Citi 2013 North American Credit Conference

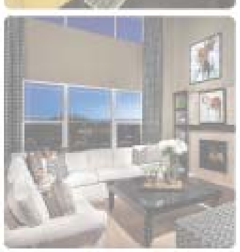
November 6, 2013

Meritage Homes® CORPORATION

Setting the standard for energy-efficient homes™





Forward-Looking Statements

This presentation and accompanying comments contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include management's expectations for continued growth of the housing market, plans to enter new markets and expand in its existing markets, and management's projected home closings, home closing revenue and earnings per diluted share for 2013.

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; 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; 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; our ability to take certain actions because of restrictions contained in the indentures for our senior and senior subordinated notes and our ability to raise additional capital when and if needed; our credit ratings; successful integration of future acquisitions; government regulations and 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, 2012, and subsequent reports on Forms 10-Q , under the caption “Risk Factors,” which can be found on our website.

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Speakers

Steven J. Hilton, Chairman and CEO

Larry W. Seay, EVP and CFO

Company Profile

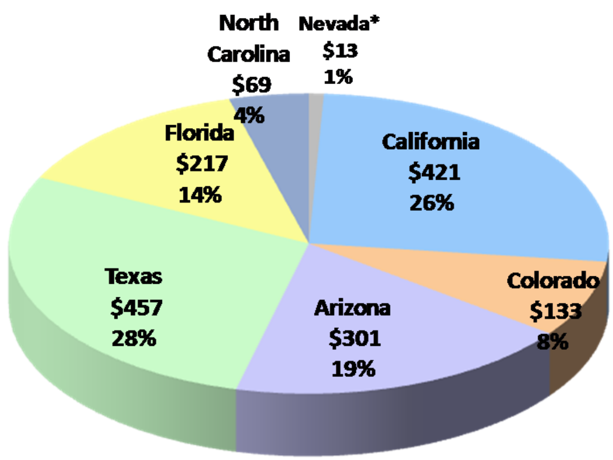
- Founded in 1985 – delivered 75,000+ homes through 2012
- Headquartered in Scottsdale, AZ
- Listed on NYSE:MTH since 1996
- 9th largest U.S. homebuilder by 2012 closings

With the recent addition of Nashville:

7 states • 15 markets • 179 communities

LTM Home Closing Revenue by State

$1.6B through Sept-30, 2013 ($Millions)



*NV operations discontinued in 2013, TN operations commenced Sep-2013

In 12 of top 20 markets by permit activity, with top-5 market share in key markets

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Confident in Basic Housing Thesis: Upturn has Plenty of Room to Run

- ✓ Low resale supply increasing demand for new homes
- ✓ We're underbuilding: Starts at <50% of normal
- ✓ There's pent-up demand from deferred household formations
- ✓ Affordability is still great
- ✓ Credit is beginning to expand to approve more buyers

After bottoming in 2011, the recovery has begun, but the upturn could continue for many years

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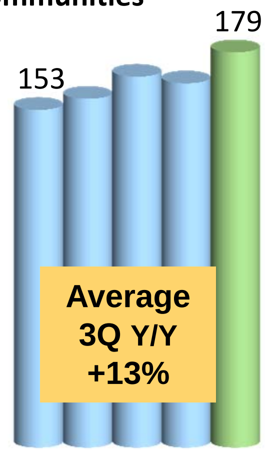
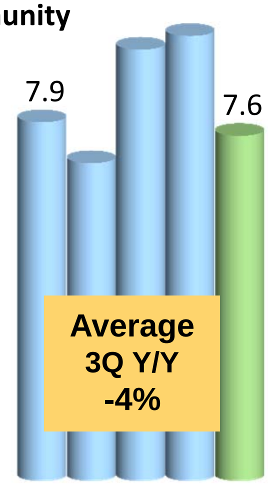
Sales Have Grown as Market Has Improved

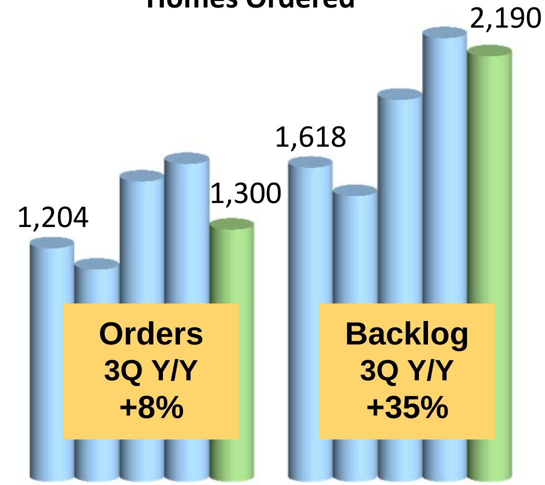
Active Communities



Orders/ Community

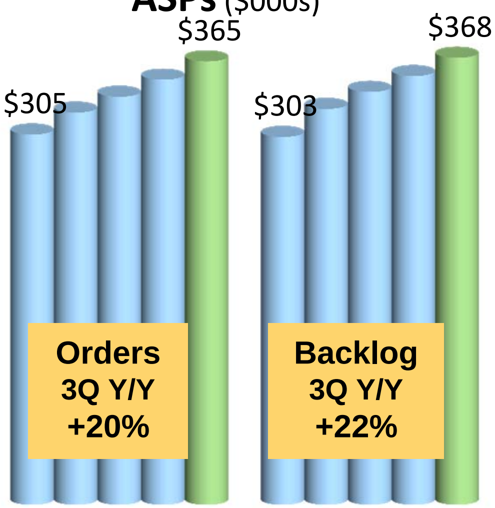


Homes Ordered

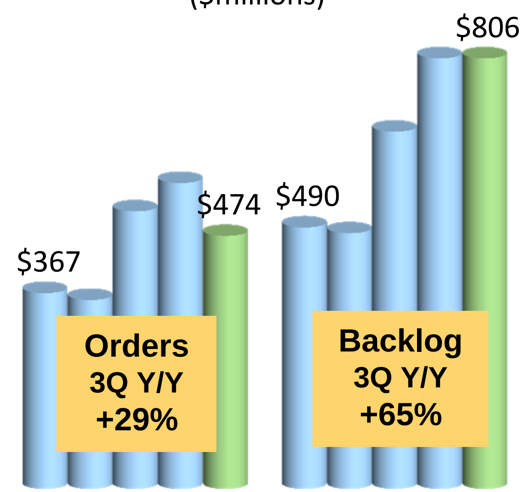


3Q12 4Q12 1Q13 2Q13 3Q13

ASPs ($000s)



Total Value
($millions)



Orders grew for the 10th consecutive quarter, but at a slower pace than recent quarters

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Recent Softening in Sales

New Home Sales down sequentially since June 2013 -- multiple causes:

- <u>Prices</u> increased rapidly over the last year (>20% in many markets) – buyers paused purchase decisions to see if prices will hold
- <u>Interest rates</u> jumped 100bps in May – rare occurrence
- <u>Normal seasonality</u> for 3Q and 4Q sales to decline from 2Q
- <u>Recent government actions</u> were disruptive and impacted consumer confidence

Affordability still high, government back to work and homebuilder sentiment remains at 7-year high

We are not overly concerned with slower sales since summer began -- it does not change the basic thesis for long-term growth in homebuilding

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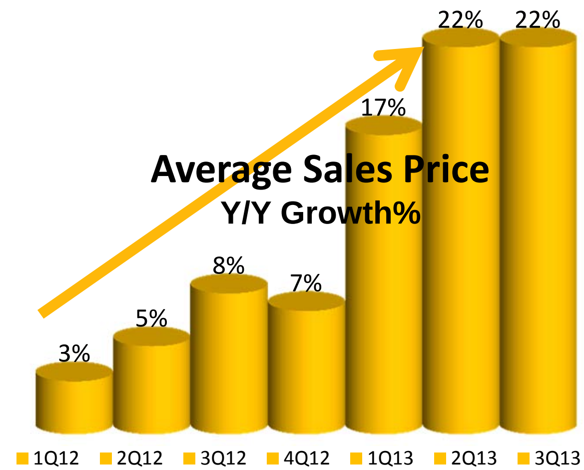
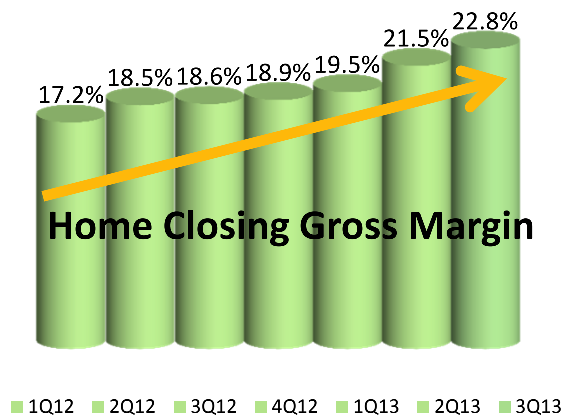
Increasing Margins with Rising Home Prices





Gross margin expansion mainly due to price increases while home sales growth slowed

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Maximizing Profitability by Leveraging Top-Line Growth

	YTD Sep-30 2013	YTD Sep-30 2012	*Change*	*Units/$ Change*
Home closings	**3,791**	2,998	*+26%*	***793***
ASP	**$330**	$274	*+20%*	***$56***
Home closing revenue	**$ 1,249,897**	$ 820,242	*52%*	***$429,655***
Home closing gross profit	**$ 268,340**	$ 149,213	*80%*	***$ 119,127***
-- as a percent of home closing revenue	**21.5%**	18.2%	*+330 bps*	
Commissions and other sales costs	**(90,526)**	(67,950)	*33%*	***(22,576)***
-- as a percent of home closing revenue	**7.2%**	8.3%	*-110 bps*	
General and administrative expenses	**(66,587)**	(50,446)	*32%*	***(16,141)***
-- as a percent of closing revenue	**5.2%**	6.1%	*-90 bps*	
Interest expense	**(13,113)**	(18,718)	*-30%*	***5,605***
-- as a percent of closing revenue	**1.0%**	2.3%	*-130 bps*	
Pre-tax earnings/(loss)	**$ 111,793**	$ 5,254	*n/m*	***$106,539***
-- as a percent of total revenue	**8.7%**	0.6%	*810 bps*	
Net earnings	**$ 78,375**	$ 10,035	*681%*	***$68,340***

Earnings growth primarily from higher home & land closing gross profit, financial services and overhead leverage

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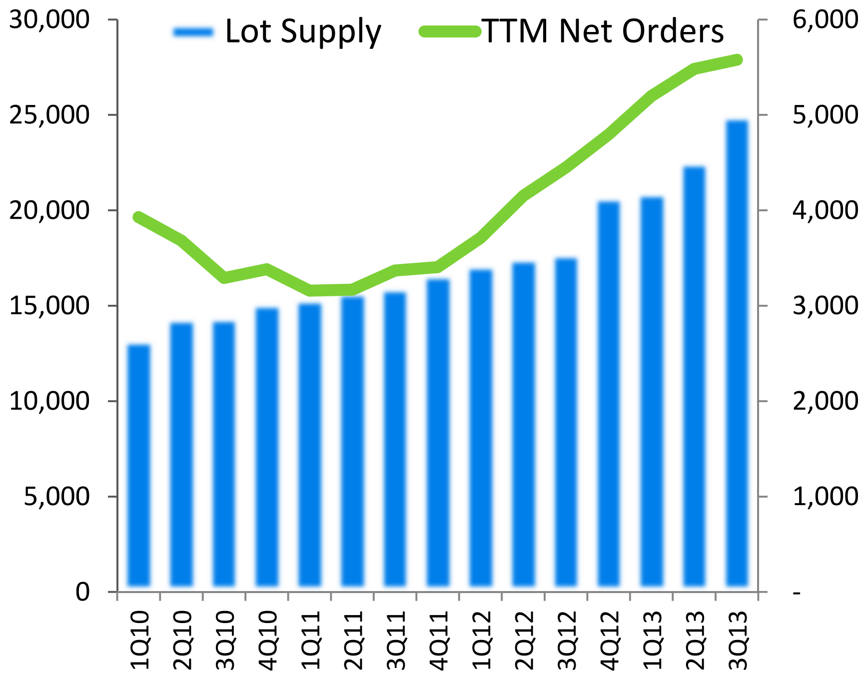
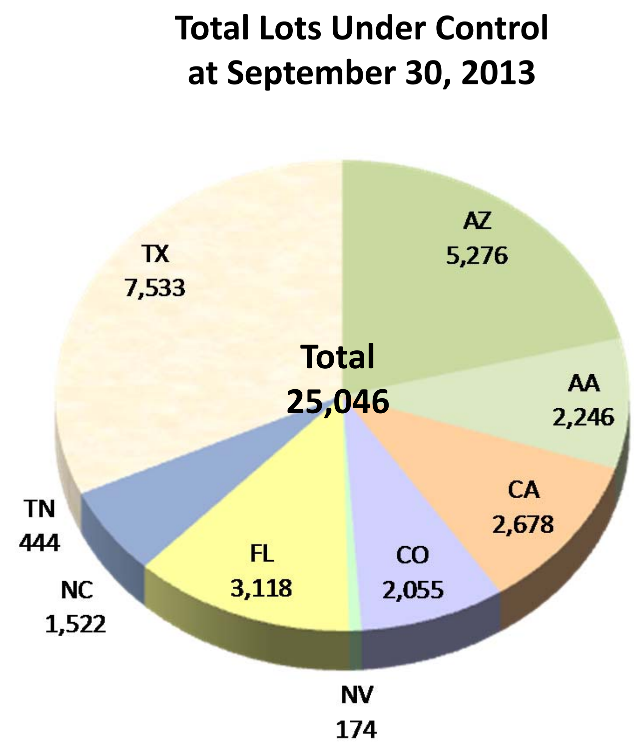
Investing to Meet Future Growth Projections





We control the lots for all of 2014 projected closings and ~85% of 2015 projected closings

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Maintaining Strong Balance Sheet

$ in millions	**9/30/13**	12/31/12
Total Cash & Securities	**$311**	$295
Real Estate Inventory	**$1,345**	$1,113
Spec homes (started but unsold)	**652**	643
Net Debt* to Capital	**38.1%**	38.1%

*no debt maturities until 2018

Interest coverage ratio:	**Last 4 Qtrs Ended Sep-30,**	
	2013	**2012**
Adjusted EBITDA (excluding impairments)	$ 186,660	$ 55,515
Interest incurred	50,192	44,667
Interest coverage ratio	3.7	1.2

Strong balance sheet with adequate capital and financing capacity to support additional growth

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Long-Term Debt, No Near-Term Maturities

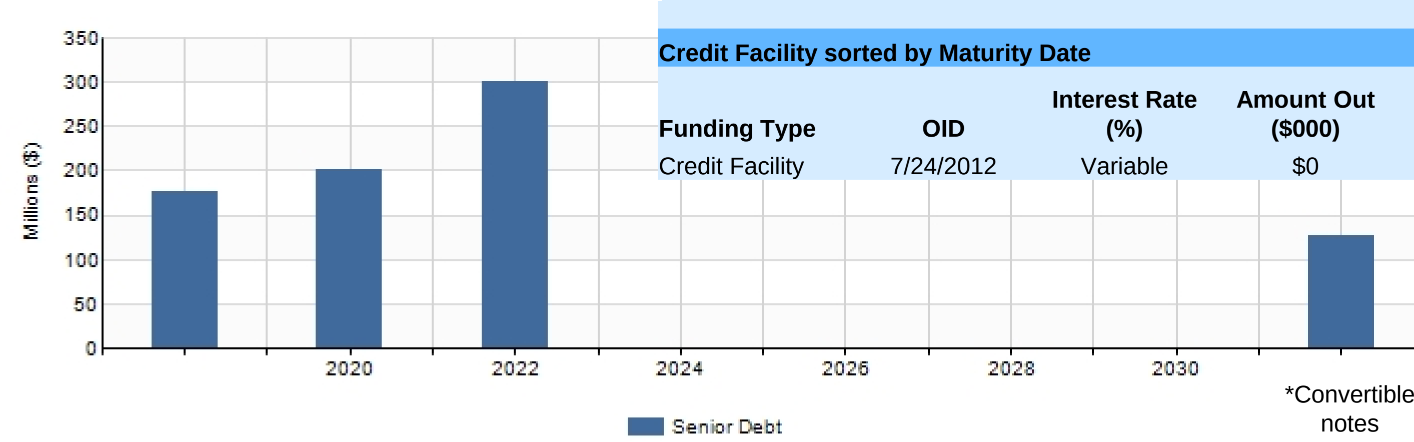
Senior Debt sorted by Amount Out

Funding Type	OID	Cpn Rate (%)	Amount Out ($000)	Maturity Date
Senior Debt	8/6/2012	7.0000	$300,000	4/1/2022
Senior Debt	6/30/2010	7.1500	$200,000	4/15/2020
Senior Debt	5/21/2013	4.5000	$175,000	3/1/2018
Senior Debt*	9/18/2012	1.8750	$126,500	9/15/2032

Credit Facility sorted by Maturity Date

Funding Type	OID	Interest Rate (%)	Amount Out ($000)	Maturity Date
Credit Facility	7/24/2012	Variable	$0	7/24/2016

Debt Maturity Profile



Credit Ratings	Moody's	S&P	Fitch Ratings
Long-term Rating	B1	B+	B+
Outlook	Stable	Positive	Positive
Watch	-	-	-
As of Date	2/27/2013	7/3/2013	5/10/2013

Source: SNL Financial

No debt maturities until 2018; nothing drawn on $135M credit facility

Summary & Guidance

- **Top line growth**
  - new markets, additional communities, maximizing prices
- **Cost control**
  - maximize gross margins
- **Overhead leverage**
  - maximize earnings growth
- **Strong balance sheet**
  - maintain flexibility, manage risk, maximize ROA/ROE
- **Expectations for 2013**:
  - Prices and costs begin stabilizing
  - Margins increase modestly before beginning to normalize
  - 2013 Home closing revenue approx. $1.8 Billion
  - 2013 Diluted EPS approx. $2.95-3.05

Market has a long runway for additional growth and we are focused on maximizing earnings

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