



Setting the standard
for energy-efficient homes®

THIRD QUARTER 2022 ANALYST CONFERENCE CALL

OCTOBER 27, 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 fourth quarter 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 and rate buy-downs; 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 June 30, 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 EVENTS

Post Hurricane Ian, all
employees and homeowners
in Florida were safe

Recipient of 2022 EPA's
Indoor airPLUS Leader Award

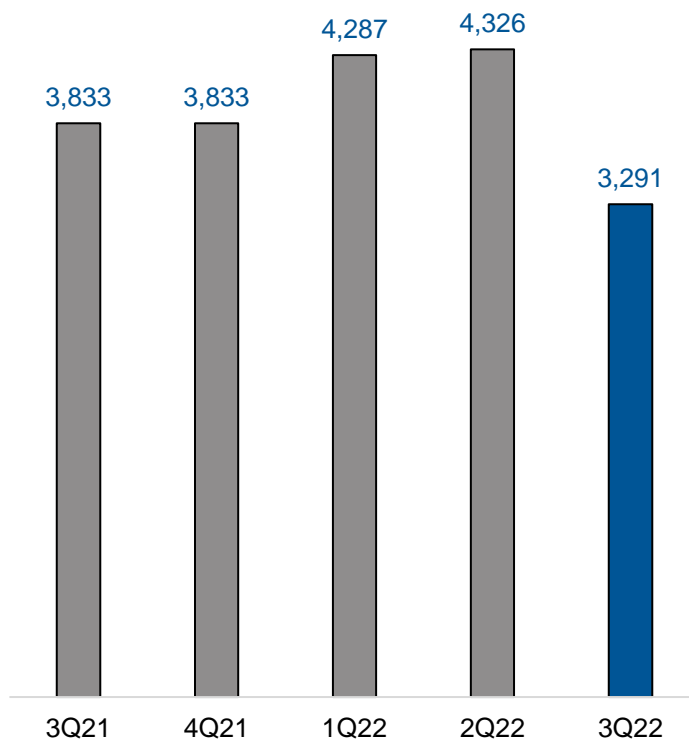
Released 2021 ESG Report

Issued inaugural Task Force
on Climate-Related Financial
Disclosures (TCFD) report

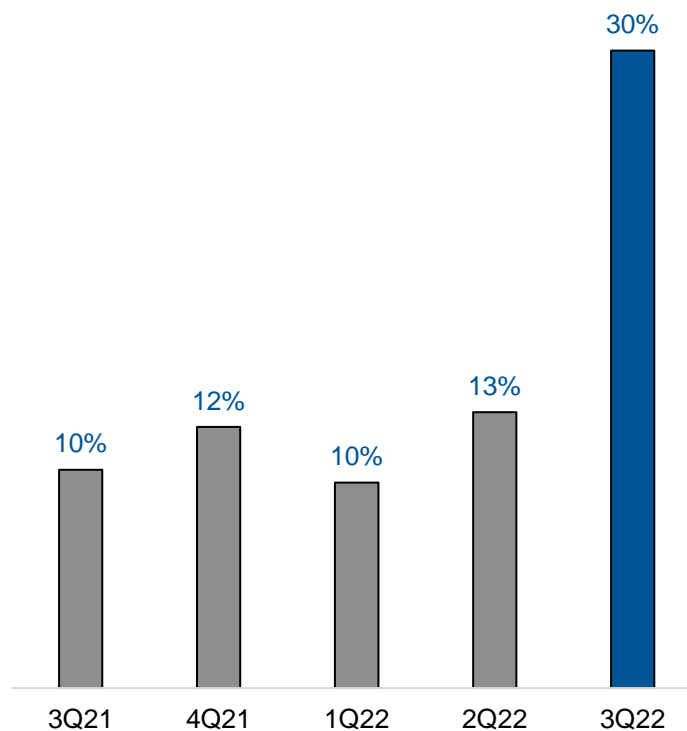
Joined approx. 3,900 other
institutions to become an
official TCFD supporter

DECLINE IN ORDER VOLUME DUE TO ELEVATED CANCELLATIONS

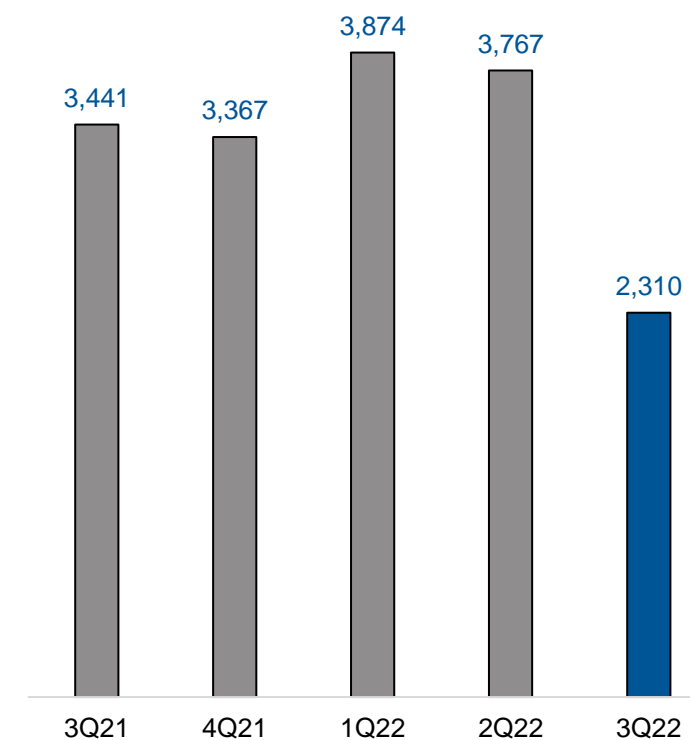
Gross Sales Orders



Cancellation Rate



Sales Order Volume

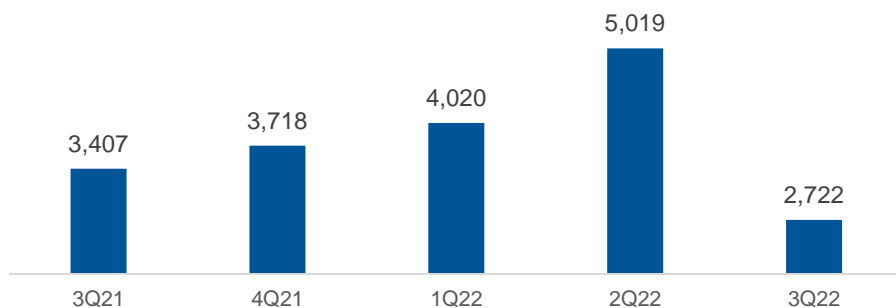


EAST REGION OUTPERFORMING COMPARED TO WEST AND TEXAS REGIONS

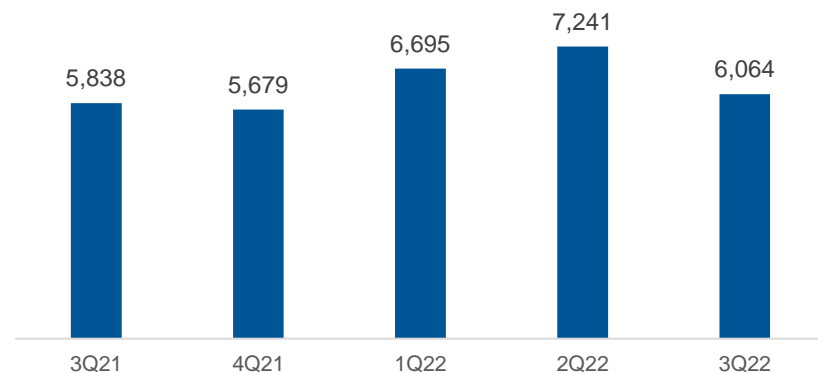
STATES & REGIONS Y/Y (%) changes 3Q22 vs 3Q21											
	AZ	CA	CO	West	Central (TX)	FL	GA	NC	SC	TN	East
Average Active Communities	54.0	32.0	18.5	104.5	77.0	35.5	16.0	29.5	14.5	12.0	107.5
	42%	68%	12%	42%	17%	-1%	45%	13%	61%	26%	17%
Entry-level % Average Communities	76%	94%	61%	79%	84%	80%	72%	85%	79%	83%	80%
Absorption per month	1.4	1.9	0.7	1.5	2.7	5.0	3.6	2.8	3.1	3.5	3.8
	-71%	-66%	-83%	-69%	-50%	2%	-32%	-36%	-16%	-27%	-19%
Orders	232	187	37	456	635	531	175	251	137	125	1,219
	-58%	-41%	-82%	-58%	-41%	-1%	-1%	-28%	37%	-9%	-6%
ASP on Orders	-1%	-2%	-6%	0%	0%	12%	-4%	-3%	-1%	14%	4%
Order Value	-58%	-43%	-83%	-58%	-41%	11%	-4%	-30%	36%	4%	-2%

GREW SPECS PER COMMUNITY TO TRY TO REPLENISH SPEC SUPPLY

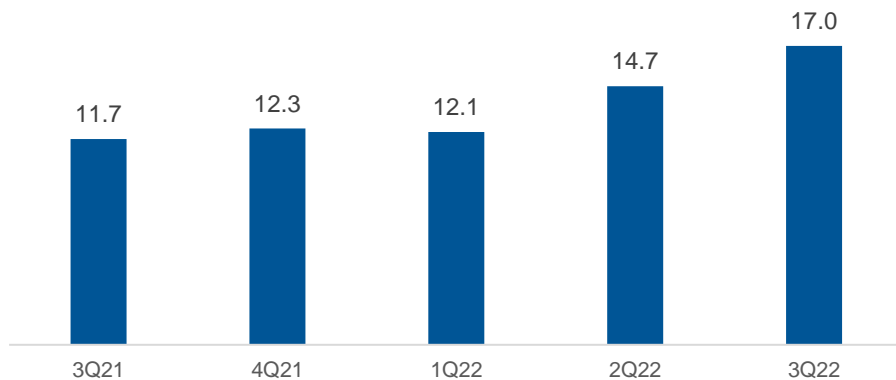
Spec Starts



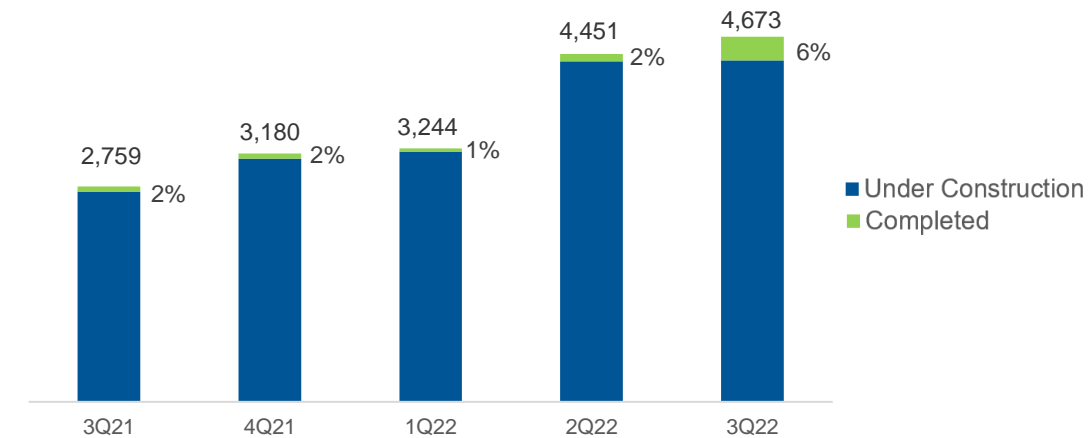
Ending Backlog Units



Average Specs Per Community



Total Specs



3Q22 FINANCIAL PERFORMANCE

(\$ Millions except EPS & ASP)	3Q22	3Q21	%Chg	YTD2022	YTD2021	%Chg
Home closings	3,487	3,112	12%	9,566	9,275	3%
ASP (closings)	\$450K	\$402K	12%	\$442K	\$388K	14%
Home closing revenue	\$1,569	\$1,251	25%	\$4,223	\$3,596	17%
Home closing gross profit	\$451	\$372	21%	\$1,273	\$984	29%
Home closing gross margin	28.7%	29.7%	(100) bps	30.1%	27.4%	270 bps
SG&A expenses	\$126	\$116	9%	\$349	\$339	3%
% of home closing revenue	8.1%	9.3%	(120) bps	8.3%	9.4%	(120) bps
Earnings before taxes ¹	\$329	\$262	26%	\$947	\$643	47%
Tax rate	20.3%	23.3%	(300) bps	22.9%	22.3%	60 bps
Net earnings ¹	\$262	\$201	30%	\$730	\$500	46%
Diluted EPS ¹	\$7.10	\$5.25	35%	\$19.65	\$13.06	50%

3Q22 HIGHLIGHTS:

- Lowest quarterly SG&A due to higher leveraging of fixed costs and lower commissions as a percentage of home closing revenue
- 3Q22 tax rate includes \$13.1M of Inflation Reduction Act energy tax credit catch-up

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

STRONG BALANCE SHEET PROVIDES FLEXIBILITY

Net Debt-to-Capital Reconciliation (\$ Millions)		
(non-GAAP reconciliation)	Sept 30, 2022	Dec 31, 2021
Notes payable & other borrowings	\$1,156	\$1,160
Stockholders' equity	\$3,682	\$3,044
Total capital	\$4,838	\$4,204
Debt-to-capital	23.9%	27.6%
Less: cash & cash equivalents	(\$299)	(\$618)
Net debt	\$856	\$542
Total net capital	\$4,538	\$3,586
Net debt-to-capital	18.9%	15.1%
Book value/share	\$100.68	\$81.53

(\$ Millions)	3Q22	3Q21
Land & development spending	\$380	\$526

Ample liquidity at September 30, 2022:

- \$299M of cash
- Nothing drawn on \$780M credit facility
- Continued low net debt to capital

Capital usage in 3Q22:

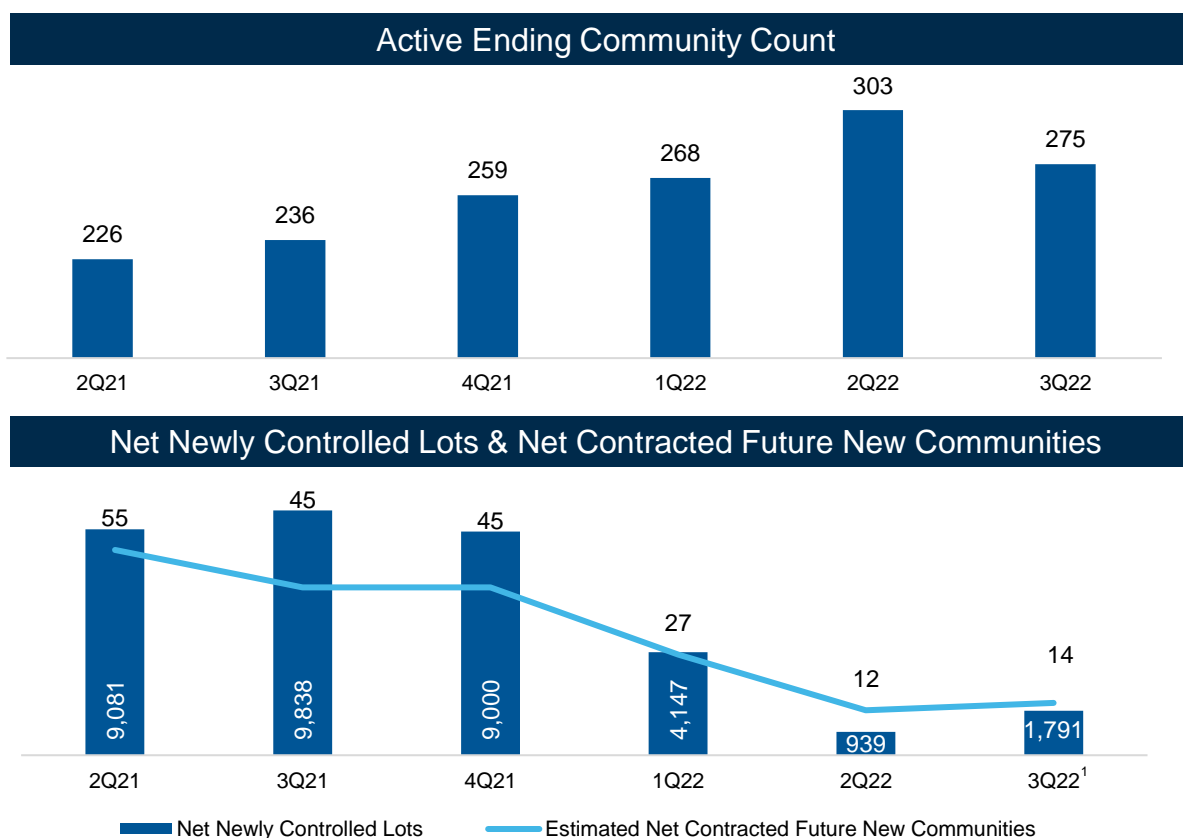
- Land spend totaling \$380M
- No shares repurchased

Capital usage in YTD 3Q22:

- Land spend totaling \$1,173M
- Repurchased 1.2M shares for over \$109M

LAND & DEVELOPMENT INVESTMENT

As of period ended Sept-30:	3Q22	3Q21
Total lots controlled	66,348	69,767
Supply of lots (years)	5.1	5.4
- Owned	69%	64%
- Optioned	31%	36%



Meritage had 275 active communities at September 30, 2022, a 17% increase from 236 at September 30, 2021

(1) 3Q22 refers to gross lots put under control and the related future new communities. We walked away from approximately 5,100 lots during 3Q22.

GUIDANCE

4Q 2022

- 4,300-4,700 home closings
- \$1.85-2.10 billion home closing revenue
- Home closing gross margin around 25%
- Effective tax rate of approximately 23.5%
- Diluted EPS \$6.50-7.40

POSITIONED FOR GROWING MARKET SHARE

Focus on entry-level & first move-up

Resilient business model that is dynamic based on changing market conditions

Prioritizing pace over price to achieve a 3-4 net sales per month target

Managing supply chain constraints to close out our backlog and get more move-in ready inventory available

Rationalization of our land portfolio and pull back on new land deals

Strong balance sheet and ample liquidity



Meritage
Homes®

Setting the standard
for energy-efficient homes®