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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Total revenue	$ 456,866	$ 401,247	$ 863,846	$ 725,617
Gross margin	$ 89,268	$ 81,539	$ 175,967	$ 145,737
Add: Stucco-related charges	8,500	2,754	8,500	4,909
Adjusted gross margin	$ 97,768	$ 84,293	$ 184,467	$ 150,646
Gross margin percentage	19.5%	20.3%	20.4%	20.1%
Adjusted gross margin percentage	21.4%	21.0%	21.4%	20.8%
Income before income taxes	$ 25,185	$ 24,950	$ 51,520	$ 39,665
Add: Stucco-related charges	8,500	2,754	8,500	4,909
Adjusted income before income taxes	$ 33,685	$ 27,704	$ 60,020	$ 44,574
Pre-tax operating margin percentage	5.5%	6.2%	6.0%	5.5%
Adjusted pre-tax operating margin percentage	7.4%	6.9%	6.9%	6.1%
Net income	$ 16,989	$ 15,916	$ 33,872	$ 25,105
Add: Stucco-related charges - net of tax	5,440	1,707	5,440	3,044
Adjusted net income	$ 22,429	$ 17,623	$ 39,312	$ 28,149
Stucco-related charges - net of tax	$ 5,440	$ 1,707	$ 5,440	$ 3,044
Divided by: Diluted weighted average shares outstanding	30,619	30,077	30,471	30,055
Diluted earnings per share related to stucco-related charges	$ 0.18	$ 0.06	$ 0.18	$ 0.10
Add: Diluted earnings per share	0.55	0.52	1.09	0.81
Adjusted diluted earnings per share	$ 0.73	$ 0.58	$ 1.27	$ 0.91

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Net income	$ 16,989	$ 15,916	$ 33,872	25,105
Add:				
Provision for income taxes	8,196	9,034	17,648	14,560
Interest expense net of interest income	3,104	3,716	7,716	8,551
Interest amortized to cost of sales	4,843	4,631	8,609	8,175
Depreciation and amortization	3,283	3,378	6,866	6,601
Non-cash charges	1,538	1,210	2,566	2,126
Adjusted EBITDA	$ 37,953	$ 37,885	$ 77,277	$ 65,118

(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.