Meritage Homes®

LIFE. BUILT. BETTER.®

THIRD QUARTER 2023 ANALYST CONFERENCE CALL

NOVEMBER 1, 2023

Safe Harbor

The information included in this presentation 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, our sales pace, backlog conversion rate, level of spec starts, SG&A as a percentage of home closing revenue, landbanking utilization and cash spend on land investments, share repurchases and cash dividends; our intention to increase our community count; expectations about our future results, including but not limited to our 4Q23 projected home closings, home closing revenue, home closing gross margins, effective tax rate and diluted earnings per share.

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: increases in mortgage interest rates and the availability and pricing of residential mortgages; the use of rate locks and buy-downs; inflation in the cost of materials used to develop communities and construct homes; cancellation rates; supply chain and labor constraints; the ability of our potential buyers to sell their existing homes; our ability to acquire and develop lots may be negatively impacted if we are unable to obtain performance and surety bonds; the adverse effect of slow absorption rates; legislation related to tariffs; impairments of our real estate inventory; 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 money 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 of our employees and representatives to comply with laws and regulations; our compliance with government regulations related to our financial services operations; negative publicity that affects our reputation; potential disruptions to our business by an epidemic or pandemic (such as COVID-19), 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, 2022 and our Form 10-Q for the quarter ended June 30, 2023 under the caption "Risk Factors," which can be found on our website at https://investors.meritagehomes.com.

Speakers




Steven J. Hilton – Executive Chairman

Phillippe Lord – Chief Executive Officer

Hilla Sferruzza – EVP & Chief Financial Officer

Emily Tadano – VP of Investor Relations and ESG

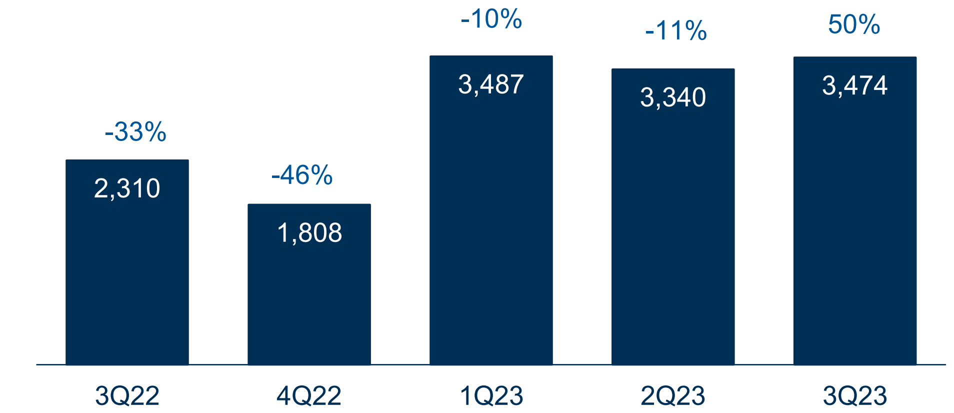
Recent Milestones

- Certified Great Place To Work
- Received the EPA's 2023 Indoor airPLUS for 3rd consecutive year for building healthy homes
- Joined Green Builder Media's 2023 ESG Leaders list
- Made Arizona's Most Admired Companies of 2023 list
- Named one of the 2023 Arizona Business Angels honorees
- Published 2022 ESG Report with enhanced TCFD data[1]

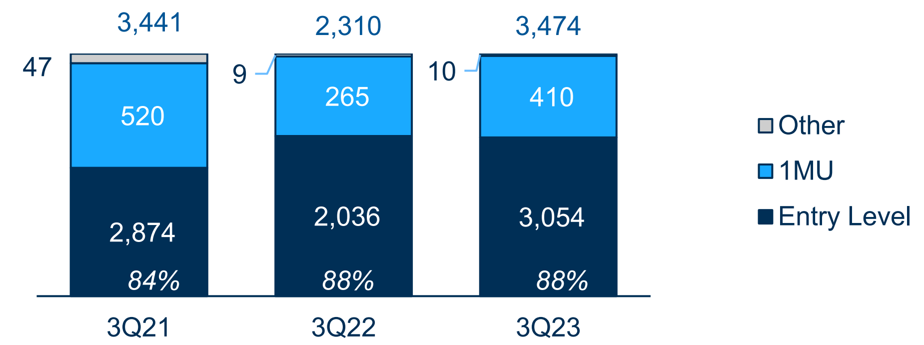
(1) TCFD refers to Task Force on Climate-Related Financial Disclosures

Net Sales Orders Increased 50% Year-Over-Year

Total Orders & Y/Y %

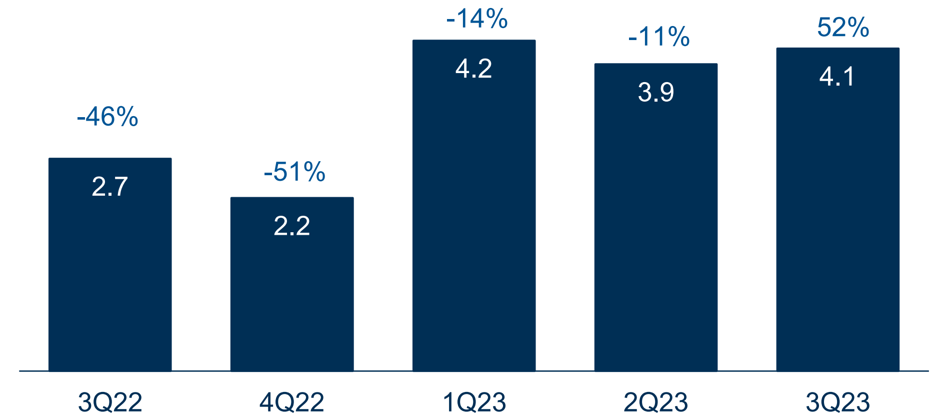


Orders by Product Type

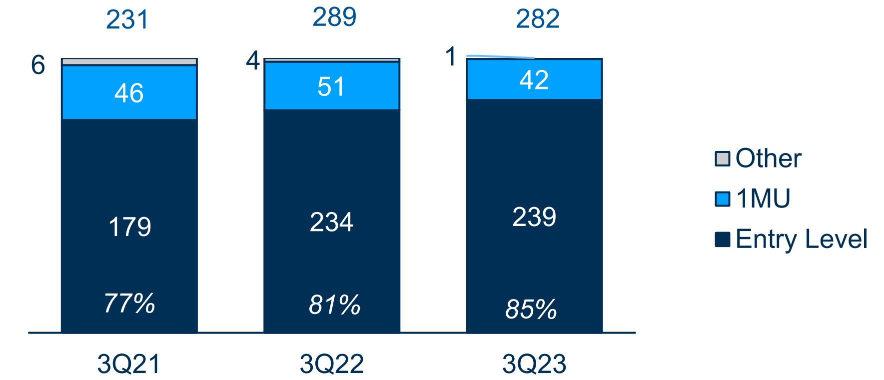


Percentage relates to entry-level as a percentage of total orders

Average Absorptions per Month & Y/Y %



Average Community Count by Product Type



Percentage relates to entry-level as a percentage of total average community count

Steady Performance Across Our Diversified Geographic Footprint

	West Region	Central Region	East Region	Total
Average Active Communities	91.0	82.0	108.5	281.5
Average Active Communities Y/Y(%)	-13%	6%	1%	-3%
Entry-level % Average Communities	75%	71%	94%	85%
Absorption per month	3.6	4.5	4.3	4.1
Absorption per month Y/Y(%)	140%	67%	13%	52%
Orders	985	1,099	1,390	3,474
Orders Y/Y(%)	116%	73%	14%	50%
ASP on Orders Y/Y(%)	0%	-3%	0%	2%
Order Value Y/Y(%)	116%	68%	15%	54%

We aggregate our homebuilding operating segments into reporting segments based on similar long-term economic characteristics and geographical proximity.

Our three reportable homebuilding segments are as follows:

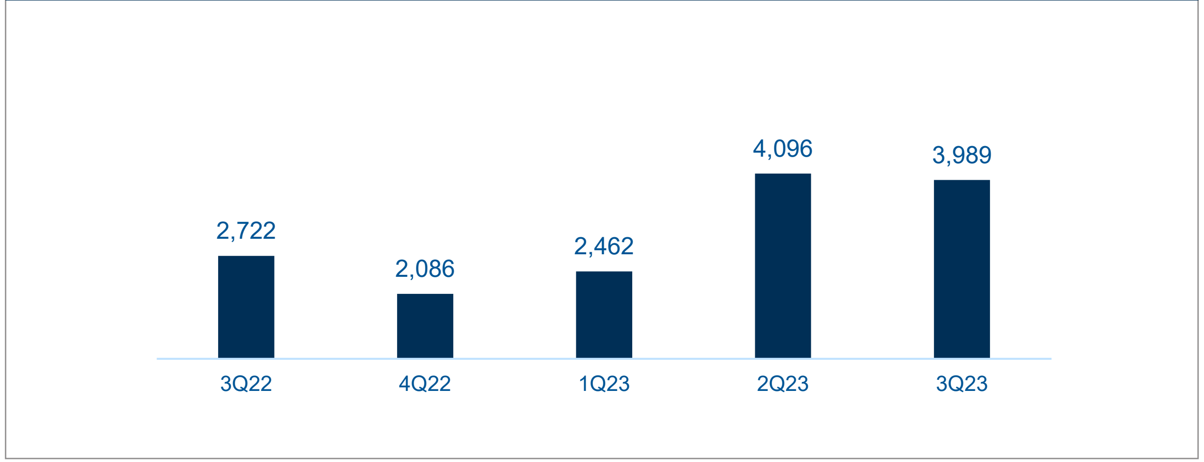
West: Arizona, California, Colorado, and Utah

Central: Texas

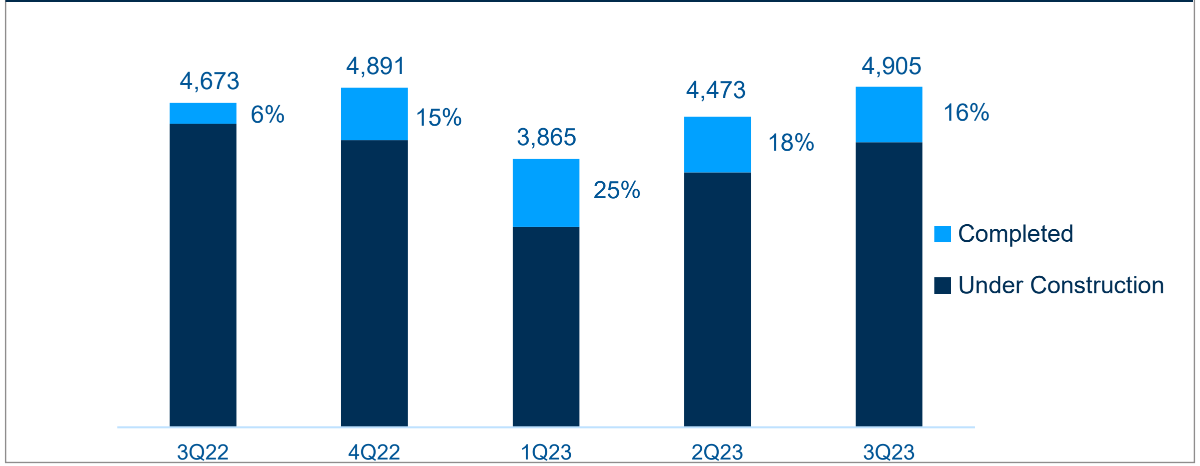
East: Florida, Georgia, North Carolina, South Carolina, and Tennessee

Increasing Spec Supply is Our Competitive Advantage

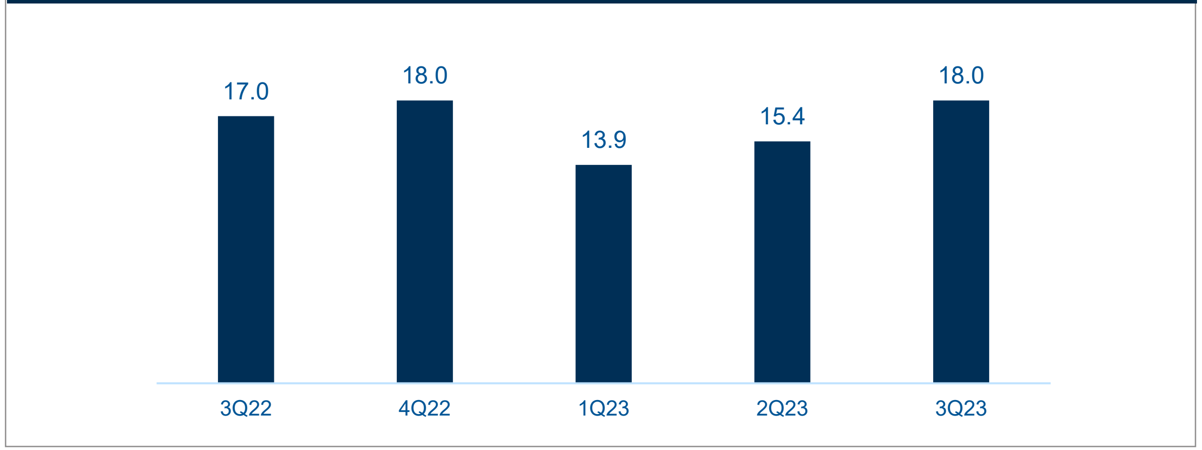
Spec Starts



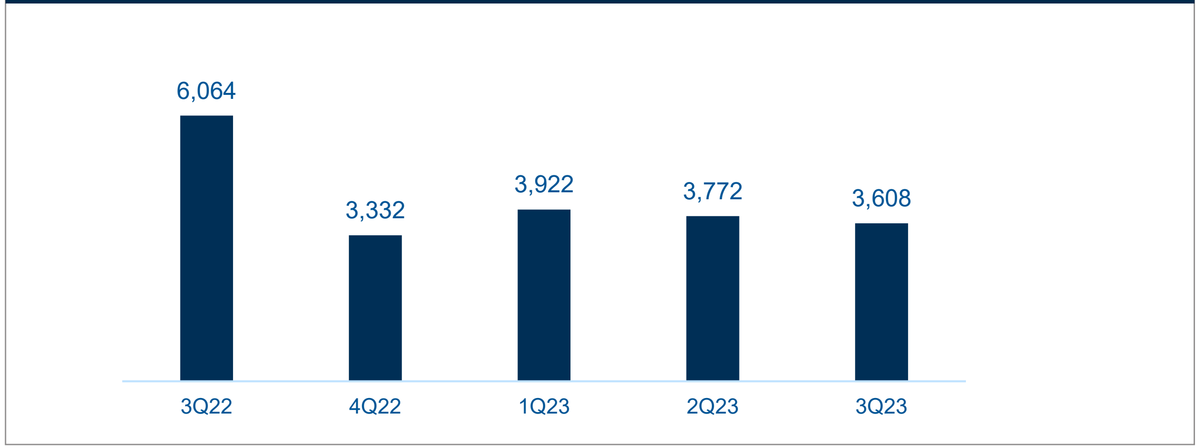
Total Specs & % Completed Specs



Average Specs Per Community



Ending Backlog Units



Strong Financial Performance in 3Q23

($ Millions except EPS & ASP)	3Q23	3Q22	%Chg	YTD2023	YTD2022	%Chg
Home closings	3,638	3,487	*4%*	10,025	9,566	*5%*
ASP (closings)	$443K	$450K	*(2)%*	$440K	$442K	*(0)%*
Home closing revenue	$1,610	$1,569	*3%*	$4,415	$4,223	*5%*
Home closing gross profit	$430	$451	*(5)%*	$1,089	$1,273	*(14)%*
Home closing gross margin	26.7%	28.7%	*(200) bps*	24.7%	30.1%	*(540) bps*
SG&A expenses	$162	$126	*29%*	$441	$349	*26%*
SG&A % of home closing revenue	10.1%	8.1%	*200 bps*	10%	8.3%	*170 bps*
Earnings before taxes [1]	$286	$329	*(13)%*	$691	$947	*(27)%*
Tax rate [1]	22.4%	20.3%	*210 bps*	21.8%	22.9%	*(110) bps*
Net earnings [1]	$222	$262	*(16)%*	$540	$730	*(26)%*
Diluted EPS [1]	$5.98	$7.10	*(16)%*	$14.55	$19.65	*(26)%*

3Q23 Highlights:

- Highest third quarter of home closings and home closing revenue
- Home closing gross margin primarily impacted by higher financing incentives
- SG&A as a percentage of home closing revenue impacted by higher commissions and compensation costs
- In 3Q22, year to date Sept 2022 cumulative tax credits were recognized

(1) 3Q23 and year to date Sept 2023 includes a loss on early extinguishment of debt of $0.9M in connection with the $150M partial redemption of our 6.00% senior notes due 2025; there were no such redemptions in 2022

Accelerated Capital Spend in 3Q23

($ Millions)		
(non-GAAP reconciliation)	Sep 30, 2023	Dec 31, 2022
Notes payable & other borrowings	$1,005	$1,151
Stockholders' equity	$4,421	$3,950
Total capital	$5,426	$5,100
Debt-to-capital	18.5%	22.6%
Less: cash & cash equivalents	($1,049)	($862)
Net debt	($43)	$289
Total net capital	$4,378	$4,239
Net debt-to-capital	(1.0)%	6.8%
Book value/share	$121.29	$108.00

Received second upgrade to BBB- investment grade rating

Ample liquidity at Sept. 30, 2023:

- $1.0B of cash
- Nothing drawn on $835M credit facility

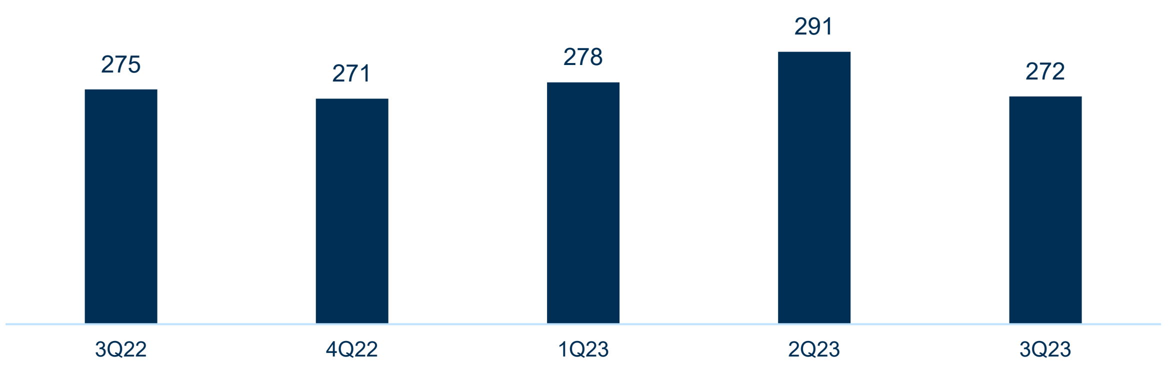
Capital usage in 3Q23:

- Land spend totaled $537M; year to date Sept 2023 spend totaled $1.3B
- Repurchased over 319K shares for $45M; year to date Sept 2023 repurchased 412K shares for $55M
- Quarterly $0.27 per share cash dividend payment totaled $10M; year to date Sept 2023 totaled $30M
- Redeemed $150M of our 6.00% senior notes due in 2025 ("2025 Notes"); $250M remains outstanding under our 2025 Notes

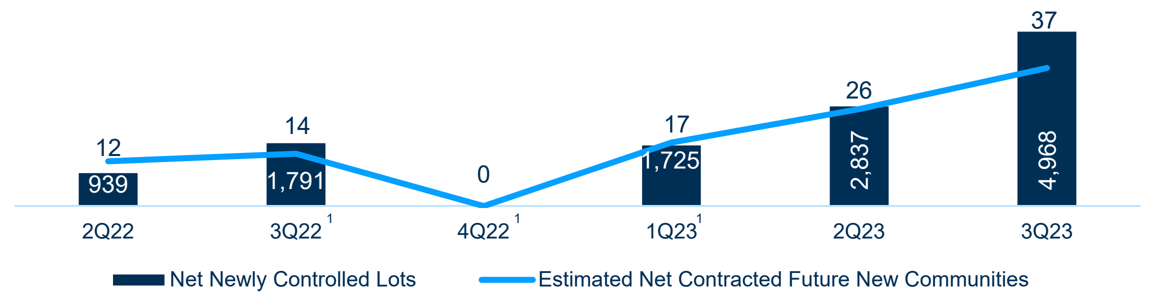
Momentum in Land Investment

As of period ended	September 30, 2023	June 30, 2023	September 30, 2022
Total lots controlled	60,662	59,683	66,348
Supply of lots (years)	4.2	4.1	5.1
- Owned	74%	76%	69%
- Optioned	26%	24%	31%

Active Ending Community Count



Net Newly Controlled Lots & Net Contracted Future New Communities



(1) Refers to gross new lots put under control and the related future new communities

Guidance

4Q 2023	
	• Home closings of 3,500-3,700 units • Home closing revenue of $1.45-1.53 billion • Home closing gross margin of 25-26% • Effective tax rate of about 23% • Diluted EPS of $4.84-5.43

Positioned for Growing Market Share

- Focus on spec inventory
- Prioritizing pace over price
- Strong execution
- Disciplined growth
- Strong balance sheet and ample liquidity