Meritage Homes®

Setting the standard for energy-efficient homes®

Second Quarter 2018 Analyst Conference Call

July 26, 2018

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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 projected home closings, home closing revenue, home closing gross margin and pre-tax earnings for the full year 2018, as well as management's intentions to repurchase shares.

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: the availability and cost of finished lots and undeveloped land; shortages in the availability and cost of labor; changes in interest rates and the availability and pricing of residential mortgages; changes in tax laws that adversely impact us or our homebuyers; inflation in the cost of materials used to develop communities and construct homes; the success of strategic initiatives; the ability of our potential buyers to sell their existing homes; cancellation rates; the adverse effect of slow absorption rates; slowing in the growth of entry-level home buyers; competition; 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; home warranty and construction defect 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; failure to comply with laws and regulations; our limited geographic diversification; fluctuations in quarterly operating results; our level of indebtedness; our ability to obtain financing if our credit ratings are downgraded; 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; negative publicity that affects our reputation; 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, 2017 and Form 10-Q for the first quarter ended March 31, 2018 under the caption "Risk Factors," which can be found on our website at www.investors.meritagehomes.com.

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 Second Quarter Performance

Y/Y% Comparisons to 2Q 2017

+ 12% home closings

+ 9% home closing revenue

+ 60 bps GM%

+ 13% pre-tax earnings

+ 34% diluted EPS

+ 5% orders

Strategic Focus on Entry-level Market

- Targeting Millennials & Baby Boomer move-down buyers – largest cohorts of population
- Extreme shortage of homes priced affordably for first-time buyers
- Affordability declining due to rising home prices and interest rates
- Answer = offer homes at lower price points in desirable locations with quick move-in availability

~34%

of active communities at 6/30/18

~21% YE16
~30% YE17
~35-40% by YE 2018

~44%

orders in 2Q18

~24% FY16
~33% FY17

~55%

closings from specs in 2Q18

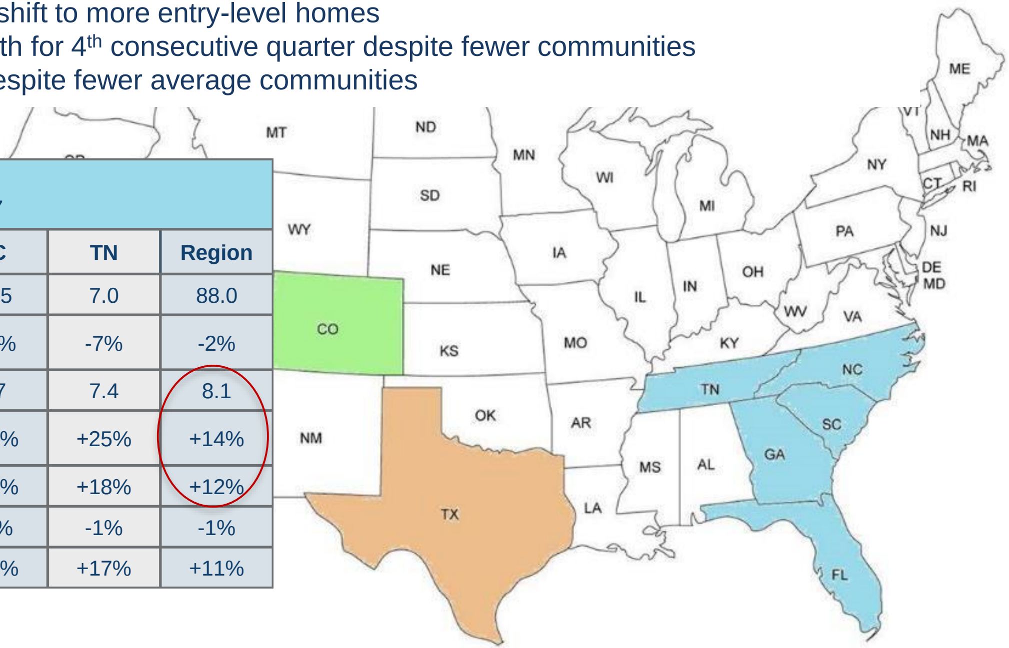
~41% FY16
~49% FY17

Average absorptions +6% Y/Y in 2Q, +8% Y/Y YTD

East: Continued Improvement – Strong Gains

- **Florida:** increased sales despite lower average community count with strong absorption increase
- **Georgia**: continuing to execute with many new communities opening
- **North Carolina**: decline in ASPs due to shift to more entry-level homes
- **South Carolina:** double-digit order growth for 4th consecutive quarter despite fewer communities
- **Tennessee**: double-digit order growth despite fewer average communities

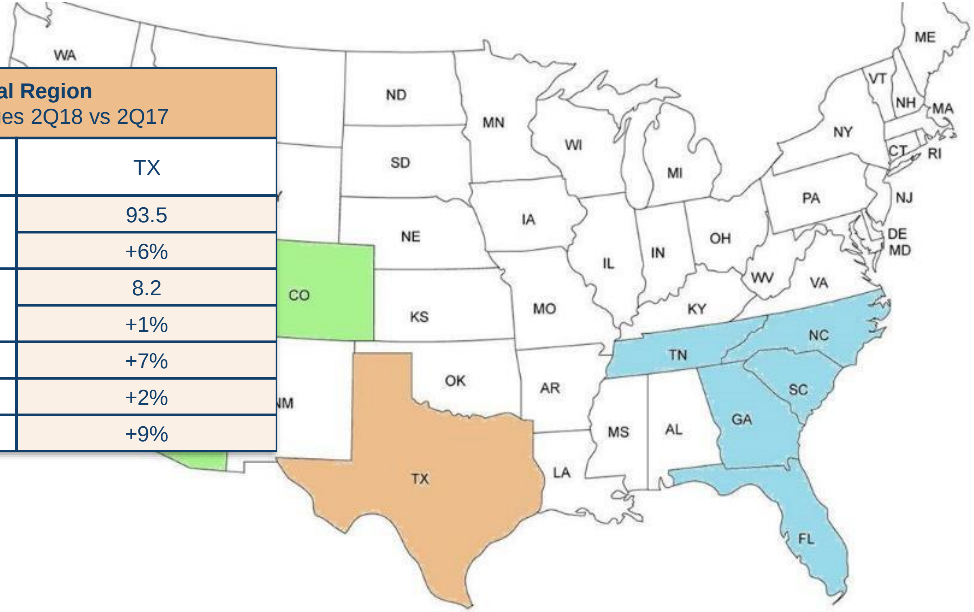
East Region Y/Y (%) changes 2Q18 vs 2Q17						
	FL	**GA**	**NC**	**SC**	**TN**	**Region**
Average Active Communities	29.0	20.5	20.0	11.5	7.0	88.0
	-6%	+14%	+5%	-21%	-7%	-2%
Orders/ Average Community	11.0	5.3	7.2	7.7	7.4	8.1
	+21%	-4%	-4%	+67%	+25%	+14%
Orders	+13%	+10%	--%	+33%	+18%	+12%
ASP	--%	+16%	-11%	+1%	-1%	-1%
Order Value	+13%	+28%	-11%	+34%	+17%	+11%



Central: Solid Demand Across Texas

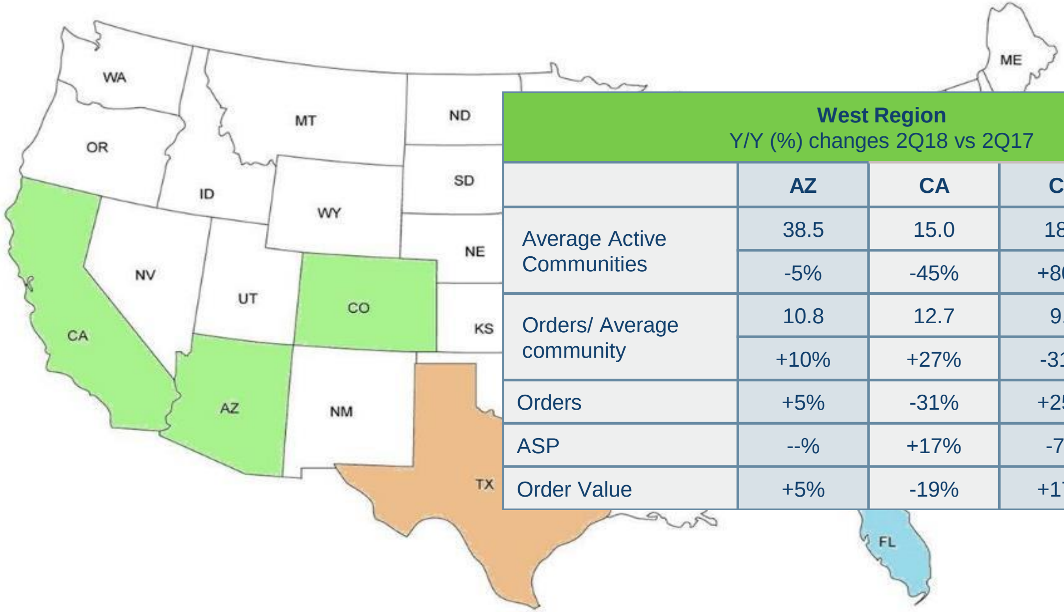
- Strong demand across markets
- A few higher-priced communities drove ASP up 2%

Central Region Y/Y (%) changes 2Q18 vs 2Q17	
	TX
Average Active Communities	93.5
	+6%
Orders/ Average Community	8.2
	+1%
Orders	+7%
ASP	+2%
Order Value	+9%



West: Strong Demand, Especially in Entry-Level Communities

- **Arizona**: Order growth being driven by higher absorptions over fewer communities
- **California**: 27% increase in absorptions offset by 45% decline in average communities open
- **Colorado**: Nearly doubled the number of communities open Y/Y



West Region Y/Y (%) changes 2Q18 vs 2Q17				
	AZ	**CA**	**CO**	**Region**
Average Active Communities	38.5	15.0	18.0	71.5
	-5%	-45%	+80%	-8%
Orders/ Average community	10.8	12.7	9.2	10.8
	+10%	+27%	-31%	+5%
Orders	+5%	-31%	+25%	-4%
ASP	--%	+17%	-7%	+1%
Order Value	+5%	-19%	+17%	-3%

Strong Earnings Growth in 2018

($millions)	Quarter Ended Jun-30,				Year to Date Jun-30,		
	2018	2017	%Chg		2018	2017	%Chg
Home closings	2,139	1,906	+12%		3,864	3,487	+11%
ASP (closings)	$408K	$419K	*-3%*		$414K	418K	-1%
Home closing revenue	$872.4	$797.8	*+9%*		*$1,600.9*	*$1,458.4*	*+10%*
Home closing gross profit	$159.5	$140.9	*+13%*		*$283.8*	*$248.2*	*+14%*
Home closing gross margin	18.3%	17.7%	*+60 bps*		*17.7%*	*17.0%*	*+70 bps*
SG&A expenses	$95.0	$84.3	*+13%*		*$178.7*	*$162.2*	*10%*
-- % of home closing revenue	10.9%	10.6%	*+30 bps*		*11.2%*	*11.1%*	*+10 bps*
Earnings before taxes	$71.2	$63.2	*+13%*		*$120.1*	*$100.0*	*+20%*
Tax rate	24%	34%	*-1000 bps*		*19%*	*35%*	*-1600 bps*
Net earnings	$53.8	$41.6	*+29%*		*$97.7*	*$65.2*	*50%*

- Home closing revenue growth & higher home closing gross margins have been the principal drivers of pre-tax earnings growth in 2018

Strong Balance Sheet Can Support Share Repurchases

Net debt-to-capital reconciliation ($millions)		
(non-GAAP reconciliation to net debt-to capital ratio)	Jun-30, 2018	Dec-31 2017
Notes payable and other borrowings	$ 1,311	$ 1,284
Less: cash and cash equivalents	(169)	(171)
Net debt	$ 1,142	$ 1,113
Stockholders' equity	1,683	1,577
Total net capital	$ 2,825	$ 2,690
Net debt-to-capital	40.4%	41.4%

Real assets key metrics	2Q 2018	2Q 2017
As of period ended:		
Total lots controlled	33,719	33,459
Years supply of lots	4.2	4.5
Unsold homes (specs)	2,323	1,790
Avg specs/community	9.2	7.0
Under construction	69%	72%
Completed	31%	28%
Land & development spending	$221M	$279M

~85% of lots put under contract in 2Q18 for entry-level communities

2018 Guidance

Full Year 2018

- 8,450-8,850 home closings
- $3.5-3.65 billion home closing revenue (+10-15% Y/Y)
- Home closing gross margin 18-18.5%
- Pre-tax earnings $295-315M
- ~25% effective tax rate 3Q-4Q18 (~22% FY)

3Q18

- 2,050-2,250 home closings
- $850-925M home closing revenue
- Home closing gross margin in line with 2Q18
- Pre-tax earnings $70-75M (+10-20% Y/Y)

Summary

- Solid 2Q18 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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