Meritage Homes®

Setting the standard for energy-efficient homes®

Third Quarter 2018 Analyst Conference Call

October 25, 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 expectation for entry-level demand and its intention to repurchase additional 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, except as required by law. 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; legislation related to tariffs 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 second quarter ended June 30, 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 Third Quarter Earnings

Y/Y% Comparisons to 3Q 2017

+ 10% home closings

+ 9% home closing revenue

+ 13% pre-tax earnings

+ 30% diluted EPS

+ Significant contributions from East region

Our Entry-Level Presence has Expanded Significantly over the Last Two Years

~33%	~43%	~80%	~49%
of active communities at 9/30/18	orders in 3Q18	total lots contracted for in 3Q18	closings from specs in 3Q18
vs	vs		vs
~21% YE16	~24% FY16		~41% FY16

Entry-level orders exceed communities due to higher absorptions

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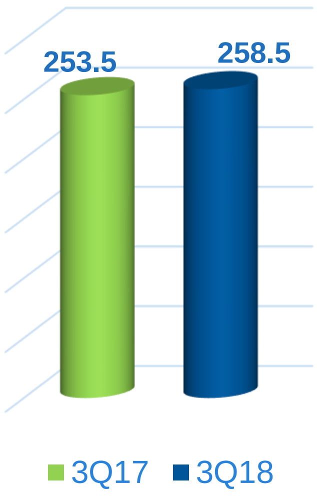
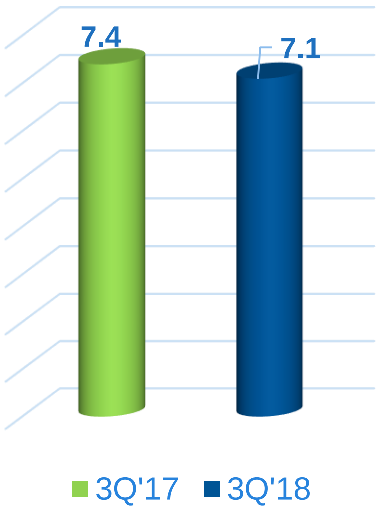
Positive Impacts of Shift to Entry-Level Offset by Softer Demand for Move-Up Homes

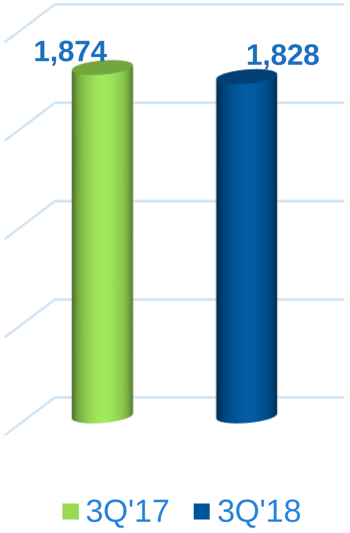
Average Active Communities



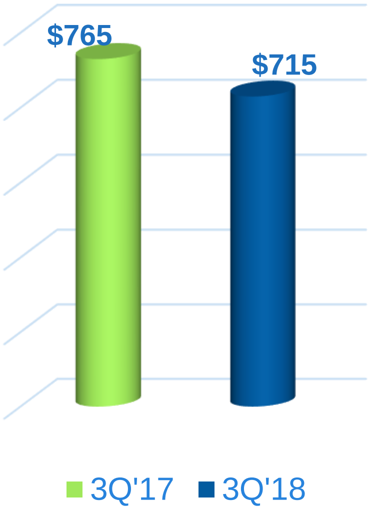
Orders/Average Community



Orders



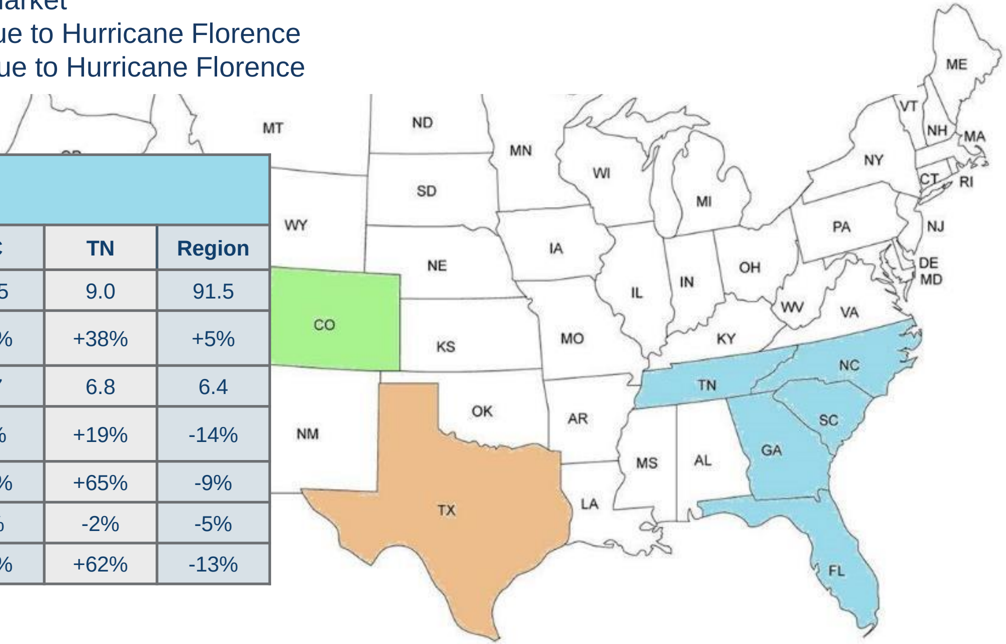
Order Value ($millions)



East: Less Entry-Level Communities to Offset Slower Absorptions in Move-Up

- **Florida:** Move-up continues to weaken; new entry-level communities opening to replace move-up close-outs
- **Georgia**: Broad-based softening in the market
- **North Carolina**: ~2 weeks of inactivity due to Hurricane Florence
- **South Carolina**: **~**2 weeks of inactivity due to Hurricane Florence

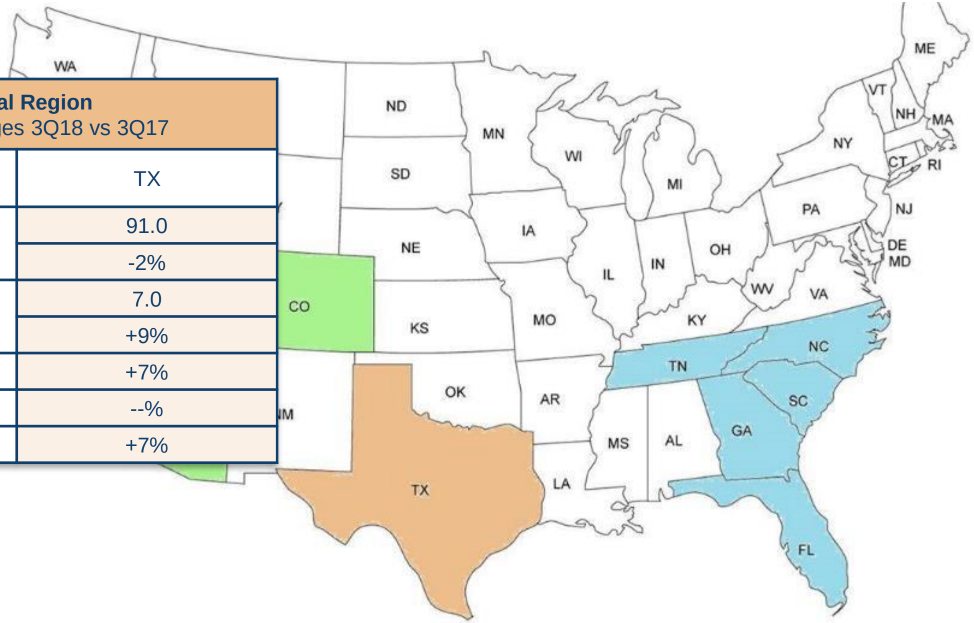
East Region Y/Y (%) changes 3Q18 vs 3Q17						
	FL	**GA**	**NC**	**SC**	**TN**	**Region**
Average Active Communities	30.0	21.0	20.0	11.5	9.0	91.5
	+2%	+17%	+5%	-18%	+38%	+5%
Orders/ Average Community	7.7	4.2	7.0	5.7	6.8	6.4
	-15%	-26%	-9%	-7%	+19%	-14%
Orders	-14%	-13%	-5%	-24%	+65%	-9%
ASP	-9%	+13%	-8%	--%	-2%	-5%
Order Value	-22%	-2%	-13%	-25%	+62%	-13%



Central: Strongest Performance due to Entry-Level Footprint

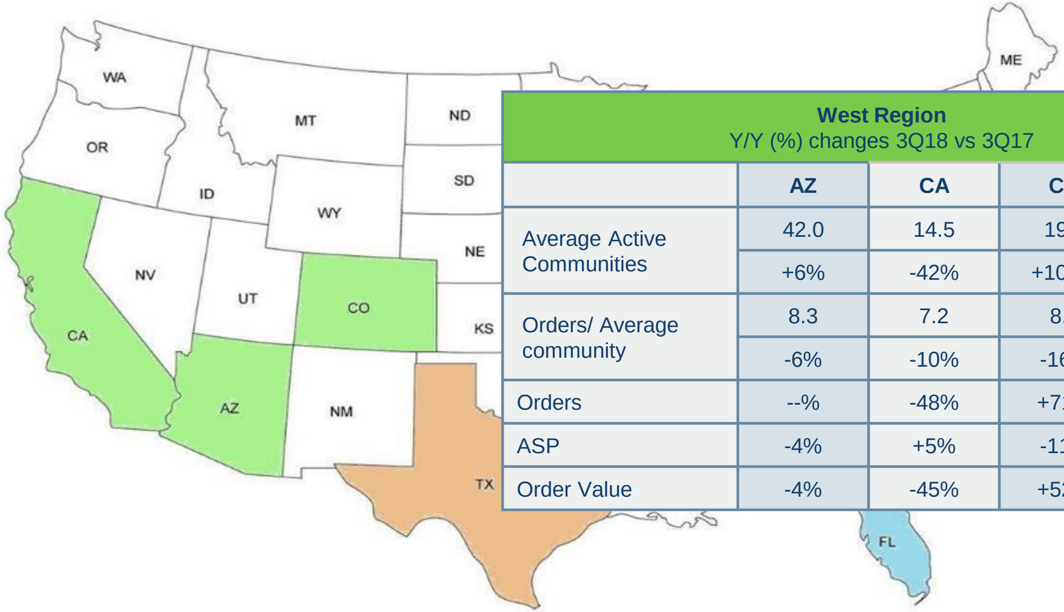
- Seeing buyers push back on price increases

Central Region Y/Y (%) changes 3Q18 vs 3Q17	
	TX
Average Active Communities	91.0
	-2%
Orders/ Average Community	7.0
	+9%
Orders	+7%
ASP	--%
Order Value	+7%



West: Fewer Communities in California and Slowing due to High Prices Evident

- **Arizona**: Highest orders per average community in 3Q across company, attributable to entry-level communities
- **California**: Lower community count and general softening drove decline in orders
- **Colorado**: Uptick in cancellation rate attributed to push-back from buyers on high prices



West Region Y/Y (%) changes 3Q18 vs 3Q17				
	AZ	**CA**	**CO**	**Region**
Average Active Communities	42.0	14.5	19.5	76.0
	+6%	-42%	+105%	+3%
Orders/ Average community	8.3	7.2	8.1	8.0
	-6%	-10%	-16%	-7%
Orders	--%	-48%	+71%	-5%
ASP	-4%	+5%	-11%	-6%
Order Value	-4%	-45%	+52%	-11%

Strong Net Earnings Growth in 2018

($millions)	Quarter Ended Sep-30,				Year to Date Sep-30,		
	2018	2017	%Chg		2018	2017	%Chg
Home closings	2,162	1,969	+10%		6,026	5,456	+10%
ASP (closings)	$406K	$409K	-1%		$411K	415K	-1%
Home closing revenue	$877.7	$805.0	+9%		$2,478.6	$2,263.4	+10%
Home closing gross profit	$158.6	$145.7	+9%		$442.4	$393.8	+12%
Home closing gross margin	18.1%	18.1%	--		17.8%	17.4%	+40 bps
Adjusted home closing gross margin*	18.4%	18.3%	+10 bps		18.0%	17.6%	+40 bps
SG&A expenses	$96.2	$87.5	+10%		$274.9	$249.7	10%
-- % of home closing revenue	11.0%	10.9%	+10 bps		11.1%	11.0%	+10 bps
Earnings before taxes	$71.4	$63.5	+13%		$191.5	$163.4	+17%
Tax rate	24%	33%	-900 bps		21%	34%	-1300 bps
Net earnings	$54.1	$42.6	+27%		$151.8	$107.7	41%

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

*Adjusted to excluded asset write-offs

Strong Balance Sheet Supports Share Repurchases

Net debt-to-capital reconciliation ($millions)		
(non-GAAP reconciliation to net debt-to capital ratio)	Sep-30, 2018	Dec-31 2017
Notes payable and other borrowings	$ 1,312	$ 1,284
Less: cash and cash equivalents	(206)	(171)
Net debt	$ 1,106	$ 1,113
Stockholders' equity	1,712	1,577
Total net capital	$ 2,818	$ 2,690
Net debt-to-capital	39.2%	41.4%
Book value/share	$42.51	$39.10

Real assets key metrics	3Q 2018	3Q 2017
As of period ended:		
Total lots controlled	34,423	33,334
Years supply of lots	4.2	4.4
Unsold homes (specs)	2,586	1,957
Avg specs/community	9.8	7.8
Under construction	70%	73%
Completed	30%	27%
Land & development spending	$193M	$286M

~686,000 shares repurchased in 3Q18 for $29.4M (avg. price $42.79/sh)

2018 Adjusted Guidance

Full Year 2018	Previous Guidance (Jul-18)
8,300-8,500 home closings	8,450-8,850 *(+9-13%)*
$3.375-3.475 billion home closing revenue (+6-9% Y/Y)	$3.5-3.65B *(+9-15%)*
Home closing gross margin ~18%	Gross margin 18-18.5%
Pre-tax earnings $265-285M	Pre-tax earnings $295-315M
~22% effective tax rate (~25% 4Q18)	~22% effective tax rate FY

Summary

- Solid 3Q & YTD earnings growth
- Broad softening in demand more evident recently
- Housing market drivers remain positive
- Confident in strategic shift to entry-level market

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