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

	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
Income before income taxes	$ 50,064	$ 39,480	$ 114,746	$ 96,884
Add: Purchase accounting adjustments (2)	82	692	639	4,549
Add: Acquisition and integration costs (3)	—	—	—	1,700
Adjusted income before income taxes	$ 50,146	$ 40,172	$ 115,385	$ 103,133
Net income	$ 37,838	$ 29,282	$ 85,807	$ 75,256
Add: Purchase accounting adjustments - net of tax (2)	61	512	473	3,366
Add: Acquisition and integrations costs - net of tax (3)	—	—	—	1,258
Adjusted net income	$ 37,899	$ 29,794	$ 86,280	$ 79,880
Purchase accounting adjustments - net of tax (2)	$ 61	$ 512	$ 473	$ 3,366
Acquisition and integration costs - net of tax (3)	$ —	$ —	$ —	$ 1,258
Divided by: Diluted weighted average shares outstanding	28,598	28,906	28,238	29,511
Diluted earnings per share related to purchase accounting adjustments (2)	$ —	$ 0.02	$ 0.02	$ 0.12
Diluted earnings per share related to acquisition and integration costs (3)	$ —	$ —	$ —	$ 0.04
Add: Diluted earnings per share	1.32	1.01	3.04	2.56
Adjusted diluted earnings per share	$ 1.32	$ 1.03	$ 3.06	$ 2.72

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

	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
Net income	$ 37,838	$ 29,282	$ 85,807	$ 75,256
Add:				
Provision for income taxes	12,226	10,198	28,939	21,628
Interest expense net of interest income	3,625	3,516	13,788	12,765
Interest amortized to cost of sales	7,836	6,278	20,609	17,345
Depreciation and amortization	4,089	3,650	11,796	10,754
Non-cash charges	1,492	1,041	4,086	3,771
Adjusted EBITDA	$ 67,106	$ 53,965	$ 165,025	$ 141,519

(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.

(2) Represents purchase accounting adjustments related to our acquisition of Pinnacle Homes in Detroit, Michigan on March 1, 2018.

(3) Represents costs which include, but are not limited to, legal fees and expenses, travel and communication expenses, cost of appraisals, accounting fees and expenses, and miscellaneous expenses related to our acquisition of Pinnacle Homes. As these costs are not eligible for capitalization as initial direct costs, such amounts are expensed as incurred.