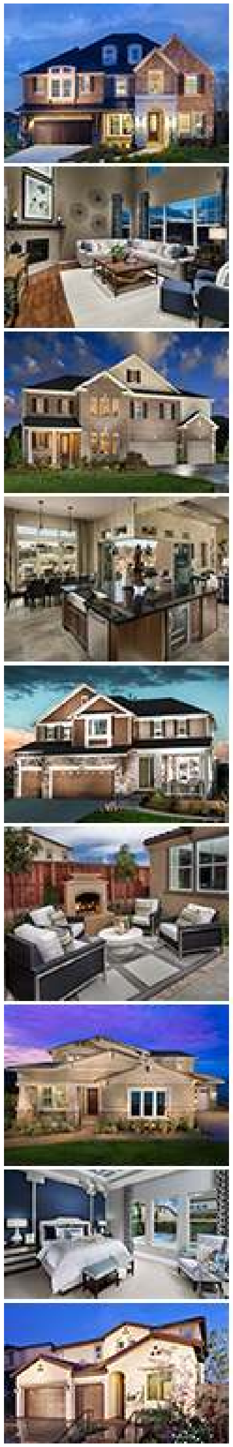
Meritage Homes 4Q 2015 Analyst Webcast

January 28, 2016

Meritage Homes Corporation

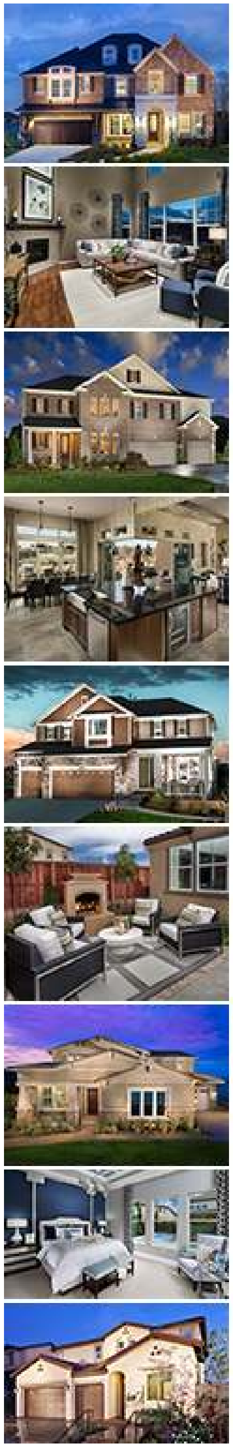
Setting the standard for energy-efficient homes



Forward-Looking Statements

This press release 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 belief about its prospects for 2016 and beyond, including that the Company will achieve better results in the east region, expectations with respect to community count and closings for 2016, as well as its goal for 2018 deliveries (closings).

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. These risks and uncertainties include, but are not limited to, the following: the availability of finished lots and undeveloped land; interest rates and changes in the availability and pricing of residential mortgages; fluctuations in the availability and cost of labor; changes in tax laws that adversely impact us or our homebuyers; the ability of our potential buyers to sell their existing homes; cancellation rates; fluctuations in home prices in our markets; weakness in the homebuilding market resulting from a setback in the current economic recovery due to lower energy prices or other factors; inflation in the cost of materials used to develop communities and construct homes; the adverse effect of slower order absorption rates; a change to the feasibility of projects under option or contract that could result in the write-down or write-off of option deposits; our ability to successfully integrate acquired companies and achieve anticipated benefits from these acquisitions; our potential exposure to natural disasters or severe weather conditions; competition; construction defect and home warranty claims; adverse legal rulings; our success in prevailing on contested tax positions; our ability to obtain performance bonds in connection with our development work; the loss of key personnel; changes in, or our failure to comply with, laws and regulations; limitations of our 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; our ability to raise additional capital when and if needed; our credit ratings; our compliance with government regulations and the effect of legislative or other initiatives that seek to restrain growth of new housing construction or similar measures; expiration or non-renewal of current or anticipated tax credits available to us; 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, 2014 and subsequent quarterly reports on Forms 10-Q under the caption "Risk Factors," which can be found on our website.



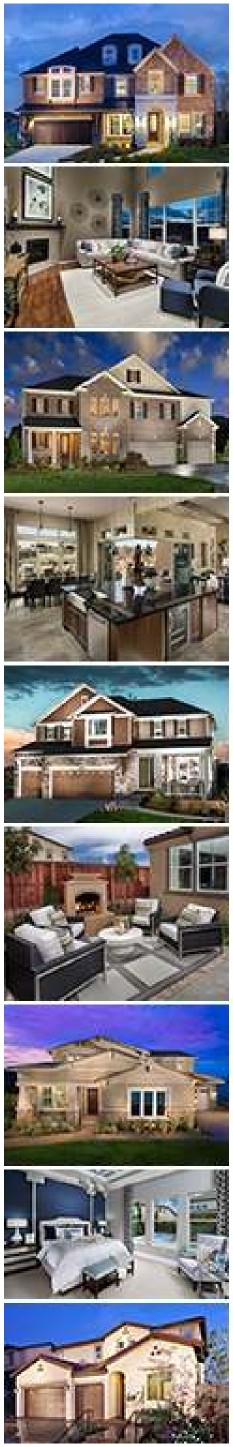
Presenters

Steven J. Hilton, Chairman/CEO

Phillippe Lord, Executive Vice President/Chief Operating Officer

Larry Seay, Executive Vice President/Chief Financial Officer

Hilla Sferruzza, Senior Vice President/Chief Accounting Officer



4Q 2015 results improved over 2014

$millions except ASP ($000s) and diluted EPS	**Three Months Ended** December 31, **2015**	**2014**	**%Chg**
Homes closed (units)	1,919	1,863	*+3%*
Average sales price – closings	$397	$369	*+8%*
Home closing revenue	$761.4	$688.3	*+11%*
Sales orders (units)	1,568	1,272	*+23%*
Average sales price – orders	$404	$386	*+5%*
Sales order value	$634.2	$491.0	*+29%*
Ending backlog (units)	2,692	2,114	*+27%*
Average sales price - backlog	$423	$400	*+6%*
Ending backlog value	$1,137.7	$846.5	*+34%*
Earnings before taxes	$76.1	$66.4	*+15%*
Net earnings	$52.9	$49.2	*+7%*
Diluted EPS	$1.26	$1.19	*+6%*

Growth in closings and revenue were the primary drivers of earnings growth in 2015

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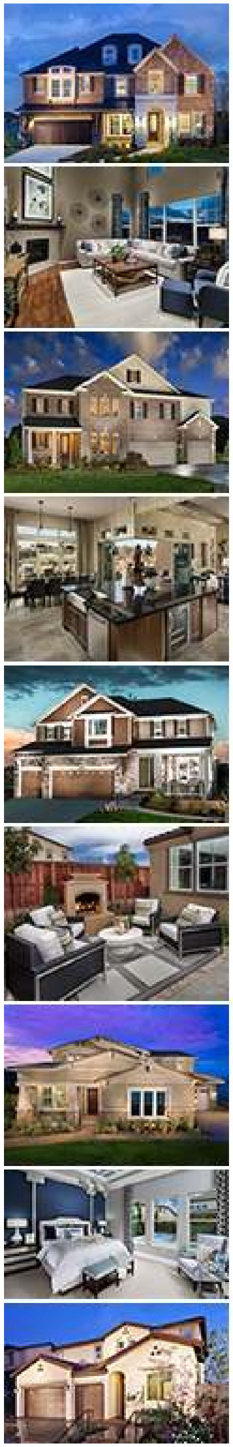
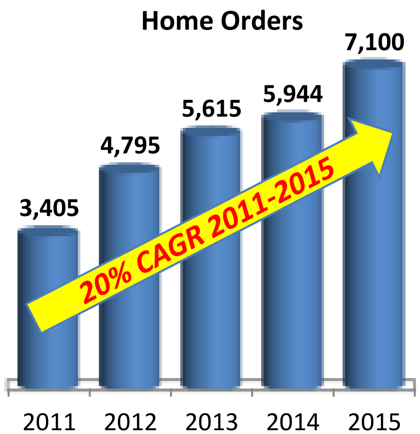
Significant growth achieved since 2010



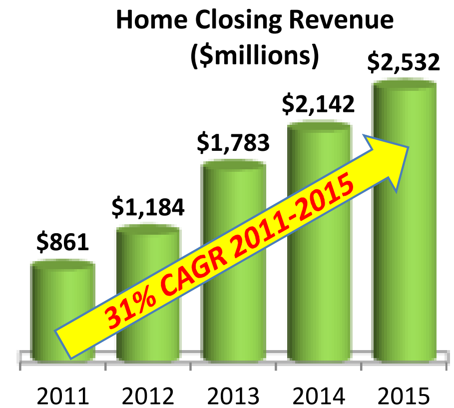


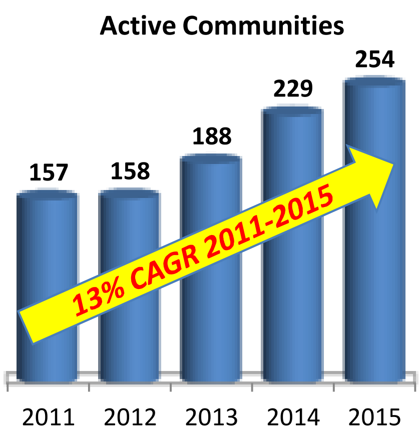
2015 Full Year

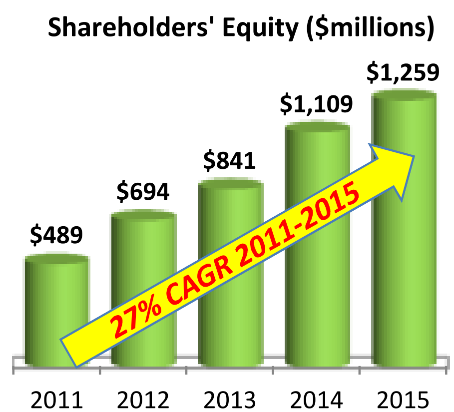
- **6,500 closings**
- **$2.5B home closing revenue – highest since 2006**

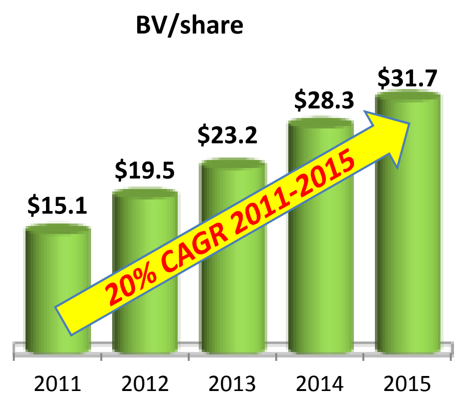
New Highs

- **254 actively selling communities**
- **$1.26B shareholders' equity**









We believe the housing market can continued to grow at a modest pace and Meritage can grow with it

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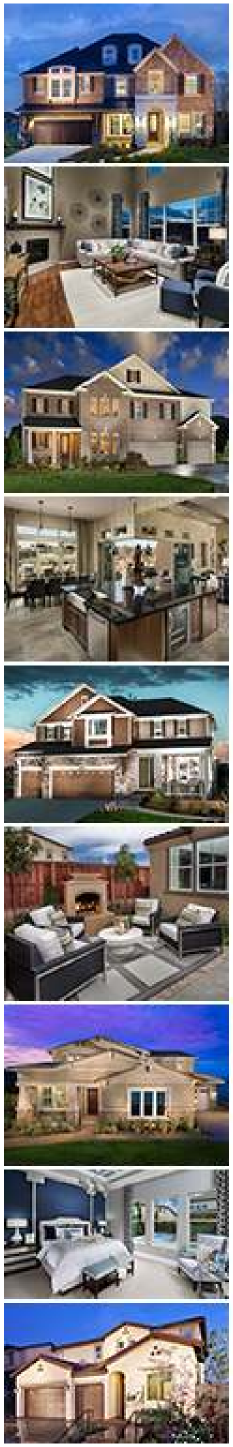
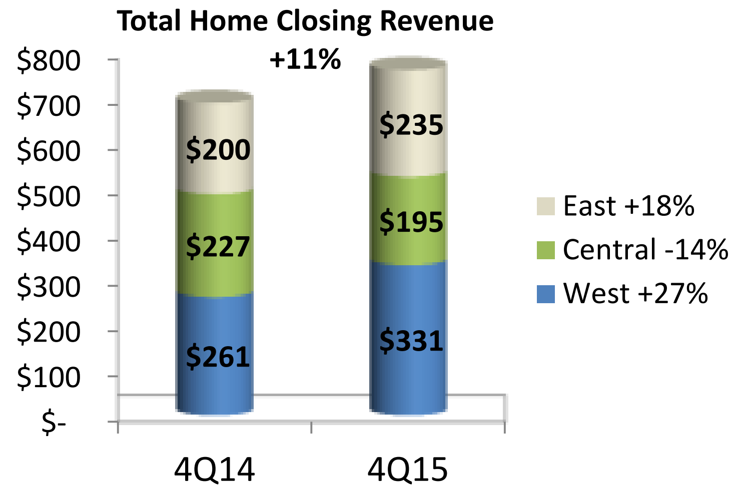
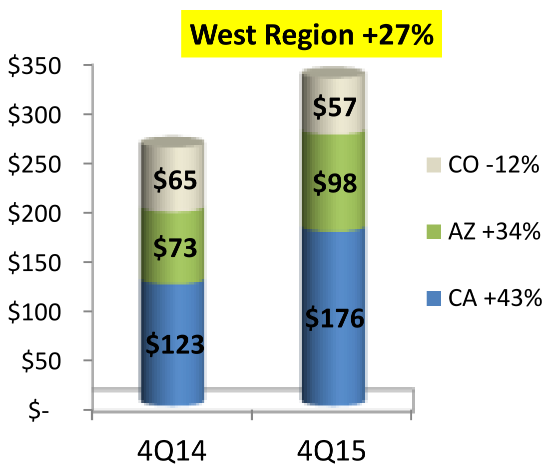
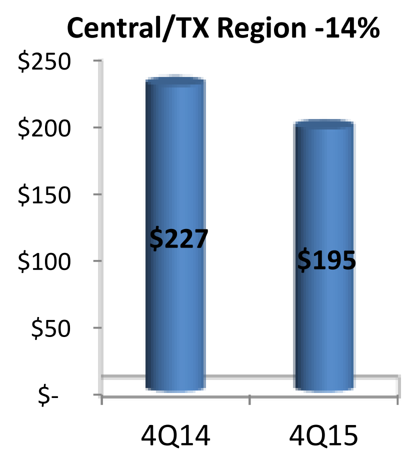
Home closing revenue grew 11%

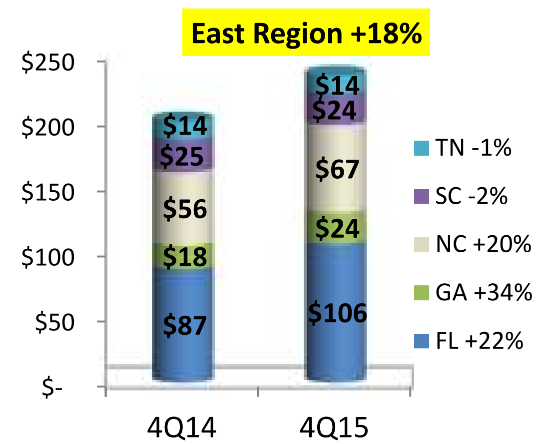
($millions)



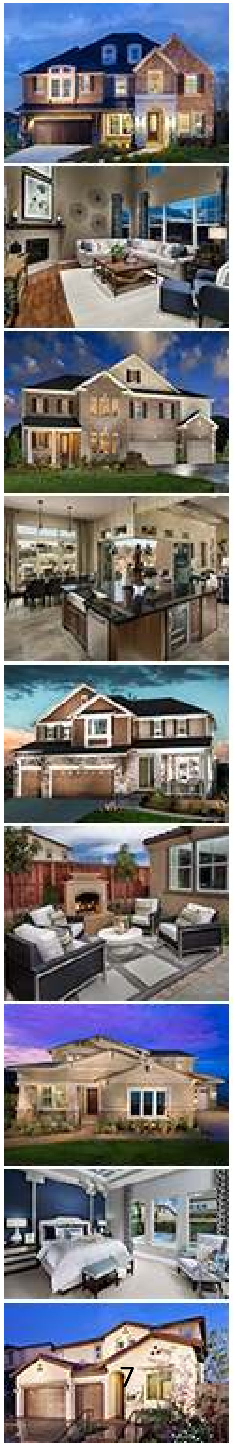








4Q15 revenue growth was led by the east and west regions

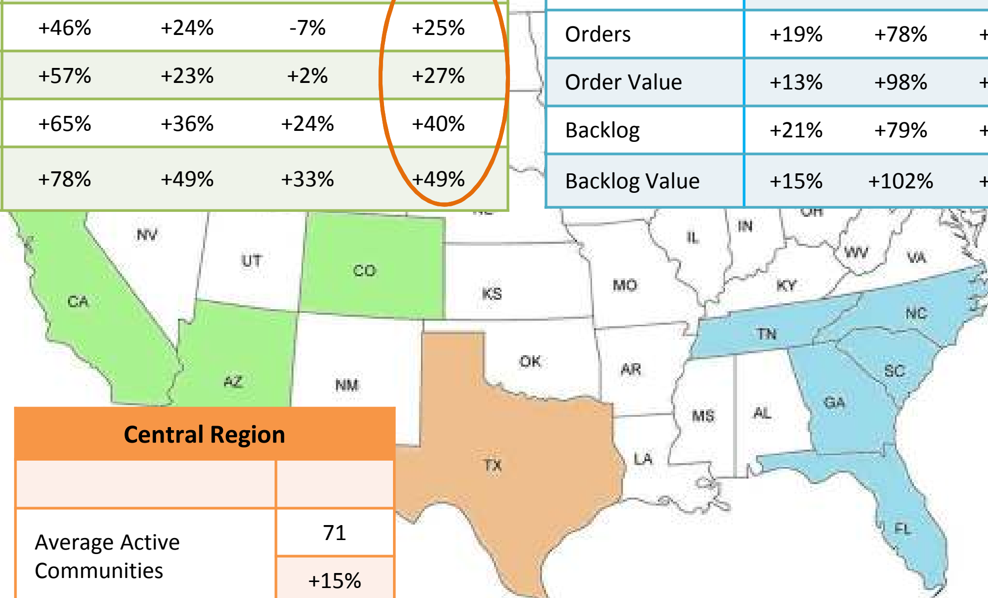


Significant growth in fourth quarter sales

Percentage (%) changes 2015 vs 2014

West Region				
	AZ	CA	CO	Region
Average Active Communities	41	25	16	82
	-1%	9%	-6%	1%
Avg Orders/ community	6.2	8.6	6.8	7.0
	+48%	+15%	0%	+23%
Orders	+46%	+24%	-7%	+25%
Order Value	+57%	+23%	+2%	+27%
Backlog	+65%	+36%	+24%	+40%
Backlog Value	+78%	+49%	+33%	+49%

East Region						
	FL	GA	NC	SC	TN	Region
Average Active Communities	31	17	26	18	9	100
	+13%	+42%	+24%	-10%	+89%	+18%
Avg Orders/ community	6.5	4.3	6.2	3.7	3.9	5.3
	+7%	+26%	0%	+32%	-17%	+8%
Orders	+19%	+78%	+25%	+18%	+57%	+29%
Order Value	+13%	+98%	+44%	+6%	+118%	+32%
Backlog	+21%	+79%	+41%	+26%	+110%	+39%
Backlog Value	+15%	+102%	+64%	+15%	+149%	+43%



Central Region	
Average Active Communities	71
	+15%
Avg Orders/ community	6.5
	0%
Orders	+16%
Order Value	+29%
Backlog	+10%
Backlog Value	+13%

TOTAL COMPANY	
	Total
Average Active Communities	252
	+11%
Avg Orders/ community	6.2
	+11%
Orders	**+23%**
Order Value	**+29%**
Backlog	**+27%**
Backlog Value	**+34%**

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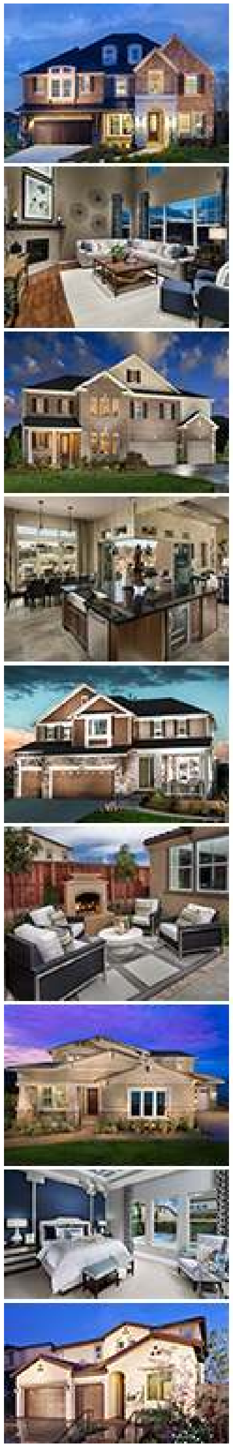

4Q15 earnings driven by higher revenue and improved leverage

($millions, except per share amounts)	**Three Months Ended** December 31,			**Full Year Ended** December 31		
	2015	**2014**	**%Chg**	**2015**	**2014**	**%Chg**
Home closing gross profit	$146.6	$139.9	*+5%*	$481.9	$453.7	*+6%*
Home closing gross margin	19.3%	20.3%	*-100 bps*	19.0%	21.2%	*-220 bps*
Real-estate related impairments	$2.6	--	*NA*	$6.6	$3.7	*+78%*
Commissions & other sales costs	$53.5	$49.5	*+8%*	$188.4	$156.7	*+20%*
-- % of home closing revenue	7.0%	7.2%	*-20 bps*	*7.4%*	*7.3%*	*+10 bps*
General & administrative expenses*	$26.8	$29.1	*-8%*	$112.8	$104.6	*+8%*
-- % of total closing revenue	3.4%	4.2%	*-80 bps*	*4.4%*	*4.8%*	*-40 bps*
Interest expense	$4.0	$0.6	*+574%*	$16.0	$5.2	*+209%*
-- % of total closing revenue	0.5%	0.1%	*+40 bps*	*0.6%*	*0.2%*	*+40 bps*
Earnings before taxes	$76.1	$66.4	*+15%*	$189.5	$208.4	*-9%*
Tax rate	30%	26%	*+400 bps*	32%	32%	--

**FY General & administrative expenses include $4.1M litigation-relation charge in 2015 and $4.6M benefit for legal settlements in 2014*

Higher impairments, litigation-related expenses and interest expense reduced 2015 EPS by approximately $0.35 vs 2014

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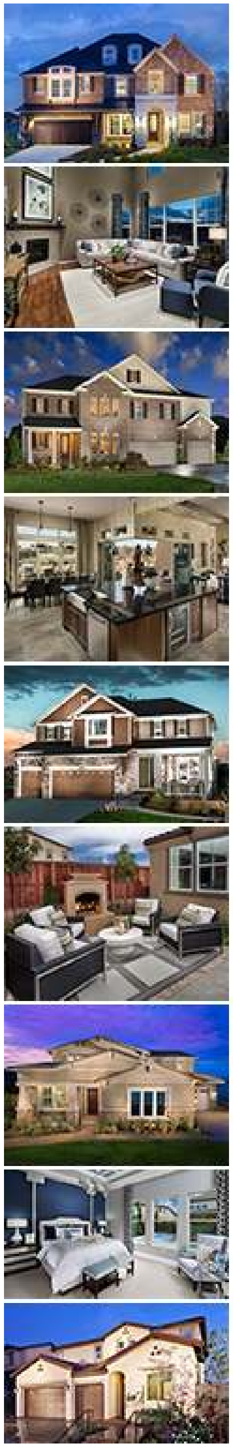
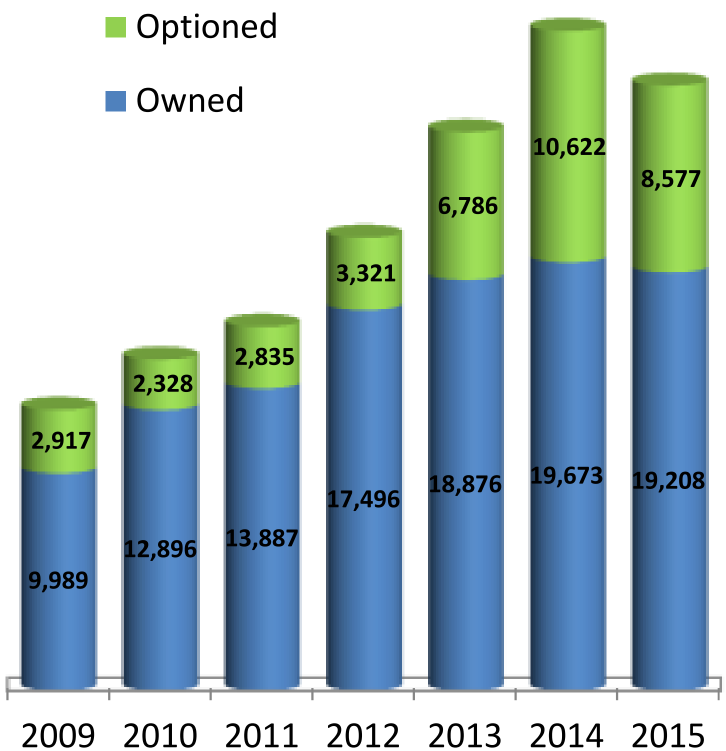
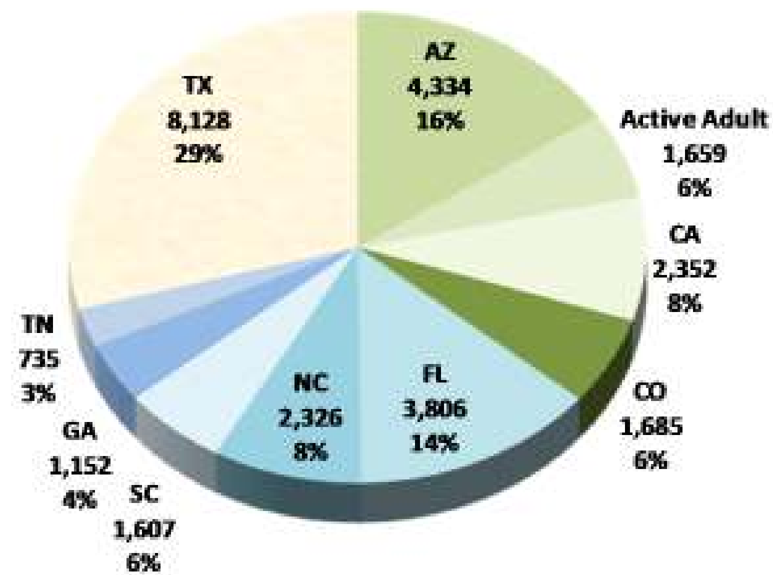


Decline in total lot count reflects caution in 2015 due to choppy market conditions

27,785 Lots Owned/Controlled as of 12/31/15





4.3 years of lot supply supports our current growth plan

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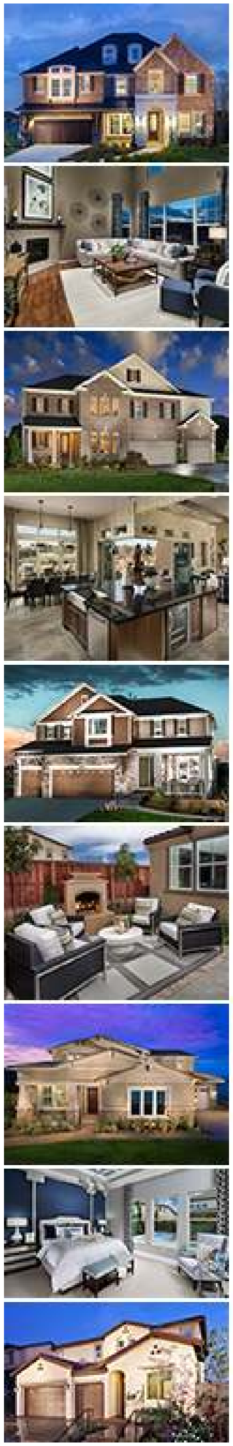
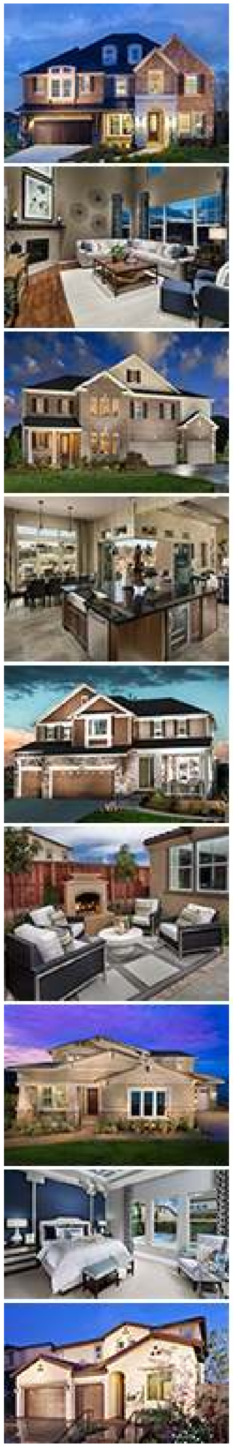


We maintained a strong balance sheet

($ millions)	Year Ended 12/31/2015	Year Ended 12/31/2014
Total Cash & Cash Equivalents	$262	$103
$500mm Unsecured Revolving Credit Facility	-	-
Notes payable & other borrowings	$1,128	$935
Real Estate	$2,098	$1,878
Book Value of Equity	$1,259	$1,109
Net Debt to Net Capital	40.7%	42.9%

Solid balance sheet – lower net debt to capital with increased cash, long-term notes and real estate balances



Summary of recent results & guidance

- Strong Y/Y growth in 4Q and FY15:
    - Home closings & revenue
    - Orders & order value
    - Backlog units & value
    - Actively selling communities
- Gross margin lower than 2014
- Improved overhead leverage
- Healthy growth in 4Q pretax earnings

<u>Guidance for 2016:</u>

- 7,000-7,500 home closings
- 5-10% growth in community count by year-end

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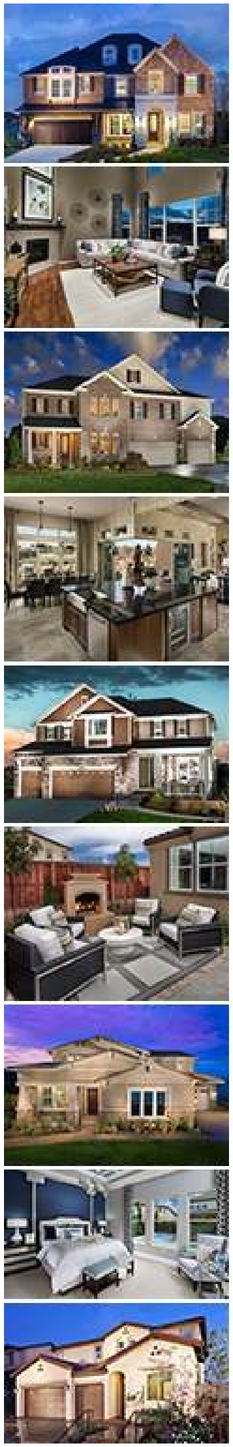
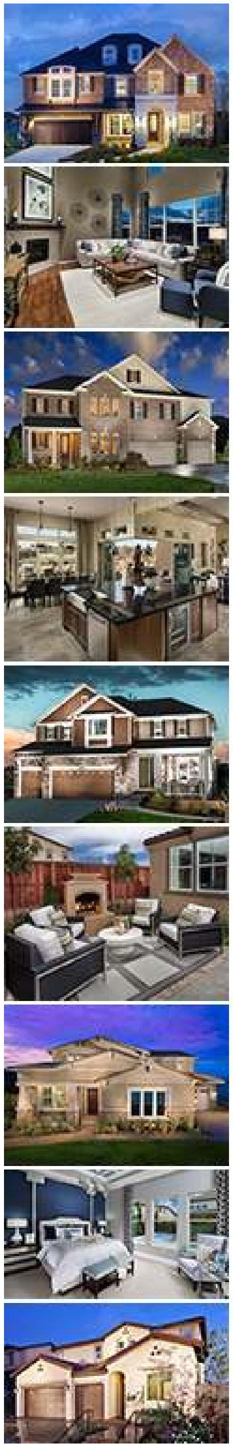


Questions?



Non-GAAP Reconciliations

	December 31, 2015	December 31, 2014
Notes payable and other borrowings	$ 1,127,785	$ 935,208
Less: cash and cash equivalents, and investments and securities	(262,208)	(103,333)
Net debt	865,577	831,875
Stockholders' equity	1,258,937	1,109,489
Total capital	$ 2,124,514	$ 1,941,364
Net debt-to-capital	40.7%	42.9%

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