Meritage Homes 3Q 2014 Results Webcast

October 29, 2014

Setting the standard for energy-efficient homes™

Forward-Looking Statements

This presentation and the accompanying comments during our analyst call contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include management's expectations for continued recovery and growth in the U.S. housing market, Meritage's growth opportunities within existing markets and potential new markets, the impacts of the Legendary acquisition on the Company's future margins, plans for strong revenue and earnings growth in 2015 and beyond, and projected fourth quarter home closing revenue and diluted earnings per share.

Such statements are based upon the current beliefs and expectations of Company management, and current market conditions, which are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. The Company makes no commitment, and disclaims any duty, to update or revise any forward-looking statements to reflect future events or changes in these expectations. Meritage's business is subject to a number of risks and uncertainties. As a result of those risks and uncertainties, the Company's stock and note prices may fluctuate dramatically. These risks and uncertainties include, but are not limited to, the following: the availability of finished lots and undeveloped land; interest rates and changes in the availability and pricing of residential mortgages; fluctuations in the availability and cost of labor; changes in tax laws that adversely impact our homebuyers; the ability of our potential buyers to sell their existing homes; cancellation rates and home prices in our markets; weakness in the homebuilding market resulting from an unexpected setback in the current economic recovery; inflation in the cost of materials used to develop communities and construct homes; the adverse effect of slower order absorption rates; potential write-downs or write-offs of assets, including pre-acquisition costs and deposits; a change to the feasibility of projects under option or contract that could result in the write-down or write-off of option deposits; our ability to successfully integrate acquired companies and achieve anticipated benefits from these acquisitions; our potential exposure to natural disasters; competition; the adverse impacts of cancellations resulting from relatively small deposits relating to our sales contracts; construction defect and home warranty claims; changes in tax laws; adverse legal rulings; our success in prevailing on contested tax positions; our ability to obtain performance bonds in connection with our development work; the liquidity of our joint ventures and the ability of our joint venture partners to meet their obligations to us and the joint venture; the loss of key personnel; our failure to comply with laws and regulations; limitations of our geographic diversification; fluctuations in quarterly operating results; our financial leverage and level of indebtedness and our ability to take certain actions because of restrictions contained in the indentures for our senior notes and our ability to raise additional capital when and if needed; our credit ratings; successful integration of future acquisitions; our compliance with government regulations and the effect of legislative or other initiatives that seek to restrain growth of new housing construction or similar measures; acts of war; the replication of our "Green" technologies by our competitors; our exposure to information technology failures and security breaches; and other factors identified in documents filed by the company with the Securities and Exchange Commission, including those set forth in our Form 10-K for the year ended December 31, 2013 and most recent 10-Q under the caption "Risk Factors," which can be found on our website.

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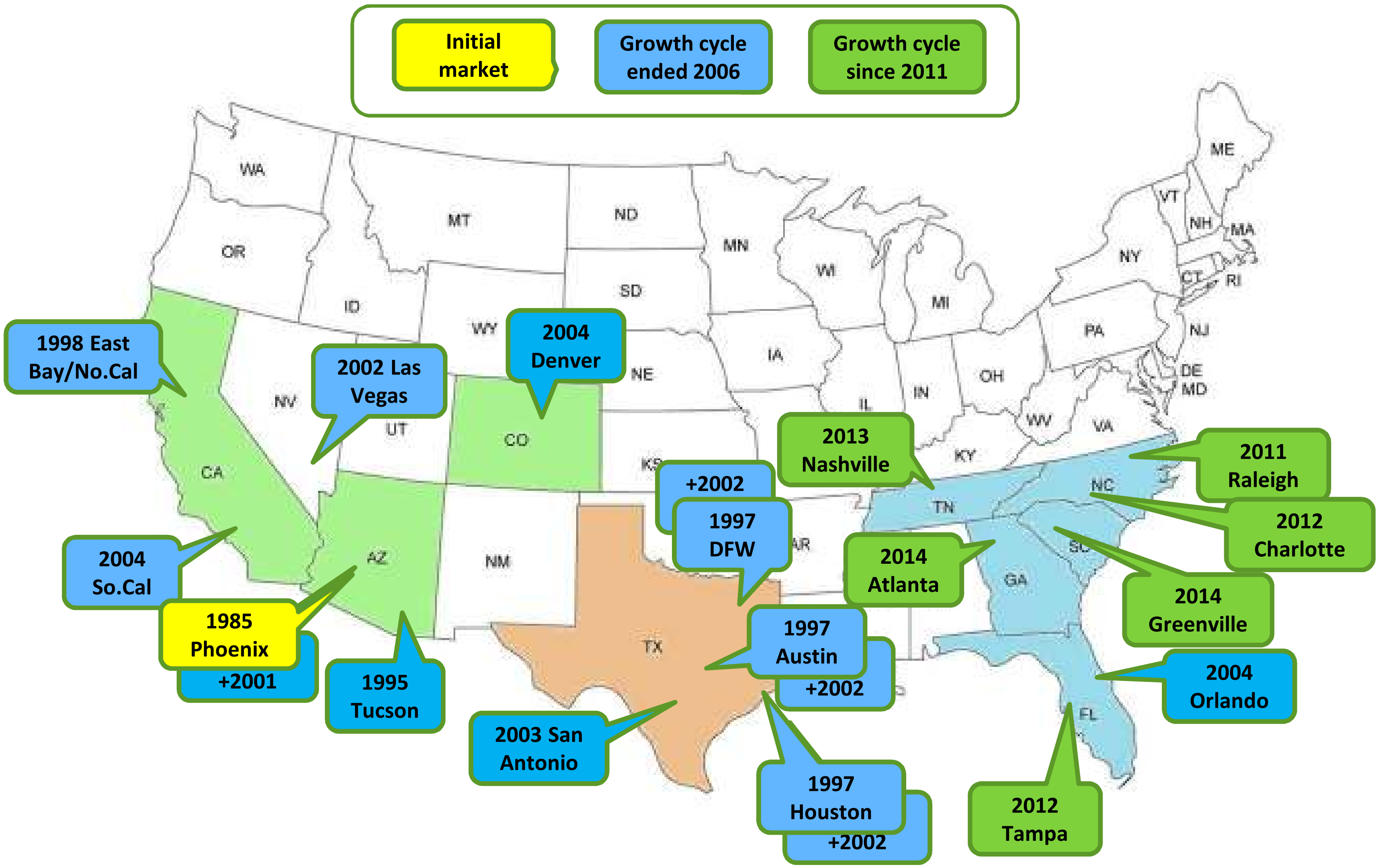
Presenters

Steven J. Hilton, Chairman/CEO

Larry Seay, Executive Vice President/Chief Financial Officer

Meritage Homes Corporation

Successful Strategy of Investing for Growth and Diversification



Proven record of producing excellent shareholder returns while growing and expanding our footprint

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Growth in Most Key Operating Metrics

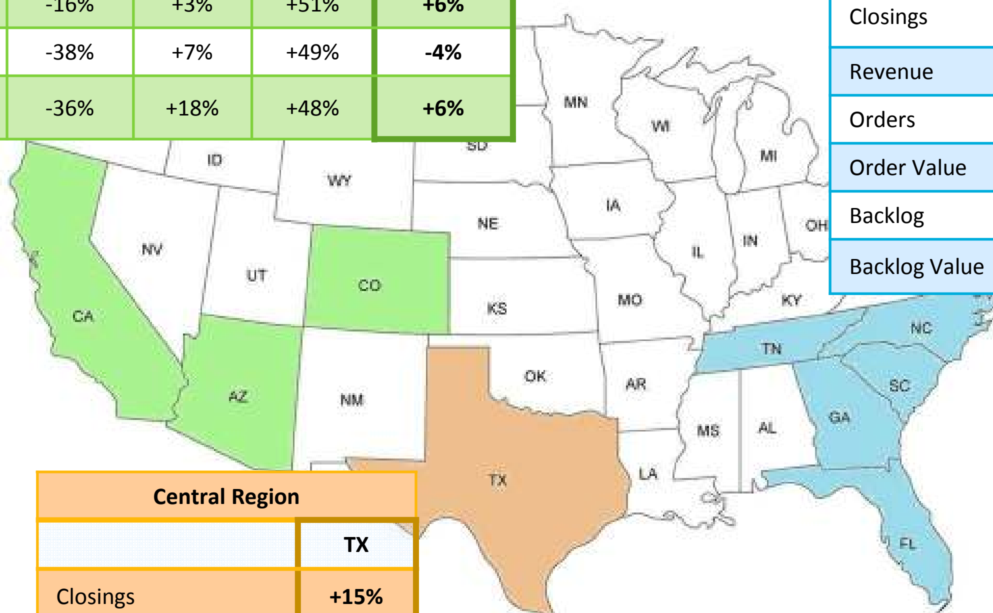
Third Quarter Yr/Yr 2014 vs 2013

West Region				
	AZ	CA	CO	**Region**
Closings	-22%	-24%	+10%	**-18%**
Revenue	-19%	-15%	+16%	**-11%**
Orders	-15%	-5%	+59%	**+3%**
Order Value	-16%	+3%	+51%	**+6%**
Backlog	-38%	+7%	+49%	**-4%**
Backlog Value	-36%	+18%	+48%	**+6%**

Closings = Home Closings units
Revenue = Home Closing Revenue

East Region (not shown: TN, acquired in 3Q13; GA & SC, acquired in 3Q14 -- Y/Y %s not meaningful due to partial-period results; Region totals include these states)

	FL	**NC**	**Region**
Closings	-7%	+68%	+61%
Revenue	-7%	+78%	+53%
Orders	+17%	+78%	+75%
Order Value	+16%	+65%	+60%
Backlog	-9%	+72%	+55%
Backlog Value	-14%	+64%	+39%



Central Region	
	TX
Closings	**+15%**
Revenue	**+31%**
Orders	**-1%**
Order Value	**+15%**
Backlog	**+33%**
Backlog Value	**+55%**

TOTAL COMPANY	
	Total
Closings	**+7%**
Revenue	**+13%**
Orders	**+15%**
Order Value	**+21%**
Backlog	**+24%**
Backlog Value	**+30%**

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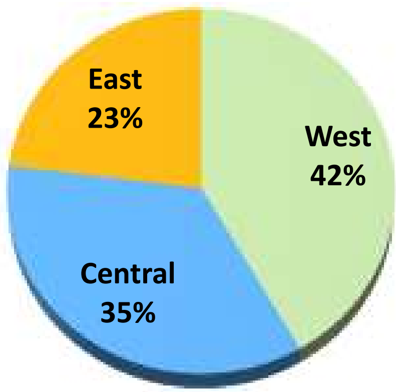
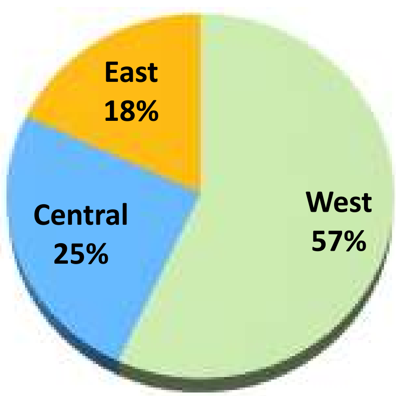
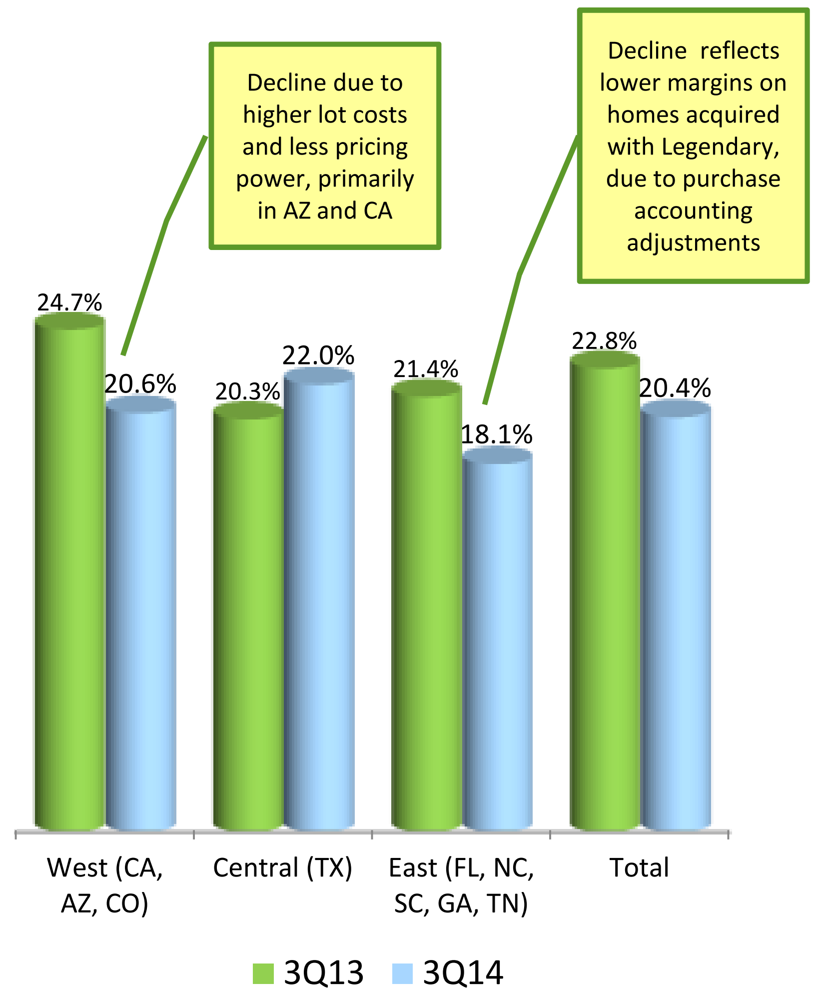
Homebuilding Margin Declined

Gross Profit $Mm (3Q14)



Gross Profit $Mm (3Q13)





Home closing gross margin declined Y/Y primarily due to reduced margins in the West Region and the effect of Legendary home closings in the East region

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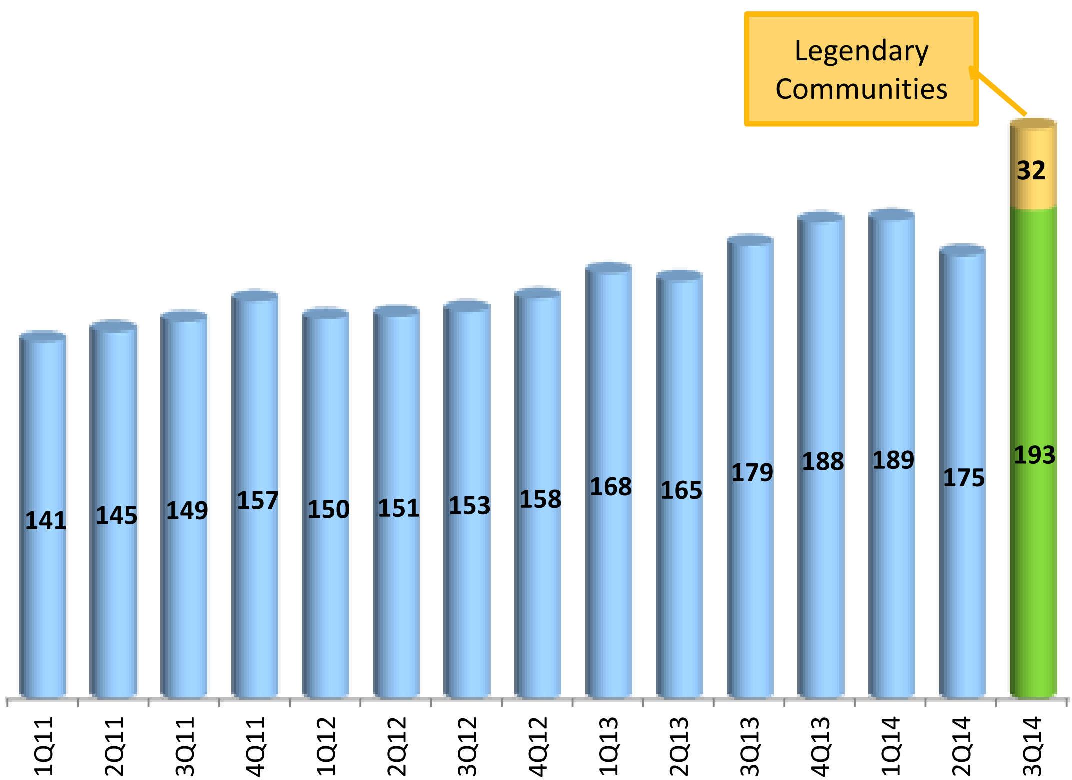
Growing Active Community Count

- Grew Y/Y community count for last 12 quarters
- Ended 3Q14 with 225 actively selling communities



Orders per Average Community			
	3Q14	3Q13	Chg%
AZ	4.7	6.2	-24%
CA	8.5	10.6	-20%
CO	10.6	8.0	33%
West Region	**6.8**	**7.6**	**-11%**
TX	8.0	7.6	5%
Central Region	**8.0**	**7.6**	**5%**
FL	9.4	9.1	3%
GA	5.6	n/a	n/a
NC	7.8	5.1	53%
SC	4.6	n/a	n/a
TN	10.0	7.3	37 %
East Region	**7.8**	**7.4**	**5%**
Total	**7.5**	**7.6**	**-1%**

Plan to grow community count to 230-235 by year-end 2014

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Year-to-Date Improvements in Operating Results

$000's except EPS	YTD 2014	YTD 2013	*Favorable/ (Unfavorable) Change*
Home closings	**3,999**	3,791	***+5%***
ASP	**$364**	$330	***+10%***
Home closing revenue	**$1,454,103**	$1,249,897	***+16%***
Home closing gross margin	**21.6%**	21.5%	***+10 bps***
Home closing gross profit	**$313,798**	$268,340	***+17%***
Pretax margin	**9.6%**	8.7%	***+90 bps***
Net earnings	**$93,033**	$78,375	***+19%***

YTD earnings increase driven by top line growth, margins and operating leverage

Other Items Impacting Third Quarter Earnings

$000's	**3Q14**	**3Q13**	***Favorable/ (Unfavorable) Change***
Land closing gross (loss)/profit	**$(477)**	$2,807	***$(3,284)***
Commissions and other sales costs *-- as a percent of home closing revenue*	**7.4%**	6.9%	***(50) bps***
General and administrative expenses *-- as a percent of closing revenue*	**5.2%**	5.0%	***(20) bps***
Interest expense *-- as a percent of closing revenue*	**0.1%**	0.7%	***60 bps***
Tax rate	**30.7%**	32.7%	***200 bps***

Tax rate temporarily benefitted from additional energy tax credits from 2013 closings, but expecting approximately 36% for 4Q14 and 2015

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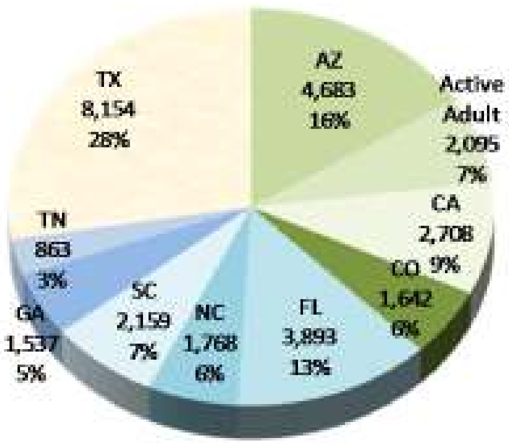
Investing in Land & Development for Continued Growth

29,527 Total Lot Supply



~5,400 Net New Lots Put Under Contract in 3Q 2014, including ~4,000 from acquisition of Legendary Communities

Invested $183M in land & development (excl. Legendary) during 3Q14, maintaining approximately 5-yrs supply of lots

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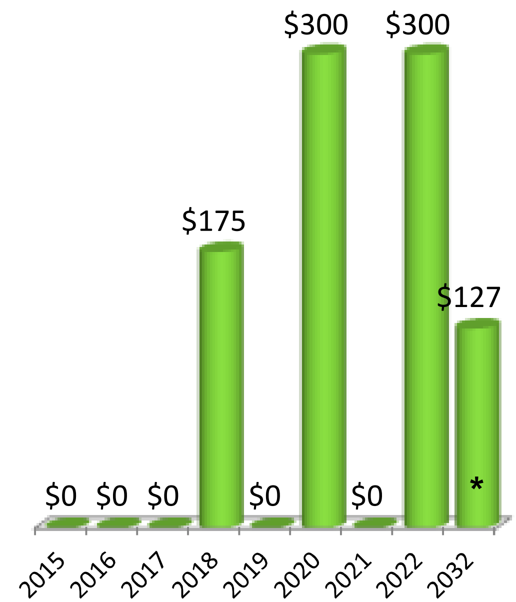
Maintaining a Strong Balance Sheet

$ in millions	Septemer 30, 2014	December 31, 2013
Total Cash & Securities	$ 94.0	$ 363.8
Total Outstanding Debt	$ 904.6	$ 905.1
Equity	$ 1,056.7	$ 841.4
Net Debt to Capital	43.4%	39.1%
Real Estate	$ 1,865.1	$ 1,405.3

Credit Ratings

	Moody's	S&P	Fitch Ratings
Long-term Rating	Ba3	BB-	BB-
Outlook	Stable	Stable	Stable

Debt Maturities ($millions)



* $126.5 convertible 1.875% due 2032 with optional puts in 2017, 2022 & 2027

No maturities until March 2018; nothing drawn on $400M credit facility

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MTH Mortgage Credit Statistics

(based on MTH Mortgage backlog as of 9/30/14)

- **Average FICO score – 745**
  - 99% over 620+
  - 79% over 700+
- **Average LTV – 85%** (avg. loan amt $315K)
  - 48% at 80% or lower (down payments 20% or more)
  - 82% down payment at least 5%
- **100% full doc loans**
- **Loan type:**
  - **76% conventional**
  - **10% FHA**
  - **13% VA**
  - **1% Rural (USDA)**

Credit statistics of our buyers have improved due to larger share of move-up buyers and tighter credit

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Summary

Third quarter & YTD 2014 results

- Grew closings and revenue, orders and backlog
- 3Q14 gross margin and operating leverage declines due to slowing in West Region and purchase accounting for Legendary
- Diversified operations for better long-term shareholder returns
- Increased community count, reinvested in new communities
- Expanded home closing gross profit YTD with flat gross margin on increased revenue
- Maintained a strong balance sheet and credit metrics

Confident in our ability to grow profitably and produce excellent shareholder returns

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Questions?

Non-GAAP Reconciliations

	September 30,2014	December 31, 2013
Notes payable and other borrowings	$904,629	905,055
Less: cash and cash equivalents, plus investments and securities	(93,962)	(363,823)
Net debt	810,667	541,232
Stockholders' equity	1,056,697	841,392
Total capital	$1,867,364	1,382,624
Net debt-to-capital	43.4%	39.1%