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Meritage Homes

Setting the standard for energy-efficient homes™

Second Quarter 2017

Analyst Conference Call

August 1, 2017

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 expectations with respect to future growth, execution of strategic initiatives and projections with respect to the entry-level and first-time home buyer market, as well as projected home closings and home closing revenue, home closing gross margins and pre-tax earnings for the full year 2017.

Such statements are based upon the current beliefs and expectations of Company management, and current market conditions, which are subject to significant uncertainties and fluctuations. 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; changes in interest rates and the availability and pricing of residential mortgages; the success of strategic initiatives; shortages 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; inflation in the cost of materials used to develop communities and construct homes; the adverse effect of slow 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 earnest or option deposits; our potential exposure to and impacts from 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; our ability to successfully integrate acquired companies and achieve anticipated benefits from these acquisitions; our compliance with government regulations; the effect of legislative and other governmental actions, orders, policies or initiatives that impact housing, labor availability, construction, mortgage availability, our access to capital, the cost of capital or the economy in general, 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, 2016 and our subsequent Form 10-Q, under the caption "Risk Factors," which can be found on our website.

Management Representatives

Steven J. Hilton – Chairman & CEO

Phillippe Lord – EVP & Chief Operating Officer

Hilla Sferruzza – EVP & Chief Financial Officer

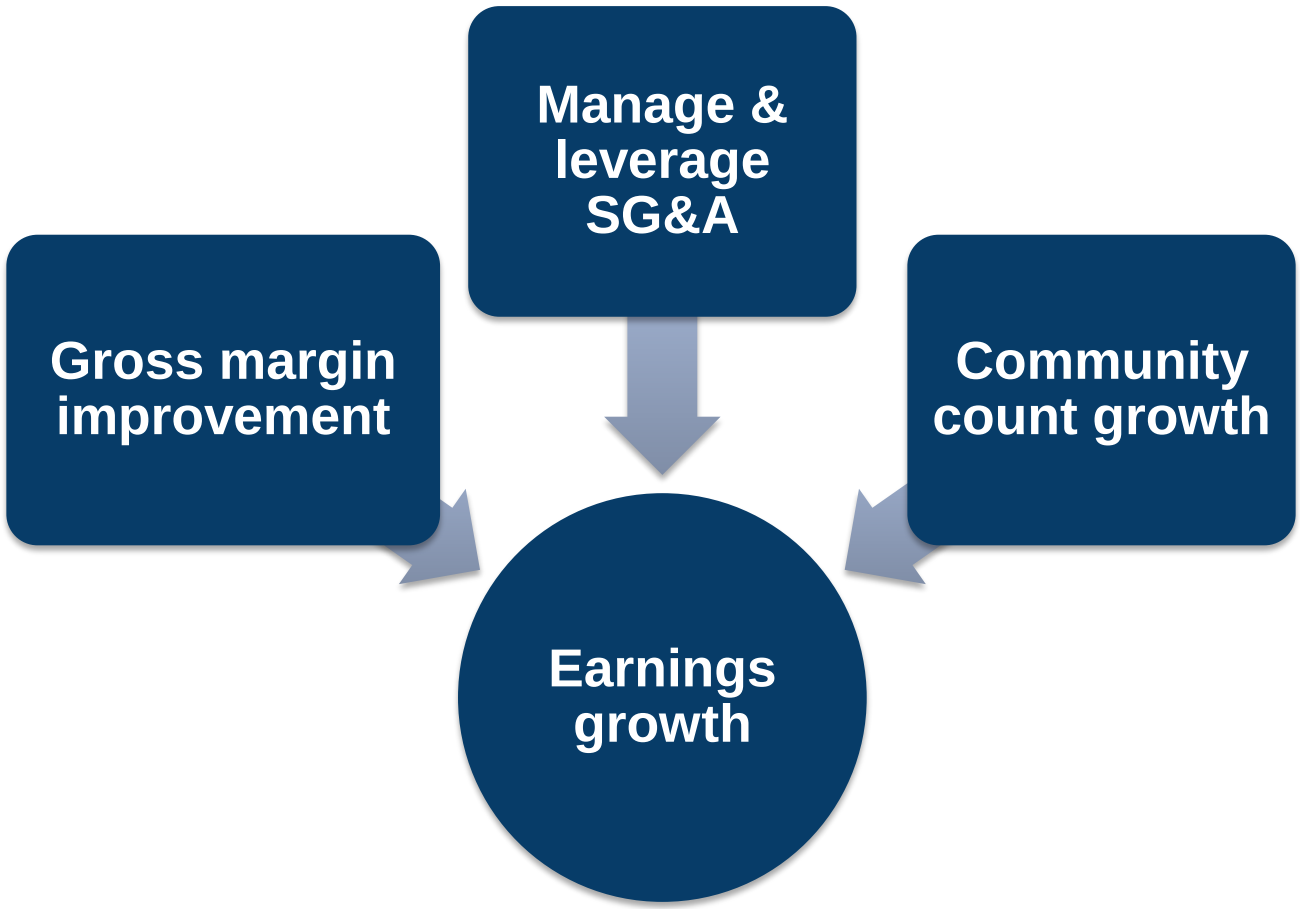
Brent Anderson – VP Investor Relations

Highlights of 2Q 2017

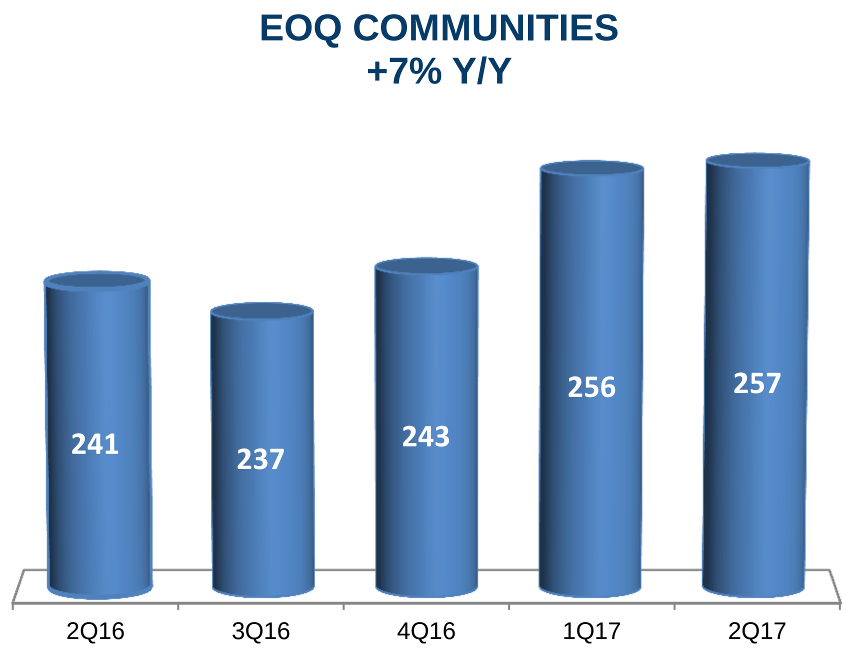
Y/Y % comparisons to 2Q16

- Strong order growth in TX & AZ
  - Led by strong demand in entry-level segment
- Large % of spec closings
- Home closing gross margin improved
- Pre-tax earnings increased against difficult 2Q16 comparison
- Good progress on strategic initiatives

Strategic Initiatives for Long-Term Success

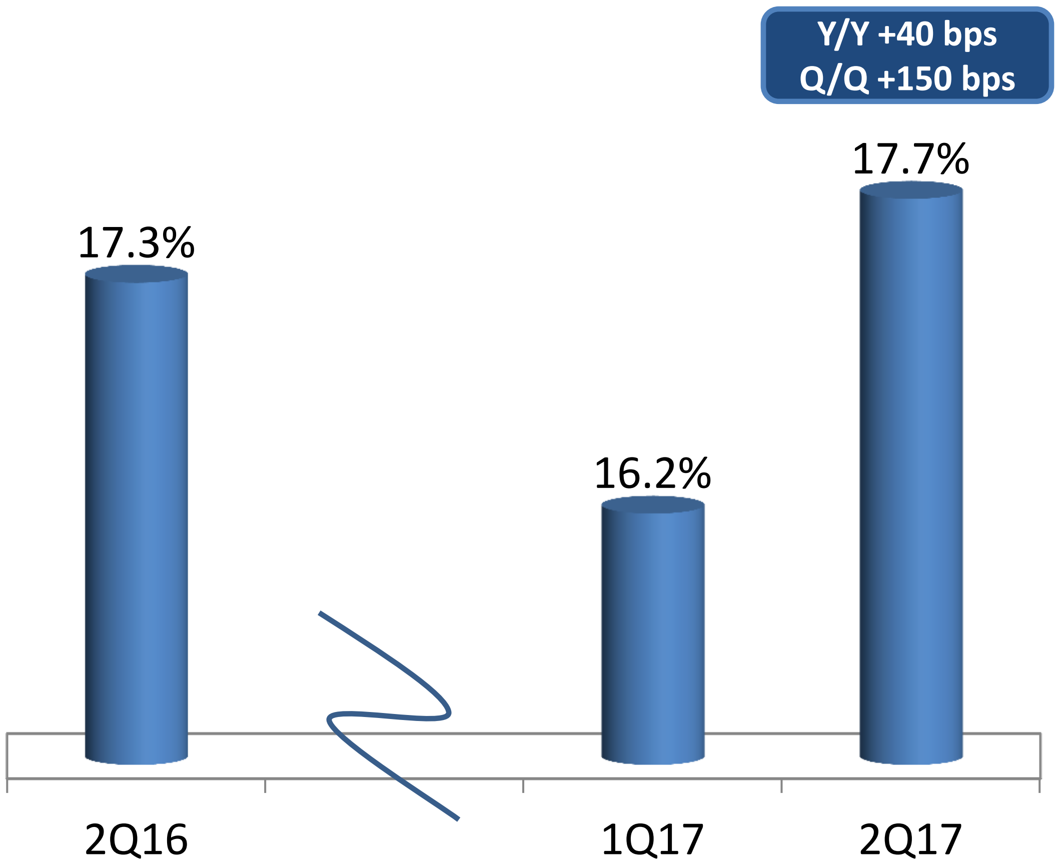


Community Count Growth



Maintained 5% YTD growth in active community count, consistent with our target for 2017

Gross Margin Improvement



- Price increases offset rising costs
- Better margins on spec homes
- Greater operating leverage

SG&A Improvement

2Q17
10.6%

- (10) bps Y/Y reduction in 2Q17
- (50) bps Y/Y reduction YTD

FY17
10.5-11%

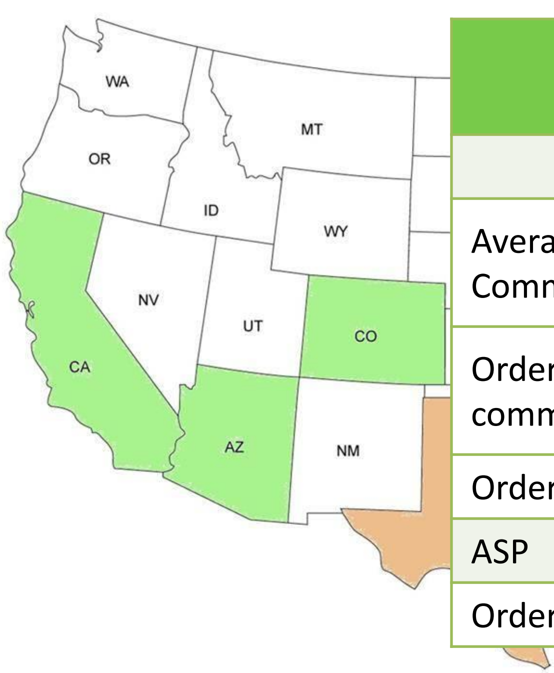
- Cost controls
- Productivity gains

Long-term
10-10.5%

- Closing volume leverage

West Region: Strong Demand, Reloading

- **Arizona**: Benefitting from aggressive pivot into more entry-level product, which is driving significant growth
- **California**: Reloading for communities closing out; 2nd highest absorptions in the company
- **Colorado**: Highest absorption rate due to strong demand; Reloading pipeline as communities close out early

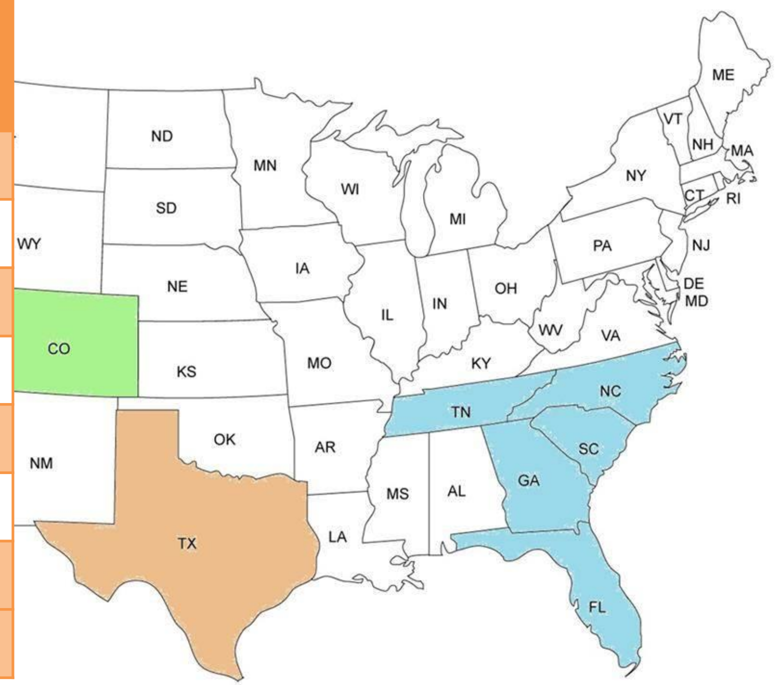


West Region Percentage (%) changes 2Q17 vs. 2Q16				
	AZ	**CA**	**CO**	**Region**
Average Active Communities	40.5	27.5	10.0	78.0
	-5%	+12%	-23%	-3%
Orders/ Average community	9.8	10.0	13.3	10.3
	+26%	-15%	+2%	+4%
Orders	+20%	-5%	-21%	+2%
ASP	-7%	+3%	+16%	-1%
Order Value	+12%	-2%	-9%	+1%

Central Region: Strong Demand Across Texas

- Volume growth at lower ASP's due to pivot to entry-level, especially in Austin and Houston

Central Region Percentage (%) changes 2Q17 vs. 2Q16	
	TX
Average Active Communities	88.5
	+24%
Orders/ Average Community	8.1
	+5%
Orders	+30%
ASP	-3%
Order Value	+25%



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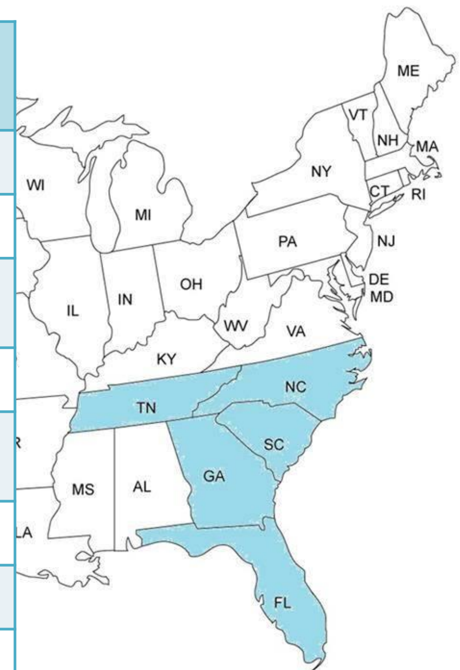
East Region: Successes With New Product – Focus on Rolling Out in New and Existing Communities

- **Florida**: nice bounce back driven by our affordable bungalow product and new communities in A locations
- **Georgia**: new product rolled out in new communities being well-received by buyers, working to build momentum
- **NC & SC**: success with new product in NC, new Division President just placed in SC
- **Tennessee**: focusing on opening new communities and increasing brand awareness

East Region Percentage (%) changes 2Q17 vs. 2Q16						
	FL	**GA**	**NC**	**SC**	**TN**	**Region**
Average Active Communities	31.0	18.0	19.0	14.5	7.5	90.0
	+19%	+3%	-17%	-9%	-6%	-1%
Orders/ Average Community	9.1	5.5	7.5	4.6	5.9	7.1
	-12%	-17%	+9%	-38%	-37%	-12%
Orders	+6%	-14%	-10%	-44%	-41%	-13%
ASP	+7%	-%	+2%	+6%	+11%	+7%
Order Value	+13%	-14%	-8%	-41%	-35%	-8%



YTD Income Statement Highlights

($millions, except ASP and per share amounts)	Six Months Ended June 30,		
	2017	2016	%Chg
Home closings	3,487	3,438	***+1%***
ASP (closings)	$418K	$405K	***+3%***
Home closing revenue	$1,458	$1,391	***+5%***
Home closing gross profit	$248	$241	*+3%*
Home closing gross margin	17.0%	17.3%	*-30 bps*
SG&A expenses	$162	$161	*+1%*
-- % of home closing revenue	11.1%	11.6%	*-50 bps*
Interest expense	$2	$5	*-51%*
-- % of total closing revenue	0.2%	0.4%	*-20 bps*
Earnings before taxes	$100	$88	*+14%*
Tax rate	34.8%	30.8%	*+400 bps*
Net earnings	$65	$61	*+7%*

Earnings growth driven by:

- **Home closing revenue growth**
- **Greater SG&A leverage**
- **Partially offset by higher tax rate**

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Issued $300M Senior Notes to Pay Off Credit Facility & Convertible Notes, Investing in Growth

Net debt-to-capital *(non-GAAP reconciliation to Debt-to-capital ratio)*	($millions) Jun-30, 2017	Dec-31, 2016
Notes payable and other borrowings	$ 1,358	$ 1,127
Less: cash and cash equivalents	(217)	(132)
Net debt	$ 1,141	$ 996
Stockholders' equity	1,492	1,421
Total capital	$ 2,633	$ 2,417
Net debt-to-capital	43.3%	41.2%
Real estate inventory	$2.64B	$2.42B

Statistics	2017	2016
2Q Closings from spec inventory	51%	42%
As of June 30		
Unsold homes (specs)	1,790	1,270
Under construction	72%	79%
Completed	28%	21%
2Q land & development spending	$279M	$254M

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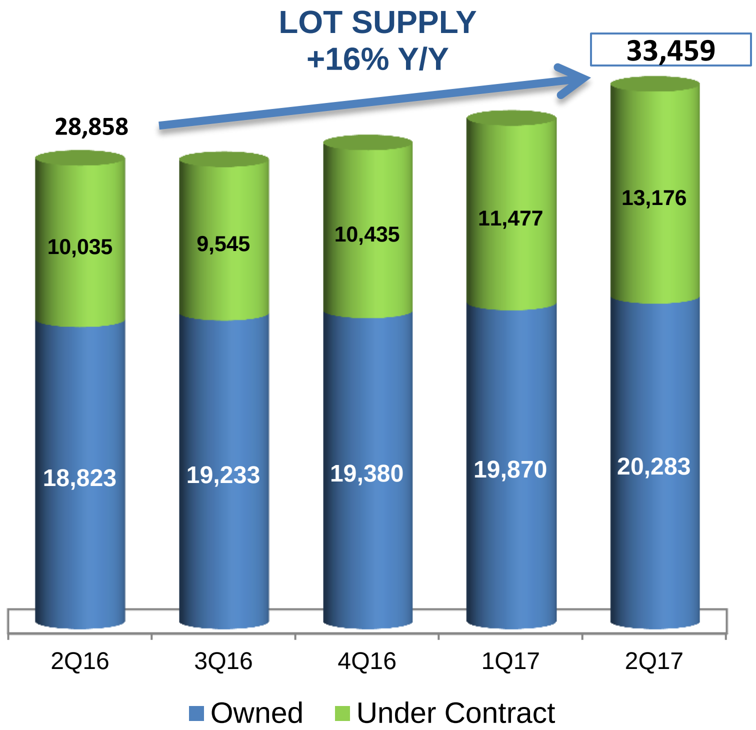
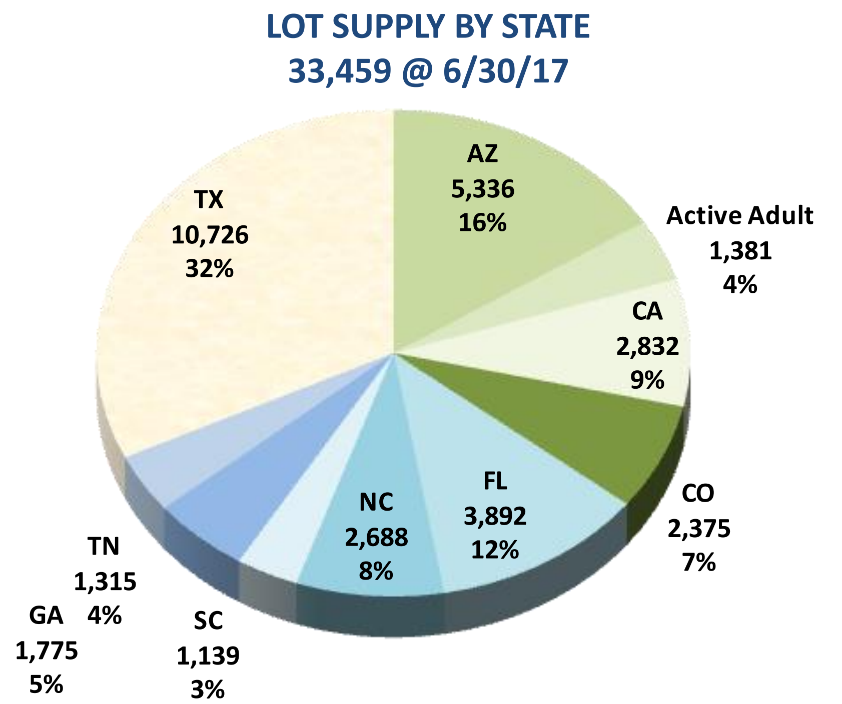
Continuing to Invest in New Communities

- Invested $279M in land & development in 2Q17
- Secured 4,000+ new lots in 2Q17 for 2018+ (~70% for entry-level)





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2017 FY & 2Q guidance

Full Year 2017

- 7,600-8,000 home closings (+3-9% Y/Y)
- $3.1-3.3 billion home closing revenue (+3-10%)
- Gross margin % in line with 2016
- Improve leverage – reduce SG&A 30-80 bps
- $230-250 million pre-tax earnings
- 34-35% tax rate unless energy tax credits renewed

3Q17

- 1,875-1,975 closings: (4-10)% vs 3Q16 1,800
- $780-830M revenue: (6-13)% vs 3Q16 $736M
- $53-58M pre-tax earnings: (-2-7)% vs 3Q16 $54M

Summary

- Solid 2Q17 results
- Good progress on strategic initiatives
- Housing market drivers remain positive
- Increased focus on growing entry-level segment

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