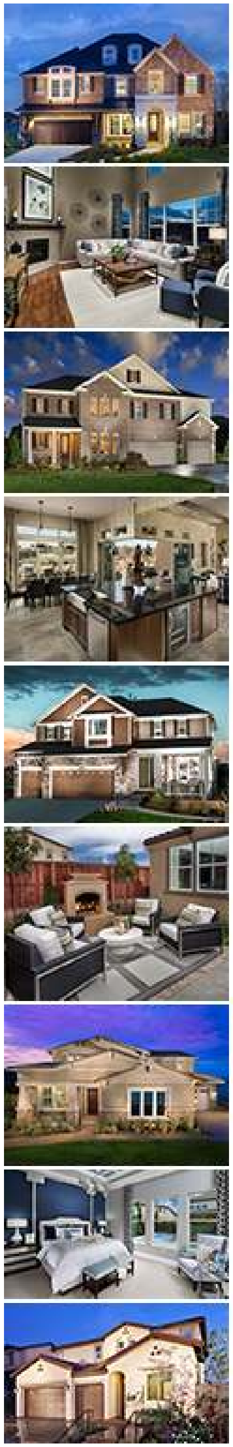
Meritage Homes 3Q 2015 Analyst Webcast

October 29, 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 with respect to future revenue growth and earnings expansion, margin expansion in new markets, estimated home closing revenue and diluted EPS for the fourth quarter of 2015, expectations to continue to grow revenue and expand earnings over the next year, and the approval of legislation to renew federal energy tax credits.

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 us or our homebuyers; the ability of our potential buyers to sell their existing homes; cancellation rates and; fluctuations in home prices in our markets; weakness in the homebuilding market resulting from a setback in the current economic recovery due to lower oilenergy 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; 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 or severe weather conditions; competition; construction defect and home warranty claims; adverse legal rulings; our success in prevailing on contested tax positions; our ability to obtain performance bonds in connection with our development work; the loss of key personnel; changes in, or 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; expiration or non-renewal of current or anticipated tax credits available to us; 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 subsequent quarterly reports on Forms 10-Q under the caption "Risk Factors," which can be found on our website.

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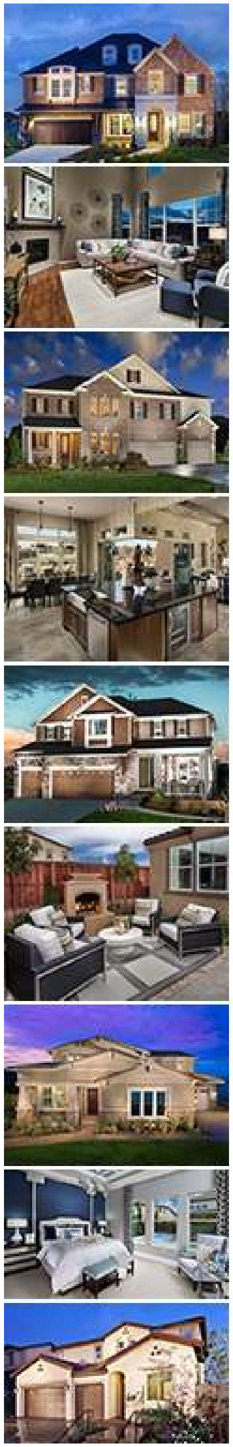

Presenters

Steven J. Hilton, Chairman/CEO

Phillippe Lord, Executive Vice President/Chief Operating Officer

Larry Seay, Executive Vice President/Chief Financial Officer

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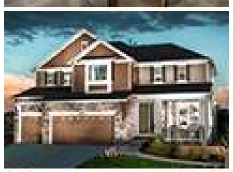
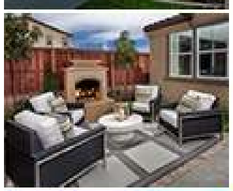

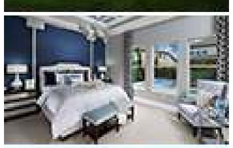


Third Quarter Overview

- Market conditions remained favorable – job growth, household formations, interest rates, low inventory and pent-up demand. First-time home buyers returning.
- Year/year growth in most key metrics
  - ↑ Closings & revenue – total & all but 2 states
  - ↑ Orders & $value – total & all but 3 states
  - ↑ Backlog & $value – total & all but 1 state
- Record level of actively selling communities
- Rising prices and costs
  - Increasing prices in many communities/markets
  - Land costs rising
  - Materials costs down, offset by higher labor costs
- Outlook for continued growth



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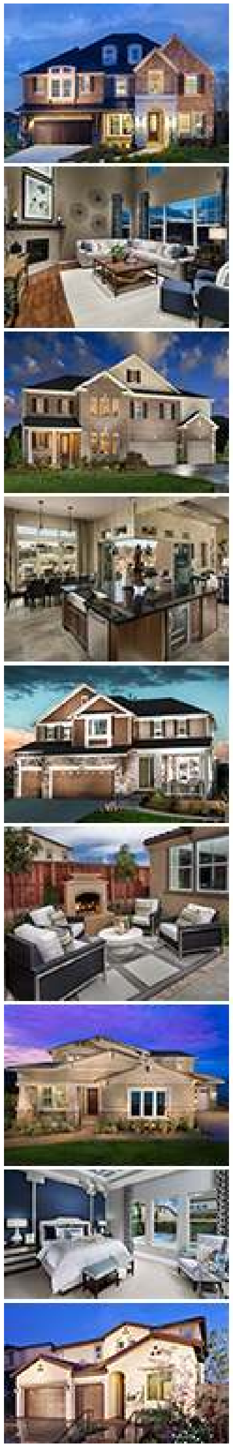
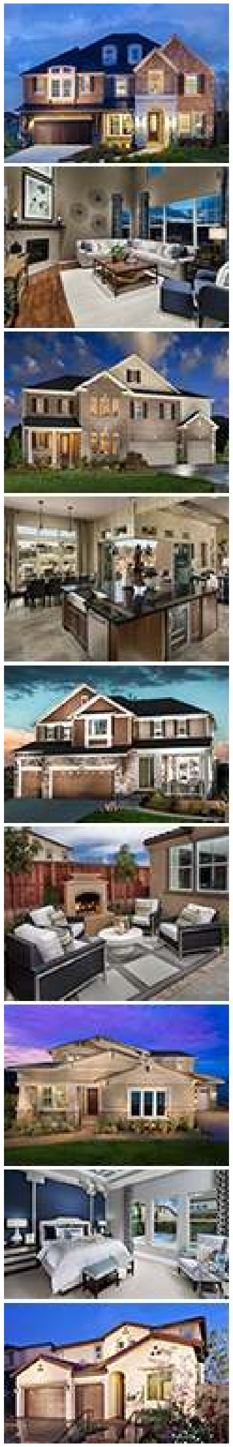


Third Quarter Summary Results

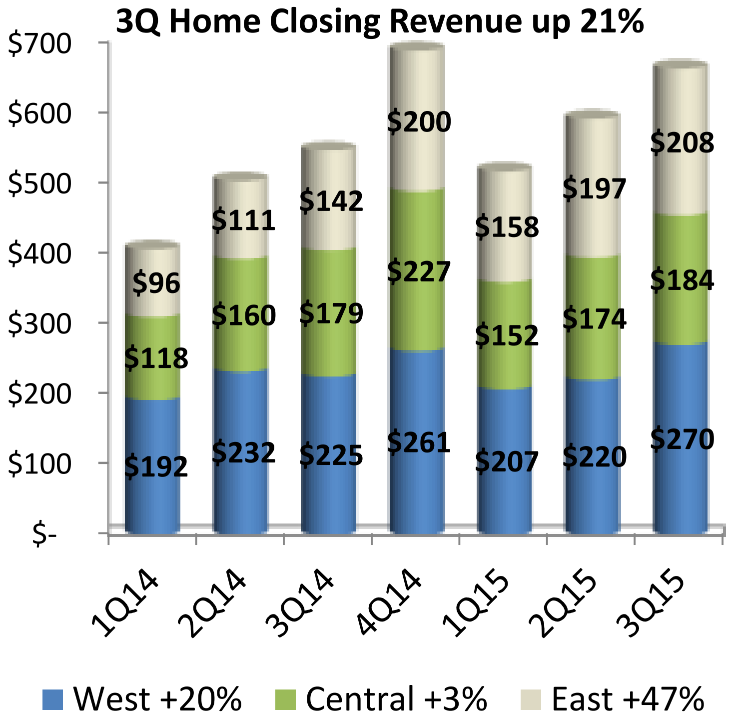
$000s except per share amounts	Three Months Ended September 30, 2015	2014	%Chg
Homes closed (units)	1,712	1,522	*+12%*
Average sales price – closings	$387	$358	*+8%*
Home closing revenue	$661,884	$545,524	*+21%*
Sales orders (units)	1,567	1,500	*+4%*
Average sales price – orders	$402	$382	*+5%*
Sales order value	$629,977	$573,643	*+10%*
Ending backlog (units)	3,043	2,705	*+12%*
Average sales price - backlog	$416	$386	*+8%*
Ending backlog value	$1,264,872	$1,043,741	*+21%*
Home closing gross profit	$125,617	$111,238	*+13%*
Home closing gross margin	19.0%	20.4%	*-140 bps*
Net earnings	$30,308	$32,577	*-7%*
Diluted EPS	$0.73	$ 0.79	*-8%*

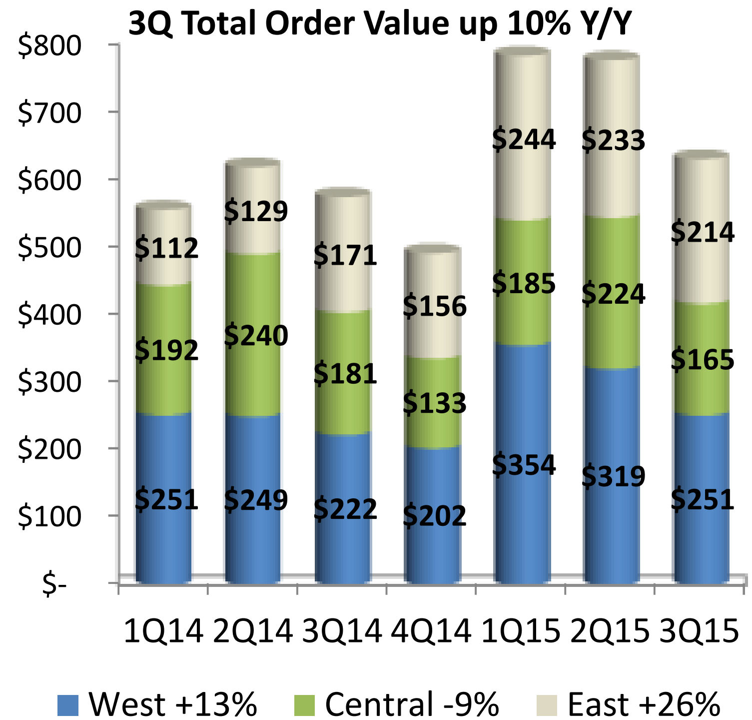
Continued growth in closings, revenue, orders and backlog, offset by lower home closing gross margin, impairments and litigation-related charge



Strongest Growth from Newest Divisions in the East Region

($ in millions)





All regions grew revenue Y/Y; West & East regions' order value growth more than offset decline in Central region

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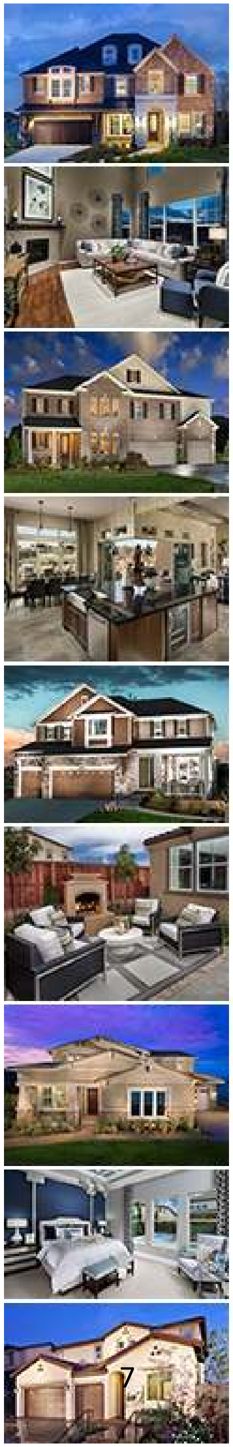


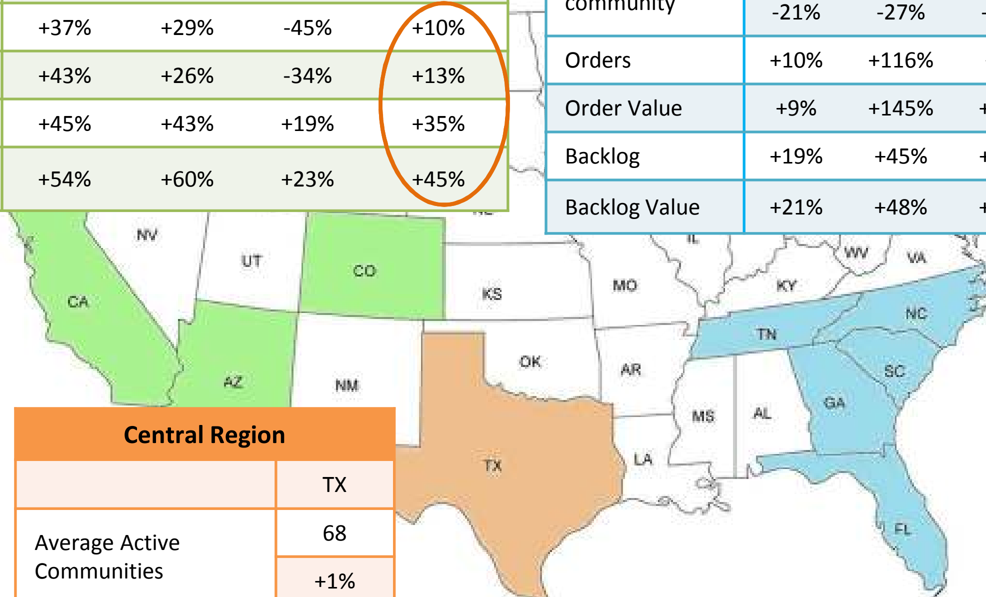
Third Quarter Sales Metrics

Percentage (%) changes 2015 vs 2014

West Region		AZ	CA	CO	Region
Average Active Communities		42	23	16	81
		-	+24%	+7%	+7%
Avg Orders/ community		6.5	8.8	5.4	6.9
		+38%	+4%	-49%	+1%
Orders		+37%	+29%	-45%	+10%
Order Value		+43%	+26%	-34%	+13%
Backlog		+45%	+43%	+19%	+35%
Backlog Value		+54%	+60%	+23%	+45%

East Region
(GA & SC only 2 months of third quarter 2014, so Y/Y comparisons are skewed)

	FL	GA	NC	**SC**	TN	Region
Average Active Communities	31	17	25	19	6	97
	+39%	+200%	+52%	+95%	+33%	+66%
Avg Orders/ community	7.4	4.1	5.5	4.8	6.0	5.8
	-21%	-27%	-29%	+4%	-40%	-26%
Orders	+10%	+116%	+8%	+100%	-20%	+22%
Order Value	+9%	+145%	+19%	+88%	+1%	+26%
Backlog	+19%	+45%	+34%	+18%	+24%	+26%
Backlog Value	+21%	+48%	+44%	+7%	+55%	+31%



Central Region

	TX
Average Active Communities	68
	+1%
Avg Orders/ community	6.6
	-18%
Orders	-16%
Order Value	-9%
Backlog	-11%
Backlog Value	-7%

TOTAL COMPANY

	Total
Average Active Communities	245
	+23%
Avg Orders/ community	6.4
	-15%
Orders	+4%
Order Value	+10%
Backlog	+12%
Backlog Value	+21%

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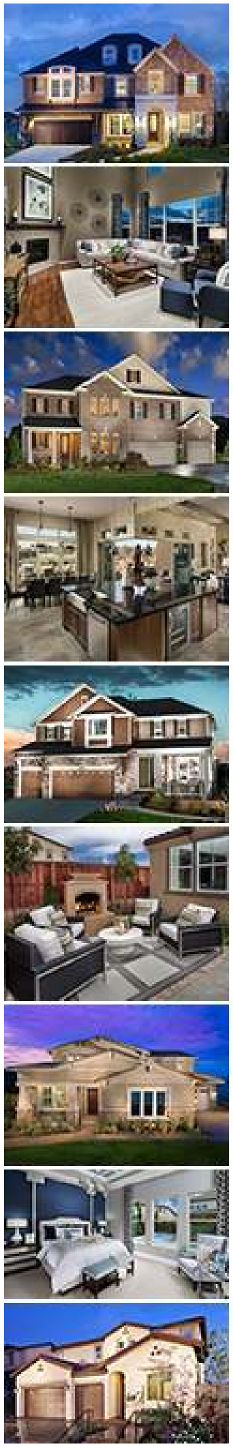

Operating Margin Analysis

($ in millions)	3Q15	3Q14	*Change*
Commissions and other sales costs	$48,097	$40,211	*+20%*
-- as a percent of home closing revenue	7.3%	7.4%	*-10 bps*
General and administrative expenses	$28,774	$29,218	*-2%*
-- as a percent of total closing revenue	4.3%	5.2%	*- 90 bps*
Interest expense	$4,187	$460	*810%*
-- as a percent of total closing revenue	0.6%	0.1%	*+50 bps*
Earnings before income taxes	$46,668	$47,030	*-1%*
-- as a percent of total revenue	*6.9%*	*8.4%*	*- 150 bps*
Provision for income taxes	$16,360	$14,453	*+13%*
-- tax rate	35%	31%	*+400 bps*

Greater leverage from reduced SG&A as a percentage of revenue; interest expense and income tax rate rose

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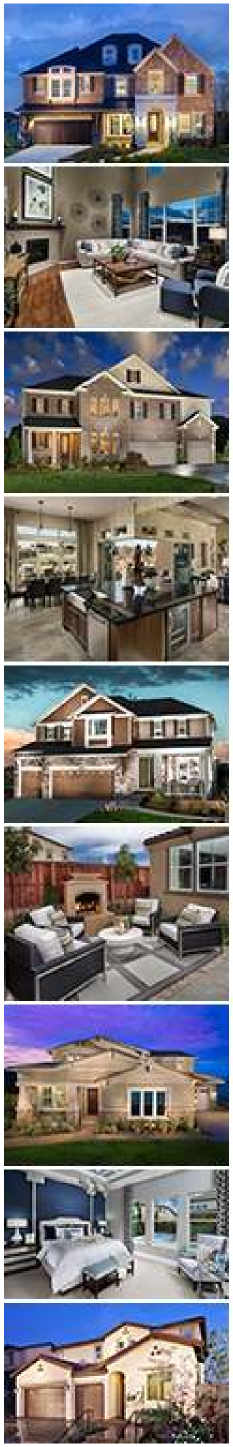

YTD Summary Results

($000s, except per share amounts)	Nine Months Ended September 30		
	2015	2014	%Chg
Homes closed (units)	4,603	3,999	*15%*
ASP – closings	$385	$364	*6%*
Home closing revenue	$1,770,184	$1,454,103	*22%*
Sales orders (units)	5,532	4,672	*18%*
ASP – orders	$396	$374	*6%*
Sales order value	$2,188,604	$1,747,118	*25%*
Ending backlog (units)	3,043	2,705	*12%*
ASP – backlog	$416	$386	*8%*
Ending backlog value	$1,264,872	$1,043,741	*21%*
Home closing gross profit	$335,341	$313,798	*7%*
Home closing gross margin	18.9%	21.6%	*(270) Bps*
Pretax earnings	$113,379	$142,024	*(20)%*
Diluted EPS	$1.83	$ 2.27	*(19)%*

Strong growth in closings, revenue, orders and backlog, offset by reduced home closing gross margin, impairments and third quarter litigation-related charge

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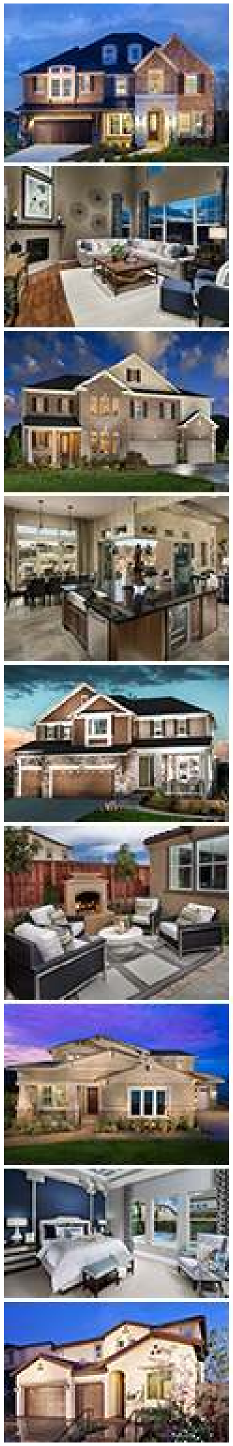
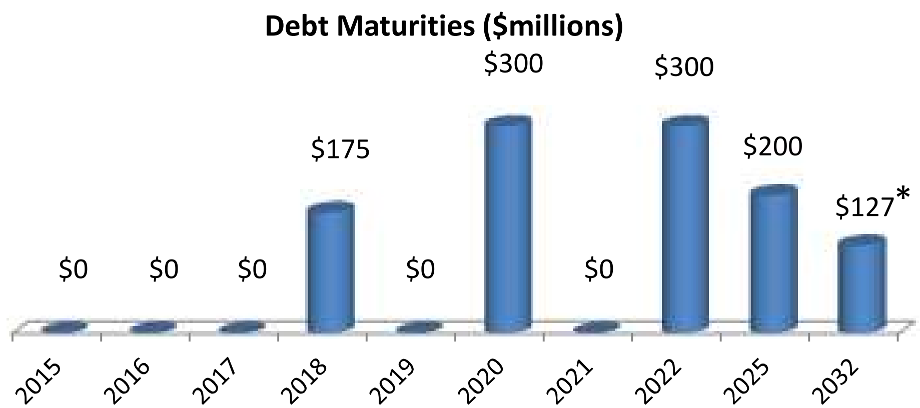


Selected Balance Sheet Items

($ millions)	9/30/2015	12/31/2014
Total Cash & Cash Equivalents	$235	$103
$500mm Unsecured Revolving Credit Facility	-	-
Notes payable & other borrowings	$1,146	$935
Real Estate	$2,089	$1,878
Book Value of Equity	$1,203	$1,109
Net Debt to Net Capital	43.1%	42.9%

Credit Ratings

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



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

Solid balance sheet with good liquidity and no near-term debt maturities

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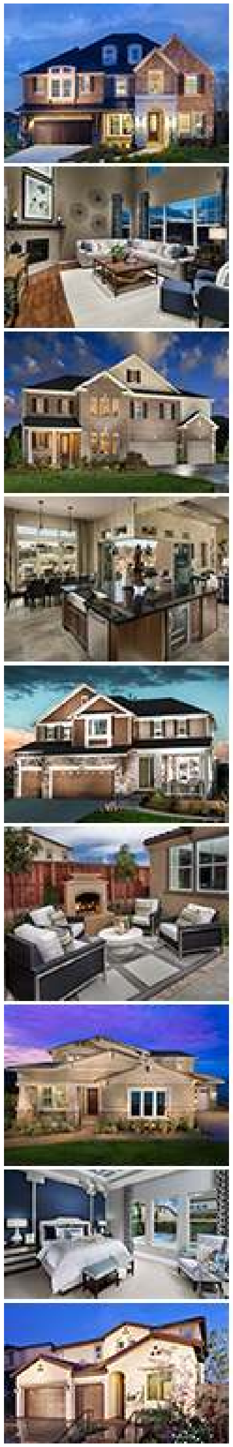
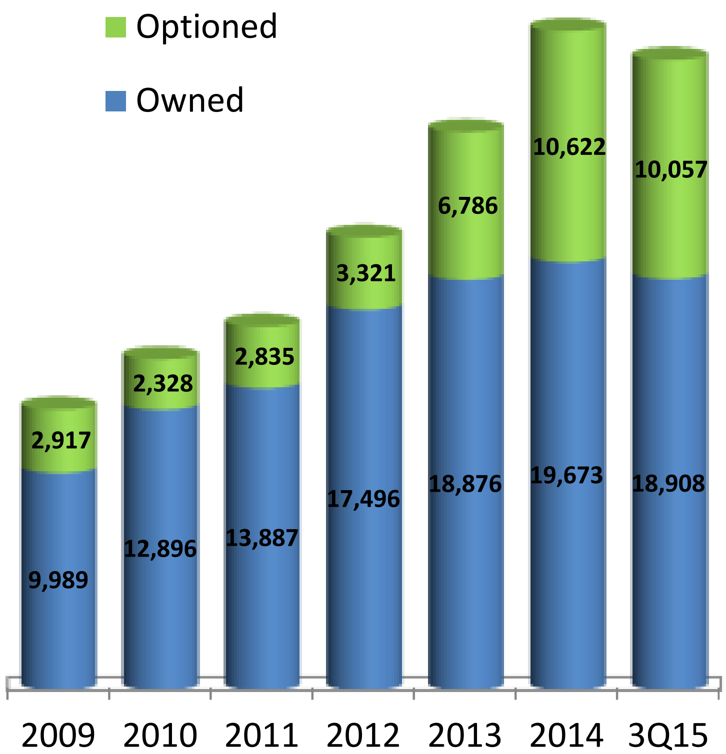
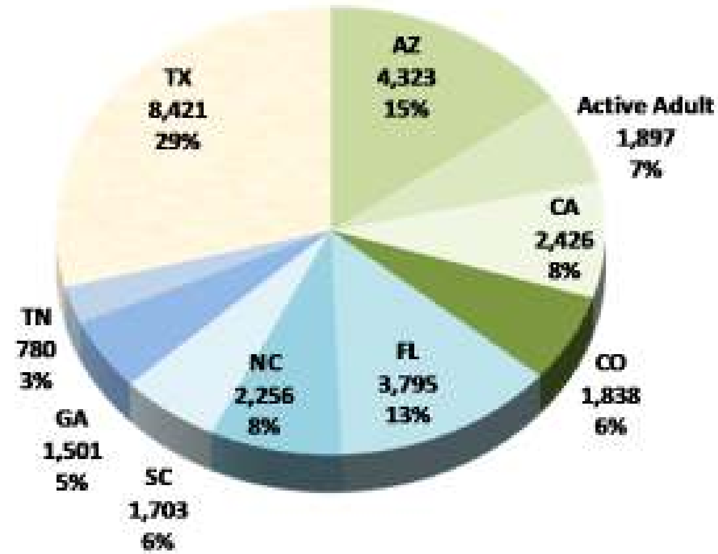


Lot Supply

28,965 Lots Owned/Controlled as of 9-30-15





Additional 25 lots in discontinued operations

Lot supply supports our expectations for continued growth across our markets

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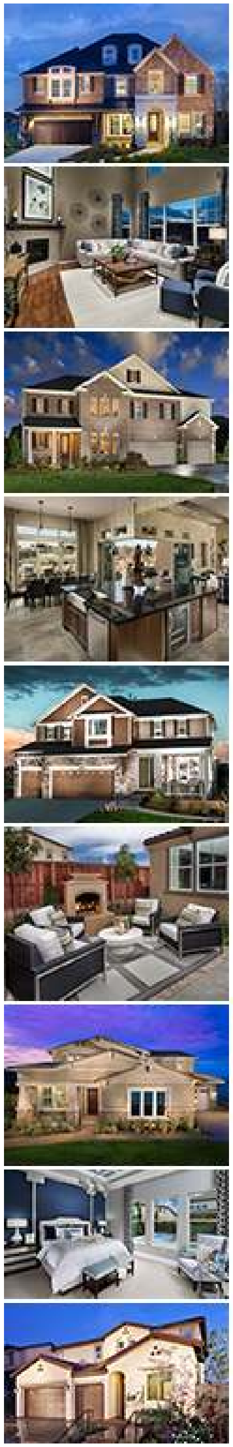

Summary of recent results & guidance

- Strong Y/Y growth in 3Q15:
  - Home closings & revenue
  - Orders & order value
  - Backlog units & value
  - Actively selling communities
- Gross margin constrained by cost inflation and immature divisions
- Improving overhead leverage on normalized basis

<u>Guidance for 4Q 2015:</u>

- Home closing revenue $750-800 million
- Diluted EPS ~$1.10-1.35

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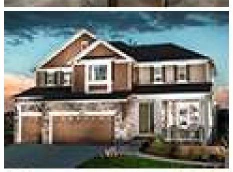
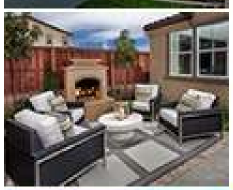

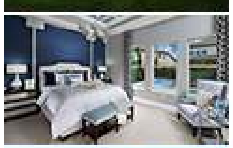


Non-GAAP Reconciliations

	September 30, 2015	December 31, 2014
Notes payable and other borrowings	$ 1,145,958	$ 935,208
Less: cash and cash equivalents, and investments and securities	(235,409)	(103,333)
Net debt	910,549	831,875
Stockholders' equity	1,202,669	1,109,489
Total capital	$ 2,113,218	$ 1,941,364
Net debt-to-capital	43.1%	42.9%

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