



JP Morgan Homebuilding & Building Products Conference

May 19, 2021

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Forward-Looking Statements

The information included in this presentation and the accompanying comments from management contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include expectations about the housing market in general, and our projected 2021 home closings, home closing revenue, gross margins, effective tax rate, diluted earnings per share and future community counts.

Such statements are based on 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, except as required by law, 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: changes in interest rates and the availability and pricing of residential mortgages; inflation in the cost of materials used to develop communities and construct homes; our ability to obtain performance and surety bonds in connection with our development work; the ability of our potential buyers to sell their existing homes; legislation related to tariffs; the adverse effect of slow absorption rates; impairments of our real estate inventory; cancellation rates; competition; home warranty and construction defect claims; failures in health and safety performance; fluctuations in quarterly operating results; our level of indebtedness; our ability to obtain financing if our credit ratings are downgraded; our potential exposure to and impacts from natural disasters or severe weather conditions; the availability and cost of finished lots and undeveloped land; the success of our strategy to offer and market entry-level and first move-up homes; 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 limited geographic diversification; the replication of our energy-efficient technologies by our competitors; shortages in the availability and cost of subcontract labor; our exposure to information technology failures and security breaches and the impact thereof; the loss of key personnel; changes in tax laws that adversely impact us or our homebuyers; our inability to prevail on contested tax positions; failure to comply with laws and regulations; our compliance with government regulations; negative publicity that affects our reputation; disruptions to our business by COVID-19, fear of a similar event, and measures that federal, state and local governments and/or health authorities implement to address it; 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, 2020 under the caption "Risk Factors," which can be found on our website at www.investors.meritagehomes.com.

Management Representatives

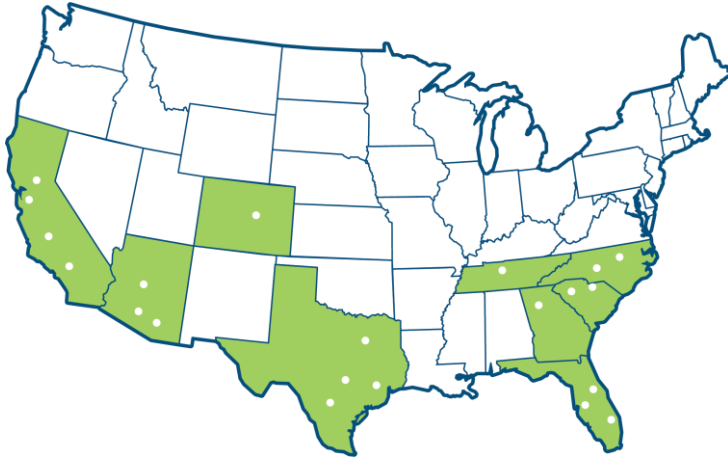


Phillippe Lord – CEO

Hilla Sferruzza – EVP & Chief Financial Officer

Emily Tadano – VP Investor Relations

Meritage Homes Company Overview



Meritage Homes is the sixth-largest US public homebuilder



Well positioned as top five homebuilder in 10 of our 17 markets



Delivered over 140,000 homes in its 36-year history



In 2020, Forbes recognized Meritage as one of America's best mid-sized companies



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Investment Overview



Sound strategy for entry-level and first move-up



Unique value proposition with LiVE.NOW.® & Studio M



Simplifying & streamlining operations



Better margins & leverage through pricing power and increased volume help drive earnings growth



Strongest balance sheet ever



Proven execution given FY2019 – 1Q21 results



Market conditions remain strong

Demand Drivers for New Homes

- **AFFORDABILITY** –mortgage interest rates remain affordable despite recent uptick
- **INVENTORIES** of existing and new homes in the market continue to be constrained
- **DEMOGRAPHIC TRENDS** in homebuying from millennials and baby boomers
- Desire for **HEALTHIER** and **SAFER** single-family homes



Strategic Advantages



- **EXCLUSIVELY FOCUSED ON ENTRY-LEVEL & 1ST MOVE-UP**
- **UNIQUE MERITAGE VALUE PROPOSITION:**
 - Quality construction
 - M.Connected Home™ automation suite
 - Leading energy efficiency
 - Simplified & streamlined
 - “*Surprisingly more*”
 - Full virtual capabilities

Positioned For Growth

Well-positioned with entry-level & first move-up

Prioritizing price while managing spec starts & the corresponding orders pace


100% spec building for entry-level communities

Strong balance sheet to support elevated land investment & healthy land position

Operationally executing at a high level



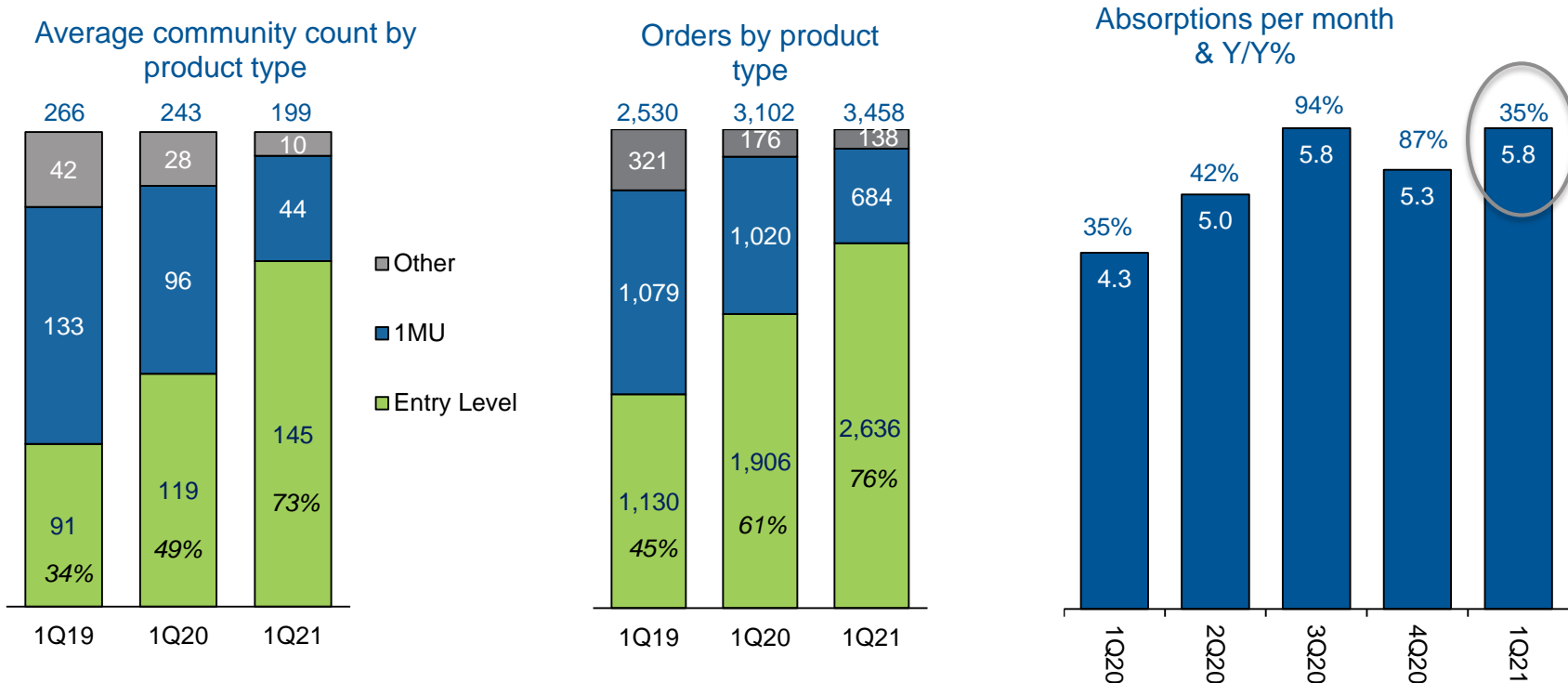
Entry-Level (LiVE.NOW.®)

A man and a woman are sitting on a light-colored sofa in a modern living room. The woman is holding a brown and white dog, and both are smiling. The background shows dark wood kitchen cabinets and a staircase.

Millennials are ready to buy and they want a home that has unique features and lives better.

They focus on the experience as much as the product.

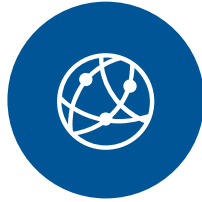
Reached Target Product Mix with Over Two-Thirds Of Average Communities Focused On Entry-Level



LIVE.NOW.® Offers “Surprisingly More” Value



**Signature energy-
efficiency**



**M.Connected
Home™
Automation Suite**



**Variety of sizes
& floor plans**



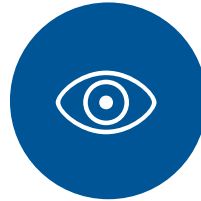
**Beautiful front
elevations**



**High-end
finishes**



9-foot ceilings



**Granite
countertops**

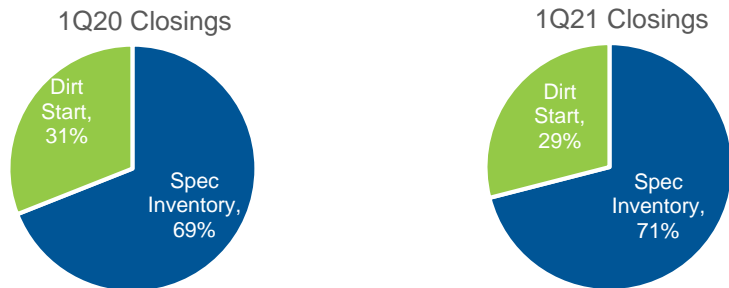


**Large kitchen
islands & full-size
cabinets**

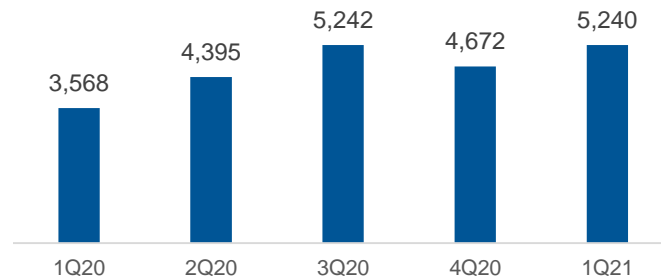
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Maintaining Spec Strategy Despite Accelerated Orders Pace And Construction Constraints

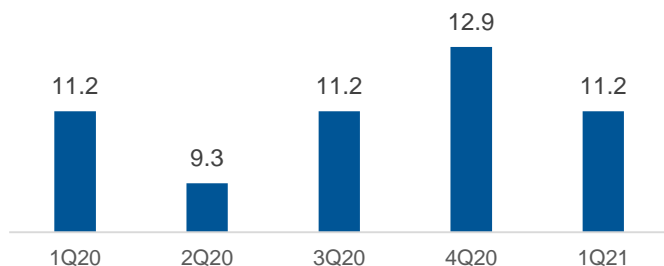
Home Closings



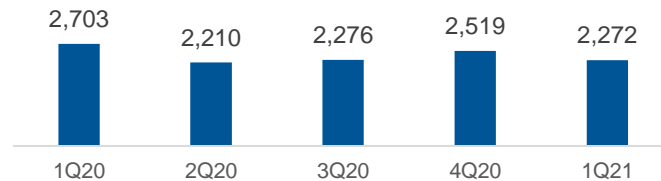
Ending Backlog Units



Average Specs Per Community



Available Specs Completed or Under Construction



First Move-Up

First Move-Up Strategy

- First move-up homes are priced within conforming loan limits
- Home customization options offered to first move-up buyers through Studio M's design center experience and option packages known as "design collections"
- Great selection & personalization via a streamlined design process customer experience
- Higher take rates on options than entry-level homes



studioM[®]
DESIGN CENTER
BY MeritageHomes[®]



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Customer Experience Transformation Leads To Higher Take Rates

BEFORE: Eliminated Previous A La Carte Experience

Thousands of choices & SKUs,
unnecessary effort for little benefit

A La Carte Selections



NOW: Curated Design Collections priced equally creates value & transparency

High volume of reduced SKUs, all packages priced
equally removes customer stress

The Design Collections



Leader of a Green Mission in Homebuilding

As an early adopter, Meritage constantly innovates energy efficiency homebuilding through new building techniques & features that provide the most bang for the buck

Our Green Mission includes healthier, safer homes given spray foam insulation, advanced ventilation systems and MERV-13 filtration, earning Meritage EPA's Indoor airPLUS

First national homebuilder to offer triple-certified homes



Differentiated Commitment to Innovation

Delivering Innovation to the Customer And Homeowner



Initiated Innovation Standards nationwide, including programmable thermostats

Launched WiFi-enabled M.Connected Home™ Automation Suite to monitor & control certain energy-efficiency as well as safety & security control features wherever and whenever



Implemented 100% contactless selling throughout the homebuying process, including online financial services (online mortgage pre-qualification, electronic payment of earnest money deposits & on-demand homeowners' insurance quotes)

Recent Results and Guidance

1Q21 Milestones



New Multispeed HVAC System Standard



Centralized Hub For M.Connected Home™ Automation Suite



New On-demand Homeowners' Insurance Quotes



Enhanced DEI Recruitment Efforts



Pledging Annual Financial Support to DEI Efforts Again



Launched ESG Webpage



ENERGY STAR
AWARD 2021

PARTNER OF THE YEAR
Sustained Excellence

85% Earnings Growth In 1Q21

(\$ Millions except EPS & ASP)	1Q21	1Q20	%Chg
Home closings	2,890	2,316	+25%
ASP (closings)	\$374K	\$384K	(3)%
Home closing revenue	\$1,080.0	\$890.4	+21%
Home closing gross profit	\$266.7	\$178.4	+50%
Home closing gross margin	24.7%	20.0%	+470bps
SG&A expenses	\$105.7	\$95.3	+11%
% of home closing revenue	9.8%	10.7%	(90)bps
Earnings before taxes	\$166.0	\$86.8	+91%
Tax rate	20.6%	18.1%	+250bps
Net earnings	\$131.8	\$71.2	+85%
Diluted EPS	\$3.44	\$1.83	+88%
% of total specs completed at March 31st	7%	28%	(75)%

1Q21 HIGHLIGHTS:

- Company's highest first quarter of closings
- Best quarterly home closing gross margin since 1Q06 despite rising costs of lumber and other commodities
- Strong growth in net earnings reflected higher closing volume, pricing power, expanded gross margin and improved overhead leverage
- Selling more specs in early stages of production to meet elevated demand as well as managing our spec starts to correspond with the supply chain constraints drove the lower percentage of completed specs

Strong Balance Sheet Provides Flexibility

Net Debt-to-Capital Reconciliation (\$ Millions)		
(non-GAAP reconciliation)	March 31, 2021	Dec 31, 2020
Notes payable & other borrowings	\$1,021	\$1,020
Less: cash & cash equivalents	(\$716)	(\$746)
Net debt	\$304	\$274
Stockholders' equity	\$2,477	\$2,348
Total net capital	\$2,781	\$2,622
Net debt-to-capital	10.9%	10.5%
Total capital	\$3,497	\$3,368
Debt-to-capital	29.2%	30.3%
Book value/share	\$65.44	\$62.59

Ample liquidity at March 31, 2021 given

- \$716M of cash
- Nothing drawn under \$780M credit facility
- Continued low net debt to capital

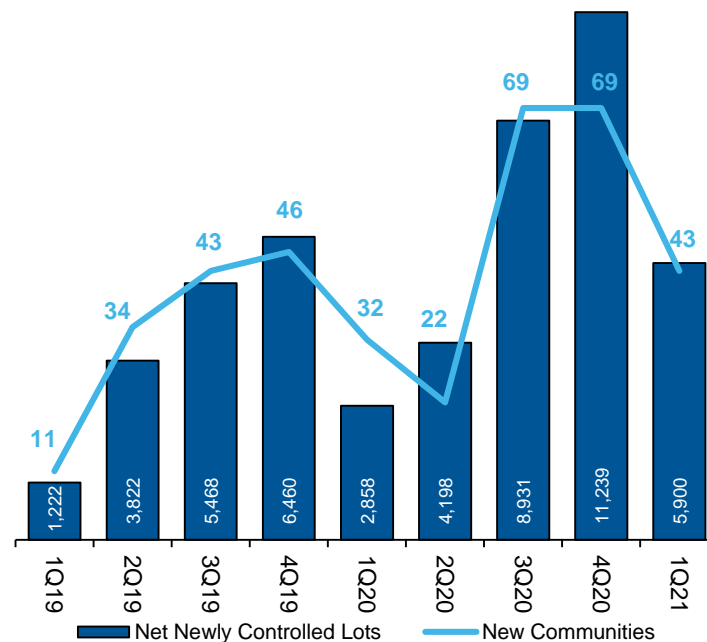
Achieved several objectives in 1Q21:

- Announced issuance of \$450M of new senior notes priced at 3.875% due in 2029
- Issued notice of redemption for \$300M principal outstanding of the 7.00% senior notes due 2022 with redemption date of April 30, 2021
- Repurchased 100K shares for a total of \$8.4M to partially offset issuance of annual employee grants
- Received an S&P credit rating upgrade

Meritage now one notch below investment grade from all three rating agencies

Accelerated Land & Development Investment

Real Assets	1Q21	1Q20
Land & development spending	\$370M	\$246M
As of period ended Mar-31:		
Total lots controlled	58,085	41,501
Supply of lots (years)	4.7	4.2
- Owned	60%	63%
- Optioned	40%	37%



Guidance For FY2021 & 2Q21 – NOT UPDATED

FULL YEAR 2021

- 11,700-12,700 home closings
- \$4.55-4.85 billion home closing revenue
- Home closing gross margin approximately 25.0%
- Effective tax rate approximately 23.0%
- Diluted EPS \$13.75 - \$14.75

2Q 21

- 2,800-3,100 home closings
- \$1.1-1.2 billion home closing revenue
- Home closing gross margin approximately 25.0%
- Diluted EPS \$3.05 - \$3.35

Projected Community Count

- 2Q21 to remain around 200 communities
- End 2021 up 20% from today's level
- June 2022 target of 300 communities

Appendix

Select Historical Balance Sheet Metrics

<i>(\$ Millions)</i>	2013	2014	2015	2016	2017	2018	2019	2020
Total Debt	\$909	\$925	\$1,117	\$1,127	\$1,284	\$1,310	\$1,019	\$1,020
Shareholders' Equity	\$841	\$1,109	\$1,259	\$1,421	\$1,577	\$1,721	\$1,974	\$2,348
Total Capitalization	\$1,750	\$2,034	\$2,376	\$2,548	\$2,861	\$3,031	\$2,993	\$3,368
Total Debt / Capitalization	51.9%	45.5%	47.0%	44.2%	44.9%	43.2%	34.0%	30.3%

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