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

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Total revenue	$ 406,980	$ 324,370
Gross margin	$ 86,699	$ 64,198
Add: Stucco-related charges	—	2,155
Adjusted gross margin	$ 86,699	$ 66,353
Gross margin percentage	21.3%	19.8%
Adjusted gross margin percentage	21.3%	20.5%
Income before income taxes	$ 26,335	$ 14,715
Add: Stucco-related charges	—	2,155
Adjusted net income before income taxes	$ 26,335	$ 16,870
Net income	$ 16,883	$ 9,189
Add: Stucco-related charges - net of tax	—	1,336
Adjusted net income	$ 16,883	$ 10,525
Stucco-related charges - net of tax	$ —	$ 1,336
Divided by: Diluted weighted average shares outstanding	30,329	30,032
Diluted earnings per share related to stucco-related charges	$ —	$ 0.04
Add: Diluted earnings per share	0.55	0.30
Adjusted diluted earnings per share	$ 0.55	$ 0.34

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

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Net income	$ 16,883	$ 9,189
Add:		
Provision for income taxes	9,452	5,526
Interest expense net of interest income	4,612	4,835
Interest amortized to cost of sales	3,766	3,544
Depreciation and amortization	3,583	3,223
Non-cash charges	1,028	916
Adjusted EBITDA	$ 39,324	$ 27,233

(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.