Meritage Homes 4Q 2013 Results Webcast

February 5, 2014

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 positive housing market conditions, its plans to grow as the market improves and belief that it has sufficient liquidity to fund additional growth, and its projected revenue and diluted earnings per share for 2014.

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 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 in our Form 10-K for the year ended December 31, 2012 under the caption "Risk Factors," which can be found on our website.

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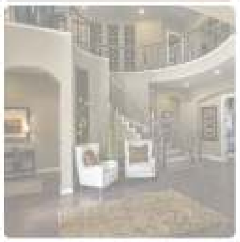

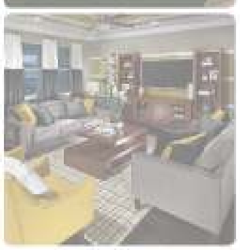


Presenters

Steven J. Hilton, Chairman/CEO

Larry Seay, Executive Vice President/Chief Financial Officer

Recap of 2013

Solid recovery in the housing market:

- U.S. economy improving and creating jobs
- Household formations increasing as pent-up demand releasing
- High demand for new homes due to low supply of listings
- Capacity constraints on home starts still <50% of normal for U.S.
- Interest rates low/stabilizing, high affordability

Successful execution of strategy for growth:

- Expanded and diversified – new markets, more communities (esp. Southeast Region)
- Invested in new land -- grew lot supply
- Grew orders, closings, backlog -- # and $$ (higher ASPs)
- Raised capital -- strengthened balance sheet
- Increased liquidity to capture future growth opportunities

Strong year in 2013 and well-positioned to achieve additional earnings growth

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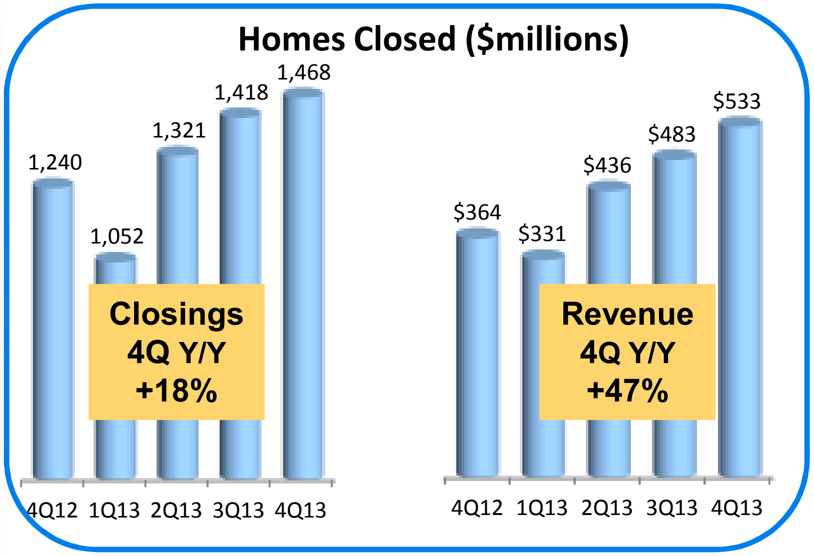
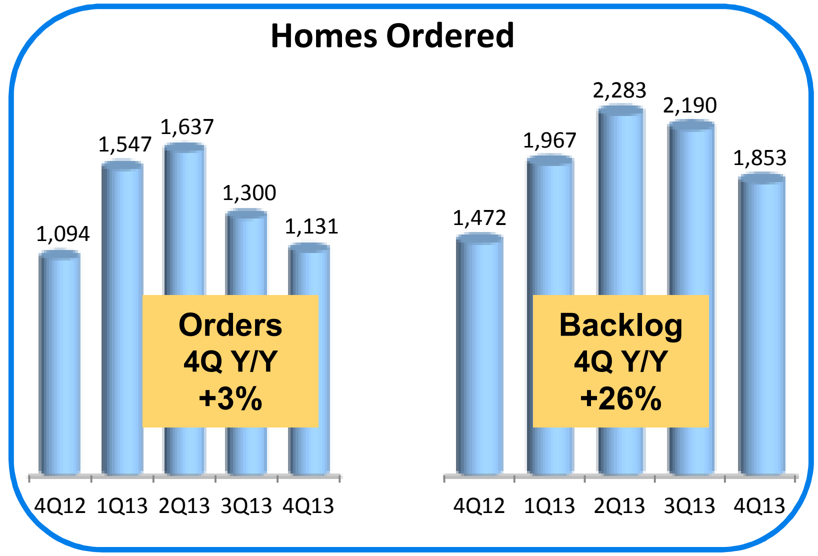
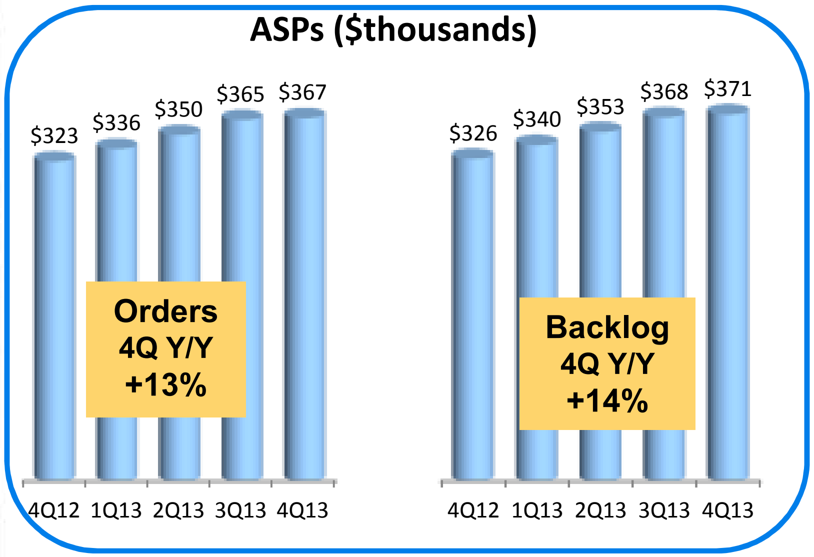
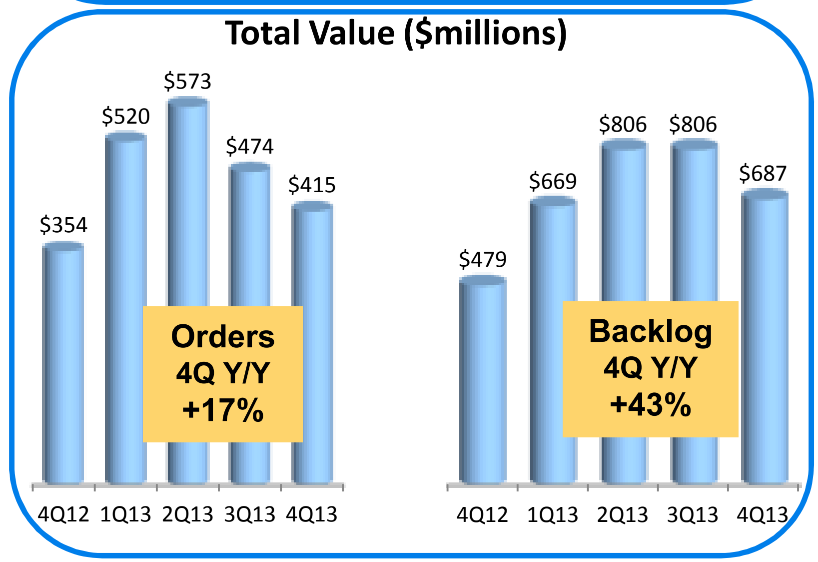
Quarterly Trends









Orders grew year/year for the 11th consecutive quarter despite slowing in 3Q-4Q

Selected Fourth Quarter Operating Results

($ in thousands)	4Q13	4Q12	Change
Home closing revenue	$533,492	$364,118	*47%*
Home closing gross profit	$123,574	$68,763	***80%***
Home closing gross margin	23.2%	18.9%	***430 bps***
Commissions and other sales costs	$36,190	$26,883	*35%*
-- as a percent of home closing revenue	*6.8%*	*7.4%*	***-60 bps***
General and administrative expenses	$24,923	$17,739	*40%*
-- as a percent of total closing revenue	*4.6%*	*4.9%*	***-30 bps***
Interest expense	$1,979	$5,526	*-64%*
-- as a percent of total closing revenue	*0.4%*	*1.5%*	***-110 bps***
Earnings before income taxes	$ 65,879	$23,600	***179%***
-- as a percent of total revenue	*12.2%*	*6.5%*	***570 bps***
Net earnings ($91.3M of change due to income taxes)*	$ 46,089	$95,128	***-52%***

* Tax benefit of $71.5M in 2012 compared to tax expense of $19.8M in 2013 = $91.3M Y/Y difference in net earnings

Gross margin and operating leverage resulted in 80% increase in home closing gross profit and +570 bps pretax margin on 47% more home closing revenue

Maximizing Profitability: Margins vs Volume

Y/Y change (2013 vs 2012)	3Q13	4Q13
Actively selling communities	***+13%***	***+18%***
Orders/community	*-4%*	*-11%*
Orders	***+8%***	***+3%***
ASP (orders)	***+20%***	***+13%***
Order value	***+29%***	***+17%***
Home closing revenue	***+44%***	***+47%***
Home closing gross margin	***22.8%***	***23.2%***
Home closing gross profit	***+78%***	***+80%***

Price increases slowed orders/community, but higher ASPs and community count drove order value growth, higher GM% and gross profits

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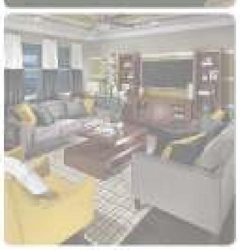


Fourth Quarter Order Trends by State

Yr/Yr Growth 2013 vs 2012

State	Active Communities*	Net Orders	Orders/ Community	ASP ($000)	Total Order Value ($000)
Arizona	**40**	184	4.7	$338	$ $62,139
Y/Y change%	***10%***	***3%***	***-4%***	***7%***	***10%***
California	**22**	169	8.5	466	78,828
Y/Y change%	***11%***	***-33%***	***-39%***	***13%***	***-24%***
Colorado	**14**	107	8.2	438	46,837
Y/Y change%	***30%***	***9%***	***-16%***	***21%***	***32%***
Total West Region**	**76**	460	6.3	408	187,804
Y/Y change%	***11%***	***-14%***	***-23%***	***11%***	***-5%***
Texas – Central Region	**70**	437	6.1	306	133,608
Y/Y change%	***8%***	***12%***	***5%***	***22%***	***37%***
Carolinas	**17**	80	5.0	395	31,626
Y/Y change%	***129%***	***142%***	***6%***	***11%***	***169%***
Florida	**20**	128	6.6	420	53,801
Y/Y change%	***18%***	***-6%***	***-20%***	***20%***	***13%***
Tennessee	**5**	**26**	**6.5**	298	7,745
Total – East Region	**42**	**234**	**5.9**	$398	93,172
Y/Y change%	***68%***	***38%***	***-18%***	***13%***	***57%***
Totals	188	1,131	6.2	$367	$414,584
Y/Y change%	*18%*	*3%*	*-11%*	*13%*	*17%*

* Y/Y change % in Active Communities is based on average active communities
** Excludes Nevada -- no longer operating there.

Continuing to grow within existing markets while penetrating new markets and diversifying our revenues






Full Year 2013 Operating Summary

($ in thousands)	FY2013	FY2012	Change
Home closings	**5,259**	**4,238**	*24%*
ASP	**$339**	**$279**	*21%*
Home closing revenue	$1,783,389	$1,184,360	*51%*
Home closing gross margin	22.0%	18.4%	*360 bps*
Home closing gross profit	391,914	217,976	*80%*
Commissions and other sales costs	126,716	94,833	*34%*
-- as a percent of home closing revenue	*7.1%*	*8.0%*	*-90 bps*
General and administrative expenses	91,510	68,185	*34%*
-- as a percent of total closing revenue	*5.0%*	*5.7%*	*-70 bps*
Interest expense	15,092	24,244	*-38%*
-- as a percent of total closing revenue	*0.8%*	*2.0%*	*-120 bps*
Earnings before income taxes	$177,672	28,854	*516%*
-- as a percent of total revenue	*9.8%*	*2.4%*	*740 bps*
Net earnings	$124,464	$105,163	*18%*

Top-line growth, expanded margins and operating leverage drove a six-fold increase in pretax earnings

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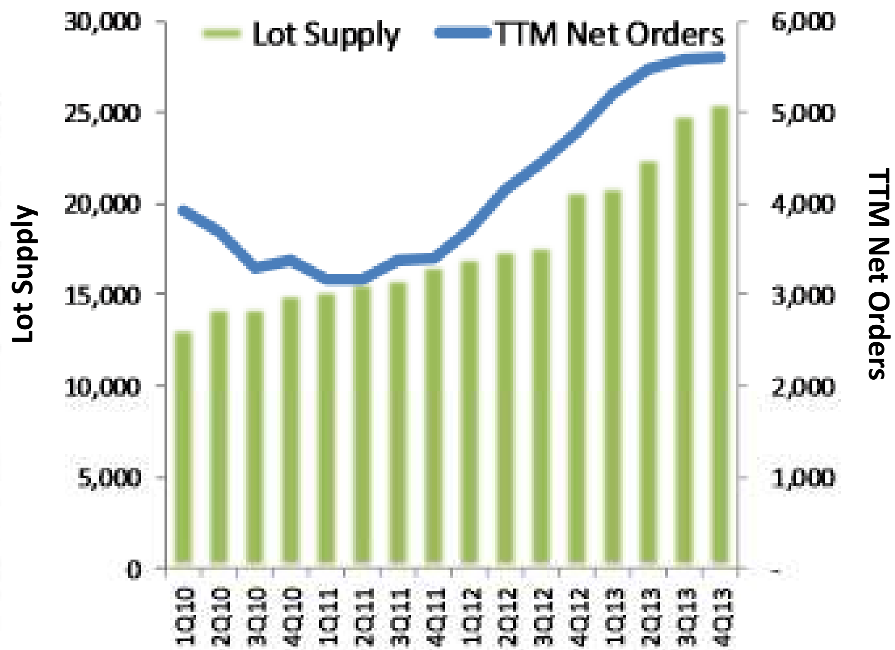
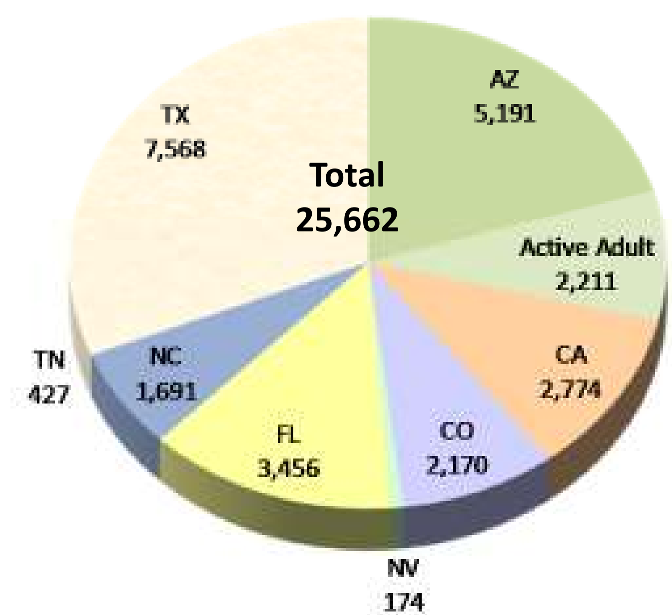
Sound Land Acquisition Strategy



Yrs Lot Supply (ttm closings)			
12/31/10	12/31/11	12/31/12	12/31/13
4.1	**5.1**	**4.9**	**4.9**

~11,200 Net New Lots Put Under Contract in 2013

Increased total lot supply in every state



Maintained a five-year supply of lots during 2013; invested $565M in land and development

Selected Balance Sheet Statistics

$ in millions	December 31, 2013	December 31, 2012
Total Cash & Securities	$ 363.8*	$ 295.5
Total Outstanding Debt	$ 905.1**	$ 722.8
Equity	$ 841.4*	$ 694.2
Net Debt to Capital	39.1%*	38.1%
Real Estate	$ 1,405.3	$ 1,113.2

* With proceeds from the equity offering in January 2014, pro forma 12-31-13 amounts would have been $474M total cash & securities, $951M equity and 31.2% net debt to capital.

** Includes two notes offerings in 2013:

a) $175M 4.5% notes due 2018 (new) – used $100M to retire 7.731% notes due 2017
b) $100M add-on to existing 7.15% notes due 2020 (sold at a premium to yield 5.875%)

Strengthened balance sheet and improved credit ratios during 2013

Summary

Successful execution of strategic initiatives in 2013

- Broadened geographic diversity – 4th new market in 3 years
- Increased community count
- Grew orders, closings, ASPs, revenue & backlog
- Expanded home closing gross margins
- Drove greater earnings growth through operating leverage
- Increased lot supply
- Strengthened balance sheet & improved credit metrics

Positioned to capitalize on growth opportunities and deliver earnings expansion

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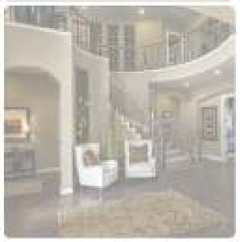

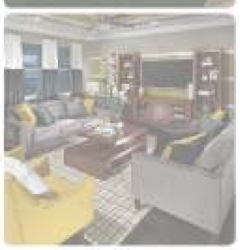


Questions?

Non-GAAP Reconciliations

	December 31, 2013	December 31, 2012	Proforma Dec 31, 2013 (includes Jan 2014 equity offering)
Notes payable and other borrowings	$ 905,055	$ 722,797	$ 905,055
Less: cash and cash equivalents, restricted cash, and investments and securities	(363,823)	(295,469)	(474,162)
Net debt	541,232	427,328	430,893
Stockholders' equity	841,392	694,210	951,731
Total capital	$ 1,382,624	$ 1,121,538	$ 1,382,624
Net debt-to-capital	39.1%	38.1%	31.2%

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