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**Third Quarter 2016
Analyst Conference Call
October 27, 2016**

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 expectations with respect to future growth, projected orders, home closings and home closing revenue, home closing gross margins and diluted earnings per share for the full year 2016.

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 and cost 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; reversal of the current economic recovery; the ability of our potential buyers to sell their existing homes; cancellation rates; inflation in the cost of materials used to develop communities and construct homes; the adverse effect of slower order absorption rates; 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 option deposits; our potential exposure to natural disasters or severe weather conditions; competition; construction defect and home warranty claims; failures in health and safety performance; 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; enactment of new laws or regulations or our 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 due to a downgrade of our credit ratings; our ability to successfully integrate acquired companies and achieve anticipated benefits from these acquisitions; 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; 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; 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, 2015 and subsequent quarterly reports on Forms 10-Q under the caption "Risk Factors," which can be found on our website.

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The logo for MeritageHomes, featuring a green roof icon above the company name.

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Management Representatives

Steven J. Hilton – Chairman & CEO

Phillippe Lord – EVP & Chief Operating Officer

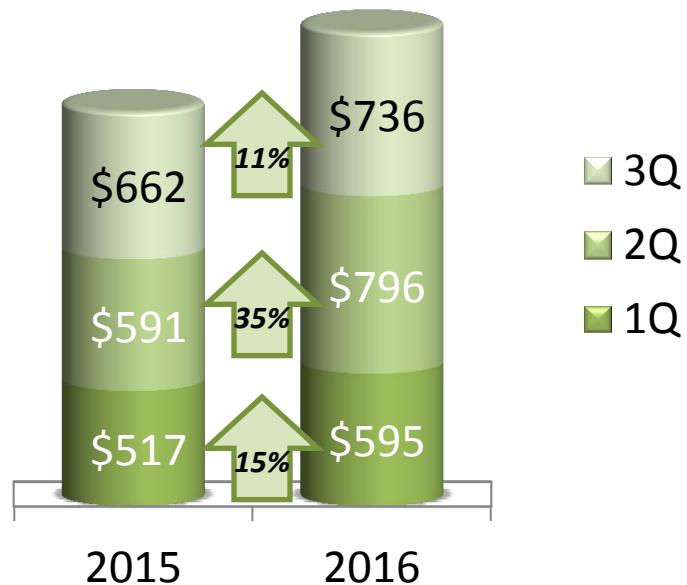
Hilla Sferruzza – EVP & Chief Financial Officer

Brent Anderson – VP Investor Relations

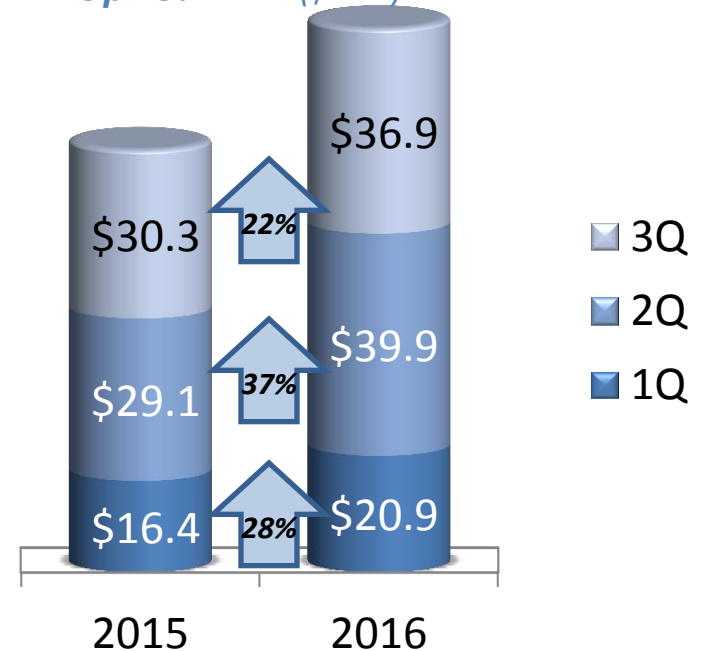
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Strong top-line and bottom-line growth in 2016

*Home Closing Revenue
Up 20% YTD (\$Mm)*



*Net Earnings
Up 29% YTD (\$Mm)*



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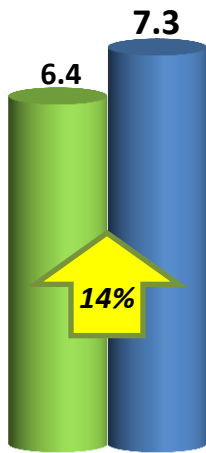
Revenue growth offset margin decline

	(\$ in thousands)	3Q16	3Q15	Chg
Home closings		1,800	1,712	+5%
Home closing ASP		\$409	\$387	+6%
Home closing revenue		\$735,870	\$661,884	+11%
Home closing gross margin		17.8%	19.0%	-120 bps
Home closing gross profit		\$130,979	\$125,617	+4%
Net earnings		\$36,887	\$30,308	+22%
Diluted EPS		\$0.88	\$ 0.73	+21%

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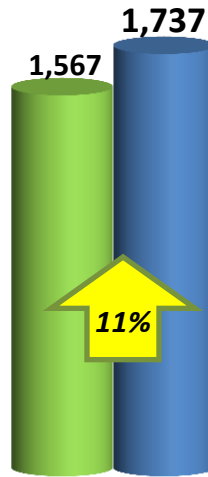
Increased absorptions drove growth in orders and backlog

Orders/ Avg.
Community

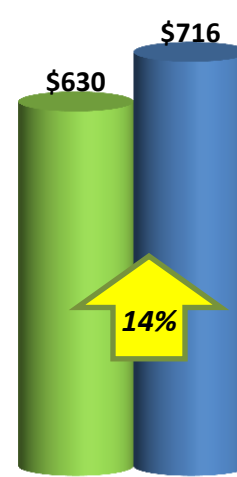


■ 3Q15
■ 3Q16

Total Orders

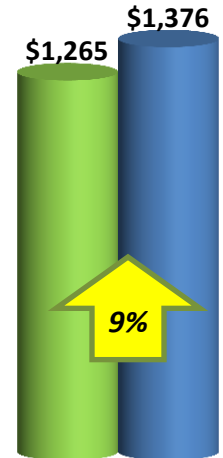


Order Value
(in thousands)



■ 3Q15
■ 3Q16


Backlog Value
(in thousands)



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West Region: Strong demand increased sales pace

- **Arizona:** Demand strongest at prices below FHA loan limits. Pivoting more toward first-time buyers.
- **California:** Reloading into new communities. Sales pace in NorCal normalizing from very high pace in 2015. SoCal sales up after some price adjustments.
- **Colorado:** Highest sales pace in the company. Strong demand. Well-positioned communities.



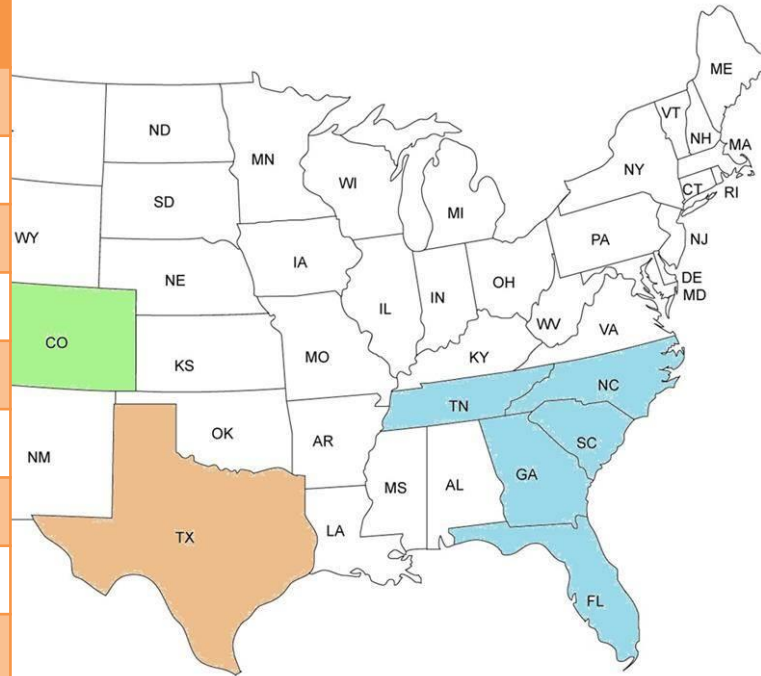
West Region				
Percentage (%) changes 3Q16 vs. 3Q15				
	AZ	CA	CO	Region
Average Active Communities	41.5	27.0	11.0	79.5
	-1%	+17%	-29%	-1%
Orders/ Average community	8.3	8.0	11.0	8.6
	+28%	-9%	+104%	+25%
Orders	+27%	+6%	+44%	+22%
Order Value	+21%	+14%	+51%	+23%
Backlog	+42%	-18%	-11%	+3%
Backlog Value	+42%	-14%	-1%	+4%

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Central region: Steady as we reload communities

- Strongest order growth in Austin and Houston, as we're gaining traction with move toward more first-time homebuyer communities. San Antonio has 4th highest orders/ average community in the company.

Central Region	
Percentage (%) changes 3Q16 vs. 3Q15	
	TX
Average Active Communities	73.5
	+8%
Orders/ Average Community	6.6
	--%
Orders	+8%
Order Value	+8%
Backlog	-3%
Backlog Value	+2%



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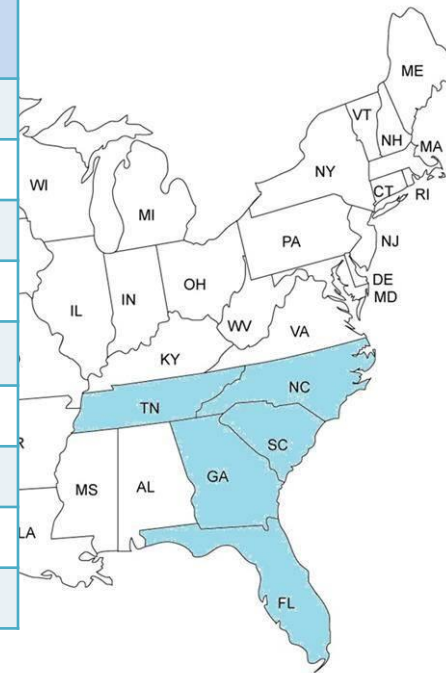
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East region: Sales pace improving

- **Florida:** Lower priced communities in Orlando generated growth as higher priced move-up sales sluggish.
- **Georgia:** Order growth driven by changes made in product, positioning and personnel.
- **NC:** Reloading with new communities in first half of 2017, which should further improve performance.
- **SC:** Order decline due to selling out of communities.
- **Tennessee:** Better positioned communities and improved sales pace drove 50% order growth.

East Region Percentage (%) changes 3Q16 vs. 3Q15						
	FL	GA	NC	SC	TN	Region
Average Active Communities	26.0	17.0	20.5	15.5	7.0	86.0
	-15%	+3%	-18%	-16%	+17%	-11%
Orders/ Average Community	8.0	5.0	7.3	4.6	7.7	6.6
	+8%	+22%	+33%	-4%	+28%	+14%
Orders	-8%	+27%	+8%	-19%	+50%	+2%
Order Value	+2%	+25%	+8%	-16%	+47%	+6%
Backlog	+9%	+82%	+8%	+44%	+29%	+22%
Backlog Value	+12%	+87%	+7%	+57%	+33%	+23%



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Income Statement highlights

(\$ in millions except ASP)	3Q16	3Q15	Y/Y Chg	YTD16	YTD15	Y/Y Chg
Home closing revenue	\$736	\$662	+11%	\$2,127	\$1,770	+20%
Home closing gross profit	\$131	\$126	+4%	\$372	\$335	+11%
Home closing gross margin - reported	17.8%	19.0%	-120 bps	17.5%	18.9%	-140 bps
Commissions and other sales costs	\$52	\$48	+9%	\$155	\$135	+15%
-- as a percent of home closing revenue	7.1%	7.3%	-20 bps	7.3%	7.6%	-30 bps
General and administrative expenses	\$33	\$29	+16%	\$92	\$86	+7%
-- as a percent of total closing revenue	4.4%	4.3%	+10 bps	4.3%	4.8%	-50 bps
Interest expense	\$0.2	\$4.2	-96%	\$5.1	\$12.0	-57%
-- as a percent of total closing revenue	--%	0.6%	-60 bps	0.2%	0.7%	-50 bps
Earnings before income taxes	\$54	\$47	+15%	\$142	\$113	+25%
-- effective tax rate	31.4%	35.1%	-370 bps	31.0%	33.1%	-210 bps
Net earnings	\$37	\$30	+22%	\$98	\$76	+29%
Diluted EPS	\$ 0.88	\$ 0.73	+21%	\$ 2.33	\$ 1.83	+27%

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Maintaining strong balance sheet while investing cash for future growth

Net debt-to-capital (non-GAAP reconciliation to Debt-to-capital ratio)		(\$millions)	
		Sep-30, 2016	Dec-31, 2015
Notes payable and other borrowings	\$	1,140	\$ 1,117
Less: cash and cash equivalents		(108)	(262)
Net debt	\$	1,032	\$ 855
Stockholders' equity		1,367	1,259
Total capital	\$	2,399	\$ 2,114
Net debt-to-capital		43.0%	40.4%
Real estate inventory		\$2.4B	\$2.1B

Statistics	3Q16	3Q15
Closings from spec inventory	40%	33%
Unsold homes (specs) :	1,531	1,357
Under construction	79%	68%
Completed	21%	32%
Land & development spending	\$232M	\$175M

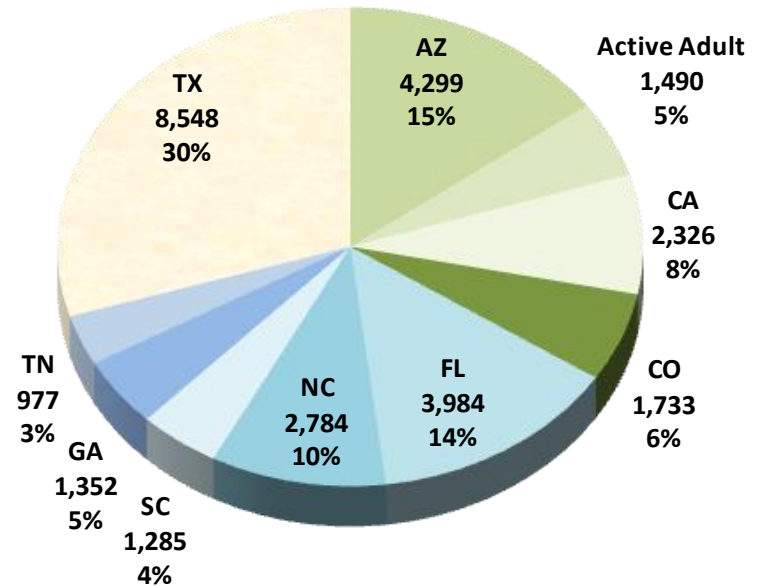
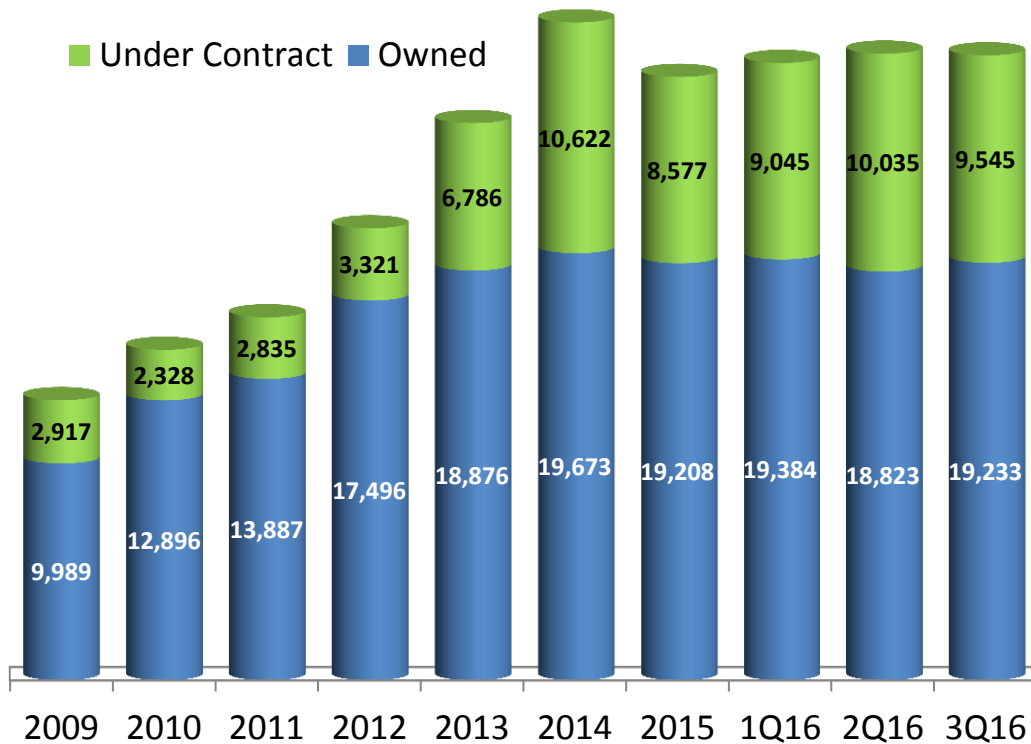
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Maintaining lot supply

28,778 Total Lots Owned/Controlled
as of 9/30/16



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Summary

- ✓ Strong earnings expansion during the quarter from growth in closings and revenue, offsetting margin compression
- ✓ Orders, closings and backlog increased year over year in units, ASP's and total dollar value
- ✓ Continued focus on margin improvements
- ✓ Growth opportunities with entry-level plus homes for first-time buyers
- ✓ Demand drivers for housing and homebuilding remain strong

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Full Year 2016 guidance

(\$ in millions except ASP)	FY2016 (previous)	FY2016 (current)
Home orders	7,350-7,550	7,300-7,500
Home closings	7,300-7,600	7,300-7,500
Home closing revenue	\$2.9-3.1 billion	\$2.9-3.1 billion
Home closing gross margin (excluding impairments)	17.5-18.0%	~17.5%
Effective tax rate	32-34%	31-32%
Diluted EPS	\$3.55-3.85	\$3.40-3.60

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