Third Quarter 2013 Results Webcast

October 23, 2013

Meritage Homes CORPORATION

Setting the standard for energy-efficient homes™

Forward-Looking Statements

This presentation and accompanying comments 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 housing market, plans to enter new markets and expand in its existing markets, and management's projected home closings, home closing revenue and earnings per diluted share for 2013..

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. The risks and uncertainties include but are not limited to the following: weakness in the homebuilding market resulting from an unexpected setback in the current economic recovery; the availability of finished lots and undeveloped land; interest rates and changes in the availability and pricing of residential mortgages; the availability and cost of materials and labor; adverse changes in tax laws that benefit our homebuyers; the ability of our potential buyers to sell their existing homes; cancellation rates and home prices in our markets; inflation in the cost of materials used to construct homes; the adverse effect of slower order absorption rates; potential write-downs or write-offs of assets, including pre-acquisition costs and deposits; our potential exposure to natural disasters; competition; the adverse impacts of cancellations resulting from small deposits relating to our sales contracts; construction defect and home warranty claims; our success in prevailing on contested tax positions; our ability to preserve our deferred tax assets and use them within the statutory time limits; delays and risks associated with land development; 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; changes in or our failure to comply with laws and regulations; our lack of geographic diversification; fluctuations in quarterly operating results; our financial leverage and level of indebtedness; our ability to take certain actions because of restrictions contained in the indentures for our senior and senior subordinated notes and our ability to raise additional capital when and if needed; our credit ratings; successful integration of future acquisitions; government regulations and legislative or other initiatives that seek to restrain growth or 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 under the caption “Risk Factors” in our Forms 10-K for the year ended December 31, 2012 and 10-Q for the quarter ended June 30, 2013, both of which can be found on our website.

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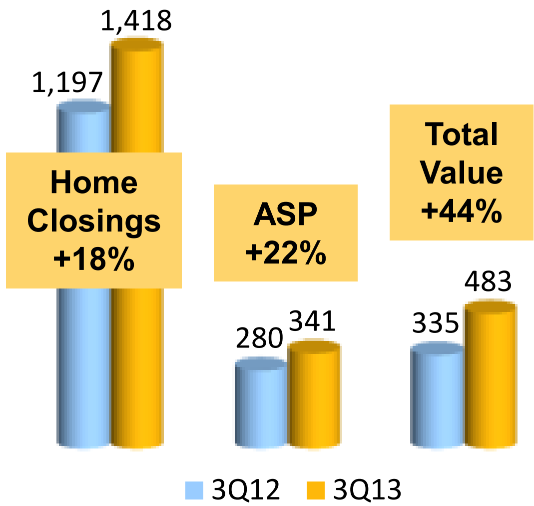
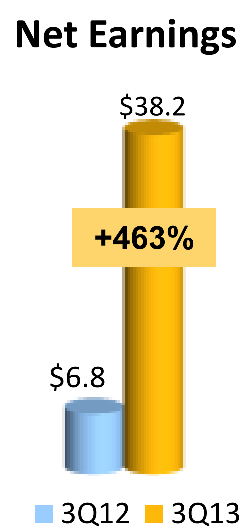
Speakers

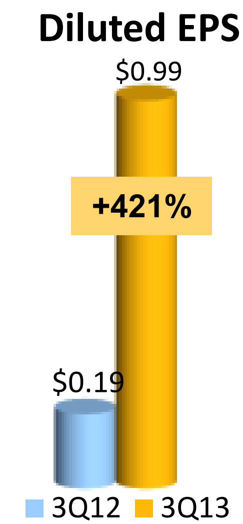
Steven J. Hilton, Chairman/CEO

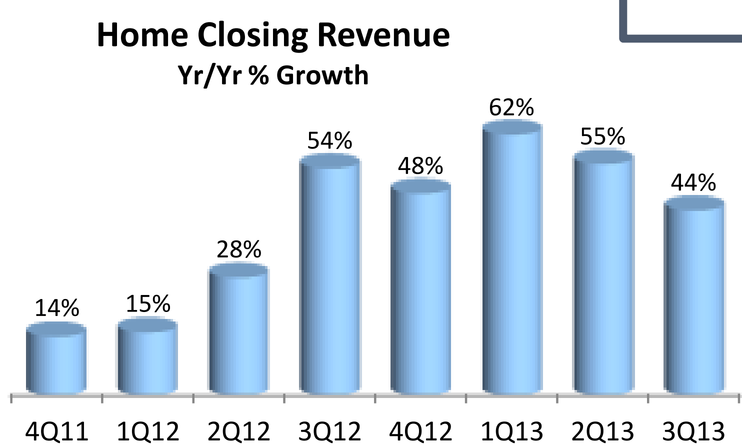
Larry W. Seay, EVP/CFO

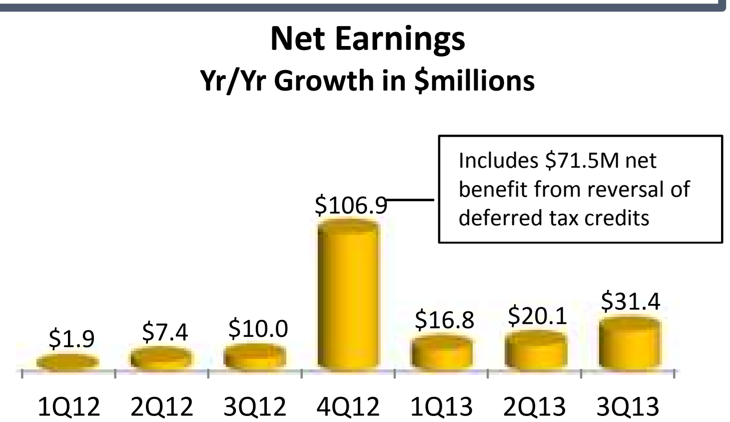
3Q13 Net Operating Results











8th quarter of Y/Y growth in home closing revenue, 7th quarter of Y/Y growth in net earnings

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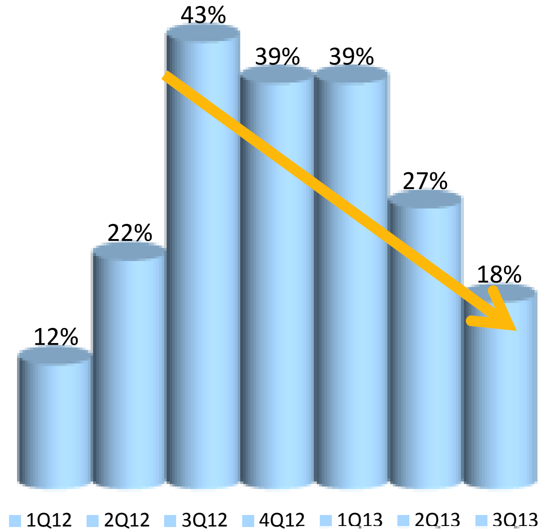
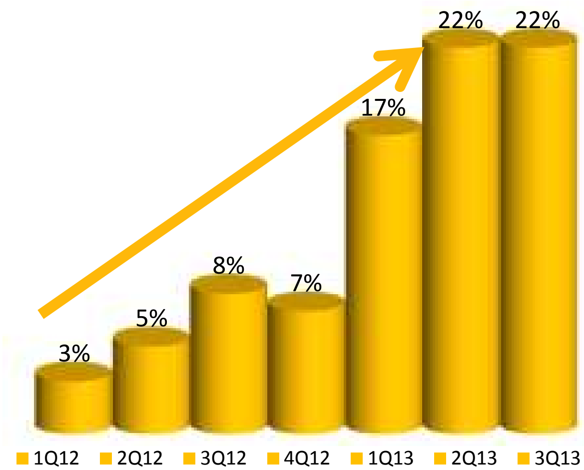
Margin Expansion

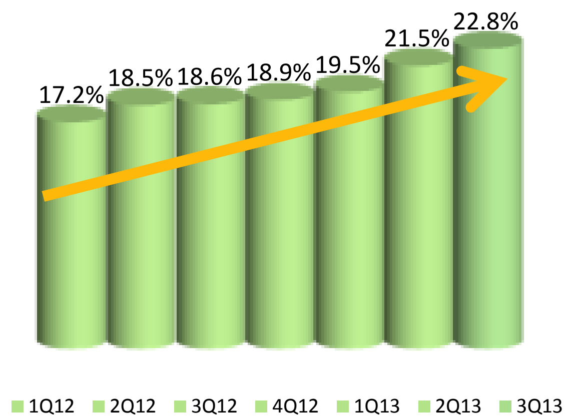
Home Closings
Y/Y Growth%



Average Sales Price
Y/Y Growth%



Home Closing Gross Margin



Gross margin expansion mainly due to price increases while home sales growth slowed

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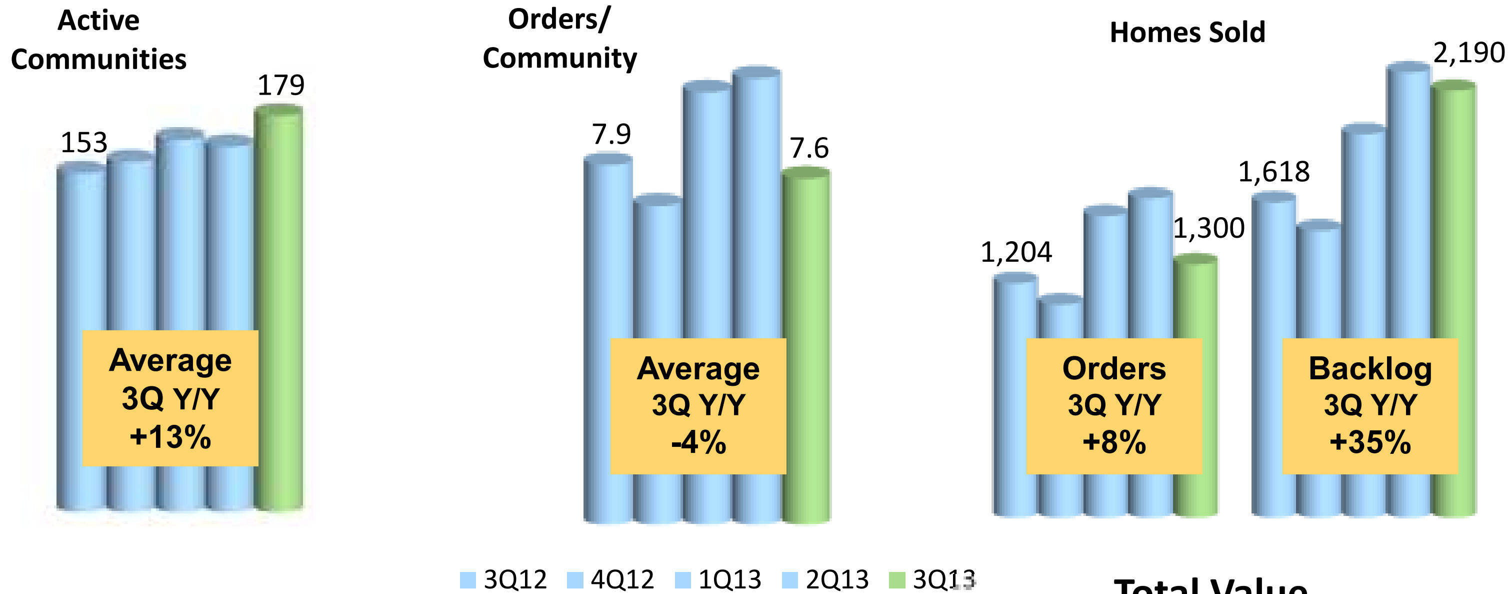
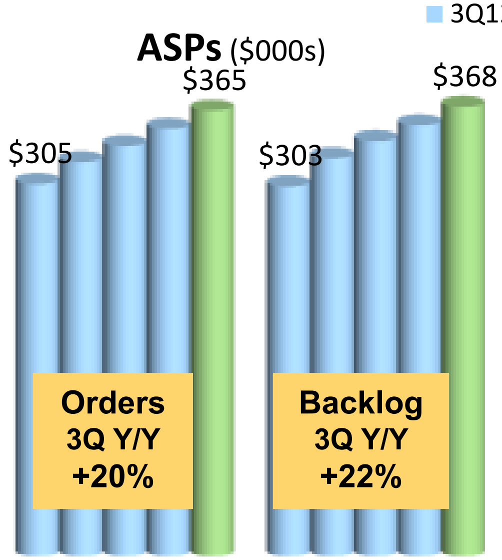
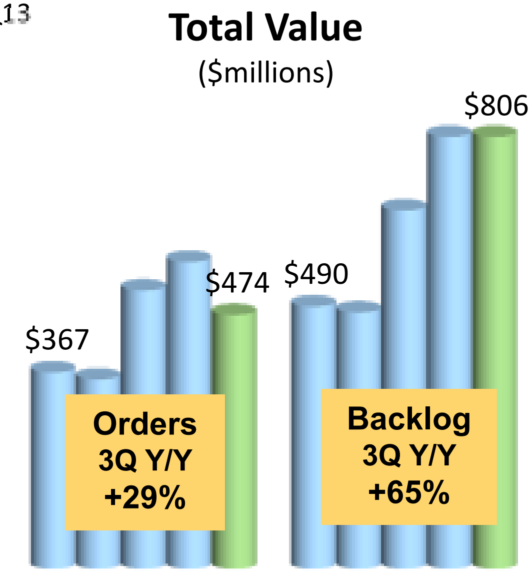
Order Trends in 3Q13







Orders grew for the 10th consecutive quarter, but at a slower pace than recent quarters






Order Trends – West Region

Yr/Yr Growth 3Q13 vs 3Q12

		Y/Y Growth in 3rd Quarter			
State (excluding NV – closed)	Net Orders	Average Communities	Orders/ Community	Orders ASP ($000)	Total Order Value ($millions)
Arizona	2%	14%	-10%	12%	15%
California	-33%	-21%	-17%	34%	-11%
Colorado	9%	50%	-27%	40%	53%
West Region	-16%	4%	-19%	25%	6%

After repeated price increases, sales pace fell to a more normalized level in our fastest selling region

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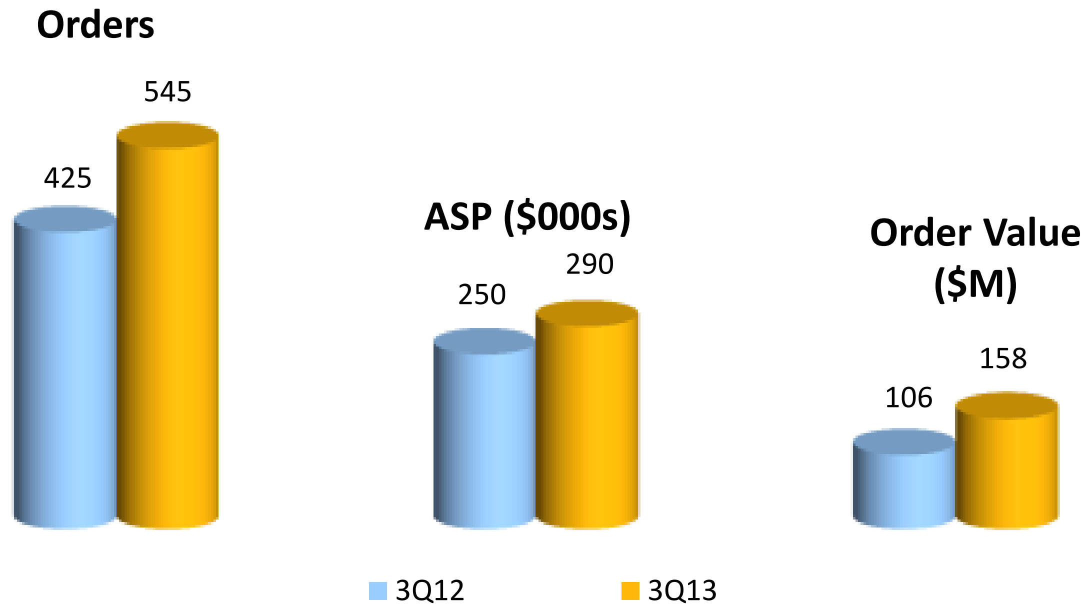
Order Trends – Central Region

Yr/Yr Growth 3Q13 vs 3Q12



		Y/Y Growth in 3rd Quarter				
State	Net Orders	Average Communities	Orders/ Community	Orders ASP ($000)	Total Order Value ($millions)
Texas	28%	6%	21%	16%	49%

Texas grew again across all metrics as demand improved and new communities contributed to gains

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Order Trends – East Region

Yr/Yr Growth 3Q13 vs 3Q12

		Y/Y Growth in 3rd Quarter				
State	Net Orders	Average Communities	Orders/ Community	Orders ASP ($000)	Total Order Value ($millions)
Carolinas	100%	133%	-15%	14%	128%
Florida	13%	26%	-10%	33%	51%
Tennessee	N/A	N/A	N/A	N/A	N/A
East Region	35%	63%	-17%	27%	71%

East Region continued to grow with newer markets in the Carolinas and the Nashville acquisition

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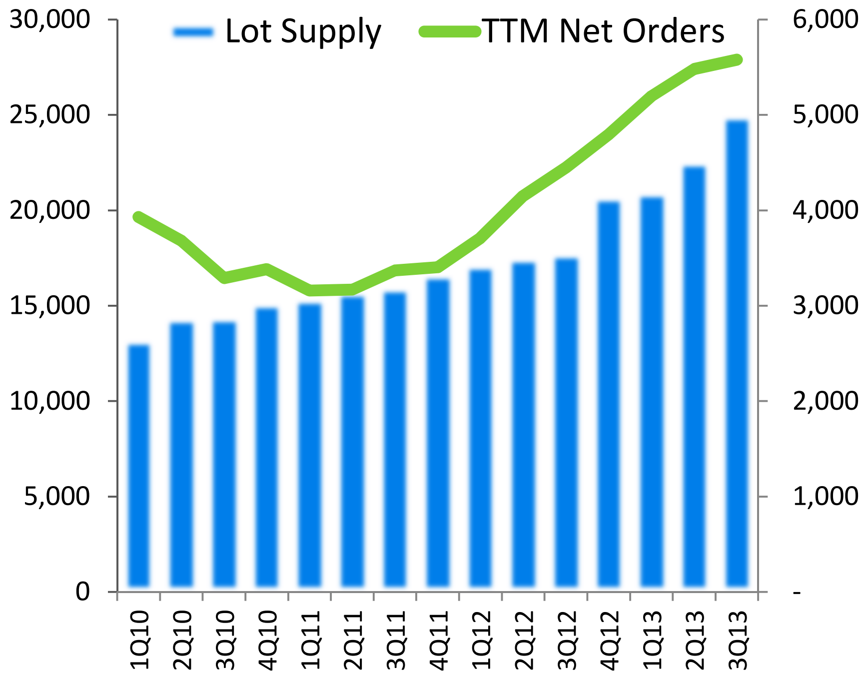
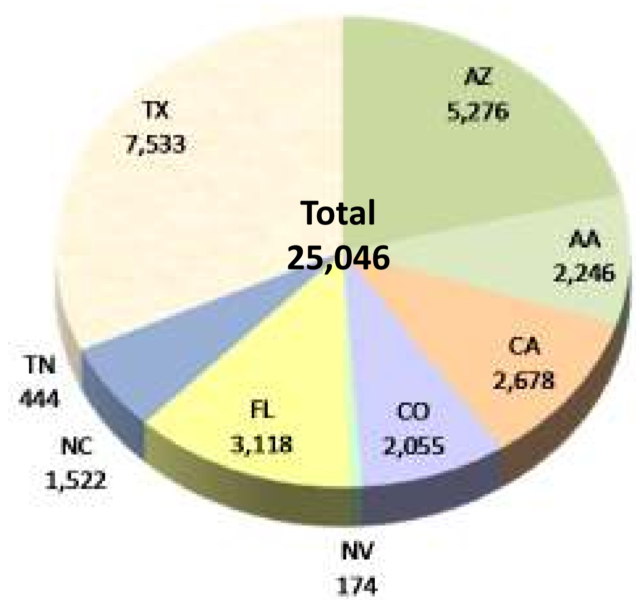
Investing More Heavily in West and East Regions Where Demand is Greatest



Total Lots Under Control at September 30, 2013



We control the lots for all of 2014 projected closings and ~85% of 2015 projected closings

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Third Quarter Summary Results

	3Q13	3Q12	Change	Units/$ Change
Home closings	**1,418**	1,197	*+18%*	***221***
ASP	**$341**	$280	*+22%*	***$61***
Home closing revenue	**$483,147**	$334,880	*44%*	***$148,267***
Home closing gross profit	**110,375**	62,154	*78%*	***48,221***
-- as a percent of home closing revenue	**22.8%**	18.6%	*+420 bps*	
Commissions and other sales costs	**(33,467)**	(25,855)	*29%*	***(7,612)***
-- as a percent of home closing revenue	**6.9%**	7.7%	*-80 bps*	
General and administrative expenses	**(24,412)**	(19,209)	*27%*	***(5,203)***
-- as a percent of closing revenue	**5.0%**	5.6%	*-60 bps*	
Interest expense	**(3,462)**	(5,009)	*-31%*	***1,547***
-- as a percent of closing revenue	**0.7%**	1.5%	*-80 bps*	
Pre-tax earnings	**$ 56,786**	$ 6,986	*713%*	***$49,800***
-- as a percent of total revenue	**11.5%**	2.0%	*950 bps*	
Net earnings	**$ 38,191**	$ 6,784	*463%*	***$31,407***

Operating leverage driving earnings growth at a faster pace than top-line growth

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YTD Selected Operating Results

	YTD Sep-30 2013	YTD Sep-30 2012	*Change*	*Units/$ Change*
Home closings	**3,791**	2,998	*+26%*	***793***
ASP	**$330**	$274	*+20%*	***$56***
Home closing revenue	**$ 1,249,897**	$ 820,242	*52%*	***$429,655***
Home closing gross profit	**$ 268,340**	$ 149,213	*80%*	***$ 119,127***
-- as a percent of home closing revenue	**21.5%**	18.2%	*+330 bps*	
Commissions and other sales costs	**(90,526)**	(67,950)	*33%*	***(22,576)***
-- as a percent of home closing revenue	**7.2%**	8.3%	*-110 bps*	
General and administrative expenses	**(66,587)**	(50,446)	*32%*	***(16,141)***
-- as a percent of closing revenue	**5.2%**	6.1%	*-90 bps*	
Interest expense	**(13,113)**	(18,718)	*-30%*	***5,605***
-- as a percent of closing revenue	**1.0%**	2.3%	*-130 bps*	
Pre-tax earnings/(loss)	**$ 111,793**	$ 5,254	*n/m*	***$106,539***
-- as a percent of total revenue	**8.7%**	0.6%	*810 bps*	
Net earnings	**$ 78,375**	$ 10,035	*681%*	***$68,340***

Earnings growth primarily from higher home & land closing gross profit, financial services and overhead leverage

Selected Balance Sheet Statistics

$ in millions	**9/30/13**	12/31/12
Total Cash & Securities	**$311**	$295
Net Debt* to Capital	**38.1%**	38.1%
Real Estate Inventory	**$1,345**	$1,113
Spec homes (started but unsold)	**652**	643

*no debt maturities until 2018

Strong balance sheet with adequate capital and financing capacity to support additional growth

Summary & Guidance

- **Top line growth**
  - new markets, additional communities, maximizing prices
- **Cost control**
  - maximize gross margins
- **Overhead leverage**
  - maximize earnings growth
- **Strong balance sheet**
  - maintain flexibility, manage risk, maximize ROA/ROE
- **Expectations for 2013**:
  - Prices and costs begin stabilizing
  - Margins increase modestly before beginning to normalize
  - 2013 Home closing revenue approx. $1.8 Billion
  - 2013 Diluted EPS approx. $2.95-3.05

Market has a long runway for additional growth and we are focused on maximizing earnings

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