Meritage Homes®

LIFE. BUILT. BETTER.®

FIRST QUARTER 2026 ANALYST CONFERENCE CALL

APRIL 23, 2026

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 and our future results including our ability to increase market share, our full year 2026 projected share repurchases, home closing volume and home closing revenue, and second quarter 2026 projected home closing volume, home closing revenue, home closing gross margin, effective tax rate and diluted EPS.

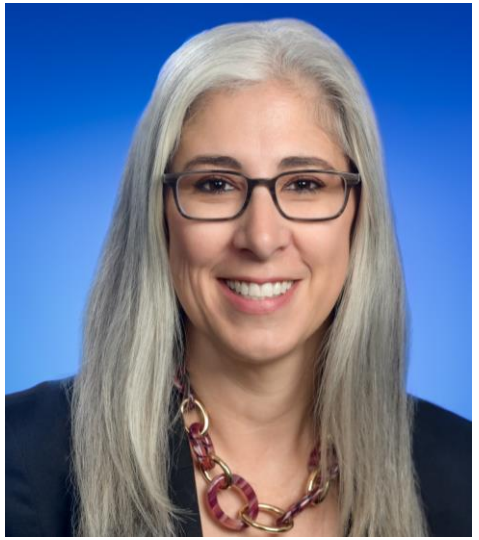
Such statements are based on the current beliefs and expectations of Company management and current market conditions, which are subject to significant uncertainties and fluctuations. Actual results may differ from those set forth in the forward-looking statements. The Company makes no commitment, and 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 interest rates or decreases in mortgage availability, and the cost and use of rate locks and buy-downs; the cost of materials used to develop communities and construct homes; shortages in the availability and cost of subcontract labor; legislation related to tariffs; cancellation rates; supply chain and labor constraints; the ability of our potential buyers to sell their existing homes; the adverse effect of slow absorption rates; our ability to acquire and develop lots may be negatively impacted if we are unable to obtain performance and surety bonds; 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 exposure to counterparty risk with respect to our capped calls; our ability to obtain financing if our credit ratings are downgraded; our 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; sustainability matters and disclosures; 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; liabilities or restrictions resulting from regulations applicable to our financial services operations; negative publicity that affects our reputation; potential disruptions to our business by an epidemic or pandemic, 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, 2025 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

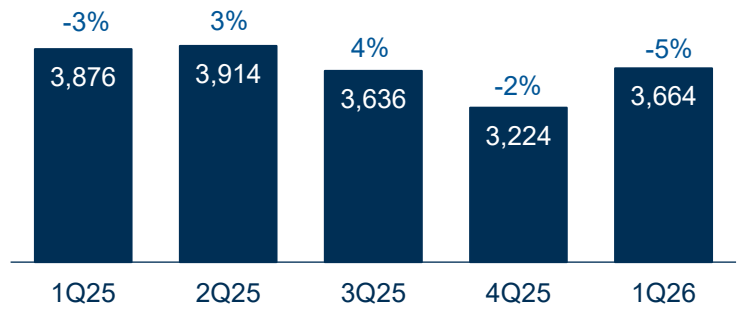
Emily Tadano – VP of Investor Relations and External Communications

Net Sales Orders Down 5% Year-over-year

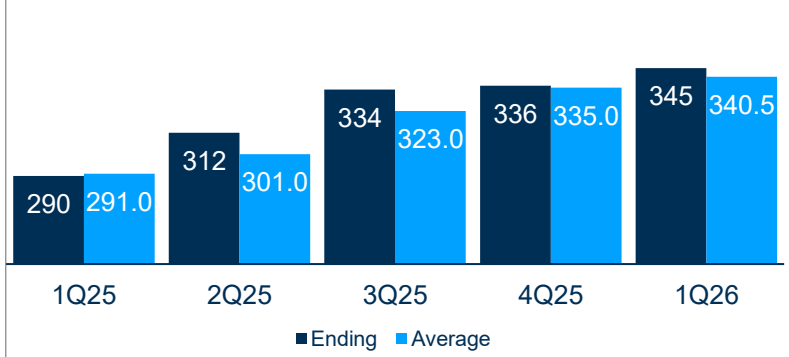
1Q26 Takeaways

- Grew ending community count 19% year-over-year to a company record 345 communities at March 31, 2026
- 1Q26 backlog conversion rate was 254% with nearly 70% of deliveries from intra-quarter orders, reflecting the benefit of our 60-day closing ready guarantee
- 1Q26 net orders were down 5% year-over-year in a tougher selling environment

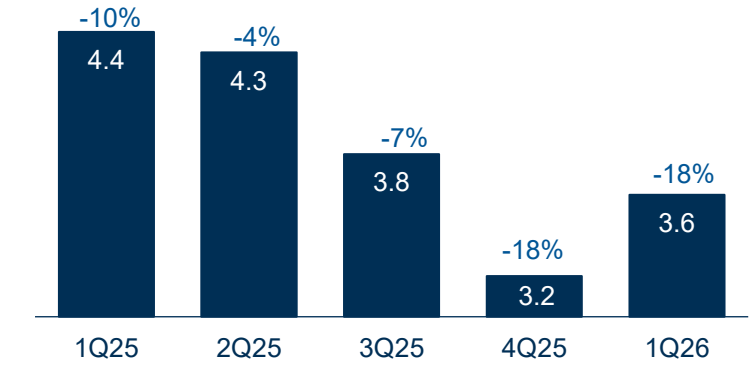
Net Orders & Y/Y %



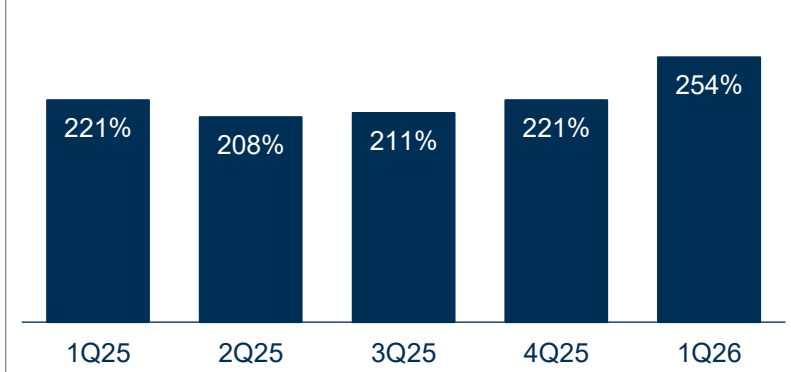
Ending & Average Community Count



Average Absorption Pace & Y/Y %



Backlog Conversion Rate



Diversity in Performance Across the Regions in Today's Operating Environment

	West Region	Central Region	East Region	Total
Average Communities	85.5	109.5	145.5	**340.5**
Average Communities Y/Y(%)	(3)%	27%	24%	**17%**
Absorption per month	3.5	4.0	3.3	**3.6**
Absorption per month Y/Y(%)	(15)%	(25)%	(18)%	**(18)%**
Orders	898	1,316	1,450	**3,664**
Orders Y/Y(%)	(18)%	(4)%	2%	**(5)%**
ASP on Orders	$495K	$348K	$344K	**$382K**
ASP on Orders Y/Y(%)	0%	(3)%	(8)%	**(5)%**
Order Value Y/Y(%)	(18)%	(7)%	(6)%	**(10)%**

The data above relates to our three reportable homebuilding segments which include:

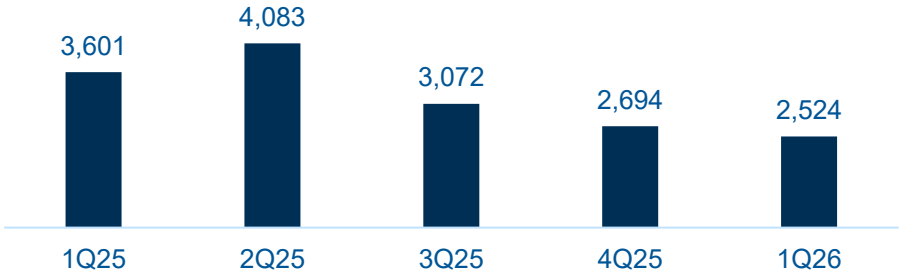
West: Arizona, California, Colorado, and Utah

Central: Tennessee and Texas

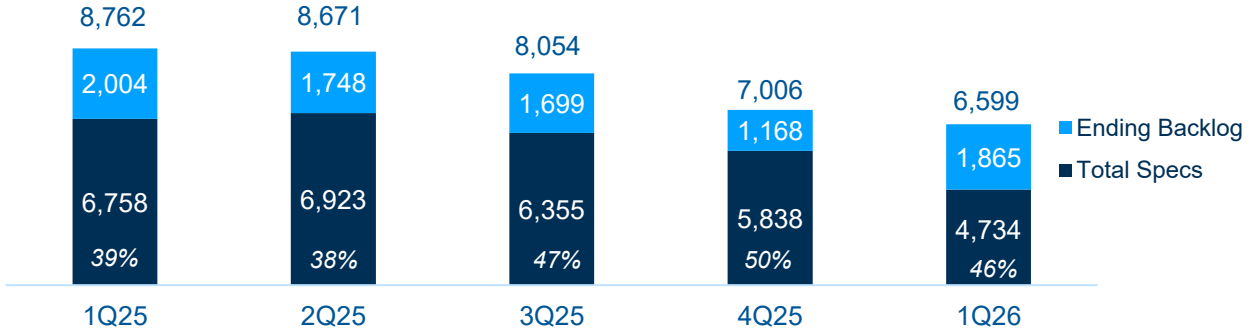
East: Alabama, Florida, Georgia, Mississippi, North Carolina, and South Carolina

Our Available Supply of Quick Turning Move-In Ready Homes Is Our Competitive Advantage

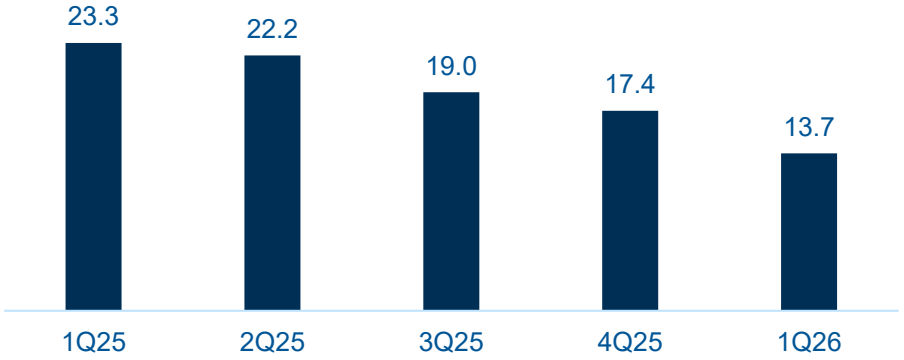
Spec Starts



Total Specs and Ending Backlog & % of Specs Completed



Average Specs Per Community



Takeaways

- 13.7 specs per community for 1Q26 is our lowest level since 2022 and aligns with the accelerated cycle times and slower sales environment
- Our completed specs comprised 46% of total spec count at March 31, 2026. We will continue to focus on bringing down this ratio in Q2

1Q26 Financial Performance

($ Millions except EPS & ASP)	1Q26	1Q25	% Chg
Home closings	2,967	3,416	*(13)%*
ASP (closings)	$373K	$393K	*(5)%*
Home closing revenue	$1,108	$1,342	*(17)%*
Home closing gross profit	$194	$296	*(34)%*
Home closing gross margin	17.5%	22.0%	*(450) bps*
SG&A expenses	$131	$152	*(14)%*
SG&A % of home closing revenue	11.8%	11.3%	*50 bps*
Earnings before taxes	$73	$160	*(55)%*
Effective tax rate	23.7%	23.3%	*40 bps*
Net earnings	$55	$123	*(55)%*
Diluted EPS	$0.82	$1.69	*(51)%*

1Q26 Highlights:

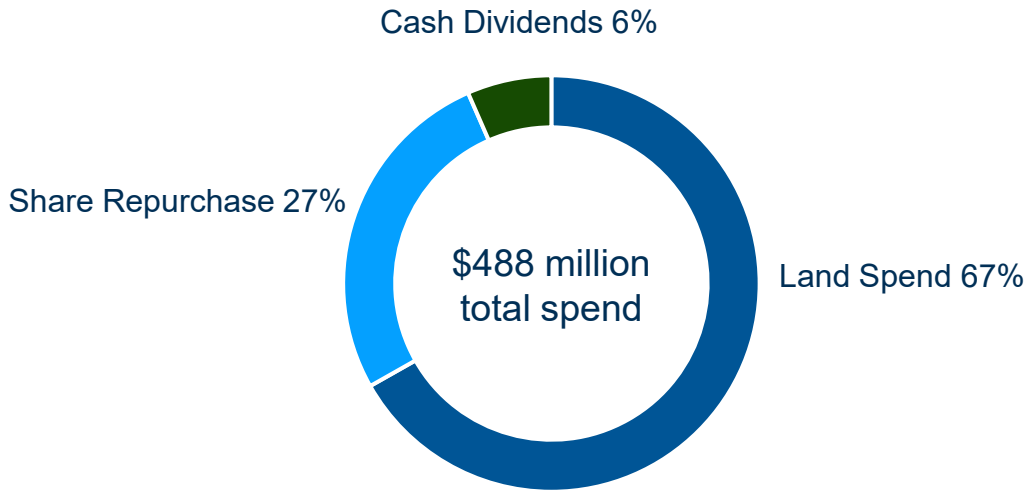
- Decline in ASPs from greater incentive use and geographic mix
- Gross margin impacted by greater incentive use, higher lot costs, and lost leverage, which were partially offset by savings in direct costs, decreased compensation expense and faster cycle times
- SG&A % reflected lost leverage and higher technology costs, which were partially offset by decreased compensation expense and an intentional reduction in discretionary expenses

1Q26 Capital Structure and Capital Spend Activities

Capital Structure – Non-GAAP Reconciliation

($ Millions)	Mar. 31, 2026	Dec. 31, 2025
Notes payable & other borrowings	$1,841	$1,829
Stockholders' equity	$5,094	$5,196
Total capital	$6,935	$7,025
Debt-to-capital	26.6%	26.0%
Less: cash & cash equivalents	$(767)	$(775)
Net debt	$1,075	$1,053
Total net capital	$6,168	$6,250
Net debt-to-capital	17.4%	16.9%
Book value per share	$76.37	$76.22

1Q26 Capital Allocation Spend



Strong financial position supported by a healthy balance sheet and ample liquidity

Returned $162M of cash to shareholders, totaling 295% of quarterly earnings in 1Q26

Returned $416M in FY25, totaling 92% of FY25 earnings, via $295M in share buybacks (reduced 6% of the outstanding shares at the start of 2025) and $121M in cash dividends

1Q26 Land & Development Investment

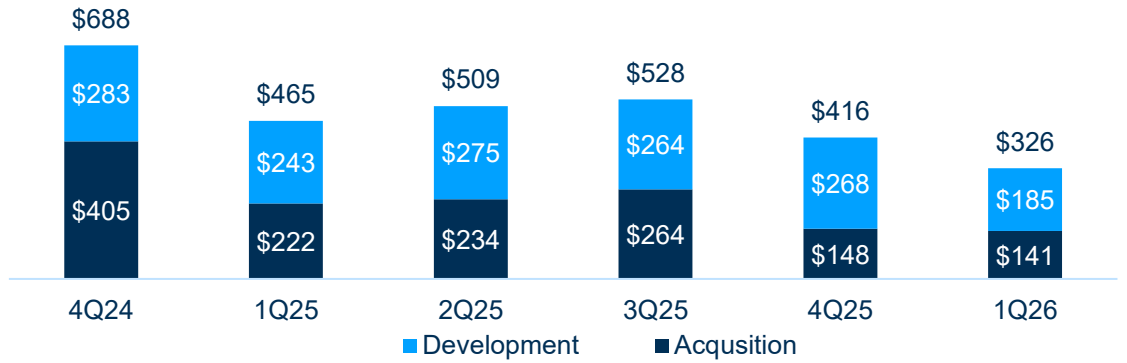
Lots Detail

	1Q26	1Q25
Total lots controlled	75,481	84,200
Supply of lots (years)	5.2	5.4
- Owned	70%	62%
- Optioned	30%	38%

Takeaways

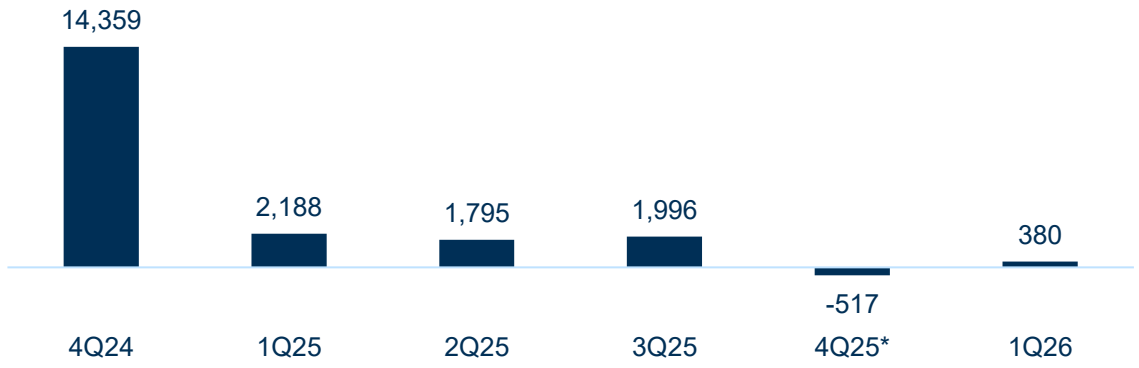
- Intentional slowdown of land acquisition and development spend, given current market conditions
- Positioned well with 5.2 years supply of lots, in line with our target of 4-5 years and our growth plans

Land Acquisition & Development Spend* ($ Millions)



* Land acquisition and development spend is net of land development reimbursements. 2024 metrics have been adjusted to the current presentation

Net Newly Controlled Lots



* 4Q25 included 3,434 lots we terminated

Guidance

	Second Quarter 2026
Home closings	3,650-3,900 units
Home closing revenue	$1.37-1.47 billion
Home closing gross margin	Around 18%
Effective tax rate	24.5-25.0%
Diluted earnings per common share	$1.18-1.46

Full Year 2026:

- Home closing volume and revenue at or within 5% of full year 2025

1Q26 Key Takeaways

- Top 5 builder focused on spec building
- Differentiated ability to compete against resale, given our 60-day closing guarantee and realtor engagement

- Prioritized balance sheet strength and disciplined capital allocation in 1Q26 under current market conditions

- Community count growth and faster cycle times paired with our strategy position us well to capture incremental market share as demand conditions improve





ABOUT MERITAGE

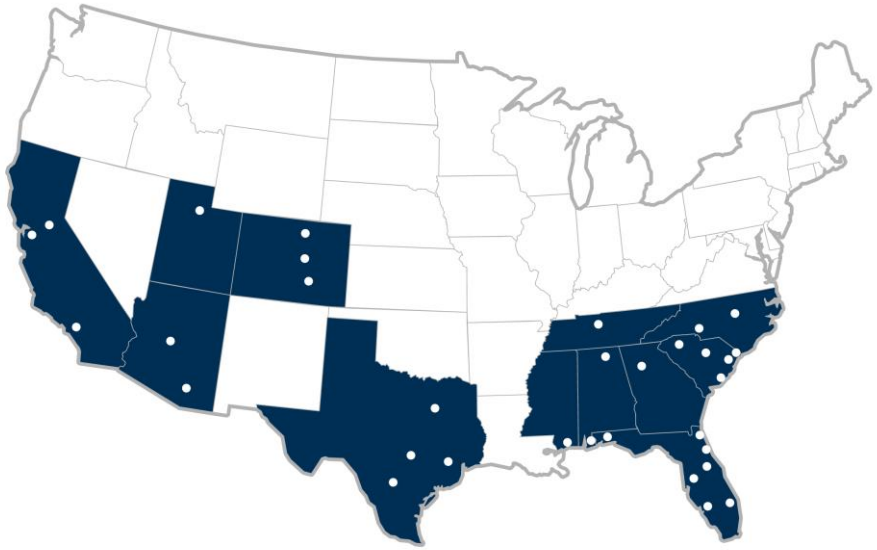
Meritage Company Overview











- Affordable spec builder specializing in entry-level and first move-up homes
- Top five U.S. public homebuilder
- Delivered over 210,000 homes in its 41-year history
- Diversified geographic footprint with 25 markets in 12 states

Meritage Key Strategies

Spec strategy

- Start all homes prior to releasing them for sale



Go-to market strategy

- 60-day closing ready guarantee
- Move-in ready inventory
- Realtor engagement





Streamlined operations

- Cost savings from national vendors derived from reduced number of house plans and SKUs, lack of design center and a simplified sale to close process



Focused on affordability

- Deliver affordable entry-level and first move-up homes