Meritage Homes 1Q 2014 Results Webcast

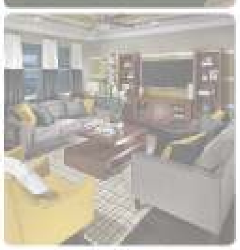
April 23, 2014

Meritage Homes CORPORATION

Setting the standard for energy-efficient homes™








Forward-Looking Statements

This press release contains 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 projected community count, flat margins for 2014, and revenue and earnings growth for 2014 and beyond.

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; weakness in the homebuilding market resulting from an unexpected setback in the current economic recovery; 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; a change feasibility of projects under option or contract that could result in the write-off of option 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; and 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; our compliance with government regulations and the effect of 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, 2013 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

First Quarter Selected Operating Results

$000's except EPS	1Q14	1Q13	*Change*
Home closings	**1,109**	**1,052**	***+5%***
ASP	**$366**	**$314**	***+16%***
Home closing revenue	**$405,779**	**$330,710**	***+23%***
Home closing gross margin	22.8%	19.5%	***+330 bps***
Home closing gross profit	$92,599	$64,360	***+44%***
Commissions and other sales costs *-- as a percent of home closing revenue*	7.6%	7.8%	***-20 bps***
General and administrative expenses *-- as a percent of closing revenue*	5.3%	5.9%	***-60 bps***
Interest expense *-- as a percent of closing revenue*	0.7%	1.5%	***-80 bps***
Pretax margin	9.7%	4.9%	***+480 bps***
Net earnings	$25,377	$12,041	***+111%***
Diluted EPS	**$ 0.62**	**$ 0.32**	***+94%***

More than doubled net earnings on a 5% increase in home closings

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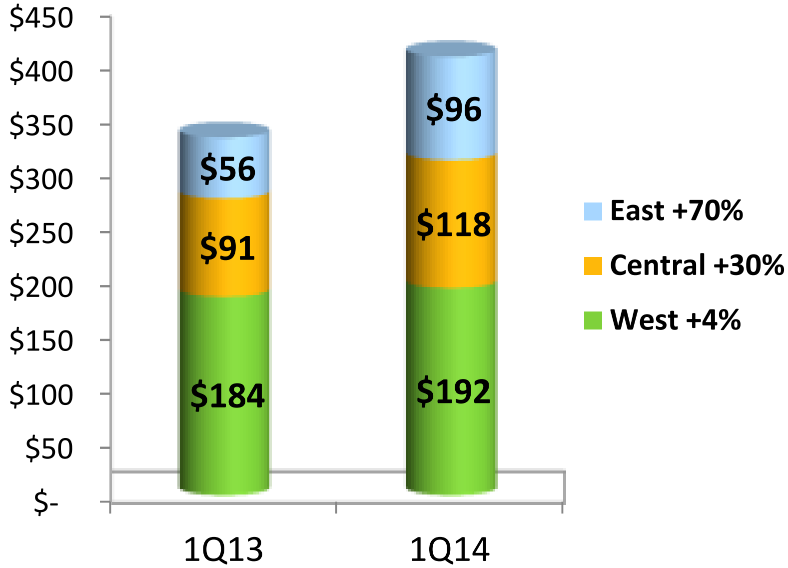
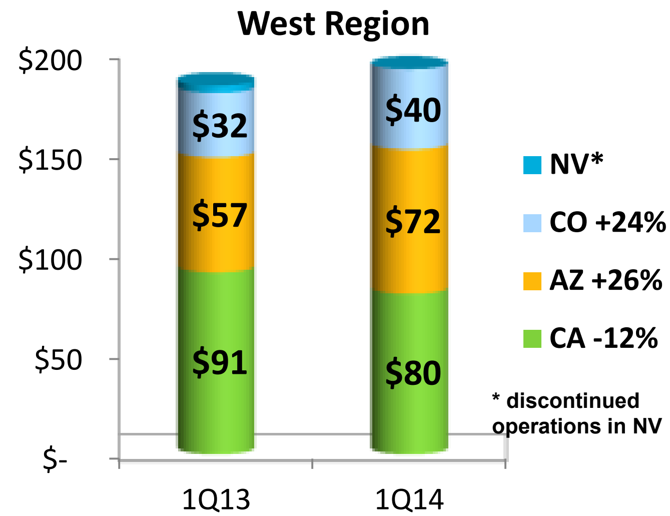
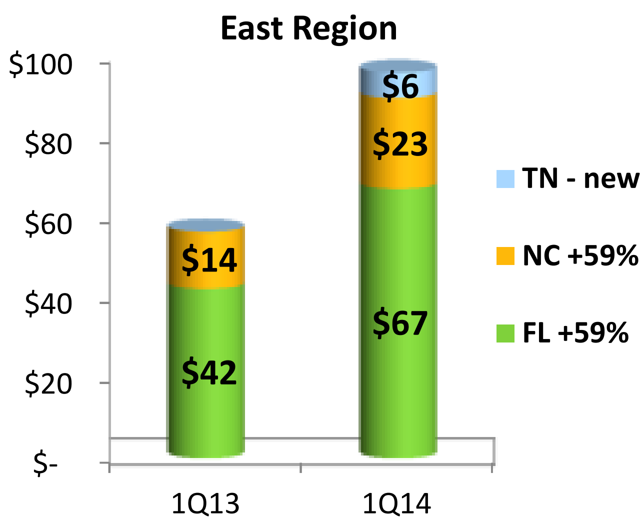
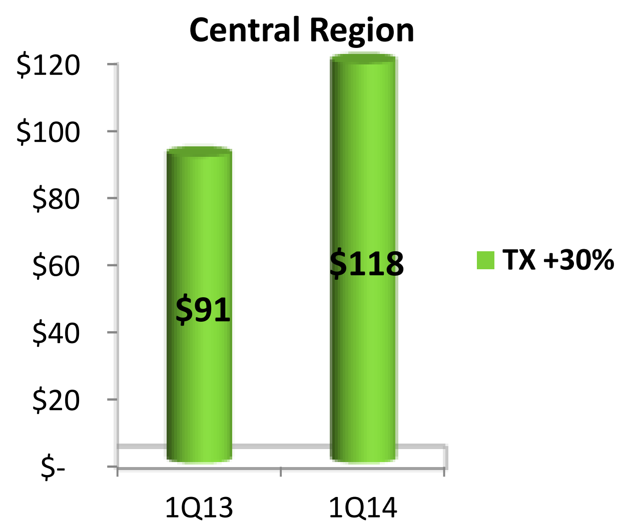
Home Closing Revenue by Region & State

($millions)









Grew home closing revenue across all regions and five of six states with continuous operations

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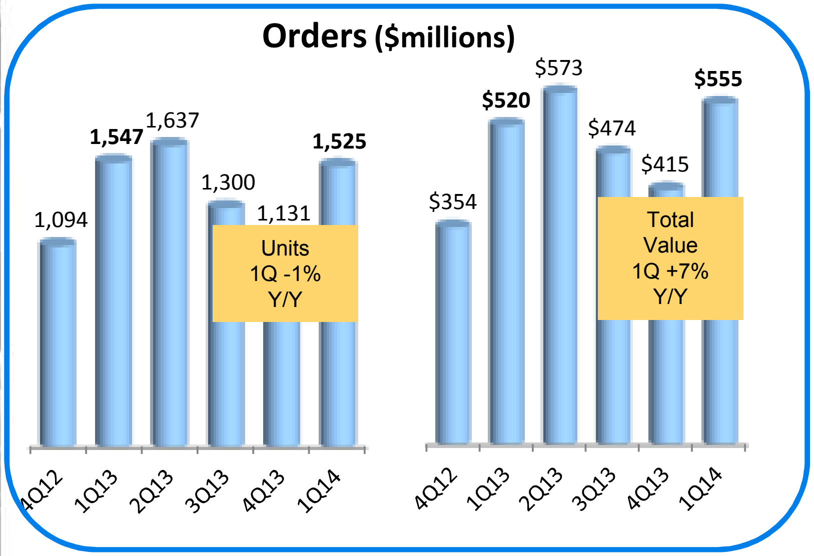
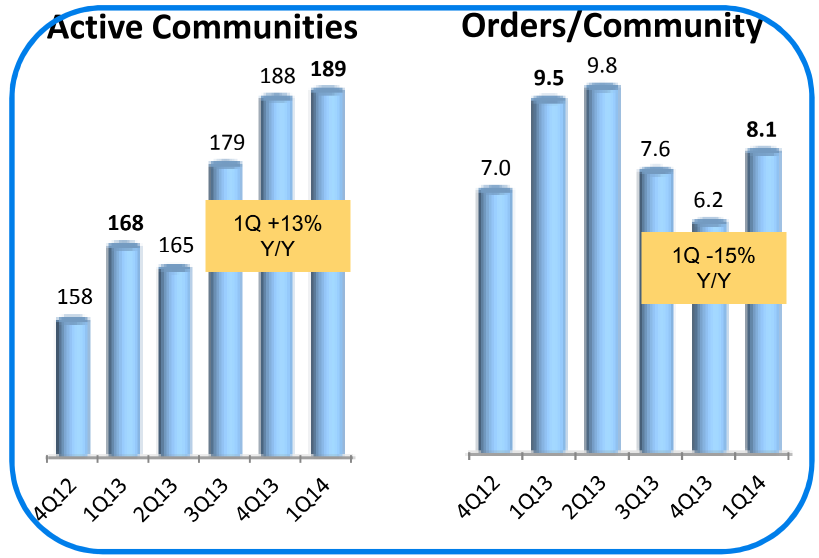
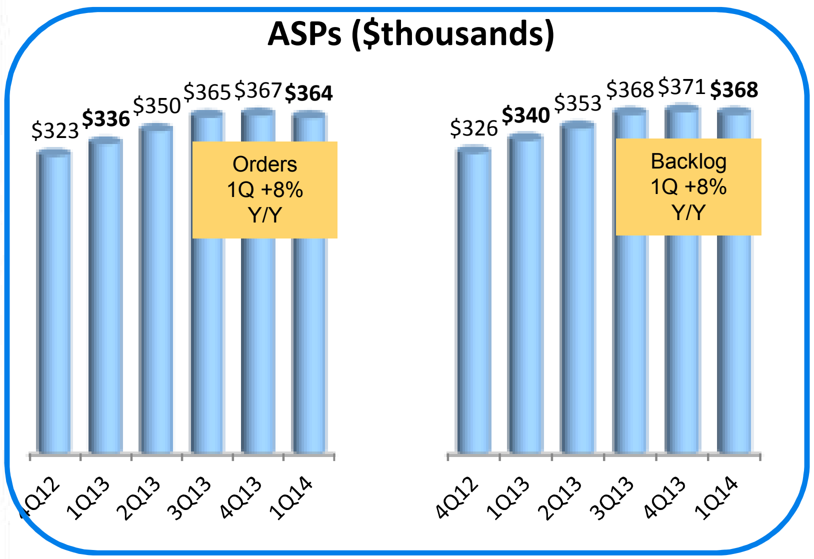
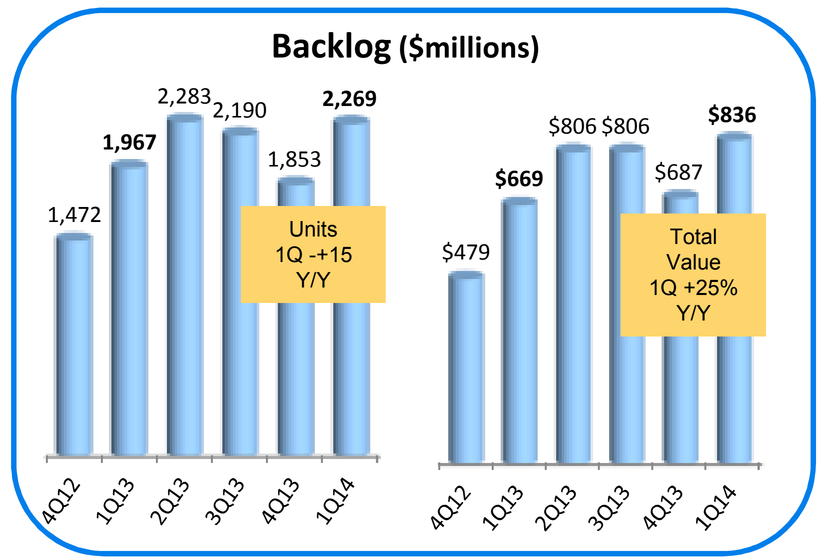
Order Trends









Orders/community, total orders & order value at or near highest quarters of last 7 years

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First Quarter Order Trends by State

Yr/Yr Growth 2014 vs 2013

State	Active Communities*	Net Orders	Orders/ Community	ASP ($000)	Total Order Value ($000)
Arizona	41	228	5.6	$332	$75,647
Y/Y change%	*4%*	*-28%*	*-32%*	*8%*	*-23%*
California	17	237	12.2	507	120,052
Y/Y change%	*22%*	*-25%*	*-38%*	*19%*	*-10%*
Colorado	13	124	9.2	442	54,758
Y/Y change%	*17%*	*-12%*	*-25%*	*10%*	*-4%*
Total West Region**	**71**	**589**	**8.0**	**425**	**250,457**
*Y/Y change%***	*10%*	*-26%*	*-33%*	*15%*	*-15%*
Texas – Central Region	**77**	**634**	**8.6**	**$303**	**192,231**
Y/Y change%	***10%***	***26%***	***15%***	***16%***	***47%***
Carolinas	18	81	4.6	420	34,019
Y/Y change%	*94%*	*17%*	*-40%*	*8%*	*27%*
Florida	17	173	9.4	374	64,616
Y/Y change%	*-8%*	*-3%*	*4%*	*-3%*	*-6%*
Tennessee	6	48	8.7	286	13,717
Total – East Region	**41**	**302**	**7.3**	**$372**	**112,352**
Y/Y change%	***43%***	***22%***	***-15%***	***-3%***	***17%***
Grand Totals	**189**	**1,525**	**8.1**	**$364**	**$555,040**
Y/Y change%	***16%***	***-1%***	***-15%***	***8%***	***7%***

* Y/Y change % in Active Communities is based on average active communities

** Nevada not shown -- no longer operating there.

Growth in southeast and Texas offset declines in western markets as sales pace normalizes

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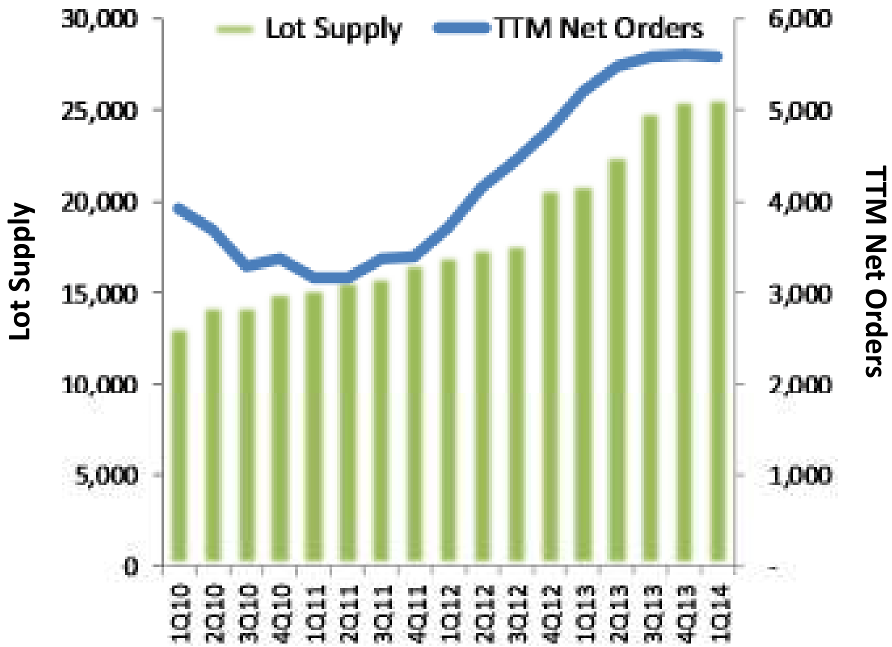
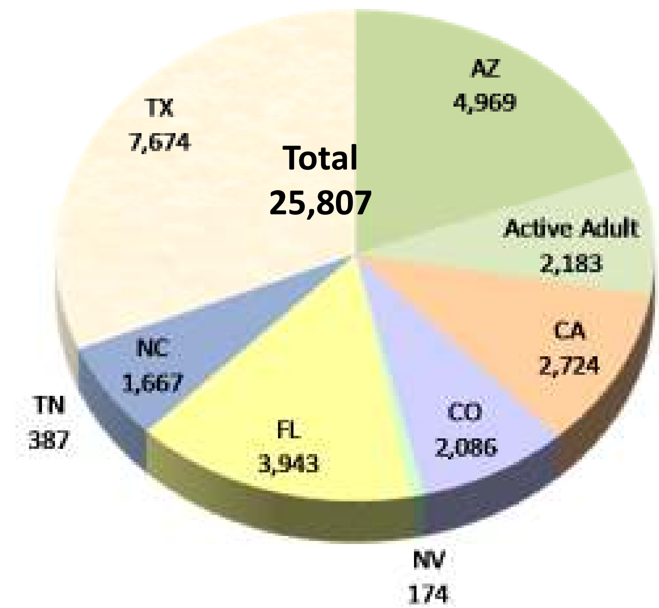
Lot Supply



Yrs Lot Supply (ttm closings)				
12/31/10	12/31/11	12/31/12	12/31/13	3/31/14
4.1	5.1	4.9	4.9	4.9

~1,520 Net New Lots Put Under Contract in 1Q 2014



Invested $163M in land & development; maintained a five-year supply of lots – most additions in TX, FL & CA

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Selected Balance Sheet Statistics

$ in millions	March 31, 2014	December 31, 2013
Total Cash & Securities	$ 338.7	$ 363.8
Total Outstanding Debt	$ 904.9	$ 905.1
Equity	$ 982.6	$ 841.4
Net Debt to Capital	36.6%	39.1%
Real Estate	$ 1,538.2	$ 1,405.3

Strong balance sheet and liquidity to finance acquisitions for additional growth






Summary

Successful first quarter 2014:

- Grew closings and revenue
- Expanded home closing gross margin and gross profit
- Increased community count , reinvested in new communities
- Maintained a strong balance sheet and credit metrics
- Raised additional capital to invest for additional growth

Expectations:

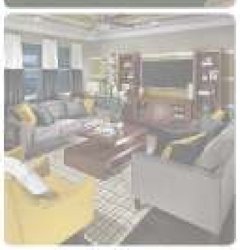
- Grow active communities to 210-220 by year-end 2014
- Home closing margin for FY 2014 consistent with FY 2013
- Increase revenue and earnings in 2014 over 2013

Positioned well for long-term growth in revenue and earnings

Questions?








Non-GAAP Reconciliations

	March 31, 2014	December 31, 2013
Notes payable and other borrowings	$ 904,913	$ 905,055
Less: cash and cash equivalents, plus investments and securities	(338,654)	(363,823)
Net debt	566,259	541,232
Stockholders' equity	982,594	841,392
Total capital	$ 1,548,853	$ 1,382,624
Net debt-to-capital	36.6%	39.1%