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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Income before income taxes	$ 39,480	$ 34,673	$ 96,884	$ 86,193
Add: Purchase accounting adjustments	692	—	4,549	—
Add: Acquisition and integration costs	—	—	1,700	—
Add: Stucco-related charges	—	—	—	8,500
Adjusted income before income taxes	$ 40,172	$ 34,673	$ 103,133	$ 94,693
Net income to common shareholders	$ 29,282	$ 18,852	$ 75,256	$ 50,286
Add: Purchase accounting adjustments - net of tax	512	—	3,366	—
Add: Acquisition and integrations costs - net of tax	—	—	1,258	—
Add: Excess of fair value over book value of preferred shares subject to redemption	—	2,257	—	2,257
Add: Stucco-related charges - net of tax	—	—	—	5,440
Adjusted net income to common shareholders	$ 29,794	$ 21,109	$ 79,880	$ 57,983
Purchase accounting adjustments - net of tax	$ 512	$ —	$ 3,366	$ —
Divided by: Diluted weighted average shares outstanding	28,906	30,675	29,511	30,539
Diluted earnings per share related to purchase accounting adjustments	$ 0.02	$ —	$ 0.12	$ —
Acquisition and integration costs - net of tax	$ —	$ —	$ 1,258	$ —
Divided by: Diluted weighted average shares outstanding	28,906	30,675	29,511	30,539
Diluted earnings per share related to acquisition and integration costs	$ —	$ —	$ 0.04	$ —
Stucco-related charges - net of tax	$ —	$ —	$ —	$ 5,440
Divided by: Diluted weighted average shares outstanding	28,906	30,675	29,511	30,539
Diluted earnings per share related to stucco-related charges	$ —	$ —	$ —	$ 0.18
Excess of fair value over book value of preferred shares subject to redemption	$ —	$ 2,257	$ —	$ 2,257
Divided by: Diluted weighted average shares outstanding	28,906	30,675	29,511	30,539
Diluted earnings per share related to preferred dividends	$ —	$ 0.07	$ —	$ 0.07
Add: Diluted earnings per share	1.01	0.64	2.56	1.73
Adjusted diluted earnings per share	$ 1.03	$ 0.71	$ 2.72	$ 1.98

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Net income	$ 29,282	$ 22,327	$ 75,256	$ 56,199
Add:				
Provision for income taxes	10,198	12,346	21,628	29,994
Interest expense net of interest income	3,516	4,003	12,765	11,719
Interest amortized to cost of sales	6,278	4,988	17,345	13,597
Depreciation and amortization	3,650	3,633	10,754	10,499
Non-cash charges	1,041	1,468	3,771	4,034
Adjusted EBITDA	$ 53,965	$ 48,765	$ 141,519	$ 126,042

(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.