



Setting the standard
for energy-efficient homes®

SECOND QUARTER 2022 ANALYST CONFERENCE CALL

JULY 28, 2022

**LIFE.
BUILT.
BETTER.®**

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; projected 3Q 2022 home closings, home closing revenue, home closing gross margins, effective tax rate and diluted earnings per share; future community counts; trends in construction costs; and expectations about our spec inventory levels and future results.

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; the potential benefits of rate locks; inflation in the cost of materials used to develop communities and construct homes; trends in construction costs, supply chain and labor constraints; our ability to acquire and develop lots may be negatively impacted if we are unable to obtain performance and surety bonds; 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 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, 2021 and our Form 10-Q for the quarter ended March 31, 2022 under the caption "Risk Factors," which can be found on our website at www.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 ACHIEVEMENTS

**Achieved our long-term 300
community count goal**

**First-time recipient of the
Avid Cup – Production**, a
prestigious honor given to only
one builder in North America
each year

**Renewed partnership with
Operation Homefront** to build
three new mortgage-free
Meritage homes

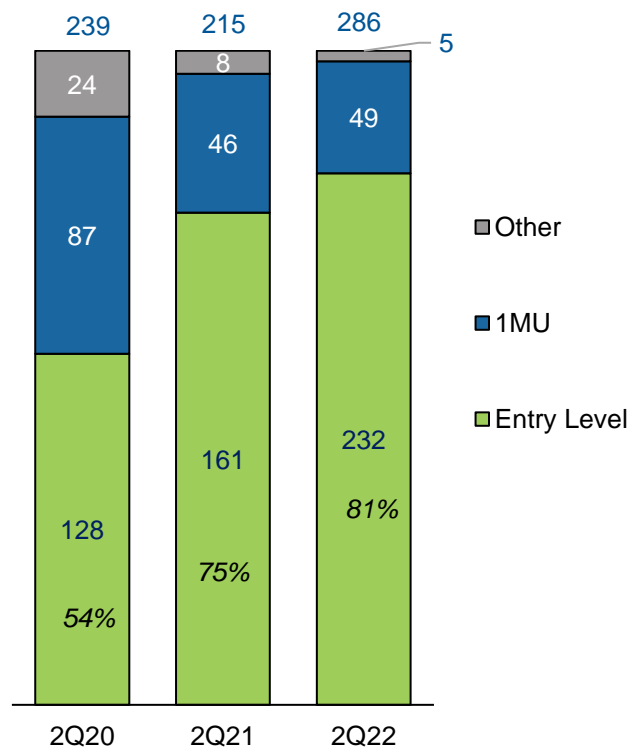
**Held annual Purchasing
Summit** to strengthen
relationships and mutual
commitments to work through
supply challenges with our key
trades

Recipient of EPA Awards

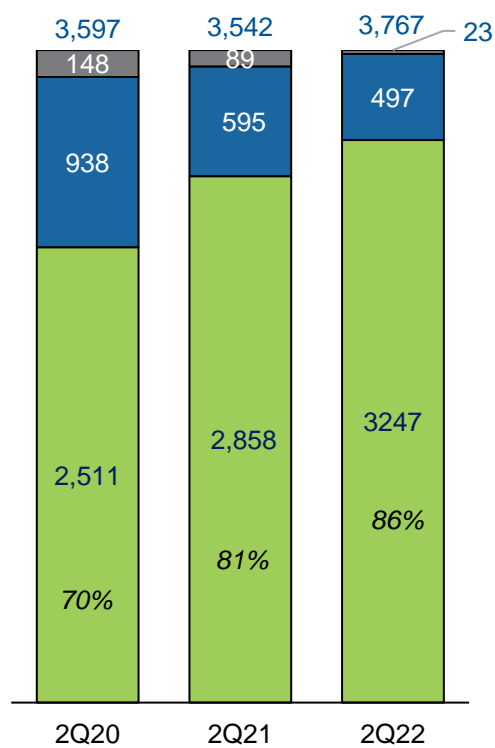
- ENERGY STAR® Partner of the Year
- ENERGY STAR® Market Leader

EXPANDED ORDERS UNITS THROUGH COMMUNITY COUNT GROWTH

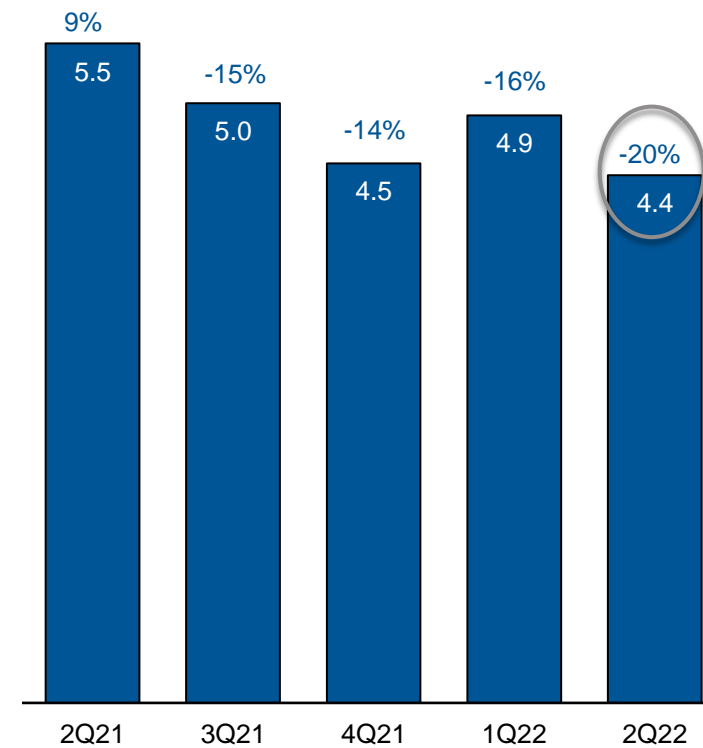
Average community count by product type



Orders by product type



Absorptions per month & Y/Y%

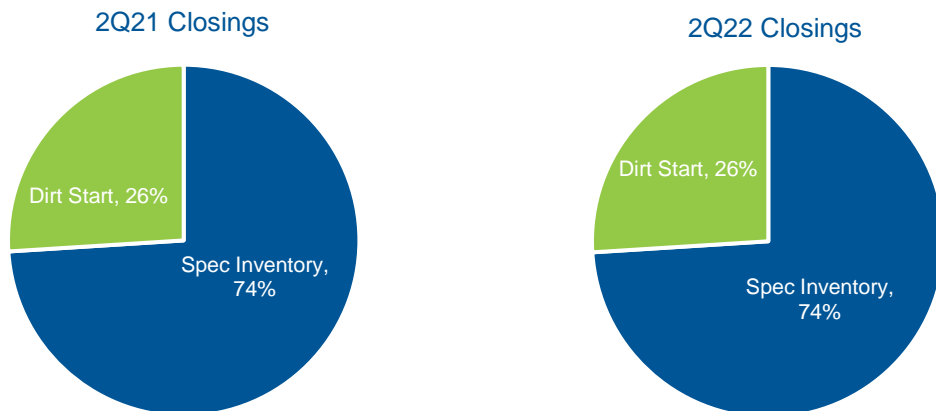


EAST REGION'S ORDER VOLUME INCREASE DUE TO SLOWER PULLBACK ON ABSORPTION PACE

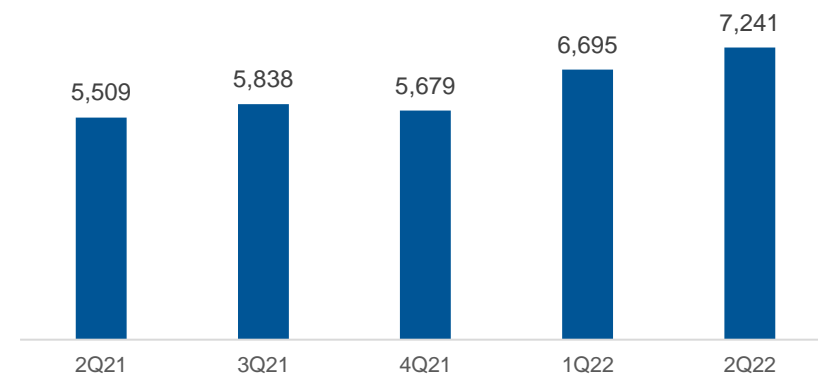
STATES & REGIONS Y/Y (%) changes 2Q22 vs 2Q21											
	AZ	CA	CO	West	Central (TX)	FL	GA	NC	SC	TN	East
Average Active Communities	48.0	27.5	18.5	94.0	77.5	41.0	14.5	30.5	15.0	13.0	114.0
	35%	41%	28%	35%	26%	28%	32%	22%	131%	44%	37%
Entry-level % Average Communities	77%	93%	62%	79%	83%	84%	72%	84%	80%	85%	82%
Absorption per month	3.9	4.3	2.9	3.8	4.7	5.6	5.2	4.3	3.2	3.9	4.7
	-34%	-27%	-31%	-31%	-22%	14%	-10%	-17%	-29%	-32%	-10%
Orders	560	355	160	1,075	1,096	685	225	391	144	151	1,596
	-10%	3%	-12%	-6%	-1%	46%	17%	0%	64%	-1%	24%
ASP on Orders	12%	22%	11%	17%	15%	10%	19%	16%	-5%	24%	13%
Order Value	0%	26%	-2%	9%	15%	61%	39%	17%	56%	23%	39%

GREW SPECS PER COMMUNITY TO TRY TO REPLENISH SPEC SUPPLY

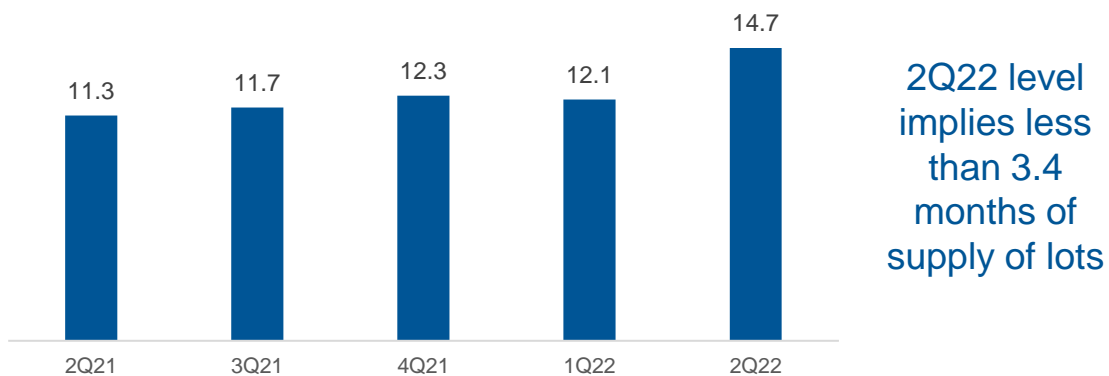
Home Closings



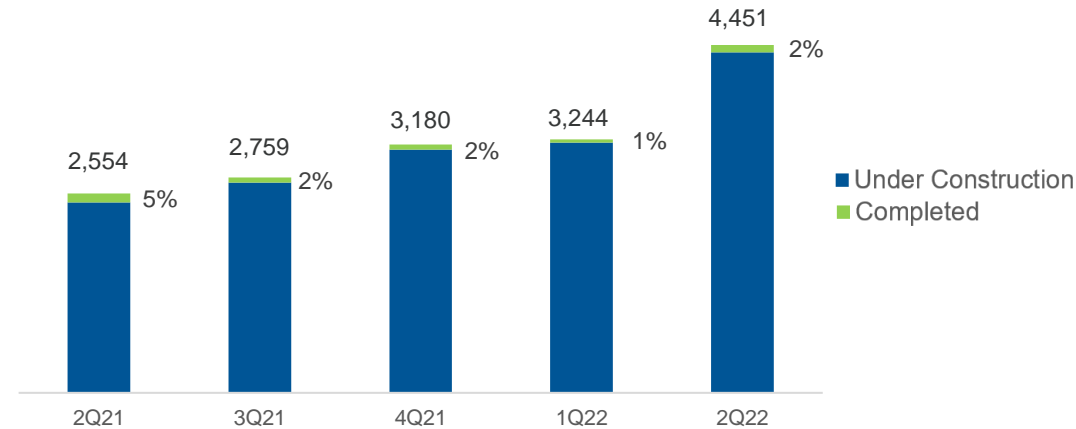
Ending Backlog Units



Average Specs Per Community



Total Specs



STRONG PERFORMANCE IN 2Q22

(\$ Millions except EPS & ASP)	2Q22	2Q21	%Chg	YTD2022	YTD2021	%Chg
Home closings	3,221	3,273	(2)%	6,079	6,163	(1)%
ASP (closings)	\$437K	\$386K	13%	\$437K	\$380K	15%
Home closing revenue	\$1,409	\$1,265	11%	\$2,654	\$2,345	13%
Home closing gross profit	\$445	\$345	29%	\$822	\$612	34%
Home closing gross margin	31.6%	27.3%	430 bps	31.0%	26.1%	490 bps
SG&A expenses	\$117	\$117	0%	\$223	\$223	0%
% of home closing revenue	8.3%	9.3%	(100) bps	8.4%	9.5%	(110) bps
Earnings before taxes ¹	\$332	\$216	54%	\$618	\$382	62%
Tax rate	24.6%	22.4%	220 bps	24.3%	21.6%	270 bps
Net earnings ¹	\$250	\$167	49%	\$467	\$299	56%
Diluted EPS ¹	\$6.77	\$4.36	55%	\$12.55	\$7.80	61%

2Q22 HIGHLIGHTS:

- ASPs on closings year-over-year growth due to sustained pricing power over the last year
- Highest quarterly home closing gross margin
- Lowest quarterly SG&A leverage due to greater leverage of fixed expenses on higher home closing revenue, lower commissions expense and the benefits of technology in our sales and market efforts
- Higher tax rate in 2Q22 reflects expiration of tax act under which we earned energy tax credits for eligible homes in all of 2021

(1) Includes the loss on extinguishment of debt of \$18.2 million recognized in the second quarter of 2021.

STRONG BALANCE SHEET PROVIDES FLEXIBILITY

Net Debt-to-Capital Reconciliation (\$ Millions)		
(non-GAAP reconciliation)	June 30, 2022	Dec 31, 2021
Notes payable & other borrowings	\$1,159	\$1,160
Stockholders' equity	\$3,412	\$3,044
Total capital	\$4,571	\$4,204
Debt-to-capital	25.3%	27.6%
Less: cash & cash equivalents	(\$272)	(\$618)
Net debt	\$887	\$542
Total net capital	\$4,299	\$3,586
Net debt-to-capital	20.6%	15.1%
Book value/share	\$93.32	\$81.53

Ample liquidity at June 30, 2022:

- \$272M of cash
- Nothing drawn under \$780M credit facility
- Continued low net debt to capital

Capital usage in 2Q22:

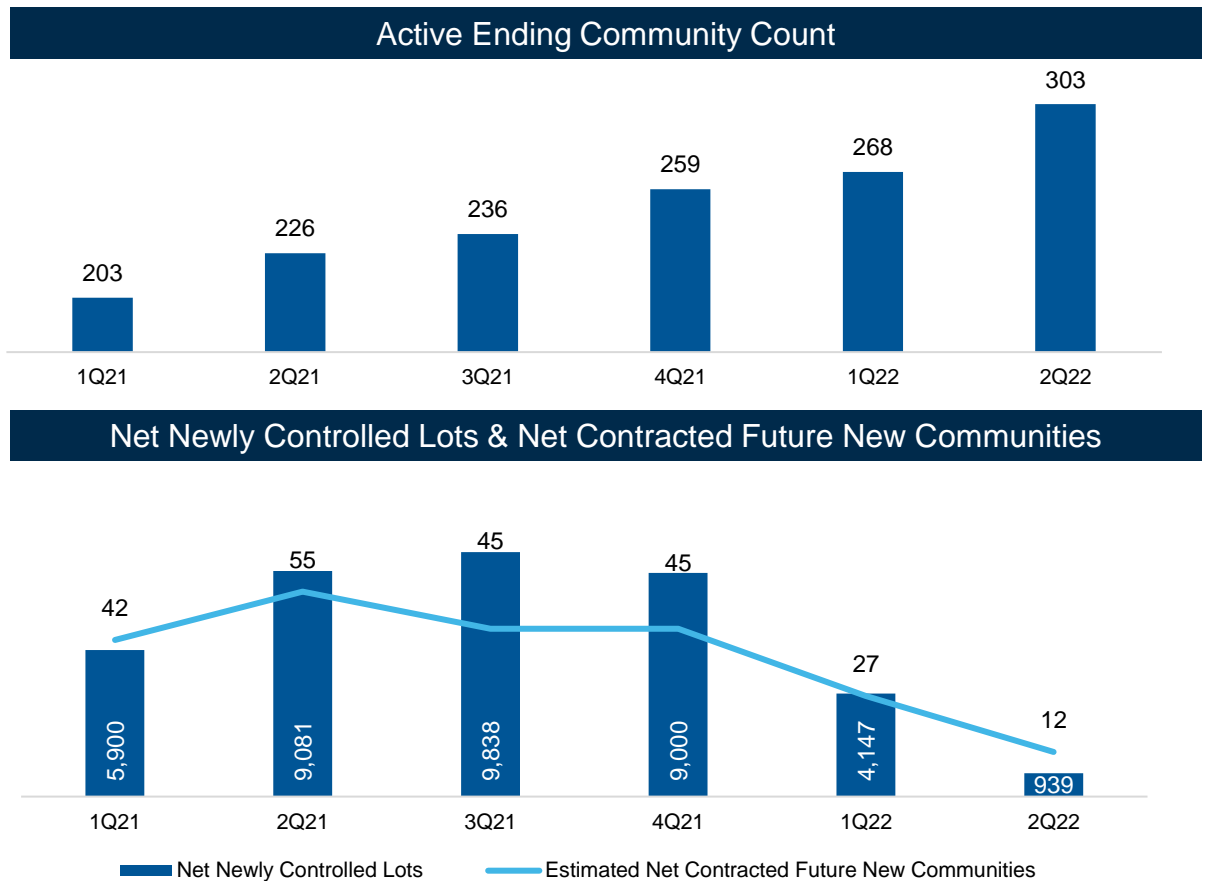
- Land spend totaling \$422M
- Repurchased over 128K shares for \$10M

Capital usage in YTD 2Q22:

- Land spend totaling \$793M
- Repurchased 1.2M shares for over \$109M

LAND & DEVELOPMENT INVESTMENT

Real Estate Assets	2Q22	2Q21
Land & development spending	\$422M	\$551M
As of period ended Jun-30:		
Total lots controlled	71,096	63,336
Supply of lots (years)	5.6	4.9
- Owned	66%	63%
- Optioned	34%	37%



Meritage had 303 active communities at June 30, 2022, a 34% increase from 226 at June 30, 2021

GUIDANCE

**3Q
2022**

- 3,500-3,700 home closings
- \$1.575-1.675 billion home closing revenue
- Home closing gross margin between 27.5-28.5%
- Effective tax rate of approximately 25.0%
- Diluted EPS \$6.00-6.80

WELL POSITIONED IN A RISING RATE ENVIRONMENT

Focus on entry-level & first move-up

Resilient business model that is dynamic based on changing market conditions

Providing buyers certainty with our below-market fixed rate locks

Low land residual and prudent land playbook

Flexible balance sheet



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