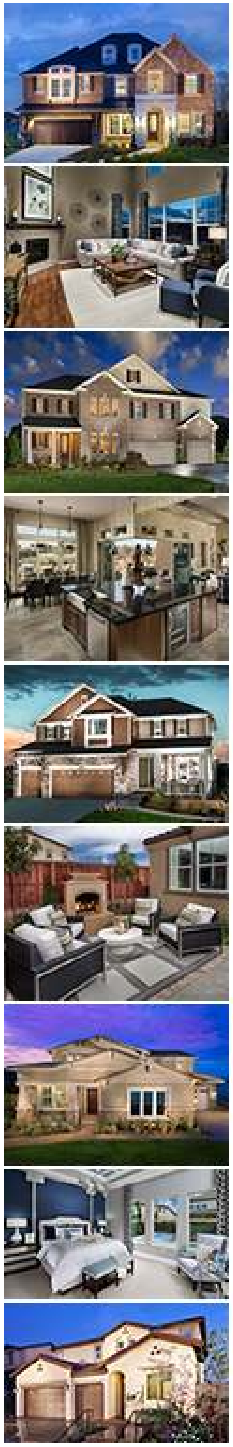
Investor Conference Handouts

February 24-26, 2015



Forward-Looking Statements

This presentation and 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 growth of the U.S. economy and housing market; our growth opportunities including 2015 orders, closings and revenue; trends in home closing gross margins in 2015; and the expectation for meaningful earnings growth in 2015.

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 due to lower oil prices or other factors; 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, 2014 and most recent 10-Q under the caption "Risk Factors," which can be found on our website.

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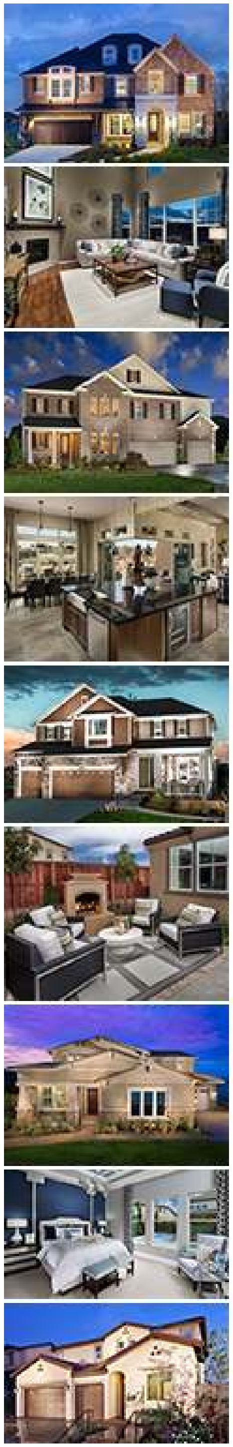

Company Representatives

Steve Hilton – Chairman & Chief Executive Officer

Larry Seay – EVP & Chief Financial Officer

Hilla Sferruzza – SVP & Chief Accounting Officer

Brent Anderson – VP Investor Relations

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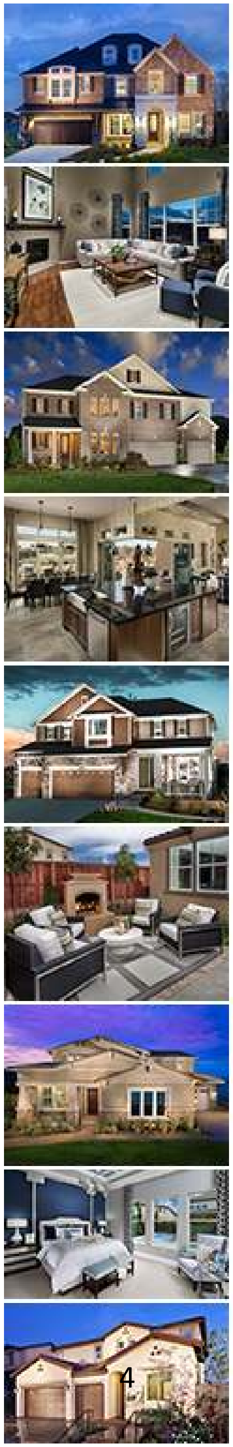


January Shows Significant Order Increases

Percentage (%) changes 2015 vs 2014

January Y/Y Growth (2015 vs 2014)

	West	Central	East	**Total**
Orders	+39%	+6%	+146%	+48%
Average Orders per Community	+31%	+22%	+15%	+20%

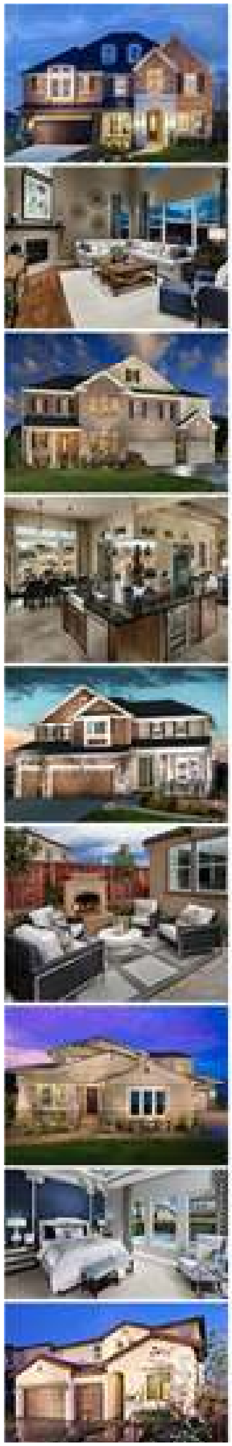








Homebuilding Industry Update & Trends



National Demand/Supply Still Favorable
- slightly better than previous quarter

- Demand Exceeds Supply

  2.77 mil jobs created in last year

  <u>÷ 1.08 mil total permits</u>

  = 2.7 jobs/housing unit (1.2 is normal)

- Affordability
  - Burns Affordability Index: 2.5 (scale 0 to 10)
- Supply Is Low
  - Resale = 5.1 months (7.2 is average)

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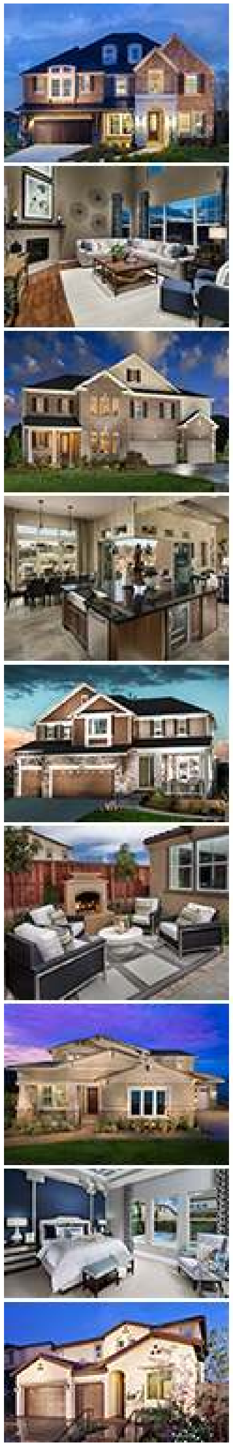
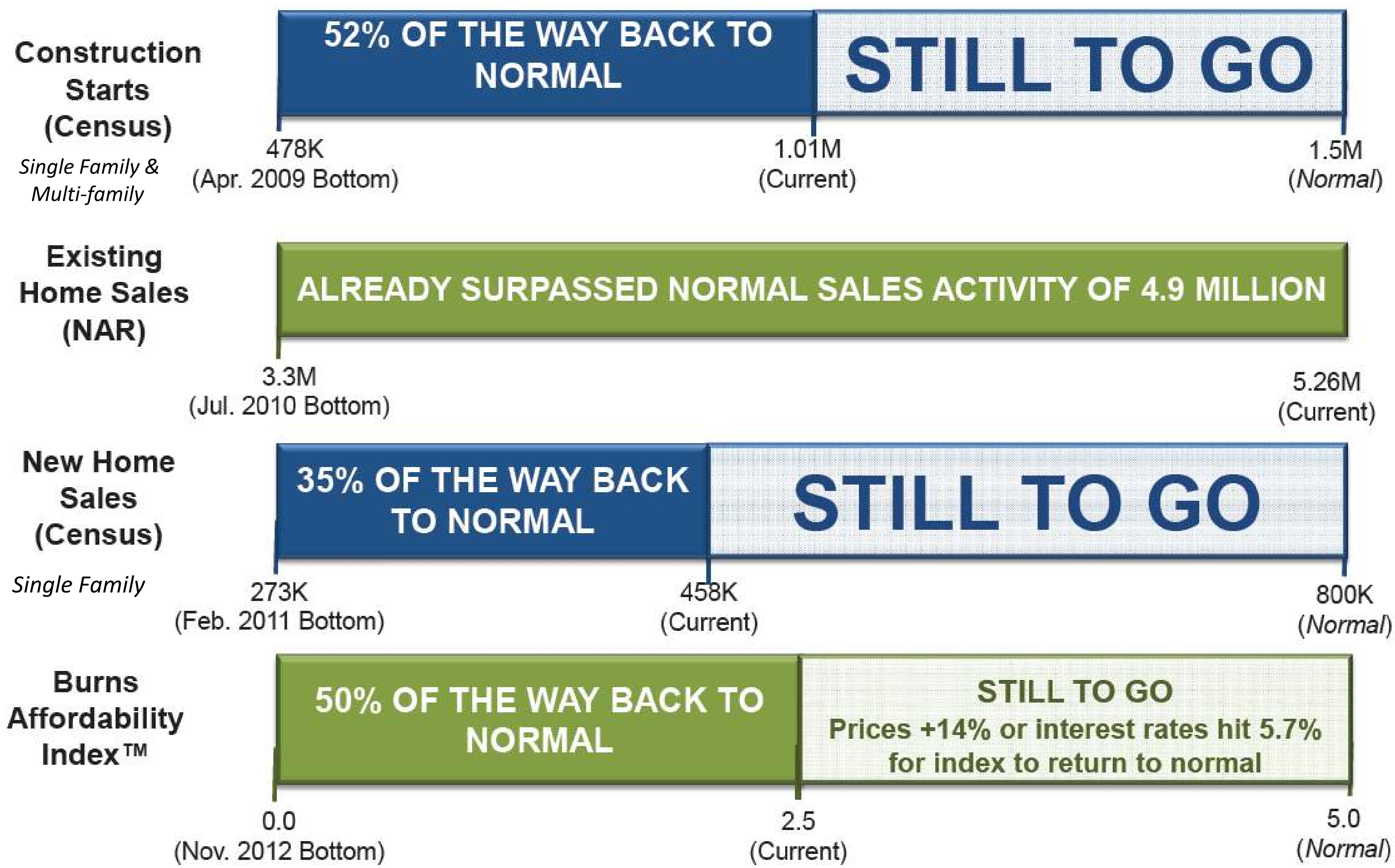
Still Room to Grow in Most U.S. Metrics





Source: John Burns Real Estate Consulting, LLC (US Housing Analysis and Forecast, Dec-14)

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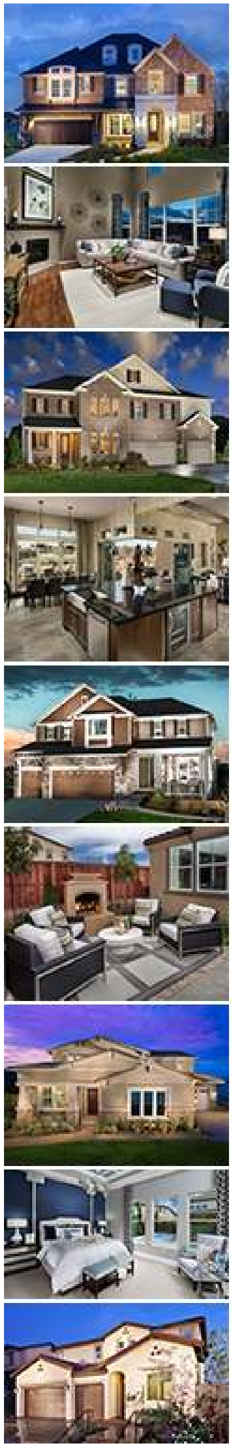
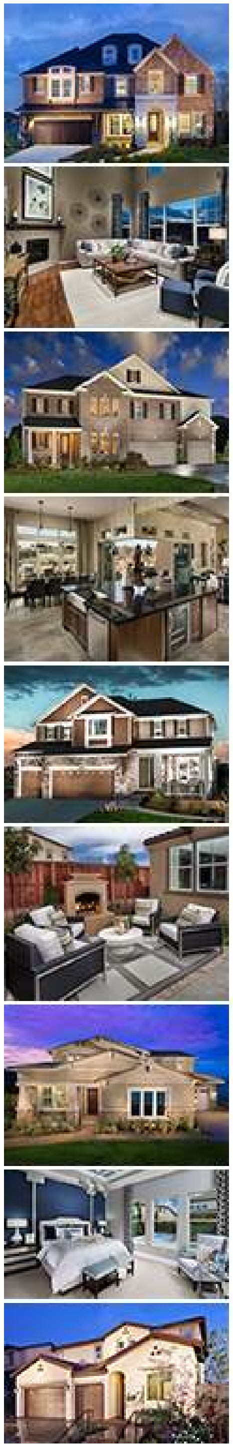


Analysis of Lower Oil Prices and Potential Impact on Texas (esp. Houston)



Our Thesis on Impact of Lower Oil Prices for Meritage

- Bulk of the impact will be in Houston (much less in other markets)
- History suggests that with a growing economy, oil price declines have a muted effect on job growth
- Mitigating factors
  - Announced layoffs have been predominantly outside of Houston
  - Meritage communities in great Locations (100% in “A” and “B” submarkets)
  - Attractive, lower price points (Entry-plus to 2nd Move Up) – very little at $500K+ price points expected to be most affected
- We agree with expert consensus that Houston’s growth will slow from 2014 to 2015, but still expecting over 50K new jobs in 2015

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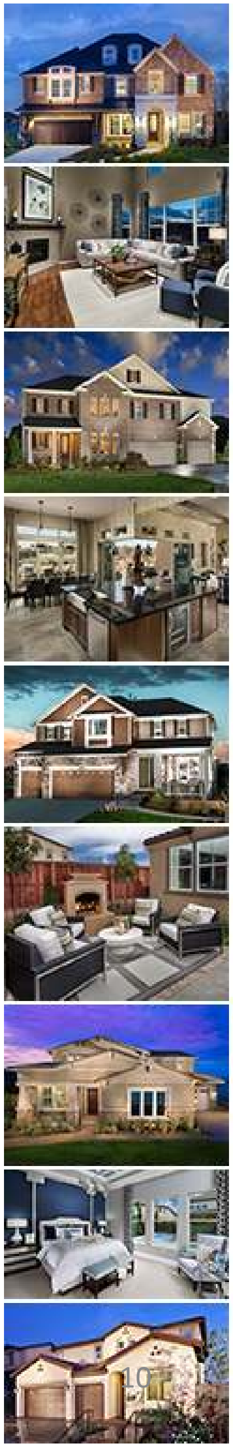


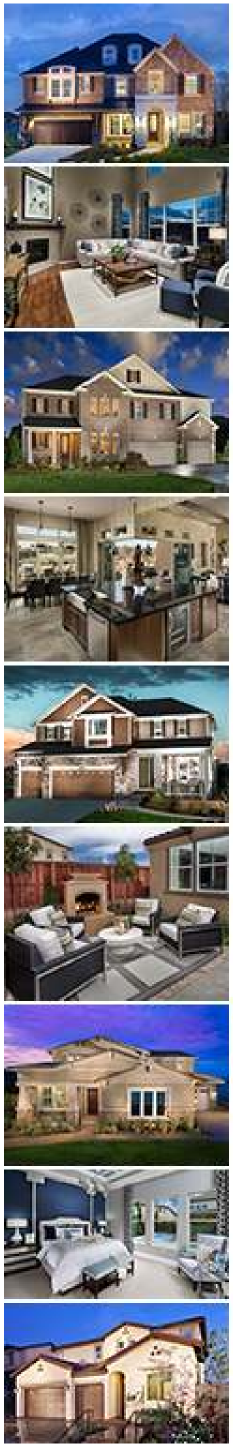
Market Exposure to Oil & Gas

- Meritage Markets have varied levels of exposure to Oil & Gas

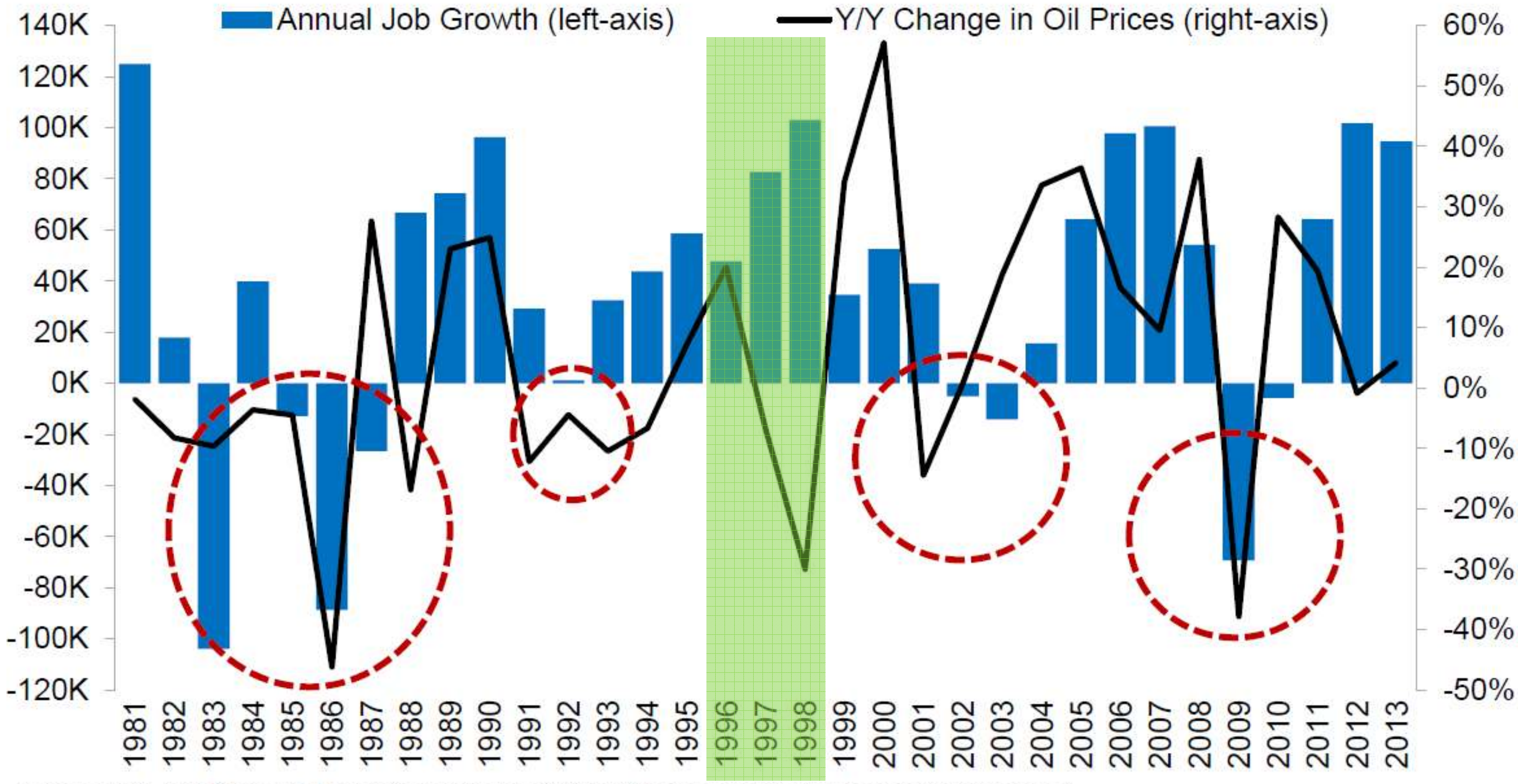
		Total Non-Farm Employment (000)	Mining & Logging Employment (000)	Mining & Logging % of Total
Meritage Markets	Houston	2,960.7	118.6	4.0%
	Dallas-FW	3,279.4	48.8	1.5%
	Austin	910.4	11.9	1.3%
	San Antonio	947.0	6.6	0.7%
	Denver	1,357.3	21.9	1.6%
For Comparison	Midland, TX	93.2	9.9	10.7%
	Texas	11,783.3	328.6	2.8%
	North Dakota	476.2	36.1	7.6%

Source: BLS

- Highest exposure in Houston
- Multiplier effect of estimated as much as 4X direct employment of Oil & Gas industry in Texas

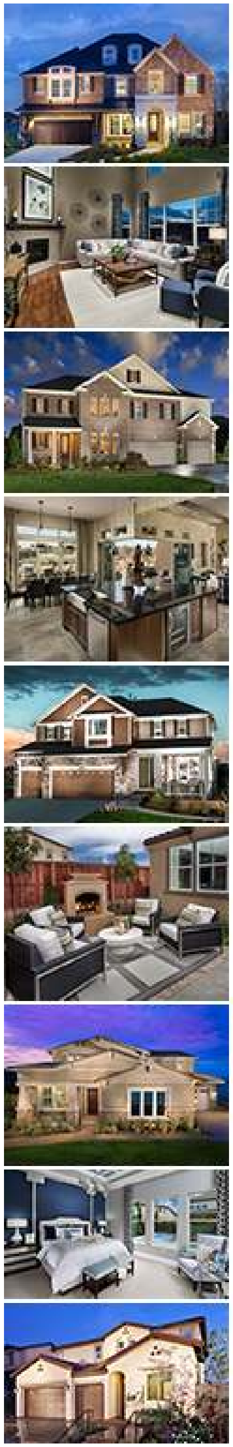


Employment declines when oil prices are falling during recessionary periods



Sources: EIA; John Burns Real Estate Consulting, LLC (Note: Oil prices are WTI per barrel annual average.)

We've seen job growth before when lower oil prices weren't accompanied by recession



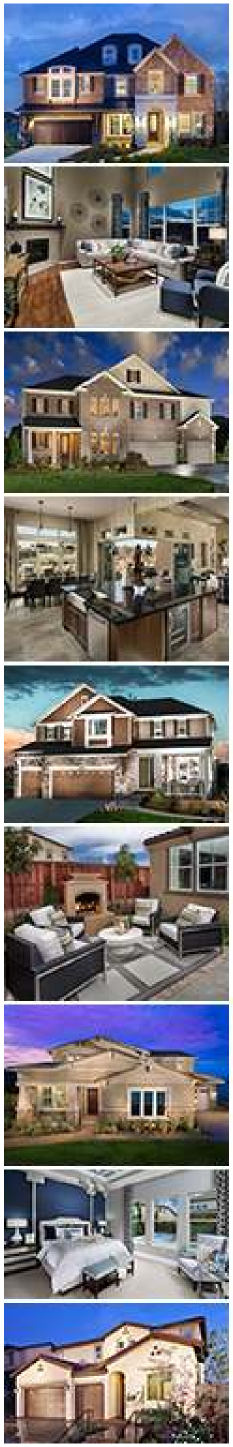
What’s different about the late-1990s decline?

Year	Historical Recession?	US Real GDP	OIL (WTI)	Houston Job Growth	Comments
1981	Yes	2.6%	-	8%	
1982	Yes	-1.9%	-8%	1%	
1983		4.6%	-10%	-6%	**Recession Adjustment**
1984		7.3%	-9%	2%	Oil Declined for 2 Years before permit reductions occurred. Oil Continued to Decline for another 4 years. (1980's Oil Glut)
1985		4.2%	2%	-1%	
1986		3.5%	-41%	-5%	
1987		3.5%	7%	-2%	
1988		4.2%	-5%	4%	
1989		3.7%	29%	5%	
1990	Yes	1.9%	29%	6%	
1991	Yes	-0.1%	-29%	2%	**Recession Adjustment**
1992		3.6%	0%	0%	Oil Declined for 3 years during a recession. Job Growth was at a stand still for 2 years before SF Permits did not increase.
1993		2.7%	-25%	2%	
1994		4.0%	18%	2%	
1995		2.7%	11%	3%	
1996		3.8%	33%	2%	
1997		**4.5%**	**-27%**	4%	**Non-Recession Adjustment**
1998		**4.5%**	**-38%**	5%	Permit growth slowed, but no declines occurred.
1999		4.7%	130%	2%	
2000		4.1%	9%	2%	
2001	Yes	1.0%	-32%	2%	**Recession Adjustment**
2002		1.8%	52%	0%	Oil Declined only for 1 year, Job Growth Declined for 4 years
2003		2.8%	9%	-1%	
2004		3.8%	34%	1%	
2005		3.3%	38%	3%	
2006		2.7%	4%	4%	
2007	Yes	1.8%	48%	4%	
2008	Yes	-0.3%	-55%	2%	**Recession Adjustment**
2009	Yes	-2.8%	81%	-3%	Oil Declined only for 1 year, Job Growth Declined for 4 years
2010		2.5%	20%	0%	
2011		1.6%	11%	3%	
2012		**2.3%**	**-11%**	4%	**Current Conditions Similar to 1997-1998**
2013		**2.2%**	**11%**	4%	Volatility in Oil, but Positive Metrics in GDP, Job Growth, SF Permits
Current		**2.4%**	**-39%**	6%	

Most declines in oil prices during recessions

Non-recession decline in oil

Current conditions more like late-1990s



Mitigating Factor

Announced layoffs are predominantly outside of Houston

Company	Jobs	Date Reported	Impact
Pemex	10,000	1/15/2015	Mexico
Schulmberger	9,000	1/16/2015	Global
Weatherford	8,000	2/5/2015	Global
Baker Hughes	7,000	1/15/2015	n/a
Halliburton	1,000	1/15/2015	Eastern Hemisphere
Suncor	1,000	1/15/2015	Canada
General Electric	720	2/5/2015	Lufkin, TX
Ensign	700	1/15/2015	California
US Steel	700	1/15/2015	Cleveland and Houston
BP	500	1/15/2015	n/a
Tenaris	300	1/15/2015	Mississippi
Hercules Offshore	300	1/15/2015	n/a
Shell	300	1/15/2015	Canada
Lariat Services	265	2/5/2015	West Texas / Permian
Apache	250	1/15/2015	n/a
OFS Energy	150	1/15/2015	n/a
EOG Resources	150	1/15/2015	Canada
Trican Well	125	2/5/2015	East of Dallas
Enbridge	100	1/15/2015	n/a
Total	40,560		

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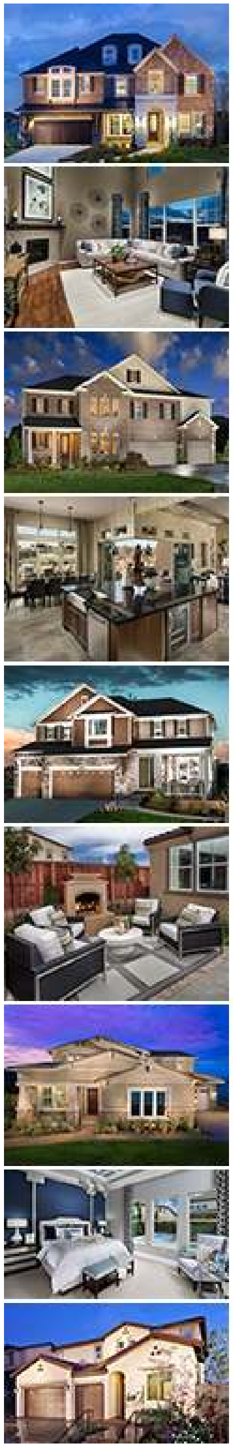
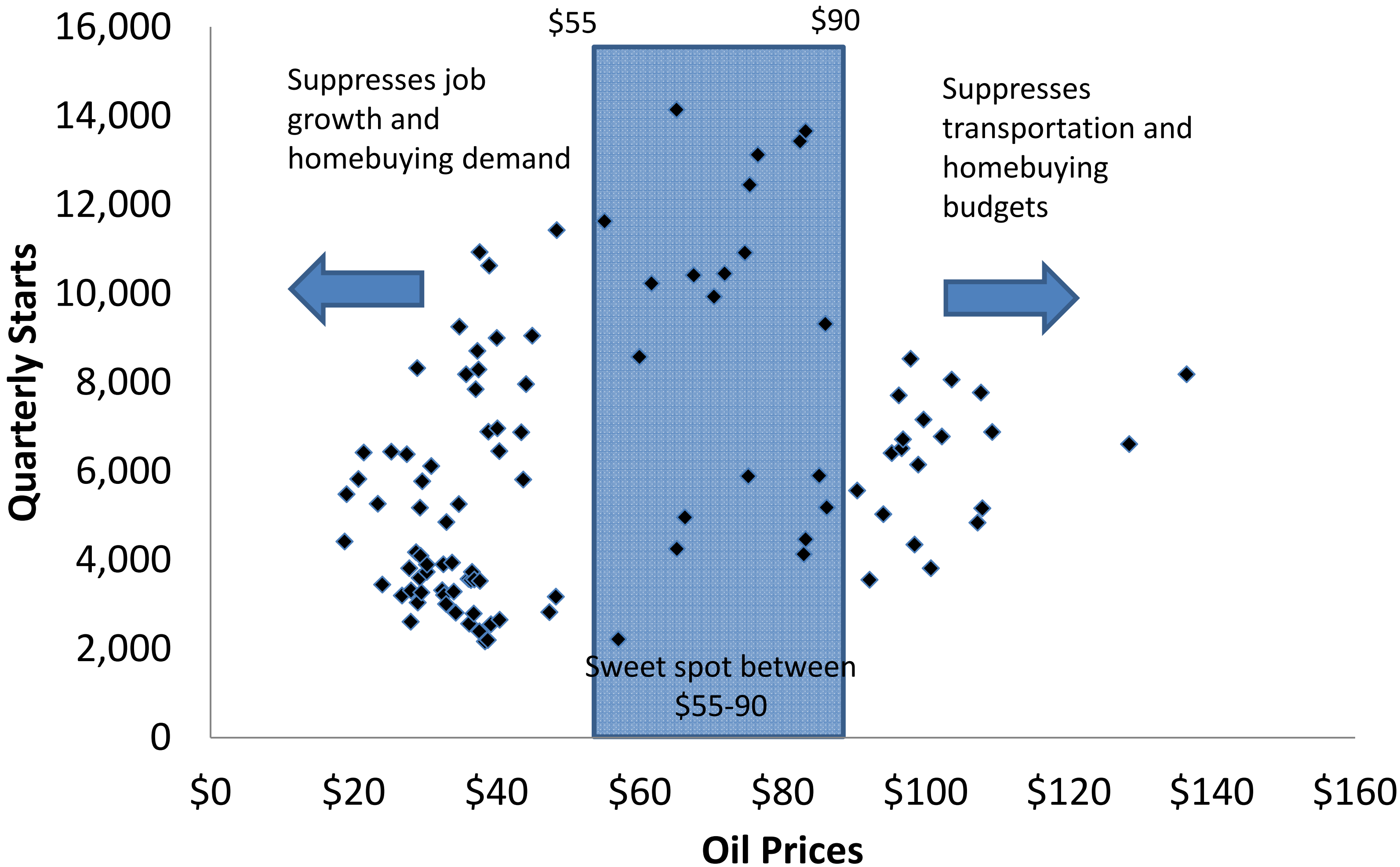
Oil and the Texas Markets

Quarterly Starts vs. WTI Real Price, 1989-2014





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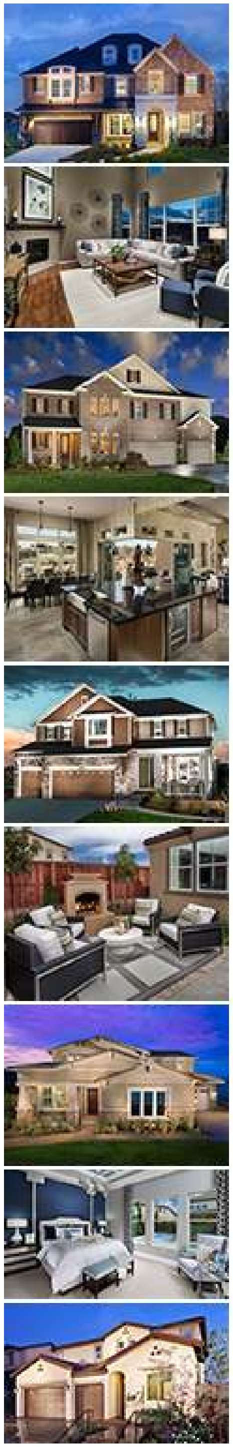

Expert Commentary

- Experts are pretty consistent on muted Houston impact
  - *"We were basically trending at a rate of about 5 percent over the past couple of years, and that was kind of our expectation for 2015. However, now we're seeing growth closer to 2 percent to 3 percent in 2015."* - Boyd Nash-Stacey, Economist, BBVA Compass
  - *"This is not 1982… It's hardly the end of the world (for Houston)."* – Bill Gilmer, Director of the Bauer Institute for Regional Forecasting at the University of Houston
    - He forecasts 40k job growth in 2015 and 2016.
  - *"Houston is much less sensitive to oil price shocks than it was in the '80s, a lot less sensitive, partly because its economy has evolved into other sectors… It'll be tapping on the brakes this year, but not slamming on the brakes."* – Keith Phillips, Senior economist with the Federal Reserve Bank of Dallas

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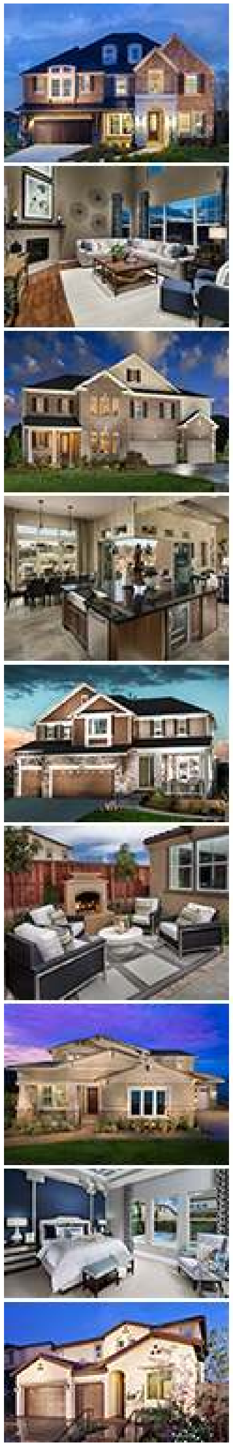

Houston Stats

Meritage Homes:

- #7 homebuilder in Houston (per 2014 closings/revenue)
- ~26 actively selling communities at 12/31/14
- ~3.5-4 years lots controlled (much optioned)
- ~12% of MTH 2014 closing revenue

Houston, TX – Jasmine (Aliana Plan)

- Stabilizing housing market after period of strong growth and price appreciation
- Supply still tight at 2.6 months
- Anticipating single digit price appreciation in 2015
- VDL is still below equilibrium at 14.4 months
- Positive job growth predicted for 2015 62,500
- No significant local job losses from falling oil prices yet
- Diversification has made the Houston economy 40% less dependent on oil and gas since 2003

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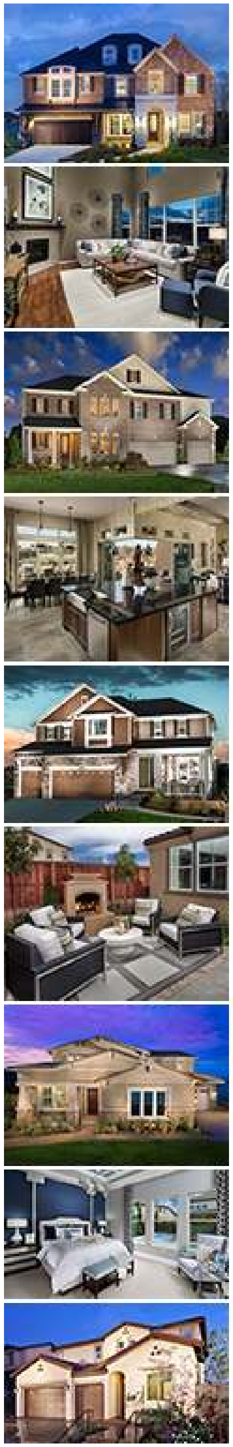
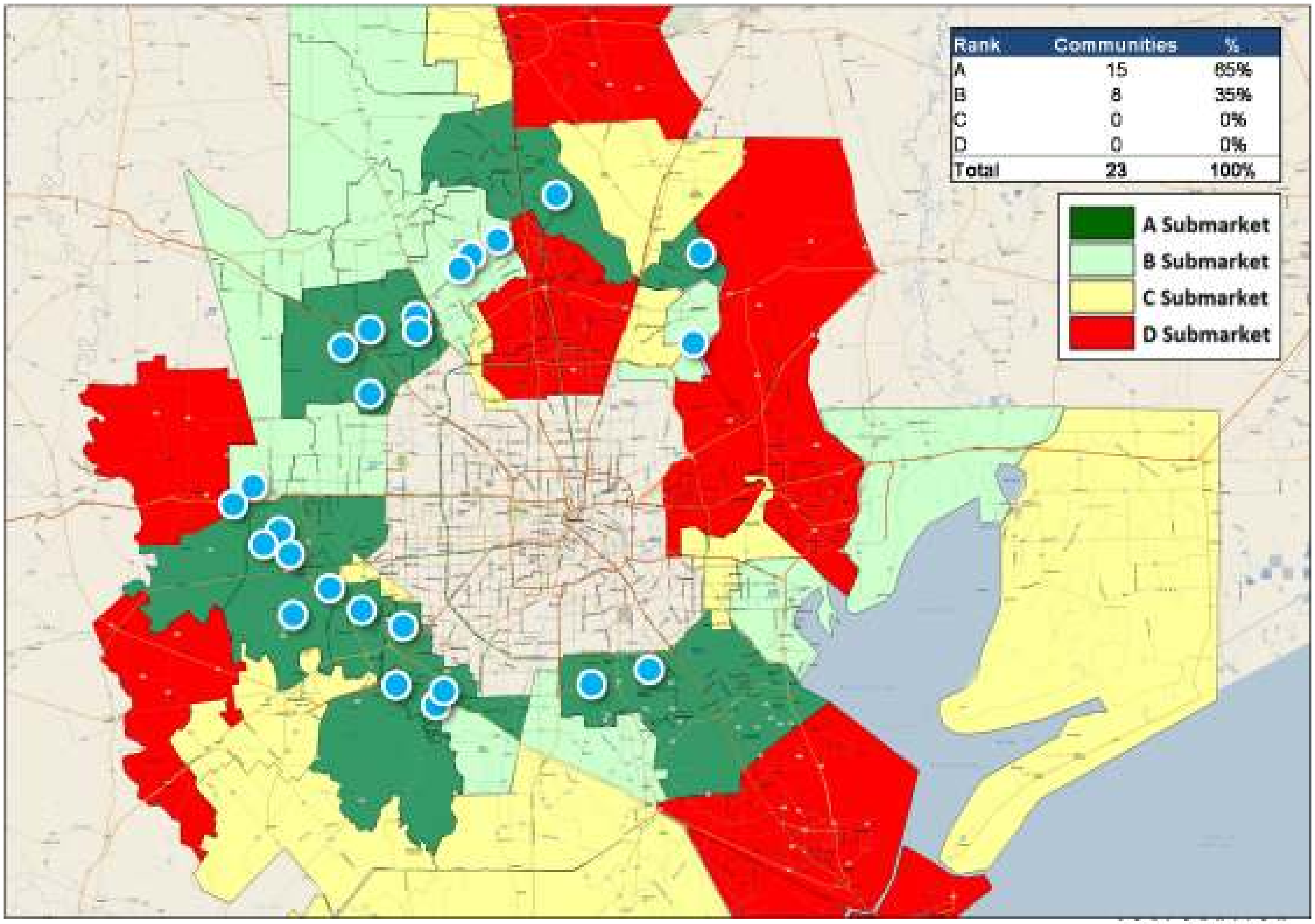
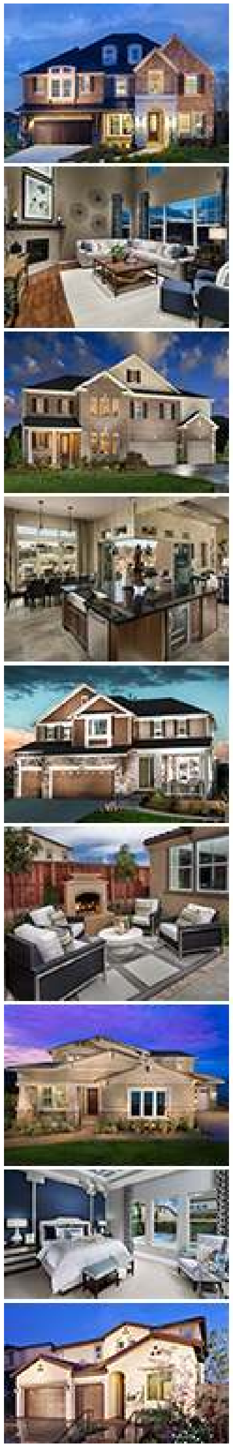


Mitigating Factor

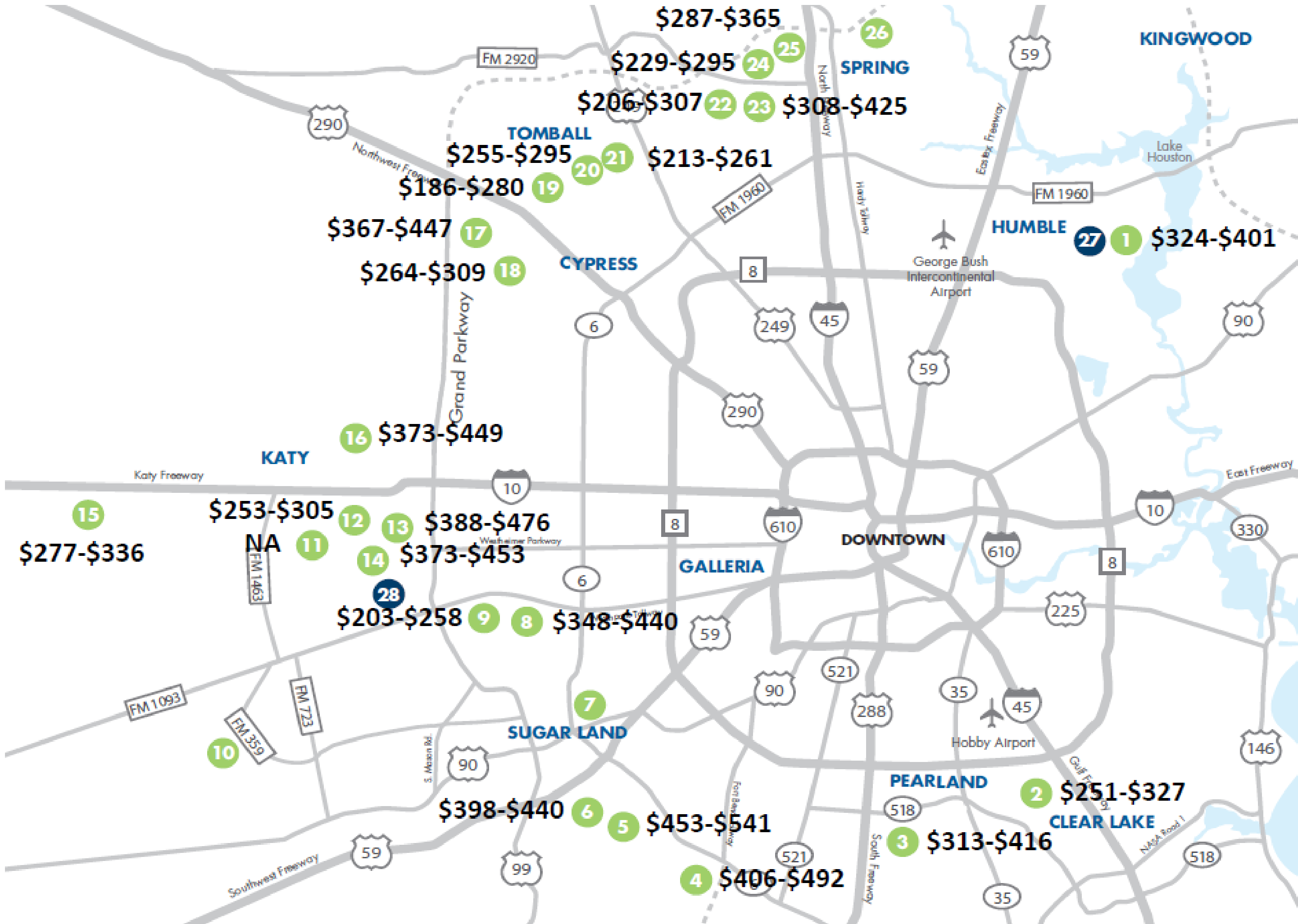
- Better locations insulate us from marginal demand fluctuations

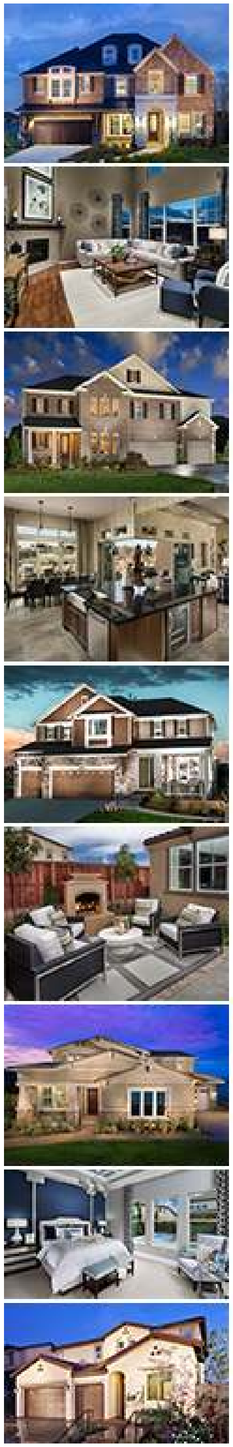




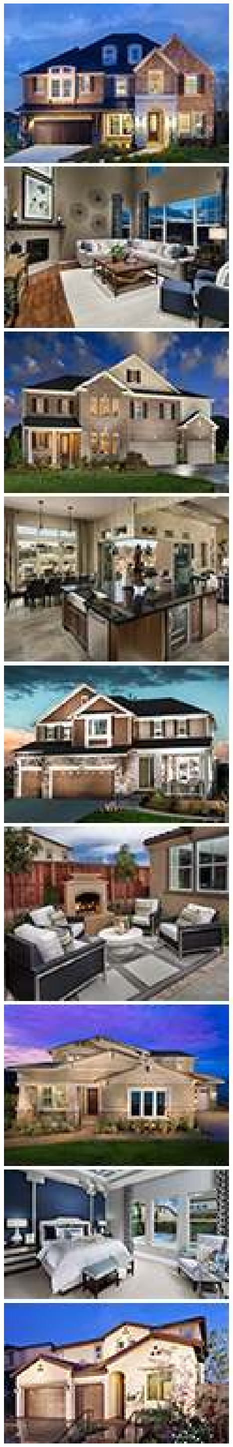
Mitigating Factor

- Attractive price points in Entry Plus to 2nd Move-Up





Full Year and Fourth Quarter 2014 Results

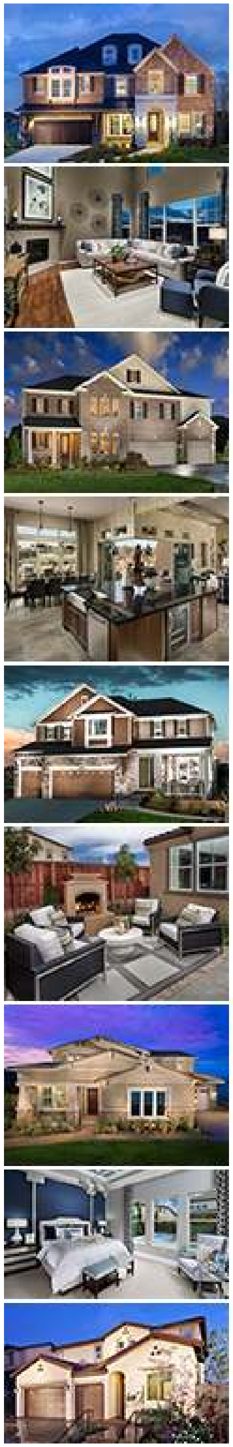


4Q & FY 2014 Operating Results

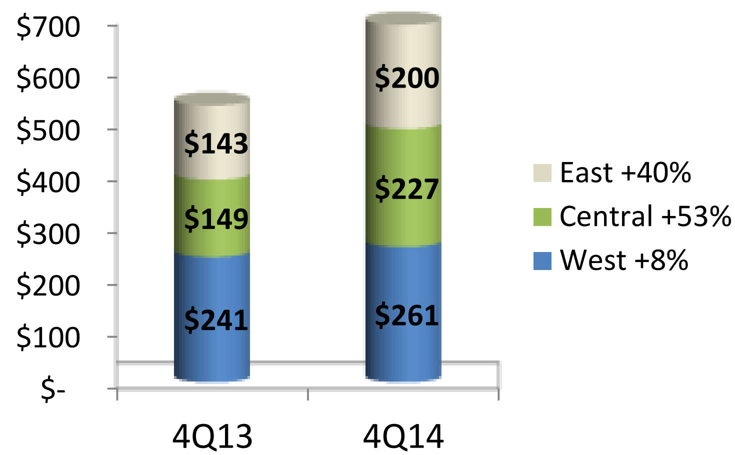
($ in millions except ASP)	4Q14	4Q13	*Chg*	FY2014	FY2013	*Chg*
Home closings	1,863	1,468	*27%*	5,862	5,259	*11%*
ASP	$369	$363	*2%*	$365	$339	*8%*
Home closing revenue	$688	$533	*29%*	$2,142	$1,783	*20%*
Home closing gross margin	20.3%	23.2%	*-290* bps*	21.2%	22.0%	*-80* bps*
Home closing gross profit	$140	$124	*13%*	$454	$392	*16%*
Commissions and other sales costs	$49	$36	*37%*	$157	$127	*24%*
-- as a percent of home closing revenue	*7.2%*	*6.8%*	*+40 bps*	*7.3%*	*7.1%*	*+20 bps*
General and administrative expenses	$29	$25	*17%*	$105	$92	*14%*
-- as a percent of total closing revenue	*4.2%*	*4.6%*	*-40 bps*	*4.8%*	*5.0%*	*-20 bps*
Interest expense	$0.6	$2	*-70%*	$5	$15	*-66%*
-- as a percent of total closing revenue	*0.1%*	*0.4%*	*-30 bps*	*0.2%*	*0.8%*	*-60 bps*
Earnings before income taxes	$66	$66	*1%*	$208	$178	*17%*
-- as a percent of total revenue	*9.5%*	*12.2%*	*-270 bps*	*9.6%*	*9.8%*	*-20 bps*
Net earnings	$49	$46	*7%*	$142	$124	*14%*

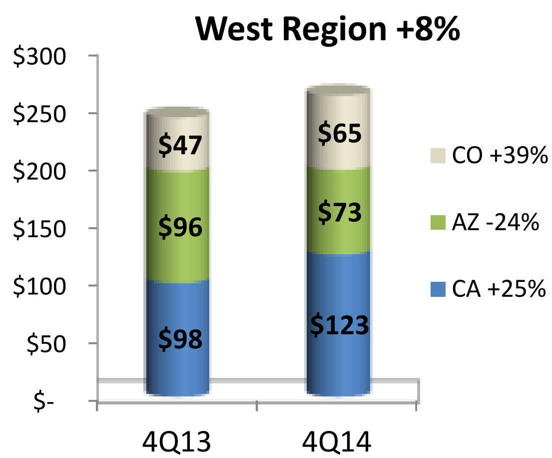
* Home closing gross margin in 4Q14 reduced 48 bps due to impact of purchase accounting for Legendary Communities
* Home closing gross margin in 2014 reduced by 26 bps due to impact of purchase accounting for Legendary Communities

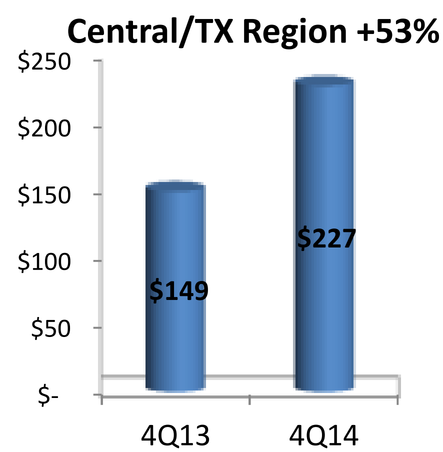
Strong top-line growth largely offset by declines in home closing gross margins from inflated levels

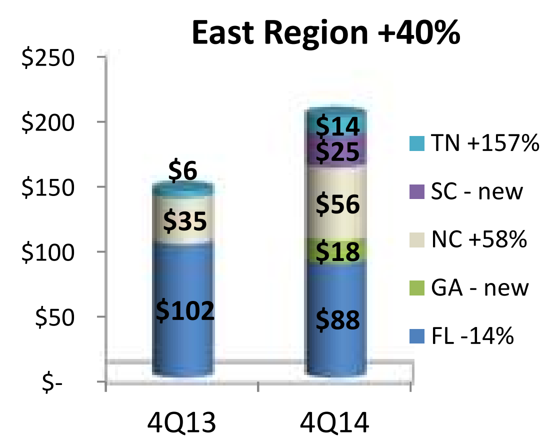


Home Closing Revenue Growth
($millions)









Grew home closing revenue across all regions and five of the seven states with continuous operations

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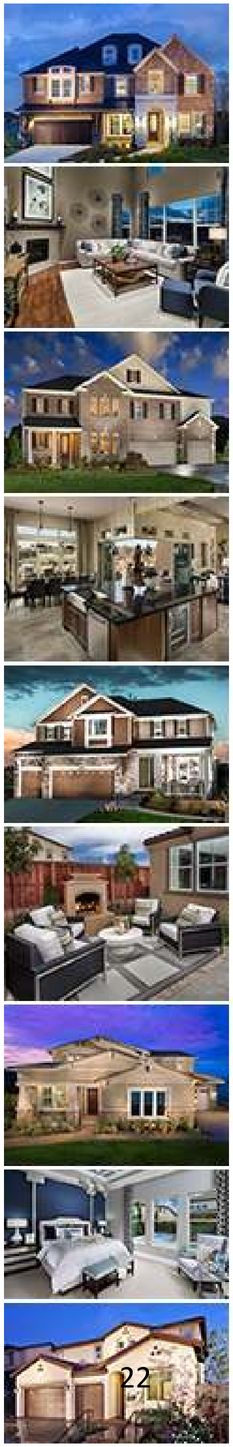


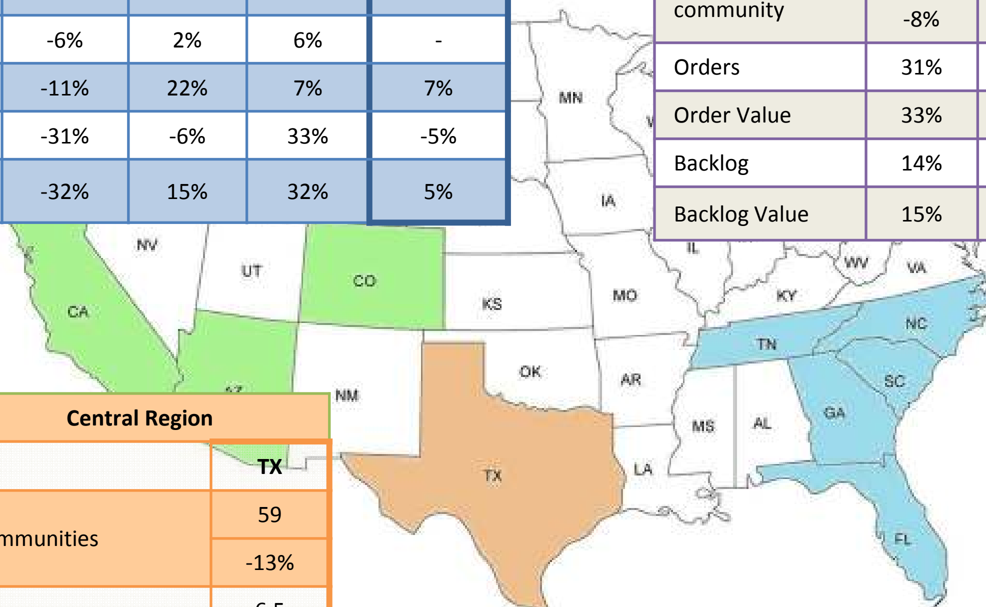
Fourth Quarter Key Operating Metrics

Percentage (%) changes 2014 vs 2013

West Region	AZ	CA	CO	Region
Communities	41	24	17	82
	5%	15%	27%	12%
Avg Orders/ community	4.2	7.5	6.8	5.7
	-11%	-12%	-17%	-10%
Orders	-6%	2%	6%	-
Order Value	-11%	22%	7%	7%
Backlog	-31%	-6%	33%	-5%
Backlog Value	-32%	15%	32%	5%

East Region (GA & SC not shown, new in 2014, but included in the region totals: 33 communities, ~3 avg orders/community)

	FL	NC	TN	Region
Communities	29	21	5	88
	41%	28%	13%	113%
Avg Orders/ community	6.1	6.2	4.7	4.9
	-8%	24%	-28%	-17%
Orders	31%	59%	-19%	76%
Order Value	33%	48%	-30%	67%
Backlog	14%	71%	-3%	64%
Backlog Value	15%	58%	6%	57%



Central Region	TX
Communities	59
	-13%
Avg Orders/ community	6.5
	7%
Orders	-8%
Order Value	-
Backlog	8%
Backlog Value	26%

TOTAL COMPANY	Total
Communities	229
	24%
Avg Orders/ community	5.6
	-10%
Orders	12%
Order Value	18%
Backlog	14%
Backlog Value	23%

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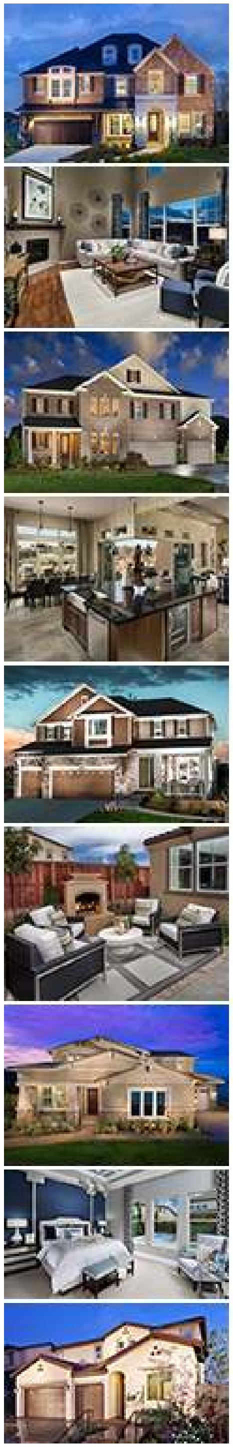

Mortgage Finance Developments

- FHA premiums reduced in December 2014, attracting more qualified buyers
  - LBA involved in getting this from FHA
  - 50 bps (0.85 vs 1.35%) ~ $900 annual savings for typical first-time homebuyer
  - Since 2011, annual insurance premiums had increased ~150% and upfront fees had risen ~75%
  - NAR estimates 234-255,000 creditworthy borrowers priced out due to premiums
- New 97% loan product offered by Fannie Mae
  - MTH Mortgage has already pre-qualified buyers for this product that may not have otherwise qualified under AUS
- Lower put-back risk to banks on FHA loans

[WSJ 2/9/15] "FHA Looks to Ease Banks' Worry on Mortgage Mistakes"

Procedural Change Would Limit Justice Department's Ability to Pursue Damages

Sentiment is that credit is beginning to loosen a little, which should increase buyers over long-term

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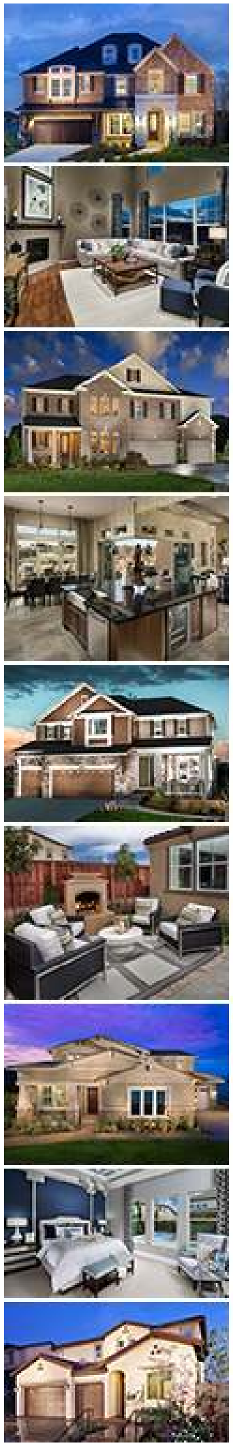


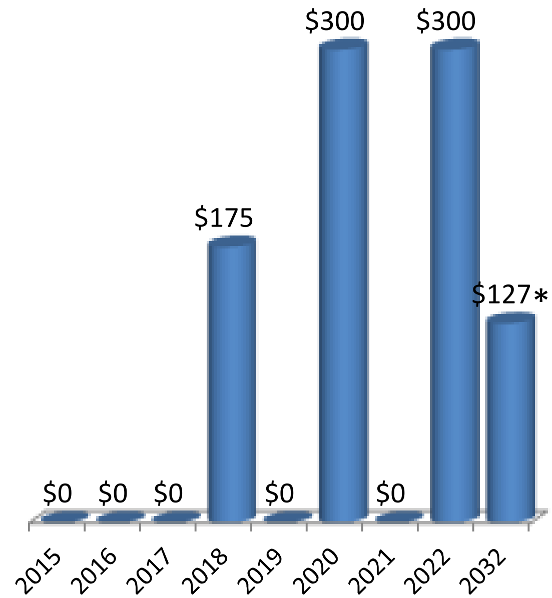
Maintaining a Strong Balance Sheet

Current Capitalization and Credit Stats ***($ millions)***	12/31/2014	12/31/2013
Total Cash & Equivalents plus securities	$103.3	$363.7
$400mm Unsecured Revolving Credit Facility	-	-
Notes payable & other borrowings	$935.2	$921.0
Net Debt	$831.9	$557.4
Book Value of Equity	$1,109.5	$841.4
Net Debt / Net Book Capitalization	*42.9%*	*39.8%*

Credit Ratings

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

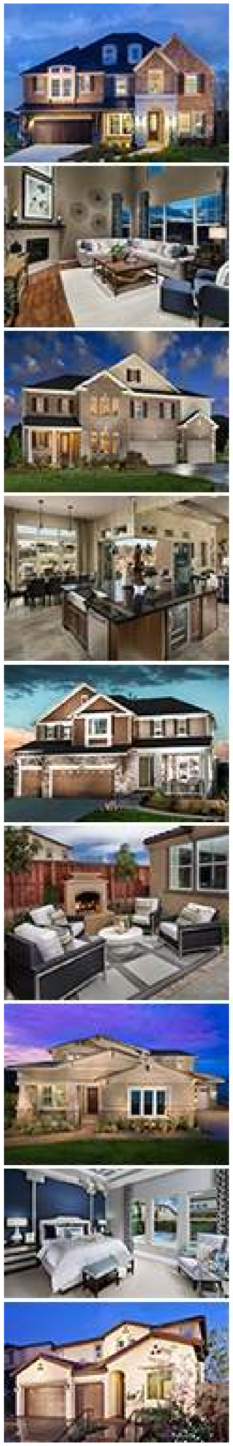
Debt Maturities ($millions)



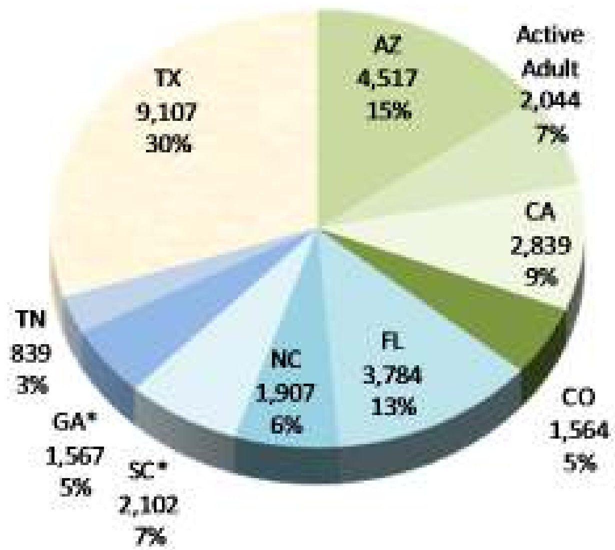
* $126.5 convertible 1.875% due 2032 with optional puts in 2017, 2022 & 2027

No maturities until March 2018; nothing drawn on $400M credit facility at quarter-end

MeritageHomes CORPORATION



Growing Lot Supply



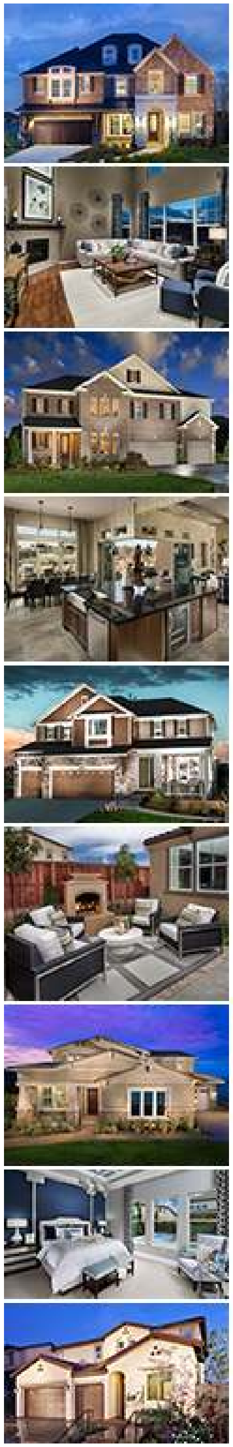
* Nearly all Atlanta & Greenville lots are optioned

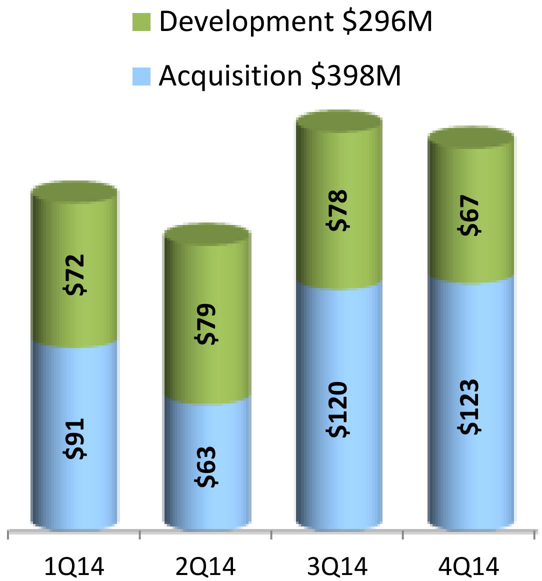
30,295 Total Lots Controlled at 12-31-14

Investing where best opportunities exist while maintaining a moderate level of debt

MeritageHomes CORPORATION

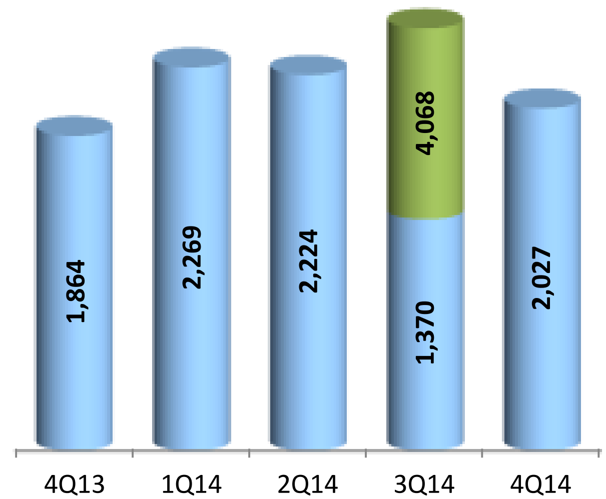
2014 Land & Development Spending





Note: 3Q14 acquisition spending includes $15M for Legendary lots

New Lots Put Under Control
(3Q lots added primarily from Legendary)



Approximately $700M in total land & development spend in 2014; expected to be flat in 2015, depending on conditions

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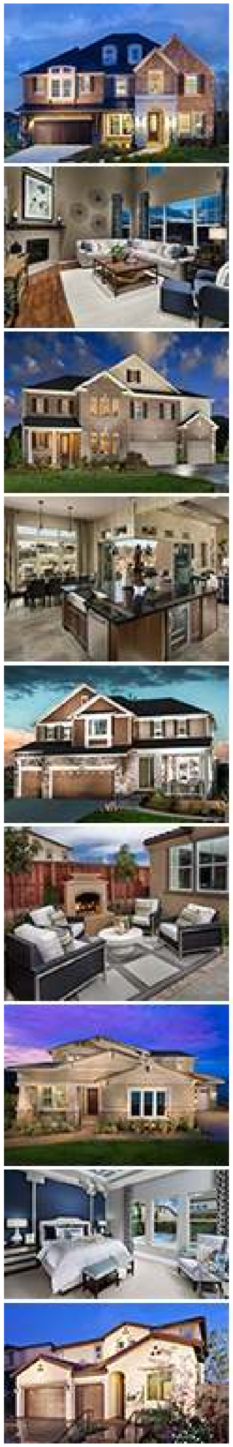


Summary

Successes in 2014

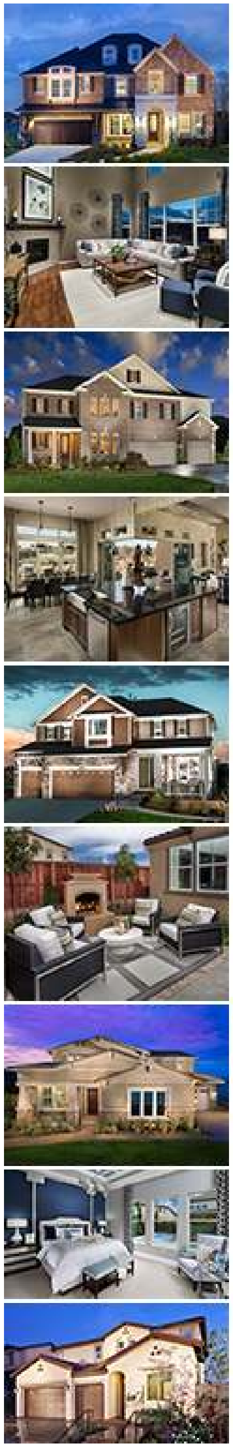
- Broadened geographic diversity – 2 more new markets (6 in past 4 years)
- Increased community count
- Grew orders, closings, ASPs, revenue & backlog
- Maintained balance sheet strength & earned upgrades (BB-/Ba3) due to improved credit metrics

Outlook for 2015

- Increases in orders, closings & revenue with more active communities
- FY2015 home closing GM% in line with 4Q14 – lower in 1Q15 and improving throughout the year
- Continued earnings growth
- 2014 investments should pay off beginning 2015

Positioned to capitalize on growth opportunities and deliver earnings expansion

MeritageHomes® CORPORATION



Non-GAAP Reconciliations

	December 31, 2014		December 31, 2013	
Notes payable and other borrowings	$	935,208	$	921,048
Less: cash and cash equivalents, and investments and securities		(103,333)		(363,665)
Net debt		831,875		557,383
Stockholders' equity		1,109,489		841,392
Total capital	$	1,941,364	$	1,398,775
Net debt-to-capital		42.9%		39.8%

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