REFINITIV

DELTA REPORT

10-K

MTH - MERITAGE HOMES CORP

10-K - DECEMBER 31, 2024 COMPARED TO 10-K - DECEMBER 31, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	4007
CHANGES	387
DELETIONS	1238
ADDITIONS	2382

REFINITIV

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2023 December 31, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number 1-9977

MTH_Logo_Standard_Horizontal_Tagline_RGB narrow white space.jpg

Meritage Homes Corporation

(Exact Name of Registrant as Specified in its Charter)

Maryland	**86-0611231**
(State or Other Jurisdiction of Incorporation or Organization)	**(IRS Employer Identification No.)**

18655 North Claret Drive, Suite 400, Scottsdale, Arizona 85255
(Address of Principal Executive Offices, including Zip Code)

(480) 515-8100
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock $.01 par value	MTH	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

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Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.	Yes	☒	No	☐
Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.	Yes	☐	No	☒
Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.	Yes	☒	No	☐
Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).	Yes	☒	No	☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated Filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by a check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.	☐
Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.	☒
If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.	☐
Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).	☐

Indicate by checkmark check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of common stock held by non-affiliates of the registrant as of June 30, 2023 June 28, 2024 was $5.1 billion $5.7 billion based on the closing sales price per share as reported by the New York Stock Exchange on such date.

The number of shares outstanding of the registrant's common stock on February 7, 2024 February 14, 2025 was 36,169,394. 71,765,912.

DOCUMENTS INCORPORATED BY REFERENCE

Portions from the registrant's Proxy Statement relating to the registrant's 2024 Annual Meeting of Stockholders have been incorporated by reference into Part III, Items 10, 11, 12, 13 and 14.

MERITAGE HOMES CORPORATION
FORM 10-K
TABLE OF CONTENTS

PART I

Item 1. Business

The Company

Meritage Homes Corporation ("Meritage Homes") is a leading designer and builder of single-family attached and detached homes. We primarily build in historically high-growth regions of the United States and offer a variety of entry-level and first move-up homes. We have operations in three regions: West, Central and East, which are comprised of ten twelve states: Arizona, California, Colorado, Utah, Texas, Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, and Tennessee. These three regions are our principal homebuilding reporting segments. We also operate a financial services reporting segment. In this segment, we offer title and escrow, mortgage, and insurance services. Carefree Title Agency, Inc. ("Carefree Title"), our wholly-owned title company, provides title insurance and closing/settlement services to our homebuyers in certain states. Managing our own title operations allows us greater control over the entire escrow and closing cycles in addition to generating additional revenue. Meritage Homes Insurance Agency, Inc. ("Meritage Insurance"), our wholly-owned insurance broker, works in collaboration with insurance companies nationwide to offer homeowners insurance and other insurance products to our homebuyers. Our financial services operations also provide mortgage services to our homebuyers through an unconsolidated joint venture.

Our homebuilding activities are conducted under the name of Meritage Homes in each of our homebuilding markets. At December 31, 2023 December 31, 2024, we were actively selling homes in 270 292 communities, with base prices ranging from approximately $237,000 $203,000 to $1,064,000. $1,089,000. Our average sales price ("ASP") on home closings and orders was approximately $433,400 $406,200 and $430,200, $407,400, respectively, for the year ended December 31, 2023 December 31, 2024.

Available Information; Corporate Governance

We commenced our homebuilding operations in 1985 through our predecessor company, Monterey Homes. Meritage Homes Corporation was incorporated in the state of Maryland in 1988 under the name of Homeplex Mortgage Investments Corporation and merged with Monterey Homes in 1996, at which time our name was changed to Monterey Homes Corporation and later ultimately to Meritage Homes Corporation. Since that time, we have engaged in homebuilding and related activities. Meritage Homes Corporation operates as a holding company and has no independent assets or operations. Its homebuilding construction, development and sales activities are conducted through its subsidiaries.

Information about our Company and communities is provided on our Internet website at *www.meritagehomes.com*. The information contained on our website is not considered part of this Annual Report on Form 10-K. Our periodic and current reports, including any amendments, filed or furnished pursuant to section 13(a) or 15(d) of the Securities Exchange Act of 1934 (the “Exchange Act”) are available, free of charge, on our website as soon as reasonably practicable after they are electronically filed with or furnished to the Securities and Exchange Commission (“SEC”).

Meritage Homes operates within a comprehensive plan of corporate governance for the purpose of defining responsibilities and setting high standards for ethical conduct. Our Board of Directors has established an audit committee, executive compensation committee, nominating/governance committee, environmental, social, nominating and sustainability governance committee, and land committee. The charters for each of these committees are available on our website, along with our Lead Director Charter, Code of Ethics, Corporate Governance Principles and Practices, Conflict of Interest and Related Party Transaction Policy, Securities Trading Policy, Clawback Policy, Human Rights Policy, Vendor Code of Conduct, Environmental Responsibility Policy, and Responsible Marketing Policy (collectively, the "charters and Published Policies"). All of our employees, officers and directors, are required to comply with our Code of Ethics and to immediately report through the appropriate channels, any known instances of non-compliance. Our charters and Published Policies are also available in print, free of charge, to any stockholder who requests any of them by calling us or by writing to us at our principal executive offices at the following address: Meritage Homes Corporation, 18655 N. Claret Drive, Suite 400, Scottsdale, Arizona 85255, Attention: Secretary. Our telephone number is (480) 515-8100.

Strategy

All facets of Meritage's operations are governed by the core values that define our culture and operational parameters, ensuring that our actions are aligned around our brand promise of delivering to each of our customers a LIFE. BUILT. BETTER. LIFE.BUILT.BETTER.®

Our six core values include:

- Start With Heart
- Integrity Above All Else
- Develop to Empower
- Think Strategically
- Build Value, and
- Play to Win

These values combine our entrepreneurial spirit and organizational agility to strive for industry-leading results in all of our functional areas, including: land acquisition and development, finance, marketing, sales, purchasing, construction, customer care, and information technology. The main tenets of these core values are:

- Value, recognize and appreciate our employees, trade partners and customers;
- Act with honesty, character and integrity by demonstrating openness and transparency with our internal and external customers;
- Provide the highest level of customer service by bringing passion and care to every interaction and make a difference by giving back to the communities we serve;
- Strive to have the best team available through investing in our people and fostering an environment that embraces growth and learning;
- Renew, rethink and innovate, continuously and purposefully, with the customer in mind, by supporting and encouraging new ideas and recognizing efforts that grow stakeholder value;
- Lead with action, be relentless in our pursuit of excellence and never settle; and
- Commit to building an inclusive build a culture by fostering diversity of inclusion and equity belonging across our organization.

These core values are evident in the operational decisions, we make in every facet of our business, all of which contribute to the successes we have achieved with our talent acquisition and employee development, our customers, and in becoming the homebuilding industry. fifth largest homebuilder in America.

Our operational strategy focuses on building affordable, quick move-in ready homes that are designed to meet the growing demand for entry-level and first move-up product. Our LiVE.NOW® communities are targeted to the entry-level price point combining nicely-appointed affordable homes with simplified and streamlined construction and sales processes aimed to create a stress-free buying experience for our customers while also allowing our trade partners and suppliers to work more efficiently and cost effectively, which allows us to pass resulting savings on to our customers. We have a 100% speculative ("spec") home building strategy for our entry-level product, so we pre-start all of our homes with preselected plans and features from our reduced SKU counts and plan libraries. During 2023, features. Midway through 2024, we introduced a strategic shift of selling homes later in the supply chain and labor constraints that challenged production in 2022 lessened throughout the year, allowing construction process which enables us to reduce our construction cycle compete more effectively with the resale home market by shortening the delivery time by over six weeks, replenish inventory from sale to close, aligning more closely with typical resale home closing timelines. Our strategic shift focuses on three core tenets: (1) a 60-day closing ready guarantee beginning in 2025, (2) move-in ready homes, and return to normalized inventory levels. (3) external realtor engagement. We believe having available specs provides that focusing on these three tenets reinforces our brand commitment and positions us competitively to capture a competitive advantage larger market share by allowing our customers opening up a category of buyers that previously might not have considered new home construction due to lock their mortgage rate hesitancy over construction and offer a quick delivery, as is the current desire in the marketplace. Our strategy also encompasses a simplification of the home buying process for the first move-up segment, a demographic we have historically had a significant presence in. For our first move-up product, our pre-set option packages provide an experience that simplifies the sale closing delays and design processes, providing an efficient and less stressful way for homebuyers to personalize their new homes through professionally-curated design collections versus the traditional a-la-carte design center offerings, although in 2023 most of these first move-up offerings were also pre-started prior to sales order to expedite the building cycle time and offer quick move-ins for our buyers. hidden move-in costs. We believe our strategy addresses move-in ready, 60-day closing ready guarantee will help alleviate these concerns. Further, by focusing on our relationship with the need external realtor community, we expand our potential buyer pool as we know that a large percentage of buyers place their trust in these agents when starting their search for well-appointed yet lower-priced homes, while allowing us to simplify and maximize the profitability of our business. a new home.

We continue to focus on innovation in every building energy efficient, resilient homes and believe it is one of the core differentiators between the new and resale home we build, employing industry-leading building techniques and technologies aimed at surpassing the baseline standards for energy-efficient homebuilding. market. Accordingly, at a minimum, every new home we construct meets or exceeds ENERGY STAR® standards and comes standard with the MERV-13 air filter, one of the most advanced air filtration systems offered today for residential construction, and a multispeed heating, ventilation and air conditioning ("HVAC") system that is designed to operate more efficiently which are higher than traditional HVAC systems, allowing owners to better manage the comfort of their home while reducing their environmental impact and operating costs. existing building codes. These standard offerings provide our customers with homes that utilize, on average, half of the energy of a typical U.S. home of the same size. As a result of our commitment to interior air

quality, we received the U.S. Environmental Protection Agency's ("EPA") ENERGY STAR® certification for the eleventh time in 2024 and the Indoor airPLUS certifications in 2023. certification for the fourth consecutive year. Our commitment to incorporate these energy and healthy living standards into all of our homes has resulted in our achievement of design, purchasing and production efficiencies that have allowed us to offer these as standard features to our home buyers for nominal additional cost while providing significant additional value to our customers. In addition, all homes we build include home automation features through our M.Connected Home™ Automation Suite which includes a central hub that allows users to monitor and control key components of their homes, such as Wi-Fi enabled thermostats, garage doors and smart door locks.

Year after year, we strive to build energy-efficient homes through better construction processes and selection of materials and features inside the home. These efforts reduce the energy consumption and greenhouse gas emissions of our homes, which create energy savings and lower utility bills for our homeowners. Our homes earn better Home Energy Rating System ("HERS") scores from the third-party energy rater, Residential Energy Services Network, as compared to their reference a comparable existing home. We have also received various national and regional awards in recognition of our efforts, including:

- 2023 2024 EPA's ENERGY STAR® Partner of the Year for Sustained Excellence for the tenth eleventh year;
- 2021 - 2023 2024 EPA's Indoor airPLUS Leader Award;
- 2013 - 2023 2024 EPA's ENERGY STAR® Residential New Construction Market Leader Award;
- USA Today's 2023 2024 America's Climate Leaders; and
- Green Builder Media's 2023 Eco Leaders List. Newsweek's 2024 America's Greenest Companies

Environmental, Social and Governance

We believe transparent corporate governance and social responsibility are important for the long-term sustainability of the business. Our Environmental Responsibility Policy, Code of Ethics, Human Rights Policy, Vendor Code of Conduct, and Responsible Marketing Policy, collectively, are intended to define, promote and support sustainable practices throughout all phases of the homebuilding cycle. We take pride in being an organization driven by ethics and living by our core values and our promise to deliver a Life.Built.Better.® We promote the long-term interests of our stakeholders and customers and focus on the transparency and accountability of Meritage's Board of Directors, executive management, our employees and trade partners. In addition to becoming being certified as a Great Place to Work® for a second year in 2023, a row in 2024, we also received various national and regional awards in recognition of our corporate stewardship, including:

- 2023 Hearthstone Builder Humanitarian Award; Forbes' 2024 Most Successful Mid-Cap Companies;
- Arizona Housing Fund 2023 Partner of the Year Award; The President's Volunteer Service Award for 2024;
- 2023 AZ Business Angels Award;
- World's Arizona's 2024 Most Admired Companies for 2023 by Fortune;
- America's Most Responsible Companies for 2023 by Newsweek; Companies;
- U.S. News & World Report's Best Companies to Work for in 2023; 2024-2025;
- Phoenix Business Journal's 2023 2024 Fortune Best Places to Work; Workplaces in Construction, Best Workplaces for Women, and Best Workplaces for Parents;
- AVID Cup – Production, the highest national honor, for a second third consecutive year; and
- Various AVID Diamond, Gold and Benchmark customer service awards across multiple categories and divisions.

More information regarding these topics can be found on our website and within publicly filed reports, including our 2024 environmental, social, and governance ("ESG") report which includes our Task Force on Climate-Related Financial Disclosures ("TCFD") and our Equal Employment Opportunity data ("EEO-1"). These disclosures are located within the Investor Relations

area of our website. The ESG report and other information on our website are not incorporated by reference into this Annual Report on Form 10-K.

Markets

We currently build and sell homes in the following markets:

Markets	Year Entered
Phoenix, AZ	1985
Dallas/Ft. Worth, TX	1987
Austin, TX	1994
Tucson, AZ	1995
Houston, TX	1997
East Bay/Central Valley, CA	1998
Sacramento, CA	1998
San Antonio, TX	2003
Inland Empire, CA	2004
Denver, CO	2004
Orlando, FL	2004
Raleigh, NC	2011
Tampa, FL	2011
Charlotte, NC	2012
Nashville, TN	2013
Atlanta, GA	2014
Greenville, SC	2014
South Florida	2016
Myrtle Beach, SC	2021
Salt Lake City, UT	2023
Jacksonville, FL	2023
Coastal Alabama	2024
Coastal Mississippi	2024
Florida Panhandle	2024
Huntsville, AL	2024

Recent Industry and Company Developments

In 2023, The market for new homes was healthy in 2024 as the homebuilding market reversed course from the slowdown that commenced in the second half of 2022 due to high inflation and consecutive interest rate hikes that reduced overall housing affordability and deteriorated buyer confidence. The needs largest U.S. population cohorts of the millennial, Gen Z and baby boomer generations for continue to need affordable, move-in ready homes are driving higher homes. While demand but today's buyer is still seeking was stable, volatile and elevated interest rates resulted in increased need for interest rate assistance for potential homebuyers to help with monthly mortgage affordability. The ability to offer financing incentives, including interest rate locks and buy-downs, combined with a short supply of re-sale inventory available has shifted demand to the new home market in 2023. recent years. We believe that our ability to offer financing incentives gives us a competitive advantage, particularly over resale homes, as individual home sellers are typically not able to provide such incentives, and that our all-spec strategy with a commitment to affordability will can meet the persisting demographic this demand, providing us with ample opportunity to capture and grow our market share.

The supply Supply chain constraints, and labor market disruptions, shortages and other economic-related disruptions that impacted construction cycle times for the homebuilding industry during 2022 also began to improve and 2023 stabilized in 2023. During 2023, 2024. Throughout 2024, we further reduced our construction cycle time, reaching normalized cycle times of approximately 120 days by over six weeks as the end of the year. The increased capacity in supply chain and labor constraints lessened throughout the year. While there has been resulted in a decrease in some relief in material costs primarily due over the past few years, and our higher volume allowed us to retraction capture additional volume discounts from our national vendors. Land costs were elevated in the cost of lumber commodities, most other home costs have held relatively steady at elevated levels. We continue to rebid all of our construction inputs and believe costs will begin to trend down to historical levels as additional capacity is created in the marketplace. Higher land costs 2024 following several years of historically high land development have also begun to impact margins for newer communities activity and we expect will continue to do so in the near-to-mid term. negatively impacted our margins.

We have been successfully successful in executing on our strategy to address the demand for more affordable homes by acquiring and developing communities and designing homes that can be delivered at a lower cost. We are achieving our goal by cost, simplifying our product and construction processes, pivoting to and having an all spec home sales program, for our entry-level communities, all of which allow buyers to move in quicker and by enhancing and making make the entire home buying experience faster, easier and less costly for our customers. costly. We are confident in our strategy and continue to demonstrate our commitment to first-time and first move-up buyers through our land acquisitions, streamlined option packages and upgrade offerings for our first move-up product, and our focus on delivering affordable homes. Our entire portfolio of active communities is targeted largely concentrated on first-time buyers, as these provide us the best opportunity to first-time and first move-up buyers who collectively represented all of our orders and closings in 2023. offer affordable homes. We also remain committed to our key financial goals such as higher home closing revenue, strong home closing gross margin, controlling selling, and general and administrative costs, and maintaining sufficient liquidity. Our products and simplification strategy have enabled us to deliver on these goals and we believe will continue to provide improved profitability while also preserving liquidity. Our near-term objectives in today's uncertain environment are expanding our market share and maintaining liquidity.

In 2023, During 2024 we were upgraded to an maintained our investment grade ratings from all three of our rating by both Standard and Poor's Financial Services and Fitch Ratings agencies in recognition of our disciplined approach to balance sheet management, while actively pursuing growth and shareholder return.

Home closing revenue of $6.1 billion $6.3 billion for the year ended December 31, 2023 December 31, 2024, decreased 2.4% increased 4.7% year over year, as the combined result of a 0.9% decrease an 11.7% increase in home closing volume and a 1.5% 6.3% decrease in Average Sales Price ("ASP") ASP on closings. Improved homebuyer psychology, particularly around The improvement in home closing volume was achieved due to strong orders throughout the year alongside higher interest rates, led backlog conversion as a result of our offering all spec, move-in ready homes. Home order volume improved 10.7% year-over-year due to a 12.2% improvement 1.4% increase in average active communities and a 7.5% increase in orders volume and the return pace to a normalized cancellation rate of 12.8%. ASP on orders decreased 3.7% primarily due to higher financing incentives provided to address homebuyer concerns of monthly mortgage affordability. 4.3 homes per month. Higher order volume partially offset by the lower ASP on orders led to an 8.0% a 4.8% increase in home order value compared to 2022. 2023. Home closing gross margin of 24.9% was consistent with 24.8% declined 380 basis points from our highest full-year home closing margin in Company history 2023. ASP on orders decreased 5.3% due to greater utilization of 28.6% financing incentives as well as product and geographic mix shift. Entry-level represented 92% of full year 2024 sales orders, compared to 87% in 2022. Our 2023 net the prior year. Net earnings for the year ended December 31, 2024 of $738.7 million $786.2 million and diluted EPS of $19.93 $10.72 both decreased increased by 25.5% 6.4% and 7.6%, respectively, compared to prior year.

We carefully manage our liquidity and balance sheet, particularly during times of limited economic visibility. Our earnings generate cash that allows us to reinvest in our business through acquiring and developing land, increasing the number of homes under construction, and returning shareholder value by repurchasing our common stock and paying dividends. During 2023, 2024, we repurchased 437,882 1,464,510 shares of our common stock, or 2.0% of the shares outstanding at the beginning of the year, for $59.1 million $125.9 million, paid dividends totaling $39.5 million $108.6 million, and we also partially redeemed $150.0 million $250.0 million of our Senior Notes due 2025. We ended the year with cash and cash equivalents totaling $921.2 million $651.6 million as compared to $861.6 million $921.2 million at December 31, 2022 December 31, 2023, while growing our inventory 8.3% 21.3% to $4.7 billion $5.7 billion. Our debt-to-capital ratio was 17.9% 20.6% and our net debt-to-capital ratio was 1.9% 11.7% at December 31, 2023 December 31, 2024, compared to 22.6% 17.9% and 6.8% 1.9%, respectively, at December 31, 2022 December 31, 2023. Net debt-to-capital is a non-GAAP measure. For information about the calculation of the net debt-to-capital ratio and the reasons why we believe it is a relevant financial measure, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources". On November 21, 2024, our Board declared a two-for-one stock split to stockholders of record at the close of business on December 31, 2024 that was effective on January 2, 2025. All share and per share amounts in this Annual Report on Form 10-K have been retroactively adjusted to reflect the Stock Split for all periods presented. See "Part II, Item 5 - Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities".

Land Acquisition and Development

Our current land pipeline goal is to maintain an approximate four-to-five year future sales order pace supply of lots, which we believe provides an appropriate planning horizon to address regulatory matters, perform land development and manage to our business plan for future closings. With the increasing demand for new homes, and in support of our commitment to grow community count and market share, we are aggressively seeking increasing our efforts to find new land acquisitions that align aligns with our underwriting criteria. During the year ended December 31, 2023 December 31, 2024, we invested approximately $1.9 billion $2.5 billion in land acquisition and development and secured approximately 37,000 net new lots, up from 16,000 net new lots up significantly from 2,000 net in 2023. Included in the 2024 new lots are those we acquired as part of our entry into new markets in 2022. Alabama and the Gulf Coast. We ended the year with 64,313 85,613 lots under control at December 31, 2023 December 31, 2024 versus 63,182 64,313 in 2022. As of December 31, 2023 we have a 4.6 year supply of lots, based on 2023 closings, in line with our goal to maintain four to five years supply. 2023. Nearly all of the lots placed under control in 2023 2024 are designated for entry-level communities. We are currently focused on growing our market share in our newly-entered and existing markets, including Salt Lake City and Jacksonville, the two new markets we entered this year. We continually evaluate our markets, monitoring and adjusting our lot supply through lot and land acquisitions to ensure we have a sufficient pipeline that is in sync with local market dynamics as well as our goals for growth in those markets. During 2023, 2024, we closed 13,976 15,611 homes, purchased approximately 14,900 27,300 lots for $832.7 million $1.2 billion, spent $1.1 billion $1.3 billion on land development, and started construction on 14,524 15,824 homes. At December 31, 2023 December 31, 2024 and 2022, 2023, respectively, approximately 72% 62% and 73% 72% of our controlled lots were owned.

We are currently purchasing primarily undeveloped land as the opportunity to purchase partially developed or substantially finished lots in desired locations is limited. Finished lots are those on which the development has been completed by a third party and are ready for immediate home construction. The entitlement and development of raw and undeveloped land and partially developed lots require a longer lead time before new communities are able to open for sales. Typically, undeveloped and partially developed lots will have a lower all-in cost than finished lots as we are responsible for improvements on the land, rather than paying a mark-up on improvements completed by a different third-party developer. When evaluating any land acquisition opportunity, our selection is based upon a variety of factors, including:

- financial feasibility of the proposed project, including projected profit margins, total capital commitment, return on capital invested, and the capital payback period;
- suitability of the land for our product offering of entry-level and first move-up homes;
- management's judgment as to the local real estate market and economic trends, and our experience in particular markets;
- environmental impact and sustainability considerations;
- existing concentration of lots owned and controlled by Meritage and other builders and developers in surrounding markets, including nearby Meritage communities; markets;
- development timeline, generally a three to five-year period from the purchase of the underlying property to the delivery of the last home;
- demographic data from the surrounding area based on extensive market studies, including surveys of both new and resale homebuyers;
- the ability to secure governmental approvals and entitlements, if required, and any associated risks;
- results of technical, environmental and legal due diligence;
- proximity to schools, local traffic and employment corridors, goods and services, and amenities;
- assessment of development risks, complexities and timelines; and
- availability and financial impact of seller-provided purchase options or structured financing agreements that allow us to defer lot purchases until needed for production, if applicable.

When purchasing undeveloped or partially developed land, we strive to defer the land acquisition until after entitlements have been obtained to eliminate or significantly minimize lot yield risk and so that development or construction are known and may begin immediately, improving returns. The term “entitlements” refers to appropriate zoning, unit density and total lot yield, development agreements and preliminary, tentative and final maps or plats, depending on the jurisdiction within which the land is located. Entitlements generally give the developer the right to obtain building permits upon compliance with conditions that are ordinarily within the developer’s control. Although entitlements are almost always obtained before land is purchased, we are typically still required to secure a variety of other governmental approvals and permits prior to and during development, and the process of obtaining such approvals and permits can be lengthy. In unique circumstances, we may consider the purchase of unentitled land when we can do so in a manner with limited risk and which is consistent with our business strategy. We generally purchase and develop parcels that provide us with communities that range on average from 100 to 200 lots per product line.

Once we secure undeveloped land, we generally supervise and control the development of the land through contractual agreements with professional consultants and subcontractors. These activities may include site planning and engineering, as well as constructing road, sewer, water, utilities, drainage, landscaping improvements, recreation amenities and other improvements and refinements. We develop a design and marketing plan tailored to each community, which includes the determination of type, size, style and price range of homes. We may also determine the overall community design for each project we develop including street and community layout, individual lot size and layout, and common areas and amenities to be included within the community. The homes offered depend upon many factors, including the guidelines, if any, of the existing community, housing available in the area, the needs and desired housing product for a particular market based on consumer research, and pricing targets for the desired product offering in the surrounding metro and our lot sizes, area, though we almost exclusively use our standardized home design plans in our communities. We also build homes in master-planned communities with home sites that are adjacent to or near major amenities, such as golf courses or recreation facilities.

The factors used to evaluate finished lot purchases are similar to those for land we intend to develop ourselves, although the development risks associated with the undeveloped land—financial, entitlement, environmental, legal and governmental—have largely been borne by others. As such, these finished lots may be more attractive to us, despite their higher price, as we typically can immediately bring the community to market and begin home construction as well as mitigate potential cost and time risks that can occur during the land entitlement and development process.

As a means of accessing parcels of land, both undeveloped and finished, with minimal cash outlay, we may use option contracts. contracts to secure land rights. Acquiring our land through option contracts, when available, allows us to leverage our balance sheet by controlling the timing and volume of lot and land purchases from third parties. These contracts provide us the right, but generally not the obligation, to buy lots at predetermined future intervals and are usually structured to approximate our projected home sales absorption rate at the time the contract is negotiated. Lot option contracts are generally non-recourse and typically require the payment of non-refundable deposits of 5% to 20% of the total land purchase price. The use of option contracts limits the market risks associated with land ownership by allowing us to re-negotiate option terms or terminate options in the event of market downturns but also include a financial return to the counterparty. In the event we elect to cancel an option contract, our losses are typically limited to the forfeiture of our option deposits and any associated capitalized pre-acquisition costs. The cost of obtaining land through such option contracts is generally higher than if we were to purchase land in bulk, although the financial leverage benefits they can provide can outweigh the financing costs associated with them. Due to our strong liquidity position, our and purchases are generally financed through our working capital, including corporate borrowings.

At December 31, 2023 December 31, 2024, in addition to our 46,294 53,335 owned lots, we also had 18,019 32,278 lots under committed purchase or option contracts with a total purchase price of approximately $914.1 million $1.4 billion secured by $97.8 million $176.8 million in cash deposits. We purchase and develop land primarily to support our homebuilding operations, although we may sell land and lots to other developers and homebuilders from time to time where we have excess land positions or for other strategic reasons. Information related to lots and land under option contracts is presented in Note 3 in the accompanying consolidated financial statements.

All land and lot acquisitions are reviewed by our corporate land acquisition committee, which is comprised of certain members of our executive management team and key operational leaders. All land acquisitions exceeding a specified dollar amount must also be approved by our Executive Chairman, with a secondary threshold requiring approval by our Board of Directors' Land Committee.

Construction Operations

We typically act as the general contractor for our projects and hire experienced subcontractors on a geographic basis to complete construction at fixed prices. construction. We usually enter into agreements with subcontractors and materials suppliers after receiving competitive bids. In certain markets at high risk for land development cost increases, we may enter into fixed-fee bids. We also enter into longer-term and national or regional contracts with subcontractors and suppliers, where possible, to obtain more favorable terms, minimize construction costs and to control product consistency and availability. In addition to contractually requiring that our subcontractors comply with all laws and labor practices pertaining to their work, subcontractors must also adhere to our Code of Ethics and Vendor Code of Conduct, follow local building codes and permits, and meet performance, warranty and insurance requirements. See '*Customer Relations, Quality Control and Warranty Programs*' below for additional information about our subcontractor requirements. Our purchasing and construction managers coordinate and monitor the activities of subcontractors and suppliers, and monitor compliance with zoning, building and safety codes. At December 31, 2023 December 31, 2024, we employed approximately 910 971 full-time construction and warranty employees.

We specify that quality durable materials be used in the construction of our homes and we do not maintain significant inventories of construction materials, except for work in process materials for homes under construction. When possible, we negotiate price and volume discounts and rebates with manufacturers and suppliers on behalf of our subcontractors so we can take advantage of production volume. Our raw materials consist primarily of lumber, concrete, drywall, roofing materials and similar construction materials and are frequently purchased on a national or regional level. Such materials have historically been available from multiple suppliers and therefore we do not believe there is a supplier risk concentration. However, because such materials are substantially comprised of natural resource commodities, their cost and availability are subject to national and worldwide price fluctuations and inflation, each of which could be impacted by legislation or regulation relating to energy, climate change and tariffs. We typically do not enter into any derivative contracts to hedge against weather or materials price fluctuations as we do not believe they are particularly advantageous to our operations, although we do periodically lock in short and mid-term pricing with our vendors for certain key construction commodities. Throughout 2022, we experienced continued building material materials cost pressures and production capacity issues with some of our main product suppliers, including supply chain constraints largely associated with world-wide labor, material, materials, and transportation shortages. These pressures began The market returned to lift normal conditions in latter 2023 and we has maintained that position throughout 2024. We continue our focus on controlling costs by expanding our trade base and strengthening critical relationships.

We generally build and sell homes in phases within our larger projects, which we believe creates efficiencies in land development, home construction operations and cash management. We also believe it improves customer satisfaction by reducing the number of vacant lots and construction activity surrounding completed and occupied homes. Our homes are typically completed within three to five months from the start of construction, depending upon the geographic location and the size and complexity of the home, although in 2022 we did experience longer cycle times due to the supply chain constraints previously discussed. home. Construction schedules may vary depending on the size of the home, availability of labor, materials and supplies, product type, location, municipal requirements and weather. Our homes are usually designed to promote efficient use of space and materials, and to minimize construction costs and time.

Marketing and Sales

We believe that we have an established reputation for building attractive, high quality energy-efficient, affordable homes, which helps generate demand for our product. We have robust communication and marketing plans that reach real estate agents and prospective customers buyers through a combination of online advertising, online listings, social media, email and articles. We In mid-2024, we announced our strategic shift to focus on real estate agents as the primary customer and we created a variety of tools to help agents leverage a suite of digital offerings to provide our customers with a simple and streamlined sales and marketing experience, including:

- Online scheduling to allow customers to schedule in-person, self-guided model home tours after hours Immediate lockbox access for models and completed homes;
- Industry-leading dedicated Agent Portal where agents can find and save homes, view clients, see loyalty program status and more - all in select locations; one place;
- Virtual tours in all of our communities for realtors and prospective buyers; communities;
- Extensive online tools such as 3-D tours and dynamic floor plans to mimic the live experience of walking through a model home;
- Our chat bot, Virtual Assistant Liaison ("VAL"), provides customers and owners with around-the-clock information and support on our website;
- Pre-qualifying buyers for mortgages through digital solutions on our website;
- Collecting earnest money payments remotely through third-party hosted money-transfer solutions;
- Warranty portal for our homeowners to submit and track warranty-related matters;
- Comprehensive online suite of financial services such as on-demand homeowners’ insurance quotes; and
- Digital signing of sales contracts and drive-through and partial or fully virtual closings in states where such services are permitted.

In addition, our local marketing efforts are focused on opening new communities with strong interest lists online listings and driving consumer traffic generating leads through digital media campaigns, in-person and virtual events for both prospective buyers and real estate agents, and grass roots marketing and strategically placed signage in the surrounding areas of our communities. efforts. Our marketing strategy is aimed at differentiating Meritage Homes by highlighting focusing on real estate agents as our simplification throughout primary customer, supported by our industry-leading Agents Rock Rewards program, which provides opportunities for real estate agents to grow their business in true partnership with Meritage Homes. From a product perspective, Meritage homes delivers the buying, building best of both worlds with the stylish design, energy-efficiency and a new home warranty combined with quick move-in timelines and turnkey experience often found with used homes. Our move-in ready homes include a suite of appliances and whole home blinds, and with our 60-day closing processes, ready commitment, we guarantee the home will be closing ready in 60 days or less. If the deadline is missed due to our transparency in setting clear expectations and by building a better home leveraging industry leading energy-efficient features, cutting edge design, upgrades and finishes. actions, we'll reimburse up to $5,000 of expenses related to the delay. All of this is part of our LIFE. BUILT. BETTER.® brand promise to our customers, by providing a home that is quieter, cleaner, healthier and smarter. customers.

In addition to our robust digital marketing platform, we also use furnished model homes as a marketing tool to demonstrate to prospective homebuyers the advantages of the designs and features of our homes. At December 31, 2023 December 31, 2024, we owned 327 341 completed model homes, had 41 28 models under construction and leased back 2 one model homes home previously sold to buyers. a buyer. We generally employ or contract with interior and landscape designers who enhance the appeal of our model homes, which highlight the features and options available. We typically build between one and three model homes models for each actively selling community, depending upon the products to be offered and the number of homes to be built in the project. We strive to implement marketing strategies that will educate our buyers on how our unique building techniques and the energy efficient and home automation features in our homes differentiate them from other homes.

Our strategy of providing simplification and transparency extends to our approach to interior design and finishes, perspective, which is particularly appealing to our entry-level first-time and first move up buyer segments. Leveraging feedback from our homebuyers and based on our core values of innovating with the customer in mind, we took action to completely rethink how the home buying and design process should work to meet the needs of today’s buyer. We offer pre-selected combinations of flooring, cabinetry, countertops and fixtures that are all professionally designed to meet our buyer’s preferences, and our homebuyers benefit from bulk-purchase savings that we pass through from our national vendor partnerships.

Our homes generally are sold by our commissioned local sales associate employees. We also employ a team of online sales associates who offer assistance to potential buyers viewing our communities and products online through digital offerings such as virtual tours and 3-D tours and dynamic floor plans. At December 31, 2023 December 31, 2024, we had approximately 492 473 full-time sales and marketing personnel. Our goal is to ensure that our sales force has extensive knowledge of our homes and their energy efficient and innovative features, differentiated offerings, our sales strategies and mortgage options, in order to fully execute our marketing message. To achieve this goal, we train our sales associates and conduct regular meetings to update them on our product, surrounding communities, sales techniques, competition in the area, financing availability, construction schedules, marketing and advertising plans, available product lines, pricing, and options offered, as well as the numerous benefits our energy efficient product provides. Our sales associates are licensed real estate agents where required by law.

Third-party brokers may real estate agents also sell our homes and are usually paid a sales commission, usually based on the price of the home. Frequently, third-party brokers bring prospective buyers to We are now more heavily focused on this relationship and have our communities. We have a robust Agents Rock Rewards loyalty program for these brokers and we aim agents, demonstrating our commitment to partner leaning into the external realtor market with them, which we believe help enhance the impact of our marketing message. recent strategic shift.

To attract buyers, we may offer various sales incentives, including mortgage-related incentives such as interest rate locks or buy-downs, price concessions, and assistance with closing costs, and landscaping or interior upgrades. costs. The use, type and amount of incentives depends largely on economic and local market conditions.

Investments in Unconsolidated Entities — Joint Ventures

We may enter into joint ventures as a means of accessing larger parcels of land, expanding our market opportunities, managing our risk profile and leveraging our capital. While purchasing land through a joint venture can be beneficial, we do not view joint ventures as critical to the success of our homebuilding operations. We currently have two active land development ventures. In addition to the land development joint ventures, we also participate in one mortgage business joint venture. venture ("MTH Mortgage"). The mortgage joint venture is engaged in mortgage activities and primarily provides services to our homebuyers.

In connection with our land development joint ventures, we may also provide certain types of limited guarantees to associated lenders and municipalities.

Backlog

Our sales contracts require cash deposits and may be subject to certain contingencies such as the buyer's ability to qualify for financing. Homes covered by sales contracts but which are not yet closed are considered "backlog" and are representative of potential future home closing revenue. Started homes are excluded from backlog until a sales contract is signed and are referred to as unsold speculative or "spec" spec inventory. A contract contingent upon the sale of a customer's existing home or a mortgage pre-approval is not considered a sale and not included in backlog until the contingency is removed. We strive to achieve a 100% spec home building strategy for all of our entry-level product, whereas for our first move-up homes, we also typically start construction on spec homes but may allow buyers the ability to select their interior packages if the sale occurs early in the construction cycle. homes. Our spec inventory per active community as of December 31, 2023 December 31, 2024 was 24.1 or 7,029 units as compared to 21.8 or 5,877 units as compared to 18.0 or 4,891 units as of December 31, 2022 December 31, 2023. At December 31, 2023 December 31, 2024, approximately 97% 100% of our 2,549 1,544 homes in backlog were under construction.

We do not recognize any revenue from a home sale until a finished home is delivered to the homebuyer, payment is collected and other criteria for sale and profit recognition are met. At December 31, 2023 December 31, 2024, of our total unsold homes in inventory, excluding completed model homes, 81% 60% were under construction and 19% 40% were completed. A portion of the unsold inventory resulted from homes that began construction with valid sales contracts that were subsequently canceled. We believe that during 2024 2025 we will deliver to customers substantially all homes in backlog at December 31, 2023 December 31, 2024 under existing contracts, or, in the case of cancellations, replacement sales contracts.

The number of units in backlog decreased 23.5% 39.4% to 1,544 units at December 31, 2024 from 2,549 units at December 31, 2023 from 3,332 units at December 31, 2022 with a 28.6% 42.1% decrease in the value of backlog to $1.1 billion $629.5 million from $1.5 billion $1.1 billion. The decrease in backlog units is due to reduced construction cycle times which allowed us to close homes quicker. and increased backlog conversion as a result of our strategy of offering move-in ready homes.

Customer Financing

Most of our homebuyers require financing to purchase their home. Accordingly, we refer them to mortgage lenders that offer a variety of financing options. While our homebuyers may obtain financing from any mortgage provider of their choice, we have a joint venture arrangement with an established mortgage broker that acts as a preferred mortgage broker to help facilitate the financing process as well as generate additional revenue for us through our interest in the joint venture (see Note 5 in the accompanying consolidated financial statements for additional information on joint venture financial results). We also have referral relationships with unaffiliated preferred mortgage lenders. We may pay a portion of the closing costs or obtain interest rate locks or buy-downs to assist homebuyers who obtain financing from our preferred lenders.

Customer Relations, Quality Control and Warranty Programs

We believe that positive customer relations and an adherence to stringent quality control standards are fundamental to our continued success, and that our commitment to buyer satisfaction and quality control has significantly contributed to our reputation as a high-quality builder.

In accordance with our company-wide standards, one or more Meritage project managers or superintendents generally monitors compliance with quality control standards for each community throughout the building phase of our homes. These employees perform the following tasks:

- oversee home construction;
- monitor subcontractor and supplier performance;
- manage scheduling and construction completion deadlines;
- conduct formal inspections as specific stages of construction are completed; and
- perform a final walkthrough inspection with homebuyers to identify any necessary repairs.

At the time a home is completed and delivered to a buyer, the continuing relationship is transitioned to a customer relations employee who manages our warranty and customer care efforts.

We generally provide a complete workmanship and materials warranty for the first year after the close of the home, a major mechanical warranty for two years after the close of the home and a structural warranty that typically extends up to 10 years after the close of the home. We require our subcontractors to provide evidence of insurance before beginning work and to indemnify us from defects in their work and the materials they provide and therefore any claims relating to workmanship and materials are generally the subcontractors' responsibility. In certain markets and for certain attached product, our trades participate in a Meritage-controlled insurance program for our subcontractors underwritten on behalf of Meritage which, if accepted, is the insurance for damage resulting from construction defects in lieu of the standard insurance we require from subcontractors. Although our subcontractors are generally required to repair and replace any product or labor defects (and for those operating in markets with our Company-controlled insurance program, pay a deductible as a condition to such coverage), we are, during applicable warranty periods, ultimately responsible to the homeowner for making such repairs. Accordingly, with the assistance of an actuary, we have estimated and established reserves for future structural warranty costs based on the number of home closings and historical data trends for warranty work within our communities. Warranty reserves generally range between 0.1% to 0.5% of a home's sale price. Those projections are subject to variability due to uncertainties regarding structural warranty claims relating to the construction of our homes, the markets in which we build, industry trends and experience, claim settlement history, and insurance and legal interpretations and developments, among other factors and we are, therefore, constantly monitoring such reserves. Historically, these reserves, as adjusted, have been sufficient to cover net out-of-pocket warranty costs.

Competition and Market Factors

The construction and sale of homes is a highly-competitive industry. We compete for sales in each of our markets with national, regional and local developers and homebuilders, as well as existing resale homes, condominiums, townhomes and rental housing. Some of our competitors have greater financial resources and may have lower costs than we do. Competition among residential homebuilders of all sizes is based on a number of interrelated factors, including location, reputation, product type, amenities, design, innovation, quality and price. We believe that we compare favorably to other homebuilders in the markets in which we operate due to our:

- streamlined construction processes that allow us to save on materials, labor and time and pass those savings to our customers in the form of lower prices while still offering a well-appointed home;
- simplified and less stressful home buying experience through a full spec operating model;
- experience within our geographic markets which allows us to develop and offer products that provide superior design and quality in line with the needs and desires of the targeted demographic;
- ENERGY STAR® standards in all of our communities and incremental energy-efficient features that create a variety of benefits to our customers which we believe differentiate our product from competing new and existing home inventories by providing cleaner, and healthier homes;
- inclusion of home automation through our M.Connected Home Automation Suite®;
- ability to recognize and adapt to changing market conditions, from both a financial capital and human capital perspective;
- ability to capitalize on opportunities to acquire land in desirable locations and on favorable terms;
- digital offerings in all stages of the homebuying process, as previously discussed; process; and
- reputation for outstanding service and quality products and our exceptional customer and warranty service.

Our product offerings and strategic locations are successfully competing with both existing homes inventory and surrounding new-home communities as evidenced by our relative orders volume and market share in most of our markets. We expect that the strengths noted above will continue to provide us with long-term competitive advantages.

We have an extensive market research department that assists us in each of our markets to better compete with other homebuilders and the inventory of re-sale homes in surrounding neighborhoods. Our strategic operations team conducts in-depth reviews in each of our markets, including a detailed analysis of existing inventory, pricing, buyer demographics and the identification of each location's key buyer metrics. This analysis and resulting analytical tools assist in decision-making regarding product designs, positioning, and pricing and underwriting standards for land purchases and land development.

Additionally, our market research department supports the Company strategy by researching new market opportunities, product library development and evolving consumer trends and preferences.

Government Regulation and Environmental Matters

To the extent that we acquire undeveloped land, we prefer to close the acquisition of such land after all governmental approvals and permits have been obtained. Construction may begin almost immediately on such entitled land upon compliance with and receipt of specified permits, approvals and other conditions, which generally are within our control. The time needed to obtain such approvals and permits affects the carrying costs of unimproved property acquired for development and construction. The continued effectiveness of permits already granted is subject to factors such as changes in government policies, rules and regulations, and their interpretation and application. Government approval processes may cause delays, which primarily impact the timing of new community openings. There is no assurance that these and other restrictions will not adversely affect future operations as, among other things, sunset clauses may exist on some of our entitlements and they could lapse.

Local and state governments have broad discretion regarding the imposition of development fees for projects under their jurisdictions. These fees are normally established when maps or plats are recorded and building permits obtained. Governing agencies may also require concessions or may require the builder to construct certain improvements to public areas such as parks and streets. In addition, governing agencies may impose entitlement, development or construction moratoriums and therefore we could become subject to delays or may be precluded entirely from developing communities due to building moratoriums, “no growth” or “slow growth” initiatives or building permit allocation ordinances, which could be implemented in the future. future as a result. However, because most we acquire almost all of our land is entitled, after entitlement, construction moratoriums typically do not affect us in the near term unless they arise from health, safety or welfare issues, such as insufficient water, electric or sewage facilities.

In addition, there is constantly a variety of new regulations being adopted and legislation being enacted, or considered for enactment, at the federal, state and local levels relating to energy and climate change. Some of this legislation relates to items such as carbon dioxide emissions control and building codes with increasing energy efficiency standards. New building code requirements could significantly increase the cost to construct homes, although our focus on energy-efficiency technologies and offerings may give us a competitive advantage regarding implementation of new code standards. As climate change concerns continue to grow, legislation and regulations of this nature are expected to continue and may result in increased costs and longer approval and development timelines. Similarly, energy and environment-related initiatives affect a wide variety of companies throughout the United States and the world, and because our operations are heavily dependent on significant amounts of raw materials, such as lumber, steel, and concrete, such initiatives could have an indirect adverse impact on our operations and profitability to the extent the manufacturers and suppliers of our materials are burdened with expensive carbon dioxide emissions control and other environmental and energy-related regulations.

We are also subject to a variety of local, state, and federal statutes, ordinances, rules and regulations concerning the protection of health and the environment. In some markets, we are subject to environmentally-sensitive land ordinances that mandate open space areas with public elements in housing developments, and prevent development on hillsides, wetlands and other protected areas. We must also comply with open space restrictions, flood plain restrictions, desert wash area restrictions, native plant regulations, endangered species acts and view restrictions. These and similar laws and regulations may result in delays, cause substantial compliance and other costs, and prohibit or severely restrict development in certain environmentally sensitive regions or areas. In addition, our failure to comply with such restrictions could result in penalties or fines. To date, compliance with such laws and regulations has not materially affected our operations, although it may do so in the future.

We condition our obligation to acquire property on, among other things, an environmental review of the land. To date, we have not incurred material unanticipated liabilities relating to the removal or remediation of toxic wastes or other environmental conditions. However, there is no assurance that we will not incur material liabilities in the future relating to toxic waste removal or other environmental conditions affecting land currently or previously owned.

Some of our homebuyers elect to purchase their homes with mortgages that are insured or guaranteed by certain government entities. In order for our homebuyers to finance their home purchases with Federal Housing Administration ("FHA")-insured, Veterans Administration ("VA")-guaranteed or United States Department of Agriculture ("USDA")-guaranteed mortgages, we are required to build such homes in accordance with the regulatory requirements of those agencies.

Some states have statutory disclosure requirements governing the marketing and sale of new homes. These requirements vary widely from state to state.

Some states require us to be registered as a licensed contractor, a licensed real estate broker and in some markets our sales agents are required to be registered as licensed real estate agents.

Human Capital

Human capital makes our success possible. At December 31, 2023 December 31, 2024, we had 1,838 1,898 full-time employees, including 367 383 in management and administration, 69 71 in our title and insurance companies, 492 473 in sales and marketing, and 910 971 in construction and warranty operations. We are committed to cultivating a diverse team, fostering an inclusive culture and creating a workplace environment where our team members are treated with respect, are valued for their unique perspectives and experiences, and feel a sense of belonging. We have a robust talent recognition and succession planning model designed to identify and develop employees and provide a roadmap for promotion so that they can reach their full potential in support of our organizational goals. Developing our employees enhances each individual's opportunity to progress their career at Meritage and enrich their work experience. We work to attract, motivate, and retain talent by offering competitive and comprehensive compensation and benefits that include health insurance with health savings accounts and company match, 401(k) savings retirement plan with a competitive company match, paid time off, paid parental benefits, women's health and fertility support benefits, mental well-being support and resources, employee assistance program, fertility support benefits, caregiving benefits, employee discounts, tuition reimbursement, and a wellness program, among many others. Of our entire employee population at December 31, 2023 December 31, 2024, 41% 40% were female and 27% were minorities. We are proud of the diversity in our team and are committed to the ongoing and intentional work to achieve inclusive excellence, including the long-term goals of attracting diverse talent and forming strategic relationships. Based upon employee feedback we have three voluntary, employee led groups to empower and promote belonging for all employees while creating community and connection. We are dedicated to learning, improving our practices and challenging our leaders and employees to recognize and leverage our differences for the greater good of the team and the organization. We promote an open-door policy where individuals are encouraged to voice concerns which are promptly addressed. In order We remain committed to uphold promoting inclusion and belonging efforts which we strongly believe amplifies our core values, we intend to continue to expand enhances our commitment to diversity, equity & inclusion ("DE&I"), which we believe will drive culture, drives positive change throughout our organization, as well as strengthen strengthens our business, enhances our relationships with our customers, and promotes competitiveness in the homebuilding sector.

Our operations are carried out through both local and centralized management. Our corporate management team sets our strategy and leads decisions related to land acquisition, risk management, finance, cash management, capital allocation, information systems and people management. Local operations are made up of our division employees, led by division management with significant homebuilding experience and who possess a great depth of knowledge in their particular markets. Our employees are not unionized. We have a highly engaged workforce and in 2023 During 2024 we were certified as a Great Place to Work®. Work® for the second year in a row and were named as Fortune's Best Workplaces for Construction. We act solely as a general contractor, and all construction operations are coordinated by our project area managers and field superintendents construction managers who schedule and monitor third-party independent subcontractors. We may use independent consultants and contractors for certain architectural, engineering, advertising, technology and legal services, and we strive to maintain good relationships with our subcontractors and independent consultants and contractors. Our Vendor Code of Conduct applies to all contractors and subcontractors and is available on our website.

Seasonality

Historically, we have experienced seasonal variations in our quarterly operating results and capital requirements. We typically sell take orders for more homes in the first half of the fiscal year than in the second half, which creates has created additional working capital requirements in the second and third quarters to build our inventories to satisfy the deliveries seasonally higher closings in the second half of the year. We typically benefit from the cash generated from home closings more in the third and fourth quarters than in the first and second quarters. Historical cycles were impacted in 2020 by unprecedented demand that continued through the middle of 2022, and were further impacted by supply chain and labor constraints and rising interest rates. Historical seasonality returned in the back half of 2022 and While we expect it the seasonal orders pattern to continue over the long term, although it our higher backlog conversion rate and all-spec strategy may shift the timing of home closings and capital requirements to build our inventories to earlier in the year. Additionally, seasonality may, from time to time, be affected by short-term volatility in the homebuilding industry and in the overall economy.

Information about our Executive Officers

The names, ages, positions and business experience of our executive officers as of the date of this report are listed below (all ages are as of December 31, 2023 December 31, 2024):

Name	Age	Position
Steven J. Hilton	62 63	Executive Chairman
Phillippe Lord	50 51	Chief Executive Officer, Executive Vice President
Hilla Sferruzza	48 49	Chief Financial Officer, Executive Vice President
Clinton Szubinski	47 48	Chief Operating Officer, Executive Vice President
Malissia Clinton	55 56	General Counsel, Executive Vice President and Secretary
Javier Feliciano	50 51	Chief People Officer, Executive Vice President

Steven J. Hilton co-founded Monterey Homes in 1985, which merged with Homeplex Mortgage Investments in December 1996 and later became known as Meritage Homes. Mr. Hilton served as Co-Chairman and Co-Chief Executive Officer from

July 1997 to May 2006, served as Chairman and Chief Executive Officer from May 2006 to December 31, 2020, and became the Executive Chairman effective January 1, 2021.

Phillippe Lord was appointed Chief Executive Officer on January 1, 2021. Prior to his appointment as Chief Executive Officer, Mr. Lord was Chief Operating Officer, Executive Vice President from April 2015 to December 2020, Western Region President from 2012 through March 2015 and Vice President of Strategic Operations from 2008 through 2012.

Hilla Sferruzza was appointed Chief Financial Officer and Executive Vice President in April 2016. Prior to her appointment as Chief Financial Officer and Executive Vice President, Ms. Sferruzza was our Chief Accounting Officer and Corporate Controller from 2010 to 2016, and worked in other management roles at the Company since 2006.

Clinton Szubinski was appointed Chief Operating Officer, Executive Vice President on January 1, 2021. Prior to his appointment as Chief Operating Officer, Mr. Szubinski served as South Region President of Meritage Homes from 2018 to December 2020. Previously, Mr. Szubinski served in senior management roles at K. Hovnanian and CalAtlantic, both public U.S. homebuilders, from 2014 to 2018, and from 2011-2014 was the Florida Region President at Meritage Homes.

Malissia Clinton joined Meritage in April 2022 as General Counsel, Executive Vice President and Secretary. Prior to joining Meritage, Ms. Clinton was employed by The Aerospace Corporation from July 2009 through April 2022, where she served as Senior Vice President, General Counsel and Secretary.

Javier Feliciano joined Meritage in November 2015 as Chief Human Resources Officer (now "Chief People Officer"), Executive Vice President. From January 2013 through November 2015, Mr. Feliciano was employed by Apollo Education Group as Vice President, Human Resources and as HR Director from June 2010 through January 2013.

Item 1A. Risk Factors

The risk factors discussed below are factors that we believe could significantly impact our business, if they occur. These factors could cause results to differ materially from our historical results or our future expectations.

Risks Related to the Homebuilding Industry and Economy

Increases in interest rates or decreases in mortgage availability may make purchasing a home more difficult or less desirable and may negatively impact the ability to sell new and existing homes.

In general, housing demand is adversely affected by increases in interest rates and a lack of availability of mortgage financing. Most of our buyers finance their home purchases through our mortgage joint venture or third party lenders providing mortgage financing. If mortgage interest rates increase and, consequently, the ability of prospective buyers to finance home purchases is adversely affected, our home sales and cash flow may be adversely affected and the impact may be material. Additionally, rapid increases in interest rates may negatively impact affordability of a home purchase for existing buyers in backlog who if they have not yet locked in a mortgage the interest rate for their loan. This could lead to an increase in the number of contract cancellations in our reported sales order numbers. These risks can also indirectly impact us to the extent our customers need to sell their existing homes to purchase a new home from us if the potential buyer of their home is unable to obtain mortgage financing. It may also impact the desire for existing homeowners to sell their homes as they may potentially be forfeiting a substantially lower interest rate on their existing home for a higher interest rate mortgage on a new home. For example, in 2022 mortgage rates increased quickly and significantly from their previously historically low averages. We believe this increase, coupled with other economic factors, caused the elevated cancellation rate in the latter half of 2022. While interest rates have stabilized, they are still elevated and are not expected to go down in the near future. elevated. We may have the ability to offset the impact of rising interest rates on affordability by purchasing interest rate locks; however, the cost of these rate locks is expensive and there is no guarantee that interest rate locks will be available for us to purchase at desirable terms, or if they are available, there is no guarantee that they will be utilized desired as an alternative by potential customers.

A homebuyer's ability to obtain a mortgage loan is largely subject to prevailing interest rates, lenders' credit standards and appraisals, and the availability of government-supported programs, such as those from the FHA, the VA, Federal National Mortgage Association ("Fannie Mae") and the Federal Home Loan Mortgage Corporation ("Freddie Mac"). Although no material changes are currently anticipated, if credit standards or appraisal guidelines are tightened, or mortgage loan programs are curtailed, potential buyers of our homes may not be able to obtain necessary mortgage financing. There can be no assurance that these programs will continue to be available or that they will be as accommodating as they currently are. Continued legislative and regulatory actions and more stringent underwriting standards could have a material adverse effect on our business if certain buyers are unable to obtain mortgage financing. A prolonged tightening of the financial markets could also negatively impact our business.

Our future operations may be adversely impacted by high inflation or deflation.

We, like other homebuilders, may be adversely affected during periods of high inflation, mainly from higher land, construction, labor and materials costs. Inflation could increase our cost of financing, materials and labor and could cause our financial results and profitability to decline. Traditionally, we have attempted to pass cost increases on to our customers through higher sales prices, and inflation has not historically had a material adverse effect on our business, although in recent years we have had to absorb higher material and labor costs, as well as provided more significant financing incentives to our buyers, both of which have negatively impacted our profitability.

Alternatively, a significant period of deflation could cause a decrease in overall spending and borrowing levels. This could lead to deterioration in levels if it is driven by deteriorating economic conditions, including an increase in the rate of unemployment. Deflation could also cause the value of our inventories to decline or reduce the value of existing homes below the related mortgage loan balance, which could potentially increase the supply of existing homes due to foreclosures. These, or other factors that increase the risk of significant deflation, could have a negative impact on our business or financial results.

High cancellation rates may negatively impact our business.

Our backlog reflects the number and value of homes for which we have entered into non-contingent sales contracts with customers but have not yet delivered those homes. In connection with the sale of a home, our policy is to generally collect a deposit from our customers, although typically this deposit reflects a small percentage of the total purchase price, and due to local regulations, the deposit may, in certain circumstances, be fully or partially refundable prior to closing. If the prices for our homes in a given community decline, our neighboring competitors reduce their sales prices (or increase their sales incentives), interest rates increase, the availability of mortgage financing tightens or there is a downturn in local, regional or national economies, homebuyers may elect to cancel their home purchase contracts with us. For example, we experienced Although cancellations are currently at normal levels, significant cancellations in the latter half of 2022 as buyers terminated their existing home purchase contracts due to a variety of reasons,

including uncertainty about current economic conditions, increases in interest rates, changes in personal finances and a shift to resale home inventory due to elongation of cycle times for new homes. Cancellations have since returned to normalized levels in 2023. Significant cancellations in the future could have a material adverse effect on our business, if we are unable to slow our existing spec construction, which could result in lost sales revenue and the accumulation of unsold housing inventory.

Supply shortages and other risks could materially disrupt our operations and increase costs.

Our ability to timely construct our homes may be significantly impacted by circumstances beyond our control, such as work stoppages, shortages of qualified trades people or municipal employees, lack of utility infrastructure and services, our need to rely on local subcontractors, and shortages or delays in availability of building materials. Constraints on the availability of raw materials and finished goods or in the distribution channels of our construction inputs can delay delivery of our homes to customers and can increase our building costs or lead to sales orders cancellations. These delays impact the timing of our expected home closings and may also result in cost increases that we may not be able to pass to our current or future customers. Sustained increases in construction costs may, over time, erode our margins, and impact our total order and closing volumes. Over the last several years, supply chain and labor constraints related to sustained demand amid the backdrop of a global pandemic caused our construction cycle times to lengthen, although 2023 saw a loosening the supply chain and labor capacity are currently at normal levels.

Shortages in the availability of subcontract labor may delay construction schedules and increase our costs.

We conduct our construction operations only as a general contractor. Virtually all construction and development work is performed by unaffiliated third-party subcontractors and consultants. As a consequence, we depend on the continued availability of and satisfactory performance by these subcontractors and consultants for the construction of our communities and homes and to provide related materials. The cost of labor may also be adversely affected by shortages of qualified trades people, changes in laws and regulations relating to union activity and changes in immigration laws and trends in labor migration. Throughout various homebuilding cycles, we have experienced shortages of skilled labor in certain markets, which led to increased labor costs and delayed construction schedules. Although we continually strive to be a partner of choice with our trades, we cannot be assured that in the future there will be a sufficient supply chain. of, or satisfactory performance by, these unaffiliated third-party subcontractors and consultants, which could have a material adverse effect on our business.

If home prices decline, potential buyers may not be able to sell their existing homes, which may negatively impact our sales.

As a homebuilder, we are subject to market forces beyond our control. In general, housing demand is impacted by the affordability of housing. Many homebuyers need to sell their existing homes in order to purchase a new home from us, and a weakness in the home resale market could adversely affect that ability. Declines in home prices could have an adverse effect on our homebuilding business volumes and cash flows. In the latter half of 2022 and in early 2023, home prices declined due to the pressures of rising interest rates, although it did not have a material adverse effect on our financial results.

Our ability to acquire and develop raw or partially finished lots may be negatively impacted if we are unable to secure performance bonds.

In connection with land development work on our raw or partially developed land, we are often required to provide performance bonds, letters of credit or other assurances for the benefit of the respective municipalities or governmental authorities. These instruments provide assurance to the beneficiaries that the development will be completed, or that in case we do not perform, that funds from these instruments are available for the municipality or governmental agency to arrange for completion of such work. Although such instruments are currently accessible, in the future additional performance bonds or letters of credit may be difficult to obtain, or may become difficult to obtain on terms that are acceptable to us. If we are unable to secure such instruments, progress on affected projects may be delayed or halted or we may be required to expend additional cash or other forms of guarantees, which may adversely affect our financial position and ability to grow our operations.

A reduction in our orders absorption levels may force us to incur and absorb additional community-level costs.

We incur certain overhead costs associated with our communities, such as marketing expenses, real estate taxes and homeowners' association assessments and costs associated with the upkeep and maintenance of our model homes and sales complexes. If our orders absorptions absorption pace decreases and the time required to close out our communities is extended, we would likely incur additional overhead costs, which would negatively impact our financial results. Additionally, we typically incur various land development improvement costs for a community prior to the commencement of home construction. Such costs include infrastructure, utilities, property taxes and other related expenses. A sustained reduction in home absorption rates increases the associated holding costs and extends our time and ability to recover such costs.

Legislation related to tariffs could increase the cost to construct our homes.

The cost of certain building materials is influenced by changes in local and global commodity prices as well as government regulation, such as government-imposed tariffs on building supplies such as lumber and flooring materials. Such cost increases limit our ability to control costs, potentially reducing margins on the homes we build if we are not able to successfully offset the increased costs through higher sales prices. Additionally, tariffs pose a risk to our supply chain availability if we are forced to use alternative materials or products.

The value of our real estate inventory may decline, leading to impairments and reduced profitability.

Downturns in the economy, or specifically in the homebuilding industry, require us to re-evaluate the value of our land holdings, which could result in significant impairment charges and decrease both the book value of our assets and stockholders' equity. During the last significant downturn that began in 2008, and in certain isolated circumstances afterward, we had to impair many of our real-estate assets to fair-value, incurring large impairment charges which negatively impacted our financial results. During the second half of 2022, the homebuilding market declined amidst higher interest rates results and expected future interest rate increases, inflation and deterioration in the general economy, although market conditions have since improved in 2023. financial position.

If we are unable to successfully compete in the highly competitive housing industry, our financial results and growth may suffer.

The housing industry is highly competitive. We compete for sales in each of our markets with national, regional and local developers and homebuilders, resale of existing homes and condominiums, and available rental housing. Some of our competitors have greater financial resources and some may have lower costs than we do. Competition among homebuilders of all sizes is based on a number of interrelated factors, including location, reputation, product type, amenities, design, innovation, quality and price. Competition is expected to continue and may become more intense, and there may be new entrants in the markets in which we currently operate and in markets we may enter in the future and our industry has recently experienced some consolidations. future. If we are unable to successfully compete, our financial results and growth could suffer.

We are subject to home warranty and construction defect claims arising in the ordinary course of business, which may lead to additional reserves or expenses.

Home warranty and construction defect claims are common in the homebuilding industry and can be costly. We sometimes encounter construction defect issues that may be alleged to be widespread within a single community or geographic area. See Note 1 - "Business and Summary of Significant Accounting Policies" and Note 16 - "Commitments and Contingencies" in Part II, Item 8 of this Form 10-K the accompanying financial statements for additional information regarding warranty reserves and adjustments. In order to account for future potential warranty and construction defect obligations, we establish a warranty reserve in connection with every home closing. Additionally, we maintain general liability insurance and generally require our subcontractors to provide a warranty and indemnity to us and insurance coverage for liabilities arising from their work; however, we cannot be assured that our warranty reserves and insurance and those subcontractors warranties, insurance and indemnities will be adequate to cover all warranty and construction defect claims for which we may be held responsible. For example, we may be responsible for applicable self-insured retentions, and certain claims may not be covered by insurance or may exceed applicable coverage limits, which could be material to our financial results. In addition, the cost of insuring against construction defect and product liability claims is high, and the amount of coverage offered by insurance companies is currently limited. There can be no assurance that this coverage will not be further restricted and become more costly. If the limits or coverages of our current and former insurance programs and/or those of our subcontractors prove inadequate, or we and/or our subcontractors are unable to obtain adequate, or reasonably priced, insurance against these types of claims in the future, or the amounts currently provided for future warranty or insurance claims are inadequate, we may experience losses that could negatively impact our financial results.

A major safety incident relating to our operations could be costly in terms of potential liabilities and reputational damage.

Construction sites are inherently dangerous and pose certain inherent health and safety risks to construction workers, employees and other visitors. Due to health and safety regulatory requirements and the number of projects we work on, health and safety performance is important to the success of our development and construction activities. Any failure in health and safety performance may result in penalties for non-compliance with relevant regulatory requirements, and a failure that results in a significant health and safety incident is likely to be costly and could expose us to claims resulting from personal injury or death. Such a failure could also generate significant negative publicity and have a corresponding impact on our reputation, our relationships with relevant regulatory agencies or governmental authorities, and our ability to attract customers and employees, which in turn could have a material adverse effect on our business, financial condition and operating results.

We experience fluctuations and variability in our operating results, as a result, our historical performance may not be a meaningful indicator of future results.

We historically have experienced, and expect to continue to experience, variability in home sales and results of operations. As a result of such variability, our historical performance may not be a meaningful indicator of future results. Factors that contribute to this variability include:

- quarterly seasonal variations in our operating results and capital requirements;
- timing of home deliveries and land sales;
- the changing composition and mix of our asset portfolio;
- delays in construction schedules due to adverse weather, acts of God, reduced subcontractor availability and governmental requirements and restrictions;
- conditions of the real estate market in areas where we operate and of the general economy;
- governmental imposed restrictions, such as stay-at-home orders, and consumer reactions related to an epidemic or pandemic;
- the cyclical nature of the homebuilding industry; and
- costs and availability of materials and labor.

Our level of indebtedness may adversely affect our financial position and prevent us from fulfilling our debt obligations.

The homebuilding industry is capital intensive and requires significant up-front expenditures to secure land and pursue development and construction on such land. Accordingly, we incur substantial indebtedness to finance our homebuilding activities. At December 31, 2023 December 31, 2024, we had approximately $1.0 billion $1.3 billion of indebtedness and $921.2 million $651.6 million of cash and cash equivalents. If we require working capital greater than that provided by our operations and current liquidity position, including the $773.7 million $799.6 million available to be drawn under our credit facility, we may be required to seek additional capital in the form of equity or debt financing from a variety of potential sources, including bank financing, public bonds or off-balance sheet resources. There can be no assurance we would be able to obtain such additional capital on terms acceptable to us, if at all. The level of our indebtedness could have important consequences to our stockholders, including the following:

- our ability to obtain additional financing for working capital, capital expenditures, acquisitions or general corporate purposes could be impaired;
- we could be required to use a substantial portion of our cash flow from operations to pay interest and principal on our indebtedness, which would reduce the funds available to us for other purposes such as land and lot acquisition, development and construction activities;
- although we have a relatively low level of indebtedness and a relatively high balance of cash and cash equivalents, some of our competitors may have additional access to capital, which may put us at a competitive disadvantage and reduce our flexibility in planning for, or responding to, changing conditions in our industry, including increased competition; and
- we may be more vulnerable to economic downturns and adverse developments in our business than some of our competitors.

Furthermore, the holders of our 1.750% Convertible Senior Notes due 2028 (the "2028 Convertible Notes") have the right to convert their notes upon the occurrence of certain conversion conditions. Upon conversion, we will be required to make cash payments up to the aggregate principal amount of the 2028 Convertible Notes to be converted and cash, shares of common stock or a combination of cash and shares of common stock, at our election, in respect of the remainder, if any, of our conversion obligation in excess of the aggregate principal amount of the 2028 Convertible Notes being converted.

We expect to generate cash flow to pay our expenses and to pay the principal and interest on our indebtedness with cash flow from operations or from existing working capital. Our ability to meet our expenses thus depends, to a large extent, on our future performance, which will be affected by financial, business, economic and other factors. We will not be able to control many of these factors, such as economic conditions in the markets where we operate and pressure from competitors. If we do not have sufficient funds, we may be required to refinance all or part of our existing debt, sell assets, issue equity or borrow additional funds. We cannot guarantee that we will be able to do so on terms acceptable to us, if at all. In addition, the terms of existing or future debt agreements may restrict or limit us from pursuing any of these alternatives.

We are subject to counterparty risk with respect to the capped call transactions.

In connection with the issuance of the 2028 Convertible Notes, we entered into certain derivative transactions (the "capped call transactions") with the several capped call counterparties (together with their respective affiliates, the "option counterparties"). The capped call transactions are expected generally to reduce potential dilution to our common stock upon conversion of any 2028 Convertible Notes and to offset any cash payments made in excess of the principal amount of converted 2028 Convertible Notes.

Although the option counterparties are investment grade international financial institutions, we will be subject to the risk that any or all of them might default under the capped call transactions. Our exposure to the credit risk of the option counterparties is not secured by any collateral. Past global economic conditions have resulted in the actual or perceived failure or financial difficulties of many financial institutions. If an option counterparty becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at that time under the capped call transactions with such option counterparty. Our exposure will depend on many factors. For example, if a market condition existed where our stock increased above the premium but one or more option counterparties defaults under the capped call transactions, we may suffer more dilution than we currently anticipate with respect to our common stock. We can provide no assurance as to the financial stability or viability of the option counterparties.

Our ability to obtain third-party financing may be negatively affected by any downgrade of our credit rating from one or more rating agencies.

We consider the availability of third-party financing to be a key component of our long-term strategy to grow our business either through acquisitions or through internal expansion. As of December 31, 2023 December 31, 2024, our credit ratings were BBB-, Ba1, Baa3, and BBB- by Standard and Poor's Financial Services, Moody's Investor Services and Fitch Ratings, respectively, the our three primary rating agencies. Any downgrades from these ratings may impact our ability to obtain future additional financing, or to obtain such financing on terms that are favorable to us and therefore, may adversely impact our future operations.

The physical impacts of natural disasters or extreme weather events, which may be caused or exacerbated by climate change, could increase our costs and adversely affect our operations.

The climates of in many of the states in which we have homebuilding operations, particularly California, Texas, Florida and other coastal areas, present increased risks of, and have recently experienced, adverse weather and natural disasters which may be caused by, or exacerbated by, climate change. We may not be able to insure against some of these risks, and damage or destruction to our homes under construction or our building lots and community improvements caused by adverse weather or natural disasters could result in uninsured or underinsured losses. We could also suffer significant construction delays or substantial fluctuations in the pricing or availability of building materials and labor due to such disasters. Any of these events could cause a delay in scheduled closings and a decrease in our revenue, cash flows and earnings. Additionally, such disasters may increase the cost of homeowner's insurance, which could negatively impact our sales and profitability if homeowners are unable to obtain cost-effective insurance.

Risks Related to Our Strategy

Our long-term success depends on the availability of lots and land that meet our land investment criteria.

The availability of lots and land that meet our underwriting standards depends on a number of factors outside of our control, including land availability in general, competition with other homebuilders and land buyers, credit market conditions, legal and government agency processes and regulations, inflation in land prices, zoning, availability of utilities and water, rights, our ability and the costs to obtain building permits, the amount of impact fees, property tax rates and other regulatory requirements. If suitable lots or land becomes less available, or the cost of attractive land increases, it could reduce the number of homes that we may be able to build and sell and reduce our anticipated margins, each of which could adversely impact our financial results. The availability of suitable land assets could also affect the success of our strategic initiatives to increase our community count closings and maintain profitability.

If our current strategies are not successful, it could have negative consequences on our operations, financial position and cash flows.

We focus our community designs, product offerings and marketing on entry-level and first move-up homes based on our belief that these two product types will comprise the majority of the market demand in the near and medium term outlook. If there is a shift away from, or decrease in, the demand for our entry-level and first move-up home offerings, it could have negative consequences on our operations, financial position and cash flows if we are unable to shift our product offerings accordingly.

Reduced levels of sales or a deterioration in land values may cause us to re-evaluate the viability of existing land option contracts, resulting in a potential termination of these contracts which may lead to impairment charges.

Historically, a During significant portion of our lots were controlled under option contracts. Such options generally require a cash deposit that will be forfeited if economic downturns, we do not exercise the option or proceed with the lot purchase(s). During the last significant downturn that began in 2008, we forfeited may forfeit significant amounts of deposits and wrote write off significant amounts of related pre-acquisition costs related to projects we no longer deemed deem feasible as if they were are not projected to generate acceptable returns. At December 31, 2023 December 31, 2024, we had Deposits on real estate under option or contract of $111.4 million $192.4 million, of which $97.8 million $176.8 million related to committed projects. Although our participation in such land options is more limited at this time, another a downturn in the homebuilding market may cause us to re-evaluate the feasibility of our optioned projects which may result in us forfeiting associated deposits, which would reduce our assets and stockholders' equity.

Our lack of geographic diversification could adversely affect us if the homebuilding industry in our markets decline.

We have homebuilding operations in Arizona, California, Colorado, Utah, Texas, Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, and Tennessee. Although we have, in recent years, expanded our operations to new markets, our geographic diversification is still more limited than some of our competitors and could adversely impact us if the homebuilding business in our current markets should decline, since we may not have a balancing opportunity in other geographic regions.

Shortages in the availability of subcontract labor may delay construction schedules and increase our costs.

We conduct our construction operations only as a general contractor. Virtually all construction and development work is performed by unaffiliated third-party subcontractors and consultants. As a consequence, we depend on the continued availability of and satisfactory performance by these subcontractors and consultants for the construction of our communities and homes and to provide related materials. The cost of labor may also be adversely affected by shortages of qualified trades people, changes in laws and regulations relating to union activity and changes in immigration laws and trends in labor migration. Throughout various homebuilding cycles, we have experienced shortages of skilled labor in certain markets, which led to increased labor costs and delayed construction schedules. For example, we experienced delays in our construction cycle time in 2021 and 2022 due to a limited pool of subcontract labor. Although we continually strive to be a partner of choice with our trades, we cannot be assured that in the future there will be a sufficient supply of, or satisfactory performance by, these unaffiliated third-party subcontractors and consultants, which could have a material adverse effect on our business.

Our ability to build energy-efficient technologies at a profitable price point may be replicated by other builders in the future, which could reduce our competitive advantage.

We believe we currently have a competitive advantage over many of the other production homebuilders by virtue of our energy efficiency technologies. Our communities offer a high level of energy-saving features included in the base price of our homes, and most of our single family detached home plans can accommodate the incorporation of optional solar features to further optimize energy savings. However, as the demand for energy-efficient homes continues to grow along with government imposed building requirements and societal responses to reduce the impact of potential climate change, and other builders become more inclined, or are required by changing regulatory standards, to offer more energy efficient technologies and offer them at a similar or lower price point, it could diminish our competitive advantage in the marketplace.

Our commitment and disclosures related to ESG sustainability matters expose us to risks that could adversely affect our reputation and performance.

We have established and publicly announced ESG sustainability initiatives including our commitment to advancing DE&I and addressing climate change and biodiversity concerns. These statements reflect our current intentions and are not guarantees that we will be able to achieve them. Our failure to accomplish or accurately track and report on these goals on a timely basis, or at all, could adversely affect our reputation, financial performance and growth, and expose us to increased scrutiny from the investment community as well as enforcement authorities.

Our Although we do not have any public carbon targets, stakeholders may view our ability to achieve maintain any ESG objective is environmental data initiatives noted in our public reports as subject to numerous risks, many of which are outside of our control. Examples of such risks include: the following risks:

- the availability and cost of low- or non-carbon-based energy sources;
- the evolving regulatory requirements affecting ESG standards or disclosures and the ability to obtain the required data, especially from third-parties; and
- the availability of suppliers that can meet our sustainability diversity and other ESG standards; and
- our ability to recruit, develop and retain diverse talent in our labor markets. standards.

We voluntarily published our third fourth annual ESG report in 2023 2024 which followed certain reporting frameworks that we believe are of value to our investors and other stakeholders. If our ESG practices do not meet evolving investor or other stakeholder expectations and standards, then our reputation, our ability to attract or retain employees, and our attractiveness as an investment or business partner could be negatively impacted. Further, our failure or perceived failure to pursue or fulfill our goals and objectives or to satisfy various reporting standards on a timely basis, or at all, could have similar negative impacts or expose us to government enforcement actions and private litigation. For example, the SEC has recently proposed extensive climate-related disclosure rules and audit requirements, and California have recently adopted climate-related reporting requirements. Many of the proposed and adopted reporting audit requirements that would require us to gather extensive information from our third-party business partners over which we are unable to exert control or significant influence. If our third-party business partners are unwilling or unable to provide adequate information, we may be unable to fully comply with future mandatory reporting and audit requirements at the state or federal level.

Operational Risks

Information technology failures and data security breaches could harm our business.

We use information technology ("IT") and other digital resources to carry out important operational, financial and marketing activities as well as maintain our business records. Many of these resources are provided to us and/or maintained on our behalf by third-party service providers pursuant to agreements that specify certain security and service level standards. We and our service providers employ what we believe are appropriate security, disaster recovery and other preventative and corrective systems, processes and controls. Additionally, we maintain cybersecurity insurance and require our employees to complete ongoing information security training; however, our ability to conduct our business may be impaired if these information technology resources are compromised, degraded, damaged or fail, whether due to a virus or other harmful circumstance, intentional penetration or disruption of our information technology resources by a third party, natural disaster, hardware or software corruption or failure or error (including a failure of security controls incorporated into or applied to such hardware or software), telecommunications system failure, service provider error or failure, intentional or unintentional personnel actions (including the failure to follow our security protocols), or lost connectivity to our networked resources.

While we continuously assess and enhance our cybersecurity controls, we cannot assure you that similar or more serious cyber attacks will not occur in the future. Such events could have a significant and extended disruption to the functioning of our information technology and other digital resources, damage our reputation and cause us to lose customers and sales, result in the unintended disclosure or the misappropriation of proprietary, personal and confidential information (including information about our homebuyers, employees and business partners), and require us to incur significant expense to address and remediate these kinds of issues. The release of confidential information may also lead to litigation or other proceedings against us by affected individuals and/or business partners and/or by regulators, and the outcome of such proceedings, which could include penalties or fines, could have a material and adverse effect on our results of operations and financial position and reputation. In addition, the costs of maintaining adequate protection against such threats, depending on their evolution, pervasiveness and frequency and/or government-mandated standards or obligations regarding protective efforts, are high and expected to continue to increase in the future and may be material to our results of operations and financial position.

Beyond our service providers, we depend on independent third parties to handle certain processes required to complete land purchases and home closings, including title insurers, escrow/settlement companies, independent mortgage lenders and other firms involved in real property transactions. In the latter half of 2023, several third-party companies in the real estate industry experienced cybersecurity incidents that substantially impaired their ability to provide their services. Although these incidents did not materially impact our operations, should these or other companies experience cybersecurity incidents or IT failures that disrupt or prevent their performance, of real estate transaction services, our ability to close on land transactions or our customers' ability to close on their homes, as well as our production schedules and delivery forecasts, operate may be significantly disrupted which could have a material impact on our results of operations or financial position.

See Item 1C - "Cybersecurity" in Part I of this Form 10-K for additional information regarding our cybersecurity risk management, strategy and governance.

The loss of key personnel may negatively impact us.

Our success largely depends on the continuing services of certain key employees and our ability to attract and retain qualified personnel. We have employment agreements with certain key employees who we believe possess valuable industry knowledge, experience and leadership abilities that would be difficult in the short term to replicate. The loss of the services of such key employees could harm our operations and business plans.

Regulatory Risks

Expirations, amendments or changes to tax laws, incentives or credits currently available to us and our homebuyers may negatively impact our business.

Under previous tax law, certain expenses of owning a home, including mortgage loan interest costs and real estate taxes, generally were deductible expenses for the purpose of calculating an individual's federal, and in some cases state, tax liability. However, the The Tax Cuts and Jobs Act (the "Tax Act") signed into law in December 2017 limited these deductions for some individuals. The Tax Act caps individual state and local tax deductions at related to homeownership to a cap of $10,000 for the aggregate of state and local real property and income taxes or state and local sales taxes. Additionally, the Tax Act reduces the cap on mortgage interest deduction to $750,000 of debt for debt incurred after December 15, 2017. Although we primarily build more affordable homes with proportionally lower property taxes and interest, the limits on deductibility of mortgage interest and property taxes may increase the after-tax cost of owning a home for some individuals. Any increases in personal income tax rates and/or additional tax deduction limits relating to the cost of home ownership could adversely impact demand for homes, including homes we build, which could adversely affect the results of our operations.

We are subject to federal and state income taxes and recognize benefits from certain allowable deductions. deductions and available credits. Increases in statutory tax rates or the elimination or reduction of available deductions and credits could adversely affect the our results of our operations and the realization of our deferred tax assets.

Our income tax provision and other tax liabilities may be insufficient if taxing authorities initiate and are successful in asserting tax positions that are contrary to our position.

In the normal course of business, we are audited by various federal, state and local authorities regarding income tax matters. Significant judgment is required to determine our provision for income taxes and our liabilities for federal, state, local and other taxes. Although we believe our approach to determining the appropriate tax treatment is supportable and in accordance with tax laws and regulations and relevant accounting literature, it is possible that the final tax authority will take a tax position that is materially different than ours. As each audit is conducted, adjustments, if any, are recorded in our consolidated financial statements in the period determined. Such differences could have a material adverse effect on our income tax provision or benefit, or other tax reserves or assets, in the reporting period in which such determination is made and, consequently, on our results of operations, financial position and/or cash flows for such period. We have no federal or state income tax examinations being conducted at this time.

Failure to comply with laws and regulations by our employees or representatives may harm us.

We are required to comply with applicable laws and regulations that govern all aspects of our business including land acquisition, development, home construction, labor and employment, mortgage origination, insurance, title and escrow operations, sales, and warranty. It is possible that individuals acting on our behalf could intentionally or unintentionally violate some of these laws and regulations. Although we endeavor to comply with such laws and regulations and take immediate action if we become aware of such violations, we may incur fines, penalties or losses as a result of these actions and our reputation with governmental agencies and our customers may be damaged. Further, other acts of bad judgment may also result in negative publicity and/or financial consequences.

We are subject to extensive government regulations that could cause us to incur significant liabilities or restrict our business activities.

Regulatory requirements could cause us to incur significant liabilities and costs and could restrict our business activities. We are subject to local, state and federal statutes, codes, and rules regulating labor and employment matters, relationships with trade partners and their employees, certain land development matters, as well as building and site design and construction. We are subject to various fees and charges of government authorities designed to defray the cost of providing certain governmental services and improvements. We may be subject to additional costs and delays or may be precluded entirely from building projects because of “no-growth” or “slow-growth” initiatives, building permit ordinances, building moratoriums, or similar government regulations that could be imposed in the future due to health, safety, climate, welfare or environmental concerns. We must also obtain licenses, permits and approvals from government agencies to engage in certain activities, the granting or receipt of which are beyond our control and could cause delays in our homebuilding projects.

With growing concern from government agencies and the general public over the effects of climate change on the environment, we may be subject to additional regulatory responses to reduce greenhouse gas emissions and combat climate change that may increase our costs particularly as they relate to land development and home construction activities. Most recently, for For example, in California, we are subject to the California Energy Commission’s Building Energy Efficiency Standards under Title 24 of the California Energy Code. As part of the updated building codes, all homes constructed in California with permits obtained in 2020 and beyond are now required to have solar panels, which we offer as standard feature for homes built in the state. Such compliance has not had a material impact on our operations; however, it could increase our operating and compliance costs in the future or require additional technology and capital investment. These and other similar environmental laws or permit restrictions may also result in production delays and may prohibit or severely restrict development in certain environmentally sensitive or geographic areas. Environmental regulations can also have an adverse impact on the availability and price of certain raw materials, such as lumber. While we believe we are complying in all material respects with existing climate-related government standards and regulations applicable to our business, we also cannot predict our future exposure given the rapidly changing nature of environmental matters.

There is a variety of new regulations being adopted and legislation being enacted, or considered for enactment, at the federal, state, local and international levels relating to energy and climate change. This legislation relates to items such as carbon dioxide emissions control and building codes that impose energy efficiency standards. New building code requirements that impose stricter energy efficiency standards could significantly increase our cost to construct homes. As climate change concerns discussions continue, to grow, legislation and regulations of this nature are expected to continue and could become more costly to comply with. Similarly, energy-and climate-related initiatives affect a wide variety of companies throughout the United States and the world and because our operations are heavily dependent on significant amounts of raw materials, such as lumber, steel, and concrete, they could have an indirect adverse impact on our operations and profitability to the extent the manufacturers and suppliers of our materials are directly or indirectly burdened with expensive cap and trade and similar energy and climate-related regulations.

Our financial services operations are subject to extensive regulations that could cause us to incur significant liabilities or restrict our business activities.

Our wholly-owned title company, Carefree Title, provides title insurance and closing settlement services for our homebuyers. The title and settlement services provided by Carefree Title are subject to various regulations, including regulation by state banking and insurance authorities. These laws and regulations include many compliance requirements, including but not limited to licensing, consumer disclosures, fair lending and real estate settlement procedures. As a result, our operations are subject to regular, extensive examinations by the applicable agencies. Additional future regulations or changing rule interpretations and examinations by regulatory agencies may result in more stringent compliance standards and could adversely affect the results of our operations.

Our mortgage joint venture is engaged in mortgage broker activities and provides services to our homebuyers. Potential changes to federal and state laws and regulations could have the effect of limiting our activities or how our mortgage joint venture conducts its operations and this could have an adverse effect on our results of operations. The mortgage industry remains under intense scrutiny and continues to face increasing regulation at the federal, state and local level. Although we do not originate mortgages, we may be directly or indirectly subject to certain of these regulations. In addition, if we are determined to have violated federal or state regulations, we face the loss of our licenses or other required approvals or we could be subject to fines, penalties, civil actions or we could be required to suspend our activities, each of which could have an adverse effect on our reputation, results and operations.

General Risk Factors

Negative publicity could adversely affect our reputation and our business, financial results and stock price.

Unfavorable media related to our industry, company, brand, personnel, operations, business performance, or prospects may impact our stock price and the performance of our business, regardless of its accuracy or inaccuracy. The speed at which negative publicity is disseminated has increased dramatically through the use of electronic communication, including social media outlets, websites, blogs, and similar platforms. Our success in maintaining and expanding our brand image depends, in part, on our ability to adapt to this rapidly changing media environment. Adverse publicity or negative commentary from any media outlets could damage our reputation and reduce the demand for our homes, which would adversely affect our business.

Our business could be materially disrupted by an epidemic or pandemic, or fear of such an event, and the measures that federal, state and local governments and/or health authorities implement to address it.

Demand for our homes is dependent on a variety of macroeconomic factors, such as employment levels, interest rates, changes in stock market valuations, consumer confidence, housing demand, availability of building materials, availability of financing for home buyers, availability and prices of new homes compared to existing inventory, and demographic trends. These factors can be significantly adversely affected by a variety of factors beyond our control. For example, the COVID-19 pandemic and the measures undertaken by governmental authorities to address it, initially disrupted or prevented us from operating parts our business in the ordinary course. With minimal exception, the COVID-19 pandemic and its effects on the economy did not adversely affect our results of operations. However, future Future disruptions and governmental actions combined with any associated economic and/or social instability or distress resulting from an epidemic or pandemic, may have an adverse impact on our results of operations, financial condition and cash flows.

Any of the above risk factors could have a material adverse effect on any investment in our bonds and common stock. As a result, investors could lose some or all of their investment.

Special Note of Caution Regarding Forward-Looking Statements

In passing the Private Securities Litigation Reform Act of 1995 ("PSLRA"), Congress encouraged public companies to make "forward-looking statements" by creating a safe-harbor to protect companies from securities law liability in connection with forward-looking statements. We intend to qualify both our written and oral forward-looking statements for protection under the PSLRA.

The words "believe," "expect," "anticipate," "forecast," "plan," "intend," "may," "will," "should," "could," "estimate," "target," and "project" and similar expressions identify forward-looking statements, which speak only as of the date the statement was made. All statements we make other than statements of historical fact are forward-looking statements within the meaning of that term in Section 27A of the Securities Act of 1933 (the "Securities Act"), and Section 21E of the Exchange Act. Forward-looking statements in this Annual Report include statements concerning our belief that we have ample liquidity; our cash management strategy and intentions; our goals, strategies and strategic initiatives including our all spec-strategy for entry-level homes spec and move-in ready strategy and the anticipated benefits relating thereto; our intentions and the expected benefits and advantages of our product and land positioning strategies, including with respect to our focus on the first-time and first move-up buyer and housing demand for affordable homes; the benefits of our financing incentive programs; the benefits of and our intentions to use options to acquire land; our preselected design collections strategy; our exposure to supplier concentration risk and other matters concerning our supply chain; our delivery of substantially all of our backlog existing as of year end; our positions and our expected outcome relating to litigation and regulatory proceedings in general; that we may repurchase, redeem or retire our debt and equity securities; our non-use of derivative financial instruments; expectations regarding our industry and our business into 2024 2025 and beyond; the demand for and the pricing of our homes; our land and lot acquisition strategy, including that we will redeploy cash to acquire well-positioned finished lots and that we may participate in joint ventures or other opportunities; that we may expand into new markets; the availability of labor and materials for our operations; that we may seek additional debt or equity capital; our expectation that existing guarantees, letters of credit and performance and surety bonds will not be drawn on; the sufficiency of our insurance coverage and warranty reserves; the sufficiency of our capital resources to support our business strategy; the sufficiency of our land pipeline; the impact of new accounting standards and changes in accounting estimates; trends and expectations concerning future demand for homes, sales prices, sales orders, construction cycle times, cancellations, labor, construction and materials costs and availability, gross margins, profitability, liquidity, land costs, community counts and profitability and future home supply and inventories; our DE&I initiatives and intentions; our future cash needs and sources; the impact of seasonality; that we intend to pay dividends in the future; and our future compliance with debt covenants.

Important factors currently known to management that could cause actual results to differ materially from those in forward-looking statements, and that could negatively affect our business are discussed above in this report under the heading "Risk Factors."

Forward-looking statements express expectations of future events. All forward-looking statements are inherently uncertain as they are based on various expectations and assumptions concerning future events and they are subject to numerous known and unknown risks and uncertainties that could cause actual events or results to differ materially from those projected. Due to these inherent uncertainties, the investment community is urged not to place undue reliance on forward-looking statements. In addition, we undertake no obligations to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to projections over time, except as required by law.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Risk Management and Strategy

Our ability to conduct our business may be impaired, or our customer and employee personal information may be vulnerable, if our IT resources are compromised, degraded, damaged or fail. Such events may include, but are not limited to: a virus or other harmful circumstance; intentional penetration or disruption of our information technology resources by a third party; natural disaster; hardware or software corruption or failure or telecommunications system failure; service provider error or failure; intentional or unintentional personnel actions (including the failure to follow our security protocols); or lost connectivity to our networked resources.

We prioritize cybersecurity and consumer data privacy. Our IT department is responsible for coordinating the protection of our information systems and the data they maintain.

Cybersecurity is an integral part of the Company's Enterprise Risk Management ("ERM"). In order to manage technology risk and secure technology ecosystems, our information security framework is based on the National Institute of Standards and Technology ("NIST") principles, which we execute through our adherence to the Center for Internet Security ("CIS18") control framework. The CIS18 framework provides us the ability to align measurable controls to actions and benchmark against recognized standards. Using these recognized industry standards, we approach cyber risk management utilizing multiple layers of policies and technology to detect, protect against, and respond to cyberattacks. Following our multi-pronged approach to protecting our systems and data, we:

- administer monthly mandatory ongoing information security training for all employees throughout the year;
- maintain privacy policy, security protocols and internal security controls;
- maintain a privacy policy that governs our collection, processing, and securing of personal information;
- limit collection and storage of information regarding our customers, suppliers and employees;
- use a zero trust network that verifies the device and user identity while restricting network access to only what is needed;
- limit access to network resources to only devices that are owned and administered by the Company;
- require multi-factor authentication for all employee user accounts;
- maintain application-aware firewalls to limit cyberattack access to data;
- use data breach detection software and a cybersecurity operations center that actively monitors our systems;
- conduct internal technical cyber incident exercises with the our information security team and our third-party cybersecurity service providers; and
- conduct an annual independent comprehensive security assessment, including penetration and vulnerability testing along with ransomware simulation, to evaluate the security of our environment and provide us the opportunity to understand and address any identified deficiencies in our security program.

We review all technology third party vendors and technology service providers for the following: access management controls including physical safeguards, disaster recovery capabilities, data privacy and notification processes, onboarding processes, and incident response procedures, and procedures. In addition, we perform periodic independent testing of vendor capabilities and review the vendor capabilities. In addition, we review annually the annual System and Organization Controls ("SOC") Type 1 and and/or SOC II Type 2 reports of all of our third-party vendors hosting our data to ensure they conform to those requirements.

We also have response Our IT department, lead by our Chief Information Officer ("CIO"), maintains and recovery protocols in place to address potential cyberattacks, including a disaster recovery plan and an is responsible for our cybersecurity incident response plan that includes defined plans. Our cybersecurity incident severities response plans include processes for evaluating and escalating our response matrices. to cybersecurity incidents across our organization, up to and including our senior executive management and Board, and, where required, making public disclosures. Cybersecurity threats and incidents (including potential cybersecurity threats and incidents) are identified through our cybersecurity detection, prevention, and mitigation tools and procedures. These plans are reviewed and updated at least annually and we maintain third-party cybersecurity insurance. We did have not have identified any material cybersecurity incidents during the fiscal years covered by this report. For a discussion of how risks from cybersecurity threats affect our business, see Part I, Item 1A - " Risk Factors – Operational Risks – Information technology failures and data security breaches could harm our business" in this Annual Report on Form 10-K.

Governance

Cybersecurity and affiliated data privacy risks related to our information technology resources are a key component of our Board of Director's ("Board") Board's risk oversight. The Audit Committee assists the Board in evaluating our information cybersecurity and cybersecurity data privacy risks and overseeing our efforts to mitigate these risks. Our Audit Committee is also responsible for reviewing and analyzing significant financial and operational risks and how management is managing and mitigating such risks through its internal controls and financial risk management processes and is regularly engaged in discussions with management regarding business risks, operational risks, transactional risks, cybersecurity, enterprise-level and financial risks. Our Chief Information Officer CIO provides a formal update to our Audit Committee at least twice per year, reviewing cybersecurity risks, trends, plans for future actions and measurements against recognized external cybersecurity frameworks and benchmarks. benchmarks and our Vice President of Internal Audit/Compliance conducts an annual ERM survey, which includes cybersecurity risk, and provides the findings to the Board.

Our cybersecurity program is led and managed by experienced technology leadership that drives the creation of our security cybersecurity and data privacy strategy, policies, and procedures as well as possesses expert knowledge and consists of experts in the execution of the related controls and safeguards. Our Chief Information Officer (CIO) CIO has more than 30 years of experience working in information technology including chief information officer roles in the financial services, banking, healthcare, and hospitality sectors. While in those roles, the CIO has led governance, risk, and compliance technology programs and information security programs. Supporting the CIO is a dedicated cybersecurity team that designs and monitors cybersecurity control framework and data privacy procedures, as well as implements cybersecurity control systems and solutions. This cybersecurity team collectively holds the following degrees has experience in: cybersecurity, information systems management and certifications: Master's in Cybersecurity, Certified Information Systems Security Professional, Certified Information Security Manager, Microsoft Certified Cybersecurity Architect Expert, Graduate Certificates in Enterprise Cybersecurity security, and Data Science, Security+ and Certified Information Systems Auditor. related fields of focus.

Item 2. Properties

Our corporate office is in a leased building located in Scottsdale, Arizona with approximately 72,000 square feet and a September 30, 2035 lease expiration.

We lease an aggregate of approximately 324,000 356,000 square feet of office space in our markets for our operating divisions, corporate and executive offices.

Item 3. Legal Proceedings

We are involved in various routine legal and regulatory proceedings, including, without limitation, but not limited to, warranty claims and litigation and arbitration proceedings alleging construction defects. In general, the proceedings are incidental to our business, and we believe most exposure is subject to and should be covered by warranty and indemnity obligations of our consultants and subcontractors. Additionally, some such claims are also covered by insurance. See Note 1 and Note 16 of the accompanying consolidated financial statements for additional information related to construction defect and warranty related reserves. With respect to the majority of pending litigation matters, our ultimate legal and financial responsibility, if any, cannot be estimated with certainty and, in most cases, any potential losses related to these matters are not considered probable. Historically, most disputes regarding warranty claims are resolved prior to litigation.

We believe there are no pending legal or warranty matters that could have a material adverse impact upon our consolidated financial condition, results of operations or cash flows that have not been sufficiently reserved.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock is listed on the New York Stock Exchange under the symbol "MTH". On February 7, 2024 February 14, 2025 there were 128 123 owners of record of our common stock. A substantially greater number of owners of our common stock are beneficial holders, whose shares of record are held by banks, brokers, and other financial institutions.

The transfer agent for our common stock is Computershare, Inc., P.O. Box 43006, Providence, RI 02940-3006 *(www.computershare.com).*

The following graph compares the five-year total return of our common stock with the S&P 500 Index ("S&P") and the Dow Jones US Home Construction Index ("DJ US Home Const. Index"). The graph assumes $100 invested as of December 31, 2018 December 31, 2019 in Meritage Common Stock, the S&P and the DJ US Home Const. Index, and the re-investment of all dividends. The performance of our common stock depicted in the graphs is not indicative of future performance.

1005

	2018	2019	2020	2021	2022	2023
	2019	2020	2021	2022	2023	2024
Meritage Homes Corporation						
S&P 500 Index						
Dow Jones US Home Construction Index						

The preceding Performance Graph and related information shall not be deemed to be “soliciting material” or to be “filed” with the SEC, nor shall such information be incorporated by reference into any filing under the Securities Act or the Exchange Act, each as amended, except to the extent that we specifically incorporate it by reference into such filing.

Our Board declared a two-for-one stock split (the "Stock Split") of Meritage's common stock in the form of a stock dividend for shareholders of record at the close of business on December 31, 2024. Shareholders received one additional share of common stock for each share of common stock held, payable after the close of market on January 2, 2025. Trading began on a split-adjusted basis on January 3, 2025. All share and per share amounts in this Annual Report on Form 10-K have been retroactively adjusted to reflect the Stock Split for all periods presented, inclusive of dividends and share repurchases.

In 2023, our Board of Directors approved the initiation of a recurring quarterly cash dividend on our common stock, and we paid quarterly cash dividends of $0.27 $0.135 per share, for a total of $1.08 $0.54 per share during the year ended December 31, 2023. In 2024, the Board increased the quarterly cash dividend to $0.375 per share, and we paid quarterly cash dividends of $0.375 per share, for a total of $1.50 per share during the year ended December 31, 2024. We intend to continue the payment of quarterly cash dividends and the amount will be reset reviewed and assessed in the first quarter of each year. The amount of future cash dividends will depend upon our financial condition, results of operations, capital requirements, statutory requirements, restrictions imposed by our Credit Facility, credit facility, as well as other factors considered relevant by our Board of Directors. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources” for further discussion of these factors.

Issuer Purchases of Equity Securities

On February 13, 2019, our Board of Directors authorized a new stock repurchase program, authorizing the expenditure of up to $100.0 million to repurchase shares of our common stock. On November 13, 2020, the Board of Directors authorized the expenditure of an additional $100.0 million to repurchase shares of our common stock under this program. On August 12, 2021, the Board of Directors authorized the expenditure of an additional $100.0 million to repurchase shares of our common stock under this program, which was announced on August 17, 2021. On May 19, 2022, the Board of Directors authorized the expenditure of an additional $200.0 million to repurchase shares of our common stock under this program, which was announced on May 25, 2022. On November 21, 2024, the Board of Directors authorized the expenditure of an additional $250.0 million to repurchase shares of our common stock under this program, which was announced on November 21, 2024. There is no stated expiration for this program. The repurchases of the Company's shares may be made in the open market, in privately negotiated transactions, or otherwise. The timing and amount of repurchases, if any, will be determined by the Company's management at its discretion and be based on a variety of factors such as the market price of the Company's common stock, corporate and contractual requirements, prevailing market and economic conditions and legal requirements. The share repurchase program may be modified, suspended or discontinued at any time. We acquired 437,882 1,464,510 shares of our common stock at an aggregate purchase price of $59.1 million $125.9 million for the year ended December 31, 2023 December 31, 2024. As of December 31, 2023 December 31, 2024, there was approximately $185.0 million $309.1 million available under this program to repurchase shares. We purchased 24,869 437,232 shares under the program during the three months ended December 31, 2023 December 31, 2024.

Period	Total Number of Shares Purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under the plans or programs
October 1, 2023 - October 31, 2023	—	$ —	—	$ 189,077,636
November 1, 2023 - November 30, 2023	—	$ —	—	$ 189,077,636
December 1, 2023 - December 31, 2023	24,869	$ 163.56	24,869	$ 185,010,130
Total	24,869		24,869	

Period	Total Number of Shares Purchased	Average price paid per share		Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under the plans or programs	
October 1, 2024 - October 31, 2024	126,646	$	90.44	126,646	$	87,623,671
November 1, 2024 - November 30, 2024	38,628	$	91.79	38,628	$	84,078,083
December 1, 2024 - December 31, 2024	271,958	$	91.93	271,958	$	309,078,355
Total	437,232			437,232		

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Industry Conditions

Since

The market for new homes was healthy in 2024 as the start largest U.S. population cohorts of the COVID-19 pandemic millennial, Gen Z and until the aggressive rise of baby boomer generations continue to need affordable, move-in ready homes. While demand was stable, volatile and elevated interest rates beginning resulted in mid-2022, the homebuilding industry experienced unprecedented growth. Since mid-2022, the industry slow down was driven by affordability concerns due increased need for interest rate assistance for potential homebuyers to rapidly rising help with monthly mortgage affordability. The ability to offer financing incentives, including interest rates, rate locks and buy-downs, combined with uncertainty a short supply of future interest rates, inflation levels and deterioration in the general economy, the combination of which created homebuyer hesitancy. In 2023, homebuyers began to acclimate to the new interest rate environment and consumer confidence improved, which combined with favorable demographic need-based housing and the persistent shortage of existing homes for sale, re-sale inventory available has shifted demand to the new home market. market in recent years. We believe that favorable homebuyer demographics will support long-term demand our ability to offer financing incentives gives us a competitive advantage, particularly over resale homes, as individual home sellers are not typically able to provide such incentives, and that our all-spec strategy will be ready to capture this demand with readily available inventory, which is highly desired. Combined with financing and other incentives offered in our a commitment to affordability can meet this demand, providing us with ample opportunity to capture and grow our market share.

Supply chain and labor market disruptions, shortages and other economic-related disruptions that impacted construction cycle times for the homebuilding industry during 2022 and 2023 stabilized in 2024. Throughout 2024, we believe further reduced our homes provide an attractive opportunity for homeownership. construction cycle time, reaching normalized cycle times of approximately 120 days by the end of the year. The increased capacity in supply chain has resulted in a decrease in some material costs over the past few years, and our higher volume allowed us to capture additional volume discounts from our national vendors. Land costs were elevated in 2024 following several years of historically high land development activity and negatively impacted our margins.

At Meritage, we

We believe that the execution of our all-spec strategy of move-in ready homes with a commitment to affordability will drive strong performance of the key financial measures of goals such as higher home closing volume, revenue, strong home closing gross margin, controlling selling, and general and administrative cost control, balance sheet management and long-term community count growth. Supply chain disruptions that impacted production costs, and cycle times in the homebuilding industry as a whole over the last several years began to ease in 2023. We expect that over time, as industry conditions normalize, costs and cycle times will continue to trend downward. maintaining sufficient liquidity.

Summary Company Results

Our results for 2023 2024 reflect recovering buyer confidence throughout the year. continuing favorable market conditions for affordable, move-in ready homes. We ended 2023 2024 with 13,976 15,611 closings, our second highest closing volume in Company history, down just 0.9% up 11.7% from 14,106 13,976 closings in 2022. Order 2023. We also achieved record order volume increased 12.2% to of 14,606 units, up 10.7% over 13,193 in 2023, up from 11,759 in 2022 due to an 11.1% a 7.5% year-over-year increase in orders pace to 4.0 4.3 per month in 2023 while 2024 combined with a 1.4% increase in average active community count remained essentially flat. Cancellations returned count. Our strategy also favorably impacted cancellations as the length of time between sale and closing is shortened, contributing to more normalized levels a cancellation rate of 9.4% for the full year 2024, well below historical averages and improved from 12.8% for the full year 2023, down from 21.0% in 2022. 2023. Reduced construction cycle times and higher our all spec strategy led to record backlog conversion resulted conversions throughout the full year 2024, resulting in 23.5% 39.4% fewer homes in backlog at December 31, 2023 December 31, 2024, with 1,544 units valued at $629.5 million compared to 2,549 units valued at $1.1 billion compared to 3,332 units valued at $1.5 billion at December 31, 2022 December 31, 2023.

Total home closing revenue of $6.1 billion $6.3 billion for the year ended December 31, 2023 decreased 2.4% December 31, 2024 increased 4.7% from $6.2 billion $6.1 billion in 2022, 2023, due to 0.9% lower 11.7% higher home closing volume and a 1.5% reduction in ASPs. 6.3% lower ASP on closings. Home closing gross margin was 24.8% 24.9% for the year ended December 31, 2023 December 31, 2024, down 380 basis points from 28.6% consistent with 24.8% in 2022, due to more costly 2023, as lower direct costs, leverage of higher home closing revenue on overhead costs and shorter construction cycle times were offset by greater utilization of financing incentives rising land costs, elevated direct costs and declining ASPs on closings. While direct construction costs are up year over year, they did decline sequentially each quarter in 2023. We recognized land closing gross profit of $4.4 million for the year ended December 31, 2023, compared to $11.6 million for the year ended December 31, 2022. higher lot costs. Commissions and other sales costs of $384.9 million $409.1 million for the full year ended December 31, 2024 increased $61.6 million $24.2 million from 2022, the prior year period due to increased advertising activities and higher commissions, both in response to the current sales environment. home closing revenue. Commissions and other sales costs were 6.4% and 5.2% 6.5% of home closing revenue in 2023 and 2022, respectively. 2024, relatively consistent with the prior year. General and administrative expenses of $231.7 million $230.9 million for the year ended December 31, 2023 December 31, 2024 were 3.8% 3.6% of home closing revenue an increase of $38.7 million or 70 and improved 20 basis points year over year, primarily due to leverage of higher home closing revenue on fixed overhead expenses and lower performance-based compensation and insurance costs, and a greater investment in technology. compensation. Other income, net of $47.9 million increased $45.2 million in 2024 decreased 5.8% from $2.7 million in the prior year primarily due to lower interest income from higher interest rates earned on larger smaller cash balances. In September 2023 May 2024 we partially redeemed $150.0 million the remaining $250.0 million of our 6.00% Senior Notes due 2025 (the "2025 Notes"), resulting in charges of $0.9 million $0.6 million reflected in Loss on early extinguishment of debt, compared with no similar charges of $0.9 million in 2022. 2023. Earnings before income taxes of $1.0 billion in 2024 increased 5.6% from $949.4 million in 2023 decreased 26.4% from $1.3 billion in 2022. 2023. Our effective tax rate in 2023 for the year ended December 31, 2024 was 21.6% as compared to 22.2% in 2023, as compared to 23.0% in 2022, leading to net income of $738.7 million $786.2 million and $992.2 million $738.7 million for the years ended December 31, 2023 December 31, 2024 and 2022, 2023, respectively.

Company Positioning

We believe that the investments in our new communities designed for the first-time and first move-up homebuyer, our move-in ready homes with our recently introduced 60-day closing ready commitment, to being primarily an all-spec builder, and industry-leading innovation in energy-efficient product offerings and automation our partnership with external realtors create a differentiated strategy that has aided us in our growth in the highly competitive new home market.

Our focus on growing our community count and market share includes the following strategic initiatives:

- Delivering affordable homes on a shorter timeline through simplification of production processes and maintaining market-appropriate levels of spec inventory; inventory that are aligned with our strategy;
- Offering our customers affordable, move-in ready homes;
- Embracing external realtor relationships, as we view realtors as a trusted resource for potential customers, particularly for first-time buyers;
- Providing homebuyers with our 60-day closing ready commitment;
- Continuously improving the overall home buying experience through simplification and innovation;
- Leveraging and expanding on technological solutions through digital offerings to our customers, such as our virtual home tours, interactive maps, digital financial services offerings and online warranty portal; and
- Increasing homeowner satisfaction by offering healthier, energy-efficient homes that come equipped with a suite of home automation standard features.

In addition to these strategic initiatives, we also remain committed to the following:

- Achieving or maintaining a position of at least 5% top 5 market share position in all of our markets;
- Targeting a strong, yet sustainable, orders pace through the use of consumer, market and potentially artificial intelligence research to ensure that we build homes that offer our buyers their desired features and amenities;
- Maintaining and where possible, expanding, our home closing gross profit by growing closing volume, allowing us to better leverage our direct overhead;
- Carefully managing our liquidity and a strong balance sheet, including a $150.0 million early redemption of debt this year, we sheet. We ended the year with a 17.9% 20.6% debt-to-capital ratio and a 1.9% 11.7% net debt-to-capital ratio; ratio, after issuing $575.0 million of convertible senior notes;
- Balancing return of capital to our shareholders with internal growth goals, utilizing both share repurchases and dividend payments;
- Managing construction efficiencies and costs through national and regional vendor relationships with a focus on timely, quality construction and warranty management; and
- Promoting a positive environment for our employees through our commitment to foster DE&I inclusion and belonging, and providing market-competitive benefits in order to develop and motivate our employees, minimize turnover and maximize recruitment efforts;
- Targeting a strong yet sustainable orders pace through the use of our consumer and market research to ensure that we build homes that offer our buyers their desired features and amenities; and
- Continuing to innovate and promote our energy efficiency program and our M.Connected® Automation Suite to create differentiation from existing available inventory. efforts.

Critical Accounting Estimates

We have established various accounting policies that govern the application of United States generally accepted accounting principles ("GAAP") in the preparation and presentation of our consolidated financial statements. Our significant accounting policies are described in Note 1 of the accompanying consolidated financial statements included in this Form 10-K. Certain of these policies involve critical accounting estimates, which are significant judgments, assumptions and estimates by management in accordance with GAAP that involve a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on the carrying value our financial condition or results of certain assets and liabilities, and revenue and costs. operations. We are subject to uncertainties such as the impact of future events, economic, environmental, political and regulatory factors and changes in our business environment; therefore, actual results could differ from these estimates. Accordingly, the accounting estimates used in the preparation of our financial statements may change as new events occur, as more experience is acquired, as additional information is obtained and as our operating environment changes. Changes in estimates are revised when circumstances warrant. Such changes in estimates and refinements in methodologies are reflected in our reported results of operations and, if material, the effects of changes in estimates are disclosed in the notes to our consolidated financial statements. The judgments, assumptions and estimates we use and believe to be critical to our business are based on historical experience, knowledge of the accounts, industry practices, and other factors, which we believe to be reasonable under the circumstances. Because of the nature of the judgments and assumptions we have made, actual results may differ from these judgments and estimates and could have a material impact on the carrying values of assets and liabilities and the results of our operations.

The critical accounting estimates that we deem to involve the most difficult, subjective or complex judgements are as follows:

Real Estate Valuation and Cost of Home Closings

Real estate inventory is stated at cost unless the community or land is determined to be impaired, at which point the inventory is written down to fair value as required by ASC 360-10, *Property, Plant and Equipment.* Real estate inventory includes the costs of land acquisition, land development and home construction, capitalized interest, real estate taxes, direct overhead costs incurred during development and home construction that benefit the entire community, less impairments, if any. Land and development costs are typically allocated and transferred to homes when home construction begins. Home construction costs are accumulated on a per-home basis, while commissions and other sales costs are expensed as incurred. Cost of home closings includes the specific construction costs of the home and all related allocated land acquisition, land development and other common costs (both incurred and estimated to be incurred) that are allocated based upon the total number of homes expected to be closed in each community or phase. Any changes to the estimated total development costs of a community or phase are allocated to the remaining homes in that community or phase. When a home closes, we may have incurred costs for materials and services that have not yet been paid. We accrue a liability to capture such obligations in connection with the home closing which is charged directly to Cost of home closings.

We capitalize qualifying interest to inventory during the development and construction periods. Capitalized interest is included in cost of closings when the related inventory is closed. Included within our Real estate inventory is land held for development and land held for sale. Land held for development primarily represents land and land development costs related to land where development activity is not currently underway but is expected to begin in the future. For these parcels, we have chosen not to currently develop certain land holdings as they typically represent a portion or phases of a larger land parcel that we plan to build out over several years. We do not capitalize interest for these inactive assets, and all ongoing costs of land ownership (i.e. property taxes, homeowner association dues, etc.) are expensed as incurred.

We rely on certain estimates to determine our construction and land development costs. Construction and land costs are comprised of direct and allocated costs, including estimated future costs. In determining these costs, we compile project budgets that are based on a variety of assumptions, including future construction schedules and costs to be incurred. Actual results can differ from budgeted amounts for various reasons, including construction delays, labor or material shortages, sales orders absorptions absorption rates that differ from our expectations, increases in costs that have not yet been contracted, changes in governmental requirements, or other unanticipated issues, encountered during construction and development and other factors beyond our control, including weather. To address uncertainty in these budgets, we assess, update and revise project budgets on a regular basis, utilizing the most current information available to estimate home construction and land development costs.

Typically, a community's life cycle ranges from three to five years, commencing with the acquisition of the land, continuing through the land development phase, if applicable, and concluding with the construction, sale and closing of the homes. Actual community lives will vary based on the size of the community, the sales orders absorption rates and whether the land purchased was raw, partially-developed or in finished status. Master-planned communities encompassing several phases and super-block land parcels may have significantly longer lives and projects involving smaller finished lot purchases may be significantly shorter.

All of our land inventory and related real estate assets are periodically reviewed for recoverability when certain criteria are met, but at least annually, as our inventory is considered "long-lived" in accordance with GAAP. Community-level reviews are performed quarterly to determine if indicators of potential impairment exist. If indicators of potential impairment exist and the undiscounted cash flows expected to be generated by an asset are lower than its carrying amount, impairment charges are recorded to write down the asset to its estimated fair value. The impairment of a community is allocated to each remaining unstarted lot in the community on a straight-line basis and is recognized in Cost of home closings in the period in which the impairment is determined. Our determination of fair value is based on projections and estimates. Changes in these expectations may lead to a change in the outcome of our impairment analysis, and actual results may also differ from our assumptions, although if financial metrics improve, we do not reverse impairments once recorded.

We have not made any material changes in our methodology or significant assumptions used to record and evaluate our Real estate inventory and Cost of home closings during the past three years.

Warranty Reserves

We use subcontractors for nearly all aspects of home construction. Although our subcontractors are generally required to repair and replace any product or labor defects and cover any resultant damages, we are, during applicable warranty periods, ultimately responsible to the homeowner for making such repairs. As such, warranty reserves are recorded to cover our exposure to costs for materials and labor not expected to be covered by our subcontractors or available insurance to the extent they relate to warranty-type claims subsequent to the delivery of a home to the homeowner. Reserves are reviewed on a regular basis and, with the assistance of an actuary for the structural warranty, we determine their sufficiency based on our and industry-wide historical data and trends. These reserves are subject to variability due to uncertainties regarding materials or construction defect claims, the markets in which we build, claim settlement history, insurance, legal interpretations and expected recoveries, among other factors.

At December 31, 2023 December 31, 2024, our warranty reserve was $37.4 million $32.7 million, reflecting an accrual of 0.1% to 0.5% of a home's sale price depending on our loss history in the geographic area in which the home was built. A 10% increase in our warranty reserve rate would have increased our accrual and corresponding cost of sales home closings by approximately $2.3 million $2.2 million in 2023. 2024. As a result of the routine review described previously, we decreased our reserve balance by $1.0 million related to specific case reserves during the year ended December 31, 2024. There were no adjustments to our reserve balance during the year ended December 31, 2023. As a result of the routine review described previously, we increased our reserve balance $10.9 million related to specific cases during the year ended December 31, 2022. See Notes 1 and 16 in the accompanying consolidated financial statements for more information. While we believe that the warranty reserve is sufficient to cover our projected costs, there can be no assurances that historical data and trends will accurately predict our actual warranty costs. Furthermore, there can be no assurances that future economic, financial or legislative developments might not lead to a significant change in the reserve.

We have not made any material changes in our methodology or significant assumptions used to record and evaluate our Warranty Reserves during the past three years.

Valuation of Deferred Tax Assets

We account for income taxes using the asset and liability method, which requires that deferred tax assets and liabilities be recognized based on future tax consequences of temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply in the years in which the temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period when the changes are enacted.

In accordance with ASC 740-10, *Income Taxes*, we evaluate our deferred tax assets by tax jurisdiction, including the benefit from net operating losses ("NOLs") by tax jurisdiction, to determine if a valuation allowance is required. Companies must assess, using significant judgments, whether a valuation allowance should be established based on the consideration of all available evidence using a "more likely than not" standard with significant weight being given to evidence that can be objectively verified. This assessment considers, among other matters, the nature, frequency and severity of current and cumulative losses, forecasts of future profitability, the length of statutory carryforward periods, experience with NOLs and experience of utilizing tax credit carryforwards and tax planning alternatives. We have no valuation allowance on our deferred tax assets and NOL carryovers at December 31, 2023.

We have not made any material changes in our methodology or significant assumptions used to evaluate our Deferred tax assets, net warranty reserves during the past three years.

Home Closing Revenue, Home Orders and Order Backlog - Segment Analysis

The composition of our closings, home orders and backlog is constantly changing and is based on a changing mix of communities with various price points between periods as new projects open and existing projects wind down and close out. Further, individual homes within a community can range significantly in price due to differing square footage, option selections, lot sizes and quality and location of lots (e.g. cul-de-sac, view lots, greenbelt lots). These variations result in a lack of meaningful comparability between our home orders, closings and backlog due to the changing mix between periods.

For discussion of our fiscal 2022 2023 results compared to our fiscal 2021 2022 results, refer to Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" under Part II of our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

The tables on the following pages present operating and financial data that we consider most critical to managing our operations (dollars in thousands):

Home Closing Revenue

Home Closing Revenue

Home Closing Revenue		**Years Ended December 31,**				**Year Over Year**					**Years Ended December 31,**					**Year Over Year**		
		2023		**2022**		**Chg $**			**Chg %**			**2024**				**2023**		
Total																		
Dollars																		
Dollars																		
Dollars		$ 6,056,784	$	$ 6,207,498	$	$ (150,714)	(2.4)		(2.4) %			$ 6,341,546	$		$	6,056,784	$	
Homes closed	Homes closed	13,976	14,106	14,106	(130)		(130)	(0.9)	(0.9)	%	Homes closed		15,611	13,976				13,976
Average sales price	Average sales price	$ 433.4	$	$ 440.1	$	$ (6.7)	(1.5)		(1.5) %	Average sales price		$ 406.2		$		$ 433.4		$
West Region																		
Dollars																		
Dollars																		
Dollars		$ 2,107,095	$	$ 2,202,109	$	$ (95,014)	(4.3)		(4.3) %			$ 2,223,876	$		$	2,107,095	$	
Homes closed	Homes closed	4,109	4,092	4,092	17		17	0.4	0.4	%	Homes closed		4,526	4,109				4,109
Average sales price	Average sales price	$ 512.8	$	$ 538.1	$	$ (25.3)	(4.7)		(4.7) %	Average sales price		$ 491.4		$		$ 512.8		$
Central Region																		
Dollars																		
Dollars																		
Dollars		$ 1,798,939	$	$ 1,835,498	$	$ (36,559)	(2.0)		(2.0) %			$ 1,739,553	$		$	1,798,939	$	
Homes closed	Homes closed	4,486	4,556	4,556	(70)		(70)	(1.5)	(1.5)	%	Homes closed		4,834	4,486				4,486
Average sales price	Average sales price	$ 401.0	$	$ 402.9	$	$ (1.9)	(0.5)		(0.5) %	Average sales price		$ 359.9		$		$ 401.0		$
East Region																		
Dollars																		
Dollars																		

	2023	2022	Chg $	Chg %	2024	2023
Dollars	$ 2,150,750	$ 2,169,891	$ (19,141)	(0.9) %	$ 2,378,117	$ 2,150,750
Homes closed	5,381	5,458	(77)	(1.4) %	6,251	5,381
Average sales price	$ 399.7	$ 397.6	$ 2.1	0.5 %	$ 380.4	$ 399.7

Home Orders (1)

Home Orders (1)

Home Orders (1)

	Years Ended December 31,		Year Over Year		Years Ended December 31,	
	2023	2022	Chg $	Chg %	2024	2023
Total						
Dollars	$ 5,675,892	$ 5,255,600	$ 420,292	8.0 %	$ 5,950,708	$ 5,675,892
Homes ordered	13,193	11,759	1,434	12.2 %	14,606	13,193
Average sales price	$ 430.2	$ 446.9	$ (16.7)	(3.7) %	$ 407.4	$ 430.2
West Region						
Dollars	$ 2,046,251	$ 1,710,156	$ 336,095	19.7 %	$ 2,084,168	$ 2,046,251
Homes ordered	3,983	3,098	885	28.6 %	4,215	3,983
Average sales price	$ 513.7	$ 552.0	$ (38.3)	(6.9) %	$ 494.5	$ 513.7
Central Region						
Dollars	$ 1,678,484	$ 1,501,591	$ 176,893	11.8 %	$ 1,626,919	$ 1,678,484
Homes ordered	4,291	3,641	650	17.9 %	4,508	4,291
Average sales price	$ 391.2	$ 412.4	$ (21.2)	(5.1) %	$ 360.9	$ 391.2
East Region						
Dollars	$ 1,951,157	$ 2,043,853	$ (92,696)	(4.5) %	$ 2,239,621	$ 1,951,157
Homes ordered	4,919	5,020	(101)	(2.0) %	5,883	4,919
Average sales price	$ 396.7	$ 407.1	$ (10.4)	(2.6) %	$ 380.7	$ 396.7

(1) Home orders for any period represent the aggregate sales price of all homes ordered, net of cancellations. We do not include orders contingent upon the sale of a customer's existing home or a mortgage pre-approval as a sales contract until the contingency is removed.

Order Backlog (1)	*Order Backlog (1)*	At December 31, 2023	2022	Year Over Year Chg $	Chg %	*Order Backlog (1)*	At December 31, 2024	2023	Year Over Year
Total									
Dollars Dollars Dollars		$1,088,137 $	$1,524,775 $	$(436,638) (28.6)	(28.6) %		$629,549 $	$ 1,088,137	$
Homes in backlog	Homes in backlog	2,549 3,332	3,332 (783)	(783) (23.5)	(23.5) %	Homes in backlog	1,544	2,549	2,549
Average sales price	Average sales price	$ 426.9 $	$ 457.6 $	$ (30.7) (6.7)	(6.7) %	Average sales price	$407.7 $	$426.9	$
West Region									
Dollars Dollars Dollars		$ 379,785 $	$ 459,873 $	$ (80,088) (17.4)	(17.4) %		$214,360 $	$ 379,785	$
Homes in backlog	Homes in backlog	746 872	872 (126)	(126) (14.4)	(14.4) %	Homes in backlog	435	746	746
Average sales price	Average sales price	$ 509.1 $	$ 527.4 $	$ (18.3) (3.5)	(3.5) %	Average sales price	$492.8 $	$509.1	$
Central Region									
Dollars Dollars Dollars		$ 289,375 $	$ 425,371 $	$(135,996) (32.0)	(32.0) %		$159,546 $	$ 289,375	$
Homes in backlog	Homes in backlog	768 963	963 (195)	(195) (20.2)	(20.2) %	Homes in backlog	442	768	768
Average sales price	Average sales price	$ 376.8 $	$ 441.7 $	$ (64.9) (14.7)	(14.7) %	Average sales price	$361.0 $	$376.8	$
East Region									
Dollars Dollars Dollars		$ 418,977 $	$ 639,531 $	$(220,554) (34.5)	(34.5) %		$255,643 $	$ 418,977	$
Homes in backlog	Homes in backlog	1,035 1,497	1,497 (462)	(462) (30.9)	(30.9) %	Homes in backlog	667	1,035	1,035
Average sales price	Average sales price	$ 404.8 $	$ 427.2 $	$ (22.4) (5.2)	(5.2) %	Average sales price	$383.3 $	$404.8	$

(1) Our backlog represents net home orders that have not closed.

Active Communities
Active Communities
Active Communities

	Years Ended December 31,	Years Ended December 31,
	Ending	
	Ending	
	Ending	

Total		
Total		
Total		
West Region		
West Region		
West Region		
Central Region		
Central Region		
Central Region		
East Region		
East Region		
East Region		

Cancellation Rates (1)		
Cancellation Rates (1)		
Cancellation Rates (1)	**Years Ended December 31,**	**Years Ended December 31,**
Total		
Total		
Total		
West Region		
West Region		
West Region		
Central Region		
Central Region		
Central Region		
East Region		
East Region		
East Region		

(1) Cancellation rates are computed as the number of canceled units for the period divided by the gross sales units for the same period.

Fiscal 2023 2024 Compared to Fiscal 2022 2023

Companywide. Home closing revenue was $6.1 billion on 13,976 units in 2023, compared to $6.2 billion on 14,106 units in 2022, driven by reduced We achieved record home closing volume of 0.9% and 15,611 units in 2024, compared to 13,976 units in 2023. Home closing revenue of $6.3 billion for the year ended December 31, 2024 increased 4.7% from $6.1 billion in the prior period, as the 11.7% higher home closing volume was partially offset by a 1.5% 6.3% lower ASP on closings. The lower ASP on closings was caused by higher incentives, primarily in the form utilization of financing incentives. Order value increased 8.0% incentives and a shift in geographic and product mix. Entry-level homes represented 91% of closings in 2024, compared to $5.7 billion 85% in 2023. We also achieved record orders in 2024, with 14,606 orders increasing 10.7% from $5.3 billion, as improved demand led to a 12.2% higher 13,193 in 2024. The improvement in order volume that was partially offset driven primarily by a 3.7% decrease in ASP on orders. Order volume of 13,193 units for the year ended December 31, 2023 rose from 11,759 in 2022 primarily due to an 11.1% 7.5% increase in orders pace of 4.0 4.3 homes per month on an essentially flat combined with a 1.4% increase in average active community count. Higher order volume offset by a 5.3% decrease in ASP on orders led to a 4.8% increase in home order value of $6.0 billion for the year ended December 31, 2024, compared to $5.7 billion in the prior year period. The cancellation rate of 9.4% in 2024 improved from 12.8% returned in 2023 and is below historical normal levels, partially due to more normalized levels from our move-in ready strategy which shortens the elevated rate of 21.0% in 2022. period between sale and closing. We ended the year with 1,544 homes in backlog valued at $629.5 million, compared to 2,549 homes in backlog valued at $1.1 billion, compared to 3,332 homes in backlog valued at $1.5 billion, down 23.5% decreases of 39.4% and 28.6% 42.1%, respectively, compared to 2022. 2023. The number of homes in backlog decreased year over year due to reduced our higher backlog conversion rates throughout 2024. As anticipated with our strategy of offering move-in ready homes, we are selling a higher percentage of spec homes later in the construction cycle, times, allowing us contributing to close homes more quickly. the higher backlog conversion rates in all of our regions.

West. The West Region generated $2.1 billion $2.2 billion in home closing revenue for the year ended December 31, 2023 December 31, 2024, a 4.3% decrease 5.5% increase from $2.2 billion $2.1 billion in the prior year, due entirely to a 4.7% 10.1% increase in home closing volume that was partially offset by a 4.2% decrease in ASP on closings as a result of geographic mix within the region, product shift mix to more entry-level homes, and increased utilization of financing incentives. Order value of $2.0 billion $2.1 billion in 2023 increased 19.7% from $1.7 billion in 2022, 2024 was relatively consistent with prior year, as a 28.6% 5.8% increase in order volume for the year ended December 31, 2023 December 31, 2024 to 3,983 4,215 homes from 3,098 3,983 in 2022 2023 was offset by a 6.9% 3.7% decrease in ASP on orders. The West Region had the greatest year over year improvement in home orders in the Company, as price adjustments and Order volume increased financing incentives combined with improved consumer confidence boosted demand and helped to overcome the buyer hesitancy that impacted the Region in 2022, particularly in the latter half. The improved demand is also evidenced by the West Region's improved cancellation rate of 14.2% in 2023, compared to 25.7% in 2022, which contributed due to a 32.1% increase in year-over-year 13.5% higher orders pace per community to 3.7 4.2 homes per month compared to 2.8 3.7 per month in 2022, 2023, more than offsetting the 2.6% 6.0% decrease in average actively selling communities. The West Region's cancellation rate of 9.4% improved significantly from 14.2% in 2023. Backlog of 435 homes valued at $214.4 million at December 31, 2024 was down 41.7% and 43.6%, respectively, from 746 homes valued at $379.8 million at December 31, 2023 was down 14.4% and 17.4%, respectively, from 872 homes valued at $459.9 million at December 31, 2022.

Central. The Central Region, made up of our Texas markets, closed 4,486 4,834 homes and generated home closing revenue of $1.8 billion $1.7 billion for the year ended December 31, 2023 December 31, 2024 compared to 4,556 4,486 homes and $1.8 billion in 2022. 2023. The 1.5% decrease in closing units led to a 2.0% decrease 7.8% increase in home closing revenue as ASP on closings volume was relatively flat year over year. Similar to the West Region, the Central Region also had year over year increases in both order volume and value of 17.9% and 11.8%, respectively, with fully offset by a 5.1% 10.2% decrease in ASP on orders partially offsetting closings, which led to the 3.3% lower home closing revenue. ASP on closings decreased due to product shift mix to more entry-level homes and higher incentives. The Central Region order volume. Orders during the year ended December 31, 2023 volume of 4,508 increased 5.1% from 4,291, valued at $1.7 billion, while order value decreased 3.1% to $1.6 billion compared to 3,641 homes valued at $1.5 billion $1.7 billion in the prior year. 2023 due to a 7.7% decrease in ASP on orders. The increase in order volume was due to an 8.4% increase 11.6% higher orders pace of 4.8 homes per month in 2024, as average actively selling communities coupled with a 7.5% higher orders pace resulting from the stabilization of demand. The Central Region exceeded our target orders pace of 3-4 homes per month, with 4.3 homes per month for the full decreased 4.8% year 2023 compared to 4.0 in 2022. over year. The Central Region cancellation rate of 10.3% in 2024 was down from 13.6% in 2023 improved significantly from 25.1% in the prior year. 2023. The Central Region ended the year with 442 homes in backlog valued at $159.5 million, compared to 768 homes in backlog valued at $289.4 million, compared to 963 homes valued at $425.4 million in 2022, reflecting a 14.7% decrease in ASP. The lower backlog units is due to improved cycle times. 2023.

East. The East Region closed 5,381 had strong growth in 2024, closing 6,251 homes in the year ended December 31, 2023 December 31, 2024, down 1.4% up 16.2% from 5,458 5,381 homes in 2022, 2023, and generating $2.2 billion in 10.6% higher home closing revenue. Lower revenue of $2.4 billion with the higher home closing volume led to a 0.9% partially offset by 4.8% decrease in home closing revenue, as ASP on closings. ASP on closings was relatively flat year over year. Order pace decreased due to product mix shift to more entry-level homes and higher utilization of 4.0 homes per month in 2023 improved slightly from 3.9 homes per month in 2022, and offset the 2.6% decrease in average active communities. The East Region was least impacted by the difficult market conditions in late 2022, and therefore did not have the same outsized year over year improvements in 2023 in home orders activity as the West and Central Regions. financing incentives. Order volume of 4,919 5,883 homes decreased 2.0% increased 19.6% from 5,020 4,919 homes, combined with a 2.6% 4.0% decrease in ASP on orders for a 4.5% decrease 14.8% increase in home order value of $2.0 billion $2.2 billion for the year ended December 31, 2023 December 31, 2024, compared to $2.0 billion in 2022. 2023. Order pace of 4.2 homes per month in 2024 improved from 4.0 homes per month in 2023, and the East Region grew its average active community count by 13.0%. The East Region ended 2023 2024 with 667 homes in backlog valued at $255.6 million, down 35.6% and 39.0%, respectively, from 1,035 homes in backlog valued at $419.0 million, down 30.9% and 34.5%, respectively, from 1,497 homes valued at $639.5 million, due to lower orders volume and cycle time improvements. in 2023.

Land Closing Revenue and Gross Profit/(Loss) Profit (dollars in thousands)

	Years ended December 31,	
	2024	2023
Land closing revenue	$ 22,326	$ 56,229
Land closing gross profit	$ 4,017	$ 4,443

From time to time, we may sell certain lots or land parcels to other homebuilders, developers or investors if we feel the sale will provide a greater economic benefit to us than continuing home construction or where we are looking to diversify our land positions in a specific geography or divest of assets that no longer align with our strategy. As a result Land sales occur at various intervals and varying degrees of such sales, we recognized profitability depending upon market opportunities and our land closing management strategy. Therefore, the revenue and gross profit of $56.2 million and $4.4 million, respectively, for the year ending December 31, 2023, and $61.2 million and $11.6 million, respectively, for the year ending December 31, 2022. from land closings will fluctuate from period to period.

Other Operating Information (dollars in thousands)

	Years ended December 31,	Years ended December 31,
Home Closing Gross Profit (1)		
Home Closing Gross Profit (1)		
Home Closing Gross Profit (1)		
Total		
Total		
Total		
West		
West		
West		
Central		
Central		
Central		
East		

East
East

(1) Home closing gross profit represents home closing revenue less cost of home closings, including impairments, if any. Cost of home closings includes land and associated development costs, direct home construction costs, an allocation of common community costs (such as architectural, legal and zoning costs), interest, sales tax, impact fees, warranty, construction overhead and closing costs.

Fiscal 2023 2024 Compared to Fiscal 2022 2023

Companywide. Home closing gross margin of 24.8% 24.9% for the year ended December 31, 2023 declined 380 basis points compared 28.6% December 31, 2024 was consistent with 24.8% in the prior year, due to increased financing incentives, rising land costs, and still elevated as lower direct costs, as lower lumber costs have been offset by other cost increases. While direct construction costs are up year over year, they have declined sequentially each quarter in 2023. Lower leverage of higher home closing revenue on overhead costs and shorter construction cycle times were partially offset by greater utilization of financing incentives and higher lot costs. Higher home closing revenue and relatively flat home closing gross margin led to lower higher home closing gross profit of $1.5 billion $1.6 billion, down up from $1.8 billion $1.5 billion in 2022. 2023.

West. For the year ended December 31, 2023 December 31, 2024, the West Region home closing gross margin was 22.8% a 210 basis point improvement from 20.7%, versus 27.4% in 2022. This 2023. The demand in this region experienced more recovered in 2024 from several challenging demand conditions throughout most of 2023. In response, the region aggressively increased financing incentives, which combined years and was able to generate margin improvements with rising land savings in direct costs and leverage of higher direct construction costs led to the decline in home closing gross margin. revenue and shorter construction cycle times despite higher lot costs.

Central. The Central Region home closing gross margin of 26.8% for the 26.2% declined 220 60 basis points year-over-year from 29.0% 26.8% in the prior year, primarily due to increased financing incentives combined with higher land lot costs, which were partially offset by lower direct construction costs and direct savings resulting from shorter construction costs. cycle times.

East. The East Region had the Company's highest home closing gross margin of 27.2% 25.9% in 2023, representing a 220 2024 declined 130 basis point decline points from 29.4% 27.2% in the prior year. The East Region increased financing incentives to address challenging demand conditions in the later half of 2024, particularly in Florida. The 2024 home closing gross margin deterioration in the East Region was due to increased financing incentives and also negatively impacted by higher land lot costs as savings in lumber costs which were partially offset by increases in other lower direct construction costs. costs year over year.

	Years Ended December 31,
	Years Ended December 31,
	Years Ended December 31,
	($ in thousands)
2023	
2024	
Financial services profit	
Financial services profit	
Financial services profit	

Financial services profit. Financial services profit represents the net profit of our financial services operations, including the operating profit generated by our wholly-owned title and insurance companies, Carefree Title and Meritage Insurance, respectively, as well as our portion of earnings from a mortgage joint venture. Financial services profit of $12.5 million $14.4 million for the year ended December 31, 2023 decreased December 31, 2024 increased from $18.3 million $12.5 million in the prior year, primarily from $9.9 million in charges related to unused prepaid interest rate locks that expired. These charges were partially offset by increased profits from our as higher home closing volume generated greater title and insurance operations due to higher premiums. company profits.

	Years Ended December 31,	Years Ended December 31,
	($ in thousands)	($ in thousands)
Commissions and Other Sales Costs		
Commissions and Other Sales Costs		
Commissions and Other Sales Costs		
Percent of home closing revenue		
Percent of home closing revenue		
Percent of home closing revenue		
General and Administrative Expenses		
General and Administrative Expenses		
General and Administrative Expenses		
Percent of home closing revenue		
Percent of home closing revenue		
Percent of home closing revenue		

Interest Expense

Interest Expense

Interest Expense

Other Income, Net

Other Income, Net

Other Income, Net

Loss on Early Extinguishment of Debt

Loss on Early Extinguishment of Debt

Loss on Early Extinguishment of Debt

Provision for Income Taxes

Provision for Income Taxes

Provision for Income Taxes

Fiscal 2023 2024 Compared to Fiscal 2022 2023

Commissions and Other Sales Costs. Commissions and other sales costs are comprised of internal and external commissions and related sales and marketing expenses such as advertising and sales office costs. These costs increased $61.6 million, or 19.1% year over year. The $24.2 million due to higher spend in 2023 is primarily attributable to increased commission rates, higher external broker participation rates home closing volume and increased advertising activities, all reflective of the more challenging sales environment. As revenue, but as a percentage of home closing revenue, commissions and other sales costs increased 120 basis points to of 6.5% were relatively flat with 6.4% in 2023 compared to 5.2%, primarily due to higher commissions paid to external brokers. 2023.

General and Administrative Expenses. General and administrative expenses represent corporate and divisional overhead expenses such as salaries and bonuses, occupancy, insurance and travel expenses. For the year ended December 31, 2023 December 31, 2024, general and administrative expenses increased $38.7 million, or 20.1%. were $230.9 million compared to $231.7 million for the prior year period. General and administrative expenses were 3.8% 3.6% of home closing revenue in 2023, 2024, a 70 20 basis point increase improvement from 3.1% 3.8% in 2022. 2023. The increase in dollars and improvement as a percentage of home closing revenue is due to higher performance-based compensation costs, including staff for our new and growing market operations, higher insurance costs, increased investment in technology and reduced overhead expense leverage from lower of higher home closing revenue. revenue on fixed overhead expenses and lower performance-based compensation.

Interest Expense. Interest expense is comprised of interest incurred, but not capitalized, on our senior and convertible senior notes, other borrowings and our Credit Facility. $910.0 million amended and restated unsecured revolving credit facility agreement (the "Credit Facility"). We had no interest expense for the year years ended December 31, 2023, December 31, 2024 and had interest expense of $41,000 for the year ended December 31, 2022. 2023.

Other Income, Net. Other income, net primarily consists of (i) interest earned on our cash and cash equivalents, (ii) sub lease income, (iii) payments and awards related to legal settlements, and (iv) our portion of pre-tax income or loss from non-financial services joint ventures. Other income, net of was $45.2 million and $47.9 million in 2024 and 2023, increased from $2.7 million in 2022 due to higher interest earned on larger cash and cash equivalents balances. respectively.

Loss on Early Extinguishment of Debt. Loss on early extinguishment of debt of $0.6 million for the year ended December 31, 2024 is related to the $250.0 million full redemption of our remaining 2025 Notes. Loss on early extinguishment of debt of $0.9 million for the year ended December 31, 2023 is related to the $150.0 million partial redemption of our 2025 Notes. There were no similar charges for the year ended December 31, 2022. See Note 7 in the accompanying consolidated financial statements for more information related to the partial redemption of our 2025 Notes.

Income Taxes. The effective tax rate was 21.6% and 22.2% for 2024 and 23.0% for 2023, and 2022, respectively. The effective tax rate in both years reflects the energy-efficient homes tax credits on qualifying homes under the Inflation Reduction Act of 2022 (the "IRA"). The lower rate for 2023 reflects the increased per-home energy-efficiency credit amount starting in 2023.

Liquidity and Capital Resources

Overview

We have historically generated cash and funded our operations primarily from cash flows from operating activities. Additional sources of funds may include additional debt or equity financing and borrowing capacity under our Credit Facility. We exercise strict controls and believe we have a prudent strategy for Company-wide cash management, including those related to cash outlays for land acquisition and development and spec home construction. Our principal uses of cash include acquisition and development of land and lots, home construction, operating expenses, share repurchases and the payment of interest, routine liabilities, and dividends. We also opportunistically repurchase or redeem our senior notes, as we did this year with a $150.0 million partial the $250.0 million early redemption of our 2025 Notes.

Cash flows for each of our communities depend on their stage of the development cycle, and can differ substantially from reported earnings. Early stages of development or expansion require significant cash outlays for land acquisitions, zoning plat and other approvals, community and lot development, and construction of model homes, roads, utilities, landscape and other amenities. Because these costs are a component of our inventory and are not recognized in our income statement until a home closes, we incur significant cash outlays prior to recognition of earnings. In the later stages of a community, cash inflows may significantly exceed earnings reported for financial statement purposes, as the cash outflow associated with home and land construction was previously incurred. Similarly, in times of community count growth, we incur significant outlays of cash through the land purchase, development and community opening stages whereas in in times of community count stability, these cash outlays are incurred in a more even-flow cadence with cash inflows from actively selling communities that are contributing closing volume and home closing revenue. Conversely, in a down turn environment, cash outlays for land and community count growth may be scaled back to preserve liquidity and we may curtail community count.

Short-term Liquidity and Capital Resources

Over the course of the next twelve months, we expect that our primary demand for funds will be for the construction of homes, as well as acquisition and development of both new and existing lots, operating expenses, including general and administrative expenses, interest and dividend payments and common stock repurchases. In addition, Although we don't anticipate any early redemptions in the near term, we may opportunistically retire repurchase or redeem a portion of our senior notes. We expect to meet these short-term liquidity requirements primarily through our cash and cash equivalents on hand and the net cash flows provided by our operations.

Between our cash and cash equivalents on hand combined with the availability of liquidity from our Credit Facility, we believe that we currently have sufficient liquidity. Nevertheless, in the future, we may seek additional capital to strengthen our liquidity position, enable us to acquire additional land inventory in anticipation of improving market conditions, and/or strengthen our long-term capital structure.

Long-term Liquidity and Capital Resources

Beyond the next twelve months, our principal demands for funds will be for the construction of homes, land acquisition and development activities needed to maintain our lot supply and active community count, payments of principal and interest on our senior and convertible senior notes as they become due or mature, common stock share repurchases and payments of dividends. dividend payments. We expect our existing and future generated cash will be adequate to fund our ongoing operating activities as well as provide capital for investment in future land purchases and related development activities. To the extent the sources of capital described above are insufficient to meet our long-term cash needs, we may also conduct additional public offerings of our securities, refinance or secure new debt or dispose of certain assets to fund our operating activities. There can be no assurances that we would be able to obtain such additional capital on terms acceptable to us, if at all, and such additional equity or debt financing could dilute the interests of our existing stockholders or increase our interest costs.

Material Cash Requirements

We are a party to many contractual obligations involving commitments to make payments to third parties. These obligations impact both short-term and long-term liquidity and capital resource needs. Certain contractual obligations are reflected on our consolidated balance sheets as of December 31, 2023 December 31, 2024, while others are considered future commitments for materials or services not yet provided. Our contractual obligations primarily consist of principal and interest payments on our senior and convertible senior notes, loans payable and other borrowings, including our unsecured revolving credit facility, Credit Facility, letters of credit and surety bonds and operating leases. We have no senior note material debt maturities until 2025. 2027. We also have requirements for certain short-term lease commitments, funding working capital needs of our existing unconsolidated joint ventures, and other purchase obligations in the normal course of business. Other material cash requirements include land acquisition and development costs, home construction costs and operating expenses, including our commissions and other sales costs and our selling, general and administrative expenses, as previously discussed. We plan to fund these commitments primarily with cash flows generated by operations, but may also utilize additional debt or equity financing and borrowing capacity under our Credit Facility. Our maximum exposure to loss on our purchase and option agreements is generally limited to non-refundable deposits and capitalized or committed pre-acquisition costs.

For information about our lease obligations, loans payable and other borrowings, including our Credit Facility, and senior and convertible senior notes, reference is made to Notes 4, 6, and 7 in the accompanying Notes to the consolidated financial statements included in this Annual Report on Form 10-K and are incorporated by reference herein.

Reference is made to Notes 1, 3, 5, and 16 in the accompanying Notes to the consolidated financial statements included in this Annual Report on Form 10-K and are incorporated by reference herein. These Notes discuss our off-balance sheet arrangements with respect to land acquisition contracts and option agreements, and land development joint ventures, including the nature and amounts of financial obligations relating to these items. In addition, these Notes discuss the nature and amounts of certain types of commitments that arise in connection with the ordinary course of our land development and homebuilding operations, including commitments of land development joint ventures for which we might be obligated, if any.

We do not engage in commodity trading or other similar activities. We had no derivative financial instruments that required derivative accounting under ASC 815-10, *Derivatives and Hedging*, at December 31, 2023 December 31, 2024 or 2022. 2023.

Operating Cash Flow Activities

During the years year ended December 31, 2023 and 2022, December 31, 2024, net cash used by operations totaled $227.6 million, compared to net cash provided by operations totaled of $355.6 million and $405.3 million, respectively. during the year ended December 31, 2023. Generally, our operating cash flows fluctuate primarily based on changes in our net earnings, real estate inventory and, to a lesser extent, timing of payments of accounts payable and accrued liabilities.

Operating cash flow results in 2024 primarily reflect $786.2 million in Net earnings, and were offset by a $979.3 million increase in Real estate and an $81.4 million increase in Deposits on real estate under option or contract. The increases in Real estate and Deposits on real estate under option or contract were due to increased land acquisition and development activities as well as construction activities on a greater number of homes under construction. Operating cash flow results in 2023 primarily reflect $738.7 million in net Net earnings, and were offset by a $357.4 million increase in real Real estate and a $64.2 million increase in receivables, Receivables, prepaids and other assets. The increase in real Real estate was due to increased land acquisition and development activities as well as construction activities on a greater number of homes under construction. The increase in other receivables, Receivables, prepaids and other assets was largely due to receivables from municipalities for land development reimbursements and timing of receivables from title companies and closing agents. Operating cash flow results in 2022 reflect $992.2 million in net earnings which were offset by a $624.5 million increase in real estate and a $103.0 million increase in receivables, prepaids and other assets. The increase in real estate was due to construction of homes as well as land acquisition and development activities. The increase in other receivables, prepaids and other assets was largely due to receivables from municipalities for land development reimbursements and the purchase of fixed rate interest locks.

Investing Cash Flow Activities

During the years ended December 31, 2023 December 31, 2024 and 2022, 2023, net cash used in investing activities totaled $44.1 million and $43.6 million $32.3 million, respectively. Cash used in investing activities in both periods is 2024 was mainly attributable to the purchases of property plant and equipment totaling of $28.7 million and investments in unconsolidated entities of $18.5 million. Cash used in investing activities in 2023 was mainly attributable to purchases of property and equipment of $38.2 million and $27.0 million, respectively. .

Financing Cash Flow Activities

During the years year ended December 31, 2023 and 2022, December 31, 2024, net cash provided by financing activities totaled $2.0 million, as compared to net cash used in financing activities totaled of $252.3 million during the year ended December 31, 2023. The net cash provided by financing activities in 2024 primarily reflects the net proceeds of $557.9 million from the issuance of our 1.750% Convertible Senior Notes due 2028 (the "2028 Convertible Notes"), offset by the early redemption of our remaining 2025 Notes of $250.0 million aggregate principal and $129.8 million, respectively. $61.8 million for the purchase of capped calls relating to the 2028 Convertible Notes, along with $125.9 million of share repurchases and $108.6 million of dividends paid. The net cash used in financing activities in 2023 includes $150.0 million for the partial redemption of our 2025 Notes and associated early tender fees of $0.9 million, $59.1 million in share repurchases and $39.5 million of dividends paid. The net cash used in financing activities in 2022 primarily reflects $109.3 million in share repurchases. See Part II, Item 5 - "Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities" for more information about our authorized share repurchase program.

We believe that our leverage ratios provide useful information to the users of our financial statements regarding our financial position and cash and debt management. Debt-to-capital and net debt-to-capital are calculated as follows (dollars in thousands):

			At December 31, 2023		At December 31, 2022					
Senior notes, net, loans payable and other borrowings										
			At December 31, 2024		At December 31, 2023					
Senior and convertible senior notes, net, loans payable and other borrowings										
Stockholders' equity										
Total capital										
Debt-to-capital (1)	Debt-to-capital (1)	17.9	%	22.6	%	Debt-to-capital (1)	20.6	%	17.9	%
Senior notes, net, loans payable and other borrowings										
Senior and convertible senior notes, net, loans payable and other borrowings										
Less: cash and cash equivalents										
Net debt										
Stockholders' equity										
Total net capital										
Net debt-to-capital (2)	Net debt-to-capital (2)	1.9	%	6.8	%	Net debt-to-capital (2)	11.7	%	1.9	%

(1) Debt-to-capital is computed as senior and convertible senior notes, net and loans payable and other borrowings divided by the aggregate of total senior and convertible senior notes, net, loans payable and other borrowings and stockholders' equity.

(2) Net debt-to-capital is considered a non-GAAP financial measure, and is computed as net debt divided by the aggregate of net debt and stockholders' equity. Net debt is comprised of total senior and convertible senior notes, net and loans payable and other borrowings, less cash and cash equivalents. The most directly comparable GAAP financial measure is the ratio of debt-to-capital. We believe the ratio of net debt-to-capital is a relevant financial measure for investors to understand the leverage employed in our operations and as an indicator of our ability to obtain financing.

Dividends

In February During the years ended December 31, 2024 and 2023, our Board of Directors approved the initiation of and we paid, a recurring quarterly cash dividend on common stock of $0.27 $0.375 and $0.135 per share. share, respectively. Quarterly dividends declared and paid during cumulatively totaled $1.50 and $0.54 per share for the years ended December 31, 2024 and 2023, totaled $1.08 per share. There were no such transactions in 2022. respectively. Dividend amounts have been retroactively adjusted for the Stock Split. See Item 5 - Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Credit Facility Covenants

Borrowings under the Credit Facility are unsecured but availability is subject to, among other things, a borrowing base. The Credit Facility also contains certain financial covenants, including (a) a minimum tangible net worth requirement of $2.8 billion $3.3 billion (which amount is subject to increase over time based on subsequent earnings and proceeds from equity offerings), and (b) a maximum leverage covenant that prohibits the leverage ratio (as defined therein) from exceeding 60%. We were in compliance with all Credit Facility covenants as of December 31, 2023 December 31, 2024. Our actual financial covenant calculations as of December 31, 2023 December 31, 2024 are reflected in the table below.

Financial Covenant (dollars in thousands):	Covenant Requirement	Actual
Minimum Tangible Net Worth	> $3,121,364 $3,572,199	$4,566,748 5,092,151
Leverage Ratio	< 60%	1.6% 10.6%
Investments other than defined permitted investments	< $1,395,024 $1,552,645	$17,170 28,735

Recent Accounting Pronouncements

See Note 1 to our consolidated financial statements included in this report for discussion of recently issued accounting standards.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Our fixed rate debt is made up primarily of $1.0 billion $1.3 billion in aggregate principal amount of our senior and convertible senior notes. All outstanding senior and convertible senior notes bear fixed rates of interest, and therefore, do not expose us to financial statement risk associated with changes in interest rates. The fair values of senior and convertible senior notes change primarily when interest rates change, and in the case of our convertible senior notes, when the market price of our stock fluctuates. Except in limited circumstances, we do not have an obligation to prepay our fixed-rate debt prior to maturity senior notes and, as a result, interest rate risk and changes in fair value of our senior notes should not have a significant impact on our fixed rate borrowings until we would be required to repay such debt if we choose to then also access the capital markets to issue new debt. Obligations to prepay our convertible senior notes may be required upon the occurrence of certain limited conversion conditions that are closely related to the fair value of the convertible senior notes, and therefore changes in the fair value of our convertible senior notes should not have a significant impact as conversion is more likely to occur under favorable stock price conditions.Our Credit Facility is subject to interest rate changes. changes as the borrowing rates are based on Secured Overnight Financing Rate ("SOFR") or Prime (see Note 6 to our consolidated financial statements included in this report).

We had no borrowings or repayments under the Credit Facility during the year years ended December 31, 2023, December 31, 2024 and 2023, and had $40.0 million in both borrowings and repayments under the Credit Facility during the year ended December 31, 2022. We had no borrowings or repayments under the Credit Facility during the year ended December 31, 2021. We had no outstanding borrowings as of either December 31, 2023 December 31, 2024 or 2022. 2023. There were no interest charges resulting from intraperiod borrowings during the year years ended December 31, 2023. December 31, 2024 and 2023. Interest charges resulting from the intraperiod borrowings during the year ended December 31, 2022 were not material, and there were no interest charges resulting from intraperiod borrowings during the year ended December 31, 2021. material.

The following table presents our long-term debt obligations, principal cash flows by maturity, weighted average interest rates and estimated fair market value for the year ended December 31, 2023 December 31, 2024 (in millions):

								Fair Value at December 31, Fair Value at December 31, Fair Value at December 31,		
	2024	2025	2026	2027	2028	Thereafter	Total	2023		
	2025	2026	2027	2028	2029	Thereafter	Total	2024		
Senior Notes										
Senior Notes										
Senior Notes										
Senior and Convertible Senior Notes										
Senior and Convertible Senior Notes										
Senior and Convertible Senior Notes										
Fixed rate (a)										
Fixed rate (a)										
Fixed rate (a)	$ —	$ 250.0	$ —	$ 300.0	$—	$ 450.0	$ 1,000.0	$ 956.6	$ —	$
Weighted average interest rate Weighted average interest rate	n/a	6.000 %	n/a	5.125 %	n/a	3.875 %	4.781 %	n/a	Weighted average interest rate	n/a
Loans Payable and Other Borrowings										
Loans Payable and Other Borrowings										

Loans Payable and Other Borrowings

Fixed rate

Fixed rate

Fixed rate		$ 10.2	$ 2.0	$ 0.7	$ 0.6	$—	$ —	$ 13.5		$ 13.5	$ 6.2	$ 2
Average interest rate	Average interest rate	1.188 %	1.365 %	3.803 %	4.000 %	n/a	1.492 %	n/a	Average interest rate	0.433 %	1.216 %	

(a) Fair value of our fixed rate senior and convertible senior notes at December 31, 2023, December 31, 2024 is derived from quoted market prices by independent dealers.

Our operations are interest rate sensitive. As overall housing demand is adversely affected by increases in interest rates, a significant increase in mortgage interest rates may negatively affect the ability of homebuyers to secure adequate financing or cause potential homebuyers with existing mortgages to choose to stay in their lower interest rate homes. Higher interest rates and/or rapidly increasing interest rates could adversely affect our revenue, gross margins, earnings, and cancellations rates and would also increase our variable rate borrowing costs on our Credit Facility. We do not enter into, or intend to enter into, derivative interest rate swap financial instruments for trading or speculative purposes.

Item 8. Financial Statements and Supplementary Data

Our consolidated financial statements as of December 31, 2023 December 31, 2024 and 2022 2023 and for each of the years in the three-year period ended December 31, 2023 December 31, 2024, together with related notes and the report of Deloitte & Touche LLP, independent registered public accounting firm (PCAOB ID: 34), are on the following pages.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Meritage Homes Corporation:

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Meritage Homes Corporation and subsidiaries (the "Company") as of December 31, 2023 December 31, 2024 and 2022, 2023, the related consolidated income statements, statements of stockholders' equity and statements of cash flows, for each of the three years in the period ended December 31, 2023 December 31, 2024, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 December 31, 2024 and 2022, 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023 December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023 December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 14, 2024 February 20, 2025, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Valuation of Real Estate— Refer to Notes 1 and 2 to the financial statements

Critical Audit Matter Description

The Company's land inventory and real estate assets are periodically reviewed for recoverability when certain criteria are met, but at least annually. The Company's impairment analysis is conducted if indicators of a change in conditions that could result in a decline in value of the Company's land and real estate assets exist. Impairment charges are recorded to write down an asset to its estimated fair value if the undiscounted cash flows expected to be generated by the asset are lower than its carrying amount. The Company's determination of fair value is based on projections and estimates. Changes in these expectations may lead to a change in the outcome of the Company's impairment analysis, and actual results may also differ from management's assumptions. If an asset is deemed to be impaired, the impairment recognized is measured as the amount by which the asset's carrying amount exceeds its fair value.

The Company's evaluation included whether indicators of a decline in value of the Company's land and real estate assets exist and the determination of value to evaluate the recoverability of real estate assets used in the undiscounted cash flows. This

evaluation requires management to make significant projections and estimates, which required a high degree of auditor judgment and an increased extent of audit effort.

How the Critical Audit Matter Was Addressed in the Audit

We tested the effectiveness of the Company's internal controls related to the Company's evaluation of the recoverability of real estate assets. We also evaluated the significant assumptions used in the Company's evaluation of the recoverability of real estate assets, by comparing the assumptions to actual recent home sales and closings in that community and the Company's Company's other nearby communities, as well as external analyst and industry reports for the respective geography. For certain communities that did not have actual recent home closings, we compared to historical home sales and closings in nearby communities taking into consideration factors such as location, size, and type of community. We also compared assumptions to current advertised listings of the Company and comparable competitor communities. In addition, we met with management to understand how recent trends in home sales, closings and market conditions have been considered in the Company's evaluation of the recoverability of real estate assets.

/s/ DELOITTE & TOUCHE LLP

Tempe, Arizona
February 14, 2024 20, 2025

We have served as the Company's auditor since 2004.

MERITAGE HOMES CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	At December 31,		At December 31,	
	2023	2022	2024	2023
	(In thousands, except share data)		(In thousands, except share data)	
Assets				
Cash and cash equivalents				
Cash and cash equivalents				
Cash and cash equivalents				
Other receivables				
Other receivables				
Other receivables				
Real estate				
Deposits on real estate under option or contract				
Deposits on real estate under option or contract				
Deposits on real estate under option or contract				
Investments in unconsolidated entities				
Property and equipment, net				
Deferred tax assets, net				
Prepaids, other assets and goodwill				
Total assets				
Liabilities				
Accounts payable				
Accounts payable				
Accounts payable				
Accrued liabilities				
Home sale deposits				
Loans payable and other borrowings				
Loans payable and other borrowings				
Loans payable and other borrowings				

Senior notes, net	
Senior and convertible senior notes, net	
Total liabilities	
Stockholders' Equity	
Preferred stock, par value $0.01. Authorized 10,000,000 shares; none issued and outstanding at December 31, 2023 and 2022	
Preferred stock, par value $0.01. Authorized 10,000,000 shares; none issued and outstanding at December 31, 2023 and 2022	
Preferred stock, par value $0.01. Authorized 10,000,000 shares; none issued and outstanding at December 31, 2023 and 2022	
Common stock, par value $0.01. Authorized 125,000,000 shares; 36,425,037 and 36,571,393 shares issued and outstanding at December 31, 2023 and 2022, respectively	
Preferred stock, par value $0.01. Authorized 10,000,000 shares; none issued and outstanding at December 31, 2024 and 2023	
Preferred stock, par value $0.01. Authorized 10,000,000 shares; none issued and outstanding at December 31, 2024 and 2023	
Preferred stock, par value $0.01. Authorized 10,000,000 shares; none issued and outstanding at December 31, 2024 and 2023	
Common stock, par value $0.01. Authorized 125,000,000 shares; 71,921,972 and 72,850,074 shares issued and outstanding at December 31, 2024 and 2023, respectively (1)	
Additional paid-in capital	
Retained earnings	
Total stockholders' equity	
Total liabilities and stockholders' equity	

(1) Share amounts have been retroactively adjusted to reflect the 2-for-1 stock split that was effective on January 2, 2025. See Note 9.

See accompanying notes to consolidated financial statements

MERITAGE HOMES CORPORATION AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS

	Years Ended December 31,			Years Ended December 31,		
	2023	2022	2021	2024	2023	2022
	(In thousands, except per share data)			(In thousands, except per share data)		
Homebuilding:						
Home closing revenue						
Home closing revenue						
Home closing revenue						
Land closing revenue						
Total closing revenue						
Cost of home closings						
Cost of land closings						
Total cost of closings						
Home closing gross profit						
Land closing gross profit/(loss)						
Land closing gross profit						
Total closing gross profit						
Financial Services:						
Revenue						
Revenue						
Revenue						

Expense
(Loss)/earnings from financial services unconsolidated entities and other, net
Financial services profit
Commissions and other sales costs
General and administrative expenses
Interest expense
Interest expense
Interest expense
Other income, net
Loss on early extinguishment of debt
Earnings before income taxes
Provision for income taxes
Net earnings
Earnings per common share: (1)
Basic
Basic
Basic
Diluted
Weighted average number of shares: (1)
Basic
Basic
Basic
Diluted

(1) Share and per share amounts have been retroactively adjusted to reflect the 2-for-1 stock split that was effective on January 2, 2025. See Note 9.

See accompanying notes to consolidated financial statements

MERITAGE HOMES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Years Ended December 31, 2023, 2022 and 2021					Years Ended December 31, 2024, 2023 and 2022				
	(In thousands)									
	(In thousands)					Number of Shares (1)	Common Stock	Additional Paid-In Capital	Retained Earnings	Total
	Number of Shares	Common Stock	Additional Paid-In Capital	Retained Earnings	Total					
Balance at January 1, 2021										
Balance at January 1, 2022										
Net earnings										
Issuance of stock										
Equity award compensation expense										
Share repurchases										
Balance at December 31, 2021										
Net earnings										
Issuance of stock										
Equity award compensation expense										
Share repurchases										
Balance at December 31, 2022										
Balance at December 31, 2022										
Balance at December 31, 2022										
Net earnings										

Issuance of stock
Equity award compensation expense
Dividends declared ($1.08 per share)
Dividends declared ($0.54 per share) (1)
Share repurchases
Balance at December 31, 2023
Net earnings
Issuance of stock
Equity award compensation expense
Dividends declared ($1.50 per share) (1)
Share repurchases
Capped call transactions, net of tax
Balance at December 31, 2024

(1) Share and per share amounts have been retroactively adjusted to reflect the 2-for-1 stock split that was effective on January 2, 2025. See Note 9.

See accompanying notes to consolidated financial statements

MERITAGE HOMES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31,			Years Ended December 31,		
	2023	2022	2021	2024	2023	2022
	(In thousands)			(In thousands)		
Cash flows from operating activities:						
Net earnings						
Net earnings						
Net earnings						
Adjustments to reconcile net earnings to net cash provided by/(used in) operating activities:						
Adjustments to reconcile net earnings to net cash (used in)/provided by operating activities:						
Depreciation and amortization						
Depreciation and amortization						
Depreciation and amortization						
Stock-based compensation						
Stock-based compensation						
Stock-based compensation						
Loss on early extinguishment of debt						
Equity in earnings from unconsolidated entities						
Distributions of earnings from unconsolidated entities						
Distributions of earnings from unconsolidated entities						
Distributions of earnings from unconsolidated entities						
Other						
Changes in assets and liabilities:						
Increase in real estate						
Increase in real estate						
Increase in real estate						
(Increase)/decrease in deposits on real estate under option or contract						
Increase in receivables, prepaids and other assets						
Increase in accounts payable and accrued liabilities						
(Decrease)/increase in home sale deposits						
Net cash provided by/(used in) operating activities						
Decrease/(increase) in receivables, prepaids and other assets						
(Decrease)/increase in accounts payable and accrued liabilities						

Decrease in home sale deposits
Net cash (used in)/provided by operating activities
Cash flows from investing activities:
Investments in unconsolidated entities
Investments in unconsolidated entities
Investments in unconsolidated entities
Distributions of capital from unconsolidated entities
Purchases of property and equipment
Proceeds from sales of property and equipment
Maturities/sales of investments and securities
Payments to purchase investments and securities
Net cash used in investing activities
Net cash used in investing activities
Net cash used in investing activities
Cash flows from financing activities:
Repayment of loans payable and other borrowings
Repayment of loans payable and other borrowings
Repayment of loans payable and other borrowings
Repayment of senior notes
Proceeds from issuance of senior notes
Proceeds from issuance of convertible senior notes
Payment of debt issuance costs
Purchase of capped calls related to issuance of convertible senior notes
Dividends paid
Dividends paid
Dividends paid
Repurchase of shares
Net cash (used in)/provided by financing activities
Net increase/(decrease) in cash and cash equivalents
Net cash provided by/(used in) financing activities
Net (decrease)/increase in cash and cash equivalents
Cash and cash equivalents, beginning of year
Cash and cash equivalents, end of year

See Supplemental Disclosure of Cash Flow Information in Note 13.

See accompanying notes to consolidated financial statements

MERITAGE HOMES CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024, 2023 2022 and 2021 2022

NOTE 1 — BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization. Meritage Homes Corporation ("Meritage Homes") is a leading designer and builder of single-family attached and detached homes. We primarily build in historically high-growth regions of the United States and offer a variety of entry-level and first move-up homes. We have homebuilding operations in three regions: West, Central and East, which are comprised of ten twelve states: Arizona, California, Colorado, Utah, Texas, Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, and Tennessee. These three regions are our principal homebuilding reporting segments. We also operate a financial services reporting segment. In this segment, we offer title and escrow, mortgage, and insurance services. Carefree Title Agency, Inc. ("Carefree Title"), our wholly-owned title company, provides title insurance and closing/settlement services to our homebuyers in certain states. Managing our own title operations allows us greater control over the entire escrow and closing cycles in addition to generating additional revenue. Meritage Homes Insurance Agency, Inc. (“Meritage Insurance”), our wholly-owned insurance broker, works in collaboration with insurance companies nationwide to offer homeowners insurance and other insurance products to our homebuyers. Our financial services operation also provides mortgage services to our homebuyers through an unconsolidated joint venture.

We commenced our homebuilding operations in 1985 through our predecessor company, Monterey Homes. Meritage

Homes Corporation was incorporated in the state of Maryland in 1988 under the name of Homeplex Mortgage Investments Corporation and merged with Monterey Homes in 1996, at which time our name was changed to Monterey Homes Corporation and later ultimately to Meritage Homes Corporation. Since that time, we have engaged in homebuilding and related activities. Meritage Homes Corporation operates as a holding company and has no independent assets or operations. Its homebuilding construction, development and sales activities are conducted through its subsidiaries. Our Its homebuilding activities are conducted under the name of Meritage Homes in each of our homebuilding markets. At December 31, 2023 December 31, 2024, we were actively selling homes in 270 292 communities, with base prices ranging from approximately $237,000 $203,000 to $1,064,000. $1,089,000.

Basis of Presentation. The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) and include the accounts of Meritage Homes Corporation and those of our consolidated subsidiaries, partnerships and other entities in which we have a controlling financial interest, and of variable interest entities (see Note 3) in which we are deemed the primary beneficiary (collectively, “us”, “we”, “our” and the “Company”). Certain reclassifications have been made to prior year footnotes in the accompanying consolidated financial statements to conform to classifications used in the current year. Intercompany balances and transactions have been eliminated in consolidation.

Stock Split

Effective January 2, 2025, our common stock was split two-for-one (the "Stock Split"), with no adjustment to the number of authorized shares or the par value. All share and per share amounts in the accompanying consolidated financial statements have been retroactively adjusted to reflect the Stock Split for all periods presented. See Note 9 for additional information related to the Stock Split.

Cash and Cash Equivalents. Liquid investments with an initial maturity of three months or less are classified as cash equivalents. Amounts in transit from title companies or closing agents for home closings of approximately $95.7 million $29.0 million and $161.5 million $95.7 million are included in Cash and cash equivalents at December 31, 2023 December 31, 2024 and 2022, 2023, respectively.

Real Estate. Real estate inventory is stated at cost unless the community or land is determined to be impaired, at which point the inventory is written down to fair value as required by Accounting Standards Codification (“ASC”) 360-10, *Property, Plant and Equipment* ("ASC 360-10"). Real estate inventory includes the costs of land acquisition, land development and home construction, capitalized interest, real estate taxes, and direct overhead costs incurred during development and home construction that benefit the entire community, less impairments, if any. Land and development costs are typically allocated and transferred to homes when home construction begins. Home construction costs are accumulated on a per-home basis, while commissions and other sales costs are expensed as incurred. Cost of home closings includes the specific construction costs of the home and all related allocated land acquisition, land development and other common costs (both incurred and estimated to be incurred) that are allocated based upon the total number of homes expected to be closed in each community or phase. Any changes to the estimated total development costs of a community or phase are allocated to the remaining homes in that

community or phase. When a home closes, we may have incurred costs for materials and services that have not yet been paid. We accrue a liability to capture such obligations in connection with the home closing which is charged directly to Cost of home closings.

We capitalize qualifying interest to inventory during the development and construction periods. Capitalized interest is included in cost of closings when the related inventory is closed. Included within our Real estate inventory is land held for development and land held for sale. Land held for development primarily represents land and land development costs related to land where development activity is not currently underway but is expected to begin in the future. For these parcels, we have chosen not to currently develop certain land holdings as they typically represent a portion or phases of a larger land parcel that we plan to build out over several years. We do not capitalize interest for these inactive assets, and all ongoing costs of land ownership (i.e. property taxes, homeowner association dues, etc.) are expensed as incurred.

We rely on certain estimates to determine our construction and land development costs. Construction and land costs are comprised of direct and allocated costs, including estimated future costs. In determining these costs, we compile project budgets that are based on a variety of assumptions, including future construction schedules and costs to be incurred. Actual results can differ from budgeted amounts for various reasons, including construction delays, labor or material shortages, sales orders absorptions absorption rates that differ from our expectations, increases in costs that have not yet been contracted, changes in governmental requirements, or other unanticipated issues, encountered during construction and development and other factors beyond our control, including weather. To address uncertainty in these budgets, we assess, update and revise project budgets on a regular basis, utilizing the most current information available to estimate home construction and land development costs.

Typically, a community's life cycle ranges from three to five years, commencing with the acquisition of the land, continuing through the land development phase, if applicable, and concluding with the construction, sale and closing of the homes. Actual community lives will vary based on the size of the community, the sales orders absorption rates and whether the land purchased was raw, partially-developed or in finished status. Master-planned communities encompassing several phases and super-block land parcels may have significantly longer lives and projects involving smaller finished lot purchases may be significantly shorter.

All of our land inventory and related real estate assets are periodically reviewed for recoverability when certain criteria are met, but at least annually, as our inventory is considered “long-lived” in accordance with GAAP. Community-level reviews are performed quarterly to determine if indicators of potential impairment exist. If indicators of potential impairment exist and the undiscounted cash flows expected to be generated by an asset are lower than its carrying amount, impairment charges are recorded to write down the asset to its estimated fair value. The impairment of a community is allocated to each remaining unstarted lot in the community on a straight-line basis and is recognized in Cost of home closings in the period in which the impairment is determined. Our determination of fair value is based on projections and estimates. Changes in these expectations may lead to a change in the outcome of our impairment analysis, and actual results may also differ from our assumptions, although if financial metrics improve, we do not reverse impairments once recorded. See Note 2 for additional information related to Real estate and impairments. estate.

Deposits. Deposits paid related to land option and purchase contracts are recorded and classified as Deposits on real estate under option or contract until the related land is purchased. Deposits are reclassified as a component of Real estate at the time the deposit is used to offset the acquisition price of the land based on the terms of the underlying agreements. To the extent they are non-refundable, deposits are expensed to Cost of home closings if the land acquisition is terminated or no longer considered probable. Since our acquisition contracts typically do not require specific performance, we do not consider such contracts to be contractual obligations to purchase the land and our total exposure under such contracts is limited to the loss of any non-refundable deposits and any related capitalized costs. Our Deposits on real estate under option or contract were $111.4

million $192.4 million and $76.7 million $111.4 million as of December 31, 2023 December 31, 2024 and 2022, 2023, respectively. See Note 3 for additional information related to Deposits on real estate under option or contract.

Goodwill. In accordance with ASC 350, *Intangibles, Goodwill and Other* ("ASC 350"), we analyze goodwill on an annual basis (or whenever indication of impairment exists) through a qualitative assessment to determine whether it is necessary to perform a goodwill impairment test. ASC 350 states that an entity may first assess qualitative factors to determine whether it is necessary to perform a goodwill impairment test. Such qualitative factors include: (1) macroeconomic conditions, such as a deterioration in general economic conditions; (2) industry and market considerations such as deterioration in the environment in which the entity operates; (3) cost factors such as increases in raw materials, labor costs, etc.; and (4) overall financial performance such as negative or declining cash flows or a decline in actual or planned revenue or earnings. If the qualitative analysis determines that additional impairment testing is required, a two-step impairment test in accordance with ASC 350 would be initiated. We continually evaluate our qualitative inputs to assess whether events and circumstances have occurred that indicate the goodwill balance may not be recoverable. See Note 10 for additional information on our goodwill assets.

Property and Equipment, net. Property and equipment, net consists primarily of computer and office equipment, model home furnishings and capitalized sales office costs. Depreciation is generally calculated using the straight-line method over the estimated useful lives of the assets, which range from three to seven years. Depreciation expense was $23.5 million $23.6 million, $23.0 million $23.5 million, and $15.3 million $23.0 million for the years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021, 2022, respectively. Maintenance and repair costs are expensed as incurred. At December 31, 2023 December 31, 2024 and 2022, 2023, property and equipment, net consisted of the following (in thousands):

	At December 31,		At December 31,	
	2023	2022	2024	2023
Computer and office equipment				
Model home furnishings and capitalized sales office costs				
Gross property and equipment				
Accumulated depreciation				
Total				

Deferred Costs. At December 31, 2023 December 31, 2024 and 2022, 2023, deferred costs representing debt issuance costs related to our amended and restated unsecured revolving credit facility agreement (the "Credit Facility") of approximately $5.3 million $5.5 million and $3.8 million $5.3 million, respectively, net of accumulated amortization, are recorded on our consolidated balance sheets within Prepaids, other assets and goodwill. The costs are amortized to Interest expense using the straight line method which approximates the effective interest method. See Note 7 for additional information related to net debt issuance costs associated with our senior and convertible senior notes.

Investments in Unconsolidated Entities. We use the equity method of accounting for investments in unconsolidated entities over which we exercise significant influence but do not have a controlling interest. Under the equity method, our share of the unconsolidated entities' pre-tax earnings or loss is included in Other income, net, or (Loss)/earnings from financial services unconsolidated entities and other, net, in our consolidated income statements. We use the cost method of accounting for investments in unconsolidated entities over which we do not have significant influence, if any. We track cumulative earnings and distributions from each of our ventures. For cash flow classification, to the extent distributions do not exceed cumulative earnings, we designate such distributions as return on capital. Distributions in excess of cumulative earnings are treated as return of capital. We evaluate our investments in unconsolidated entities for impairment when events that trigger an evaluation of recoverability present themselves. See Note 5 for additional information related to investments in unconsolidated entities.

Accrued Liabilities. Accrued liabilities at December 31, 2023 December 31, 2024 and 2022 2023 consisted of the following (in thousands):

	At December 31,		At December 31,	
	2023	2022	2024	2023
Accruals related to real estate development and construction activities				
Payroll and other benefits				
Accrued interest				
Accrued taxes				
Warranty reserves				
Lease liabilities (1)				
Lease liabilities (1)				
Lease liabilities (1)				
Other accruals				
Total				

(1) Refer to Note 4 for additional information related to our leases.

Revenue Recognition. In accordance with ASC 606*, Revenue from Contracts with Customers*, we apply the following steps in determining the timing and amount of revenue to recognize: (1) identify the contract with our customer; (2) identify the performance obligation(s) in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract, if applicable; and (5) recognize revenue when (or as) we satisfy the performance obligations. The performance obligations and subsequent revenue recognition for our three sources of revenue are outlined below:

- Revenue from home closings is recognized when closings have occurred, the risks and rewards of ownership are transferred to the buyer, and we have no continuing involvement with the property, which is generally upon the close of escrow. Revenue is reported net of any discounts and incentives.

- Revenue from land closings is recognized when a significant down payment is received, title passes and collectability of the receivable, if any, is reasonably assured, and we have no continuing involvement with the property, which is generally upon the close of escrow.

- Revenue from financial services is recognized when closings have occurred and all financial services have been rendered, which is generally upon the close of escrow.

Home sale contract assets consist of cash from home closings that are in transit from title companies, which are considered cash in transit and are classified as cash on our accompanying consolidated balance sheets. See "Cash and Cash Equivalents" in this Note 1 for further information. Contract liabilities include home sale deposit liabilities related to sold but unclosed homes, and are classified as Home sale deposits in our accompanying consolidated balance sheets. Substantially all of our home sales orders are scheduled to close and be recorded as revenue within one year from the date of receiving a customer deposit. Home closing and land closing revenue expected to be recognized in any future year related to remaining performance obligations (if any) and the associated contract liabilities expected to be recognized as revenue, excluding revenue pertaining to contracts that have an original expected duration of one year or less, are not material. Revenue from financial services includes estimated future insurance policy renewal commissions as our performance obligations are satisfied upon issuance of the initial policy with a third-party broker. The related contract assets for these estimated future renewal commissions are not material at December 31, 2023 December 31, 2024 and 2022. 2023. Our three sources of revenue are disaggregated by type in the accompanying consolidated income statements.

Cost of Home Closings. Cost of home closings includes direct home construction costs, closing costs, land acquisition and development costs, development period interest and common costs, and impairments, if any. Direct construction costs are accumulated during the period of construction and charged to Cost of home closings under specific identification methods, as are closing costs. Land development, acquisition and common costs are allocated to each lot based on the number of lots remaining to close. Estimates of costs incurred or to be incurred but not paid are accrued and expensed at the time of closing.

Income Taxes. We account for income taxes using the asset and liability method, which requires that deferred tax assets and liabilities be recognized based on future tax consequences of both temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply in the years in which the temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period when the changes are enacted.

We record deferred tax assets to the extent we believe these assets will more likely than not be realized. In making such determination, we consider all available objectively verifiable positive and negative evidence, including scheduled reversals of deferred tax liabilities, whether we are in a cumulative loss position, projected future taxable income, tax planning strategies and recent financial operations. If we determine that we will not be able to realize our deferred tax assets in the future, we will record a valuation allowance, which increases the provision for income taxes.

We recognize interest and penalties related to unrecognized tax benefits within Provision for income taxes in the accompanying consolidated income statements. Accrued interest and penalties are included within Accrued liabilities in the accompanying consolidated balance sheets. See Note 12 for additional information related to income taxes.

Advertising Costs. We expense advertising costs to Commissions and other sales costs as they are incurred. Advertising expense was approximately $15.1 million $17.1 million, $15.1 million and $12.1 million for the years ending December 31, 2024, 2023 and $8.2 million in fiscal 2023, 2022, and 2021, respectively.

Earnings Per Share. We compute basic earnings per share by dividing net earnings by the weighted average number of common shares outstanding during the period. Diluted earnings per share gives effect to the potential dilution that could occur if securities or contracts to issue common stock that are dilutive were exercised or converted into common stock or resulted in the issuance of common stock that then shared in our earnings. In accordance with ASC 260-10, *Earnings Per Share*, we calculate the dilutive effect of the 2028 Convertible Notes (as defined in Note 7) using the "if-converted" method. As discussed in Note 7, the Company will settle any convertible note conversions by paying cash up to the principal amount of notes and settle any additional value in cash, shares of common stock or a combination of cash and shares of common stock, at the Company's election. As the Company will settle the principal amount of convertible notes in cash upon conversion, the convertible notes only have a dilutive impact when the average share price of the Company's common stock exceeds the

conversion price, in any applicable period. In periods of net losses, no dilution is computed. See Note 9 for additional information related to earnings per share.

Stock-Based Compensation. We account for stock-based compensation in accordance with ASC 718-10, *Compensation—Stock Compensation* ("ASC 718"). As allowed by ASC 718, we have elected to estimate forfeitures in calculating the expense related to stock-based compensation. Awards with either a graded or cliff vesting are expensed on a straight-line basis over the life of the award. Stock-based compensation expense is included in General and administrative expense. expenses. See Note 11 for additional information on stock-based compensation.

401(k) Retirement Plan. We have a 401(k) plan for all full-time Meritage employees. We match portions of employees' voluntary contributions, and contributed to the plan approximately $6.5 million $7.2 million, $6.0 million $6.5 million and $5.3 million $6.0 million for the years ended December 31, 2024, 2023 2022 and 2021, 2022, respectively.

Off-Balance Sheet Arrangements - Joint Ventures. We may participate in land development joint ventures as a means of accessing larger parcels of land, expanding our market opportunities, managing our risk profile, optimizing deal structure for the impacted parties and leveraging our capital, although our participation in such ventures is currently limited. capital. See Note 5 for additional discussion of our investments in unconsolidated entities.

Off-Balance Sheet Arrangements - Other. In the normal course of business, we may acquire lots from various development entities pursuant to purchase and option agreements. The purchase price generally approximates the market price at the date the contract is executed (with possible future escalators) and the acquisition of the land is typically staggered. See Note 3 for additional information on these off-balance sheet arrangements.

Surety Bonds and Letters of Credit. We provide surety bonds and letters of credit in support of our obligations relating to the development of our projects and other corporate purposes, in lieu of cash deposits. The amount of these obligations outstanding at any time varies depending on the stage and level of our development activities. Surety bonds are generally not wholly released until all development activities under the bond are complete. In the event a bond or letter of credit is drawn upon, we would be obligated to reimburse the issuer for any amounts advanced under the bond or letter of credit. We believe it is unlikely that any significant amounts of these bonds or letters of credit will be drawn upon.

The table below outlines our surety bond and letter of credit obligations (in thousands):

		At December 31,						
		2023			2022			2024
		Outstanding		Estimated work remaining to complete (unaudited)	Outstanding		Estimated work remaining to complete (unaudited)	Outstand
Sureties:								
Sureties related to owned projects and lots under contract								
Sureties related to owned projects and lots under contract								
Sureties related to owned projects and lots under contract								
Total Sureties								
Letters of Credit (“LOCs”):								
LOCs for land development								
LOCs for land development								
LOCs for land development		56,251	N/A	N/A	49,442	N/A	N/A	
LOCs for general corporate operations	LOCs for general corporate operations	5,000	N/A	N/A	5,000	N/A	N/A	LOCs for general corporate operations
Total LOCs	Total LOCs	$ 61,251	N/A	N/A	$ 54,442	N/A	N/A	Total LOCs

Warranty Reserves. We provide home purchasers with limited warranties against certain building defects and we have certain obligations related to those post-construction warranties for closed homes. The specific terms and conditions of these limited warranties vary by state, but overall the nature of the warranties include a complete workmanship and materials warranty for the first year after the close of the home, a major mechanical warranty for two years after the close of the home and a structural warranty that typically extends up to 10 years after the close of the home. With the assistance of an actuary, we have estimated these reserves for the structural warranty based on the number of homes still under warranty and historical data and trends for our geographies. We may use industry data with respect to similar product types and geographic areas in markets where our experience is incomplete to draw a meaningful conclusion. We regularly review our warranty reserves and adjust them, as necessary, to reflect changes in trends as information becomes available. Based on such reviews of warranty costs incurred, we did not adjust the warranty reserve balance in the year ended December 31, 2023. We recorded an a favorable adjustment to our reserve balance of $10.9 million $1.0 million in the year ended December 31, 2022 December 31, 2024, primarily related to specific case reserves as discussed in Note 16.

A summary of changes in our warranty reserves follows (in thousands):

Balance, beginning of year	
Balance, beginning of year	
Balance, beginning of year	
Additions to reserve from new home deliveries	
Additions to reserve from new home deliveries	
Additions to reserve from new home deliveries	
Warranty claims	

Warranty claims					
Warranty claims	(20,928)	(23,803)	(23,803)	(1)	(1)
Adjustments to pre-existing reserves					
Adjustments to pre-existing reserves					
Adjustments to pre-existing reserves					
Balance, end of year					
Balance, end of year					
Balance, end of year					

(1) Includes recoveries in 2022 for costs incurred over several prior years on a foundation design and performance matter that affected a single community in Texas.

Warranty reserves are included in Accrued liabilities on the accompanying consolidated balance sheets, and additions and adjustments to the reserves are included in Cost of home closings within the accompanying consolidated income statements. These reserves are intended to cover costs associated with our contractual and statutory warranty obligations, which include, among other items, claims involving defective workmanship and materials. We believe that our total reserves, coupled with our contractual relationships and rights with our trades and the insurance we and our trades maintain, are sufficient to cover our general warranty obligations. However, unanticipated changes in regulatory, legislative, weather, environmental or other conditions could have an impact on our actual warranty costs, and future costs could differ significantly from our estimates.

Recent Accounting Pronouncements.

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* ("ASU 2023-07"), which aligns interim segment disclosure requirements with existing annual requirements and includes updates to segment reporting, most notably through enhanced disclosures about significant segment expenses and various Chief Operating Decision Maker ("CODM")-related disclosures. We adopted ASU 2023-07 is effective for our annual report covering the fiscal year beginning January 1, 2024, and for our interim reports beginning January 1, 2025. ASU 2023-07 is required to be applied it retrospectively to all prior periods presented in the these financial statements. We are currently evaluating the impact adopting this guidance will have on our financial statement disclosures. See Note 15.

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* ("ASU 2023-09"), which modifies the disclosure requirements primarily related to the effective tax rate reconciliation and income taxes paid by requiring consistent categories and greater disaggregation of information in the rate reconciliation and income taxes paid disaggregated by jurisdiction. ASU 2023-09 is effective for us beginning January 1, 2025 and may be applied either retrospectively or prospectively. We are currently evaluating the impact adopting this guidance will have on our financial statement disclosures.

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* ("ASU 2024-03"), which requires disclosure in the notes to the financial statements of specified information about certain costs and expenses. ASU 2024-03 is effective for our annual report covering the fiscal year beginning January 1, 2027, and for our interim reports beginning January 1, 2028. We are currently evaluating the impact adopting this guidance will have on our financial statement disclosures.

In November 2024, the FASB issued ASU No. 2024-04, *Debt—Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments* ("ASU 2024-04"), which clarifies the requirements for determining whether certain settlements of cove convertible debt instruments should be accounted for as an induced conversion. The amendments in ASU 2024-04 are effective for us beginning January 1, 2025, and may be adopted on either a prospective or a retrospective basis. We will elect the prospective transition approach and apply the amendments in ASU 2024-04 to any settlements of convertible debt instruments that occur after the effective date of the guidance.

NOTE 2 — REAL ESTATE AND CAPITALIZED INTEREST

Real estate consists of the following (in thousands):

	At December 31,	
	2023	2022
Homes under contract under construction (1)	$ 704,206	$ 822,428
Unsold homes, completed and under construction (1)	1,260,855	1,155,543
Model homes (1)	118,252	97,198
Finished home sites and home sites under development (2) (3)	2,637,978	2,283,094
	$ 4,721,291	$ 4,358,263

	At December 31,	
	2024	2023
Homes completed and under construction (1)	$ 2,375,639	$ 2,083,313
Finished home sites and home sites under development (2)	3,353,136	2,637,978

Total	$ 5,728,775	$ 4,721,291

(1) Includes the allocated land and land development costs associated with each lot for these sold and unsold homes.

(2) Includes raw land, land held for development and land held for sale, less impairments, if any. We do not capitalize interest for inactive assets, and all ongoing costs of land ownership (i.e. property taxes, homeowner association dues, etc.) are expensed as incurred.

(3) Includes land held for sale of $10.7 million and $66.8 million as of December 31, 2023 and 2022, respectively.

As previously noted, in accordance with ASC 360-10, each of our land inventory and related real estate assets is reviewed for recoverability when certain criteria are met, but at least annually, as our inventory is considered “long-lived” in accordance with GAAP. ASC 360-10 requires impairment charges to be recorded if the asset is not deemed recoverable and the fair value of such assets is less than their carrying amounts. Our determination of fair value is based on projections and estimates. In communities where impairment indicators are present, we may also evaluate alternative product offerings or other strategies for the land, such as pausing development, selling, or holding the land for sale. We recorded no impairment charges for the year ended December 31, 2024 and nominal impairment charges for the years ended December 31, 2023 and 2022, and $2.1 million for the year ended December 31, 2021, respectively. 2022.

Subject to sufficient qualifying assets, we capitalize our development period interest costs incurred to applicable qualifying assets in connection with our real estate development and construction activities. Capitalized interest is allocated to active real estate when incurred and charged to Cost of closings when the related property is delivered. A summary of our capitalized interest is as follows (in thousands):

	Years Ended December 31,			Years Ended December 31,		
	2023	2022	2021	2024	2023	2022
Capitalized interest, beginning of year						
Interest incurred						
Interest expensed						
Interest amortized to cost of home and land closings						
Capitalized interest, end of year (1)						

(1) Approximately $192,000, $346,000 $208,000 and $208,000 of the capitalized interest is related to our joint venture investments and is a component of Investments in unconsolidated entities in our consolidated balance sheets as of December 31, 2023 December 31, 2024, 2022 2023 and 2021, 2022, respectively.

NOTE 3 — VARIABLE INTEREST ENTITIES AND CONSOLIDATED REAL ESTATE NOT OWNED

We enter into purchase and option agreements for land or lots as part of the normal course of business. These purchase and option agreements enable us to acquire properties at one or multiple future dates at pre-determined prices. We believe these acquisition structures allow us to better leverage our balance sheet and reduce our financial risk associated with land acquisitions.

Based on the provisions of the relevant accounting guidance, we have concluded that when we enter into an option or purchase agreement to acquire land or lots from an entity, a variable interest entity (“VIE”), may be created. In accordance with ASC 810, *Consolidation*, we evaluate all purchase and option agreements for land to determine whether they are a VIE, and if so, whether we are the primary beneficiary. Although we do not have legal title to the underlying land, if we are the primary beneficiary we are required to consolidate the VIE in our financial statements and reflect its assets and liabilities as Real estate not owned and Liabilities related to real estate not owned, respectively. The liabilities related to consolidated VIEs are generally excluded from our debt covenant calculations.

In order to determine if we are the primary beneficiary, we must first assess whether we have the ability to control the activities of the VIE that most significantly impact its economic performance. Such activities include, but are not limited to, the ability to determine the budget and scope of land development work, if any; the ability to control financing decisions for the

VIE; the ability to acquire additional land into the VIE or dispose of land in the VIE not under contract with Meritage; and the ability to change or amend the existing option contract with the VIE. If we are not determined to control such activities, we are not considered the primary beneficiary of the VIE. If we do have the ability to control such activities, we will continue our analysis by determining if we are also expected to absorb a potentially significant amount of the VIE’s losses or, if no party absorbs the majority of such losses, if we will benefit from a potentially significant amount of the VIE’s expected gains.

In substantially all cases, creditors of the entities with which we have option agreements have no recourse against us and the maximum exposure to loss in our option agreements is limited to non-refundable option deposits and any capitalized pre-acquisition costs. Often, we are at risk for items over budget related to land development on property we have under option if we are the land developer. In these cases, we have typically contracted to complete development at a fixed cost on behalf of the land owner and any budget savings or shortfalls are borne by us. Some of our option deposits may be refundable to us if certain contractual conditions are not performed by the party selling the lots.

The table below presents a summary of our lots under option that are not recorded on the balance sheet at December 31, 2023 December 31, 2024 (dollars in thousands):

	Projected Number of Lots (unaudited)

	Projected Number of Lots (unaudited) Projected Number of Lots (unaudited)					
Purchase and option contracts recorded on balance sheet as Real estate not owned						
Purchase and option contracts recorded on balance sheet as Real estate not owned						
Purchase and option contracts recorded on balance sheet as Real estate not owned						
Option contracts — non-refundable deposits, committed (1)						
Option contracts — non-refundable deposits, committed (1)						
Option contracts — non-refundable deposits, committed (1)						
Purchase contracts — non-refundable deposits, committed (1)						
Purchase contracts — non-refundable deposits, committed (1)						
Purchase contracts — non-refundable deposits, committed (1)						
Purchase and option contracts —refundable deposits, committed						
Purchase and option contracts —refundable deposits, committed						
Purchase and option contracts —refundable deposits, committed						
Total committed						
Total committed						
Total committed						
Purchase and option contracts — refundable deposits, uncommitted (2)						
Purchase and option contracts — refundable deposits, uncommitted (2)						
Purchase and option contracts — refundable deposits, uncommitted (2)						
Total lots under contract or option						
Total lots under contract or option						
Total lots under contract or option						
Total purchase and option contracts not recorded on balance sheet (3)						
Total purchase and option contracts not recorded on balance sheet (3)						
Total purchase and option contracts not recorded on balance sheet (3)	46,034	$ 1,785,774	$ $ 111,364 (4) (4)	65,772	$ 3,071,183	$ $ 192,405 (4) (4)

(1) Deposits are non-refundable except if certain contractual conditions are not performed by the selling party.

(2) Deposits are refundable at our sole discretion. We have not completed our acquisition evaluation process and we have not internally committed to purchase these lots.

(3) Except for our specific performance contracts recorded on our balance sheet as Real estate not owned (if any), none of our purchase or option contracts require us to purchase lots.

(4) Amount is reflected in our consolidated balance sheets in Deposits on real estate under option or contract as of December 31, 2023 December 31, 2024.

Generally, our options to purchase lots remain effective so long as we purchase a pre-established minimum number of lots on a pre-determined schedule in accordance with each respective agreement. Although the pre-established number is typically structured to approximate our expected rate of home construction starts, during a weakened homebuilding market, we may purchase lots at an absorption level that exceeds our expected orders and home starts pace to meet the pre-established minimum number of lots or restructure our original contract to terms that more accurately reflect our revised orders pace expectations. During a strong homebuilding market, we may accelerate our pre-established minimum purchases if allowed by the contract.

NOTE 4 - LEASES

We lease certain office space and equipment for use in our operations. We assess each of these contracts to determine whether the arrangement contains a lease as defined by ASC 842, *Leases* ("ASC 842"). In order to meet the definition of a lease under ASC 842, the contractual arrangement must convey to us the right to control the use of an identifiable asset for a period of time in exchange for consideration. We recognize lease expense for these leases on a straight-line basis over the lease term and combine lease and non-lease components for all leases. Some of our leases contain renewal options and in accordance with ASC 842, our lease terms include those renewals only to the extent that they are reasonably certain to be exercised. The exercise of these lease renewal options is generally at our discretion. In accordance with ASC 842, the lease liability is equal to the present value of the remaining lease payments while the right of use ("ROU") asset is based on the lease liability, subject to adjustment, such as for lease incentives. Our leases do not provide a readily determinable implicit interest rate and therefore, we

must estimate our incremental borrowing rate. In determining our incremental borrowing rate, we consider the lease period, market interest rates, current interest rates on our senior notes and the effects of collateralization.

Our lease population at December 31, 2023 December 31, 2024 is comprised of operating leases where we are the lessee and these leases are primarily for office space for our corporate and division offices, in addition to leases of certain equipment. As allowed by ASC 842, we do not record leases with lease terms of twelve months or less on the consolidated balance sheets.

Lease cost included in our consolidated income statements in General and administrative expenses and Commissions and other sales costs is in the table below (in thousands). Our short-term lease costs and sublease income are de minimis.

	Years Ended December 31,	
	Years Ended December 31,	
	Years Ended December 31,	
	2023	2022
	2024	2023
Operating lease expense		
Non-cash lease expense		
Cash payments on lease liabilities		
ROU assets obtained in exchange for new operating lease obligations		

ROU assets are classified within Prepaids, other assets and goodwill on our consolidated balance sheets, while lease liabilities are classified within Accrued liabilities on our consolidated balance sheets. The following table contains additional information about our leases (dollars in thousands):

			At December 31,									
			2023			2022						
			2024			2023						
ROU assets	ROU assets	$	51,275		$	19,129	ROU assets	$	52,941		$	51,275
Lease liabilities	Lease liabilities	$	54,040		$	22,782	Lease liabilities	$	55,825		$	54,040
Weighted-average remaining lease term	Weighted-average remaining lease term		8.5 years			4.5 years	Weighted-average remaining lease term		8.2 years			8.5 years
Weighted-average discount rate (incremental borrowing rate)	Weighted-average discount rate (incremental borrowing rate)	3.80	%		4.44	%	Weighted-average discount rate (incremental borrowing rate)	3.57	%		3.80	%

Maturities of our operating lease liabilities as of December 31, 2023 December 31, 2024 are as follows (in thousands):

Year ended December 31,
2024
2024
2024
2025
2025
2025
2026
2027
2028
2029
Thereafter
Total payments
Less: imputed interest
Present value of lease liabilities

NOTE 5 - INVESTMENTS IN UNCONSOLIDATED ENTITIES

We may enter into joint ventures as a means of accessing larger parcels of land, expanding our market opportunities, managing our risk profile, optimizing deal structure for the impacted parties and leveraging our capital. While purchasing land through a joint venture can be beneficial, currently we do not view joint ventures as critical to the success of our homebuilding operations. Our joint venture partners generally are other homebuilders, land sellers or other real estate investors. We generally do not have a controlling interest in these ventures, which means our joint venture partners could cause the venture to take actions we disagree with, or fail to take actions we believe should be undertaken, including the sale of the underlying property to repay debt or recoup all or part of the partners' investments. Based on the structure of these joint ventures, they may or may not be consolidated into our results.

The primary activity of our land joint ventures is the development and sale of lots to joint venture partners and/or unrelated builders. During 2024, we entered into a new land joint venture from which we expect to purchase lots in the future for home construction. Our mortgage joint venture is engaged in mortgage activities and primarily provides mortgage services to our homebuyers. As of December 31, 2023 December 31, 2024, we had two active equity-method land joint ventures and one mortgage joint venture, which is engaged in mortgage activities and primarily provides services to our homebuyers.

venture.

Summarized condensed combined financial information related to unconsolidated joint ventures that are accounted for using the equity method was as follows (in thousands):

	At December 31,	
	2023	2022
	2024	2023
Assets:		
Cash		
Cash		
Cash		
Real estate		
Other assets		
Total assets		
Liabilities and equity:		
Accounts payable and other liabilities		
Accounts payable and other liabilities		
Accounts payable and other liabilities		
Equity of:		
Equity of:		
Equity of:		
Meritage (1)		
Meritage (1)		
Meritage (1)		
Other		
Total liabilities and equity		

	Years Ended December 31,			Years Ended December 31,		
	2023	2022	2021	2024	2023	2022
Revenue						
Costs and expenses						
Net earnings of unconsolidated entities						
Meritage’s share of pre-tax earnings (1) (2)						

(1) Balance represents Meritage’s interest, as reflected in the financial records of the respective joint ventures. This balance may differ from the balance reported in our consolidated financial statements due to the following reconciling items: (i) timing differences for revenue and distributions recognition, (ii) step-up basis and corresponding amortization, (iii) capitalization of interest on qualified assets, (iv) income deferrals as discussed in Note (2) below and (v) the cessation of allocation of losses from joint ventures in which we have previously written down our investment balance to zero and where we have no commitment to fund additional losses.

(2) Our share of pre-tax (loss)/earnings from our mortgage joint venture is recorded in (Loss)/earnings from financial services unconsolidated entities and other, net on the accompanying consolidated income statements. Our share of pre-tax (loss)/earnings from all other joint ventures is recorded in Other income, net on the accompanying consolidated income statements and excludes joint venture profit related to lots we purchased from the joint ventures, if any. Such profit is deferred until homes are delivered by us and title passes to a homebuyer.

Our total investment in all of these joint ventures is $17.2 million $28.7 million as of December 31, 2023 December 31, 2024. We believe these ventures are in compliance with their respective debt agreements, if applicable, and such debt is non-recourse to us.

NOTE 6 — LOANS PAYABLE AND OTHER BORROWINGS

Loans payable and other borrowings consist of the following (in thousands):

	At December 31,	
	2023	2022
Other borrowings, secured real estate note payable (1)	$ 13,526	$ 7,057

$835.0 million unsecured revolving credit facility	—	—
Total	$ 13,526	$ 7,057

	At December 31,	
	2024	2023
Other borrowings, secured real estate notes payable (1)	$ 29,343	$ 13,526
$910.0 million Credit Facility	—	—
Total	$ 29,343	$ 13,526

(1) Reflects balance of non-recourse notes payable in connection with land purchases.

The Company entered into an amended and restated unsecured revolving credit facility agreement (" the Credit Facility") Facility in 2014 that has been amended from time to time. In June 2023, 2024, the Credit Facility was amended to to: increase the facility size; refresh the accordion feature permitting the facility size to $835.0 million, be increased subject to certain conditions; extend the maturity date to June 2, 2028, amend June 12, 2029; and revise the accordion feature to permit the facility to increase by up to fifty percent of the facility size, increase the letter of credit sublimit up to the maximum size of the facility, eliminate the liquidity and interest coverage covenant and adjust certain covenant basket amounts. applicable pricing grid. The Credit Facility's aggregate commitment is $835.0 million $910.0 million with an accordion feature permitting the size of the facility to increase to a maximum of $1.3 billion $1.4 billion, subject to certain conditions, including the availability of additional bank commitments. Borrowings under the Credit Facility bear interest at the Company's option, at either (1) term SOFR (based on 1, 3, or 6 month interest periods, as selected by the Company) plus a 10 basis point adjustment plus an applicable margin (ranging from 125 110 basis points to 175 basis points (the "applicable margin")) based on the Company's leverage ratio as determined in accordance with a pricing grid, (2) the higher of (i) the prime lending rate ("Prime"), (ii) an overnight bank rate plus 50 basis points and (iii) term SOFR (based on a 1 month interest period) plus a 10 basis point adjustment plus 1%, in each case plus a margin ranging from 25 10 basis points to 75 basis points based on the Company's leverage in accordance with a pricing grid, or (3) daily simple SOFR plus a 10 basis point adjustment plus the applicable margin. At December 31, 2023 December 31, 2024, the interest rate on outstanding borrowings under the Credit Facility would have been 6.70% 5.53% per annum, calculated in accordance with option (1) noted above and using the 1 month term SOFR. We are obligated to pay a fee on the undrawn portion of the Credit Facility at a rate determined by a tiered fee matrix based on our leverage ratio.

The Credit Facility also contains certain financial covenants, including (a) a minimum tangible net worth requirement of $2.8 billion $3.3 billion (which amount is subject to increase over time based on subsequent earnings and proceeds from equity offerings), and (b) a maximum leverage covenant that prohibits the leverage ratio (as defined therein) from exceeding 60%. We were in compliance with all Credit Facility covenants as of December 31, 2023 December 31, 2024.

We had no outstanding borrowings under the Credit Facility as of December 31, 2023 December 31, 2024 and 2022. 2023. During the year years ended December 31, 2023, December 31, 2024 and 2023, we had no borrowings or repayments under the Credit Facility. During Facility, and during the year ended December 31, 2022 we had $40.0 million of gross $40.0 million in borrowings and repayments, and during the year ended December 31, 2021 we had no borrowings or repayments. As of December 31, 2023 December 31, 2024 we had outstanding letters of credit issued under the Credit Facility totaling $61.3 million $110.4 million, leaving $773.7 million $799.6 million available under the Credit Facility to be drawn.

NOTE 7 — SENIOR AND CONVERTIBLE SENIOR NOTES, NET

Senior and convertible senior notes, net consist of the following (in thousands):

	At December 31,	
	2023	2022
6.00% senior notes due 2025. At December 31, 2023 and 2022 there was approximately $994 and $1,977 in net unamortized premium, respectively.	250,994	401,977
5.125% senior notes due 2027	300,000	300,000
3.875% senior notes due 2029	450,000	450,000
Net debt issuance costs	(6,305)	(8,387)
Total	$ 994,689	$ 1,143,590

	At December 31,	
	2024	2023
6.00% senior notes due 2025. At December 31, 2023 there was approximately $994 in net unamortized premium.	—	250,994
5.125% senior notes due 2027 ("2027 Notes")	300,000	300,000
1.750% convertible senior notes due 2028 ("2028 Convertible Notes")	575,000	—
3.875% senior notes due 2029 ("2029 Notes")	450,000	450,000
Net debt issuance costs	(18,465)	(6,305)
Total	$ 1,306,535	$ 994,689

The indentures for all of our senior notes 2027 Notes and 2029 Notes contain non-financial covenants including, among others, limitations on the amount of secured debt we may incur, and limitations on sale and leaseback transactions and mergers. We were in compliance with all such covenants as of December 31, 2023 December 31, 2024.

Obligations to pay principal and interest on the senior and convertible senior notes are guaranteed by substantially all of our wholly-owned subsidiaries (each a “Guarantor” and, collectively, the “Guarantor Subsidiaries”), each of which is directly or indirectly 100% owned by Meritage Homes Corporation. Homes. Such guarantees are full and unconditional, and joint and several. In the event of a sale or other disposition of all of the assets of any Guarantor, by way of merger, consolidation or otherwise, or a sale or other disposition of all of the equity interests of any Guarantor then held by Meritage and its subsidiaries, then that Guarantor may be released and relieved of any obligations under its note guarantee. There are no significant restrictions on our ability or the ability of Meritage Homes or any Guarantor to obtain funds from their respective subsidiaries, as applicable, by dividend or loan. We do not provide separate financial statements of the Guarantor Subsidiaries because Meritage Homes (the parent company) has no independent assets or operations and the guarantees are full and unconditional and joint and several. Subsidiaries of Meritage Homes Corporation that are non-guarantor subsidiaries are, individually and in the aggregate, minor, and the assets, liabilities and results of operations of Meritage Homes Corporation and the Guarantor Subsidiaries on a combined basis are not materially different than corresponding amounts in the consolidated financial statements. minor.

In June 2015, we completed an offering of $200.0 million aggregate principal amount of 6.00% Senior Notes due 2025 (the "Original 2025 Notes"). The Original 2025 Notes were issued at par. In March 2018, the Company completed an offering of $200.0 million aggregate principal amount of additional 2025 Notes (the "Additional Notes"). The Additional Notes were issued as an add-on to the Original 2025 Notes at a premium of 103% of the principal amount, resulting in a combined $400.0

million $400.0 million aggregate principal amount of 6.00% Senior Notes due 2025 (collectively, the "2025 Notes"). In September 2023, we partially redeemed $150.0 million of the 2025 Notes, incurring $0.9 million in early debt extinguishment charges during the year ended December 31, 2023, reflected as Loss on early extinguishment of debt in the accompanying consolidated income statements. After In May 2024, we redeemed the partial redemption, remaining $250.0 million aggregate principal then outstanding of the 2025 Notes have $250.0 for which we incurred $0.6 million in remaining principal outstanding. early debt extinguishment charges during the year ended December 31, 2024, reflected as Loss on early extinguishment of debt in the accompanying consolidated income statements.

In June 2017, we completed an offering of $300.0 million aggregate principal amount of 5.125% Senior Notes due the 2027 (the "2027 Notes"). Notes. The 2027 notes Notes were issued at par. Using the proceeds from the 2027 Notes offering, we retired all $126.5 million of our then outstanding convertible senior notes through a repurchase of $51.9 million in privately negotiated transactions and a redemption of the remaining $74.6 million through a combination of holder redemptions and an exercise of our call option at a redemption price equal to 100% of the principal amount of the notes redeemed, plus accrued and unpaid interest.

In April 2021, we completed an offering of $450.0 million aggregate principal amount of 3.875% Senior Notes due the 2029 (the "2029 Notes"). Notes. We used a portion of the net proceeds from this offering to redeem all $300.0 million aggregate principal then outstanding of other senior notes.

Convertible Senior Notes due 2028

In May 2024, we issued $575.0 million aggregate principal amount of the 2028 Convertible Notes pursuant to an Indenture dated as of May 9, 2024 (the “Indenture”). The 2028 Convertible Notes were issued at par and will mature on May 15, 2028, unless converted earlier in accordance with their terms prior to such date. We used a portion of the net proceeds from the offering to pay the cost of entering into the capped calls, as defined and described below, and to redeem the remaining $250.0 million aggregate principal then outstanding of our 2025 Notes, as previously discussed.

The 2028 Convertible Notes are convertible into shares of the Company’s common stock at an initial conversion rate of 8.6096 shares of common stock per $1,000 principal amount of the 2028 Convertible Notes, which is equivalent to an initial conversion price of $116.15 per share. The conversion rate will be subject to adjustment upon the occurrence of certain events but will not be adjusted for accrued and unpaid interest or quarterly cash dividends. In addition, we must provide additional shares upon conversion if there is a "Make-Whole Fundamental Change". The Company is required to satisfy its conversion obligations by paying cash up to the principal amount of notes incurring and settle any additional value in cash, shares of common stock or a loss combination of cash and shares of common stock, at the Company’s election.

Prior to February 15, 2028, the holders of the 2028 Convertible Notes may convert their notes only under the following conditions: (1) the sale price of common stock reaches 130% of the applicable conversion price for a specified period during any fiscal quarter commencing after the fiscal quarter ending on early debt extinguishment September 30, 2024; (2) the trading price of $18.2 million during the year ended December 31, 2021 2028 Convertible Notes falls below 98% of the product of the last reported sale price of common stock and the conversion rate for a specified period; or (3) upon the occurrence of specified corporate events. On or after February 15, 2028, until the close of business on the second scheduled trading day immediately preceding the maturity date of the Notes, holders may convert all or any portion of their Notes at any time, regardless of the foregoing circumstances.

The 2028 Convertible Notes are accounted for in accordance with ASC 470, *Debt*, and ASC 815, *Derivatives and Hedging* ("ASC 815"). The conversion options and the 2028 Convertible Notes are reflected as Loss a single instrument in Senior and convertible senior notes, net on early extinguishment the accompanying consolidated balance sheets and the conversion options are not bifurcated as a derivative.

Capped Call Transactions

Concurrent with the offering of the 2028 Convertible Notes, we used $61.8 million of the net proceeds to enter into privately negotiated capped call transactions (the "Capped Calls") which require the Capped Calls counterparties (the "Counterparties") to provide shares of our common stock to converting debt holders up to a cap price. The Capped Calls each have an initial strike price of $116.15 per share, subject to certain adjustments, which corresponds to the initial conversion price of the 2028 Convertible Notes. The Capped Calls have initial cap prices of $175.32 per share, subject to certain adjustments. The Capped Calls will reduce our obligation to settle, in shares or in cash, conversions when our stock price is between $116.15 and $175.32.

The Capped Calls are separate transactions entered into by the Company with each of the Counterparties, are not part of the terms of the 2028 Convertible Notes and do not change the note holders' rights under the 2028 Convertible Notes or the Indenture. Holders of the 2028 Convertible Notes do not have any rights with respect to the Capped Calls.

As the Capped Calls are considered indexed to the Company's own stock, they are recorded in stockholders' equity as a reduction of Additional paid-in capital in the accompanying consolidated income statements. balance sheets, and are not accounted for as derivatives under ASC 815-10.

Scheduled principal maturities of our senior and convertible senior notes as of December 31, 2023 December 31, 2024 follow (in thousands):

Year Ended December 31,	Year Ended December 31,	Year Ended December 31,
2024		
2025		
2026		
2027		
2028		
2029		
Thereafter		
Total		

NOTE 8 — FAIR VALUE DISCLOSURES

ASC 820-10, *Fair Value Measurement* ("ASC 820"), defines fair value, establishes a framework for measuring fair value and addresses required disclosures about fair value measurements. This standard establishes a three-level hierarchy for fair value measurements based upon the significant inputs used to determine fair value. Observable inputs are those which are obtained from market participants external to the Company while unobservable inputs are generally developed internally, utilizing management's estimates, assumptions and specific knowledge of the assets/liabilities and related markets. The three levels are defined as follows:

- Level 1 — Valuation is based on quoted prices in active markets for identical assets and liabilities.
- Level 2 —Valuation is determined from quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar instruments in markets that are not active, or by model-based techniques in which all significant inputs are observable in the market.
- Level 3 — Valuation is derived from model-based techniques in which at least one significant input is unobservable and based on the Company's own estimates about the assumptions that market participants would use to value the asset or liability.

If the only observable inputs are from inactive markets or for transactions which the Company evaluates as "distressed", the use of Level 1 inputs should be modified by the Company to properly address these factors, or the reliance of such inputs may be limited, with a greater weight attributed to Level 3 inputs.

Financial Instruments: The fair value of our fixed-rate debt is derived from quoted market prices by independent dealers (Level 2 inputs as per the discussion above) and is as follows (in thousands):

	At December 31,			
	2023		2022	
	Aggregate Principal	Estimated Fair Value	Aggregate Principal	Estimated Fair Value
6.00% senior notes	$ 250,000	$ 249,375	$ 400,000	$ 397,520
5.125% senior notes	$ 300,000	$ 295,500	$ 300,000	$ 283,500
3.875% senior notes	$ 450,000	$ 411,750	$ 450,000	$ 380,610

	At December 31,			
	2024		2023	
	Aggregate Principal	Estimated Fair Value	Aggregate Principal	Estimated Fair Value
6.00% senior notes due 2025	$ —	$ —	$ 250,000	$ 249,375
5.125% senior notes due 2027	$ 300,000	$ 300,330	$ 300,000	$ 295,500
1.750% convertible senior notes due 2028	$ 575,000	$ 563,259	$ —	$ —
3.875% senior notes due 2029	$ 450,000	$ 420,795	$ 450,000	$ 411,750

Other financial assets and liabilities, including our Loans payable and other borrowings, are generally shorter term in nature and the longer term balances are not material to our consolidated balance sheet. sheets. Therefore, we consider the carrying amounts of our other financial assets and liabilities to approximate fair value.

Non-Financial Instruments: Our Real estate assets are Level 3 instruments that are required to be recorded at fair value on non-recurring basis when only if events and circumstances indicate that the carrying value may not be recoverable. Refer to Notes 1 and 2 for information regarding the valuation of these assets.

NOTE 9 — EARNINGS PER SHARE; STOCKHOLDERS' EQUITY

Basic and diluted earnings per common share were calculated as follows (in thousands, except per share amounts):

	Years Ended December 31,		
	2023	2022	2021
	2024	2023	2022
Basic weighted average number of shares outstanding			
Effect of dilutive securities:			
Unvested restricted stock			
Unvested restricted stock			
Unvested restricted stock			
Diluted average shares outstanding			
Net earnings			
Basic earnings per share			
Diluted earnings per share			

Stock Split

On November 21, 2024, our Board of Directors declared a two-for-one stock split of Meritage's common stock in the form of a stock dividend. Each stockholder of record at the close of business on December 31, 2024 received one additional share of common stock for each share of common stock held, payable after the close of market on January 2, 2025. Trading began on a split-adjusted basis on January 3, 2025. There was no adjustment to the number of authorized shares or the par value. As required by ASC 260, *Earnings Per Share*, all share and per share amounts in the accompanying consolidated financial statements have been retroactively adjusted to reflect the Stock Split for all periods presented, inclusive of dividends and share repurchases.

Dividends

During the year years ended December 31, 2023, December 31, 2024 and 2023, our Board of Directors approved, and we paid, a quarterly cash dividend on common stock of $0.27 $0.375 and $0.135 per share. share, respectively. Quarterly dividends declared and paid during the year years ended December 31, 2023 December 31, 2024 and 2023 totaled $1.08 $1.50 and $0.54 per share. There were no such transactions in the year ended December 31, 2022. share, respectively.

Excise Tax on Stock Repurchases

The Inflation Reduction Act of 2022 (the "IRA"), which was enacted into law on August 16, 2022, imposed a nondeductible 1% excise tax on the net value of certain stock repurchases made after December 31, 2022. During the year years ended December 31, 2023, December 31, 2024 and 2023, we reflected the applicable excise tax in Additional paid-in capital as part of the cost basis of the stock repurchased and recorded a corresponding liability for the excise taxes payable in Accrued liabilities on the accompanying consolidated balance sheets.

NOTE 10 — ACQUISITIONS AND GOODWILL

Goodwill. In prior years, we have entered new markets through the acquisition of the homebuilding assets and operations of local/regional homebuilders in Georgia, South Carolina and Tennessee. As a result of these transactions, we recorded approximately $33.0 million of goodwill. Goodwill represents the excess purchase price of our acquisitions over the fair value of the net assets acquired. Our acquisitions were recorded in accordance with ASC 805, *Business Combination*s and ASC 820, using the acquisition method of accounting. The purchase price for acquisitions was allocated based on estimated fair value of the assets and liabilities at the date of the acquisition. The combined excess purchase price of our acquisitions over the fair value of the net assets is classified as goodwill and is included in our consolidated balance sheets in Prepaids, other assets and goodwill. In accordance with ASC 350, we assess the recoverability of goodwill annually, or more frequently, if impairment indicators are present.

A summary of the carrying amount of goodwill follows (in thousands):

	West	West	Central	East	Financial Services	Corporate	Total	West	Central	East	Financial Services	Corporate	Total
Balance at January 1, 2022													
Additions													
Balance at December 31, 2022													
Balance at January 1, 2023													
Additions													

Balance at December 31, 2023	
Additions	
Balance at December 31, 2024	

NOTE 11 — STOCK BASED AND DEFERRED COMPENSATION

We have a stock compensation plan, the Meritage Homes Corporation 2018 Stock Incentive Plan (the “2018 Plan"), that was approved by our Board of Directors and our stockholders and adopted in May 2018. In May 2023, the Board of Directors and stockholders approved an amendment to the 2018 Plan to increase the number of shares available for issuance by 800,000. 1,600,000. The 2018 Plan is administered by our Board of Directors and allows for the grant of stock appreciation rights, restricted stock awards, restricted stock units, performance share awards and performance-based awards in addition to non-qualified and incentive stock options. All available shares from expired, terminated, or forfeited awards that remained under prior plans were merged into and became available for grant under the 2018 Plan. The 2018 Plan authorizes awards to officers, key employees, non-employee directors and consultants. The 2018 Plan authorizes 7,400,000 14,800,000 shares of stock to be awarded, of which 1,340,233 2,293,956 shares remain available for grant at December 31, 2023 December 31, 2024. We believe that such awards provide a means of long-term compensation to attract and retain qualified employees and better align the interests of our employees with those of our stockholders. Non-vested stock awards are usually granted with a five-year ratable vesting period for employees, a three-year cliff vesting for both restricted stock units and performance-based awards granted to senior executive officers and either a three-year cliff vesting or one-year vesting for non-employee directors, dependent on their start date.

Summary of Nonvested (Restricted) Shares and Units Activity:

We grant time-based and performance-based restricted shares or units. Performance-based Except in limited cases, performance-based restricted shares and units are only granted to executive officers. All performance share awards only vest upon the attainment of certain financial and operational criteria as established and approved by our Board of Directors. The number of shares that may be issued to the award recipients may be greater or lesser than the target award amount depending on actual performance achieved as compared to the performance targets set forth in the awards.

	Nonvested Restricted Share Activity (time-based)	Nonvested Restricted Share Activity (time-based)	Weighted Average Grant Date Fair Value	Nonvested Restricted Share Activity (performance-based)	Weighted Average Grant Date Fair Value	Nonvested Restricted Share Activity (time-based)	Weighted Average Grant Date Fair Value	Nonvested Restricted Share Activity (performance-based)	Weighted Average Grant Date Fair Value
Outstanding at January 1, 2021									
Outstanding at January 1, 2022									
Granted (1)									
Vested (Earned/Released) (1)									
Forfeited (2)									
Outstanding as of December 31, 2021									
Outstanding as of December 31, 2022									
Granted (3)									
Vested (Earned/Released) (3)									
Forfeited (2)									
Outstanding at December 31, 2022									
Outstanding at December 31, 2023									
Granted (4)									
Vested (Earned/Released) (4)									
Forfeited (2)									
Outstanding at December 31, 2023									
Outstanding at December 31, 2024									

(1) Performance-based shares granted and earned/released for the year ended December 31, 2021 December 31, 2022 includes 37,425 74,292 shares that were issued as a result of the performance achievement exceeding the performance targets related to grants to our executive officers for the year ended December 31, 2018 December 31, 2019. These shares vested in March 2021. Performance-based shares granted for the year ended December 31, 2021 also includes 1,670 shares and 696 shares that were issued to our former General Counsel, who retired on December 15, 2021, as a result of the performance achievement exceeding the performance targets related to grants to our executive officers for the years ended December 31, 2019 and 2018, respectively. These shares vested in December 2021 in accordance with his employment agreement. 2022.

(2) Forfeitures on time-based nonvested shares are a result of terminations of employment, while forfeitures on performance-based nonvested shares are the result of failing to attain certain goals as outlined in our executive officers' compensation agreements. agreements or as a result of terminations of employment.

(3) Performance-based shares granted and earned/released for the year ended December 31, 2022 includes 37,146 shares that were issued as a result of the performance achievement exceeding the performance targets related to grants to our executive officers for the year ended December 31, 2019. These shares vested in March 2022.

(4) Performance-based shares granted and earned/released for the year ended December 31, 2023 includes 26,167 52,334 shares that were issued as a result of the performance achievement exceeding the performance targets related to grants to our executive officers for the year ended December 31, 2020. These shares vested in February 2023.

(4) Performance-based shares granted and earned/released for the year ended December 31, 2024 includes 31,956 shares that were issued as a result of the performance achievement exceeding the performance targets related to grants to our executive officers for the year ended December 31, 2021. These shares vested in March 2024.

Compensation cost related to time-based restricted stock awards is measured as of the closing price on the date of grant and is expensed, less forfeitures, on a straight-line basis over the vesting period of the award. Compensation cost related to performance-based restricted stock unit awards is also measured as of the closing price on the date of grant but is expensed in accordance with ASC 718, which requires an assessment of probability of attainment of the performance target. As our performance targets are dependent on performance over a specified measurement period, once we determine that the performance target outcome is probable, the cumulative expense is recorded immediately with the remaining expense recorded on a straight-line basis through the end of the award vesting period. A portion of the performance-based restricted stock awards granted to our executive officers contain market conditions as defined by ASC 718. ASC 718 requires that compensation expense for stock awards with market conditions be expensed based on a derived grant date fair value and expensed over the service period. We engage a third party to perform a valuation analysis on the awards containing market conditions and our associated expense with those awards is based on the derived fair value from that analysis and is expensed straight-line over the service period of the awards. Below is a summary of stock-based compensation expense and stock award activity (in

thousands):

	Years Ended December 31,		
	2023	2022	2021
Stock-based compensation expense	$ 22,511	$ 22,333	$ 20,069

	Years Ended December 31,		
	2024	2023	2022
Stock-based compensation expense	$ 25,809	$ 22,511	$ 22,333

The following table includes additional information regarding our stock compensation plan (dollars in thousands):

		At December 31,			At December 31,	
		2023	2022		2024	2023
Unrecognized stock-based compensation cost						
Weighted average years expense recognition period	Weighted average years expense recognition period	1.94	1.98	Weighted average years expense recognition period	1.95	1.94
Total equity awards outstanding (1)						

(1) Includes unvested restricted stock units and performance-based awards (assuming 100%/target payout).

We also offer a non-qualified deferred compensation plan ("deferred compensation plan") to highly compensated employees in order to allow them additional pre-tax income deferrals above and beyond the limits that qualified plans, such as 401(k) plans, impose on highly compensated employees. We do not currently offer a contribution match on the deferred compensation plan. All contributions to the plan to date have been funded by the employees and, therefore, we have no associated expense related to the deferred compensation plan for the years ended December 31, 2023 December 31, 2024, 2022 2023 or 2021, 2022, other than minor administrative costs.

NOTE 12 — INCOME TAXES

Components of the income tax provision are as follows (in thousands):

	Years Ended December 31,			Years Ended December 31,		
	2023	2022	2021	2024	2023	2022
Current taxes:						
Federal						
Federal						
Federal						
State						
212,143						

	207,129
Deferred taxes:	
Federal	
Federal	
Federal	
State	
	(1,461)
	9,555
Total	

Income taxes for the years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021, 2022, differ from the expected amounts computed using the federal statutory income tax rate of 21% as a result of the following (in thousands):

	Years Ended December 31,			Years Ended December 31,		
	2023	2022	2021	2024	2023	2022
Expected taxes at current federal statutory income tax rate						
State income taxes, net of federal tax benefit						
Federal tax credits						
Federal tax credits						
Federal tax credits						
Non-deductible costs and other						
Non-deductible costs and other						
Non-deductible costs and other						
Income tax expense						

The effective tax rate was 22.2% 21.6%, 23.0% 22.2%, and 22.8% 23.0% for 2024, 2023 2022 and 2021, 2022, respectively. The rate in all three years reflect a an increasing benefit from Internal Revenue Code ("IRC") §45L energy efficient homes credits.

Deferred tax assets and liabilities are netted on our balance sheet by tax jurisdiction. Net overall deferred tax assets for all

jurisdictions are grouped and included as a separate asset. Net overall deferred tax liabilities for all jurisdictions are grouped and included in Accrued liabilities. At December 31, 2023 December 31, 2024, we have a net deferred tax asset of $47.6 million $54.5 million. We also have other net deferred tax liabilities of $8.0 million $9.8 million. Deferred tax assets and liabilities are comprised of timing differences (in thousands) as follows:

	At December 31,	
	At December 31,	
	At December 31,	
	2023	2022
	2024	2023
Deferred tax assets:		
Real estate		
Real estate		
Real estate		
Warranty reserve		
Wages payable		
Equity-based compensation		
Equity-based compensation		
Equity-based compensation		
Accrued expenses		
Other		
Other		
Lease liabilities		
Capped Calls cost		
Other		

Total deferred tax assets
Deferred tax liabilities:
Deferred tax liabilities:
Deferred tax liabilities:
Goodwill
Goodwill
Goodwill
Prepaids
Fixed assets
Fixed assets
ROU assets
Fixed assets
Total deferred tax liabilities
Deferred tax assets, net
Deferred tax assets, net
Deferred tax assets, net
Other deferred tax liabilities - state franchise taxes
Net deferred tax assets and liabilities
Net deferred tax assets and liabilities
Net deferred tax assets and liabilities

At December 31, 2023 December 31, 2024 and December 31, 2022 December 31, 2023, we have no unrecognized tax benefits. We believe our current income tax filing positions and deductions will be sustained on audit and do not anticipate any adjustments that will result in a material change. Our policy is to accrue interest and penalties on unrecognized tax benefits and include them in the provision for income taxes.

We determine our deferred tax assets and liabilities in accordance with ASC 740, *Income Taxes* ("ASC 740"). We evaluate our deferred tax assets, including the benefit from net operating losses ("NOLs"), by jurisdiction to determine if a valuation allowance is required. Companies must assess whether a valuation allowance should be established based on the consideration of all available evidence using a "more likely than not" standard with significant weight being given to evidence that can be objectively verified. This assessment considers, among other matters, the nature, frequency and severity of cumulative losses, forecasts of future profitability, the length of statutory carry forward periods, experiences with NOLs and experiences of utilizing tax credit carry forwards and tax planning alternatives. We have no NOLs or credit carryovers, and determined that no valuation allowance on our deferred tax assets is necessary at December 31, 2023 December 31, 2024.

The Taxpayer Certainty and Disaster Relief Act of 2020 extended IRC §45L energy efficient homes credit (the "energy tax credit") through the end of 2021. On August 16, 2022, the Inflation Reduction Act of 2022 (the "IRA") IRA retroactively extended the energy tax credit to homes delivered from January 1, 2022 through December 31, 2032, modified the energy standards required to qualify for the tax credit and increased the per-home credit amount starting in 2023. In accordance with these regulations, we recorded a tax benefit of $29.1 million, $22.7 million, $18.9 million, and $16.9 $18.9 million during the years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021, 2022, respectively, based on our estimate for qualifying new energy efficient homes that we closed in those years.

The IRA also created a 15% corporate alternative minimum tax on certain profits and creates a 1% excise tax on stock repurchases. These provisions were effective for us on January 1, 2023 and did do not have a material impact on our financial statements.

As of December 31, 2024, we have a deferred tax asset of $12.5 million related to the Capped Calls cost associated with the 2028 Convertible Notes. The Capped Calls cost was capitalized under GAAP as an adjustment to Additional paid-in capital. For tax purposes, we elected to integrate the Capped Calls transactions with the 2028 Convertible Notes under Treasury Regulation § 1.1275-6. This election allows the upfront cost of the Capped Calls options to be treated as interest expense, resulting in tax deductions over the term of the notes.

Our future deferred tax asset realization depends on sufficient taxable income in the carryforward periods under existing tax laws. Federal NOL carryforwards may be used to offset future taxable income indefinitely. State NOL carryforwards may be used to offset future taxable income for a period ranging from 5 to 20 years, depending on the state jurisdiction. At December 31, 2023 December 31, 2024, we had no remaining un-utilized federal NOL carryforward, federal tax credits, or state NOL carryforwards.

At December 31, 2023 December 31, 2024, we have no current income taxes receivable and current income taxes payable of $12.2 $10.8 million, which consists of current federal and state tax accruals, net of current energy tax credits and estimated tax payments. This amount is recorded in Accrued liabilities on the accompanying consolidated balance sheets at December 31, 2023 December 31, 2024.

We conduct business and are subject to tax in the U.S. both federally and in several states. With few exceptions, we are no longer subject to U.S. federal, state, or local income tax examinations by taxing authorities for years prior to 2019. 2020. We do not have one any Federal or state income tax examination covering various years examinations pending resolution at this time.

The future tax benefits from NOLs, built-in losses, and tax credits would be materially reduced or potentially eliminated if we experience an "ownership change" as defined under IRC §382. Based on our analysis performed as of December 31, 2023 December 31, 2024, we do not believe that we have experienced an ownership change. As a protective measure, our stockholders held a Special Meeting of Stockholders on February 16, 2009 and approved an amendment to our Articles of Incorporation that restricts certain transfers of our common stock. The amendment is intended to help us avoid an unintended ownership change and thereby preserve the value of any tax benefit for future utilization.

NOTE 13 — SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

The following table presents certain supplemental cash flow information (in thousands):

	Years Ended December 31,		
	2023	2022	2021
	2024	2023	2022
Cash paid during the year for:			
Interest, net of interest capitalized			
Interest, net of interest capitalized			
Interest, net of interest capitalized			
Income taxes paid			
Non-cash operating activities:			
Real estate not owned (decrease)/increase			
Real estate not owned (decrease)/increase			
Real estate not owned (decrease)/increase			
Real estate acquired through notes payable			
Non-cash investing and financing activities:			
Distributions of real estate from unconsolidated joint ventures, net			
Distributions of real estate from unconsolidated joint ventures, net			
Distributions of real estate from unconsolidated joint ventures, net			

NOTE 14 — RELATED PARTY TRANSACTIONS

From time to time, in the normal course of business, we have transacted with related or affiliated companies and with certain of our officers and directors. We believe that the terms and fees negotiated for all transactions listed below are no less favorable than those that could be negotiated in arm's length transactions.

We charter aircraft services from companies that use the private plane of Steven Hilton, our Executive Chairman and former CEO, although Mr. Hilton does not have an ownership interest in the charter companies. Payments made to these charter companies were approximately $350,000, $532,000 $383,000 and $535,000 $383,000 for the years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021, 2022, respectively.

NOTE 15 — OPERATING AND REPORTING SEGMENTS

We operate with two principal business segments: homebuilding and financial services. As defined in ASC 280-10, *Segment Reporting*, we have ten twelve homebuilding operating segments. The homebuilding segments are engaged in the business of acquiring and developing land, constructing homes, marketing and selling those homes and providing warranty and customer services. 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: Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina and Tennessee

Management's

We define our segments based on the way in which internally reported financial information is regularly provided and reviewed by the chief operating decision maker ("CODM") to analyze financial performance, make decisions, and allocate resources.Our CODM is the chief executive officer. The CODM's evaluation of the homebuilding segment performance is based on segment operating income, which we define as home and land closing revenue, less cost of home and land closings, including land development and other land sales costs, closing gross profit/(loss), home closing gross margin, total gross profit/(loss), commissions and other sales costs, and other general and administrative costs incurred by or allocated to each segment, including impairments. impairments, and operating income/(loss). The CODM uses these performance metrics predominantly in the annual budget and forecasting process and considers budget-to-actual variances on a quarterly basis for these measures when making decisions about the allocation of operating and capital resources to each segment. The CODM also uses these data points to assess the performance of each segment by comparing the results of each segment with one another and in determining the compensation of certain employees. The CODM also reviews financial services profit/(loss) to evaluate the performance of the financial services segment and make decisions about allocation of resources and financial services related product offerings.

Each reportable segment follows the same accounting policies described in Note 1, "Business and Summary of Significant Accounting Policies." Operating results for each segment may not be indicative of the results for such segment had it been an independent, stand-alone entity for the periods presented.

The following segment tables provide financial information is in thousands: about our reportable segments and Corporate and other categories (in thousands):

	Years Ended December 31,		
	2023	2022	2021
Homebuilding revenue (1):			
West	$ 2,142,419	$ 2,250,083	$ 1,935,845
Central	1,805,633	1,846,153	1,504,481
East	2,164,961	2,172,491	1,679,784
Consolidated total	6,113,013	6,268,727	5,120,110
Homebuilding segment operating income:			
West	265,479	466,916	379,093
Central	307,163	376,734	319,435
East	382,513	465,059	302,487
Total homebuilding segment operating income	955,155	1,308,709	1,001,015
Financial services segment profit	12,466	18,294	18,034
Corporate and unallocated costs (2)	(65,232)	(40,358)	(50,573)
Interest expense	—	(41)	(318)
Other income, net	47,948	2,714	4,864
Loss on early extinguishment of debt	(907)	—	(18,188)
Net earnings before income taxes	$ 949,430	$ 1,289,318	$ 954,834

	Year Ended December 31, 2024			
	West	Central	East	Total
Home closing revenue	$ 2,223,876	$ 1,739,553	$ 2,378,117	$ 6,341,546
Land closing revenue	—	6,017	16,309	22,326
Total closing revenue	2,223,876	1,745,570	2,394,426	6,363,872
Cost of home closings	1,715,856	1,283,014	1,762,833	4,761,703
Cost of land closings	—	4,149	14,160	18,309
Total cost of closings	1,715,856	1,287,163	1,776,993	4,780,012
Home closing gross profit	508,020	456,539	615,284	1,579,843
Land closing gross profit	—	1,868	2,149	4,017
Total closing gross profit	508,020	458,407	617,433	1,583,860
Home closing gross margin	*22.8%*	*26.2%*	*25.9%*	*24.9%*
Commissions and other sales costs	123,393	127,293	158,383	409,069
General and administrative expenses	52,837	43,921	67,435	164,193
Homebuilding segment operating income	331,790	287,193	391,615	1,010,598
Financial services segment profit				14,410
Corporate and unallocated costs (1)				(66,663)
Interest expense				—
Other income, net				45,156
Loss on early extinguishment of debt				(631)
Net earnings before income taxes				$ 1,002,870

(1) Homebuilding revenue includes the following land closing revenue, by segment:

	Years Ended December 31,		
Land closing revenue:	2023	2022	2021

West	$ 35,324	$ 47,974	$ 21,426
Central	6,694	10,655	3,799
East	14,211	2,600	12
Total	$ 56,229	$ 61,229	$ 25,237

(2) Balance consists primarily of corporate costs and shared service functions such as finance and treasury that are not allocated to the homebuilding or financial services reporting segments.

	At December 31, 2023					
	West	Central	East	Financial Services	Corporate and Unallocated	Total
Deposits on real estate under option or contract	$ 11,695	$ 10,911	$ 88,758	$ —	$ —	$ 111,364
Real estate	1,748,732	1,257,054	1,715,505	—	—	4,721,291
Investments in unconsolidated entities	—	2,825	13,411	—	934	17,170
Other assets	101,376 (1)	272,876 (2)	102,425 (3)	1,889	1,024,743 (4)	1,503,309
Total assets	$ 1,861,803	$ 1,543,666	$ 1,920,099	$ 1,889	$ 1,025,677	$ 6,353,134

	Year Ended December 31, 2023			
	West	Central	East	Total
Home closing revenue	$ 2,107,095	$ 1,798,939	$ 2,150,750	$ 6,056,784
Land closing revenue	35,324	6,694	14,211	56,229
Total closing revenue	2,142,419	1,805,633	2,164,961	6,113,013
Cost of home closings	1,671,330	1,316,692	1,566,649	4,554,671
Cost of land closings	31,963	5,363	14,460	51,786
Total cost of closings	1,703,293	1,322,055	1,581,109	4,606,457
Home closing gross profit	435,765	482,247	584,101	1,502,113
Land closing gross profit/(loss)	3,361	1,331	(249)	4,443
Total closing gross profit	439,126	483,578	583,852	1,506,556
Home closing gross margin	*20.7%*	*26.8%*	*27.2%*	*24.8%*
Commissions and other sales costs	115,020	131,873	138,018	384,911
General and administrative expenses	58,627	44,542	63,321	166,490
Homebuilding segment operating income	265,479	307,163	382,513	955,155
Financial services segment profit				12,466
Corporate and unallocated costs (1)				(65,232)
Interest expense				—
Other income, net				47,948
Loss on early extinguishment of debt				(907)
Net earnings before income taxes				$ 949,430

(1) Balance consists primarily of cash corporate costs and cash equivalents, receivables from title companies shared service functions such as finance and treasury that are not allocated to the homebuilding or closing agents financial services reporting segments.

	Year Ended December 31, 2022			
	West	Central	East	Total
Home closing revenue	$ 2,202,109	$ 1,835,498	$ 2,169,891	$ 6,207,498
Land closing revenue	47,974	10,655	2,600	61,229

Total closing revenue	2,250,083	1,846,153	2,172,491	6,268,727
Cost of home closings	1,598,766	1,303,995	1,531,719	4,434,480
Cost of land closings	38,358	9,240	2,048	49,646
Total cost of closings	1,637,124	1,313,235	1,533,767	4,484,126
Home closing gross profit	603,343	531,503	638,172	1,773,018
Land closing gross profit	9,616	1,415	552	11,583
Total closing gross profit	612,959	532,918	638,724	1,784,601
Home closing gross margin	*27.4%*	*29.0%*	*29.4%*	*28.6%*
Commissions and other sales costs	95,993	112,658	114,615	323,266
General and administrative expenses	50,050	43,526	59,050	152,626
Homebuilding segment operating income	466,916	376,734	465,059	1,308,709
Financial services segment profit				18,294
Corporate and unallocated costs (1)				(40,358)
Interest expense				(41)
Other income, net				2,714
Net earnings before income taxes				$ 1,289,318

(1) Balance consists primarily of corporate costs and shared service functions such as finance and treasury that are not allocated to the homebuilding or financial services reporting segments.

	At December 31, 2024					
	West	Central	East	Financial Services	Corporate and Unallocated	Total
Deposits on real estate under option or contract	$ 30,179	$ 28,563	$ 133,663	$ —	$ —	$ 192,405
Real estate	1,862,792	1,388,475	2,477,508	—	—	5,728,775
Investments in unconsolidated entities	9,062	1,800	17,016	—	857	28,735
Other assets	28,251 (1)	249,718 (2)	111,567 (3)	3,049	820,154 (4)	1,212,739
Total assets	$ 1,930,284	$ 1,668,556	$ 2,739,754	$ 3,049	$ 821,011	$ 7,162,654

(1) Balance consists primarily of property and equipment, net. net, prepaid expenses and other assets, and development receivables.
(2) Balance consists primarily of cash and cash equivalents, development reimbursements from local municipalities and prepaid expenses and other assets.
(3) Balance consists primarily of cash and cash equivalents, goodwill (see Note 10), and prepaid expenses and other assets and property and equipment, net. assets.
(4) Balance consists primarily of cash and cash equivalents, deferred tax assets and prepaid expenses and other assets.

	At December 31, 2022				At December 31, 2023	
	West	Central	East	Financial Services	Corporate and Unallocated	Total
	West	Central	East	Financial Services	Corporate and Unallocated	Total
Deposits on real estate under option or contract						
Real estate						
Investments in unconsolidated entities						
Other assets						
Total assets						

(1) Balance consists primarily of cash and cash equivalents, development reimbursements from local municipalities and property and equipment, net.
(2) Balance consists primarily of cash and cash equivalents, development reimbursements from local municipalities and prepaid expenses and other assets.
(3) Balance consists primarily of cash and cash equivalents, goodwill, prepaid expenses and other assets and property and equipment, net.
(4) Balance consists primarily of cash and cash equivalents, deferred tax assets and prepaid expenses and other assets.

NOTE 16 — COMMITMENTS AND CONTINGENCIES

We are involved in various routine legal and regulatory proceedings, including, without limitation, claims and litigation alleging construction defects. In general, the proceedings are incidental to our business, and most exposure is subject to and should be covered by warranty and indemnity obligations of our consultants and subcontractors. Additionally, some such claims are also covered by insurance. With respect to the majority of pending litigation matters, our ultimate legal and financial responsibility, if any, cannot be estimated with certainty and, in most cases, any potential material losses related to these matters are not considered probable. Historically, most disputes regarding warranty claims are resolved prior to litigation. We believe there are no pending legal or warranty matters as of December 31, 2023 December 31, 2024 that could have a material adverse impact upon our consolidated financial condition, results of operations or cash flows that have not been sufficiently reserved.

As discussed in Note 1 under the heading "Warranty Reserves", we We have case specific reserves within our $37.4 million $32.7 million of total warranty reserves related to alleged stucco defects in certain homes we constructed predominantly between 2006 and 2017 and HVAC condensation issues in limited geographies for homes constructed and delivered in 2021 and the first half of 2022. 2017. Our review and management of these matters is ongoing and our estimate of and reserves for resolving them is based on internal data, historical experience, our judgment and various assumptions and estimates. Due to the degree of judgment and the potential for variability in our underlying assumptions and data, as we obtain additional information, we may revise our estimate and thus our related reserves. As of December 31, 2023 December 31, 2024, after considering potential recoveries from the consultants and contractors involved and their insurers and the potential recovery under our general liability insurance policies, we recorded a favorable adjustment to our reserve balance of $1.0 million in the year ended December 31, 2024 and we believe our reserves are sufficient to cover the above mentioned matter. matters. See Note 1 for information related to our warranty obligations.

See Note 4 for information related to our leases.

NOTE 17 — SUBSEQUENT EVENTS

Stock Split

As discussed in Notes 1 and 9, on November 21, 2024, our Board of Directors declared a two-for-one stock split of Meritage's common stock in the form of a stock dividend. Each stockholder of record at the close of business on December 31, 2024 received one additional share of common stock for each share of common stock held, payable after the close of market on January 2, 2025. Trading began on a split-adjusted basis on January 3, 2025. There was no adjustment to the number of authorized shares or the par value. All share and per share amounts in the accompanying consolidated financial statements have been retroactively adjusted to reflect the Stock Split for all periods presented.

Change in Segment Reporting

Effective the first day of fiscal 2025 (i.e., January 1, 2025), we realigned our internal organizational structure and resources following continued growth and recent entry into new markets. As a result of the change in our organizational structure, the Tennessee homebuilding operating segment will be reclassified from the East reporting segment to the Central reporting segment for the purpose of making operational and resource decisions and assessing financial performance. The segment information presented in this Annual Report on Form 10-K does not reflect this change in the composition of our reportable segments, as the change did not take effect internally until the first quarter of fiscal 2025. We will begin reporting segment information based on this new segment structure in our Quarterly Report on Form 10-Q for the first quarter of fiscal 2025. For details on our reportable segments in fiscal 2024, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II of this Annual Report on Form 10-K.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None

Item 9A. Controls and Procedures

In order to ensure that the information we must disclose in our filings and submissions with the SEC is recorded, processed, summarized and reported on a timely basis, we have developed and implemented disclosure controls and procedures. Our management, with the participation of our chief executive officer ("CEO") and chief financial officer ("CFO"), has reviewed and evaluated the effectiveness of our disclosure controls and procedures, as defined in Securities Exchange Act Rules 13a-15(e) and 15d-15(e), as of December 31, 2023 December 31, 2024 (the "Evaluation Date"). Based on such evaluation, management has concluded that, as of the Evaluation Date, our disclosure controls and procedures were effective at a reasonable assurance level in ensuring that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our CEO and CFO, as appropriate to allow timely decisions regarding required disclosures.

There was no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during our fiscal quarter ended December 31, 2023 December 31, 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our financial statements would be prevented or detected. Also, projections of any internal control effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with internal control policies or procedures may deteriorate. Under the supervision and with the participation of our management, including our CEO and CFO, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our management concluded that our internal control over financial reporting was effective as of December 31, 2023 December 31, 2024. The effectiveness of our internal control over financial reporting as of December 31, 2023 December 31, 2024 has been audited by Deloitte & Touche LLP, an the independent registered public accounting firm that audited our financial statement included in this Annual Report on Form 10-K, as stated in their attestation report, which is included herein.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Meritage Homes Corporation: Corporation

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Meritage Homes Corporation and subsidiaries (the “Company”) as of December 31, 2023 December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)*issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023 December 31, 2024, based on criteria established in
Internal Control — Integrated Framework (2013) issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2023 December 31, 2024, of the Company and our report dated February 14, 2024 February 20, 2025, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ DELOITTE & TOUCHE LLP

Tempe, Arizona
February 14, 2024 20, 2025

Item 9B. Other Information

Insider Trading Arrangements

During the fiscal quarter ended December 31, 2023 December 31, 2024, no director or officer adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) 408 of Regulation S-K.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

None

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Except as set forth herein, information required in response to this item is incorporated by reference from the information contained in our 2024 2025 Proxy Statement (which will be filed with the SEC no later than 120 days following the Company's fiscal year end (the "2024 "2025 Proxy Statement")). The information required by Item 10 regarding our executive officers appears in Part I, Item 1 of this Annual Report as permitted by Form 10-K General Instruction G(3).

Item 11. Executive Compensation

Information required in response to this item is incorporated by reference to our 2024 2025 Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information required in response to this item is incorporated by reference to our 2024 2025 Proxy Statement.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Information required in response to this item is incorporated by reference to our 2024 2025 Proxy Statement.

Item 14. Principal Accountant Fees and Services

Information required in response to this item is incorporated by reference to our 2024 2025 Proxy Statement.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) Financial Statements and Schedules

(i) Financial Statements:

The consolidated financial statements are included under Part II, Item 8 in this Annual Report on Form 10-K.

(ii) Financial Statement Schedules:

Schedules have been omitted because of the absence of conditions under which they are required or because the required information is included in the consolidated financial statements or notes thereto.

(iii) The exhibits required by Item 601 of Regulation S-K are set forth in Item 15(b) of this Annual Report on Form 10-K.

(b) Exhibits

Exhibit Number	Description	Page or Method of Filing
2.1	Agreement and Plan of Reorganization, dated as of September 13, 1996, by and among Homeplex, the Monterey Merging Companies and the Monterey Stockholders	Incorporated by reference to Appendix A of Form S-4 Registration Statement No. 333-15937
3.1	Restated Articles of Incorporation of Meritage Homes Corporation	Incorporated by reference to Exhibit 3 of Form 8-K dated June 20, 2002
3.1.1	Amendment to Articles of Incorporation of Meritage Homes Corporation	Incorporated by reference to Exhibit 3.1 of Form 10-Q for the quarter ended September 30, 1998
3.1.2	Amendment to Articles of Incorporation of Meritage Homes Corporation	Incorporated by reference to Exhibit 3.1 of Form 8-K dated September 15, 2004
3.1.3	Amendment to Articles of Incorporation of Meritage Homes Corporation	Incorporated by reference to Appendix A of the Definitive Proxy Statement for the 2006 Annual Meeting of Stockholders filed on April 10, 2006
3.1.4	Amendment to Articles of Incorporation of Meritage Homes Corporation	Incorporated by reference to Appendix B of the Definitive Proxy Statement for the 2008 Annual Meeting of Stockholders filed on April 1, 2008
3.1.5	Amendment to Articles of Incorporation of Meritage Homes Corporation	Incorporated by reference to Appendix A of the Definitive Proxy Statement filed on January 9, 2009
3.2	Meritage Homes Corporation Amended and Restated Bylaws	Incorporated by reference to Exhibit 3.1 of Form 8-K dated June 14, 2023
4.1	Form of Specimen of Common Stock Certificate	Incorporated by reference to Exhibit 4.1 of Form 10-K for the year ended December 31, 2007
4.2	Description of securities of Meritage Homes Corporation registered under Section 12 of the Securities Exchange Act of 1934	Incorporated by reference to Exhibit 4.2 of Form 10-K for the year ended December 31, 2019 Filed herewith
4.3	Indenture dated June 2, 2015 (re 6.00% Senior Notes due 2025) and form of 6.00% Senior Note	Incorporated by reference to Exhibit 4.1 of Form 8-K dated June 2, 2015
4.3.1	First Supplemental Indenture (re 6.00% Senior Notes due 2025)	Incorporated by reference to Exhibit 4.3 of Form 10-Q for the quarter ended June 30, 2019
4.3.2	Second Supplemental Indenture (re 6.00% Senior Notes due 2025)	Incorporated by reference to Exhibit 4.4.2 of Form 10-K for the year ended December 31, 2020
4.3.3	Third Supplemental Indenture (re 6.00% Senior Notes due 2025)	Incorporated by reference to Exhibit 4.4.3 of Form 10-K for the year ended December 31, 2020
4.4	Indenture, dated June 6, 2017 (re 5.125% Senior Notes due 2027) and form of 5.125% Senior Note	Incorporated by reference to Exhibit 4.1 of Form 8-K dated June 6, 2017
4.4.1 4.3.1	First Supplemental Indenture (re 5.125% Senior Notes due 2027)	Incorporated by reference to Exhibit 4.4 of Form 10-Q for the quarter ended June 30, 2019
4.4.2 4.3.2	Second Supplemental Indenture (re 5.125% Senior Notes due 2027)	Incorporated by reference to Exhibit 4.5.2 of Form 10-K for the year ended December 31, 2020.
4.4.3 4.3.3	Third Supplemental Indenture (re 5.125% Senior Notes due 2027)	Incorporated by reference to Exhibit 4.5.3 of Form 10-K for the year ended December 31, 2020.
4.5 4.3.4	Fourth Supplemental Indenture (re 5.125% Senior Notes due 2027)	Incorporated by reference to Exhibit 10.3 of Form 10-Q for the quarter ended September 30, 2024
4.3.5	Fifth Supplemental Indenture (re 5.125% Senior Notes due 2027)	Filed herewith
4.4	Indenture, dated April 15, 2021 (re 3.875% Senior Notes due 2029) and form of 3.875% Senior Note	Incorporated by reference to Exhibit 4.1 of Form 8-K dated April 15, 2021
4.4.1	First Supplemental Indenture (re 3.875% Senior Notes due 2029)	Incorporated by reference to Exhibit 10.2 of Form 10-Q for the quarter ended September 30, 2024
4.4.2	Second Supplemental Indenture (re 3.875% Senior Notes due 2029)	Filed herewith

Exhibit Number	Description	Page or Method of Filing
4.5	Indenture, dated as of May 9, 2024 (re 1.750% Convertible Senior Notes due 2028) and form of 1.750% Convertible Senior Note	Incorporated by reference to Exhibit 4.1 of Form 8-K dated May 9, 2024
4.5.1	First Supplemental Indenture (re 1.750% Convertible Senior Notes due 2028)	Incorporated by reference to Exhibit 10.1 of Form 10-Q for the quarter ended September 30, 2024
4.5.2	Second Supplemental Indenture (re 1.750% Convertible Senior Notes due 2028)	Filed herewith
10.1	2018 Stock Incentive Plan *	Incorporated by reference to Appendix A of the Proxy Statement for the 2018 Annual Meeting of Stockholders filed on March 26, 2018
10.1.1	Amendment to the Meritage Homes Corporation 2018 Stock Incentive Plan *	Incorporated by reference to Exhibit 10.1 of Form 8-K dated May 18, 2023
10.1.2	Representative Form of Performance Share Award Agreement *	Filed herewith Incorporated by reference to Exhibit 10.1.2 of Form 10-K for the year ended December 31, 2023
10.1.3	Representative Form of Restricted Stock Unit Agreement *	Filed herewith Incorporated by reference to Exhibit 10.1.3 of Form 10-K for the year ended December 31, 2023
10.2	Employment Agreement between the Company and Steven J. Hilton *	Incorporated by reference to Exhibit 10.1 of Form 8-K dated January 10, 2024
10.3	Employment Agreement between the Company and Philippe Lord *	Incorporated by reference to Exhibit 10.1 of Form 8-K dated January 22, 2021
10.4	Employment Agreement between the Company and Hilla Sferruzza *	Incorporated by reference to Exhibit 10.4 of Form 8-K dated January 22, 2021
10.5	Employment Agreement between the Company and Javier Feliciano *	Incorporated by reference to Exhibit 10.6 of Form 8-K dated January 22, 2021
10.6	Employment Agreement between the Company and Clinton Szubinski*	Incorporated by reference to Exhibit 10.1 of Form 8-K dated August 12, 2021
10.7	Employment Agreement between the Company and Malissia Clinton*	Incorporated by reference to Exhibit 10.1 of Form 10-Q for the quarter ended March 31, 2022
10.8	Meritage Homes Corporation 2015 Nonqualified Deferred Compensation Plan *	Incorporated by reference to Exhibit 10.2 of Form 10-Q for the quarter ended June 30 2021 June 30, 2021
10.9	Meritage Homes Corporation Executive Severance Plan *	Incorporated by reference to Exhibit 10.1 of Form 10-Q for the quarter ended March 31, 2023
10.10	Amended and Restated Credit Agreement, dated as of June 13, 2014	Incorporated by reference to Exhibit 10.1 of Form 8-K dated June 13, 2014
10.10.1	First Amendment to Amended and Restated Credit Agreement	Incorporated by reference to Exhibit 10.1 of Form 8-K dated July 9, 2015
10.10.2	Second Amendment to Amended and Restated Credit Agreement	Incorporation by reference to Exhibit 10.1 of Form 8-K dated June 29, 2016
10.10.3	Third Amendment to Amended and Restated Credit Agreement	Incorporated by reference to Exhibit 10.1 of Form 8-K dated May 31, 2017
10.10.4	Fourth Amendment to Amended and Restated Credit Agreement	Incorporated by reference to Exhibit 10.1 to Form 8-K dated June 29, 2018
10.10.5	Fifth Amendment to Amended and Restated Credit Agreement	Incorporated by reference to Exhibit 10.1 to Form 8-K dated June 27, 2019

Exhibit Number	Description	Page or Method of Filing
10.10.6	Sixth Amendment to Amended and Restated Credit Agreement	Incorporated by reference to Exhibit 10.1 to Form 8-K dated December 23, 2020
10.10.7	Seventh Amendment to Amended and Restated Credit Agreement	Incorporated by reference to Exhibit 10.1 to Form 8-K dated December 17, 2021
10.10.7 10.10.8	Eighth Amendment to Amended and Restated Credit Agreement	Incorporated by reference to Exhibit 10.1 of Form 8-K dated June 5, 2023
10.10.9	Ninth Amendment to Amended and Restated Credit Agreement	Filed herewith
Exhibit Number 10.10.10	Description	Page or Method of Filing
10.11	Philippe Lord - Notice of Approved 2023 Compensation * Tenth Amendment to Amended and Restated Credit Agreement	Incorporated by reference to Exhibit 10.1 of Form 8-K dated February 20, 2023 June 13, 2024
10.12	Hilla Sferruzza - Notice of Approved 2023 Compensation *	Incorporated by reference to Exhibit 10.2 of Form 8-K dated February 20, 2023
10.13	Clinton Szubinski - Notice of Approved 2023 Compensation *	Incorporated by reference to Exhibit 10.3 of Form 8-K dated February 20, 2023
10.14	Malissia Clinton - Notice of Approved 2023 Compensation *	Incorporated by reference to Exhibit 10.5 of Form 8-K dated February 20, 2023
10.15	Javier Feliciano - Notice of Approved 2023 Compensation *	Incorporated by reference to Exhibit 10.4 of Form 8-K dated February 20, 2023
10.16 10.11	Philippe Lord - Notice of Approved 2024 Compensation *	Incorporated by reference to Exhibit 10.2 of Form 8-K dated January 10, 2024
10.17 10.12	Hilla Sferruzza - Notice of Approved 2024 Compensation *	Incorporated by reference to Exhibit 10.3 of Form 8-K dated January 10, 2024
10.18 10.13	Clinton Szubinski - Notice of Approved 2024 Compensation *	Incorporated by reference to Exhibit 10.4 of Form 8-K dated January 10, 2024
10.19 10.14	Malissia Clinton - Notice of Approved 2024 Compensation *	Incorporated by reference to Exhibit 10.5 of Form 8-K dated January 10, 2024
10.20 10.15	Javier Feliciano - Notice of Approved 2024 Compensation *	Incorporated by reference to Exhibit 10.6 of Form 8-K dated January 10, 2024
10.21 10.16	Form of Indemnification Agreement *	Incorporated by reference to Exhibit 10.1 to Form 10-Q for the quarter ended June 30, 2021
10.17	Form of Base Capped Call Confirmation	Incorporated by reference to Exhibit 10.1 of Form 8-K dated May 9, 2024

10.18	Form of Additional Capped Call Confirmation	Incorporated by reference to Exhibit 10.2 of Form 8-K dated May 9, 2024
19	Securities Trading Policy	Filed herewith
21	List of Subsidiaries	Incorporated by reference to Exhibit 21 to Form 10-K for the year ended December 31, 2022 Filed herewith
22	List of Guarantor Subsidiaries	Incorporated by reference to Exhibit 22 to Form 10-K for the year ended December 31, 2022 Filed herewith
23	Consent of Deloitte & Touche LLP	Filed herewith
24	Powers of Attorney	See Signature Page
31.1	Rule 13a-14(a)/15d-14(a) Certification of Phillippe Lord, Chief Executive Officer	Filed herewith
31.2	Rule 13a-14(a)/15d-14(a) Certification of Hilla Sferruzza, Chief Financial Officer	Filed herewith
32.1	Section 1350 Certification of Chief Executive Officer and Chief Financial Officer	Furnished herewith
97	Clawback Policy	Filed herewith Incorporated by reference to Exhibit 97 of Form 10-K for the year ended December 31, 2023
101.0	The following financial statements from Meritage Homes Corporation Annual Report on Form 10-K for the year ended December 31, 2023 December 31, 2024, filed on February 14, 2024 February 20, 2025, formatted in Inline XBRL (Extensible Business Reporting Language); (i) Consolidated Balance Sheets, (ii) Consolidated Income Statements, (iii) Consolidated Statements of Stockholders' Equity (iv) Consolidated Statements of Cash Flows and (v) the Notes to Consolidated Financial Statements.	

Exhibit Number	Description	Page or Method of Filing
104.0	The cover page from the Company's Annual Report on Form 10-K for the year ended December 31, 2023 December 31, 2024, formatted in Inline XBRL.	

* Indicates a management contract or compensation plan.

Item 16. Form 10-K Summary

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, this 14th 20th day of February 2024. 2025.

MERITAGE HOMES CORPORATION,
a Maryland Corporation

By	/s/ PHILLIPPE LORD
	Phillippe Lord *Chief Executive Officer*
By	/s/ HILLA SFERRUZZA
	Hilla Sferruzza *Executive Vice President and Chief Financial Officer*
By	/s/ ALISON SASSER
	Alison Sasser *Senior Vice President and Chief Accounting Officer*

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Phillippe Lord and Hilla Sferruzza, and each of them, his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully and to all intents and purposes as he or she might or could do in person hereby ratifying and confirming all that said attorneys-in-fact and agents, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

Signature	Title	Date
/s/ PHILLIPPE LORD Phillippe Lord	Chief Executive Officer, Director	February 14, 2024 20, 2025
/s/ HILLA SFERRUZZA Hilla Sferruzza	Executive Vice President, Chief Financial Officer (Principal Financial Officer)	February 14, 2024 20, 2025
/s/ ALISON SASSER Alison Sasser	Senior Vice President, Chief Accounting Officer (Principal Accounting Officer)	February 14, 2024 20, 2025
/s/ STEVEN J. HILTON Steven J. Hilton	Executive Chairman	February 14, 2024 20, 2025
/s/ PETER L. AX Peter L. Ax	Director	February 14, 2024 20, 2025
/s/ RAYMOND OPPEL Raymond Oppel	Director	February 14, 2024
/s/ DANA C. BRADFORD Dana C. Bradford	Director	February 14, 2024 20, 2025
/s/ MICHAEL R. ODELL Michael R. Odell	Director	February 14, 2024 20, 2025
/s/ DEBORAH ANN DEB HENRETTA Deborah Ann Deb Henretta	Director	February 14, 2024 20, 2025
/s/ JOSEPH KEOUGH Joseph Keough	Director	February 14, 2024 20, 2025
/s/ P. KELLY MOONEY P. Kelly Mooney	Director	February 14, 2024 20, 2025
/s/ LOUIS E. CALDERA Louis E. Caldera	Director	February 14, 2024 20, 2025
/s/ DENNIS V. ARRIOLA Dennis V. Arriola	Director	February 14, 2024 20, 2025
/s/ ERIN LANTZ Erin Lantz	Director	February 20, 2025
/s/ GEISHA WILLIAMS Geisha Williams	Director	February 20, 2025

78 83

EXHIBIT 10.1.2 Exhibit 4.2

DESCRIPTION OF SECURITIES OF
MERITAGE HOMES CORPORATION
PERFORMANCE SHARE AWARD AGREEMENT REGISTERED UNDER SECTION 12
UNDER OF THE 2018 STOCK INCENTIVE PLAN (EXECUTIVE OFFICERS) EXCHANGE ACT

The following description of the material terms of the shares of Meritage Homes Corporation registered under the Section 12 of the Securities Exchange Act of 1934, as amended, is only a summary and is subject to, and qualified in its entirety by reference to, the more complete descriptions of such shares in the following documents: (a) Meritage Homes Corporation’s charter, which we refer to as our charter, and (b) Meritage Homes Corporation’s Amended and Restated Bylaws, which we refer to as our bylaws, copies of which are exhibits to our Annual Report on Form 10-K of which this Exhibit 4.2 is a part. Please note that references to “we,” “our” and “us” refer only to Meritage Homes Corporation.

Common Stock

We are authorized to issue up to 125,000,000 shares of common stock, $0.01 par value per share.

Holders of shares of common stock are entitled to participate equally and ratably in dividends and in distributions available for the common stock on liquidation. Future cash dividends, if any, will depend upon our financial condition, results of operations, capital requirements, compliance with debt covenants of existing and future indebtedness and credit facilities, as well as other factors considered relevant by our board of directors. Each share is entitled to one vote for the election of directors and upon all other matters on which the common stockholders vote. Holders of common stock do not have preemptive rights and are not entitled to cumulative votes in the election of directors.

Our common stock is listed under the symbol “MTH” on the New York Stock Exchange. The transfer agent and registrar for our common stock is Computershare, Inc.

Certain Provisions of Maryland Law

We are incorporated in Maryland and are subject to the provisions of the Maryland General Corporation Law (the “MGCL”), certain of which provisions are discussed below.

Business Combinations. Under the Maryland Business Combination Act, “business combinations” between a Maryland corporation and an interested stockholder or an affiliate of an interested stockholder are prohibited for five years after the most recent date on which the interested stockholder becomes an interested stockholder.
These business combinations include certain mergers, consolidations, share exchanges or asset transfers, loans, transfers or issuances or reclassifications of equity securities. An interested stockholder is defined as:

- any person who beneficially owns, directly or indirectly, 10% or more of the voting power of the corporation’s shares; or
- an affiliate or associate of the corporation who, at any time within the two-year period prior to the date in question, was the beneficial owner, directly or indirectly, of 10% or more of the voting power of the then outstanding voting stock of the corporation.

A person is not an interested stockholder under the MGCL if the board of directors approved in advance the transaction by which the stockholder otherwise would have become an interested stockholder.

After the five-year prohibition, any business combination between the Maryland corporation and an interested stockholder generally must be recommended by the board of directors of the corporation and approved by the affirmative vote of at least:

- 80% of the votes entitled to be cast by the outstanding shares of voting stock of the corporation voting together as a single voting group; and
- two-thirds of the votes entitled to be cast by the holders of voting stock of the corporation other than shares held by the interested stockholder with whom or with whose affiliate the business combination is to be effected or held by an affiliate or associate of the interested stockholder voting together as a single voting group.

These super-majority vote requirements do not apply to certain business combinations if the corporation’s stockholders receive a minimum price, as defined under Maryland law, for their shares in the form of cash or other consideration in the same form as previously paid by the interested stockholder for its shares and the corporation and interested stockholder meet certain other requirements.

The MGCL provides for various exemptions from its provisions, including business combinations that are exempted by resolution of the board of directors prior to the time that the interested stockholder becomes an interested stockholder.

The business combination statute could have the effect of delaying, deferring or preventing a transaction or a change in control that might involve a premium price for holders of our common stock or otherwise be in their best interest.

A Maryland corporation may opt out of the statute by provision in its charter or by resolution of its board of directors. No such charter provision or board resolution has been adopted by us.

Control Share Acquisitions. The Maryland Control Share Acquisition Act provides that "control shares" (defined as shares which, when aggregated with other shares controlled by the stockholder, entitle the stockholder to exercise one of three increasing ranges of voting power in electing directors) of a Maryland corporation acquired in a "control share acquisition" (defined as the direct or indirect acquisition of ownership or control of outstanding control shares) have no voting rights, except to the extent approved by our stockholders by the affirmative vote of at least two thirds of the votes entitled to be cast on the matter, excluding all interested shares. Our

bylaws contain a provision exempting from the control share acquisition statute any and all acquisitions by any person of our shares of common stock. We cannot give any assurance that such provision will not be amended or eliminated at any time in the future.

Certain Provisions of our Charter and Bylaws

Our charter and bylaws include provisions that could make a change in control more difficult. These provisions are intended to preserve the continuity and stability of our board of directors and the policies formulated by our board of directors, as well as avoid unintended ownership changes and preserve the value of our tax benefits for future utilization. The following is a summary of the provisions or our charter and bylaws that we consider material, but does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of our charter and bylaws.

NOL Protective Amendment. In 2009, we amended Article VIII of our charter to preserve the long-term value of our accumulated net operating losses ("NOLs," and such mechanism to preserve our NOLs, the "NOL Protective Amendment"). The benefit of our NOLs would be significantly reduced if we were to experience an "ownership change" as defined in Section 382 ("Section 382") of the Internal Revenue Code of 1986, as amended. Under Section 382, calculating whether an "ownership change" has occurred is subject to inherent uncertainty. This Performance Share Award Agreement uncertainty results from the complexity and ambiguity of the Section 382 provisions, as well as limitations on the knowledge that any publicly-traded company can have about the ownership of and transactions in its securities. In the event of an "ownership change," we would only be allowed to use a limited amount of NOLs to offset our taxable income subsequent to the "ownership change." The NOL Protective Amendment was adopted to combat that possible situation and ensure an ownership change does not occur.

Article VIII could be deemed to have an "anti-takeover" effect because, among other things, it restricts the ability of a person, entity or group to accumulate 4.9% or more of our common stock and the ability of persons, entities or groups now owning 4.9% or more of common stock from acquiring additional shares of common stock, without the approval of the board of directors or a duly authorized committee thereof. Accordingly, any direct or indirect transfer attempted in violation of the restrictions in the charter would be void as of the date of the purported transfer as to the purported transferee (or, in the case of an indirect transfer, the ownership of the direct owner of common stock would terminate simultaneously with the transfer), and the purported transferee (or in the case of any indirect transfer, the direct owner) would not be recognized as the owner of the shares owned in violation of the restrictions for any purpose, including for purposes of voting and receiving dividends or other distributions in respect of such common stock, or in the case of options, receiving common stock in respect of their exercise. The board of directors has the discretion to approve a transfer of common stock that would otherwise violate the transfer restrictions if it determines that such transfer is in our best interests.

Stockholder Special Meeting Procedures. Our bylaws provide that a special meeting may be called by stockholders holding at least 50% of the votes entitled to be cast. In addition, our bylaws limit the matters that can be acted upon at a stockholders meeting to those included in the notice for such meeting or brought before the meeting by the board of directors or the chief executive officer ("CEO").

*Advance Notice Procedures*Agreement. Our bylaws establish an advance notice procedure for stockholders to make nominations of candidates for election as directors or to bring other business before an annual meeting. These stockholder notice procedures provide that nominations of individuals for election as directors and proposals of other business may only be made (a) by or at the direction of the board of directors; (b) pursuant to the notice of meeting; or (c) by a stockholder who was a stockholder at the time of giving notice, the record date for the meeting and the time of the annual meeting, and has given timely written notice to our secretary before the meeting at which directors are to be elected. To be timely, a stockholder's nomination or notice must be delivered to or mailed and received by our secretary at our principle executive offices not earlier than the 150th day nor later than 5:00 p.m., Eastern Time, on the 120th day prior to the first anniversary date of the proxy statement for the preceding year's annual meeting, provided that in the event the date of the annual meeting is advanced or delayed by more than 30 days from the first anniversary of the date of the preceding year's annual meeting, notice by the stockholder to be timely must be so delivered not earlier than the 150th day prior to the date of such annual meeting and not later than 5:00 p.m., Eastern Time, on the later of the 120th day prior to the date of such annual meeting or the tenth day following the date on which public announcement of the date of such meeting is first made.

In addition, under these stockholder notice procedures, a stockholder's notice to us proposing to nominate a person for election as a director or relating to the conduct of business other than the nomination of directors will be required to contain specified information and a stockholder must comply with all applicable laws in proposing business and in nominating directors. If the chairman of a meeting determines that an individual was not nominated, or other business was not brought before the meeting, in accordance with our stockholder notice procedure, the individual will not be eligible for election as a director, or the business will not be transacted at the meeting, as the case may be.

Other provisions of the MGCL and our charter and bylaws may also have the effect of delaying or preventing a change of control, even where the stockholders may consider it to be favorable. These provisions could also prevent or hinder an attempt by stockholders to replace our current directors and include: (i) a classified board of directors; (ii) a provision that directors may only be removed for cause; (iii) a limitation on the maximum number of directors; and (iv) the ability of the board of directors to designate and cause us to issue shares of our preferred stock.

Exhibit 4.3.5

FIFTH SUPPLEMENTAL INDENTURE, dated as of December 5, 2024 (the "Fifth Supplemental Indenture") is between Meritage Homes Corporation, ("a corporation organized under the laws of the State of Maryland (the "CompanyIssuer"), the Guarantors named therein, Meritage Homes of Mississippi, Inc., a corporation organized under the laws of the State of Arizona (the "Additional Guarantor"), and the individual identified in Attachment ARegions Bank, as successor to Wells Fargo Bank, National Association, as trustee (the "GranteeTrustee"), under the Indenture (as defined below). Capitalized terms used and is effectivenot defined herein shall have the same meanings given in the Indenture unless otherwise indicated.

WHEREAS, the Issuer, the Guarantors thereto and the Trustee are parties to that certain Indenture dated as of [DATE] ("Date of Grant").

RECITALS

A. The Board of Directors of the CompanyJune 6, 2017 (the "BoardIndenture") has adoptedpursuant to which the Company issued its 5.125% Senior Notes due 2027 (the "Notes") and the shareholders have approvedGuarantors guaranteed the Meritage Homes Corporation 2018 Stock Incentive Plan (the "Plan") to provide incentives to attract and retain those individuals whose services are considered unusually valuable.

B. The Executive Compensation Committeeobligations of the Board has approved this grant of Performance Shares to GranteeIssuer under the Indenture and the Notes;

WHEREAS, pursuant to Section 94.08 of the Plan.Indenture, if the Issuer acquires or creates any additional subsidiary which is a Restricted Subsidiary, each such subsidiary shall execute and deliver a supplemental indenture pursuant to which such subsidiary shall unconditionally guaranty the Issuer's obligations under the Notes;

C. ToWHEREAS, the extent not specificallyIssuer, the Guarantors thereto, Meritage Homes Insurance Agency, Inc., and the Trustee are parties to that certain First Supplemental Indenture dated as of May 31, 2019, pursuant to which Meritage Homes Insurance Agency, Inc. was added as a Guarantor;

WHEREAS, the Issuer, the Guarantors thereto, Meritage Homes of Utah, Inc., and the Trustee are parties to that certain Second Supplemental Indenture dated as of October 2, 2020, pursuant to which Meritage Homes of Utah, Inc. was added as a Guarantor;

WHEREAS, the Issuer, the Guarantors thereto, Meritage Services Company, Inc., and the Trustee are parties to that certain Third Supplemental Indenture dated as of December 2, 2020, pursuant to which Meritage Services Company, Inc. was added as a Guarantor;

WHEREAS, the Issuer, the Guarantors thereto, Meritage Homes Alabama, Inc., and the Trustee are parties to that certain Fourth Supplemental Indenture dated as of August 7, 2024, pursuant to which Meritage Homes Alabama, Inc. was added as a Guarantor;

WHEREAS, the Additional Guarantor is a Restricted Subsidiary of the Issuer;

WHEREAS, the Issuer and the Trustee desire to have the Additional Guarantor enter into this Fifth Supplemental Indenture and agree to guaranty the obligations of the Issuer under the Indenture and the Notes and the Additional Guarantor desires to enter into this Fifth Supplemental Indenture and to guaranty the obligations of the Issuer under the Indenture and the Notes as of such date;

WHEREAS, by entering into this Fifth Supplemental Indenture, the Issuer and the Trustee have consented to amend the Indenture in accordance with the terms and conditions herein;

WHEREAS, each Guarantor hereby acknowledges and consents to amend the Indenture in accordance with the terms and conditions herein; and

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WHEREAS, all acts and things prescribed by the charter documents of the Additional Guarantor (as now in effect) necessary to make this Fifth Supplemental Indenture a valid instrument legally binding on the Additional Guarantor for the purposes herein expressed, in accordance with its terms, have been duly done and performed.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Issuer, the Guarantors, the Additional Guarantor and the Trustee hereby agree for the benefit of each other and the equal and ratable benefit of the Holders of the Notes as follows:

1. Additional Guarantor as Guarantor. As of the date hereof and pursuant to this Fifth Supplemental Indenture, the Additional Guarantor shall become a Guarantor under the definition of Guarantor in the Indenture in accordance with the terms and conditions of the Indenture and shall assume all rights and obligations of a Guarantor thereunder.

2. Construction. For all purposes of this Fifth Supplemental Indenture, except as otherwise herein expressly provided or unless the context otherwise requires: (i) the defined terms and expressions used herein shall have the same meanings as corresponding terms and expressions used in this Agreement, all capitalized terms the Indenture; and (ii) the words “herein,” “hereof,” “hereby” and other words of similar import used in this Agreement shall have the meaning set forth in the Plan.

NOW, THEREFORE, the Company Fifth Supplemental Indenture refer to this Fifth Supplemental Indenture as a whole and Grantee agree as follows:

AGREEMENT not to any particular Section hereof.

1. 3. GRANT OF PERFORMANCE SHARES Trustee Acceptance. On The Trustee accepts the Date of Grant and subject to the terms of this Agreement and the Plan, the Company grants to Grantee an Award amendment of the number of Performance Shares set forth on Attachment A. Each Performance Share represents the right to receive one share of Stock, subject to Indenture effected by this Fifth Supplemental Indenture, as hereby amended, but only upon the terms and conditions set forth in this Agreement the Indenture, as hereby amended, including the terms and provisions defining and limiting the Plan. Notwithstanding the foregoing or any other provision set forth herein, this Agreement will automatically terminate liabilities and be void and this grant of Performance Shares shall automatically be rescinded and withdrawn and be of no force or effect if Grantee fails to sign this Agreement on or before [DATE].

2. **RIGHTS OF GRANTEE**. Subject to the provisions of this Agreement and the Plan, Grantee shall not have any rights of a Company shareholder with respect to the Stock underlying the Performance Shares unless and until the Performance Shares vest and are settled by the issuance of such shares of Stock to Grantee. Upon and following the settlement responsibilities of the Performance Shares, Grantee shall be Trustee in the record owner performance of its duties and obligations under the Stock issued in payment Indenture, as hereby amended. Without limiting the generality of the Performance Shares unless and until such shares are sold or otherwise disposed of, and as record owner shall be entitled to all rights of a shareholder of the Company (including voting rights). Grantee shall not be entitled to any dividend equivalents with respect to the Performance Shares to reflect any dividends payable on Stock.

Grantee agrees to not sell, transfer, pledge, exchange, hypothecate or grant any security interest in, or otherwise dispose of, any Performance Shares before the date on which the Performance Shares vest and are settled as set forth in Attachment A or enter into any agreement or make any commitment to do so. Any attempted sale, transfer, pledge, exchange, hypothecation or disposition of the Performance Shares (prior to the vesting and settlement date) shall be null and void, and the Company shall not recognize or give effect to such transaction on its books and records or recognize the person or persons to whom such sale, transfer, pledge, exchange, hypothecation or disposition has been made as the legal or beneficial owner of the Performance Shares. Notwithstanding the foregoing, the above transfer restrictions Trustee has no responsibility for the correctness of the recitals of fact herein contained which shall not be taken as the statements of each of the Issuer and the Additional Guarantor, respectively, and makes no representations as to the validity or enforceability against either the Issuer or the Additional Guarantor.

4. Indenture Ratified. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect.

5. Holders Bound. This Fifth Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of the Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

6. Successors and Assigns. This Fifth Supplemental Indenture shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

7. Counterparts. This Fifth Supplemental Indenture may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, and all of such counterparts shall together constitute one and the same instrument.

8. Governing Law. This Fifth Supplemental Indenture shall be governed by and construed in accordance with the internal laws of the State of New York without giving effect to principles of conflicts of laws.

[Signature Pages to Follow]

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apply IN WITNESS WHEREOF, the Issuer, the Guarantors, the Additional Guarantor and the Trustee have caused this Fifth Supplemental Indenture to any transfers made in accordance with or permitted by the Committee in accordance with Section 12.3 be duly executed as of the Plan. date first above written.

ISSUER:

MERITAGE HOMES CORPORATION

3. By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

VESTING By: /s/ Malissia Clinton
Name: Malissia Clinton
Title: Executive Vice President, General Counsel and Secretary

ADDITIONAL GUARANTOR:

MERITAGE HOMES OF PERFORMANCE SHARES/SETTLEMENT.MISSISSIPPI, INC.

A. By: /s/ Hilla Sferruzza **Vesting Schedule**. Subject
Name: Hilla Sferruzza
Title: Executive Vice President, Chief
Financial Officer and Assistant Secretary

TRUSTEE:

REGIONS BANK, as successor to the other conditions in this Agreement, any employment agreement between Company and Grantee, and the Plan, below, the Performance Shares shall vest and the restrictions on the Performance Shares will lapse in accordance with the terms of Attachment A, provided Grantee remains employed by the Company (or a Subsidiary) until the applicable vesting date(s) set forth on Attachment A. The Performance Period and the Performance Goals are identified in Attachment A. If Grantee's employment terminates for any reason at any time before all of his or her Performance Shares have vested, and except Wells Fargo Bank, National Association, as may be set forth in any written agreement between Grantee and Company, Grantee's unvested Performance Shares shall be automatically forfeited upon such termination of employment and neither the Company (nor any Subsidiary) shall have any further obligations trustee

By: /s/ Craig A. Kaye
Name: Craig A. Kaye
Title: Vice President

[Signature Pages to Grantee under this Agreement.Fifth Supplemental Indenture]

B. **Acceleration of Vesting Schedule**. Notwithstanding the above and to the extent provided in Grantee's employment agreement (if any) or the

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GUARANTORS:

MERITAGE PASEO CROSSING, LLC

By: Meritage Homes Corporation of Arizona, Inc.
Its: Sole Member

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Severance Plan ("Severance Plan"), the time- or service-based vesting portion of the Performance Shares shall immediately vest Vice President, Chief Financial Officer and all restrictions on the time- or service-based vesting portion of the Performance Shares shall lapse to the extent provided in such employment agreement or Severance Plan.Assistant Secretary

MERITAGE PASEO CONSTRUCTION, LLC

By: Meritage Homes Construction, Inc.
Its: Sole Member

C. By: /s/ Hilla Sferruzza **Settlement of Performance Shares**. Subject to the provisions of the Plan
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Sections 4 Assistant Secretary

MERITAGE HOMES OF ARIZONA, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and 7 of this Agreement, within 60 days following the date on which the Performance Shares vest, the Company shall: (i) issue Assistant Secretary

MERITAGE HOMES CONSTRUCTION, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and deliver to Grantee the number of shares of Stock equal to the number of vested Performance Shares; and (ii) issue to Grantee a stock certificate (or, at the Company's option, a book entry credit or an electronic delivery of certificates through the DWAC system) representing those shares of Stock that have vested and become unrestricted. If Grantee is deemed a Specified Employee at a time when Grantee becomes eligible for settlement of the Performance Shares upon Grantee's Separation from Service, then to the extent necessary to prevent any accelerated or additional tax under Section 409A of the Code, such settlement will be delayed until the earlier of: (i) the date that is six months following Grantee's Separation from Service and (ii) Grantee's death.

1. **COMPLIANCE WITH LAW**. Consistent with the Plan, the issuance and transfer of shares of Stock in connection with the Performance Shares shall be subject to compliance by the Company and Grantee with all applicable requirements of federal and state securities laws and with all applicable requirements of any stock exchange on which the Company's shares of Stock may be listed. No shares of Stock shall be issued or transferred unless and until any then applicable requirements of state and federal laws and regulatory agencies have been fully complied with to the satisfaction of the Company and its counsel.

2. **ADJUSTMENT OF SHARES**. The number of Performance Shares issued to Grantee pursuant to this Agreement shall be adjusted by the Committee pursuant to Section 10 of the Plan in the event of a change in the Company's capital structure.

3. **AMENDMENT OF AGREEMENT**. This Agreement may only be amended with the written approval of Grantee and the Company.

4. **SECTION 409A**. This Agreement is intended to comply with Section 409A of the Code or an exemption thereunder and shall be construed and interpreted in a manner that is consistent with the requirements for avoiding additional taxes or penalties under Section 409A of the Code. Notwithstanding the foregoing, the Company makes no representations that theAssistant Secretary

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MERITAGE HOMES OF TEXAS HOLDING, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MERITAGE HOMES OF CALIFORNIA, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MERITAGE HOMES OF TEXAS JOINT VENTURE HOLDING COMPANY, LLC

By: Meritage Homes of Texas, LLC

Its: Sole Member

By: Meritage Homes of Texas Holding, Inc.
Its: Sole Member

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MERITAGE HOLDINGS, L.L.C.

By: Meritage Homes of Texas Holding, Inc.
Its: Sole Member

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

[Signature Pages to Fifth Supplemental Indenture – Continued]

MERITAGE HOMES OF NEVADA, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MTH-CAVALIER, LLC

By: Meritage Homes Construction, Inc.
Its: Sole Member

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MTH GOLF, LLC

By: Meritage Homes Construction, Inc.
Its: Sole Member

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MERITAGE HOMES OF COLORADO, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

[Signature Pages to Fifth Supplemental Indenture – Continued]

MERITAGE HOMES OF FLORIDA, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

CALIFORNIA URBAN HOMES, LLC

By: Meritage Homes of California, Inc.
Its: Sole Member and Manager

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MERITAGE HOMES OF TEXAS, LLC

By: Meritage Homes of Texas Holding, Inc.
Its: Sole Member

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MERITAGE HOMES OPERATING COMPANY, LLC

By: Meritage Holdings, L.L.C.
Its: Manager

By: Meritage Homes of Texas Holding, Inc.
Its: Sole Member

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

[Signature Pages to Fifth Supplemental Indenture – Continued]

WW PROJECT SELLER, LLC

By: Meritage Paseo Crossing, LLC
Its: Sole Member

By: Meritage Homes of Arizona, Inc.
Its: Sole Member

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

9.

MERITAGE HOMES OF THE CAROLINAS, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

CAREFREE TITLE AGENCY, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

M&M FORT MYERS HOLDINGS, LLC

By: Meritage Paseo Crossing, LLC
Its: Sole Member and Manager

By: Meritage Homes of Arizona, Inc.
Its: Sole Member

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

[Signature Pages to Fifth Supplemental Indenture – Continued]

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payments MERITAGE HOMES OF FLORIDA REALTY LLC

By: Meritage Homes of Florida, Inc.
Its: Manager and benefits provided Sole Member

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MERITAGE HOMES OF TENNESSEE, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MERITAGE HOMES OF SOUTH CAROLINA, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MTH REALTY LLC

By: Meritage Paseo Crossing, LLC
Its: Sole Member and Manager

By: Meritage Homes of Arizona, Inc.
Its: Sole Member

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

[Signature Pages to Fifth Supplemental Indenture – Continued]

MERITAGE HOMES OF GEORGIA, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MTH GA REALTY LLC

By: Meritage Homes of Georgia, Inc.
Its: Manager and Sole Member

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MTH SC REALTY LLC

By: Meritage Homes of South Carolina, Inc.
Its: Manager and Sole Member

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MTH FINANCIAL HOLDINGS, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

[Signature Pages to Fifth Supplemental Indenture – Continued]

MLC HOLDINGS, INC., dba MLC LAND HOLDINGS, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MERITAGE HOMES OF GEORGIA REALTY, LLC

By: Meritage Homes of Georgia, Inc.
Its: Manager and Sole Member

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MERITAGE HOMES INSURANCE AGENCY, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MERITAGE HOMES OF UTAH, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MERITAGE SERVICES COMPANY, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

[Signature Pages to Fifth Supplemental Indenture – Continued]

MERITAGE HOMES OF ALABAMA, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief

Financial Officer and Assistant Secretary

[End of Signature Pages to Fifth Supplemental Indenture]

Exhibit 4.4.2

SECOND SUPPLEMENTAL INDENTURE, dated as of December 5, 2024 (the "Second Supplemental Indenture") between Meritage Homes Corporation, a corporation organized under this Agreement comply with Section 409A the laws of the Code State of Maryland (the "Issuer"), the Guarantors named therein, Meritage Homes of Mississippi, Inc., a corporation organized under the laws of the State of Arizona (the "Additional Guarantor"), and Regions Bank, as trustee (the "Trustee") under the Indenture (as defined below). Capitalized terms used and not defined herein shall have the same meanings given in no event shall the Indenture unless otherwise indicated.

WHEREAS, the Issuer, the Guarantors thereto and the Trustee are parties to that certain Indenture dated as of April 15, 2021 (the "Indenture") pursuant to which the Company issued its 3.875% Senior Notes due 2029 (the "Notes") and the Guarantors guaranteed the obligations of the Issuer under the Indenture and the Notes;

WHEREAS, pursuant to Section 4.08 of the Indenture, if the Issuer acquires or creates any additional subsidiary which is a Restricted Subsidiary, each such subsidiary shall execute and deliver a supplemental indenture pursuant to which such subsidiary shall unconditionally guaranty the Issuer's obligations under the Notes;

WHEREAS, the Issuer, the Guarantors thereto, Meritage Homes Alabama, Inc., and the Trustee are parties to that certain First Supplemental Indenture dated as of August 7, 2024, pursuant to which Meritage Homes Alabama, Inc. was added as a Guarantor;

WHEREAS, the Additional Guarantor is a Restricted Subsidiary of the Issuer;

WHEREAS, the Issuer and the Trustee desire to have the Additional Guarantor enter into this Second Supplemental Indenture and agree to guaranty the obligations of the Issuer under the Indenture and the Notes and the Additional Guarantor desires to enter into this Second Supplemental Indenture and to guaranty the obligations of the Issuer under the Indenture and the Notes as of such date;

WHEREAS, by entering into this Second Supplemental Indenture, the Issuer and the Trustee have consented to amend the Indenture in accordance with the terms and conditions herein;

WHEREAS, each Guarantor hereby acknowledges and consents to amend the Indenture in accordance with the terms and conditions herein; and

WHEREAS, all acts and things prescribed by the charter documents of the Additional Guarantor (as now in effect) necessary to make this Second Supplemental Indenture a valid instrument legally binding on the Additional Guarantor for the purposes herein expressed, in accordance with its terms, have been duly done and performed.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Issuer, the Guarantors, the Additional Guarantor and the Trustee hereby agree for the benefit of each other and the equal and ratable benefit of the Holders of the Notes as follows:

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1. Additional Guarantor as Guarantor. As of the date hereof and pursuant to this Second Supplemental Indenture, the Additional Guarantor shall become a Guarantor under the definition of Guarantor in the Indenture in accordance with the terms and conditions of the Indenture and shall assume all rights and obligations of a Guarantor thereunder.

2. Construction. For all purposes of this Second Supplemental Indenture, except as otherwise herein expressly provided or unless the context otherwise requires: (i) the defined terms and expressions used herein shall have the same meanings as corresponding terms and expressions

used in the Indenture; and (ii) the words “herein,” “hereof,” “hereby” and other words of similar import used in this Second Supplemental Indenture refer to this Second Supplemental Indenture as a whole and not to any particular Section hereof.

3. Trustee Acceptance. The Trustee accepts the amendment of the Indenture effected by this Second Supplemental Indenture, as hereby amended, but only upon the terms and conditions set forth in the Indenture, as hereby amended, including the terms and provisions defining and limiting the liabilities and responsibilities of the Trustee in the performance of its duties and obligations under the Indenture, as hereby amended. Without limiting the generality of the foregoing, the Trustee has no responsibility for the correctness of the recitals of fact herein contained which shall be liable taken as the statements of each of the Issuer and the Additional Guarantor, respectively, and makes no representations as to the validity or enforceability against either the Issuer or the Additional Guarantor.

4. Indenture Ratified. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect.

5. Holders Bound. This Second Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of the Notes heretofore or any portion hereafter authenticated and delivered shall be bound hereby.

6. Successors and Assigns. This Second Supplemental Indenture shall be binding upon and inure to the benefit of any taxes, penalties, interest or other expenses that the parties hereto and their respective successors and assigns.

7. Counterparts. This Second Supplemental Indenture may be incurred executed in any number of counterparts, each of which when so executed shall be deemed to be an original, and all of such counterparts shall together constitute one and the same instrument.

8. Governing Law. This Second Supplemental Indenture shall be governed by Grantee on account of non-compliance and construed in accordance with Section 409A the internal laws of the Code. State of New York without giving effect to principles of conflicts of laws.

If [Signature Pages to Follow]

IN WITNESS WHEREOF, the Issuer, the Guarantors, the Additional Guarantor and the Trustee have caused this Second Supplemental Indenture to be duly executed as of the date first above written.

ISSUER:

MERITAGE HOMES CORPORATION

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

By: /s/ Malissia Clinton
Name: Malissia Clinton
Title: Executive Vice President, General Counsel and Secretary

ADDITIONAL GUARANTOR:

MERITAGE HOMES OF MISSISSIPPI, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief
Financial Officer and Assistant Secretary

TRUSTEE:

REGIONS BANK, as Trustee

By: /s/ Craig A. Kaye
Name: Craig A. Kaye
Title: Vice President

[Signature Pages to Second Supplemental Indenture]

GUARANTORS:

MERITAGE PASEO CROSSING, LLC

By: Meritage Homes of Arizona, Inc.
Its: Sole Member

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MERITAGE PASEO CONSTRUCTION, LLC

By: Meritage Homes Construction, Inc.
Its: Sole Member

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MERITAGE HOMES OF ARIZONA, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MERITAGE HOMES CONSTRUCTION, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

[Signature Pages to Second Supplemental Indenture – Continued]

MERITAGE HOMES OF TEXAS HOLDING, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MERITAGE HOMES OF CALIFORNIA, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MERITAGE HOMES OF TEXAS JOINT VENTURE HOLDING COMPANY, LLC

By: Meritage Homes of Texas, LLC
Its: Sole Member

By: Meritage Homes of Texas Holding, Inc.
Its: Sole Member

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MERITAGE HOLDINGS, L.L.C.

By: Meritage Homes of Texas Holding, Inc.
Its: Sole Member

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

[Signature Pages to Second Supplemental Indenture – Continued]

MERITAGE HOMES OF NEVADA, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MTH-CAVALIER, LLC

By: Meritage Homes Construction, Inc.
Its: Sole Member

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MTH GOLF, LLC

By: Meritage Homes Construction, Inc.
Its: Sole Member

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MERITAGE HOMES OF COLORADO, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

[Signature Pages to Second Supplemental Indenture – Continued]

MERITAGE HOMES OF FLORIDA, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

CALIFORNIA URBAN HOMES, LLC

By: Meritage Homes of California, Inc.
Its: Sole Member and Manager

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MERITAGE HOMES OF TEXAS, LLC

By: Meritage Homes of Texas Holding, Inc.
Its: Sole Member

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MERITAGE HOMES OPERATING COMPANY, LLC

By: Meritage Holdings, L.L.C.
Its: Manager

By: Meritage Homes of Texas Holding, Inc.
Its: Sole Member

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

[Signature Pages to Second Supplemental Indenture – Continued]

WW PROJECT SELLER, LLC

By: Meritage Paseo Crossing, LLC
Its: Sole Member

By: Meritage Homes of Arizona, Inc.
Its: Sole Member

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

9.

MERITAGE HOMES OF THE CAROLINAS, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

CAREFREE TITLE AGENCY, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

M&M FORT MYERS HOLDINGS, LLC

By: Meritage Paseo Crossing, LLC
Its: Sole Member and Manager

By: Meritage Homes of Arizona, Inc.
Its: Sole Member

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

[Signature Pages to Second Supplemental Indenture – Continued]

MERITAGE HOMES OF FLORIDA REALTY LLC

By: Meritage Homes of Florida, Inc.
Its: Manager and Sole Member

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MERITAGE HOMES OF TENNESSEE, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MERITAGE HOMES OF SOUTH CAROLINA, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MTH REALTY LLC

By: Meritage Paseo Crossing, LLC
Its: Sole Member and Manager

By: Meritage Homes of Arizona, Inc.
Its: Sole Member

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

[Signature Pages to Second Supplemental Indenture – Continued]

MERITAGE HOMES OF GEORGIA, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MTH GA REALTY LLC

By: Meritage Homes of Georgia, Inc.
Its: Manager and Sole Member

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MTH SC REALTY LLC

By: Meritage Homes of South Carolina, Inc.
Its: Manager and Sole Member

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MTH FINANCIAL HOLDINGS, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

[Signature Pages to Second Supplemental Indenture – Continued]

MLC HOLDINGS, INC., dba MLC LAND HOLDINGS, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MERITAGE HOMES OF GEORGIA REALTY, LLC

By: Meritage Homes of Georgia, Inc.
Its: Manager and Sole Member

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MERITAGE HOMES INSURANCE AGENCY, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MERITAGE HOMES OF UTAH, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MERITAGE SERVICES COMPANY, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

[Signature Pages to Second Supplemental Indenture – Continued]

MERITAGE HOMES OF ALABAMA, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

[End of Signature Pages to Second Supplemental Indenture]

Exhibit 4.5.2

SECOND SUPPLEMENTAL INDENTURE

Second Supplemental Indenture, dated as of December 5, 2024 (this "Supplemental Indenture"), among Meritage Homes of Mississippi, Inc., an Arizona corporation (the "Additional Subsidiary Guarantor"), a subsidiary of MERITAGE HOMES CORPORATION, a Maryland corporation (or its permitted successor) (the "Company"), the Company, concludes the other Subsidiary Guarantors (as defined in the Indenture referred to herein) and REGIONS BANK, an Alabama banking corporation, as trustee under the Indenture referred to below (the "Trustee").

W I T N E S S E T H

WHEREAS, the Company has heretofore executed and delivered to the Trustee an indenture, dated as of May 9, 2024 (the "Indenture"), providing for the issuance of 1.75% Convertible Senior Notes due 2028 (the "Notes");

WHEREAS, the Indenture provides that under certain circumstances the Additional Subsidiary Guarantor shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Additional Subsidiary Guarantor shall unconditionally guarantee all of the Company's obligations under the Notes and the Indenture on the terms and conditions set forth herein (the "Guarantee"); and

WHEREAS, pursuant to Section 10.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Company, the Additional Subsidiary Guarantor and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. *Capitalized Terms*. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. *Agreement is to Guarantee*. The Additional Subsidiary Guarantor hereby becomes a party to the Indenture as a Subsidiary Guarantor and as such shall have all of the rights and be subject to all of the obligations and agreements of a Subsidiary Guarantor under the Indenture. The Additional Subsidiary Guarantor hereby agrees, on a joint and several basis with all the existing Subsidiary Guarantors, to provide an unconditional Guarantee on the terms and subject to the requirements conditions set forth in the Guarantee and in the Indenture including but not limited to Article 13 thereof.

3. *Ratification of Section 409A, neither Indenture – Supplemental Indentures Part of Indenture*. Except as expressly amended hereby, the time nor Indenture is in all respects ratified and confirmed and all the schedule terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

4871-7102-0756

Exhibit 4.6.3

4. *No Recourse Against Others*. No recourse for the payment of the Performance Shares may be accelerated principal of or subject to a further deferral except as permitted pursuant to Section 409A accrued and unpaid interest on any Note, nor for any claim based thereon or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of the Code and Company in the applicable regulations. In addition, if Indenture, in this Supplemental Indenture or in any Note, nor because of the creation of any indebtedness represented thereby, shall be had against any incorporator, stockholder, employee, agent, Officer or director or Subsidiary, as such, past, present or future, of the Company concludes that this Agreement is subject to Section 409A, payment or any Additional Subsidiary Guarantor or of any successor corporation, either directly or through the Company, any Additional Subsidiary Guarantor or any successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise. The waiver and release are part of the Performance Shares may be delayed only in accordance with Section 409A consideration for issuance of the Code and the applicable regulations and Grantee may not make any election regarding the time or the form of the payment of the Performance Shares. Notes.

8. 5. *SEVERABILITY GOVERNING LAW*. If THIS SUPPLEMENTAL INDENTURE, AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS SUPPLEMENTAL INDENTURE, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK

6. *Severability Clause*. In case any provision of in this Agreement, Supplemental Indenture shall be invalid, illegal or the application of any such provision to any person or circumstance, is held to be unenforceable, or invalid by any court of competent jurisdiction or under any applicable law, the parties hereto shall negotiate an equitable adjustment to the provisions of this Agreement with the view to effecting, to the greatest extent possible, the original purpose and intent of this Agreement, and in any event, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and such provision shall be ineffective only to the extent of such invalidity, illegality or unenforceability.

7. *Counterparts*. This Supplemental Indenture may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument. The exchange of copies of this Agreement Supplemental Indenture and of signature pages by facsimile, PDF or other electronic transmission shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and may be used in lieu of the original Supplemental Indenture and signature pages for all purposes. Signatures of the parties hereto transmitted by facsimile, PDF or other electronic transmission shall constitute effective execution and delivery of this Supplemental Indenture as to the other parties hereto shall be deemed to be their original signatures for all purposes.

8. *Effect of Headings*. The Section headings herein are for convenience only and shall not be affected thereby. affect the construction hereof.

9.*ACCEPTANCE The Trustee*. Grantee hereby acknowledges receipt In entering into this Supplemental Indenture, the Trustee shall be entitled to the benefit of a copy every provision of the Plan, the prospectus related Indenture relating to the Plan conduct or affecting the liability of or affording protection to the Trustee, whether or not elsewhere herein so provided. The Trustee makes no representations as to the validity, execution or sufficiency of this Supplemental Indenture other than as to the validity of its execution and this Agreement. Grantee has read and understands delivery by the terms and provisions thereof, and accepts Trustee. The Trustee assumes no responsibility for the Performance Shares subject to all correctness of the terms recitals contained herein, which are made solely by the Additional Subsidiary Guarantor and conditions the Company.

4871-7102-0756

Exhibit 4.6.3

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the Plan and this Agreement. Grantee acknowledges that there may be adverse tax consequences upon the vesting or settlement date first above written.

Dated: December 5, 2024

MERITAGE HOMES OF MISSISSIPPI, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MERITAGE HOMES CORPORATION
By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

REGIONS BANK, as Trustee

By: /s/ Craig A. Kaye
Name: Craig A. Kaye
Title: Vice President

[Signature Page to Second Supplemental Indenture]

Exhibit 10.10.9

NINTH AMENDMENT TO
AMENDED AND RESTATED CREDIT AGREEMENT

NINTH AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT (this "Amendment") dated as of May 1, 2024, among MERITAGE HOMES CORPORATION, a Maryland corporation (the "Borrower"), MIZUHO BANK, LTD., as assignee from JPMorgan Chase Bank, N.A., as administrative agent on behalf of the Performance Shares or disposition Lenders (in such capacity, together with its successors and assigns in such capacity, the "Administrative Agent"), and the Lenders party hereto.

RECITALS:

A. The Borrower, the Administrative Agent and the Lenders are parties to that certain Amended and Restated Credit Agreement dated as of the underlying shares June 13, 2014 (the "Original Credit Agreement"), as amended by that certain First Amendment to Amended and Restated Credit Agreement dated as of July 9, 2015, that certain Second Amendment to Amended and Restated Credit Agreement dated as of June 29, 2016, that certain Third Amendment to Amended and Restated Credit Agreement dated as of May 31, 2017, that certain Fourth Amendment to Amended and Restated Credit Agreement dated as of June 28, 2018, that certain Fifth Amendment to Amended and Restated Credit Agreement dated as of June 27, 2019, that certain Sixth Amendment to Amended and Restated Credit Agreement dated as of December 22, 2020, that certain Seventh Amendment to Amended and Restated Credit Agreement dated as of December 17, 2021, and that Grantee has been advised certain Eighth Amendment to consult a tax advisor prior to such vesting, settlement or disposition.

10. Amended and Restated Credit Agreement dated as of June 2, 2023 (the "TAX ADVICE; WITHHOLDING Eight Amendment. As described in Section 14 of"; and, as so amended, collectively, the Plan, the Company "Credit Agreement"; and, except as otherwise herein expressly provided, all capitalized terms used herein shall have the right meaning assigned to deduct such terms in the Credit Agreement).

B. The Borrower, the Administrative Agent and the Lenders desire to amend the Credit Agreement as more fully set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. Amendment of Credit Agreement. Effective as of the Effective Date (as defined below), the Credit Agreement is hereby amended as follows:

(a) The following defined terms are added in alphabetical order to Section 1.1 of the Credit Agreement:

"Permitted Convertible Indebtedness" means any unsecured indebtedness issued by the Borrower (whether or withhold from not guaranteed by any payments Subsidiary thereof) that (i) as of the date of issuance thereof such indebtedness is subject to terms, conditions, covenants, conversion or issuances made exchange rights, redemption rights and offer to repurchase rights, in each case, as are typical and customary for unsecured convertible notes of such type, as determined by Company the Borrower in its good faith judgment, (ii) is convertible into common Capital Stock of the Borrower (or other

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securities or property following a merger event, reclassification or other change of the common stock of the Borrower), or cash or any combination thereof in lieu of such common equity interests (or such other securities or property), and (iii) does not include representations, undertakings, covenants or defaults (other than covenants or defaults customary for convertible indebtedness but not customary for loans, as determined by Borrower in its good faith judgment) that are more restrictive on the Borrower than the provisions of this Agreement.

"Permitted Convertible Note Hedge" means any call or capped call option (or substantively equivalent derivative transaction) relating to Grantee, the Borrower's common stock (or other securities or to require that Grantee remit to Company, an amount sufficient to satisfy any federal, state property following a merger event, reclassification or local taxes other change of the common stock of the Borrower) purchased by the Borrower in connection with the issuance of any kind Permitted Convertible Indebtedness; provided that the purchase price for such Permitted Convertible Note Hedge does not exceed the net proceeds received by the Borrower from the issuance of such Permitted Convertible Indebtedness.

(b) Section 7.4 of the Credit Agreement is hereby amended by:

(i) Deleting the word "and" at the end of clause (m) thereof;

(ii) Replacing "." at the end of clause (n) thereof with "; and"; and

(iii) Adding as are required by law a new clause (o) thereof: "(o) Investments in any Permitted Convertible Note Hedge."

(c) Section 8(e) of the Credit Agreement is amended to be withheld add the following proviso at the end thereof as follows:

"; provided further, that an event or condition described in clause (iii) of this paragraph (e) shall not at any time constitute an Event of Default with respect to this Agreement and (i) the settlement conversion of (including any cash payment upon conversion), or vesting payment of any principal or premium on, any Permitted Convertible Indebtedness (including any payment of cash in lieu of fractional shares), or the Performance Shares. Grantee also acknowledges that FICA tax will become due when the Performance Shares are no longer subject to a substantial risk payment of forfeiture. Grantee acknowledges that neither the Company nor any of its representatives has provided to Grantee any tax-related advice interest with respect to any Permitted Convertible Indebtedness or (ii) the matters covered by this Agreement. occurrence of any event that permits holders of any Permitted Convertible Indebtedness to convert such Indebtedness, unless, in each case of clauses (i) and (ii), such occurrence, conversion or event results from a default under such Permitted Convertible Indebtedness or an event of the type that constitutes (or, with the notice or passage of time would constitute) an Event of Default".

11. Section 2. ENTIRE AGREEMENT Effective Date. Subject to the terms satisfaction of Grantee’s employment agreement the conditions set forth in Section 4 hereof, this Amendment shall be effective as of the date of this Amendment (the “Effective Date”).

Section 3. Representations. The Borrower hereby represents and warrants to the Administrative Agent and the Severance Plan, Lenders, as follows:

(a) Each of the representations and warranties contained in the Credit Agreement, as amended by this Amendment, or any of the other Loan Documents, is true and correct in all material respects (except any representations and warranties which are qualified by materiality, shall be correct and accurate in all respects) on and as of the date hereof except that Schedule 4.12 to the Credit Agreement should be considered updated to reflect all Subsidiaries added as Guarantors since June 13, 2014 (all of which are signing the Reaffirmation of Guarantee attached hereto as Exhibit A), and except if any such representation or warranty was made as of a specific date, then the same shall have been true and correct in all material respects as of such specific date;

(b) As of the date hereof and immediately after giving effect to this Amendment and the actions contemplated hereby, no Default or Event of Default has occurred and is continuing;

(c) Borrower has all necessary corporate power and authority to execute, deliver and perform its obligations under this Amendment; the execution, delivery and performance of this Amendment has been duly authorized by all necessary corporate action on the part of Borrower; and this Amendment has been duly and validly executed and delivered by Borrower and constitutes the entire, final, legal, valid and complete agreement between binding obligation of Borrower, enforceable in accordance with its respective terms, except as such enforceability may be limited by (i) bankruptcy, insolvency, reorganization, moratorium or similar laws of general applicability affecting the enforcement of creditors’ rights and (ii) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law);

(d) This Amendment (i) does not require any consent or approval of, registration or filing with, or any other action by, any governmental authority, except for such as have been obtained or made and are in full force and effect, (ii) will not violate any applicable law or regulation, the certificate of incorporation or by-laws of Borrower, or any order of any governmental authority and (iii) will not violate or result in a default under any Contractual Obligation of Borrower; and

(e) Neither the Borrower nor any Guarantor is an Affected Financial Institution.

Section 4. Conditions to the Effectiveness of this Amendment. It shall be a condition precedent to the effectiveness of this Amendment that each of the following conditions are satisfied:

(a) the parties hereto with respect shall have executed and delivered counterparts of this Amendment to the subject matter hereof Administrative Agent;

(b) each Guarantor shall have executed and supersede delivered a Reaffirmation of Amended and Restated Guarantee Agreement, in the form of the Reaffirmation of Guarantee Agreement attached hereto as Exhibit B;

(c) to the extent changed since June 2, 2023, Borrower shall have delivered to the Administrative Agent updated corporate formation and organizational documents of Borrower and Guarantors (certified by Borrower, Guarantors or public officials, as appropriate), including resolutions and incumbency certificates;

(d) no Default or Event of Default shall exist as of the Effective Date;

(e) Borrower shall have delivered to the Administrative Agent a duly executed Compliance Certificate and a Borrowing Base Certificate, each for the period ending March 31, 2024;

(f) Borrower shall have delivered to Administrative Agent a copy of the filed Form 10-K for Borrower and its Subsidiaries for the fiscal year ended December 31, 2023;

(g) Borrower shall have delivered to Administrative Agent such other agreements, instruments and documents as Administrative Agent, its counsel or any Lender shall reasonably request;

(h) Borrower shall have paid to the Administrative Agent and the Lenders all fees required to be paid in connection with this Amendment, if any;

(i) Borrower shall have paid to the Administrative Agent all of the Administrative Agent's reasonable out of pocket costs and expenses, including legal fees, incurred in connection with this Amendment; and

(j) to the extent Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, at least five (5) days prior agreements, promises, understandings, negotiations, representations, to the Effective Date, a Beneficial Ownership Certification in relation to Borrower to any requesting Lender.

Section 5. Reaffirmation and commitments, both written Ratification. Borrower hereby: (a) reaffirms, ratifies, confirms, and oral, between acknowledges its obligations under the Loan Documents and agrees to continue to be bound thereby and perform thereunder; (b) agrees and acknowledges that all such Loan Documents and all of Borrower's obligations thereunder are and remain in full force and effect and, except as expressly provided herein, have not been modified; and (c) acknowledges and agrees that to its knowledge it has no defenses, offsets or counterclaims of any kind or nature whatsoever to its obligations under the Loan Documents.

Section 6. Miscellaneous.

(a) GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

(b) Amendments, Etc. The terms of this Amendment may be waived, modified and amended only by an instrument in writing duly executed by Borrower and the Administrative Agent (with any required consent of the Lenders pursuant to the Credit Agreement). Any such waiver, modification or amendment shall be binding upon Borrower, the Administrative Agent and each Lender (including the Swingline Lender and each Issuing Lender).

(c) Successors and Assigns. This Amendment shall be binding upon and inure to the benefit of the respective successors and assigns of Borrower, the Administrative Agent and the Lenders (including the Swingline Lender and each Issuing Lender).

(d) Captions. The captions and section headings used herein are for convenience of reference only, are not part of this Amendment and shall not affect the construction of, or be taken into consideration in interpreting, this Amendment.

(e) Counterparts. This Amendment may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto with respect may execute this Amendment by signing any such counterpart. Delivery of an

executed signature page of this Amendment that is an Electronic Signature transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page shall be effective as delivery of a manually executed counterpart hereof.

(f) Severability. Any provision of this Amendment held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the subject matter hereof. Neither party extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

[Signature pages follow.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the day and year first above written.

MERITAGE HOMES CORPORATION, as Borrower

By: /s/ Hilla Sferruzza______________________
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

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MIZUHO BANK, LTD, as assignee from JPMorgan Chase Bank, N.A., as Administrative Agent and as a Class A Lender

By: /s/ Donna DeMagistris
Name: Donna DeMagistris
Title: Managing Director

JPMORGAN CHASE BANK, N.A., as a Class A Lender and an Issuing Lender

By: /s/ Amit Mudaliar
Name: Amit Mudaliar
Title: Vice President

[Signature page to Ninth Amendment]

sf-5927172

BANK OF AMERICA, N.A., as a Class A Lender and an Issuing Lender

By: /s/ Thomas W. Nowak
Name: Thomas W. Nowak
Title: Senior Vice President

[Signature page to Ninth Amendment]

sf-5927172

REGIONS BANK, as a Class A Lender and an Issuing Lender

By: /s/ Daniel Blazei
Name: Daniel Blazie
Title: Vice President

[Signature page to Ninth Amendment]

sf-5927172

U.S. BANK NATIONAL ASSOCIATION, as a Class A Lender and an Issuing Lender

By: /s/ David Prowse
Name: David Prowse
Title: Senior Vice President

[Signature page to Ninth Amendment]

sf-5927172

FIFTH THIRD BANK, NATIONAL ASSOCIATION, as a Class A Lender and an Issuing Lender

By: /s/ Madison Seiter
Name: Madison Seiter
Title: Assistant Vice President

[Signature page to Ninth Amendment]

sf-5927172

GOLDMAN SACHS LENDING PARTNERS LLC, as a Class A Lender

By: /s/ Priyankush Goswami
Name: Priyankush Goswami
Title: Authorized Signatory

[Signature page to Ninth Amendment]

sf-5927172

PNC BANK, NATIONAL ASSOCIATION, as a Class A Lender

By: /s/ J. Richard Litton
Name: J. Richard Litton
Title: Senior Vice President

[Signature page to Ninth Amendment]

sf-5927172

TEXAS CAPITAL BANK, formerly known as TEXAS CAPITAL BANK, NATIONAL ASSOCIATION, as a Class A Lender

By: /s/ Lauren Alvarez
Name: Lauren Alvarez
Title: Vice President

[Signature page to Ninth Amendment]

sf-5927172

TRUIST BANK, as a Class A Lender and an Issuing Lender

By: /s/ Ryan Almond
Name: Ryan Almond
Title: Director

[Signature page to Ninth Amendment]

sf-5927172

EXHIBIT A

REAFFIRMATION OF AMENDED AND RESTATED GUARANTEE AGREEMENT

As consideration for the agreements and covenants contained in the within Amendment, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each of the undersigned ("Guarantor"), as a guarantor under that certain Amended and Restated Guarantee Agreement, dated as of June 13, 2014, as reaffirmed by that certain Reaffirmation of Amended and Restated Guarantee Agreement dated as of July 9, 2015, that certain Reaffirmation of Amended and Restated Guarantee Agreement dated as of June 29, 2016, that certain Reaffirmation of Amended and Restated Guarantee Agreement dated as of May 31, 2017, that certain Reaffirmation of Amended and Restated Guarantee Agreement dated as of June 28, 2018, that certain Reaffirmation of Amended and Restated Guarantee Agreement dated as of June 27, 2019, that certain Reaffirmation of Amended and Restated Guarantee dated as of December 22, 2020, that certain Reaffirmation of Amended and Restated Guarantee dated as of December 17, 2021, and that certain Reaffirmation of Amended and Restated Guarantee dated as of June 2, 2023 (collectively, the "Guarantee Agreement"), delivered to the Administrative Agent in connection with the extension of credit made by the Lenders pursuant to the Credit Agreement referred to above, hereby acknowledges, covenants and agrees as follows:

1. By the execution hereof, such Guarantor hereby consents to the within Amendment and all the modifications to the Loan Documents contemplated in connection therewith.

2. References to the Guarantee Agreement in any or all of the Loan Documents shall be bound deemed to include references to the Guarantee Agreement as reaffirmed and ratified by or liable for any statement, representation, promise, inducement, commitment, or understanding this Reaffirmation of any kind whatsoever not expressly set forth in this Guarantee Agreement.

12. 3. NO RIGHT TO CONTINUED EMPLOYMENT Such Guarantor reaffirms that the Guarantee Agreement remains unchanged and in full force and effect.

4. . This Such Guarantor reaffirms all of its respective obligations contained in the Guarantee Agreement, which shall not be construed remain in full force and effect for all the obligations of such Guarantor now or hereafter owing to confer upon Grantee any right to continue employment (or service) with the Company and shall not limit the right Administrative Agent (on behalf of the Company, in its sole and absolute discretion, to terminate Grantee's employment (or service) at any time for any reason.

13. **ADMINISTRATION**. This Agreement shall at all times be subject Lenders) pursuant to the terms and conditions of the Plan Guarantee Agreement and acknowledges, agrees, represents and warrants that no agreements exist with respect to the Guarantee Agreement or with respect to the obligations of the Guarantor thereunder except those specifically set forth in this Reaffirmation of Guarantee Agreement.

5. As of the date hereof and immediately after giving effect to this Amendment and the Plan shall actions contemplated thereby, each of the representations and warranties of such Guarantor contained in the Guarantee Agreement, as amended by this Amendment, is true and correct in all respects be administered material respects.

6. Such Guarantor acknowledges and agrees that it has entered into and delivered this Reaffirmation of Guarantee Agreement of Guarantor's own free will, voluntarily and without coercion or duress of any kind, and has been represented in connection herewith by counsel of its choice and is fully aware of the Committee (or terms contained in this Reaffirmation of Guarantee Agreement.

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7. Such Guarantor represents and warrants that it is not an Affected Financial Institution.

[Signature page follows.]

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IN WITNESS WHEREOF, each Guarantor has caused this Reaffirmation of Amended and Restated Guarantee to be duly executed and delivered as of May 1, 2024.

MERITAGE PASEO CROSSING, LLC

By: Meritage Homes of Arizona, Inc., its Sole Member

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MERITAGE PASEO CONSTRUCTION, LLC

By: Meritage Homes Construction, Inc., its Sole Member

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MERITAGE HOMES OF ARIZONA, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

[Signatures continue on the next page.]

sf-5927172

MERITAGE HOMES CONSTRUCTION, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MERITAGE HOMES OF TEXAS HOLDING, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MERITAGE HOMES OF CALIFORNIA, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

[Signatures continue on the next page.]

sf-5927172

MERITAGE HOMES OF TEXAS JOINT VENTURE HOLDING COMPANY, LLC

By: Meritage Homes of Texas, LLC, its Sole Member

By: Meritage Homes of Texas Holding, Inc., its Sole Member

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MERITAGE HOLDINGS, L.L.C.

By: Meritage Homes of Texas Holding, Inc., its Sole Member

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MERITAGE HOMES OF NEVADA, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

[Signatures continue on the next page.]

sf-5927172

MTH-CAVALIER, LLC

By: Meritage Homes Construction, Inc., its Sole Member

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MTH GOLF, LLC

By: Meritage Homes Construction, Inc., its Sole Member

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MERITAGE HOMES OF COLORADO, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

[Signatures continue on the next page.]

sf-5927172

MERITAGE HOMES OF FLORIDA, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

CALIFORNIA URBAN HOMES, LLC

By: Meritage Homes of California, Inc., its Sole Member and Manager

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MERITAGE HOMES OF TEXAS, LLC

By: Meritage Homes of Texas Holding, Inc., its Sole Member

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

[Signatures continue on the next page.]

sf-5927172

MERITAGE HOMES OPERATING COMPANY, LLC

By: Meritage Holdings, L.L.C., its Manager

By: Meritage Homes of Texas Holding, Inc., its Sole Member

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

WW PROJECT SELLER, LLC

By: Meritage Paseo Crossing, LLC, its Sole Member

By: Meritage Homes of Arizona, Inc., its Sole Member

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MERITAGE HOMES OF THE CAROLINAS, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

[Signatures continue on the next page.]

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CAREFREE TITLE AGENCY, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

M&M FORT MYERS HOLDINGS, LLC

By: Meritage Paseo Crossing, LLC, its Sole Member and Manager

By: Meritage Homes of Arizona, Inc., its Sole Member

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MERITAGE HOMES OF FLORIDA REALTY LLC

By: Meritage Homes of Florida, Inc., its Manager and Sole Member

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

[Signatures continue on the next page.]

sf-5927172

MERITAGE HOMES OF TENNESSEE, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MERITAGE HOMES OF SOUTH CAROLINA, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MTH REALTY LLC

By: Meritage Paseo Crossing, LLC, its Manager and Sole Member

By: Meritage Homes of Arizona, Inc., its Sole Member

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

[Signatures continue on the next page.]

sf-5927172

MERITAGE HOMES OF GEORGIA, INC.

By:_ /s/ Hilla Sferruzza ____________________
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MTH GA REALTY LLC

By: Meritage Homes of Georgia, Inc., its Manager and Sole Member

By:_ /s/ Hilla Sferruzza____________________
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MTH SC REALTY LLC

By: Meritage Homes of South Carolina, Inc., its Manager and Sole Member

By:_ /s/ Hilla Sferruzza____________________
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

[Signatures continue on the next page.]

MTH FINANCIAL HOLDINGS, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MLC HOLDINGS, INC., dba MLC LAND HOLDINGS, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MERITAGE HOMES OF GEORGIA REALTY, LLC

By: Meritage Homes of Georgia, Inc., its Manager and Sole Member

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MERITAGE HOMES INSURANCE AGENCY, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

[Signatures continue on the next page.]

sf-5927172

MERITAGE SERVICES COMPANY, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

MERITAGE HOMES OF UTAH, INC.

By: /s/ Hilla Sferruzza
Name: Hilla Sferruzza
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

sf-5927172

Exhibit 19

MERITAGE HOMES CORPORATION SECURITIES TRADING POLICY

As a public company, Meritage Homes Corporation (NYSE: MTH) and its directors and employees are subject to certain trading policies regarding Meritage Homes stock and other securities which are regulated by Federal law and the Securities and Exchange Commission (SEC).

The SEC and United States Department of Justice vigorously pursue violations of such laws by individuals and entities. Accordingly, Meritage has adopted this Securities Trading Policy to formalize the rules, restrictions and policies that apply to all employees and directors of Meritage, including former employees and directors in possession of material non-public information.

Failure by an employee or director to follow this policy could result in ***termination*** of the employee's employment or director's relationship with Meritage, in addition to civil and/or criminal penalties and prosecution.

As an overview, it is a violation of Federal law to trade securities (purchase or sell, including puts or calls) based on material non-public information. Information is considered ***material*** if a reasonable investor would consider it important in making a decision to purchase, sell or hold a security. Both positive and negative information may be ***material***. Information that is likely to affect the price of a security is almost always ***material***. Information is considered ***nonpublic*** if it has not been broadly and publicly disseminated for a sufficient period to be reflected in the security's price.

Materiality applies to the information itself, not the value of the stock purchased or sold. Transactions of any size are subject to the same rules and restrictions.

Prohibition against Trading on Material Nonpublic Information

If an employee or director is aware of material nonpublic information relating to Meritage, the employee or director is prohibited by law as well as by Meritage's policy from trading in Meritage stock or other securities or directly or indirectly disclosing such information to any other person so that they may trade in Meritage stock or other securities.

This policy also applies to information that Meritage employees or directors may learn or obtain in the course of their employment or relationship with Meritage relating to any other company, including our customers, suppliers or competitors.

It is difficult to describe exhaustively what constitutes ***material information***, but employees should assume that any information, ***positive*** or ***negative***, which might be important to an investor in determining whether to purchase, sell or hold Meritage stock would be material. Information may be significant for this purpose even if it would not alone determine the investor's decision.

Examples include:

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its designee)• significant changes in accordance with the terms customer traffic, pricing, sales, cancellations or deliveries;

- financial results or projections of and as provided in the Plan. The Committee (or its designee) shall have the sole and complete discretion with respect to all matters reserved to it by the Plan and decisions future financial results of the Committee (or its designee) with respect thereto and to this Agreement shall be final and binding upon Grantee and the Company. In the event of any conflict between the terms and conditions of this Agreement and the Plan, the provisions of the Plan shall control.

14. **CLAWBACK**. Pursuant to Section 12.6 of the Plan, every Award issued pursuant to the Plan is subject to potential forfeiture company (e.g. earnings or recovery to the fullest extent called for by law, any applicable listing standard, or any current or future clawback policy that may be adopted by the Company from time to time, including, without limitation, any clawback policy adopted to comply with the final rules issued by the Securities and Exchange Commission and the final listing standards to be adopted by the NYSE pursuant to Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. By accepting this Award, Grantee consents to the potential forfeiture or recovery of this Award pursuant to applicable law, listing standard, and/or Company clawback policy, and agrees to be bound by and comply with the clawback policy and to return to the Company the full amount required by the clawback policy. losses);

15 • DISCRETIONARY NATURE OF PLAN. The Plan is discretionary and may be amended, cancelled occurrence of a cybersecurity incident or terminated by the Company at any time, in its discretion. The grant of the Performance Shares in this Agreement does not create any contractual right or other right to receive any Performance Shares or other Awards in the future. Future Awards, if any, will be at the sole discretion of the Company. Any amendment, modification, or termination of the Plan shall not constitute a change or impairment of the terms and conditions of Grantee's employment with the Company. data breach;

16. • TRANSFER OF PERSONAL DATA potential acquisitions or mergers;

- significant purchases or sales of assets (e.g., land) or the disposition of a subsidiary;
- gain or loss of a substantial subcontractor or supplier;
- significant product defects or modifications;
- changes in dividend policies or the declaration of a stock split or dividend;
- the offering of additional securities (e.g. Grantee authorizes, agrees and unambiguously consents to the transmission by the Company (or any Subsidiary) of any personal data information related to this Award for legitimate business purposes (including, without limitation, the administration of this Award and the Plan). This authorization and consent is voluntarily and freely given by Grantee. ,stock or bonds);

IN WITNESS WHEREOF,• other important financing transactions;

- internal financial or operational information which departs from what the Company has caused this Agreement to be executed by its duly authorized representative market would expect;
- changes in senior management;
- impending bankruptcy or financial liquidity problems;
- actual or threatened litigation or the developments thereto; and Grantee has signed this Agreement, in each case as of the day and year first written above.

- government investigations.

Meritage Homes Corporation emphasizes this list is merely illustrative and is not exhaustive. In addition to the general rules above, the following specific rules apply:

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By:
Javier Feliciano
Chief People Officer Blackout Period and Trading Window

No employee or director may trade (purchase, sell or gift) Meritage's stock during the regular quarterly blackout period, which spans from the 15th day prior to the end of a fiscal quarter until one full Trading Day following Meritage's issuance to the public of an earnings release for that fiscal quarter. This policy is in addition to our general policy that no employee or director may trade while in possession of material nonpublic information. Employees and directors may exercise and hold vested stock options during a blackout period, but unless other arrangements have been agreed to and arranged in advance with the Company (as described below), they may not sell/trade the shares acquired upon exercise of the option shares until both the blackout period expires and they are not in possession of any material or nonpublic information as previously discussed.

Furthermore, no employee or director may issue an "open order to sell, good until canceled" specifying a targeted dollar amount. This can put the employee or director at risk of trading outside of the "trading window" To help employees avoid such an error, Meritage has asked Merrill Lynch to automatically cancel any such orders during a blackout period. Meritage requires that employees use Merrill Lynch for exercises or vestings of any restricted shares, restricted stock units or stock options or similar awards granted or awarded by the Company.
("Grantee")
Simply put, the "trading window" is the period between the end of one regular quarterly blackout period and the beginning of the next regular quarterly blackout period.

Attachment A

EXHIBIT 10.1.3

MERITAGE HOMES CORPORATION
RESTRICTED STOCK UNIT AWARD AGREEMENT
UNDER THE 2018 STOCK INCENTIVE PLAN (EXECUTIVE OFFICERS)

This Restricted Stock Unit Award Agreement ("Agreement") "Trading Day" is between Meritage Homes Corporation ("Company"), and the individual identified in Attachment A (the "Grantee"), and is effective defined as of [DATE] ("Date of Grant").

RECITALS

A. The Board of Directors of the Company (the "Board") has adopted and the shareholders have approved the Meritage Homes Corporation 2018 Stock Incentive Plan (the "Plan") to provide incentives to attract and retain those individuals whose services are considered unusually valuable.

B. The Executive Compensation Committee of the Board has approved this grant of Restricted Stock Units to Grantee pursuant to Section 8 of the Plan.

C. To the extent not specifically defined in this Agreement, all capitalized terms used in this Agreement shall have the meaning set forth in the Plan.

NOW, THEREFORE, the Company and Grantee agree as follows:

AGREEMENT

1. GRANT OF RESTRICTED STOCK UNITS. On the Date of Grant and subject to the terms of this Agreement and the Plan, the Company grants to Grantee an Award of the number of Restricted Stock Units set forth on Attachment A. Each Restricted Stock Unit represents the right to receive one share of Stock, subject to the terms and conditions set forth in this Agreement and the Plan. Notwithstanding the foregoing or any other provision set forth herein, this Agreement will automatically terminate and be void and this grant of Restricted Stock Units shall automatically be rescinded and withdrawn and be of no force or effect if Grantee fails to sign this Agreement on or before [DATE].

2. RIGHTS OF GRANTEE. Subject to the provisions of this Agreement and the Plan, Grantee shall not have any rights of a Company shareholder with respect to the Stock underlying the Restricted Stock Units unless and until the Restricted Stock Units vest and are settled by the issuance of such shares of Stock to Grantee. Upon and following the settlement of the Restricted Stock Units, Grantee shall be the record owner of the Stock issued in payment of the Restricted Stock Units unless and until such shares are sold or otherwise disposed of, and as record owner shall be entitled to all rights of a shareholder of the Company (including voting rights). Grantee shall not be entitled to any dividend equivalents with respect to the Restricted Stock Units to reflect any dividends payable on Stock.

Grantee agrees to not sell, transfer, pledge, exchange, hypothecate or grant any security interest in, or otherwise dispose of, any Restricted Stock Units before the date day on which the Restricted New York Stock Units vest and are settled as set forth in Attachment AExchange (NYSE) is open for trading.

Meritage may permit an employee or director to enter into any agreement or make any commitment a so-called "10b5-1 Trading Program," which allows for pre-arranged trading during blackout periods if certain rules are followed. We encourage all employees with unvested equity awards to do so. participate in our 10b5-1 program for sales to cover tax withholdings for awards that may vest during a blackout period. Any attempted sale, transfer, pledge, exchange, hypothecation or disposition other 10b5-1 plans require specific approval of the Restricted Stock Units (prior to the vesting Chief Executive Officer or General Counsel. In addition, any 10b5-1 must be established and settlement date) shall be null and void, and the Company shall not recognize or give effect to such transaction on its books and records or recognize the person or persons to whom such sale, transfer, pledge, exchange, hypothecation or disposition has been made as the legal or beneficial owner of the Restricted Stock Units. Notwithstanding the foregoing, the above transfer restrictions shall not apply to any

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transfers made maintained in accordance with applicable law, including, without limitation, Rule 10b5- 1 under the Securities Exchange Act of 1934 and any employee, director or permitted by the Committee in accordance officer establishing a 10b5- 1 plan must provide all required certifications and comply with Section 12.3 of the Plan. applicable "cooling off" periods before trades commence.

There are no exceptions to these rules, including emergency situations.

3. 20/20 Hindsight. VESTING OF RESTRICTED STOCK UNITS/SETTLEMENT If an employee's securities transactions become the subject of scrutiny, they will be reviewed after the fact with the burden of hindsight. As a result, employees and directors should carefully consider, before engaging in any transaction, how regulators and others might view the transaction in hindsight.

Transactions by Family Members. These restrictions apply equally to an employee's family members (any child, stepchild, grandchild, parent, step-parent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, cousin, and adoptive relationships) and others living in the employee's household. Employees are expected to be responsible for the compliance of their immediate family and members of their personal household.

Tipping Information to Others. Whether the information is proprietary information about Meritage or information that could have an impact on Meritage's stock price or another company's stock price, employees and directors are prohibited from passing that information on to others. The above penalties generally apply whether or not an employee or director derives any benefit from another's actions.

When Information is Public. It is improper for an employee or director to enter into a trade immediately after Meritage has made a public announcement of material information, including earnings releases. As a general rule, employees and directors may not engage in any transactions until one full Trading Day following the release of information (for example, assuming no holidays, if information is released before the market opens on Monday, transactions could begin on Tuesday).

A. **Vesting Schedule**. Subject to the other conditions in this Agreement, any employment agreement between Company

Additional Problematic Transactions

Because Meritage believes it is improper and Grantee, and the Plan, the Restricted Stock Units shall vest and the restrictions on the Restricted Stock Units will lapse in accordance with the terms of Attachment A, provided Grantee remains employed by the Company (or a Subsidiary) until the applicable vesting date(s) set forth on Attachment A. If Grantee's employment terminates inappropriate for any reason at any time before all employee or director to engage in short-term or speculative transactions involving Meritage's stock, we discourage employees and directors from engaging in trading of his or her Restricted Stock Units have vested, and except as may be set forth in any written agreement between Grantee and Company, Grantee's unvested Restricted Stock Units shall be automatically forfeited upon such termination of employment and neither the Company (nor any Subsidiary) shall have any further obligations to Grantee under this Agreement.

B. **Acceleration of Vesting Schedule**. Notwithstanding the above and to the extent provided in Grantee's employment agreement (if any) or the Meritage Homes Corporation Executive Severance Plan ("Severance Plan"), the Restricted Stock Units shall immediately vest and all restrictions Meritage's securities on the Restricted Stock Units shall lapse to the extent provided in such employment agreement or Severance Plan.

C. **Settlement of Restricted Stock Units**. Subject to the provisions of the Plan and Sections 4 and 7 of this Agreement, within 60 days following the date on which the Restricted Stock Units vest, the Company shall: (i) issue and deliver to Grantee the number of shares of Stock equal to the number of vested Restricted Stock Units; and (ii) issue to Grantee a stock certificate (or, at the Company's option, a book entry credit or an electronic delivery of certificates through the DWAC system) representing those shares of Stock that have vested and become unrestricted. If Grantee is deemed a Specified Employee at a time when Grantee becomes eligible for settlement of the Restricted Stock Units upon Grantee's Separation from Service, then to the extent necessary to prevent any accelerated or additional tax under Section 409A of the Code, such settlement will be delayed until the earlier of: (i) the date that is six months following Grantee's Separation from Service and (ii) Grantee's death.

4. COMPLIANCE WITH LAW. Consistent with the Plan, the issuance and transfer of shares of Stock in connection with the Restricted Stock Units shall be subject to compliance by the Company and Grantee with all applicable requirements of federal and state securities laws and with all applicable requirements of any stock exchange on which the Company's shares of Stock may be listed. No shares of Stock shall be issued or transferred unless and until any then applicable requirements of state and federal laws and regulatory agencies have been fully complied with to the satisfaction of the Company and its counsel.

5. ADJUSTMENT OF SHARES. The number of Restricted Stock Units issued to Grantee pursuant to this Agreement shall be adjusted by the Committee pursuant to Section 10 of the Plan in the event of a change in the Company's capital structure.

6. AMENDMENT OF AGREEMENT. This Agreement may only be amended with the written approval of Grantee and the Company.

7. SECTION 409A. This Agreement is intended to comply with Section 409A of the Code or an exemption thereunder and shall be construed and interpreted in a manner that is consistent with the requirements for avoiding additional taxes or penalties under Section 409A of the Code. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A of the Code and in no event shall the Company be liable for all or any portion of any taxes, penalties, interestshort-term basis. Employees who purchase stock of Meritage in the open market are encouraged to hold that stock for a minimum of six months, and ideally longer. (Note: The SEC's short-swing profit rule already regulates the sale/purchase of Meritage's stock by directors and executive officers within six months of another purchase/sale transaction. Meritage is recommending that this rule be observed by all employees.)

In addition, Meritage prohibits all types of hedging transactions involving Meritage stock including, but not limited to:

- Purchase of stock on margin;
- Short sales;
- Buying or selling puts or calls; and
- Similar transactions involving any derivative securities or contracts.

Confidentiality

Serious problems could be caused for Meritage by unauthorized disclosure of internal information about Meritage, whether or not for the purpose of facilitating improper trading in Meritage stock or other expenses that may be incurred by Grantee on account securities. ***Employees or directors should not discuss internal Meritage matters or developments with anyone outside of non-compliance with Section 409A of the Code. If the Company concludes that this Agreement is subject to the requirements of Section 409A, neither the time nor the schedule of the payment of the Restricted Stock Units may be accelerated or subject to a further deferral Meritage, except as required in the performance of your regular duties or as permitted pursuant to Section 409A of the Code and the applicable regulations. In addition, if the Company concludes that this Agreement is subject to Section 409A, payment of the Restricted Stock Units may be delayed only in accordance with Section 409A of the Code and the applicable regulations and Grantee may not make any election regarding the time or the form of the payment of the Restricted Stock Units.***

8. ***SEVERABILITY by law***. *If any provision of* ***For clarification, nothing in this Agreement, or the application of any such provision to any person or circumstance, is held to be unenforceable or invalid by any court of competent jurisdiction or under any applicable law, the parties hereto shall negotiate an equitable adjustment to the provisions of this Agreement with the view to effecting, to the greatest extent possible, the original purpose and intent of this Agreement, and in any event, the validity and enforceability of the remaining provisions of this Agreement shall not be affected thereby.***

9. ***ACCEPTANCE***. *Grantee hereby acknowledges receipt of a copy of the Plan, the prospectus related to the Plan and this Agreement. Grantee has read and understands the terms and provisions thereof, and accepts the Restricted Stock Units subject to all of the terms and conditions of the Plan and this Agreement. Grantee acknowledges that there may be adverse tax consequences upon the vesting or settlement of the Restricted Stock Units or disposition of the underlying shares and that Grantee has been advised to consult a tax advisor prior to such vesting, settlement or disposition.*

10. ***TAX ADVICE; WITHHOLDING***. *As described in Section 14 of the Plan, the Company shall have the right to deduct or withhold from any payments or issuances made by Company to Grantee, or to require that Grantee remit to Company, an amount sufficient to satisfy any federal, state or local taxes of any kind as are required by law to be withheld policy with respect to this Agreement your confidentiality obligations shall limit your right to report potential violations of law to federal or state agencies without permission from or notice to the Company; report possible violations of law anonymously and provide disclosures protected under applicable whistleblower laws; and cooperate voluntarily with or respond to any inquiry from federal or state agencies.*

This prohibition applies specifically (but not exclusively) to inquiries about Meritage which may be made by the settlement press, securities analysts or vesting others in the financial community. It is important that all such communications on behalf of Meritage be through an appropriately designated officer. Unless you are expressly authorized to respond to such inquiries, you should decline comment and immediately refer the inquirer to Meritage's Vice President of Investor Relations, General Counsel or the Chief Financial Officer. If potentially material nonpublic information is disclosed, you should immediately confer with Meritage's General Counsel and Chief Financial Officer to determine whether the Company needs to make a securities filing with the SEC. Your prompt attention is required because if a filing is deemed necessary, it must be made within 24 hours of the Restricted Stock Units. Grantee also acknowledges that FICA tax will become due when the Restricted Stock Units are no longer subject unintended disclosure.

The Consequences

The consequences of insider trading violations can be severe.

For individuals who trade on insider information (or tip information to a substantial risk of forfeiture. Grantee acknowledges that neither the Company nor any of its representatives has provided to Grantee any tax-related advice with respect to the matters covered by this Agreement. others), such consequences can include:

- *11. • ENTIRE AGREEMENT. Subject A civil penalty of up to three times the terms of Grantee's employment agreement and the Severance Plan, this Agreement constitutes the entire, final, and complete agreement between the parties hereto with respect to the subject matter hereof and supersede all prior agreements, promises, understandings, negotiations, representations, and commitments, both written and oral, between the parties hereto with respect to the subject matter hereof. Neither party hereto shall be bound by profit gained or liable for any statement, representation, promise, inducement, commitment, or understanding of any kind whatsoever not expressly set forth in this Agreement. loss avoided;*
- *12. • NO RIGHT TO CONTINUED EMPLOYMENT. This Agreement shall not be construed A criminal fine (no matter how small the profit) of up to confer upon Grantee any right to continue employment (or service) with the Company and shall not limit the right of the Company, in its sole and absolute discretion, to terminate Grantee's employment (or service) at any time for any reason.*

13. ***<u>ADMINISTRATION</u>****. This Agreement shall at all times be subject to the terms and conditions of the Plan and the Plan shall in all respects be administered by the Committee (or its designee) in accordance with the terms of and as provided in the Plan. The Committee (or its designee) shall have the sole and complete discretion with respect to all matters reserved to it by the Plan and decisions of the Committee (or its designee) with respect thereto and to this $1 million;*

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Agreement shall be final *• Prison;*

- *Prohibition from serving as an officer or director of a public company;Judgment in favor of a damaged investor ordering the violator to pay over any profits made from trading on the information and binding upon Grantee possible payment of damages; and*
- *In certain cases, judgment in favor of Meritage ordering the Company. In violator to pay over any profits made from the event transactions, and possible payment of any conflict between damages.*

Companies (as well as possibly supervisory staff) that fail to take appropriate steps to prevent illegal trading may suffer the terms and conditions following consequences:

- *A civil penalty equal to the greater of this Agreement and $1 million or three times the Plan, the provisions profit gained or loss avoided as a result of the Plan shall control. employee's violations;*
- *14. • CLAWBACK A criminal penalty of up to $2.5 million;*
- *. Pursuant to Section 12.6 Court injunction; and/or*
- *Administrative sanction.*

Moreover, if an employee violates Meritage's Trading Policy, company-imposed sanctions could result, including immediate dismissal. Any of the Plan, every Award issued pursuant above consequences, even an SEC investigation that does not result in prosecution, can tarnish your reputation and irreparably damage your career.

Pre-Notification of All Trades by Directors, Officers and Other Key Personnel

To provide assistance in preventing inadvertent violations and avoiding even the appearance of an improper transaction (which could result, for example, when an officer engages in a trade while unaware of a pending major development or incident), directors and Section 16 corporate officers are required to notify Meritage's Chief Financial Officer or Chief Accounting Officer prior to any transactions in

Meritage stock or securities to make sure there is no blackout in effect or imminent and to make sure any stockholding requirements set forth in the Plan is subject to potential forfeitureCorporate Governance Principles and Practices are being complied with. Any transactions processed through Merrill Lynch for Section 16 employees or recovery to the fullest extent called for by law, any applicable listing standard, or any current or future clawback policy that maydirectors will automatically be adopted by the Company from time to time, including, without limitation, any clawback policy adopted to complyvalidated with the final rules issued by the SecuritiesChief Accounting Officer as well.

If you have any doubt as to your responsibilities under these guidelines, you should seek clarification and Exchange Commission and the final listing standardsguidance from Meritage's Chief Financial Officer or Chief Accounting Officer before acting. Do not try to be adopted by the NYSE pursuant to Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. By accepting this Award, Grantee consents to the potential forfeiture or recovery of this Award pursuant to applicable law, listing standard, and/or Company clawback policy, and agrees to be bound by and comply with the clawback policy and to return to the Company the full amount required by the clawback policy.

15. DISCRETIONARY NATURE OF PLAN. The Plan is discretionary and may be amended, cancelled or terminated by the Company at any time, in its discretion. The grant of the Restricted Stock Units in this Agreement does not create any contractual right or other right to receive any Restricted Stock Units or other Awards in the future. Future Awards, if any, will be at the sole discretion of the Company. Any amendment, modification, or termination of the Plan shall not constitute a change or impairment of the terms and conditions of Grantee's employment with the Company.

16. TRANSFER OF PERSONAL DATA. Grantee authorizes, agrees and unambiguously consents to the transmission by the Company (or any Subsidiary) of any personal data information related to this Award for legitimate business purposes (including, without limitation, the administration of this Award and the Plan). This authorization and consent is voluntarily and freely given by Grantee.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized representative and Grantee has signed this Agreement, in each case as of the day and year first written above. resolve uncertainties on your own!

Meritage Homes Corporation

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By:
Javier Feliciano
Chief People Officer

("Grantee") expects the strictest compliance with these procedures by all directors, officers and employees at every level. Failure to observe them may result in serious legal difficulties for the infringing director, officer or employee, as well as Meritage. Failure to follow the letter and spirit of these procedures will be considered a matter of extreme seriousness and a basis for termination of employment.

Company Assistance

Questions regarding this Securities Trading Policy should be directed to Meritage's General Counsel and Chief Financial Officer.

Attachment A

EXHIBIT 21

MERITAGE HOMES CORPORATION
LIST OF SUBSIDIARIES

State of Organization	Legal Entity
Arizona	Meritage Homes of Alabama, Inc.
Arizona	Meritage Homes of Arizona, Inc.
Arizona	Meritage Paseo Crossing, LLC
Arizona	Meritage Homes Construction, Inc.
Arizona	Meritage Paseo Construction, LLC
Arizona	Meritage Homes of Colorado, Inc.
Arizona	Meritage Homes of Nevada, Inc.
Arizona	MTH-Cavalier, LLC
Arizona	MTH Golf, LLC
Arizona	Meritage Homes Operating Company, LLC
Arizona	Meritage Homes of Texas, LLC
Arizona	Meritage Homes of Texas Holding, Inc.
Arizona	WW Project Seller, LLC
Arizona	Meritage Homes of the Carolinas, Inc.
Arizona	Meritage Homes of Tennessee, Inc.
Arizona	MLC Holdings, Inc.
Arizona	Meritage Homes of Georgia, Inc.
Arizona	Meritage Homes of Georgia Realty, LLC
Arizona	MTH GA Realty, LLC
Arizona	Meritage Homes of South Carolina, Inc.
Arizona	MTH SC Realty LLC
Arizona	Buckeye Land, L.L.C.
Arizona	Arcadia Ranch, L.L.C.
Arizona	Sundance Buckeye, LLC
Arizona	MTH Realty LLC
Arizona	MTH Financial Holdings, Inc.
Arizona	Meritage Homes Insurance Agency, Inc.
Arizona	Meritage Services Company, Inc.
Arizona	Meritage Homes of Utah, Inc.
Arizona	Meritage Homes of Mississippi, Inc.
California	Meritage Homes of California, Inc.
California	California Urban Homes, LLC
Florida	Meritage Homes of Florida, Inc.
Florida	Meritage Homes of Florida Realty LLC
Texas	Meritage Holdings, L.L.C.
Texas	Meritage Homes of Texas Joint Venture Holding Company, LLC
Texas	Carefree Title Agency, Inc.
Delaware	M&M Fort Myers Holdings, LLC

EXHIBIT 22

MERITAGE HOMES CORPORATION
LIST OF GUARANTOR SUBSIDIARIES
As of December 31, 2024

The following subsidiaries of Meritage Homes Corporation (the "Company") were, as of December 31, 2024, guarantors of the Company's 5.125% unsecured senior notes due 2027, 1.750% convertible senior notes due 2028 and 3.875% unsecured senior notes due 2029.

State of Organization	**Legal Entity**
Arizona	Meritage Homes of Alabama, Inc.
Arizona	Meritage Homes of Arizona, Inc.
Arizona	Meritage Paseo Crossing, LLC
Arizona	Meritage Homes Construction, Inc.
Arizona	Meritage Paseo Construction, LLC
Arizona	Meritage Homes of Colorado, Inc.
Arizona	Meritage Homes of Nevada, Inc.
Arizona	MTH-Cavalier, LLC
Arizona	MTH Golf, LLC
Arizona	Meritage Homes Operating Company, LLC
Arizona	Meritage Homes of Texas, LLC
Arizona	Meritage Homes of Texas Holding, Inc.
Arizona	WW Project Seller, LLC
Arizona	Meritage Homes of the Carolinas, Inc.
Arizona	Meritage Homes of Tennessee, Inc.
Arizona	MLC Holdings, Inc.
Arizona	Meritage Homes of Georgia, Inc.
Arizona	Meritage Homes of Georgia Realty, LLC
Arizona	MTH GA Realty, LLC
Arizona	Meritage Homes of South Carolina, Inc.
Arizona	MTH SC Realty LLC
Arizona	MTH Realty LLC
Arizona	MTH Financial Holdings, Inc.
Arizona	Meritage Homes Insurance Agency, Inc.
Arizona	Meritage Services Company, Inc.
Arizona	Meritage Homes of Utah, Inc.
Arizona	Meritage Homes of Mississippi, Inc.
California	Meritage Homes of California, Inc.
California	California Urban Homes, LLC
Florida	Meritage Homes of Florida, Inc.
Florida	Meritage Homes of Florida Realty LLC
Texas	Meritage Holdings, L.L.C.
Texas	Meritage Homes of Texas Joint Venture Holding Company, LLC
Texas	Carefree Title Agency, Inc.
Delaware	M&M Fort Myers Holdings, LLC

Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-58793 and 333-256602 333-279002 on Form S-3 and Registration Statement Nos. 333-272676, 333-225087 and 333-190425 on Form S-8 of our reports dated February 14, 2024 February 20, 2025, relating to the financial statements of Meritage Homes Corporation, and the effectiveness of Meritage Homes Corporation's internal control over financial reporting, appearing in this Annual Report on Form 10-K of Meritage Homes Corporation for the year ended December 31, 2023 December 31, 2024.

/s/ DELOITTE & TOUCHE LLP

Tempe, Arizona

February 14, 2024 20, 2025

EXHIBIT 31.1

RULE 13a-14(a)/15d-14(a) CERTIFICATION

I, Phillipe Lord, certify that:

1. I have reviewed this Annual Report on Form 10-K of Meritage Homes Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: February 14, 2024 February 20, 2025

/s/ Phillippe Lord

Phillippe Lord
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

RULE 13a-14(a)/15d-14(a) CERTIFICATION

I, Hilla Sferruzza, certify that:

1. I have reviewed this Annual Report on Form 10-K of Meritage Homes Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: February 14, 2024 February 20, 2025

/s/ Hilla Sferruzza

Hilla Sferruzza
Executive Vice President and Chief Financial Officer (Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Meritage Homes Corporation (the "Company") for the period ending December 31, 2023December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, the undersigned, certify, to the best of our knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

MERITAGE HOMES CORPORATION,
a Maryland Corporation

By: /s/ Phillippe Lord

Phillippe Lord
Chief Executive Officer
(Principal Executive Officer)

February 14, 2024 20, 2025

By: /s/ Hilla Sferruzza

Hilla Sferruzza
Executive Vice President and Chief Financial Officer (Principal Financial Officer)

February 14, 2024 20, 2025

Exhibit 97

MERITAGE HOMES CORPORATION
CLAWBACK POLICY

I. **Introduction**.The Board of Directors (the "Board") of Meritage Homes Corporation (the "Company") hereby adopts this Policy (the "Policy") to provide for the recovery of erroneously awarded incentive compensation from certain executive officers. This Policy shall be effective as of December 1, 2023 (the "Effective Date") and shall supersede and replace any prior similar clawback or recoupment policies adopted by the Company. All capitalized terms used but not otherwise defined herein shall have the meanings set forth in Section X (Definitions) below.

II. **Administration**. The Board, or its designee, shall have sole and express authority to interpret and administer this Policy. All determinations made by the Board, or its designee, shall be final and binding on all affected individuals. This Policy is intended to comply with Section 10D of the Securities Exchange Act of 1934 (the "Exchange Act"), the rules of the Securities and Exchange Commission ("SEC"), and Section 303A.14 of the New York Stock Exchange ("NYSE") Listed Company Manual effective October 2, 2023 (the "NYSE Clawback Rules") and this Policy shall be interpreted, to the greatest extent possible, consistent with such intent. To the extent that any provision of this Policy is inconsistent with applicable law or the attendant regulations, in each case as then in effect, the Board, or its designee, shall administer this Policy to comply with the law or regulations then in effect.

III. **Recovery of Erroneously Awarded Compensation**. The Company will recover reasonably promptly any Erroneously Awarded Compensation received in the event of an Accounting Restatement, in accordance with applicable laws and regulations, the NYSE Clawback Rules, and the following terms:

a. **Amount of Erroneously Awarded Compensation**. Following an Accounting Restatement, the Board, or its designee, shall determine the amount of Erroneously Awarded Compensation received by each Executive Officer and promptly notify each Executive Officer with a notice specifying the amount of any Erroneously Awarded Compensation together with a demand for repayment or return of such compensation. The amount of Erroneously Awarded Compensation subject to recovery under this Policy may be reduced to account for an amount that the Company previously recovered from the Executive Officer, pursuant to another recovery obligation, for such Erroneously Awarded Compensation.

Unless the Board, or its designee, provides otherwise, this Policy shall only apply with respect to Incentive Compensation received by an Executive Officer:

i. On or after October 2, 2023;

ii. After beginning service as an Executive Officer;

iii. Who served as an Executive Officer at any time during the performance period related to the Incentive Compensation;

iv. While the Company has a class of securities listed on a national securities exchange or a national securities association; and

v. During the applicable Clawback Period.

b. **Method of Recovery**. The Board, or its designee, shall determine, in its sole discretion, the appropriate method of recovering Erroneously Awarded Compensation based on the applicable facts and circumstances. Except as set forth in Section IV (Exception to Full Recovery) below, the Company may not accept an amount less than the total amount of Erroneously Awarded Compensation. If an Executive Officer fails to repay all Erroneously Awarded Compensation to the Company when due, the Company shall take all actions reasonable and appropriate to recover such Erroneously Awarded Compensation from the applicable Executive Officer.

IV. **Exception to Full Recovery**. Notwithstanding anything herein to the contrary, the Company shall not be required to recover any Erroneously Awarded Compensation if the majority of independent directors of the Board, or a committee of independent directors of the Board, determines that recovery would be impracticable **and** at least one of the following conditions are met:

a. The direct expenses paid to a third party to assist in enforcing the Policy would exceed the amount to be recovered **and** the Company has made a reasonable attempt to recover the Erroneously Awarded Compensation, documented such attempt(s), **and** provided such documentation to the NYSE;

b. Recovery would violate home country law where that law was adopted prior to November 28, 2022, provided that, before determining that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on violation of home country law, the Company has obtained an opinion of home country counsel, acceptable to the NYSE, that recovery would result in such a violation and a copy of the opinion is provided to NYSE; or

c. Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to Company employees, to fail to meet the requirements of Sections 401(a)(13) or 411(a) of the Internal Revenue Code of 1986, as amended, and any regulations thereunder.

V. <u>Disclosure Requirements</u>. The Company will comply with all applicable securities laws, rules and regulations, including the disclosure requirements regarding executive compensation as provided by the SEC and NYSE Clawback Rules. This Policy shall be filed as an exhibit to the Company's Annual Report on Form 10-K.

VI. <u>No Indemnification</u>. The Company shall not insure or indemnify any Executive Officer against the loss of any Erroneously Awarded Compensation recovered pursuant to the terms of this Policy.

VII. <u>Amendment; Termination</u>. The Board may, in its sole discretion, amend this Policy from time to time and shall amend this Policy as it deems necessary or appropriate. The Board may terminate this Policy at any time. Notwithstanding the foregoing, no such amendment or termination of this Policy shall take effect if the amendment or termination would cause the Company to violate any federal securities laws, SEC rule or NYSE rule.

VIII. <u>Other Recovery Rights</u>. The Board intends that this Policy be applied to the fullest extent of the law. The Board may require that any employment agreement, equity award agreement, or similar agreement, as a condition to the grant or receipt of any benefit thereunder, require an Executive Officer to agree to abide by the terms of this Policy. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company pursuant to the terms of any similar policy, in any plan, program, or agreement and any other legal remedies available to the Company.

IX. <u>Successors</u>. This Policy shall be binding and enforceable against all Executive Officers and their beneficiaries, heirs, executors, administrators or other legal representatives.

X. <u>Definitions</u>

a. **"Accounting Restatement"** means an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

b. **"Accounting Restatement Date"** means the earlier to occur of:

i. the date the Board, a committee of the Board, or Company officers conclude, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement; or

ii.the date a court, regulator, or other legally authorized body directs the Company to prepare an Accounting Restatement.

c. **"Clawback Period"** means the three completed fiscal years immediately preceding an Accounting Restatement Date and any transition period (that results from a change in the Company's fiscal year) within or immediately following the three completed fiscal years; provided, however, that a transition period of nine to 12 months will be deemed a completed fiscal year.

d. **"Erroneously Awarded Compensation"** means the amount of Incentive Compensation received during the Clawback Period that exceeds the amount of Incentive Compensation that otherwise would have been received had it been determined based on the restated amounts (and such amount must be calculated without regard to any taxes paid). If the Incentive Compensation is based on stock price or total shareholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in an Accounting Restatement, then:

i. the amount shall be based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Incentive Compensation was received; and

ii.the Company shall maintain documentation of the determination of that reasonable estimate and provide such documentation to the NYSE.

For purpose of this Policy, Incentive Compensation means the actual or deemed receipt of the Incentive Compensation. Incentive Compensation is deemed received in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive Compensation award is attained, even if the payment or grant of the Incentive Compensation occurs after the end of that period.

e. **"Executive Officer"** means each individual who is currently or was previously designed as an "officer" of the Company within the meaning of Section 16 of the Securities Exchange Act of 1934 and Rule 16a-1 promulgated thereunder. For the avoidance of doubt, the identification of an executive officer for purposes of this Policy shall include each executive officer who is or was identified pursuant to Item 401(b) of Regulation S-K or Item 6.A of Form 20-F, as applicable, as well as the principal financial officer and principal accounting officer.

f. **"Financial Reporting Measure"** means measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures that are derived wholly or in part from such measures. Stock price and total shareholder return are also Financial Reporting Measures. A Financial Reporting Measure need not be presented within the financial statements or included in a filing with the SEC.

g. **"Incentive Compensation"** means any compensation that is granted, earned or vested based wholly or in part upon the attainment of a Financial Reporting Measure.

h. **"NYSE"** means the New York Stock Exchange.

DISCLAIMER

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