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

	Three Months Ended December 31,		Twelve months ended December 31,	
	2020	2019	2020	2019
Total revenue	$ 906,427	$ 742,150	$3,046,145	$2,500,290
Gross margin	$ 208,747	$ 142,775	$ 676,343	$ 489,427
Add: Impairment (2)	8,435	5,002	8,435	5,002
Add: Acquisition-related charges (3)	—	—	—	639
Add: Stucco-related charges (4)	860	—	860	—
Adjusted gross margin	$ 218,042	$ 147,777	$ 685,638	$ 495,068
Gross margin percentage	23.0 %	19.2 %	22.2 %	19.6 %
Adjusted gross margin percentage	24.1 %	19.9 %	22.5 %	19.8 %
Income before income taxes	$ 101,851	$ 51,279	$ 310,043	$ 166,025
Add: Impairment (2)	8,435	5,002	8,435	5,002
Add: Acquisition-related charges (3)	—	—	—	639
Add: Stucco-related charges (4)	860	—	860	—
Adjusted income before income taxes	$ 111,146	$ 56,281	$ 319,338	$ 171,666
Net income	$ 80,083	$ 41,780	$ 239,874	$ 127,587
Add: Impairment - net of tax (2)	6,411	3,802	6,411	3,802
Add: Acquisition-related charges - net of tax (3)	—	—	—	486
Add: Stucco-related charges - net of tax (4)	654	—	654	—
Adjusted net income	$ 87,148	$ 45,582	$ 246,939	$ 131,875
Impairment - net of tax (2)	$ 6,411	$ 3,802	$ 6,411	$ 3,802
Acquisition-related charges - net of tax (3)	$ —	$ —	$ —	$ 486
Stucco-related charges - net of tax (4)	$ 654	$ —	$ 654	$ —
Divided by: Diluted weighted average shares outstanding	29,507	29,049	29,152	28,475
Diluted earnings per share related to impairment (2)	$ 0.22	$ 0.13	$ 0.22	$ 0.13
Diluted earnings per share related to acquisition-related charges (3)	—	—	—	0.02
Diluted earnings per share related to stucco-related charges (4)	0.02	—	0.02	—
Add: Diluted earnings per share	2.71	1.44	8.23	4.48
Adjusted diluted earnings per share	$ 2.95	$ 1.57	$ 8.47	$ 4.63

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
Net income	$ 80,083	$ 41,780	$ 239,874	$ 127,587
Add:				
Provision for income taxes	21,768	9,499	70,169	38,438
Interest expense, net of interest income	333	3,727	6,168	17,515
Interest amortized to cost of sales	9,559	8,802	32,686	29,411
Depreciation and amortization	4,564	4,154	17,578	15,950
Non-cash charges	10,313	6,762	16,685	10,848
Adjusted EBITDA	$ 126,620	$ 74,724	$ 383,160	$ 239,749

(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 the related charges divided by diluted weighted average shares outstanding during the respective period as presented in the Summary Statement of Income.

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

(4) Represents charges for stucco-related repair costs taken in certain of our Florida communities.