



Setting the standard
for energy-efficient homes®

SECOND QUARTER 2023 ANALYST CONFERENCE CALL

JULY 28, 2023

**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; expectations about our future results, including but not limited to, our full year and 3Q23 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; 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 March 31, 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



Renewed partnership with Operation Homefront to build and donate a new home to a military family at Crescent Lakes community in Babcock Ranch, Florida, which is the first fully solar-powered town in the US

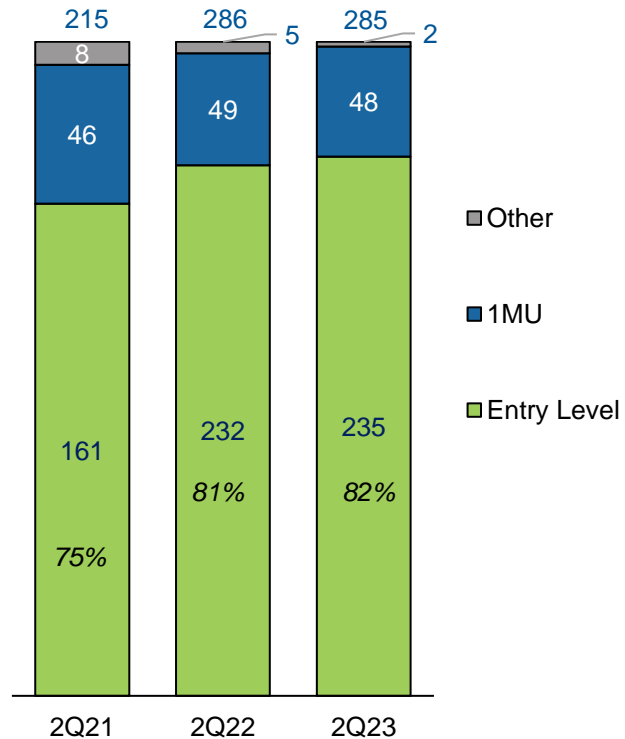


Received a wide range of recognition related to our social and diversity initiatives, including

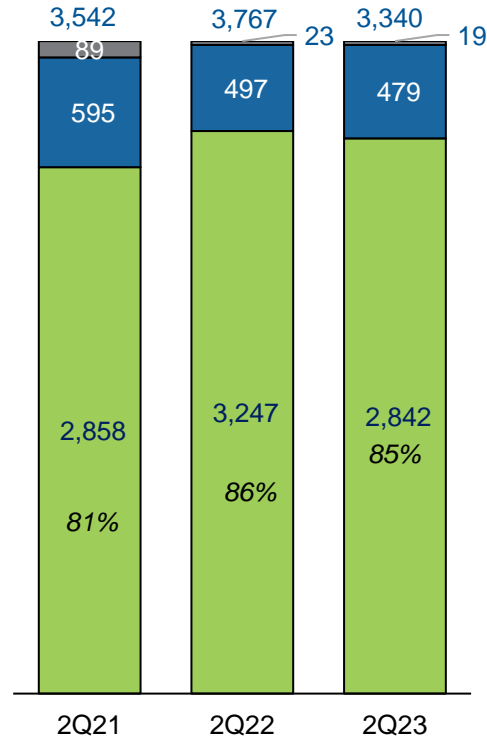
- 2023 Hearthstone BUILDER Humanitarian Award
- AVID Cup – Production
- US EPA's 2023 Market Leader for Certified Homes
- One of America's Climate Leaders by USA Today

NET SALES PACE NEAR OUR TARGET OF 4 PER MONTH

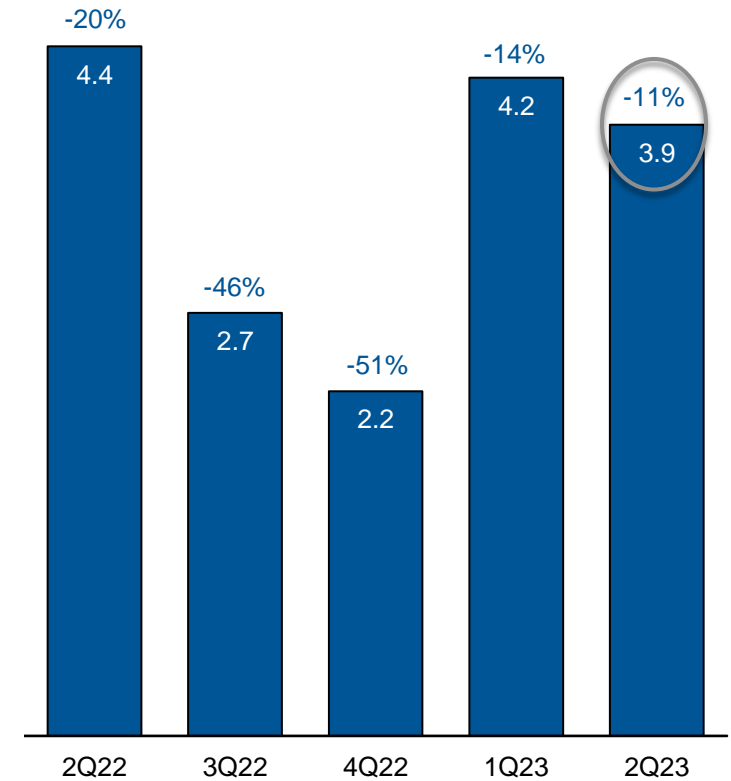
Average community count by product type



Orders by product type



Absorptions per month & Y/Y%



STRONG PERFORMANCE ACROSS OUR DIVERSIFIED GEOGRAPHIC FOOTPRINT

Y/Y (%) changes 2Q23 vs 2Q22	West Region	Central Region	East Region
Average Active Communities	97.0	82.0	105.5
	3%	6%	-7%
Entry-level % Average Communities	78%	84%	85%
Absorption per month	3.4	4.3	4.1
	-11%	-9%	-13%
Orders	990	1,065	1,285
	-8%	-3%	-20%
ASP on Orders	-11%	-8%	-6%
Order Value	-18%	-10%	-24%

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:

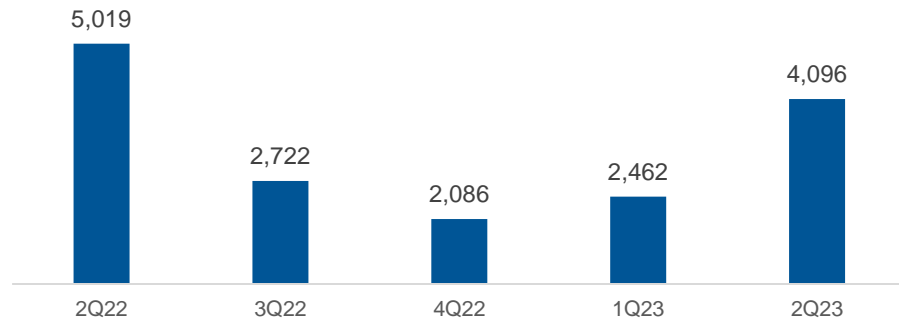
West: Arizona, California, Colorado, and Utah

Central: Texas

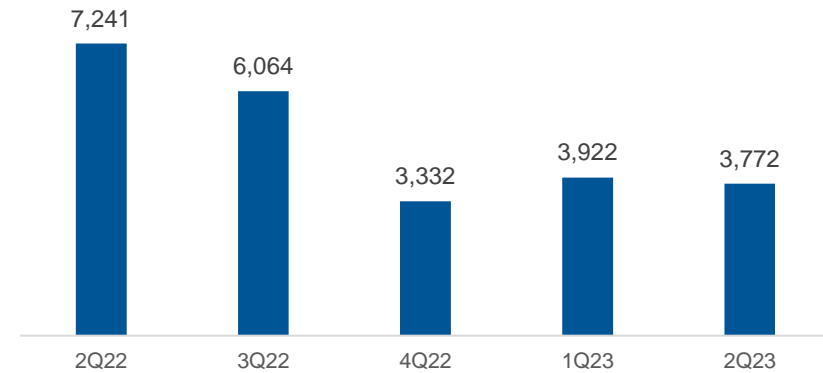
East: Florida, Georgia, North Carolina, South Carolina, and Tennessee

INCREASING SPEC SUPPLY IS OUR COMPETITIVE ADVANTAGE

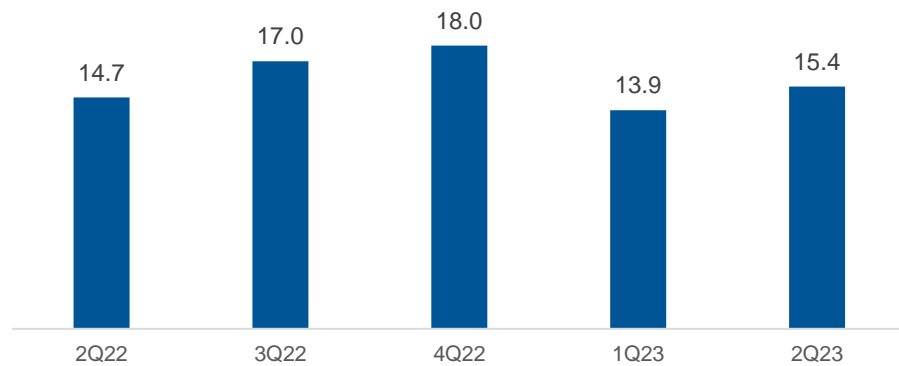
Spec Starts



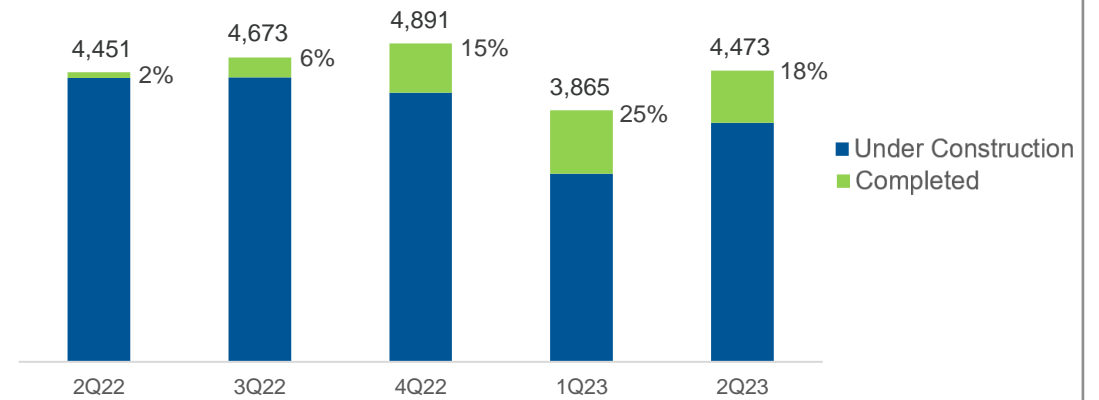
Ending Backlog Units



Average Specs Per Community



Total Specs



STRONG PERFORMANCE IN 2Q23

(\$ Millions except EPS & ASP)	2Q23	2Q22	%Chg	YTD2023	YTD2022	%Chg
Home closings	3,490	3,221	8%	6,387	6,079	5%
ASP (closings)	\$442K	\$437K	1%	\$439K	\$437K	0%
Home closing revenue	\$1,543	\$1,409	10%	\$2,805	\$2,654	6%
Home closing gross profit	\$377	\$445	(15)%	\$659	\$822	(20)%
Home closing gross margin	24.4%	31.6%	(720) bps	23.5%	31.0%	(750) bps
SG&A expenses	\$148	\$117	26%	\$278	\$223	25%
SG&A % of home closing revenue	9.6%	8.3%	130 bps	9.9%	8.4%	150 bps
Earnings before taxes	\$240	\$332	(28)%	\$405	\$618	(34)%
Tax rate	22.0%	24.6%	(260) bps	21.4%	24.3%	(290) bps
Net earnings	\$187	\$250	(25)%	\$318	\$467	(32)%
Diluted EPS	\$5.02	\$6.77	(26)%	\$8.56	\$12.55	(32)%

2Q23 HIGHLIGHTS:

- Highest second quarter of home closings and home closing revenue
- Lower gross margin due to higher sales incentives and continued elevated direct costs
- SG&A % deterioration due to higher commissions and marketing costs
- 2023 includes a \$2,500 per home energy tax credit. Such credits were not approved until 3Q22

STRONG BALANCE SHEET PROVIDES FLEXIBILITY

Net Debt-to-Capital Reconciliation (\$ Millions)		
(non-GAAP reconciliation)	Jun 30, 2023	Dec 31, 2022
Notes payable & other borrowings	\$1,155	\$1,151
Stockholders' equity	\$4,248	\$3,950
Total capital	\$5,404	\$5,100
Debt-to-capital	21.4%	22.6%
Less: cash & cash equivalents	(\$1,163)	(\$862)
Net debt	(\$8)	\$289
Total net capital	\$4,240	\$4,239
Net debt-to-capital	(0.2)%	6.8%
Book value/share	\$115.55	\$108.00

Ample liquidity at June 30, 2023:

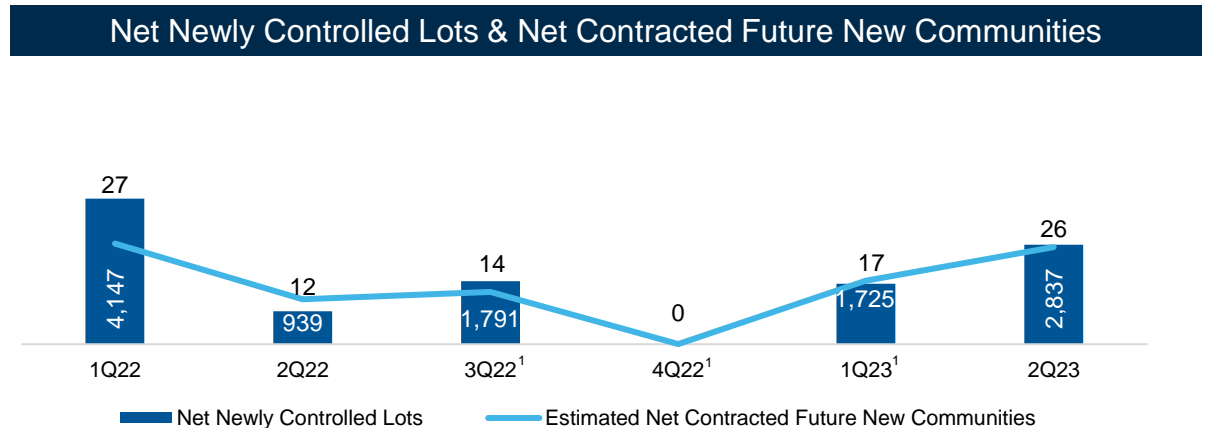
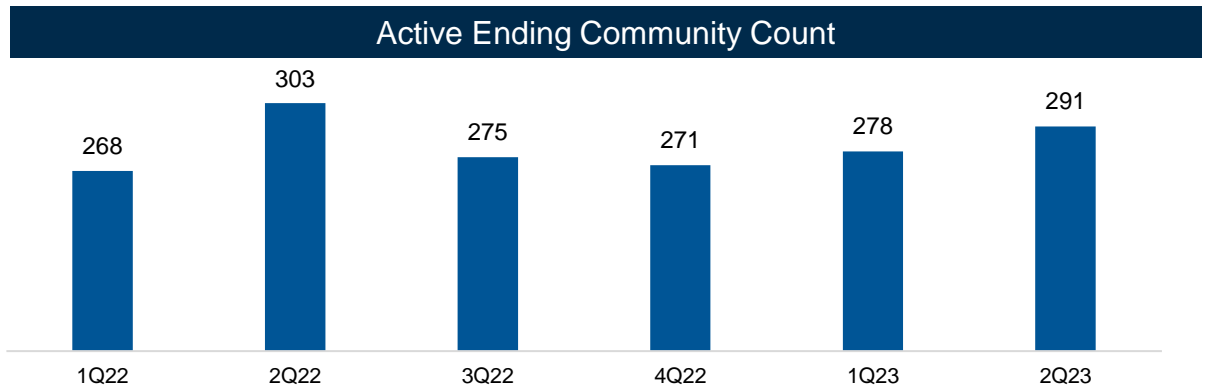
- \$1.2B of cash
- Nothing drawn on \$835M credit facility

Capital usage in 2Q23:

- Land spend totaled \$409M
- Paid \$0.27 per share quarterly cash dividend totaling \$9.9M

LAND & DEVELOPMENT INVESTMENT

As of period ended	June 30, 2023	March 31, 2023	June 30, 2022
Total lots controlled	59,683	60,942	71,096
Supply of lots (years)	4.1	4.3	5.6
- Owned	76%	75%	66%
- Optioned	24%	25%	34%



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

GUIDANCE

FY 2023

- 13,300-13,800 home closings
- \$5.85-6.07 billion home closing revenue
- Home closing gross margin in the low 24% range
- Effective tax rate of around 22.5%
- Diluted EPS between \$19.12-19.80

3Q 2023

- 3,300-3,600 home closings
- \$1.46-1.60 billion home closing revenue
- Home closing gross margin of around 24.5%
- Effective tax rate of around 22.5%
- Diluted EPS between \$4.80-5.29

POSITIONED FOR GROWING MARKET SHARE

Focus on spec inventory

Prioritizing pace over price

Strong execution

Disciplined growth

Strong balance sheet and ample liquidity



Meritage
Homes®

Setting the standard
for energy-efficient homes®