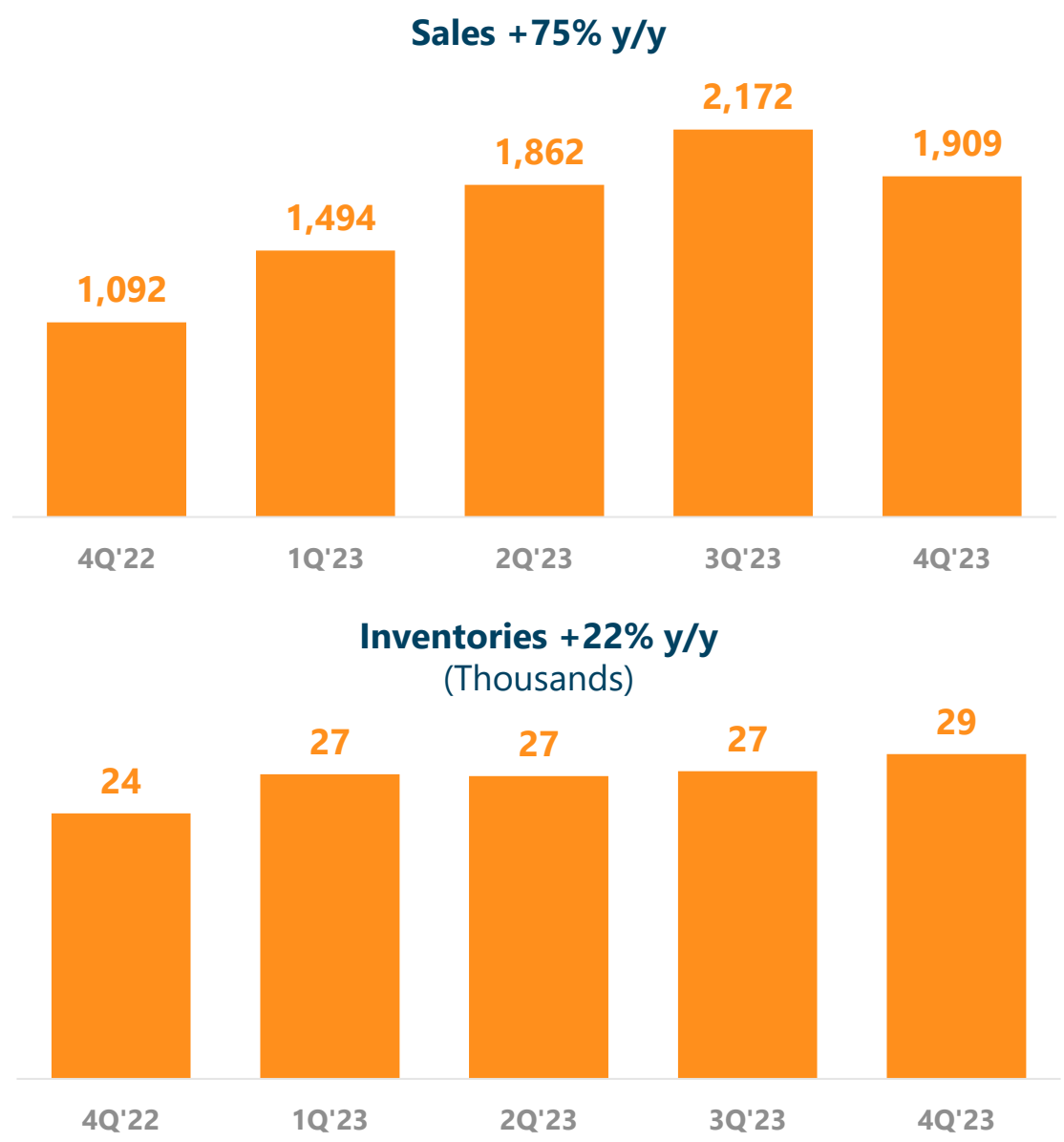
Seasonality Impacts 4Q'23 Funded Volume
(\$ bn's)



4Q'23 DTC Funding Mix



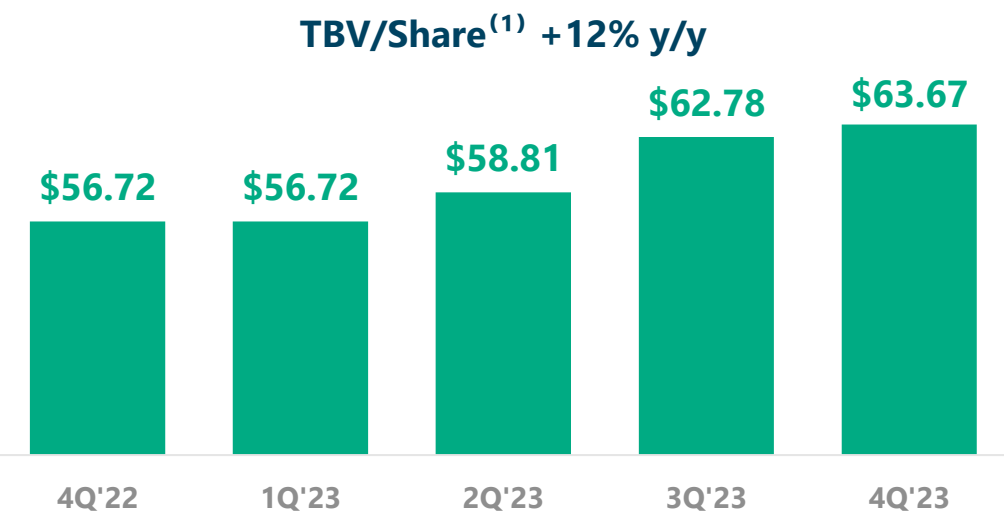
STRONG XOME SALES AND INVENTORY GROWTH Y/Y, WELL POSITIONED FOR ADVERSE ENVIRONMENT



SUMMARY 4Q'23 FINANCIAL RESULTS

\$ mm's, except per share data	4Q'23	3Q'23	4Q'22
Servicing	\$229	\$301	\$159
Originations	10	29	(2)
Corporate debt interest expense	(48)	(45)	(39)
Corporate expense/other	(40)	(36)	(36)
Pretax operating income⁽¹⁾	\$151	\$249	\$82
MSR MTM, net of hedge ⁽¹⁾	(41)	61	(58)
Adjustments	(39)	44	(33)
Intangible amortization	(2)	(2)	(1)
Pretax income	\$69	\$352	(\$10)
Income tax (expense)	(23)	(77)	11
Net income	\$46	\$275	\$1
Weighted average diluted sharecount	66.7	67.7	71.6
Diluted EPS ⁽²⁾	\$0.69	\$4.06	\$0.01
ROTCE ⁽¹⁾	4.5%	27.3%	0.1%
Operating ROTCE^{(1) (3)}	11.1%	18.7%	6.3%

- Adjustments included \$27 mm costs related to the cyber event, \$8 mm deal costs associated with Roosevelt and Home Point, \$2 mm severance charge, and \$2 mm equity loss in Sagent
- Other MTM of \$41 mm included \$217 mm MSR MTM, net of excess spread⁽⁴⁾, and \$176 mm hedge gain, equivalent to **81% hedge ratio**
- MSR ended the quarter valued at 1.55% of UPB or 5.2x the base servicing fee

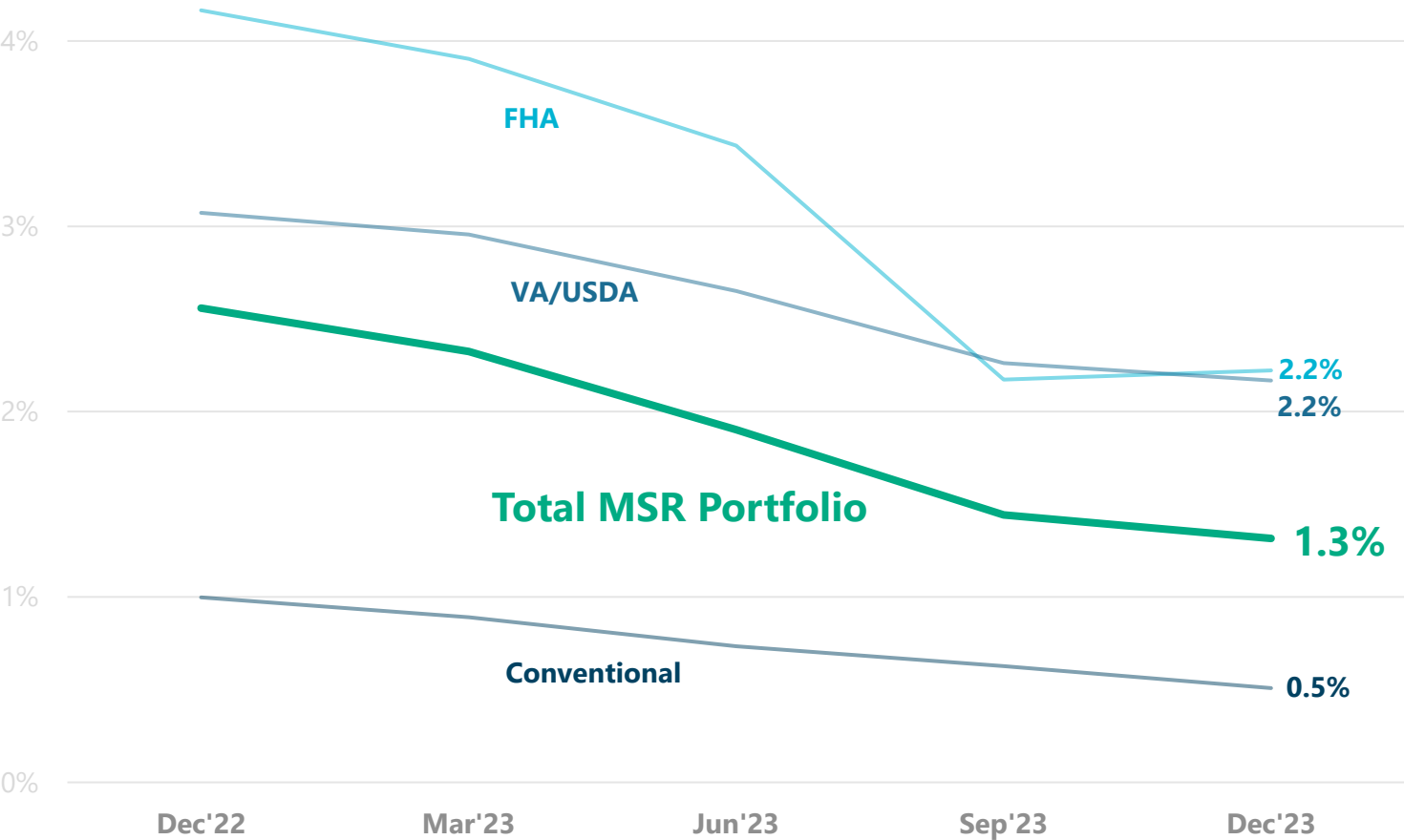


11 | ⁽¹⁾ Please see appendix for reconciliations of non-GAAP items.
⁽²⁾ Per share data calculated based on net income (loss) attributable to common shareholders
⁽³⁾ Assumes GAAP tax-rate of 24.2%

⁽⁴⁾ Includes MSR fair value MTM of \$183 mm less \$20 mm excess spread /financing MTM, \$13 mm other MTM adjustments, and \$1 mm fair value excess spread accretion

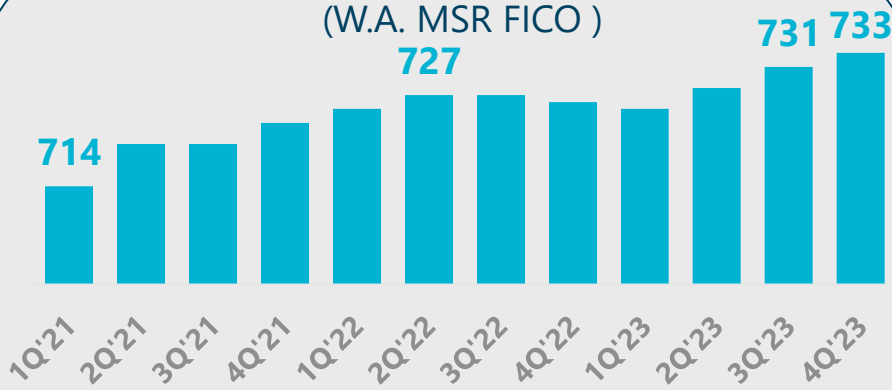
WELL POSITIONED TO PERFORM IN ADVERSE ENVIRONMENTS

High Quality MSR Portfolio with Record Low Delinquencies⁽¹⁾



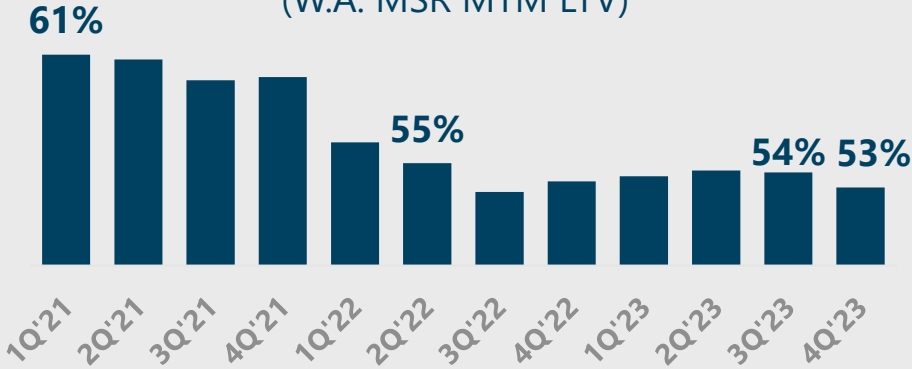
Strong Quality Trends

(W.A. MSR FICO)



Strong Quality Trends

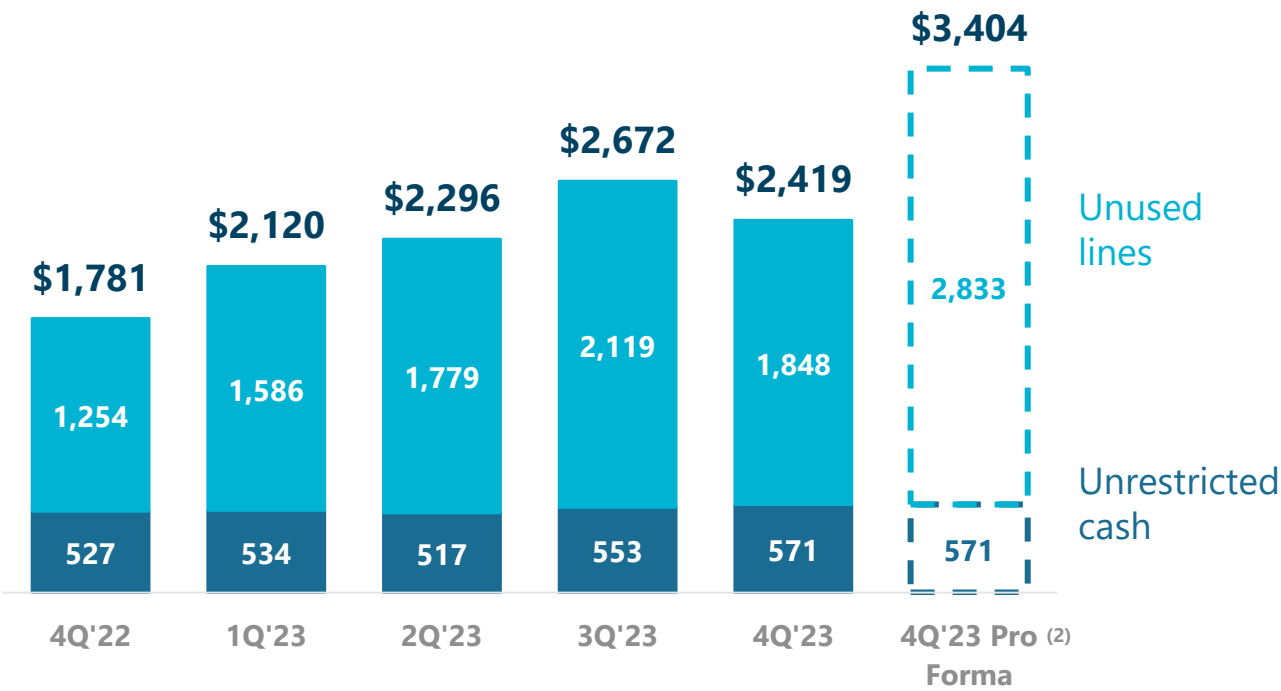
(W.A. MSR MTM LTV)



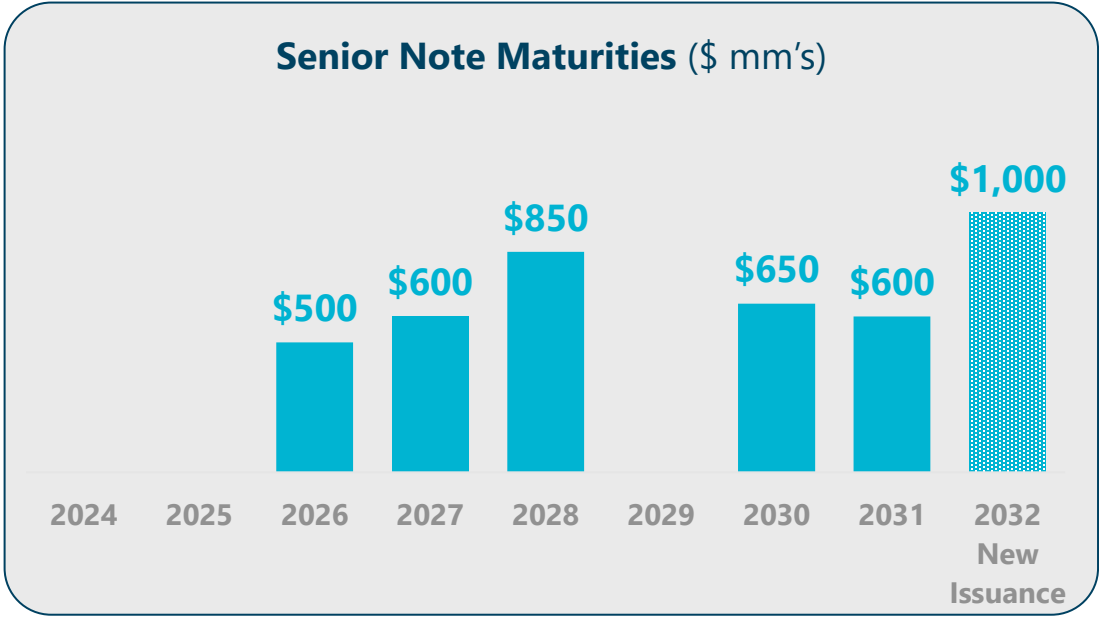
Our special servicing business and digital real estate auction marketplace positions us to generate counter-cyclical revenues during adverse credit cycles

HIGH YIELD OFFERING BRINGS ADDITIONAL LIQUIDITY

Liquidity⁽¹⁾ (\$ mm's)



Senior Note Maturities (\$ mm's)



⁽¹⁾ Liquidity includes unrestricted cash and collateralized, but undrawn, availability on MSR, advance and warehouse lines.
⁽²⁾ Assumes the new issuance of \$1 bn senior notes, net of discount and underwriting fees, of \$985 mm will be used to pay down MSR lines

MR. COOPER BALANCE SHEET MANAGEMENT REFLECTED IN TIGHTER SPREADS



Capital Ratio above 20-25% Target Range at 12/31/2023⁽¹⁾



Senior Note Spread (Basis Points)
(\$600 mm, 6.0%, 2027)

Appendix

BALANCE SHEET

\$ mm's	4Q'22	1Q'23	2Q'23	3Q'23	4Q'23
Cash and cash equivalents	\$527	\$534	\$517	\$553	\$571
Restricted cash	175	133	170	151	169
Mortgage servicing rights at fair value	6,654	6,566	7,149	8,504	9,090
Advances and other receivables, net of reserves	1,019	933	802	758	996
Mortgage loans held for sale at fair value	893	937	1,187	893	927
Property and equipment, net	65	64	61	59	53
Deferred tax asset, net	703	707	657	499	472
Other assets	2,740	2,783	2,601	2,010	1,918
Total assets	\$12,776	\$12,657	\$13,144	\$13,427	\$14,196
Unsecured senior notes, net	\$2,673	\$2,675	\$2,676	\$3,147	\$3,151
Advance, warehouse and MSR facilities, net	2,885	2,934	3,512	3,545	4,302
Payables and other liabilities	2,633	2,550	2,395	1,964	1,995
MSR related liabilities - nonrecourse at fair value	528	512	482	467	466
Total liabilities	8,719	8,671	9,065	9,123	9,914
Total stockholders' equity	4,057	3,986	4,079	4,304	4,282
Total liabilities and stockholders' equity	\$12,776	\$12,657	\$13,144	\$13,427	\$14,196

SEGMENT OPERATING INCOME AND NON-GAAP RECONCILIATION

\$ mm's	Servicing	Originations	Corporate / Other	Consolidated
Service related, net, excluding MTM	\$347	\$16	\$22	\$385
Net gain on mortgage loans held for sale	9	51	(1)	59
Operating revenue excluding MTM	356	67	21	444
Salaries, wages, and benefits	88	36	40	164
General and administrative	92	23	53	168
Total expenses	180	59	93	332
Interest income	148	10	1	159
Interest expense	(100)	(9)	(50)	(159)
Other expense, net	-	-	(3)	(3)
Total other income (expenses), net	48	1	(52)	(3)
Pretax income (loss) before MTM	224	9	(124)	109
Fair value of excess spread accretion	1	-	-	1
Other MTM	(41)	-	-	(41)
MTM	(40)	-	-	(40)
Pretax income (loss) from operations	184	9	(124)	69
Other MTM	41	-	-	41
Adjustments	2	1	36	39
Intangible amortization	2	-	-	2
Pretax operating income (loss) from operations	\$229	\$10	(\$88)	\$151

ROTCE RECONCILIATION

\$ mm's	4Q'22	1Q'23	2Q'23	3Q'23	4Q'23
Pretax income (loss)	(\$10)	\$35	\$198	\$352	\$69
Income tax (expense) benefit	11	2	(56)	(77)	(23)
Net income	\$1	\$37	\$142	\$275	\$46
ROCE⁽¹⁾	0.1%	3.7%	14.1%	26.2%	4.3%
ROTCE	0.1%	3.8%	14.6%	27.3%	4.5%
Pretax income (loss)	(\$10)	\$35	\$198	\$352	\$69
Other mark-to-market	58	63	(61)	(61)	41
Adjustments	33	11	11	(44)	39
Intangible amortization	1	1	2	2	2
Pretax operating income	\$82	\$110	\$150	\$249	\$151
Income tax expense ⁽²⁾	(20)	(27)	(36)	(60)	(37)
Fully-taxed operating income	\$62	\$83	\$114	\$189	\$114
Operating ROTCE	6.3%	8.6%	11.7%	18.7%	11.1%
Average book value	\$4,081	\$4,022	\$4,033	\$4,192	\$4,293
Average tangible book value	\$3,953	\$3,895	\$3,896	\$4,032	\$4,123

ROTCE is a non-GAAP financial measure that is computed by dividing annualized earnings by average tangible common equity (tangible book value). Operating ROTCE is a non-GAAP financial measure that is computed by dividing annualized fully-taxed operating earnings by average tangible common equity. Tangible common equity equals total stockholders' equity less goodwill and intangible assets. The methodology of determining tangible common equity may differ among companies. Management believes that ROTCE and operational ROTCE are useful financial measures because they measure the performance of a business consistently and enables investors and others to assess the Company's use of equity.

TANGIBLE BOOK VALUE (TBV) AND TNW/ASSETS

\$ mm's except for per share data	4Q'22	1Q'23	2Q'23	3Q'23	4Q'23
Stockholders' equity	\$4,057	\$3,986	\$4,079	\$4,304	\$4,282
Goodwill	(120)	(120)	(120)	(141)	(141)
Intangible assets	(8)	(6)	(28)	(30)	(28)
Tangible book value (TBV)	\$3,929	\$3,860	\$3,931	\$4,133	\$4,113
Ending outstanding sharecount (mm's)	69.3	68.1	66.8	65.8	64.6
TBV/share	\$56.72	\$56.72	\$58.81	\$62.78	\$63.67
Assets	\$12,776	\$12,657	\$13,144	\$13,427	\$14,196
Loans subject to repurchase from GNMA	\$1,865	\$1,889	\$1,650	\$1,027	\$966
Tangible assets ⁽¹⁾	\$12,648	\$12,531	\$12,996	\$13,256	\$14,027
Deferred tax assets, net	\$703	\$707	\$657	\$499	\$472
TNW/Assets ⁽²⁾	31.1%	30.8%	30.2%	31.2%	29.3%
TNW/Assets ⁽²⁾ excluding DTA and loans subject to repurchase from GNMA	32.0%	31.7%	30.6%	31.0%	28.9%
Operating lease liabilities	\$111	\$106	\$91	\$99	\$91
MSR line draws	1,410	1,440	1,809	2,195	2,814
Unsecured senior notes principal	2,700	2,700	2,700	3,200	3,200
Debt	\$4,221	\$4,246	\$4,600	\$5,494	\$6,105
MSR line draws/Debt	33%	34%	39%	40%	46%

SERVICING NON-GAAP RECONCILIATION

\$ mm's	4Q'22		1Q'23		2Q'23		3Q'23		4Q'23	
	\$	Bps	\$	Bps	\$	Bps	\$	Bps	\$	Bps
Pretax income from operations	\$98	4.5	\$94	4.4	\$243	11.5	\$361	16.1	\$184	7.6
Other mark-to-market (MTM)	56	2.6	61	2.9	(63)	(3.0)	(63)	(2.8)	40	1.7
Fair value of excess spread accretion	2	0.1	2	0.1	2	0.1	2	0.1	1	0.0
Accounting items	3	0.1	-	-	-	-	-	-	2	0.1
Intangible amortization	-	-	-	-	-	-	1	0.0	2	0.1
Pretax income excluding MTM and other notable items	\$159	7.3	\$157	7.4	\$182	8.6	\$301	13.4	\$229	9.5
Average UPB (\$bn)	\$868		\$861		\$848		\$897		\$963	
Amortization Reconciliation										
MSR amortization	(\$135)	(6.2)	(\$125)	(5.8)	(\$148)	(7.0)	(\$171)	(7.6)	(\$160)	(6.7)
Excess spread accretion	12	0.5	10	0.5	11	0.5	11	0.5	9	0.4
Total amortization	(123)	(5.7)	(115)	(5.3)	(137)	(6.5)	(160)	(7.1)	(151)	(6.3)
Fair value of excess spread accretion	2	0.1	2	0.1	2	0.1	2	0.1	1	0.0
Total amortization including fair value of excess spread accretion	(\$121)	(5.6)	(\$113)	(5.2)	(\$135)	(6.4)	(\$158)	(7.0)	(\$150)	(6.3)

SERVICING PROFITABILITY

\$ mm's	4Q'22		1Q'23		2Q'23		3Q'23		4Q'23	
	\$	Bps	\$	Bps	\$	Bps	\$	Bps	\$	Bps
Operational Revenue										
Base servicing fees	\$320	14.8	\$327	15.2	\$345	16.3	\$382	17.0	\$412	17.1
Modification fees	2	0.1	3	0.1	5	0.2	6	0.3	5	0.2
Late payment fees	14	0.6	16	0.7	16	0.8	17	0.7	14	0.6
Other ancillary revenues	-	-	10	0.5	15	0.7	82	3.7	16	0.7
Total MSR operational revenue	336	15.5	356	16.5	381	18.0	487	21.7	447	18.6
Base subservicing fee and other subservicing revenue	75	3.4	69	3.3	79	3.7	92	4.1	77	3.2
Total servicing fee revenue	411	18.9	425	19.8	460	21.7	579	25.8	524	21.8
MSR financing liability costs	(5)	(0.2)	(8)	(0.4)	(7)	(0.3)	(7)	(0.3)	(8)	(0.3)
Excess spread payments and portfolio runoff	(12)	(0.5)	(10)	(0.5)	(11)	(0.5)	(11)	(0.5)	(9)	(0.4)
Total operational revenue	394	18.2	407	18.9	442	20.9	561	25.0	507	21.1
Amortization										
MSR amortization	(135)	(6.2)	(125)	(5.8)	(148)	(7.0)	(171)	(7.6)	(160)	(6.7)
Excess spread accretion	12	0.5	10	0.5	11	0.5	11	0.5	9	0.4
Total amortization	(123)	(5.7)	(115)	(5.3)	(137)	(6.5)	(160)	(7.1)	(151)	(6.3)
Mark-to-Market Adjustments										
MSR fair value MTM	(35)	(1.6)	(105)	(4.9)	139	6.6	270	12.0	(183)	(7.6)
MTM adjustment ⁽¹⁾	(13)	(0.6)	50	2.3	(88)	(4.2)	(203)	(9.0)	163	6.7
Excess spread / financing MTM	(8)	(0.4)	(6)	(0.3)	12	0.6	(4)	(0.2)	(20)	(0.8)
Total MTM adjustments	(56)	(2.6)	(61)	(2.9)	63	3.0	63	2.9	(40)	(1.7)
Total revenues	\$215	9.9	\$231	10.7	\$368	17.4	\$464	20.7	\$316	13.1
Average UPB (\$bn)	\$868		\$861		\$848		\$897		\$963	

SERVICING PROFITABILITY [CONT.]

\$ mm's	4Q'22		1Q'23		2Q'23		3Q'23		4Q'23	
	\$	Bps	\$	Bps	\$	Bps	\$	Bps	\$	Bps
Salaries, wages and benefits	\$83	3.8	\$82	3.8	\$83	3.9	\$87	3.8	\$88	3.7
Servicing support fees	20	1.0	16	0.7	21	1.0	29	1.3	25	1.0
Corporate and other general and administrative expenses	39	1.8	42	2.0	44	2.1	52	2.3	56	2.3
Foreclosure and other liquidation related expenses	3	0.1	11	0.5	8	0.4	-	-	8	0.3
Depreciation and amortization	2	0.1	2	0.1	3	0.1	4	0.2	3	0.1
Total general and administrative expenses	64	3.0	71	3.3	76	3.6	85	3.8	92	3.7
Total expenses	\$147	6.8	\$153	7.1	\$159	7.5	\$172	7.6	\$180	7.4
Interest income	\$83	3.8	\$79	3.7	\$107	5.1	\$157	6.9	\$148	6.1
Advance interest expense	(9)	(0.4)	(14)	(0.6)	(14)	(0.7)	(13)	(0.6)	(14)	(0.6)
Other interest expense	(44)	(2.0)	(49)	(2.3)	(59)	(2.8)	(75)	(3.3)	(86)	(3.6)
Interest expense	(53)	(2.4)	(63)	(2.9)	(73)	(3.5)	(88)	(3.9)	(100)	(4.2)
Total other (expenses) income, net	\$30	1.4	\$16	0.8	\$34	1.6	\$69	3.0	\$48	1.9
Pretax income from continuing operations	\$98	4.5	\$94	4.4	\$243	11.5	\$361	16.1	\$184	7.6
Average UPB (\$bn)	\$868		\$861		\$848		\$897		\$963	

SERVICING PORTFOLIO

\$ mm's	4Q'22	1Q'23	2Q'23	3Q'23	4Q'23
<u>Unpaid Principal Balance (UPB) Rollforward</u>					
Originations	\$3,250	\$2,731	\$3,796	\$3,419	\$2,678
Acquisitions	23,057	8,316	53,878	98,563	69,154
Dispositions	(179)	(1,256)	(350)	(22,184)	(1,450)
Runoff	(10,152)	(8,735)	(10,286)	(10,950)	(10,764)
Total MSR⁽¹⁾	\$411,382	\$412,438	\$459,476	\$528,324	\$587,942
Subservicing	459,053	440,111	422,522	408,930	403,778
Total Servicing	\$870,435	\$852,549	\$881,998	\$937,254	\$991,720
<u>Valuation Data</u>					
MSR carrying value	162 bps	159 bps	156 bps	161 bps	155 bps
<u>Runoff Rates</u>					
CPR	5.3%	4.4%	5.8%	5.6%	4.2%
Principal payments	3.9%	4.0%	4.0%	3.8%	3.8%
MSR runoff rate	9.2%	8.4%	9.8%	9.4%	8.0%
Total Servicing CPR	4.9%	4.1%	5.5%	5.3%	4.0%
<u>Portfolio Composition</u>					
GSE	29%	30%	35%	40%	44%
GNMA	15%	15%	14%	13%	12%
PLS	3%	3%	3%	3%	3%
Total MSRs	47%	48%	52%	56%	59%
Subservicing	53%	52%	48%	44%	41%
Total	100%	100%	100%	100%	100%

ORIGINATIONS NON-GAAP RECONCILIATION

\$ mm's	4Q'22		1Q'23		2Q'23		3Q'23		4Q'23	
	\$	Margin	\$	Margin	\$	Margin	\$	Margin	\$	Margin
Pretax (loss) income	(\$14)	-0.15%	\$23	0.55%	\$38	1.00%	\$29	0.93%	\$9	0.40%
Accounting items	12	0.38%	-	0.00%	-	0.00%	-	0.00%	1	0.04%
Pretax (loss) income excluding accounting items	(\$2)	0.23%	\$23	0.55%	\$38	1.00%	\$29	0.93%	\$10	0.44%
Pull through adjusted lock volume (\$bn)	\$2.8		\$3.0		\$3.8		\$3.3		\$2.6	
Funded volume (\$bn)	\$3.2		\$2.7		\$3.8		\$3.4		\$2.7	

ORIGINATIONS PROFITABILITY

\$ mm's	4Q'22	1Q'23	2Q'23	3Q'23	4Q'23
Service related, net - Originations	\$12	\$11	\$16	\$18	\$16
Net gain on mortgage loans held for sale					
Net gain on loans originated and sold	(12)	18	6	(8)	-
Capitalized servicing rights	68	51	75	78	51
Total net gain on mortgage loans held for sale	56	69	81	70	51
Total revenues	\$68	\$80	\$97	\$88	\$67

Supplemental Data

Pull through adjusted lock volume	\$2,797	\$3,045	\$3,819	\$3,308	\$2,592
Funded volume	\$3,169	\$2,739	\$3,822	\$3,412	\$2,661
Loans sold, servicing retained	\$3,169	\$2,372	\$3,320	\$3,472	\$2,484
GOS margin ⁽¹⁾	2.00%	2.27%	2.12%	2.12%	1.97%
Revenue margin ⁽¹⁾	2.43%	2.63%	2.54%	2.66%	2.58%
Value of capitalized servicing retained	212 bps	214 bps	225 bps	225 bps	206 bps
Value of capitalized servicing at lock ⁽²⁾	152 bps	160 bps	166 bps	168 bps	172 bps

ORIGINATIONS PROFITABILITY [CONT.]

\$ mm's	4Q'22	1Q'23	2Q'23	3Q'23	4Q'23
Salaries, wages and benefits	\$54	\$34	\$36	\$37	\$36
Loan originations expenses	9	7	9	7	7
Corporate and other general and administrative expenses	11	9	8	7	9
Marketing and professional service fee	5	4	4	5	5
Depreciation and amortization	2	2	2	2	2
Total expenses	\$81	\$56	\$59	\$58	\$59
Funded volume	\$3,169	\$2,739	\$3,822	\$3,412	\$2,661
Expenses margin ⁽¹⁾	2.56%	2.04%	1.54%	1.70%	2.22%
Interest income	\$9	\$6	\$10	\$10	\$10
Interest expense	(10)	(7)	(10)	(11)	(9)
Total other income (expenses), net	(\$1)	(\$1)	\$0	(\$1)	\$1
Funded volume	\$3,169	\$2,739	\$3,822	\$3,412	\$2,661
Other income, net margin ⁽¹⁾	-0.02%	-0.04%	0.00%	-0.03%	0.04%
Pretax (loss) income from continuing operations	(\$14)	\$23	\$38	\$29	\$9
Pretax (loss) income margin ⁽²⁾	-0.15%	0.55%	1.00%	0.93%	0.40%

ADJUSTED EBITDA

\$ mm's	4Q'22	1Q'23	2Q'23	3Q'23	4Q'23
Consolidated GAAP pretax (loss) income	(\$10)	\$35	\$198	\$352	\$69
Other mark-to-market	58	63	(61)	(61)	41
Adjustments ⁽¹⁾	33	11	11	(44)	39
MSR amortization, net ⁽²⁾	121	113	135	158	150
Capitalized servicing rights	(71)	(54)	(78)	(85)	(54)
Depreciation and amortization	8	9	9	10	10
Corporate debt interest expense	39	39	39	45	48
Other	5	5	8	8	7
Adjusted EBITDA	\$183	\$221	\$261	\$383	\$310

4Q'23 SOURCES AND USES CASH FLOW

	Servicing	Originations	Corporate / Other	Consolidated	Illustrative Steady State Discretionary Cashflow
\$mm's					
GAAP pretax income (loss)	\$184	\$9	(\$124)	\$69	
Depreciation and amortization	3	2	5	10	
Share-based compensation	1	1	5	7	
Amortization of deferred financing costs	1	-	7	8	
Settlement of excess spread financing	(17)	-	-	(17)	
MSR amortization	160	-	-	160	
Other mark-to-market	41	-	-	41	
Business segment cash flow from operations	\$373	\$12	(\$107)	\$278	\$278
State/local taxes ⁽¹⁾				-	(2)
Total working capital change ⁽²⁾				620	-
Total sources, net				\$898	\$276
Capex				(2)	(2)
Capitalized servicing rights - Originations/EBO				(54)	(54)
MSR purchases, MSR sales, and excess spread financing				(734)	(96)
Net investment in MSR				(788)	(150) ⁽³⁾
Repurchase of common stock				(72)	-
Total uses, net				(\$862)	(\$152)
Change in cash				\$36	\$124
Change in unrestricted cash				\$18	

⁽¹⁾ Based on marginal tax rate of 3.2%, net of federal benefit. Actual tax payments/refunds included in total working capital changes

⁽²⁾ Includes mortgage loans originated, sold or repurchased, net gains on mortgage loans held for sale excluding capitalized servicing rights, repayment of nonrecourse debt – legacy assets, and changes in warehouse facilities, advance facilities, advances and other receivables, other assets, payables and other liabilities, taxes, and other activities

⁽³⁾ Required investment to sustain the net MSR is based on sum of (\$160) mm MSR amortization, \$9 mm excess spread accretion, and \$1 mm in fair value of excess spread accretion