Home Point Capital

Second Quarter 2021 Earnings Presentation

August 10, 2021

Forward-Looking Statements

This presentation contains certain "forward-looking statements," as that term is defined in the U.S. federal securities laws, including the Private Securities Litigation Reform Act of 1995. In addition, from time to time, Home Point Capital Inc. ("we," "our," "us" or the "Company") or its representatives have made, or may make, forward-looking statements orally or in writing. These forward-looking statements include, but are not limited to, statements other than statements of historical facts, including among others, statements relating to the Company's future financial performance, the Company's business prospects and strategy, anticipated financial position, liquidity and capital needs, the industry in which the Company operates and other similar matters. Words such as "anticipates," "expects," "intends," "plans," "predicts," "believes," "seeks," "estimates," "could," "would," "will," "may," "can," "continue," "potential," "should" and the negative of these terms or other comparable terminology often identify forward-looking statements. These forward-looking statements, which are based on currently available information, operating plans, and projections about events and trends, are not guarantees of future performance and are subject to risks and uncertainties that could cause actual results to differ materially from the results contemplated by the forward-looking statements. Factors, risks, and uncertainties that could cause actual outcomes and results to be materially different from those contemplated by forward-looking statements include, among others: the spread of the COVID-19 outbreak and severe disruptions in the U.S. and global economy and financial markets it has caused; our reliance on our financing arrangements to fund mortgage loans and otherwise operate our business; the dependence of our loan origination and servicing revenues on macroeconomic and U.S. residential real estate market conditions; counterparty risk; the requirement to make servicing advances that can be subject to delays in recovery or may not be recoverable in certain circumstances; competition for mortgage assets that may limit the availability of desirable originations, acquisitions and result in reduced risk-adjusted returns; our ability to continue to grow our loan origination business or effectively manage significant increases in our loan production volume; competition in the industry in which we operate; our success and growth of our production and servicing activities and the dependence upon our ability to adapt to and implement technological changes; the effectiveness of our risk management efforts; our ability to detect misconduct and fraud; any cybersecurity risks, cyber incidents and technology failures; our vendor relationships; our failure to deal appropriately with various issues that may give rise to reputational risk, including legal and regulatory requirements; risks and uncertainties associated with litigation, including any employment, intellectual property, consumer protection, class action and other litigation matters, and related unfavorable publicity; exposure to new risks and increased costs as a result of initiating new business activities or strategies or significantly expanding existing business activities or strategies; the impact of changes in political or economic stability or in government policies on our material vendors with operations in India; the impact of interest rate fluctuations; risks associated with hedging against interest rate exposure; the impact of any prolonged economic slowdown, recession or declining real estate values; risks associated with financing our assets with borrowings; risks associated with a decrease in value of our collateral; the dependence of our operations on access to our financing arrangements; risks associated with the financial and restrictive covenants included in our financing agreements; risks associated with higher risk loans that we service; risks associated with derivative financial instruments; our ability to foreclose on our mortgage assets in a timely manner or at all; our ability to obtain and/or maintain licenses and other approvals in those jurisdictions where required to conduct our business; legislative and regulatory changes that impact the mortgage loan industry or housing market; and changes in regulations or the occurrence of other events that impact the business, operations or prospects of government agencies or such changes that increase the cost of doing business with such entities. You should carefully consider the foregoing factors and the other risks and uncertainties that may affect the Company's business, including those described in documents filed from time to time by the Company with the Securities and Exchange Commission. Many of the important factors that will determine these results are beyond our ability to control or predict. You are cautioned not to put undue reliance on any forward-looking statements, which speak only as of the date thereof. Except as required under applicable law, the Company does not assume any obligation to update these forward-looking statements.

Second Quarter 2021 Performance

Operational Results

- Funded origination volume of more than $25 billion; $97 billion in LTM[1] Q2 2021
- More than 6,700 Broker Partners at quarter end, 55% increase year-over-year
- 449,000 servicing customers at end of Q2 2021, up 57% from the end of Q2 2020
- Servicing portfolio of $124 billion as of June 30, 2021, 86% increase year-over-year

Financial Performance

- Quarterly total net revenues of $84 million
- Net loss of $73 million[2], or $(0.53) per share

(1) Last twelve months for the period ended June 30th. Second quarter 2021 LTM information is derived from a numerical calculation of our fiscal year 2020 financial information plus first half 2021 financial information less first half 2020 financial information. Home Point Capital does not prepare or present separate LTM financial statements.
(2) The net loss in the second quarter was primarily due to lower gain on sale margins as a result of competitive and market pricing pressure, and a $29 million reduction in the mark-to-market fair value, net of hedge, of the mortgage servicing rights portfolio.

Driving Towards Profitable Growth

Unprecedented Operating Environment in Q2'21

- Historic pricing dislocation in wholesale channel

+

- Agency pricing/product actions further compressed margins

+

- Interest rate volatility

Executing Strategy to Scale and Optimize our Business

- ✓ Increasing momentum of broker partner growth
- ✓ Accelerating productivity and efficiency initiatives
- ✓ Enhancing partner and customer experience
- ✓ Diversifying capital markets execution alternatives

Driving Home Point Towards a Baseline Return on Equity of At Least 15%

Homepoint Amplify: A New Service Model

Introduced to Help Mortgage Brokers Thrive in Purchase Market

Combines regionalized support with our national platform to help maximize broker efficiency and deliver faster, more personalized customer experience

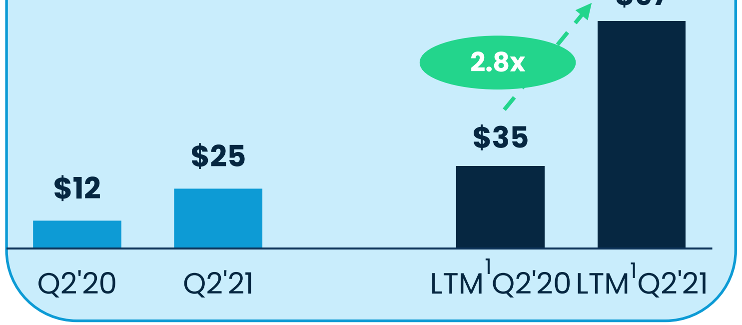
New model integrates "small lender feel" with the technology, resources and capabilities of a large lender

Restructuring operations through formation of regional support teams aligned with Homepoint's six regions across the U.S.

New path enables accelerated transformation with focus on three core outcomes: efficiency, experience, and quality

Performance Across the Platform in Q2 2021

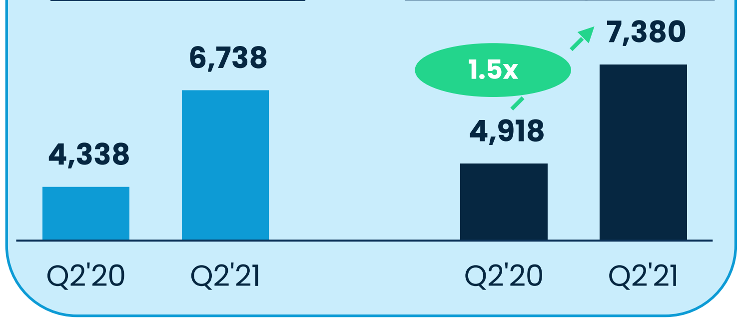
Funded Origination Volume
($bn)



Third Party Partners

of Broker Partners

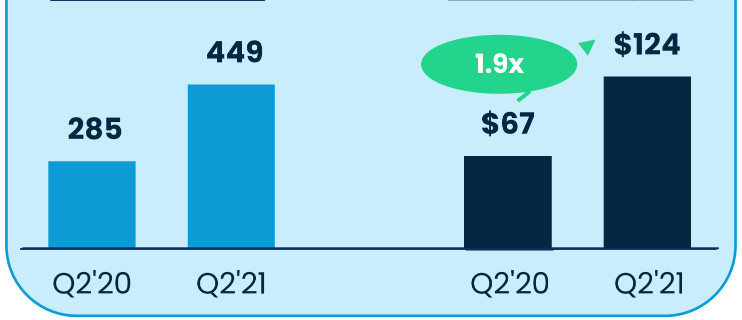
# of Third Party Partners[2]



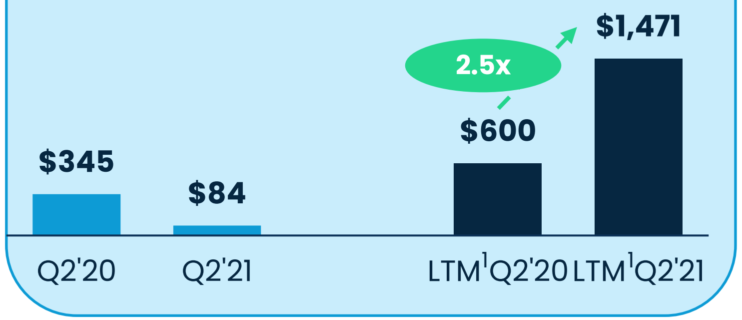
Mortgage Servicing

Customers ('000)

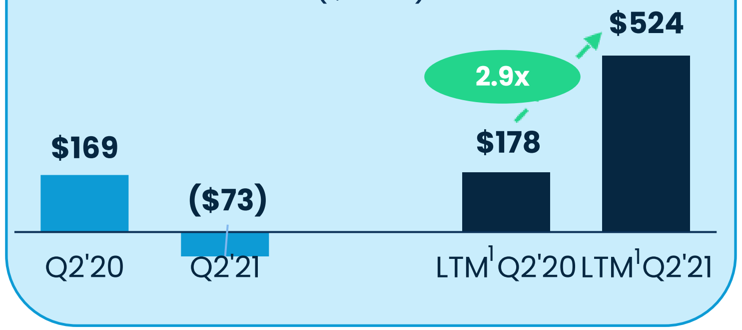
Portfolio UPB ($bn)



Total Revenue, Net
($mm)



Net Income (Loss)
($mm)



(1) Last twelve months for the period ended June 30th. Second quarter 2021 LTM information is derived from a numerical calculation of our fiscal year 2020 financial information plus first half 2021 financial information less first half 2020 financial information. Home Point Capital does not prepare or present separate LTM financial statements.

(2) Includes correspondent and broker partners combined.

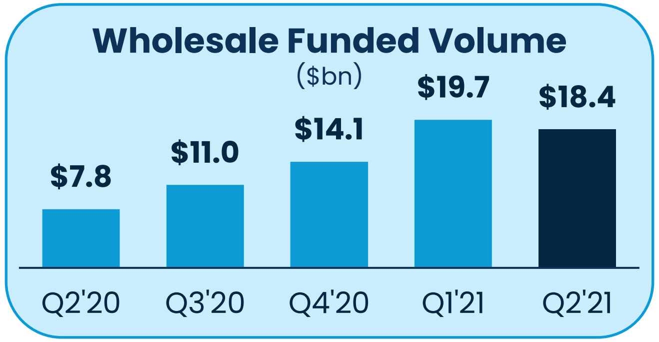
Second Quarter 2021 Financial Results

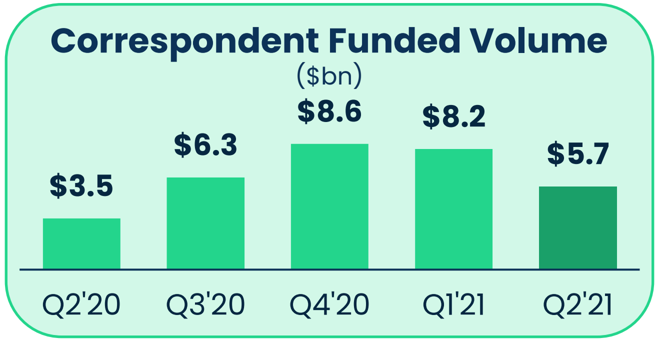
($mm, except per share values)	For the quarter ended		
	6/30/2021	3/31/2021	6/30/2020
Gain on loans, net	$ 75.0	$ 301.2	$ 356.9
Loan fee income	39.5	44.1	20.4
Loan servicing fees	85.6	70.3	42.3
Change in FV of MSR	(106.9)	12.8	(72.2)
Other income (loss)	(8.8)	(6.6)	(2.3)
Total revenue, net	**84.4**	**422.0**	**345.0**
Total Expenses	198.0	227.0	118.4
Pre-tax income (loss)	(113.6)	194.9	226.7
Income tax expense (benefit)	(27.2)	50.1	59.5
Income from equity method investment	13.2	4.2	1.9
Net income (loss)	**$ (73.2)**	**$ 149.0**	**$ 169.0**
Net margin	***NM***	***35%***	***49%***
Basic and diluted earnings per share[1]:			
Basic net income (loss)/share	$ (0.53)	$ 1.07	$ 1.22
Diluted net income (loss)/share	(0.52)	1.06	1.22
Basic wghtd. avg. shrs out. (mm)	138.9	138.9	138.9
Diluted wghtd. avg. shrs out. (mm)	140.5	139.7	139.1

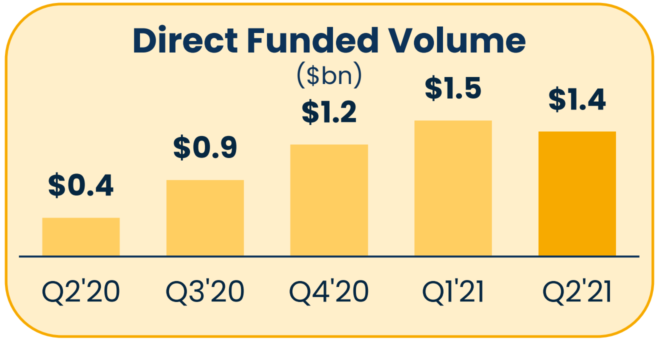
(1) On January 21, 2021, Home Point Capital effected a stock split of its outstanding common stock pursuant to which the 100 outstanding shares were split into 1,388,601.11 shares each, for a total of 138,860,103 shares of outstanding common stock. As a result, all amounts relating to per share amounts have been retroactively adjusted to reflect this stock split.

- Total revenue, net in the second quarter of $84 million compared to $345 million year-over-year and $422 million in the first quarter of 2021
  - Revenue for the second quarter of 2021 adversely impacted by competitive pressure and agency pricing and product actions
- Second quarter 2021 net loss of $73 million, compared to net income of $169 million year-over-year and $149 million in the first quarter of 2021
  - Net loss primarily due to lower Origination segment revenue including approximately $33 million of adjustments largely related to agency pricing and product actions, and a $29 million reduction in the mark-to-market fair value, net of hedge, of the mortgage servicing rights portfolio

Funded Volume by Channel







- Wholesale funded volume of $18.4 billion in the second quarter of 2021, compared to $7.8 billion year-over-year and $19.7 billion in the prior quarter
  - *<u>Wholesale channel</u>* driven by differentiated business model focused on building broker partnerships, maintaining localized, in-market sales coverage, and delivering continuous process and technology enhancements
- Correspondent volume of $5.7 billion in the second quarter of 2021 versus $3.5 billion year-over-year and $8.2 billion in the first quarter of 2021
  - *<u>Correspondent channel</u>* provides *opportunistic* source of low-cost customer acquisition to drive scale
- Direct volume of $1.4 billion in the second quarter of 2021 compared to $400 million in the year-ago quarter and $1.5 billion in the prior quarter
  - *<u>Direct channel</u>* established in 2019 to focus on retention, and does not conflict with wholesale broker relationships

Origination Segment Highlights

($mm)	For the quarter ended		
	6/30/2021	3/31/2021	6/30/2020
Gain on loans, net	$ 75.0	$ 301.2	$ 356.9
Loan fee income	39.5	44.1	20.4
Loan servicing fees	-	(0.0)	(1.7)
Interest income, net	2.7	1.3	1.0
Total Origination segment revenue	**117.2**	**346.6**	**376.6**
Directly attributable expense	(138.0)	(157.8)	(72.5)
Contribution margin	**$ (20.8)**	**$ 188.8**	**$ 304.0**

Key Performance Indicators [1]	For the quarter ended		
	6/30/2021	3/31/2021	6/30/2020
Total Funded Origination Volume	$ 25,466	$ 29,426	$ 11,767
Total Fallout Adjusted Lock Volume	$ 20,365	$ 23,553	$ 13,456
Gain on Sale Margin (bps)[2,3]	58	147	280
Origination Volume by Purpose:			
Purchase	35.2%	20.4%	30.7%
Refinance	64.8%	79.6%	69.3%
Third Party Partners:			
Number of Broker Partners	6,738	6,023	4,338
Number of Correspondent Partners	642	620	580

(1) See Appendix for additional volume and gain on sale information by channel.

(2) Gain on sale margin for the quarter ended June 30, 2021 includes approximately $33 million of adjustments largely related to agency pricing and product actions during the quarter.

(3) Calculated as gain on sale divided by Fallout Adjusted Lock Volume. Gain on sale includes gain on loans, net, loan fee income, interest income (expense), net, and loan servicing fees (expense) for the Origination segment.

- Second quarter Origination segment revenue of $117 million compared to $377 million in the second quarter of 2020 and $347 million in the first quarter of 2021
  - Gain on sale margin attributable to channels, before giving effect to the impact of capital markets activity, was 74 basis points in the second quarter versus 244 basis points in the second quarter of 2020 and 125 basis points in the prior quarter
  - Gain on sale margin includes approximately $33 million of adjustments largely related to agency pricing and product actions
- Second quarter contribution margin of $(21) million compared to $304 million year-over-year and $189 million in the prior quarter
- Third party partner relationships reached 7,380 at the end of the second quarter of 2021, a 50% increase year-over-year, and an 11% increase versus the prior quarter
  - Added 2,400 broker partners since the end of the second quarter of 2020, and added 715 broker partners since the end of the first quarter of 2021

Servicing Segment Highlights

($mm)	For the quarter ended		
	6/30/2021	3/31/2021	6/30/2020
Gain on loans, net	$ 0.0	$ -	$ -
Loan servicing fees	85.6	70.3	44.0
Interest income, net	0.4	0.3	1.3
Other income	0.0	0.1	0.1
Total Servicing segment revenue	**86.1**	**70.7**	**45.3**
Directly attributable expense	(18.8)	(18.7)	(15.5)
Primary Margin	**67.3**	**52.0**	**29.8**
Change in MSR fair value: amortization	(77.7)	(89.2)	(41.1)
Adjusted contribution margin	**(10.4)**	**(37.2)**	**(11.3)**
Change in MSR fair value: mark-to-market, net of hedge	(29.2)	102.1	(31.1)
Contribution margin	**$ (39.6)**	**$ 64.9**	**$ (42.4)**

Key Performance Indicators	For the quarter ended[1]		
	6/30/2021	3/31/2021	6/30/2020
MSR servicing portfolio - UPB	$ 124,259	$ 105,821	$ 66,902
Average MSR servicing portfolio - UPB	$ 106,268	$ 97,049	$ 59,751
MSR servicing portfolio - Units	449,029	396,641	285,353
Weighted average coupon rate	3.09%	3.19%	3.79%
60+ days delinquent, incl. forbearance	1.6%	2.7%	7.8%
60+ days delinquent, excl. forbearance	1.3%	1.0%	1.4%
MSR multiple	3.7x	3.8x	2.5x

(1) Figures as of period end, except "Average MSR servicing portfolio - UPB" which is average for the period.

- Servicing portfolio customers of 449,000 at the end of the second quarter of 2021 increased 57% versus the prior year and 13% compared to the first quarter of 2021
- Loan servicing fees of $86 million in the second quarter of 2021 grew 95% year-over-year and 22% from the first quarter of 2021
- Servicing segment primary margin was $67 million, up approximately 125% versus $30 million in the year-ago quarter and up 29% versus $52 million in the prior quarter
- Servicing segment contribution margin was $(40) million, versus $(42) million in the year-ago quarter and $65 million in the prior quarter, partially driven by a $29 million decrease in the mark-to-market fair value of the MSR portfolio

Balance Sheet Highlights

Summary Balance Sheet	As of		
($mm)	6/30/2021	3/31/2021	6/30/2020
Assets:			
Cash and cash equivalents	$ 209.9	$ 219.3	$ 127.4
Mortgage loans held for sale (at fair value)	5,412.5	5,191.3	1,904.2
Mortgage servicing rights (at fair value)	1,267.3	1,156.4	499.8
Other assets	1,480.1	2,103.5	2,793.0
Total assets	**$ 8,369.7**	**$ 8,670.4**	**$ 5,324.3**
Liabilities and Shareholders' Equity:			
Warehouse lines of credit	$ 5,057.6	$ 4,847.4	$ 1,767.5
Term debt and other borrowings, net	1,166.5	888.4	348.9
Other liabilities	1,436.2	2,152.2	2,574.8
Total liabilities	**7,660.3**	**7,888.1**	**4,691.2**
Shareholders' Equity:			
Additional paid in capital	520.5	69.5	517.7
Retained earnings	188.8	712.8	115.4
Total shareholders' equity	**709.3**	**782.3**	**633.1**
Total liabilities and shareholders' equity	**8,369.7**	**8,670.4**	**5,324.3**

- $482 million of available liquidity at the end of the second quarter of 2021, including $210 million of cash and cash equivalents and $263 million of undrawn capacity from MSR lines of credit and other credit facilities
- MSR balance of $1.3 billion at June 30, 2021, up 2.5x year-over-year, and up 10% from the prior quarter
- Total assets of $8.4 billion at June 30, 2021, compared to $5.3 billion at the end of the second quarter of 2020 and $8.7 billion at March 31, 2021
- Book value of $709 million at June 30, 2021, compared to $633 million at June 30, 2020, and $782 million at the end of the first quarter of 2021
- Total MSR financing capacity increased during the second quarter from $500 million to $1 billion
  - Total warehouse capacity also increased during the quarter to $7.1 billion at June 30, 2021, up from $6.4 billion at March 31, 2021

Appendix

Detailed Income Statement

($mm, except per share values)	For the quarter ended		
	6/30/2021	3/31/2021	6/30/2020
Gain on loans, net	$ 75.0	$ 301.2	$ 356.9
Loan fee income	39.5	44.1	20.4
Interest income	34.6	25.6	11.8
Interest expense	(44.1)	(32.9)	(14.4)
Interest (expense), net	(9.5)	(7.4)	(2.6)
Loan servicing fees	85.6	70.3	42.3
Change in FV of MSR	(106.9)	12.8	(72.2)
Other income	0.7	0.8	0.3
Total revenue, net	**84.4**	**422.0**	**345.0**
Compensation and benefits	127.3	153.6	81.3
Loan expense	17.5	22.4	7.6
Loan servicing expense	7.5	8.1	8.3
Production technology	8.2	8.6	5.0
General and administrative	26.5	22.2	11.9
Depreciation and amortization	2.4	2.8	1.4
Other expense	8.6	9.3	2.8
Total Expenses	198.0	227.0	118.4
Pre-tax income	**(113.6)**	**194.9**	**226.7**
Pre-tax margin	***NM***	***46%***	***66%***
Income tax expense (benefit)	(27.2)	50.1	59.5
Income from equity method investment	13.2	4.2	1.9
Net income (loss)	**$ (73.2)**	**$ 149.0**	**$ 169.0**
Net margin	***NM***	***35%***	***49%***
Basic and diluted earnings per share[1]:			
Basic net income (loss) per share	$ (0.53)	$ 1.07	$ 1.22
Diluted total net income (loss) per share	(0.52)	1.06	1.22
Basic weighted average common stock outstanding (mm)	138.9	138.9	138.9
Diluted weighted average common stock outstanding (mm)	140.5	139.7	139.1
Adjusted income statement metrics[2]:			
Adjusted revenue	$ 126.8	$ 324.1	$ 378.0
Adjusted net income	(51.0)	72.7	192.0
Adjusted net margin	*NM*	*22%*	*51%*

(1) On January 21, 2021, Home Point Capital effected a stock split of its outstanding common stock pursuant to which the 100 outstanding shares were split into 1,388,601.11 shares each, for a total of 138,860,103 shares of outstanding common stock. As a result, all amounts relating to per share amounts have been retroactively adjusted to reflect this stock split.

(2) Non-GAAP measures. See non-GAAP reconciliation for a reconciliation of each measure to the nearest GAAP measure.

Detailed Balance Sheet

($mm)	As of		
	6/30/2021	3/31/2021	6/30/2020
Assets:			
Cash and cash equivalents	$ 209.9	$ 219.3	$ 127.4
Restricted cash	43.0	41.9	48.9
Cash and cash equivalents and Restricted cash	252.9	261.1	176.3
Mortgage loans held for sale (at fair value)	5,412.5	5,191.3	1,904.2
Mortgage servicing rights (at fair value)	1,267.3	1,156.4	499.8
Property and equipment, net	23.4	23.0	15.6
Accounts receivable, net	177.4	290.6	45.2
Derivative assets	125.2	186.9	244.1
Goodwill and intangibles	10.8	10.8	10.8
GNMA loans eligible for repurchase	988.2	1,446.5	2,351.2
Other assets	112.1	103.9	77.1
Total assets	**$ 8,369.7**	**$ 8,670.4**	**$ 5,324.3**
Liabilities and Shareholders' Equity:			
Warehouse lines of credit	$ 5,057.6	$ 4,847.4	$ 1,767.5
Term debt and other borrowings, net	1,166.5	888.4	348.9
Accounts payable and accrued expenses	146.1	196.5	78.2
GNMA loans eligible for repurchase	988.2	1,446.5	2,351.2
Other liabilities	301.8	509.2	145.4
Total liabilities	**7,660.3**	**7,888.1**	**4,691.2**
Shareholders' Equity:			
Common stock	-	-	-
Additional paid in capital	520.5	69.5	517.7
Retained earnings	188.8	712.8	115.4
Total shareholders' equity	**709.3**	**782.3**	**633.1**
Total liabilities and shareholders' equity	**$ 8,369.7**	**$ 8,670.4**	**$ 5,324.3**

Volume & Margin Detail by Channel

VOLUME DETAIL BY CHANNEL

($mm)	For the quarter ended		
	6/30/2021	3/31/2021	6/30/2020
Funded Origination Volume by Channel			
Wholesale	$ 18,380	$ 19,668	$ 7,844
Correspondent	5,695	8,243	3,491
Direct	1,391	1,514	432
Total Funded Origination Volume	**$ 25,466**	**$ 29,426**	**$ 11,767**
Fallout Adjusted Lock Volume by Channel			
Wholesale	$ 15,566	$ 16,140	$ 8,171
Correspondent	3,963	6,673	4,694
Direct	836	740	591
Total Fallout Adjusted Lock Volume	**$ 20,365**	**$ 23,553**	**$ 13,456**

GAIN ON SALE MARGIN DETAIL BY CHANNEL

($mm)	For the quarter ended					
	6/30/2021		3/31/2021		6/30/2020	
	$ Amount	Basis Points	$ Amount	Basis Points	$ Amount	Basis Points
Gain on Sale Margin by Channel						
Wholesale	$ 114.5	74	$ 245.1	152	$ 252.5	309
Correspondent	9.3	23	22.2	33	50.2	107
Direct	26.3	315	26.8	362	25.9	439
Margin Attributable to Channels	**150.1**	**74**	**294.0**	**125**	**328.6**	**244**
Other Gain (Loss) on Sale[1]	(32.9)	NA	52.7	NA	47.9	NA
Gain on Sale Margin[2,3]	**$ 117.2**	**58**	**$ 346.6**	**147**	**$ 376.6**	**280**

(1) Includes interest income (expense), net, realized and unrealized gains (losses) on locks and mortgage loans held for sale, net hedging results, the provision for the representation and warranty reserve, and differences between modeled and actual pull-through.

(2) Gain on sale margin for the quarter ended June 30, 2021 includes approximately $33 million of adjustments largely related to agency pricing and product actions during the quarter.

(3) Calculated as gain on sale divided by Fallout Adjusted Lock Volume. Gain on sale includes gain on loans, net, loan fee income, interest income (expense), net, and loan servicing fees (expense) for the Origination segment.

Summary Segment Results

($mm)	For the quarter June 30, 2021						
			Segments			Reconciliation	
	Origination	Servicing	Total	All Other	Total	Item[1]	Segments Total
Revenue:							
Gain on loans, net	$ 75.0	$ -	$ 75.0	$ 0.0	$ 75.0	$ -	$ 75.0
Loan fee income	39.5	-	39.5	-	39.5	-	39.5
Loan servicing fees	-	85.6	85.6	-	85.6	-	85.6
Change in FV of MSRs, net	-	(106.9)	(106.9)	-	(106.9)	-	(106.9)
Interest income (loss), net	2.7	0.4	3.1	(12.6)	(9.5)	-	(9.5)
Other income	-	-	-	13.8	13.8	(13.2)	0.6
Total Revenue	**$ 117.2**	**$ (20.9)**	**$ 96.3**	**$ 1.2**	**$ 97.5**	**$ (13.2)**	**$ 84.3**
Contribution margin	**$ (20.8)**	**$ (39.6)**	**$ (60.4)**	**$ (40.0)**	**$ (100.4)**	**$ -**	**$ -**

($mm)	For the quarter March 31, 2021						
			Segments			Reconciliation	
	Origination	Servicing	Total	All Other	Total	Item[1]	Segments Total
Revenue:							
Gain on loans, net	$ 301.2	$ -	$ 301.2	$ -	$ 301.2	$ -	$ 301.2
Loan fee income	44.1	-	44.1	-	44.1	-	44.1
Loan servicing fees	-	70.3	70.3	-	70.3	-	70.3
Change in FV of MSRs, net	-	12.8	12.8	-	12.8	-	12.8
Interest income (loss), net	1.3	0.3	1.5	(8.9)	(7.4)	-	(7.4)
Other income	-	0.1	0.1	4.8	5.0	(4.2)	0.8
Total Revenue	**$ 346.6**	**$ 83.5**	**$ 430.1**	**$ (4.1)**	**$ 426.1**	**$ (4.2)**	**$ 421.9**
Contribution margin	**$ 188.8**	**$ 64.9**	**$ 253.8**	**$ (54.6)**	**$ 199.2**	**$ -**	**$ -**

($mm)	For the quarter June 30, 2020						
			Segments			Reconciliation	
	Origination	Servicing	Total	All Other	Total	Item[1]	Segments Total
Revenue:							
Gain on loans, net	$ 356.9	$ -	$ 356.9	$ -	$ 356.9	$ -	$ 356.9
Loan fee income	20.4	-	20.4	-	20.4	-	20.4
Loan servicing fees	(1.7)	44.0	42.3	-	42.3	-	42.3
Change in FV of MSRs, net	-	(72.2)	(72.2)	-	(72.2)	-	(72.2)
Interest income (loss), net	1.0	1.3	2.2	(4.8)	(2.6)	-	(2.6)
Other income	0.0	0.1	0.1	2.1	2.2	(1.9)	0.3
Total Revenue	**$ 376.6**	**$ (27.0)**	**$ 349.7**	**$ (2.7)**	**$ 346.9**	**$ (1.9)**	**$ 345.1**
Contribution margin	**$ 304.0**	**$ (42.4)**	**$ 261.6**	**$ (33.1)**	**$ 228.5**	**$ -**	**$ -**

(1) The Company includes the income from its equity method investments in the All Other category. In order to reconcile to Total net revenue on the condensed consolidated statements of operations, it must be removed as is presented above.

Non-GAAP to GAAP Reconciliations

RECONCILIATION OF ADJUSTED REVENUE TO TOTAL REVENUE, NET

($mm)	For the quarter ended		
	6/30/2021	3/31/2021	6/30/2020
Total revenue, net	$ 84.4	$ 422.0	$ 345.0
Income from equity method investment	13.2	4.2	1.9
Change in fair value of MSR, net of hedge	29.2	(102.1)	31.1
Adjusted revenue	$ 126.8	$ 324.1	$ 378.0

RECONCILIATION OF ADJUSTED NET INCOME TO TOTAL NET INCOME (LOSS)

($mm)	For the quarter ended		
	6/30/2021	3/31/2021	6/30/2020
Total net income (loss)	$ (73.2)	$ 149.0	$ 169.0
Change in fair value of MSR, net of hedge	29.2	(102.1)	31.1
Income tax effect of change in fair value of MSR, net of hedge	(7.0)	25.7	(8.2)
Adjusted net income	$ (51.0)	$ 72.7	$ 192.0

RECONCILIATION OF ADJUSTED NET MARGIN TO NET MARGIN

($mm)	For the quarter ended		
	6/30/2021	3/31/2021	6/30/2020
Total revenue, net	$ 84.4	$ 422.0	$ 345.0
Total net income (loss)	(73.2)	149.0	169.0
Net margin	*NM*	*35%*	*49%*
Adjusted revenue	$ 126.8	$ 324.1	$ 378.0
Adjusted net income	(51.0)	72.7	192.0
Adjusted net margin	*NM*	*22%*	*51%*

Non-GAAP Financial Measures

To provide investors with information in addition to our results as determined under Generally Accepted Accounting Principles (“GAAP”), we disclose Adjusted revenue, Adjusted net Income, and Adjusted net margin as “non-GAAP measures,” which management believes provide useful information to investors. These measures are not financial measures calculated in accordance with GAAP and should not be considered as a substitute for revenue, net income, or any other operating performance measure calculated in accordance with GAAP, and may not be comparable to a similarly titled measure reported by other companies.

We define Adjusted revenue as Total net revenue exclusive of the impact of the change in fair value of MSRs related to changes in valuation inputs and assumptions, net of MSRs hedge and adjusted for Income from equity method investment.

We define Adjusted net income as Net income (loss) exclusive of the impact of the change in fair value of MSRs related to changes in valuation inputs and assumptions, net of MSRs hedge.

We exclude changes in fair value of MSRs, net of hedge from each of Adjusted revenue and Adjusted net income (loss) as they add volatility and are not indicative of the Company’s operating performance or results of operation. This adjustment does not include changes in fair value of MSRs due to realization of cash flows, which remain in each of Adjusted revenue and Adjusted net income (loss). Realization of cash flows occurs when cash is collected as customers make scheduled payments, partial prepayments of principal, or pay their mortgage in full.

We define Adjusted net margin by dividing Adjusted net income by Adjusted revenue.

We believe that the presentation of Adjusted revenue, Adjusted net Income, and Adjusted net margin provides useful information to investors regarding our results of operations because each measure assists both investors and management in analyzing and benchmarking the performance and value of our business. Adjusted revenue, Adjusted net Income, and Adjusted net margin provide indicators of performance that are not affected by fluctuations in certain costs or other items. Accordingly, management believes that these measurements are useful for comparing general operating performance from period to period, and management relies on these measures for planning and forecasting of future periods. The Company measures the performance of the segments primarily on a contribution margin basis. Additionally, these measures allow management to compare our results with those of other companies that have different financing and capital structures. However, these measures are not financial measures calculated in accordance with GAAP and should not be considered as a substitute for net income, or any other operating performance measure calculated in accordance with GAAP and may not be comparable to a similarly titled measure reported by other companies.

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