M/I Homes, Inc. and Subsidiaries
Non-GAAP Reconciliation [1]
(Dollars and shares in thousands, except per share amounts)

	Three Months Ended December 31,		Twelve months ended December 31,	
	2016	2015	2016	2015
Income before income taxes	$ 33,677	$ 22,854	$ 91,785	$ 86,929
Add: Loss on early extinguishment of debt	—	7,842	—	7,842
Add: Stucco-related charges	—	—	19,409	—
Adjusted income before income taxes	$ 33,677	$ 30,696	$ 111,194	$ 94,771
Net income	$ 20,562	$ 13,275	$ 56,609	$ 51,763
Add: Loss on early extinguishment of debt - net of tax	—	4,862	—	4,862
Add: Stucco-related charges - net of tax	—	—	12,034	—
Adjusted income before income taxes	$ 20,562	$ 18,137	$ 68,643	$ 56,625
Stucco-related charges - net of tax	$ —	$ —	$ 12,034	$ —
Loss on early extinguishment of debt - net of tax	—	4,862	—	4,862
Divided by: Diluted weighted average shares outstanding	30,166	30,107	30,116	30,047
Diluted earnings per share related to stucco-related charges	$ —	$ —	$ 0.40	$ —
Diluted earnings per share related to debt extinguishment charges	$ —	$ 0.16	$ —	$ 0.16
Add: Diluted earnings per share	0.67	0.43	1.84	1.68
Adjusted diluted earnings per share	$ 0.67	$ 0.59	$ 2.24	$ 1.84

M/I Homes, Inc. and Subsidiaries
Non-GAAP Financial Results / Reconciliations [1]
(Dollars in thousands)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2016	2015	2016	2015
Net income	$ 20,562	$ 13,275	$ 56,609	$ 51,763
Add:				
Provision for income taxes	13,115	9,579	35,176	35,166
Interest expense, net of interest income	3,755	5,036	15,286	15,532
Interest amortized to cost of sales	5,275	5,329	18,413	16,966
Depreciation and amortization	3,464	2,986	13,606	10,928
Non-cash charges	5,824	7,390	9,307	10,463
Adjusted EBITDA	$ 51,995	$ 43,595	$ 148,397	$ 140,818

(1) We believe these non-GAAP financial measures are relevant and useful to investors in understanding our operations, and may be helpful in comparing us with other companies in the homebuilding industry to the extent they provide similar information. These non-GAAP financial measures should be used to supplement our GAAP results in order to provide a greater understanding of the factors and trends affecting our operations.