Fourth Quarter 2017
Analyst Conference Call

February 1, 2018

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 belief about expected performance in the Company's East region, first quarter trends in revenue, margin and overhead leverage, as well as its expected 2018 home closings, home closing revenue, pre-tax earnings, gross margins and effective tax rate.

Such statements are based on the current beliefs and expectations of Company management, and current market conditions, which are subject to significant uncertainties and fluctuations. 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: potential adverse impacts on our Houston and Florida sales, closings, revenue and costs due to Hurricanes Harvey and Irma; growth in first-time home buyers; the availability and cost of finished lots and undeveloped land; changes in interest rates and the availability and pricing of residential mortgages; the success of strategic initiatives; shortages 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; inflation in the cost of materials used to develop communities and construct homes; the adverse effect of slower absorption (order) rates; impairments of our real estate inventory; a change to the feasibility of projects under option or contract that could result in the write-down or write-off of earnest or option deposits; our potential exposure to and impacts from natural disasters or severe weather conditions; competition; construction defect and home warranty claims; failures in health and safety performance; our success in prevailing on contested tax positions; our ability to obtain performance and surety bonds in connection with our development work; the loss of key personnel; enactment of new laws or regulations or our failure to comply with regulations; our limited geographic diversification; fluctuations in quarterly operating results; our level of indebtedness; our ability to obtain financing; our ability to successfully integrate acquired companies and achieve anticipated benefits from these acquisitions; our compliance with government regulations; the effect of legislative and other governmental actions, orders, policies or initiatives that impact housing, labor availability, construction, mortgage availability, our access to capital, the cost of capital or the economy in general, or other initiatives that seek to restrain growth of new housing construction or similar measures; legislation relating to energy and climate change; the replication of our energy-efficient 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, 2016 and our subsequent Forms 10-Q, under the caption "Risk Factors," which can be found on our website.

Management Representatives

Steven J. Hilton – Chairman & CEO

Phillippe Lord – EVP & Chief Operating Officer

Hilla Sferruzza – EVP & Chief Financial Officer

Brent Anderson – VP Investor Relations

Strong Fourth Quarter Performance

Y/Y% Comparisons to 4Q 2016

+ 20% orders

+ 6% home closings

+ 5% home closing revenue

+ 10% pre-tax earnings

➢ FY 2017 pre-tax earnings +14%

Strategic Focus on Entry-Level Market

- Extreme shortage of homes priced affordably for first-time buyers
- Millions of Millennials entering the market for homes
- Strategic shift toward more entry-level communities
  - ~30% of active communities at 12/31/17 (~21% 12/31/16)
    - target 35-40% by FYE 2018
  - ~33% orders in 2017 (~24% 2016)
  - ~70% of lots contracted for in 2017
  - ~49% closings from specs in 2017 (~41% 2016)

East: Significant Improvements

- **Florida:** strong rebound after hurricane -- orders +36%, absorptions +27%
- **Georgia**: absorptions up more than 250% Y/Y
- **NC & SC**: double-digit order growth despite fewer communities open
- **Tennessee**: double-digit order growth despite fewer communities open
  - Opportunities to improve further across the board

East Region Y/Y (%) changes 2017 vs 2016												
	FL		**GA**		**NC**		**SC**		**TN**		**Region**	
	Q4	**FY**	**Q4**	**FY**	**Q4**	**FY**	**Q4**	**FY**	**Q4**	**FY**	**Q4**	**FY**
Average Active Communities	28.5	27.5	18.0	18.0	17.5	17.0	13.5	14.0	6.0	6.5	83.5	83.0
	+8%	-5%	+6%	+6%	-3%	-21%	-10%	-15%	-14%	-19%	0%	-10%
Orders/ Average Community	7.6	36.6	5.7	20.7	8.2	34.3	4.9	20.7	6.7	24.5	6.8	29.0
	+27%	+23%	+256%	+6%	+37%	+22%	+23%	-4%	+52%	-15%	+48%	+12%
Orders	+36%	+17%	+264%	+12%	+32%	-4%	+10%	-19%	+29%	-31%	+47%	+1%
ASP	-7%	+1%	-21%	-4%	-16%	-1%	+8%	+7%	-1%	+13%	-10%	+2%
Order Value	+27%	+18%	+186%	+7%	+12%	-5%	+19%	-13%	+28%	-22%	+33%	+3%

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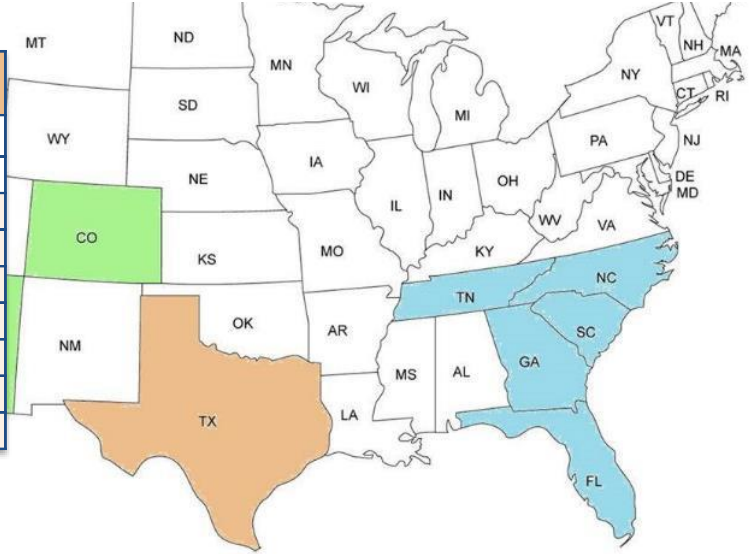
Central: Solid Demand Across Texas

- Strong demand across markets, especially in Austin & San Antonio entry-level communities
- Reduced ASP beginning to reflect greater mix of entry-level homes
- Quick rebound post-hurricane flooding in Houston

Central Region Y/Y (%) changes 2017 vs 2016		
	TX	
	Q4	FY
Average Active Communities	92.5	86.0
	+20%	+13%
Orders/ Average Community	6.3	30.0
	-2%	+8%
Orders	+19%	+22%
ASP	-4%	-2%
Order Value	+14%	+19%



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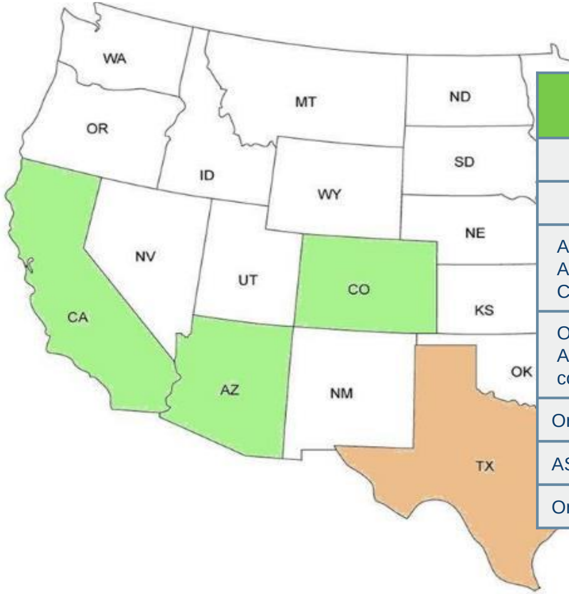
West: Strong Demand, Especially in Entry-Level Communities

- **Arizona**: Demand remains strong for entry-level homes, seasonality returns in 4Q for Phoenix
- **California**: absorptions +71% offset -23% average communities open
- **Colorado**: strong demand, especially in new entry-level communities – reducing ASPs
    - CA & CO maintain highest average absorptions across all markets in 2017



West Region Y/Y (%) changes 2017 vs 2016								
	AZ		**CA**		**CO**		**Region**	
	Q4	**FY**	**Q4**	**FY**	**Q4**	**FY**	**Q4**	**FY**
Average Active Communities	39.0	40.0	22.0	24.0	10.0	10.5	71.0	74.5
	-5%	-4%	-23%	-8%	0%	-19%	-11%	-7%
Orders/ Average community	6.9	35.4	11.3	43.8	12.9	47.3	9.1	39.8
	-10%	+18%	+71%	+18%	+11%	+7%	+17%	+15%
Orders	-14%	+13%	+33%	+9%	+11%	-14%	+5%	+6%
ASP	+3%	-3%	+9%	+6%	-4%	+9%	+10%	+3%
Order Value	-12%	+11%	+45%	+16%	+7%	-6%	+16%	+9%

Meritage Homes
Setting the standard for energy-efficient homes

+14% Increase in Pre-tax Earnings Offset by DTA Revaluation Charge

($millions, except ASP and per share amounts)	Year Ended Dec 31,		
	2017	2016	Actual %Chg
Home closings	7,709	7,355	+5%
ASP (closings)	$413K	$408K	*+1%*
Home closing revenue	$3,186.8	$3,003.4	*+6%*
Home closing gross profit	$562	$529	*+6%*
Home closing gross margin	17.6%	17.6%	--
SG&A expenses	$345.7	$338.9	*+2%*
-- *% of home closing revenue*	10.8%	11.3%	*-50 bps*
Earnings before taxes	$247.5	$218.1	*+14%*
Tax rate	58%	32%	*+2,600 bps*
Net earnings	$143.3	$149.5	*-4%*

- **Revenue growth dampened by delayed closings in Houston & Florida**
- **Cost inflation and geographic mix reduced home closing gross margin**
- **Targeting 10-10.5% SG&A long-term**
- **$19.7M DTA revaluation charge in 4Q17 due to passage of Tax Cuts & Jobs Act**

Strengthening Balance Sheet While Investing for Growth

Net debt-to-capital	($millions)	
(non-GAAP reconciliation to net debt-to capital ratio)	Dec-31, 2017	Dec-31 2016
Notes payable and other borrowings*	$ 1,284	$ 1,127
Less: cash and cash equivalents	(171)	(132)
Net debt	$ 1,113	$ 996
Stockholders' equity	1,577	1,421
Total net capital	$ 2,690	$ 2,417
Net debt-to-capital	41.4%	41.2%

*$300M senior notes issued Jun-17; $126.5M convertible notes retired

Statistics	2017	2016
4Q Closings from spec inventory	47%	41%
As of Dec-31:		
Total lots controlled	34,319	29,815
Years supply of lots	4.5	4.1
Unsold homes (specs)	2,086	1,692
Avg specs/community	8.5	7.0
Under construction	69%	71%
Completed	31%	29%
4Q land & development spending	$250M	$225M

2018 Guidance

Full Year 2018	
	▪ 8,350-8,750 home closings
	▪ $3.4-3.6 billion home closing revenue
	▪ Gross margin 17.5-18%
	▪ Pre-tax earnings +6-13% vs 2017
	▪ ~25% effective tax rate

1Q18	
	▪ 1,550-1,750 home closings
	▪ $650-750M home closing revenue
	▪ Pre-tax earnings +5-10% vs 1Q17

Summary

- Solid 4Q17 and FY17 results
- Healthy demand, especially for entry-level homes
- Housing market drivers remain positive
- Strategic pivot to more entry-level addresses long-term growth opportunity

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Appendix

4Q17 Earnings Growth Driven by Revenue and Home Closing Margins

($millions, except ASP and per share amounts)	**4Q Ended Dec 31,**		
	2017	**2016**	**Actual %Chg**
Home closings	2,253	2,117	+6%
ASP (closings)	$410K	$414K	-1%
Home closing revenue	$923	$876	*+5%*
Home closing gross profit	$168	$157	*+7%*
Home closing gross margin	18.2%	17.9%	*+30 bps*
SG&A expenses	$96	$92	*+4%*
-- *% of home closing revenue*	10.4%	10.5%	*-10 bps*
Earnings before taxes	$84	$76	*+10%*
Tax rate	57.7%	32.1%	*+2,560 bps*
Net earnings	$36	$52	*-31%*

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Lot Supply Supports Growth Strategy

- Invested $250M in land & development in 4Q17 -- $1.02B FY17
- Secured 3,220 new lots in 4Q17 (~70% for entry-level communities)