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

	Three Months Ended December 31, 2017	Three Months Ended December 31, 2016	Twelve months ended December 31, 2017	Twelve months ended December 31, 2016
Income before income taxes	$ 34,131	$ 33,677	$ 120,324	$ 91,785
Add: Impairment	7,681	3,992	7,681	3,992
Add: Stucco-related charges	—	—	8,500	19,409
Adjusted income before income taxes	$ 41,812	$ 37,669	$ 136,505	$ 115,186
Net income	$ 15,882	$ 20,562	$ 72,081	$ 56,609
Add: Impairment - net of tax	4,916	2,475	4,916	2,475
Add: Stucco-related charges - net of tax	—	—	5,440	12,034
Add: Deferred tax re-measurement due to tax reform	6,520	—	6,520	—
Adjusted net income	$ 27,318	$ 23,037	$ 88,957	$ 71,118
Impairment - net of tax	$ 4,916	$ 2,475	$ 4,916	$ 2,475
Stucco-related charges - net of tax	—	—	5,440	12,034
Deferred tax asset re-measurement due to tax reform	6,520	—	6,520	—
Excess of fair value over book value of preferred shares redeemed	$ —	$ —	$ 2,257	$ —
Divided by: Diluted weighted average shares outstanding	31,172	30,166	30,688	30,116
Diluted earnings per share related to impairment charges	$ 0.16	$ 0.08	$ 0.16	$ 0.08
Diluted earnings per share related to stucco-related charges	—	—	0.18	0.40
Diluted earnings per share related to deferred tax re-measurement due to tax reform	0.21	—	0.21	—
Diluted earnings per share related to preferred shares redeemed	—	—	0.07	—
Add: Diluted earnings per share	0.53	0.67	2.26	1.84
Adjusted diluted earnings per share	$ 0.90	$ 0.75	$ 2.88	$ 2.32

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

	Three Months Ended December 31, 2017	Three Months Ended December 31, 2016	Twelve Months Ended December 31, 2017	Twelve Months Ended December 31, 2016
Net income	$ 15,882	$ 20,562	$ 72,081	$ 56,609
Add:				
Provision for income taxes	18,249	13,115	48,243	35,176
Interest expense, net of interest income	4,305	3,755	16,024	15,286
Interest amortized to cost of sales	6,730	5,275	20,327	18,413
Depreciation and amortization	3,675	3,464	14,174	13,606
Non-cash charges	9,691	5,824	13,725	9,307
	$ 58,532	$ 1,995	$ 184,574	$ 148,397

(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.