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**Second Quarter 2016
Analyst Conference Call
July 28, 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 revenue and earnings growth, projected orders, home closings and home closing revenue, home closing gross margins, tax rates and diluted earnings per share for the third quarter and 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; 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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Management Representatives

Steven J. Hilton – Chairman & CEO

Phillippe Lord – EVP & Chief Operating Officer

Hilla Sferruzza – EVP & Chief Financial Officer

Brent Anderson – VP Investor Relations

Second quarter 2016 highlights

(% comparisons 2Q16 vs 2Q15)

Net earnings +37%

Diluted EPS +36%

Earnings before taxes +43%

Home closing gross profit +21%
(GM% -200 bps)

Home closing revenue +35%
(closings +25%; ASP +7%)

- ✓ Conversion rate 61% of backlog
vs 56% in 2Q15
- ✓ 42% of closings from spec
inventory vs 40% in 2Q15

Second quarter earnings components

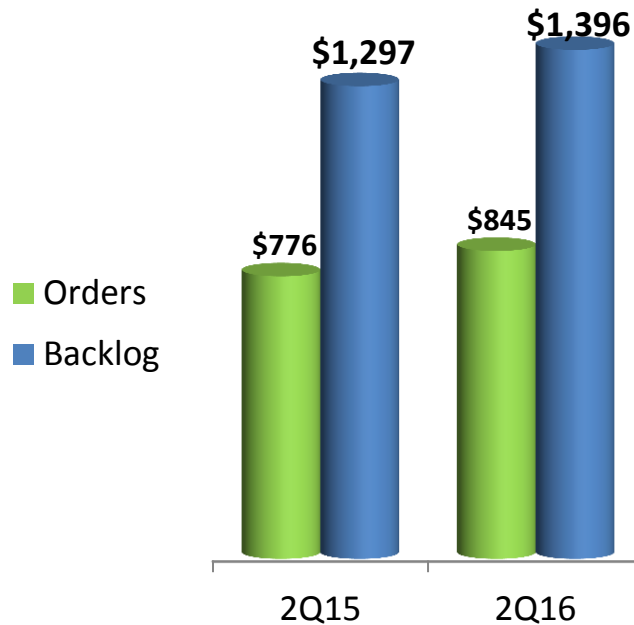
(\$ in millions except ASP)	2Q16	2Q15	Chg
Home closings	1,950	1,556	+25%
ASP	\$408	\$380	+7%
Home closing revenue	\$795,845	\$591,027	+35%
Home closing gross margin	17.3%	19.3%	-200 bps
Home closing gross profit	\$137,746	\$114,237	+21%
Commissions and other sales costs	56,379	45,167	+25%
-- as a percent of home closing revenue	7.1%	7.6%	-50 bps
General and administrative expenses	28,898	27,650	+5%
-- as a percent of total closing revenue	3.6%	4.6%	-100 bps
Interest expense	1,672	4,621	-64%
-- as a percent of total closing revenue	0.2%	0.8%	-60 bps
Earnings before income taxes	\$59,036	\$41,414	+43%
-- effective tax rate	32.5%	29.7%	+280 bps
Net earnings	\$39,878	\$29,133	+37%
Diluted EPS	\$ 0.95	\$ 0.70	+36%

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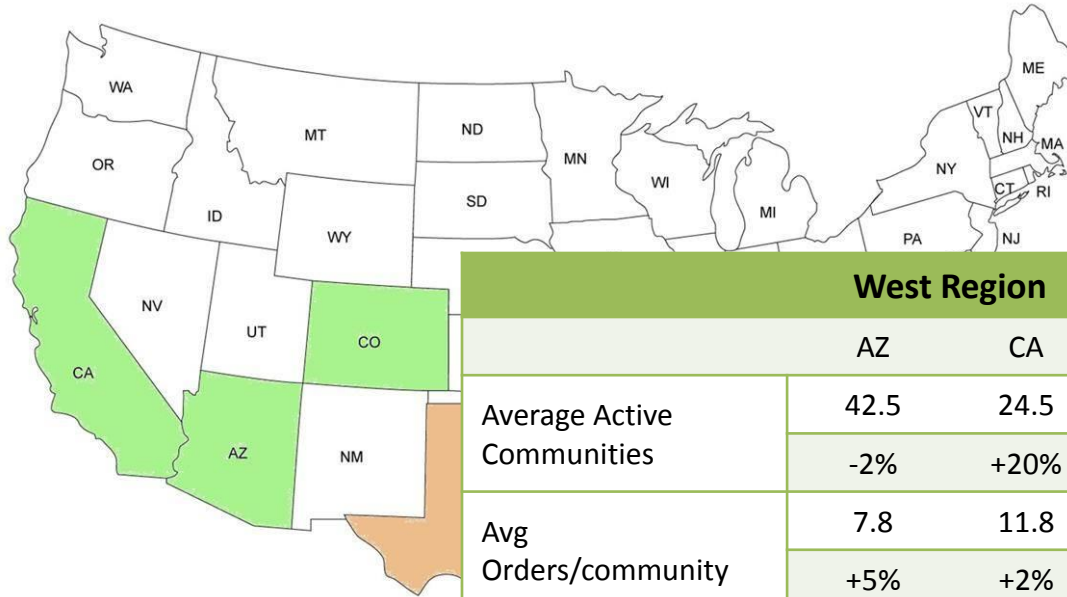
Orders and backlog value growth



- ✓ Orders +4% in units (2,073 vs 1,986) and +9% in value Y/Y
- ✓ Community count and absorptions increased marginally Y/Y
- ✓ Backlog +4% in units (3,314 vs 3,188) and +8% in value Y/Y
- ✓ ASPs +4% for orders and backlog

West region orders statistics

Percentage (%) changes 2Q16 vs. 2Q15

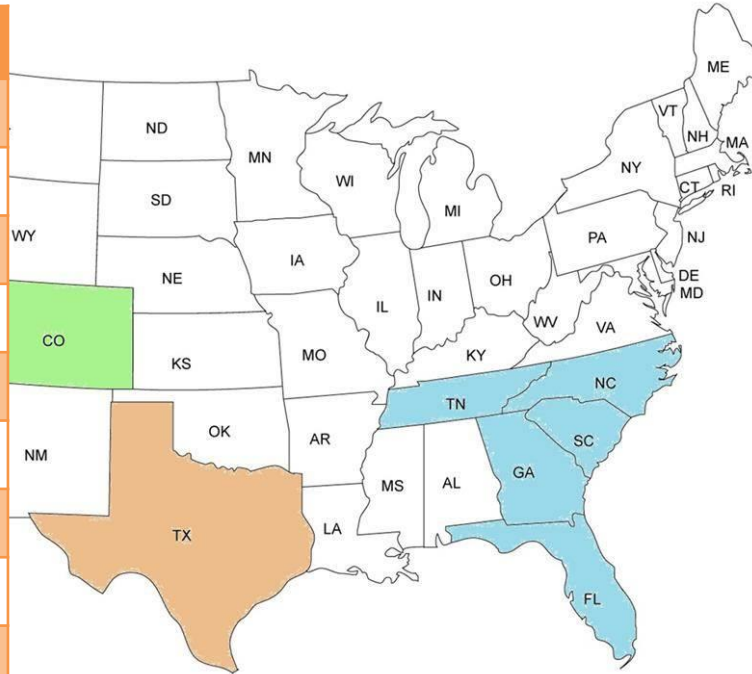


West Region				
	AZ	CA	CO	Region
Average Active Communities	42.5	24.5	13.0	80.0
	-2%	+20%	-19%	--%
Avg Orders/community	7.8	11.8	13.0	9.9
	+5%	+2%	+15%	+8%
Orders	+3%	+22%	-7%	+7%
Order Value	+13%	+26%	--%	+15%
Backlog	+7%	-16%	-9%	-6%
Backlog Value	+24%	-11%	+2%	+1%

Central region orders statistics

Percentage (%) changes 2Q16 vs. 2Q15

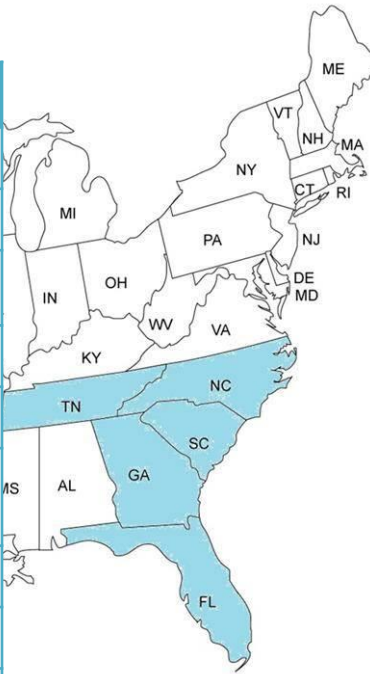
Central Region	
	TX
Average Active Communities	71.5
	+13%
Avg Orders/ community	7.7
	-23%
Orders	-13%
Order Value	-9%
Backlog	-4%
Backlog Value	+3%



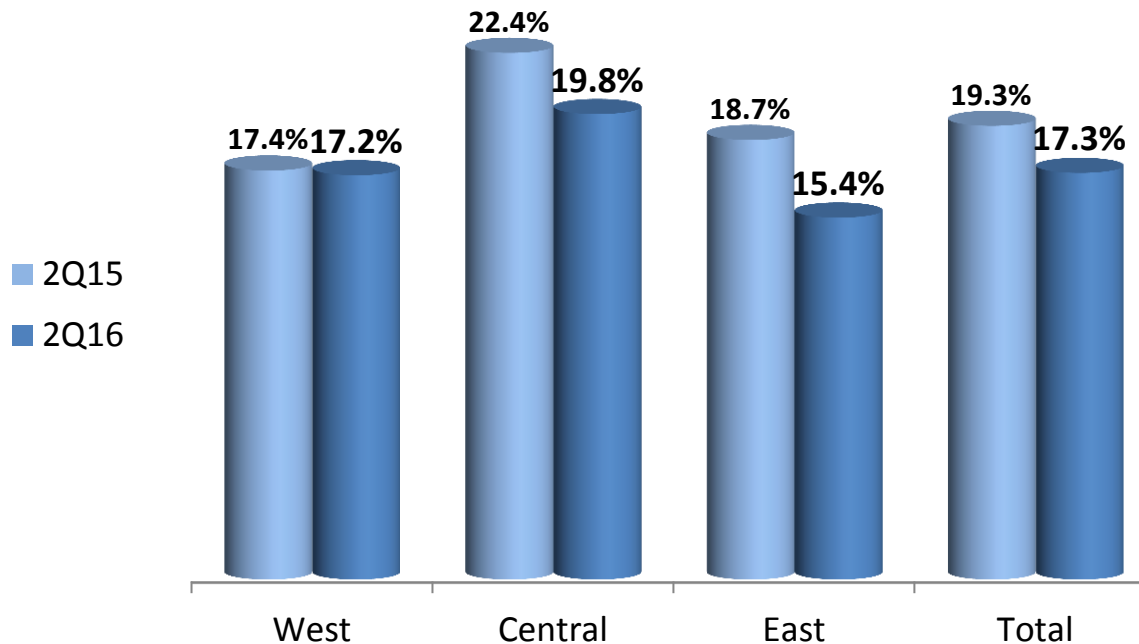
East region orders statistics

Percentage (%) changes 2Q16 vs. 2Q15

East Region						
	FL	GA	NC	SC	TN	Region
Average Active Communities	26.0	17.5	23.0	16.0	8.0	90.5
	-7%	+21%	-4%	-20%	+78%	-1%
Avg Orders/ community	10.3	6.6	6.9	7.4	9.4	8.1
	+32%	+78%	-8%	+48%	-32%	+21%
Orders	+22%	+117%	-12%	+19%	+21%	+20%
Order Value	+15%	+130%	-8%	+31%	+21%	+19%
Backlog	+16%	+90%	+7%	+61%	+35%	+28%
Backlog Value	+8%	+99%	+10%	+62%	+38%	+24%



Home closing gross margins



Margin pressure due to:

- Increasing costs
- Limited pricing power
- Fewer closings in high-margin communities

Gross margins excluding impairments of approximately \$2M in 2Q15 and 2Q16 were 19.6% and 17.6%, respectively.

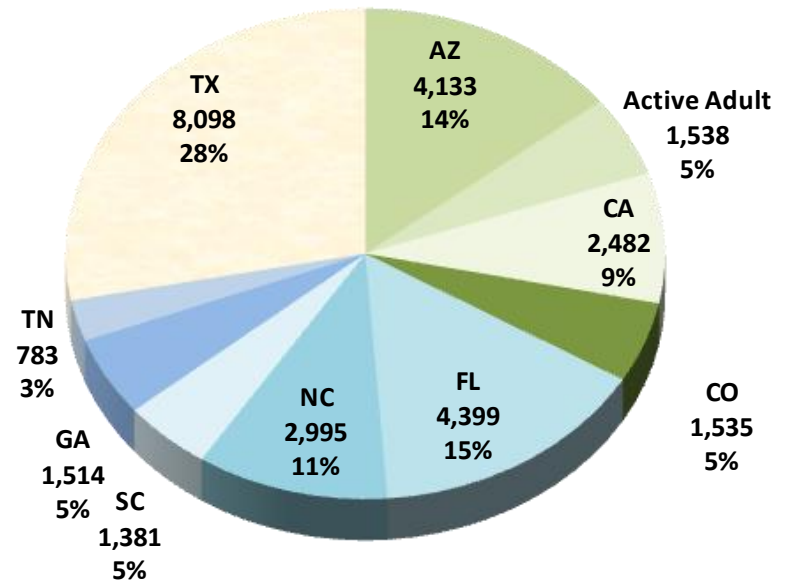
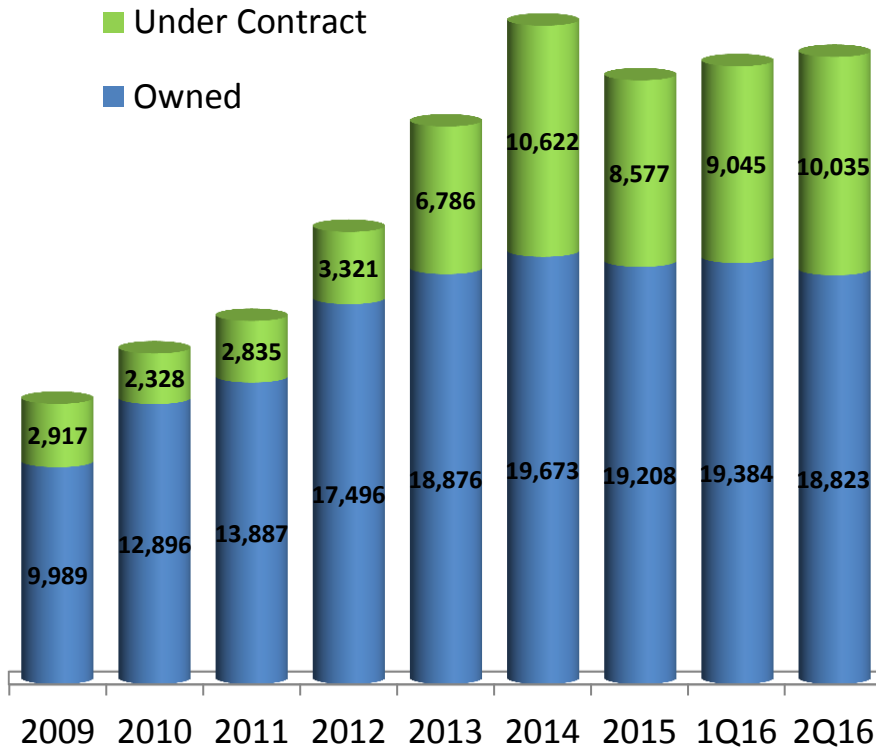
Maintaining strong balance sheet while investing cash for future growth

Statistics	2Q16	2Q15
Closings from spec inventory	42%	40%
Unsold homes (specs) :	1,270	1,136
Under construction	79%	65%
Completed	21%	35%
Land & development spending	\$254M	\$159M
Real estate inventory	\$2.3B	\$2.0B

Net debt-to-capital (non-GAAP)	(\$millions)	
	Jun-30, 2016	Dec-31, 2015
Notes payable and other borrowings	\$ 1,114	\$ 1,117
Less: cash and cash equivalents	(128)	(262)
Net debt	\$ 986	\$ 855
Stockholders' equity	1,327	1,259
Total capital	\$ 2,313	\$ 2,114
Net debt-to-capital	42.6%	40.4%

Maintaining lot supply

**28,858 Total Lots Owned/Controlled
as of 6/30/16**



Summary

- ✓ Strong earnings growth expansion during the quarter from top-line growth and overhead leverage, despite lower margins
- ✓ Orders, closings and backlog increased year over year in units, ASP's and total dollar value
- ✓ Newer markets improved their performance as a result of the changes we implemented last year
- ✓ Demand remains steady and Meritage is positioned in some of the best homebuilding markets to take advantage of the return of more first-time buyers to the housing market

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3Q and Full Year 2016 guidance

(\$ in millions except ASP)	FY2016 <i>(changes italicized)</i>	3Q16 <i>(new)</i>
Home orders	7,350-7,550	1,600-1,800
Home closings	7,300-7,600	1,750-1,850
Home closing revenue	\$2.9-3.1 billion	\$740-760M
Home closing gross margin (*excluding impairments)	17.5-18.0%	17.5-18.0%
Effective tax rate	32-34%	32-33%
Diluted EPS	\$3.55-3.85	\$0.80-0.85

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