

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

	Three Months Ended March 31,	
	2018	2017
Total revenue	\$ 437,857	\$ 406,980
Income before income taxes	\$ 23,873	\$ 26,335
Add: Purchase accounting adjustments	896	—
Add: Acquisition and integration costs	1,700	—
Adjusted income before income taxes	\$ 26,469	\$ 26,335
Pre-tax operating margin percentage	5.5%	6.5%
Adjusted pre-tax operating margin percentage	6.0%	6.5%
Net income available to common shareholders	\$ 18,063	\$ 15,664
Add: Purchase accounting adjustments - net of tax	663	—
Add: Acquisition and integrations costs - net of tax	1,258	—
Adjusted net income available to common shareholders	\$ 19,984	\$ 15,664
Purchase accounting adjustments - net of tax	\$ 663	\$ —
Divided by: Diluted weighted average shares outstanding	30,544	30,329
Diluted earnings per share related to purchase accounting adjustments	\$ 0.02	\$ —
Acquisition and integration costs - net of tax	\$ 1,258	\$ —
Divided by: Diluted weighted average shares outstanding	30,544	30,329
Diluted earnings per share related to acquisition and integration costs	\$ 0.04	\$ —
Add: Diluted earnings per share	0.60	0.55
Adjusted diluted earnings per share	\$ 0.66	\$ 0.55

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

	Three Months Ended March 31,	
	2018	2017
Net income	\$ 18,063	\$ 16,883
Add:		
Provision for income taxes	5,810	9,452
Interest expense net of interest income	5,156	4,612
Interest amortized to cost of sales	4,864	3,766
Depreciation and amortization	3,649	3,583
Non-cash charges	1,039	1,028
Adjusted EBITDA	\$ 38,581	\$ 39,324

- (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.