UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2025

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: 001-09977

Meritage Homes Corporation
(Exact Name of Registrant as Specified in its Charter)

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

18655 North Claret Drive, Suite 400, Scottsdale, Arizona 85255

(Address of Principal Executive Offices) (Zip Code)

(480) 515-8100

(Registrant's telephone number, including area code)

N/A

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

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

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 a checkmark whether the registrant has submitted electronically every Interactive Date 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 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 a checkmark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Common shares outstanding as of July 21, 2025: 71,156,138

MERITAGE HOMES CORPORATION
FORM 10-Q FOR THE QUARTER ENDED JUNE 30, 2025
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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

MERITAGE HOMES CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED BALANCE SHEETS
(in thousands, except share amounts)

	June 30, 2025	December 31, 2024
Assets		
Cash and cash equivalents	$ 930,463	$ 651,555
Other receivables	270,836	256,282
Real estate	5,963,674	5,728,775
Deposits on real estate under option or contract	221,359	192,405
Investments in unconsolidated entities	34,676	28,735
Property and equipment, net	46,449	47,285
Deferred tax assets, net	52,397	54,524
Prepaids, other assets and goodwill	236,515	203,093
Total assets	$ 7,756,369	$ 7,162,654
Liabilities		
Accounts payable	$ 242,081	$ 212,477
Accrued liabilities	406,436	452,213
Home sale deposits	10,949	20,513
Loans payable and other borrowings	26,120	29,343
Senior and convertible senior notes, net	1,801,609	1,306,535
Total liabilities	2,487,195	2,021,081
Stockholders' Equity		
Preferred stock, par value $0.01. Authorized 10,000,000 shares; none issued and outstanding at June 30, 2025 and December 31, 2024	—	—
Common stock, par value $0.01. Authorized 125,000,000 shares; 71,156,138 and 71,921,972 shares issued and outstanding at June 30, 2025 and December 31, 2024, respectively	712	360
Additional paid-in capital	62,084	143,036
Retained earnings	5,206,378	4,998,177
Total stockholders' equity	5,269,174	5,141,573
Total liabilities and stockholders' equity	$ 7,756,369	$ 7,162,654

See accompanying notes to unaudited consolidated financial statements

MERITAGE HOMES CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED INCOME STATEMENTS
(in thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Homebuilding:				
Home closing revenue	$ 1,615,709	$ 1,693,738	$ 2,957,813	$ 3,159,834
Land closing revenue	8,277	—	23,698	2,305
Total closing revenue	1,623,986	1,693,738	2,981,511	3,162,139
Cost of home closings	(1,274,381)	(1,254,232)	(2,320,835)	(2,342,370)
Cost of land closings	(8,996)	—	(21,252)	(2,298)
Total cost of closings	(1,283,377)	(1,254,232)	(2,342,087)	(2,344,668)
Home closing gross profit	341,328	439,506	636,978	817,464
Land closing gross (loss)/profit	(719)	—	2,446	7
Total closing gross profit	340,609	439,506	639,424	817,471
Financial Services:				
Revenue	9,425	8,311	16,507	14,664
Expense	(4,656)	(3,924)	(8,848)	(6,927)
Earnings/(loss) from financial services unconsolidated entities and other, net	842	450	1,515	(3,590)
Financial services profit	5,611	4,837	9,174	4,147
Commissions and other sales costs	(108,830)	(104,665)	(203,550)	(206,215)
General and administrative expenses	(55,183)	(53,184)	(112,180)	(103,916)
Interest expense	—	—	—	—
Other income, net	10,853	11,498	20,351	20,520
Loss on early extinguishment of debt	—	(631)	—	(631)
Earnings before income taxes	193,060	297,361	353,219	531,376
Provision for income taxes	(46,181)	(65,806)	(83,534)	(113,805)
Net earnings	$ 146,879	$ 231,555	$ 269,685	$ 417,571
Earnings per common share: (1)				
Basic	$ 2.06	$ 3.19	$ 3.76	$ 5.75
Diluted	$ 2.04	$ 3.15	$ 3.73	$ 5.68
Weighted average number of shares: (1)				
Basic	71,456	72,644	71,684	72,634
Diluted	71,900	73,436	72,246	73,476

(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 1.

See accompanying notes to unaudited consolidated financial statements

MERITAGE HOMES CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Six Months Ended June 30,	
	2025	**2024**
Cash flows from operating activities:		
Net earnings	$ 269,685	$ 417,571
Adjustments to reconcile net earnings to net cash used in operating activities:		
Depreciation and amortization	12,612	12,812
Stock-based compensation	9,922	10,832
Equity in earnings from unconsolidated entities	(2,164)	(2,627)
Distributions of earnings from unconsolidated entities	2,116	2,778
Other	7,827	4,697
Changes in assets and liabilities:		
Increase in real estate	(224,617)	(450,551)
Increase in deposits on real estate under option or contract	(30,415)	(45,576)
(Increase)/decrease in other receivables, prepaids and other assets	(43,264)	24,237
Decrease in accounts payable and accrued liabilities	(21,013)	(12,965)
(Decrease)/increase in home sale deposits	(9,564)	2,775
Net cash used in operating activities	(28,875)	(36,017)
Cash flows from investing activities:		
Investments in unconsolidated entities	(9,377)	(6,611)
Purchases of property and equipment	(12,359)	(13,158)
Proceeds from sales of property and equipment	126	130
Maturities/sales of investments and securities	750	750
Payments to purchase investments and securities	(750)	(750)
Net cash used in investing activities	(21,610)	(19,639)
Cash flows from financing activities:		
Repayment of loans payable and other borrowings	(11,213)	(7,445)
Repayment of senior notes	—	(250,695)
Proceeds from issuance of senior notes	497,195	575,000
Payment of debt issuance costs	(5,106)	(17,303)
Purchase of capped calls related to issuance of convertible senior notes	—	(61,790)
Dividends paid	(61,484)	(54,484)
Repurchase of shares	(89,999)	(55,933)
Net cash provided by financing activities	329,393	127,350
Net increase in cash and cash equivalents	278,908	71,694
Cash and cash equivalents, beginning of period	651,555	921,227
Cash and cash equivalents, end of period	$ 930,463	$ 992,921

See Supplemental Disclosure of Cash Flow Information in Note 13.

See accompanying notes to unaudited consolidated financial statements

MERITAGE HOMES CORPORATION AND SUBSIDIARIES
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 — ORGANIZATION AND BASIS OF PRESENTATION

Organization. Meritage Homes Corporation ("Meritage Homes") is a leading designer and builder of single-family attached and detached homes. We primarily build in long-term high-growth markets 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 twelve states: Arizona, California, Colorado, Utah, Tennessee, Texas, Alabama, Florida, Georgia, Mississippi, North Carolina, and South Carolina. 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. Meritage Homes' homebuilding construction, development and sales activities are conducted through its subsidiaries. Our homebuilding activities are conducted under the name of Meritage Homes in each of our homebuilding markets. At June 30, 2025, we were actively selling homes in 312 communities, with base prices ranging from approximately $170,000 to $1,040,000.

Basis of Presentation. The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. These financial statements should be read in conjunction with the audited consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2024 ("Annual Report"). The unaudited consolidated financial statements include the accounts of Meritage Homes 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 unaudited consolidated financial statements to conform to classifications used in the current year, including share and per share amounts and reporting segments, as discussed further below. Intercompany balances and transactions have been eliminated in consolidation. In the opinion of management, the accompanying unaudited consolidated financial statements include all normal and recurring adjustments that are considered necessary for the fair presentation of our results for the interim periods presented. Results for interim periods are not necessarily indicative of results to be expected for the full fiscal year.

Stock Split. On November 21, 2024, our Board of Directors declared atwo-for-one stock split (the "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 Accounting Standards Codification ("ASC") 260, *Earnings Per Share*, all share and per share amounts in the accompanying unaudited consolidated financial statements have been retroactively adjusted to reflect the Stock Split for all periods presented, inclusive of dividends and share repurchases.

Operating and Reporting Segments. Effective 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 was reclassified from the East reporting segment to the Central reporting segment for the purpose of making operational and resource decisions and assessing financial performance. Prior period balances have been retroactively adjusted to reflect this reclassification.

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 $59.7 million and $29.0 million are included in Cash and cash equivalents at June 30, 2025 and December 31, 2024, 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 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 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 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.

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 $221.4 million and $192.4 million as of June 30, 2025 and December 31, 2024, 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 9 for additional information on our goodwill assets.

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. Leases that meet the criteria of ASC 842 are recorded on our balance sheets as right-of-use ("ROU") assets and lease liabilities. ROU assets are classified within Prepaids, other assets and goodwill on the accompanying unaudited consolidated balance sheets, while lease liabilities are classified within Accrued liabilities on the accompanying unaudited consolidated balance sheets.

The table below outlines our ROU assets and lease liabilities (in thousands):

	As of	
	June 30, 2025	December 31, 2024
ROU assets	$ 53,116	$ 52,941
Lease liabilities	56,136	55,825

Off-Balance Sheet Arrangements - Joint Ventures. We 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. See Note 4 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):

	As of			
	June 30, 2025		December 31, 2024	
	Outstanding	Estimated work remaining to complete	Outstanding	Estimated work remaining to complete
Sureties:				
Sureties related to owned projects and lots under contract	$ 1,049,645	$ 793,751	$ 1,056,529	$ 712,415
Total Sureties	$ 1,049,645	$ 793,751	$ 1,056,529	$ 712,415
Letters of Credit (“LOCs”):				
LOCs for land development	90,000	N/A	105,371	N/A
LOCs for general corporate operations	5,000	N/A	5,000	N/A
Total LOCs	$ 95,000	N/A	$ 110,371	N/A

Accrued Liabilities. Accrued liabilities at June 30, 2025 and December 31, 2024 consisted of the following (in thousands):

	As of	
	June 30, 2025	December 31, 2024
Accruals related to real estate development and construction activities	$ 177,255	$ 167,075
Payroll and other benefits	83,417	131,733
Accrued interest	15,293	6,290
Accrued taxes	13,913	24,478
Warranty reserves	35,556	32,693
Lease liabilities	56,136	55,825
Other accruals	24,866	34,119
Total	$ 406,436	$ 452,213

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 three or six months ended June 30, 2025 or 2024. Included in the warranty reserve balances at June 30, 2025 and December 31, 2024 are case-specific warranty reserves, as discussed in Note 15.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Balance, beginning of period	$ 35,352	$ 36,364	$ 32,693	$ 37,360
Additions to reserve from new home deliveries	5,356	5,809	9,746	10,642
Warranty claims, net of recoveries	(5,152)	(7,404)	(6,883)	(13,233)
Adjustments to pre-existing reserves	—	—	—	—
Balance, end of period	$ 35,556	$ 34,769	$ 35,556	$ 34,769

Warranty reserves are included in Accrued liabilities on the accompanying unaudited consolidated balance sheets, and additions and adjustments to the reserves are included in Cost of home closings within the accompanying unaudited 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.

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. Our three sources of revenue are disaggregated by type in the accompanying unaudited consolidated income statements. 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 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 June 30, 2025 and December 31, 2024.

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 the Chief Operating Decision Maker ("CODM"). We adopted ASU 2023-07 for the annual period beginning January 1, 2024, and for interim periods beginning January 1, 2025. ASU 2023-07 is applied retrospectively to all prior periods presented in the accompanying unaudited consolidated financial statements.

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 our annual report covering the fiscal year 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 convertible debt instruments should be accounted for as an induced conversion. We adopted ASU 2024-04 on January 1, 2025 on a prospective basis and will apply the amendments to any future settlements of convertible debt instruments, if applicable. The adoption of ASU 2024-04 did not have any impact on the accompanying unaudited consolidated financial statements.

NOTE 2 — REAL ESTATE AND CAPITALIZED INTEREST

Real estate consists of the following (in thousands):

	As of	
	June 30, 2025	December 31, 2024
Homes completed and under construction [1]	$ 2,420,455	$ 2,375,639
Finished home sites and home sites under development [2]	3,543,219	3,353,136
Total	$ 5,963,674	$ 5,728,775

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

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):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Capitalized interest, beginning of period	$ 57,107	$ 54,227	$ 53,678	$ 54,516
Interest incurred	19,995	14,327	34,709	27,252
Interest expensed	—	—	—	—
Interest amortized to cost of home and land closings	(13,288)	(14,227)	(24,573)	(27,441)
Capitalized interest, end of period	$ 63,814	$ 54,327	$ 63,814	$ 54,327

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. In accordance with ASC 810, *Consolidation*, we evaluate all purchase and option agreements for land to determine whether they are a variable interest entity ("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. We determined that as of June 30, 2025 and December 31, 2024, we were not the primary beneficiary of any VIEs from which we have acquired rights to land or lots under option contracts.

The table below presents a summary of our lots under option at June 30, 2025 (dollars in thousands):

	Projected Number of Lots		Purchase Price		Option/ Earnest Money Deposits–Cash	
Purchase and option contracts recorded on balance sheet as Real estate not owned	—	$	—	$	—	
Option contracts — non-refundable deposits, committed (1)	12,431		937,173		139,762	
Purchase contracts — non-refundable deposits, committed (1)	14,269		522,532		67,587	
Purchase and option contracts —refundable deposits, committed	1,217		19,073		1,839	
Total committed	27,917		1,478,778		209,188	
Purchase and option contracts — refundable deposits, uncommitted (2)	26,152		1,264,070		12,171	
Total lots under contract or option	54,069	$	2,742,848	$	221,359	
Total purchase and option contracts not recorded on balance sheet(3)	54,069	$	2,742,848	$	221,359	(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 the accompanying unaudited consolidated balance sheets as Real estate not owned (if any), none of our purchase or option contracts require us to purchase lots.

(4) Amount is reflected on the accompanying unaudited consolidated balance sheets in Deposits on real estate under option or contract as of June 30, 2025.

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 - 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. 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. In 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 June 30, 2025, we had two active equity-method land joint ventures and one mortgage joint venture.

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

	As of	
	June 30, 2025	December 31, 2024
Assets:		
Cash	$ 12,184	$ 4,434
Real estate	80,374	66,443
Other assets	6,208	7,286
Total assets	$ 98,766	$ 78,163
Liabilities and equity:		
Accounts payable and other liabilities	$ 7,035	$ 7,148
Equity of:		
Meritage (1)	34,835	27,735
Other	56,896	43,280
Total liabilities and equity	$ 98,766	$ 78,163

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenue	$ 13,813	$ 12,739	$ 24,553	$ 23,329
Costs and expenses	(11,627)	(10,451)	(21,486)	(19,588)
Net earnings of unconsolidated entities	$ 2,186	$ 2,288	$ 3,067	$ 3,741
Meritage's share of pre-tax earnings (1) (2)	$ 1,538	$ 1,655	$ 2,164	$ 2,627

(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 the accompanying unaudited 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 earnings from our mortgage joint venture is recorded in Earnings/(loss) from financial services unconsolidated entities and other, net on the accompanying unaudited consolidated income statements. Our share of pre-tax earnings from all other joint ventures is recorded in Other income, net on the accompanying unaudited 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.

NOTE 5 — LOANS PAYABLE AND OTHER BORROWINGS

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

	As of	
	June 30, 2025	December 31, 2024
Other borrowings, secured real estate notes payable (1)	$ 26,120	$ 29,343
$910.0 million unsecured revolving credit facility	—	—
Total	$ 26,120	$ 29,343

(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 ("Credit Facility") in 2014 that has been amended from time to time. See Note 16 for details on the amendment entered into subsequent to June 30, 2025. The Credit Facility's aggregate commitment is $910.0 million with an accordion feature permitting the size of the facility to increase to a maximum of $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 Secured Overnight Financing Rate ("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 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 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 June 30, 2025, the interest rate on outstanding borrowings under the Credit Facility would have been 5.522% 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 $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 June 30, 2025.

We had no outstanding borrowings under the Credit Facility as of June 30, 2025 and December 31, 2024. There were no borrowings or repayments under the Credit Facility during the three months ended June 30, 2025, and $5.0 million of borrowings and repayments under the Credit Facility during the six months ended June 30, 2025. There were no borrowings or repayments under the Credit Facility during the three and six months ended June 30, 2024. As of June 30, 2025, we had outstanding letters of credit issued under the Credit Facility totaling $95.0 million, leaving $815.0 million available under the Credit Facility to be drawn.

NOTE 6 — SENIOR AND CONVERTIBLE SENIOR NOTES, NET

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

	As of	
	June 30, 2025	December 31, 2024
5.125% senior notes due 2027 ("2027 Notes")	300,000	300,000
1.750% convertible senior notes due 2028 ("2028 Convertible Notes")	575,000	575,000
3.875% senior notes due 2029 ("2029 Notes")	450,000	450,000
5.650% senior notes due 2035 ("2035 Notes"). At June 30, 2025, there was $2,711 in net unamortized discount.	497,289	—
Net debt issuance costs	(20,680)	(18,465)
Total	$ 1,801,609	$ 1,306,535

The indentures for our 2027 Notes, 2029 Notes and 2035 Notes contain non-financial covenants including, among others, limitations on the amount of secured debt we may incur, on sale and leaseback transactions and on mergers. We were in compliance with all such covenants as of June 30, 2025.

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. 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 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 accordingly, the assets, liabilities and results of operations of Meritage Homes Corporation and the Guarantor Subsidiaries are not materially different than the corresponding amounts presented in the unaudited consolidated financial statements of Meritage Homes.

In March 2025, we completed an offering of $500.0 million aggregate principal amount of 5.650% 2035 Notes. The 2035 Notes were issued at a discount of 99.439% of the principal amount and the net proceeds are intended to be used for general corporate purposes.

2028 Convertible Notes

In May 2024, we issued $575.0 million aggregate principal amount of 1.750% 2028 Convertible Notes. 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 all $250.0 million aggregate principal then outstanding of our 6.00% Senior Notes due 2025 for which we incurred $0.6 million in early debt extinguishment charges in the three and six months ended June 30, 2024, reflected as Loss on early extinguishment of debt in the accompanying unaudited consolidated income statements.

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 approximately $116.15 per share and is subject to adjustment in certain circumstances. 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 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.

Prior to February 15, 2028, the holders of the 2028 Convertible Notes may convert their notes only upon satisfaction of certain circumstances. During the three and six months ended June 30, 2025, the circumstances allowing holders of the 2028 Convertible Notes to convert were not met. 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.

For additional details related to our 2028 Convertible Notes and Capped Calls, see Note 6 in the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

Capped Call Transactions

Concurrent with the offering of the 2028 Convertible Notes, we used a portion 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 approximately $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 governing the 2028 Convertible Notes. 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 unaudited consolidated balance sheets, and are not accounted for as derivatives under ASC 815-10, *Derivatives and Hedging*.

NOTE 7 — 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):

	As of			
	June 30, 2025		December 31, 2024	
	Aggregate Principal	Estimated Fair Value	Aggregate Principal	Estimated Fair Value
5.125% 2027 Notes	$ 300,000	$ 303,750	$ 300,000	$ 300,330
1.750% 2028 Convertible Notes	$ 575,000	$ 560,625	$ 575,000	$ 563,259
3.875% 2029 Notes	$ 450,000	$ 433,125	$ 450,000	$ 420,795
5.650% 2035 Notes	$ 500,000	$ 495,950	$ —	$ —

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 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 only if events and circumstances indicate that the carrying value may not be recoverable. See Note 1 for additional information regarding the valuation of these assets.

NOTE 8 — EARNINGS PER SHARE

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Basic weighted average number of shares outstanding	71,456	72,644	71,684	72,634
Effect of dilutive securities:				
Unvested restricted stock	444	792	562	842
Diluted average shares outstanding	71,900	73,436	72,246	73,476
Net earnings	$ 146,879	$ 231,555	$ 269,685	$ 417,571
Basic earnings per share	$ 2.06	$ 3.19	$ 3.76	$ 5.75
Diluted earnings per share	$ 2.04	$ 3.15	$ 3.73	$ 5.68

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 using the "if-converted" method. As discussed in Note 6, 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.

Share and per share amounts have been retroactively adjusted to reflect the Stock Split that was effective on January 2, 2025. See Note 1.

NOTE 9 — 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 Combinations*, 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 on the accompanying unaudited 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	Central	East	Financial Services	Corporate	Total
(1) Balance at December 31, 2024	$ —	$ 10,247	$ 22,715	$ —	$ —	$ 32,962
Additions	—	—	—	—	—	—
Balance at June 30, 2025	$ —	$ 10,247	$ 22,715	$ —	$ —	$ 32,962

(1) Effective January 1, 2025, the Tennessee homebuilding operating segment has been reclassified from the East reporting segment to the Central reporting segment. See Note 1 for additional information about the reclassification of the Tennessee homebuilding operating segment. Prior period balances have been retroactively adjusted to reflect this reclassification.

NOTE 10 — STOCKHOLDERS' EQUITY

A summary of changes in stockholders' equity is presented below (in thousands):

	Six Months Ended June 30, 2025 (In thousands)				
	Number of Shares	Common Stock	Additional Paid-In Capital	Retained Earnings	Total
Balance at December 31, 2024	71,922	$ 360	$ 143,036	$ 4,998,177	$ 5,141,573
Stock Split effective January 2, 2025 (See Note 8)	—	360	(360)	—	—
Net earnings	—	—	—	122,806	122,806
Stock-based compensation expense	—	—	6,325	—	6,325
Issuance of stock	514	5	(5)	—	—
Dividends declared	—	—	—	(30,887)	(30,887)
Share repurchases	(605)	(7)	(45,066)	—	(45,073)
Balance at March 31, 2025	71,831	$ 718	$ 103,930	$ 5,090,096	$ 5,194,744
Net earnings	—	—	—	146,879	146,879
Stock-based compensation expense	—	—	3,597	—	3,597
Dividends declared	—	—	—	(30,597)	(30,597)
Share repurchases	(674)	(6)	(45,443)	—	(45,449)
Balance at June 30, 2025	71,157	$ 712	$ 62,084	$ 5,206,378	$ 5,269,174

	Six Months Ended June 30, 2024 (In thousands)				
	Number of Shares (1)	Common Stock	Additional Paid-In Capital	Retained Earnings	Total
Balance at December 31, 2023	72,850	$ 364	$ 290,955	$ 4,320,581	$ 4,611,900
Net earnings	—	—	—	186,016	186,016
Stock-based compensation expense	—	—	6,114	—	6,114
Issuance of stock	512	3	(3)	—	—
Dividends declared	—	—	—	(27,239)	(27,239)
Share repurchases	(724)	(4)	(56,214)	—	(56,218)
Balance at March 31, 2024	72,638	$ 363	$ 240,852	$ 4,479,358	$ 4,720,573
Net earnings	—	—	—	231,555	231,555
Stock-based compensation expense	—	—	4,718	—	4,718
Issuance of stock	16	—	—	—	—
Dividends declared	—	—	—	(27,245)	(27,245)
Share repurchases	—	—	—	—	—
Capped call transactions, net of tax	—	—	(47,067)	—	(47,067)
Balance at June 30, 2024	72,654	363	198,503	4,683,668	4,882,534

(1) Share amounts have been retroactively adjusted to reflect the Stock Split that was effective on January 2, 2025. See Note 1.

During the three months ended June 30, 2025 and 2024, our Board of Directors approved, and we paid, a quarterly cash dividend on common stock of $0.43 and $0.375 per share, respectively. Quarterly dividends declared and paid during the six months ended June 30, 2025 and 2024, totaled $0.86 and $0.75 per share, respectively. During the three and six months ended June 30, 2025 and 2024, we reflected the applicable excise tax on share repurchases in Additional paid-in capital as part of the cost basis of the stock repurchased and recorded a corresponding liability in Accrued liabilities on the accompanying unaudited consolidated balance sheets.

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 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 14,800,000 shares of stock to be awarded, of which1,991,543 shares remain available for grant at June 30, 2025. 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 executive officers and either a three-year cliff vesting or one-year vesting for non-employee directors, dependent on their appointment date.

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 718-10-25-20, *Compensation – Stock Compensation* ("ASC 718"), which requires an assessment of probability of attainment of the performance target(s). As our performance targets are dependent on performance over a specified measurement period, once we determine that a 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 unit 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 (dollars in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Stock-based compensation expense	$ 3,597	$ 4,718	$ 9,922	$ 10,832
Non-vested shares granted	—	—	320,213	281,330
Performance-based non-vested shares granted	—	—	82,907	75,396
Performance-based shares issued in excess of target shares granted (1)	—	—	20,556	31,956
Restricted stock awards vested (includes performance-based awards)	—	16,400	493,050	497,236

(1) Performance-based shares that vested and were issued as a result of performance achievement exceeding the originally established targeted number of shares related to respective performance metrics related to the prior fiscal year performance period.

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

	As of	
	June 30, 2025	December 31, 2024
Unrecognized stock-based compensation cost	$ 41,319	$ 30,666
Weighted average years expense recognition period	2.09	1.95
Total equity awards outstanding (1)	1,045,739	1,256,932

(1) Includes unvested restricted stock units and performance-based awards (assuming100%/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 three and six months ended June 30, 2025 or 2024, other than minor administrative costs.

NOTE 12 — INCOME TAXES

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Federal	$ 38,498	$ 52,340	$ 69,129	$ 90,462
State	7,683	13,466	14,405	23,343
Total	$ 46,181	$ 65,806	$ 83,534	$ 113,805

The effective tax rate for the three and six months ended June 30, 2025 was 23.9% and 23.6%, respectively, and for the three and six months ended June 30, 2024 was 22.1% and 21.4%, respectively. The increase in the effective tax rate for the three and six months ended June 30, 2025 reflects fewer homes qualifying for the §45L energy-efficient homes federal tax credit under the Internal Revenue Code ("IRC") enacted in the Inflation Reduction Act ("IRA") due to higher construction thresholds required to earn these tax credits beginning in 2025.

At June 30, 2025 and December 31, 2024, we have no unrecognized tax benefits. We believe our current income tax filing positions and deductions will be sustained on audit and we 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*. We evaluate our deferred tax assets, including the benefit from net operating losses ("NOLs"), by jurisdiction to determine if a valuation allowance is required. This evaluation considers, among other matters, the nature, frequency and severity of cumulative losses, forecasts of future profitability, the length of statutory carryforward periods, experiences with operating losses 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 June 30, 2025.

At June 30, 2025, we had $0.6 million income taxes payable and no income taxes receivable. The income taxes payable primarily consists of federal and state tax accruals, net of current energy tax credits and estimated tax payments, and is recorded in Accrued liabilities on the accompanying unaudited consolidated balance sheets at June 30, 2025.

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 2020. We do not have any Federal or state income tax examinations pending resolution at this time.

On July 4, 2025, the President signed into law the One Big Beautiful Bill Act (“OBBBA”), which includes several significant corporate tax changes. The legislation modifies or extends provisions originally enacted under the Tax Cuts and Jobs Act of 2017, including but not limited to the reinstatement of immediate expensing for research and development expenditures and the restoration of 100% bonus depreciation for qualified property. In addition, OBBBA introduces new provisions, including the repeal of the §45L energy-efficient home credit for homes acquired after June 30, 2026, and a new 1% floor on charitable contribution deductions. We are currently evaluating the full impact of the legislation, but do not expect it to have a material effect on our effective tax rate for the year ending December 31, 2025.

NOTE 13 — SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

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

	Six Months Ended June 30,	
	2025	2024
Cash paid during the year for:		
Interest, net of interest capitalized	$ (12,639)	$ (2,341)
Income taxes paid, net	$ 91,018	$ 114,477
Non-cash operating activities:		
Real estate acquired through notes payable	$ 7,990	$ 3,630
Non-cash investing and financing activities:		
Distributions of real estate from unconsolidated joint ventures, net	$ 3,090	$ —

NOTE 14 — 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 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:	Tennessee and Texas
East:	Alabama, Florida, Georgia, Mississippi, North Carolina, and South Carolina

We define our segments based on the way in which internally reported financial information is regularly provided and reviewed by the 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 home closing revenue, home closing gross profit and gross margin, total gross profit, commissions and other sales costs, general and administrative expenses incurred by or allocated to each segment, including impairments, and operating income. 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 profits and losses to evaluate the performance of the financial services segment and make decisions about allocation of resources and financial services related product offerings.

Effective 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 was reclassified from the East reporting segment to the Central reporting segment for the purpose of making operational and resource decisions and assessing financial performance. Prior period balances have been retroactively adjusted to reflect this reclassification.

Each reportable segment follows the same accounting policies described in Note 1, "Organization and Basis of Presentation." 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 tables provide financial information about our reportable segments and Corporate and other categories (in thousands):

	Three Months Ended June 30, 2025			
	West	Central	East	Total
Home closing revenue	$ 549,205	$ 480,425	$ 586,079	$ 1,615,709
Land closing revenue	—	6,969	1,308	8,277
Total closing revenue	549,205	487,394	587,387	1,623,986
Cost of home closings	434,743	373,838	465,800	1,274,381
Cost of land closings	—	7,693	1,303	8,996
Total cost of closings	434,743	381,531	467,103	1,283,377
Home closing gross profit	114,462	106,587	120,279	341,328
Land closing gross (loss)/profit	—	(724)	5	(719)
Total closing gross profit	114,462	105,863	120,284	340,609
Home closing gross margin	*20.8%*	*22.2%*	*20.5%*	*21.1%*
Commissions and other sales costs	32,184	35,654	40,992	108,830
General and administrative expenses	13,184	12,543	19,189	44,916
Homebuilding segment operating income	69,094	57,666	60,103	186,863
Financial services segment profit				5,611
Corporate and unallocated costs (1)				(10,267)
Interest expense				—
Other income, net				10,853
Earnings before income taxes				$ 193,060

(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.

	Three Months Ended June 30, 2024			
	West	Central	East	Total
Home closing revenue	$ 622,837	$ 528,380	$ 542,521	$ 1,693,738
Land closing revenue	—	—	—	—
Total closing revenue	622,837	528,380	542,521	1,693,738
Cost of home closings	$ 474,573	$ 385,267	$ 394,392	$ 1,254,232
Cost of land closings	—	—	—	—
Total cost of closings	474,573	385,267	394,392	1,254,232
Home closing gross profit	148,264	143,113	148,129	439,506
Land closing gross profit	—	—	—	—
Total closing gross profit	148,264	143,113	148,129	439,506
Home closing gross margin	*23.8%*	*27.1%*	*27.3%*	*25.9%*
Commissions and other sales costs	33,661	35,047	35,957	104,665
General and administrative expenses	13,824	12,251	15,165	41,240
Homebuilding segment operating income	100,779	95,815	97,007	293,601
Financial services segment profit				4,837
Corporate and unallocated costs (1)				(11,944)
Interest expense				—
Other income, net				11,498
Loss on early extinguishment of debt				(631)
Earnings before income taxes				$ 297,361

(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.

	Six Months Ended June 30, 2025			
	West	Central	East	Total
Home closing revenue	$ 1,028,841	$ 892,962	$ 1,036,010	$ 2,957,813
Land closing revenue	691	7,899	15,108	23,698
Total closing revenue	1,029,532	900,861	1,051,118	2,981,511
Cost of home closings	809,408	695,646	815,781	2,320,835
Cost of land closings	142	8,028	13,082	21,252
Total cost of closings	809,550	703,674	828,863	2,342,087
Home closing gross profit	219,433	197,316	220,229	636,978
Land closing gross profit/(loss)	549	(129)	2,026	2,446
Total closing gross profit	219,982	197,187	222,255	639,424
Home closing gross margin	*21.3%*	*22.1%*	*21.3%*	*21.5%*
Commissions and other sales costs	59,586	68,311	75,653	203,550
General and administrative expenses	26,637	25,382	37,281	89,300
Homebuilding segment operating income	133,759	103,494	109,321	346,574
Financial services segment profit				9,174
Corporate and unallocated costs (1)				(22,880)
Interest expense				—
Other income, net				20,351
Earnings before income taxes				$ 353,219

(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.

	Six Months Ended June 30, 2024			
	West	Central	East	Total
Home closing revenue	$ 1,138,469	$ 1,012,150	$ 1,009,215	$ 3,159,834
Land closing revenue	—	—	2,305	2,305
Total closing revenue	1,138,469	1,012,150	1,011,520	3,162,139
Cost of home closings	875,077	735,638	731,655	2,342,370
Cost of land closings	—	—	2,298	2,298
Total cost of closings	875,077	735,638	733,953	2,344,668
Home closing gross profit	263,392	276,512	277,560	817,464
Land closing gross profit	—	—	7	7
Total closing gross profit	263,392	276,512	277,567	817,471
Home closing gross margin	*23.1%*	*27.3%*	*27.5%*	*25.9%*
Commissions and other sales costs	64,819	72,292	69,104	206,215
General and administrative expenses	26,530	23,634	28,847	79,011
Homebuilding segment operating income	172,043	180,586	179,616	532,245
Financial services segment profit				4,147
Corporate and unallocated costs (1)				(24,905)
Interest expense				—
Other income, net				20,520
Loss on early extinguishment of debt				(631)
Earnings before income taxes				$ 531,376

(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 June 30, 2025					
	West	Central	East	Financial Services	Corporate and Unallocated	Total
Deposits on real estate under option or contract	$ 30,476	$ 77,073	$ 113,810	$ —	$ —	$ 221,359
Real estate	1,837,782	1,701,083	2,424,809	—	—	5,963,674
Investments in unconsolidated entities	10,319	23,437	—	—	920	34,676
Other assets	49,895 (1)	311,525 (2)	89,307 (3)	2,160	1,083,773 (4)	1,536,660
Total assets	$ 1,928,472	$ 2,113,118	$ 2,627,926	$ 2,160	$ 1,084,693	$ 7,756,369

(1) Balance consists primarily of cash and cash equivalents, prepaids and other assets, and property and equipment, net

(2) Balance consists primarily of cash and cash equivalents, development reimbursements from local municipalities, prepaids and other assets, and goodwill (see Note 9).

(3) Balance consists primarily of cash and cash equivalents, goodwill (see Note 9), and prepaids and other assets.

(4) Balance consists primarily of cash and cash equivalents, deferred tax assets and prepaids and other assets.

	At December 31, 2024					
	West	Central	East	Financial Services	Corporate and Unallocated	Total
Deposits on real estate under option or contract	$ 30,179	$ 32,200	$ 130,026	$ —	$ —	$ 192,405
Real estate	1,862,792	1,613,735	2,252,248	—	—	5,728,775
Investments in unconsolidated entities	9,062	18,816	—	—	857	28,735
Other assets	28,251 (1)	270,203 (2)	91,082 (3)	3,049	820,154 (4)	1,212,739
Total assets	$ 1,930,284	$ 1,934,954	$ 2,473,356	$ 3,049	$ 821,011	$ 7,162,654

(1) Balance consists primarily of property and equipment, prepaid expenses and other assets, and development receivables.

(2) Balance consists primarily of development reimbursements from local municipalities, property and equipment, goodwill (see Note 9), and prepaid expenses and other assets

(3) Balance consists primarily of cash and cash equivalents, goodwill (see Note 9), and prepaids and other assets

(4) Balance consists primarily of cash and cash equivalents, deferred tax assets, prepaid expenses and other assets

NOTE 15 — 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 June 30, 2025 that could have a material adverse impact upon our consolidated financial condition, results of operations or cash flows that have not been sufficiently reserved.

We have case specific reserves within our $35.6 million of total Warranty reserves related to alleged stucco defects in certain homes we constructed predominantly between 2006 and 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 June 30, 2025, after considering potential recoveries from the consultants and contractors involved and their insurers and the potential recovery under our general liability insurance policies, we did not adjust such reserves and we believe our reserves are sufficient to cover the above mentioned matters. See Note 1 for information related to our warranty obligations.

NOTE 16 — SUBSEQUENT EVENTS

As discussed in Note 12, on July 4, 2025, the President signed into law the One Big Beautiful Bill Act, which includes several significant corporate tax changes. See Note 12 for additional information.

On July 9, 2025, we entered into the Eleventh Amendment to Amended and Restated Credit Agreement (the "Eleventh Amendment"), the Eleventh Amendment extends the maturity date from June 12, 2029 to July 9, 2030.

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, and Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act"). Forward-looking statements in this Quarterly Report may include statements concerning our belief that we have ample liquidity; our goals, strategies and strategic initiatives including our 60-day closing ready commitment, our use of interest rate buy-downs and other financing incentives, our partnership with external realtors, 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 home buyer and housing demand for affordable homes; the benefits of and our intentions to use options to acquire land; our positions and our expected outcome relating to litigation and regulatory proceedings in general; our intentions to pay quarterly dividends; the sustainability of our tax positions; that we may repurchase our debt and equity securities; our non-use of derivative financial instruments; expectations regarding our industry and our business for the remainder of 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 opportunities outside of our existing markets if opportunities arise and the benefits relating thereto); 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 legal and warranty reserves; the outcome of pending litigation; the sources and 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, home construction cycle times, sales prices, sales incentives, sales orders, cancellations, construction and materials costs and availability, general and administrative costs, mortgage interest rates, gross margins, land costs, inflation, and community counts; our future cash needs and sources; and the impact of seasonality.

Important factors that could cause actual results to differ materially from those in forward-looking statements, and that could negatively affect our business include, but are not limited to, the following: increases in interest rates or decreases in mortgage availability, and the cost and use of rate locks and buy-downs; the cost of materials used to develop communities and construct homes; cancellation rates; supply chain and labor constraints; shortages in the availability and cost of subcontract labor; the ability of our potential buyers to sell their existing homes; our ability to acquire and develop lots may be negatively impacted if we are unable to obtain performance and surety bonds; the adverse effect of slow absorption rates; legislation related to tariffs; impairments of our real estate inventory; competition; home warranty and construction defect claims; failures in health and safety performance; fluctuations in quarterly operating results; our level of indebtedness; our exposure to counterparty risk with respect to our capped calls; our ability to obtain financing if our credit ratings are downgraded; our exposure to and impacts from natural disasters or severe weather conditions; the availability and cost of finished lots and undeveloped land; the success of our strategy to offer and market entry-level and first move-up homes; a change to the feasibility of projects under option or contract that could result in the write-down or write-off of earnest money or option deposits; our limited geographic diversification; our exposure to information technology failures and security breaches and the impact thereof; the loss of key personnel; changes in tax laws that adversely impact us or our homebuyers; our inability to prevail on contested tax positions; failure of our employees and representatives to comply with laws and regulations; our compliance with government regulations; liabilities or restrictions resulting from regulations applicable to our financial services operations; negative publicity that affects our reputation; potential disruptions to our business by an epidemic or pandemic, and measures that federal, state and local governments and/or health authorities implement to address it; and other factors identified in documents filed by the Company with the Securities and Exchange Commission, including those set forth in our Form 10-K for the year ended December 31, 2024 and this Quarterly Report on Form 10-Q under the caption "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 disclaim and undertake no obligation 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 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview and Outlook

The macroeconomic landscape in the second quarter of 2025 created a tougher backdrop for the homebuilding sector, with elevated mortgage interest rates, an increase in the supply of resale inventory available and diminished consumer confidence. We were able to navigate these challenging conditions by leaning in to our strategy to more effectively compete with the resale market with a sufficient inventory of affordable, move-in ready homes with a 60-day closing ready commitment and a willingness to work with third party brokers, who facilitate most residential real estate transactions in the U.S. This strategy allows us to meet the demand for immediately available homes with a comfortable monthly mortgage payment. Although we expect that mortgage rates will remain volatile and macroeconomic concerns will continue to impact consumer psychology for the near to mid-term, we believe that our interest rate buy-downs, other financing incentives and affordable price points provide us with a competitive advantage, particularly over resale homes as individual home sellers are not typically able to provide such incentives.

Land costs remain elevated following several years of historically high land development activity and have negatively impacted our margins, although we have seen offsetting improvements in margin due to construction cycle times and material costs returning to normalized levels in the second quarter of 2025 after stabilizing in late 2024.

We believe that our strategy has, and will continue to drive strong performance of key financial measures, including home closing volume, home closing gross margin, selling, general and administrative cost leveraging, balance sheet management and long-term community count growth.

Summary Company Results

We achieved our highest second quarter home closing units volume of 4,170 homes in the three months ended June 30, 2025 increasing 1.3% from 4,118 homes in the same prior year period. The higher closing volume was offset with a 5.8% decrease in average sales price ("ASP") on closings for $1.6 billion in home closing revenue, a 4.6% decline from $1.7 billion in the three months ended June 30, 2024. The lower ASP is a result of increased utilization of incentives and contributed to the second quarter 2025 home closing gross margin decline of 480 basis points to 21.1%, compared to 25.9% in the prior year period. The decrease in home closing gross margin was a result of higher lot costs as well as charges incurred related to terminated land contracts, all of which were partially offset by savings in direct costs, leading to Home closing gross profit of $341.3 million in the second quarter 2025 compared to $439.5 million in the prior year period. Land closing gross loss was a nominal $0.7 million in the second quarter of 2025, and there was no land closing activity in the second quarter of 2024. Financial services profit of $5.6 million in the three months ended June 30, 2025 increased compared to $4.8 million in 2024. Commissions and other sales costs of $108.8 million in the three months ended June 30, 2025 increased $4.2 million due primarily to higher commission rates and higher maintenance and utility costs of having more spec homes in inventory. General and administrative expenses of $55.2 million in the three months ended June 30, 2025 increased $2.0 million from $53.2 million in the same period of 2024 due primarily to incremental start-up costs for our new divisions in Alabama and Mississippi. Earnings before income taxes for the three months ended June 30, 2025 of $193.1 million decreased $104.3 million year over year from $297.4 million in the same period of 2024. The effective income tax rate of 23.9% for the three months ended June 30, 2025 increased from 22.1% in 2024 due to fewer homes qualifying for energy tax credits under the Inflation Reduction Act ("IRA") in 2025. The decrease in year-over-year profitability resulted in net earnings of $146.9 million in the three months ended June 30, 2025 versus $231.6 million in the three months ended June 30, 2024.

For the six months ended June 30, 2025, home closing units volume was relatively flat with prior year and home closing revenue decreased 6.4% due to a 5.9% lower ASP on closings. Home closing gross margin of 21.5% decreased 440 basis points year over year, for a $180.5 million decrease in Home closing gross profit due to greater utilization of financing incentives, higher lot costs, reduced leverage of fixed costs on lower Home closing revenue, and increased charges incurred related to terminated land contracts, all of which were partially offset by savings in direct costs and improved construction cycle times. Year to date, Commissions and other sales costs were 6.9% of home closing revenue, 40 basis points higher than the comparable 2024 period, for the same reasons noted above. General and administrative expenses for the six months ended June 30, 2025 as a percentage of Home closing revenue were 50 basis points higher than the six months ended June 30, 2024 due to reduced leverage of fixed costs on lower Home closing revenue and greater spend on new technology. Lower gross margin and profitability and a higher effective tax rate of 23.6% led to net income of $269.7 million for the six months ended June 30, 2025, compared to $417.6 million for the comparable 2024 period.

Home orders of 3,914 for the three months ended June 30, 2025 increased 3.0% from 3,799 home orders in the prior year quarter due to a 7.1% increase in average active communities, which was partially offset by a decrease in orders pace of 4.3 net homes per month in the second quarter of 2025 from 4.5 in the prior year period. While this decrease reflects the tougher selling environment, it is still above our targeted orders pace of 4.0 net homes per month. Home order value during the three months ended June 30, 2025 of $1.5 billion decreased 1.7% year-over-year, as the higher order volume was offset by a 4.5% decrease in ASP on orders. Reduced ASP is a result of the financing incentives as discussed previously. Our cancellation rate of 10% in the second quarter of 2025 was consistent with the second quarter of 2024 and below the Company's historical average. We ended the second quarter of 2025 with 1,748 homes in backlog valued at $695.5 million, decreases of 35.6% and 37.3%, respectively, from June 30, 2024. The lower backlog units is directly tied to the backlog conversion rate of 208% during the second quarter of 2025, compared to 136% in the same quarter of 2024. The decrease in backlog and higher backlog conversion rate is a direct output of our strategy of offering move-in ready homes with a 60-day closing ready commitment, as we are selling homes later in the construction cycle and are therefore able to shorten the time between home sale and home closing. Of the homes closed in second quarter of 2025, approximately 58% were sold within the same quarter, compared to approximately 41% in the prior year period.

We ended the second quarter of 2025 with 312 active communities, up from 287 at June 30, 2024. We purchased approximately 4,600 lots for $234.0 million, spent $275.4 million on land development, net of reimbursements, and started construction on 7,684 homes during the six months ended June 30, 2025.

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 a 60-day closing ready commitment, and 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 levels of spec inventory that are aligned with our strategy;
- Offering our customers affordable, move-in ready homes with a 60-day closing ready commitment;
- Embracing external realtor relationships, as we view realtors as a strategic partner who assists with sourcing homebuyers, particularly first-time homebuyers who view the realtor as a trusted advisor;
- Continuously improving the overall home buying experience through simplification and innovation; and
- Increasing homeowner satisfaction by offering 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 top 5 market position in all of our markets, and maintaining our status as a top 5 national builder (based on homes closed in 2024);
- Targeting a strong, yet sustainable, orders pace through the use of consumer and market 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 maintaining a strong balance sheet. We ended the second quarter of 2025 with a 25.8% debt-to-capital ratio and a 14.6% net debt-to-capital ratio, after issuing $500.0 million of senior notes during the first quarter of 2025;

- Balancing return of capital to our stockholders 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 inclusion, culture, and belonging, and providing market-competitive benefits in order to develop and motivate our employees, minimize turnover and maximize recruitment efforts.

Critical Accounting Estimates

The critical accounting estimates that we deem to involve the most difficult, subjective or complex judgments include real estate valuation and cost of home closings and warranty reserves. There have been no significant changes to our critical accounting estimates during the six months ended June 30, 2025 compared to those disclosed in Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations, included in our 2024 Annual Report on Form 10-K for the year ended December 31, 2024 (the "Annual Report").

Home Closing Revenue, Home Orders and Order Backlog

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. As previously disclosed in Note 1, effective January 1, 2025, all segment information included in this Quarterly Report on Form 10-Q has been recast for all periods presented to reflect Tennessee in the Central Region. 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	**Three Months Ended June 30,**		**Quarter over Quarter**	
	2025	**2024**	**Change $**	**Change %**
Total				
Dollars	$ 1,615,709	$ 1,693,738	$ (78,029)	(4.6) %
Homes closed	4,170	4,118	52	1.3 %
Average sales price	$ 387.5	$ 411.3	$ (23.8)	(5.8) %
West Region				
Dollars	$ 549,205	$ 622,837	$ (73,632)	(11.8) %
Homes closed	1,165	1,265	(100)	(7.9) %
Average sales price	$ 471.4	$ 492.4	$ (21.0)	(4.3) %
Central Region				
Dollars	$ 480,425	$ 528,380	$ (47,955)	(9.1) %
Homes closed	1,374	1,440	(66)	(4.6) %
Average sales price	$ 349.7	$ 366.9	$ (17.2)	(4.7) %
East Region				
Dollars	$ 586,079	$ 542,521	$ 43,558	8.0 %
Homes closed	1,631	1,413	218	15.4 %
Average sales price	$ 359.3	$ 383.9	$ (24.6)	(6.4) %

	Six Months Ended June 30,		**Quarter over Quarter**	
	2025	**2024**	**Change $**	**Change %**
Total				
Dollars	$ 2,957,813	$ 3,159,834	$ (202,021)	(6.4) %
Homes closed	7,586	7,625	$ (39)	(0.5) %
Average sales price	$ 389.9	$ 414.4	$ (24.5)	(5.9) %
West Region				
Dollars	$ 1,028,841	$ 1,138,469	$ (109,628)	(9.6) %
Homes closed	2,163	2,279	$ (116)	(5.1) %
Average sales price	$ 475.7	$ 499.5	$ (23.8)	(4.8) %
Central Region				
Dollars	$ 892,962	$ 1,012,150	$ (119,188)	(11.8) %
Homes closed	2,561	2,735	$ (174)	(6.4) %
Average sales price	$ 348.7	$ 370.1	$ (21.4)	(5.8) %
East Region				
Dollars	$ 1,036,010	$ 1,009,215	$ 26,795	2.7 %
Homes closed	2,862	2,611	$ 251	9.6 %
Average sales price	$ 362.0	$ 386.5	$ (24.5)	(6.3) %

Home Orders (1)	Three Months Ended June 30,		Quarter over Quarter	
	2025	2024	Change $	Change %
Total				
Dollars	$ 1,547,438	$ 1,573,456	$ (26,018)	(1.7) %
Homes ordered	3,914	3,799	115	3.0 %
Average sales price	$ 395.4	$ 414.2	$ (18.8)	(4.5) %
West Region				
Dollars	$ 484,756	$ 557,296	$ (72,540)	(13.0) %
Homes ordered	1,001	1,114	(113)	(10.1) %
Average sales price	$ 484.3	$ 500.3	$ (16.0)	(3.2) %
Central Region				
Dollars	$ 475,275	$ 471,064	$ 4,211	0.9 %
Homes ordered	1,298	1,274	24	1.9 %
Average sales price	$ 366.2	$ 369.8	$ (3.6)	(1.0) %
East Region				
Dollars	$ 587,407	$ 545,096	$ 42,311	7.8 %
Homes ordered	1,615	1,411	204	14.5 %
Average sales price	$ 363.7	$ 386.3	$ (22.6)	(5.9) %

	Six Months Ended June 30,		Quarter over Quarter	
	2025	2024	Change $	Change %
Total				
Dollars	$ 3,105,615	$ 3,204,651	$ (99,036)	(3.1) %
Homes ordered	7,790	7,790	—	— %
Average sales price	$ 398.7	$ 411.4	$ (12.7)	(3.1) %
West Region				
Dollars	$ 1,024,350	$ 1,138,101	$ (113,751)	(10.0) %
Homes ordered	2,094	2,284	(190)	(8.3) %
Average sales price	$ 489.2	$ 498.3	$ (9.1)	(1.8) %
Central Region				
Dollars	$ 964,435	$ 1,027,223	$ (62,788)	(6.1) %
Homes ordered	2,663	2,774	(111)	(4.0) %
Average sales price	$ 362.2	$ 370.3	$ (8.1)	(2.2) %
East Region				
Dollars	$ 1,116,830	$ 1,039,327	$ 77,503	7.5 %
Homes ordered	3,033	2,732	301	11.0 %
Average sales price	$ 368.2	$ 380.4	$ (12.2)	(3.2) %

(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.

er Backlog [1]

		At June 30,		Quarter over Quarter	
		2025	2024	Change $	Change %
l					
Dollars	$	695,476	1,109,687	(414,211)	(37.3)%
Homes in backlog		1,748	2,714	(966)	(35.6)%
Average sales price	$	397.9	408.9	(11.0)	(2.7)%
Region					
Dollars	$	182,308	367,436	(185,128)	(50.4)%
Homes in backlog		366	751	(385)	(51.3)%
Average sales price	$	498.1	489.3	8.8	1.8%
ral Region					
Dollars	$	220,889	329,377	(108,488)	(32.9)%
Homes in backlog		583	880	(297)	(33.8)%
Average sales price	$	378.9	374.3	4.6	1.2%
Region					
Dollars	$	292,279	412,874	(120,595)	(29.2)%
Homes in backlog		799	1,083	(284)	(26.2)%
Average sales price	$	365.8	381.2	(15.4)	(4.0)%

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

Active Communities and Cancellation Rates

Active Communities	Three Months Ended June 30,				Six Months Ended June 30,			
	2025		2024		2025		2024	
	Ending	Average	Ending	Average	Ending	Average	Ending	Average
Total	**312**	**301.0**	**287**	**281.0**	**312**	**297.8**	**287**	**277.2**
West Region	85	85.0	85	84.0	85	87.0	85	81.9
Central Region	85	83.5	90	92.0	85	85.6	90	94.3
East Region	142	132.5	112	105.0	142	125.2	112	101.0

Cancellation Rates [2]	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Total	**10 %**	**10 %**	**9 %**	**9 %**
West Region	9 %	10 %	8 %	9 %
Central Region	11 %	12 %	10 %	10 %
East Region	10 %	8 %	10 %	8 %

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

Operating Results

Companywide. In the three months ended June 30, 2025, we closed 4,170 homes, up 1.3% from 4,118 closings in the three months ended June 30, 2024. The decrease in home closing volume combined with a 5.8% lower ASP on closings led to $1.6 billion in home closing revenue for the three months ended June 30, 2025, 4.6% lower than the same period in 2024. Home order volume in the three months ended June 30, 2025 of 3,914 homes was 3.0% higher than 3,799 homes in the three months ended June 30, 2024, due to a 7.1% increase in average active communities, which was partially offset by a 4.4% lower orders pace of 4.3 net homes per month in the three months ended June 30, 2025 compared to 4.5 in the same period in 2024. The improvement in home order volume offset by a 4.5% lower ASP on orders led to home order value of $1.5 billion for the three months ended June 30, 2025, down by 1.7% from the prior year period. The decline in ASP on both closings and orders was caused by increased utilization of financing incentives. Order cancellations of 10% for the three months ended June 30, 2025 was consistent year over year. The current run rate for cancellations across the company is below our historical company average and we believe that this demonstrates the benefits of a shorter timeline between home order and home closing that is a product of our move-in ready homes with a 60-day closing ready commitment.

For the six months ended June 30, 2025, home closing volume of 7,586 closings was relatively flat year over year, and ASP on closings decreased 5.9%, leading to home closing revenue of $3.0 billion, down 6.4% from $3.2 billion in the prior year period. Home order volume of 7,790 for the six months ended June 30, 2025 was consistent with the prior year period, which with a 3.1% lower ASP on orders led to a 3.1% decrease in home order value of $3.1 billion. We ended the second quarter of 2025 with 312 actively selling communities, up from 287 at June 30, 2024. The quarter ended with 1,748 homes in backlog valued at $695.5 million, compared to 2,714 units valued at $1.1 billion at June 30, 2024. The lower backlog year over year is a result of the significant improvement in our backlog conversion rate of 208% compared to 136% in the prior year period, as we are selling spec homes later in the construction cycle.

West. The West Region generated $549.2 million in home closing revenue in the three months ended June 30, 2025, a 11.8% decrease compared to the $622.8 million in the prior year period. The lower revenue was driven by lower ASP on closings coupled with 7.9% lower closing volume of 1,165 homes in the three months ended June 30, 2025, compared to 1,265 homes in the prior year period. Home orders for the three months ended June 30, 2025 of 1,001 were down 10.1% from 1,114 in the prior year period, resulting from an 11.4% decrease in orders pace to 3.9 net homes per month, reflecting the tougher selling environment, with a relatively flat average active community count year over year. Home order value of $484.8 million for the second quarter of 2025 decreased 13.0% due to the lower order volume and a 3.2% lower ASP on orders. The decline in ASP on both closings and orders was the combined effect of increased utilization of financing incentives and a shift in geographic mix within the region. The West Region cancellation rate of 9% in the three months ended June 30, 2025 improved from 10% in the prior year.

For the six months ended June 30, 2025, home closing revenue of $1.0 billion decreased 9.6% due to a 5.1% decrease in home closing volume and a 4.8% lower ASP on closings resulting from the same reasons as noted above for the second quarter. Home order volume in the West Region of 2,094 decreased 8.3% as a 14.9% decrease in orders pace to 4.0 net homes per month, reflecting the tougher selling environment, was partially offset by a 6.2% increase in the number of average actively selling communities. Home order value of $1.0 billion was down 10.0% due the lower volume and a 1.8% decrease in ASP. The year-to-date cancellation rate of 8% improved from 9% in the prior year period. The West Region ended the second quarter of 2025 with 366 homes in backlog valued at $182.3 million, compared to 751 units valued at $367.4 million at June 30, 2024. The lower backlog is due to a higher backlog conversion rate of 220% for the three months ended June 30, 2025 compared to 140% in the same period of 2024, and lower orders pace in 2025 year to date.

Central. The Central Region closed 1,374 homes in the three months ended June 30, 2025, down 4.6% from 1,440 in the prior year period. Home closing revenue of $480.4 million in the three months ended June 30, 2025 was 9.1% lower from $528.4 million in the prior year period, due to the combined impact of lower home closing volume and a 4.7% decrease in ASP on closings. The decline in ASP on closings is a result of higher utilization of incentives. Home order volume increased 1.9% to 1,298 homes in the three months ended June 30, 2025 as a 13.0% improvement in orders pace of 5.2 homes per month more than offset the 9.2% drop in average active community count. Home order value of $475.3 million in the three months ended June 30, 2025 was relatively flat with the prior year period. The Central Region cancellation rate of 11% in the three months ended June 30, 2025 was down from 12% in the prior year period.

The Central Region had home closing revenue of $893.0 million for the six months ended June 30, 2025, 11.8% lower than the prior year due to a 6.4% decline in closing volume of 2,561 and a 5.8% decrease in ASP on closings. ASP on closings decreased due to increased use of financing incentives during the six months ended June 30, 2025. Home order volume decreased 4.0%, combined with a 2.2% drop in ASP on orders, leading to a 6.1% decrease in home order value of $964.4 million compared to $1.0 billion for the prior year period. Order volume decreased as a result of a 9.2% decrease in average active communities, which was partially offset by a 6.1% increase in orders pace to 5.2 net homes per month. The year-to-date cancellation rate of 10% for the six months ended June 30, 2025 was consistent with the prior year period. The Central Region ended the quarter with 583 units in backlog valued at $220.9 million, down 33.8% and 32.9%, respectively, compared to June 30, 2024, due to a higher backlog conversion rate of 209% in the second quarter of 2025 compared to 138% in the comparable prior year quarter, as well as lower order volume.

East. During the three months ended June 30, 2025, the East Region closed 1,631 homes for $586.1 million, up 15.4% and 8.0%, respectively from 1,413 closings and $542.5 million in home closing revenue in the comparable prior year period. The higher closing volume was the result of a 26.2% higher average active community count in the second quarter of 2025 and a shorter order to close timeline. The higher volume was partially offset by a 6.4% lower ASP on home closings, resulting from greater utilization of financing incentives. The East Region improved home order volume over prior year by 14.5%, with orders of 1,615 for the three months ended June 30, 2025, due entirely to the higher average active community count, which was partially offset by an 8.9% lower orders pace of 4.1 net homes per month compared to 4.5 in the prior year. Order value of $587.4 million in the three months ended June 30, 2025 increased 7.8% from $545.1 million in the prior year period due to the higher volume offset by a 5.9% decrease in ASP on orders year over year caused by increased use of financing incentives and geographic mix within the region. The East Region cancellation rate of 10% in the three months ended June 30, 2025 was up from 8% in the same prior year period but remains lower than our historical company average.

For the six months ended June 30, 2025, the East Region saw improvements in home closing volume and revenue of 9.6% and 2.7%, respectively, compared to the 2024 period, closing 2,862 homes for $1.0 billion in home closing revenue for the six months ended June 30, 2025. Home order volume increased 11.0% due to a 24.0% increase in average active communities, partially offset by an 11.1% lower orders pace of 4.0 net homes per month for the six months ended June 30, 2025, and includes our first orders from the new divisions in Alabama and Mississippi. The higher order volume led to a 7.5% increase in home order value of $1.1 billion. ASP on closing and orders both declined due to the increased use of financing incentives and geographic mix within the region. Similar to the second quarter, the East Region's cancellation rate of 10% increased from 8% in the prior year. The East Region ended the second quarter of 2025 with 799 homes in backlog valued at $292.3 million, down 26.2% and 29.2%, respectively, from 1,083 homes valued at $412.9 million at June 30, 2024. The East Region had a backlog conversion rate of 200% in the second quarter of 2025 compared to 130% in the prior year quarter.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Land closing revenue	$ 8,277	$ —	$ 23,698	$ 2,305
Land closing gross (loss)/profit	$ (719)	$ —	$ 2,446	$ 7

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. Therefore, the timing of land closings is not typically consistent between periods.

Other Operating Information (dollars in thousands)

	Three Months Ended June 30,				Six Months Ended June 30,			
	2025		2024		2025		2024	
	Dollars	Percent of Home Closing Revenue	Dollars	Percent of Home Closing Revenue	Dollars	Percent of Home Closing Revenue	Dollars	Percent of Home Closing Revenue
Home Closing Gross Profit (1)								
Total	$ 341,328	21.1 %	$ 439,506	25.9 %	$ 636,978	21.5 %	$ 817,464	25.9 %
West	$ 114,462	20.8 %	$ 148,264	23.8 %	$ 219,433	21.3 %	$ 263,392	23.1 %
Central	$ 106,587	22.2 %	$ 143,113	27.1 %	$ 197,316	22.1 %	$ 276,512	27.3 %
East	$ 120,279	20.5 %	$ 148,129	27.3 %	$ 220,229	21.3 %	$ 277,560	27.5 %

(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.

Companywide. Home closing gross profit for the three months ended June 30, 2025 was $341.3 million, with a home closing gross margin of 21.1%, down 480 basis points from 25.9% in the three months ended June 30, 2024. The margin decline in all regions was due to the combined impact of increased utilization of financing incentives that resulted in lower ASPs, and higher lot costs, which were partially offset by savings in direct costs and improved construction cycle time. Home closing gross margin was also negatively impacted in the three months ended June 30, 2025 by $4.2 million of charges related to terminated land contracts, compared to $1.4 million of charges in the three months ended June 30, 2024. Excluding the charges related to terminated land contracts, adjusted home closing gross margin was 21.4% and 26.0%, for the three months ended June 30, 2025 and 2024, respectively. For the six months ended June 30, 2025, home closing gross profit was $637.0 million, or 21.5%, down 440 basis points from 25.9% in the three months ended June 30, 2024. The lower margin for in all regions for the six months ended June 30, 2025 resulted from the combined effect of increased utilization of financing incentives, reduced leverage of overhead costs on lower home closing revenue, and higher lot costs, which were partially offset by savings in direct costs. Similar to the second quarter of 2025, the home closing gross margin for the six months ended June 30, 2025 included $5.6 million of charges related to terminated land deals, compared to $1.9 million in the same period of the prior year. Excluding the charges related to terminated land contracts, adjusted home closing gross margin was 21.7% and 25.9%, for the six months ended June 30, 2025 and 2024, respectively.

Financial Services Profit (in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Financial services profit	$ 5,611	$ 4,837	$ 9,174	$ 4,147

Financial services profit represents the net profit/(loss) of our financial services operations, including the operating profit generated by our wholly-owned title and insurance companies, Carefree Title Agency, Inc. and Meritage Homes Insurance Agency, Inc., respectively, as well as our portion of earnings from a mortgage joint venture. Financial services profit of $5.6 million in the three months ended June 30, 2025 increased $0.8 million from the prior year due to new divisions being serviced by our title company. Financial services profit of $9.2 million for the six months ended June 30, 2025 increased $5.0 million from $4.1 million in the same prior year period. The favorable variance year over year is entirely attributable to $7.8 million of charges related to expired interest rate forward commitments in the prior year period, compared to $2.1 million in the current period.

Selling, General and Administrative Expenses and Other Expenses (dollars in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Commissions and other sales costs	$ (108,830)	$ (104,665)	$ (203,550)	$ (206,215)
Percent of Home closing revenue	6.7 %	6.2 %	6.9 %	6.5 %
General and administrative expenses	$ (55,183)	$ (53,184)	$ (112,180)	$ (103,916)
Percent of Home closing revenue	3.4 %	3.1 %	3.8 %	3.3 %
Interest expense	$ —	$ —	$ —	$ —
Other income, net	$ 10,853	$ 11,498	$ 20,351	$ 20,520
Loss on early extinguishment of debt	$ —	$ (631)	$ —	$ (631)
Provision for income taxes	$ (46,181)	$ (65,806)	$ (83,534)	$ (113,805)

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 $4.2 million and 50 basis points, to $108.8 million and 6.7% of Home closing revenue in the three months ended June 30, 2025 compared to the prior year period. Both increases were due to higher external broker commission rates due to the tougher selling environment, as well as higher maintenance and utility costs associated with having more spec homes in inventory. Year to date, commissions and other sales costs were 6.9% and 6.5% of Home closing revenue in 2025 and 2024, respectively, due to higher commission rates and greater spec maintenance and utility costs for higher levels of spec inventory. The increase in spec home inventory and associated overhead expenses is an output of our new 60-day closing ready commitment in order to have sufficient inventory available.

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 three months ended June 30, 2025, General and administrative expenses of $55.2 million increased $2.0 million from $53.2 million in the prior year period, and as a percentage of Home closing revenue increased 30 basis points to 3.4%, due to reduced leverage of fixed costs on lower Home closing revenue, and expenses for our new divisions in Alabama and Mississippi. For the six months ended June 30, 2025, General and administrative expenses of $112.2 million increased $8.3 million over the prior year, and as a percentage of home closing revenue increased 50 basis points to 3.8%. The increase in the six month period was due to increased spend on new technology and lost leverage on lower home closing revenue.

Interest Expense. Interest expense is comprised of interest incurred, but not capitalized, on our Senior and convertible senior notes, Loans payable and other borrowings, including our Credit Facility. We recognized no interest expense for the three and six months ended June 30, 2025 and 2024, as all interest incurred was capitalized to qualifying assets.

Other Income, Net. Other income, net, primarily consists of (i) sublease income, (ii) interest earned on our cash and cash equivalents, (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 was $10.9 million and $11.5 million for the three months ended June 30, 2025 and 2024, respectively, and $20.4 million and $20.5 million for the six months ended June 30, 2025 and 2024, respectively.

Loss on Early Extinguishment of Debt. For the three and six months ended June 30, 2025, there was no loss on early extinguishment of debt. For the three and six months ended June 30, 2024, loss on early extinguishment of debt of $0.6 million was related to the $250.0 million redemption of our 6.00% Senior Notes due 2025 ("2025 Notes"). See Note 6 to the unaudited consolidated financial statements included in this report for more information related to the redemption of our 2025 Notes.

Income Taxes. Our effective tax rate was 23.9% and 22.1% for the three months ended June 30, 2025 and 2024, respectively, and 23.6% and 21.4% for the six months ended June 30, 2025 and 2024, respectively. The higher rate in the three and six months ended June 30, 2025 reflects fewer homes qualifying for energy tax credits under the Internal Revenue Code ("IRC") §45L energy-efficient homes federal tax credit, given the new higher construction thresholds required to earn these tax credits beginning in 2025.

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 may also opportunistically repurchase our senior 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. We strive to align our capital allocation and cash outlays with current market conditions. 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.

At June 30, 2025, we had $930.5 million of cash and cash equivalents and $815.0 million available under the Credit Facility, thereby providing approximately $1.7 billion of total available capacity.

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 share repurchases. Although we don't anticipate any early redemptions in the near term, we may opportunistically retire 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, dividend payments and share repurchases. 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 unaudited consolidated balance sheets as of June 30, 2025, 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 Credit Facility, letters of credit and surety bonds and operating leases. We have no material debt maturities until 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 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 loans payable and other borrowings, including our Credit Facility, senior and convertible senior notes, reference is made to Notes 5 and 6 in the notes to unaudited consolidated financial statements included in this report and are incorporated by reference herein. For information about our lease obligations, reference is made to Note 4 - Leases in the consolidated financial statements included in our Annual Report.

Reference is made to Notes 1, 3, 4, and 15 in the notes to unaudited consolidated financial statements included in this report 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 June 30, 2025 or December 31, 2024.

Operating Cash Flow Activities

During the six months ended June 30, 2025 and 2024, net cash used in operating activities totaled $28.9 million and $36.0 million, respectively. Operating cash flows in the six months ended June 30, 2025 benefited from cash generated by net earnings of $269.7 million, which were offset by a $224.6 million increase in real estate. Operating cash flows in the six months ended June 30, 2024 benefited from cash generated from net earnings of $417.6 million, which were offset by a $450.6 million increase in real estate.

Investing Cash Flow Activities

During the six months ended June 30, 2025 and 2024, net cash used in investing activities totaled $21.6 million and $19.6 million, respectively. Cash used in investing activities in both periods was mainly attributable to purchases of property and equipment and investments in unconsolidated entities.

Financing Cash Flow Activities

During the six months ended June 30, 2025 and 2024, net cash provided by financing activities totaled $329.4 million and of $127.4 million, respectively. The net cash provided by financing activities in 2025 primarily reflects the net proceeds of $492.1 million from the issuance of our 5.650% Senior Notes due 2035, offset by $90.0 million of share repurchases and $61.5 million of dividends paid. The net cash provided by financing activities in the 2024 period primarily reflects the net proceeds of $557.7 million from the issuance of our 1.75% Convertible Senior Notes due 2028, offset by the early redemption of our 2025 Notes of $250.0 million principal and $61.8 million for the purchase of capped calls, along with $55.9 million of share repurchases and $54.5 million of dividends paid. See 'Part II, Item 2 - Unregistered Sales of Equity Securities and Use of Proceeds' 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):

	As of	
	June 30, 2025	December 31, 2024
Senior and convertible senior notes, net, loans payable and other borrowings	$ 1,827,729	$ 1,335,878
Stockholders’ equity	5,269,174	5,141,573
Total capital	$ 7,096,903	$ 6,477,451
Debt-to-capital (1)	25.8 %	20.6 %
Senior and convertible senior notes, net, loans payable and other borrowings	$ 1,827,729	$ 1,335,878
Less: cash and cash equivalents	(930,463)	(651,555)
Net debt	897,266	684,323
Stockholders’ equity	5,269,174	5,141,573
Total net capital	$ 6,166,440	$ 5,825,896
Net debt-to-capital (2)	14.6 %	11.7 %

(1) Debt-to-capital is computed as senior and convertible senior notes, net, 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, 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

During the three months ended June 30, 2025 and 2024, our Board of Directors approved, and we paid, a quarterly cash dividend on common stock of $0.43 and $0.375 per share, respectively. Quarterly dividends paid during the six months ended June 30, 2025 and 2024, totaled $0.86 and $0.75 per share, respectively.

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 $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 June 30, 2025. Our actual financial covenant calculations as of June 30, 2025 are reflected in the table below.

Financial Covenant (dollars in thousands):	Covenant Requirement	Actual
Minimum Tangible Net Worth	> $3,675,551	$5,219,959
Leverage Ratio	< 60%	12.7%
Investments other than defined permitted investments	< $1,590,988	$34,676

Seasonality

Historically, we have experienced seasonal variations in our quarterly operating results and capital requirements. We typically take orders for more homes in the first half of the year than in the second half, which has created additional working capital requirements in the first and second quarters to build our inventories to satisfy seasonally higher demand with our 60-day closing ready commitment homes. While we expect the seasonal orders pattern to continue over the long term, a higher backlog conversion rate and our 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.

Recent Accounting Pronouncements

See Note 1 to our unaudited consolidated financial statements included in this report for discussion of recent accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our fixed rate debt is made up primarily of $1.8 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 senior notes and, as a result, changes in fair value of our senior notes should not have a significant impact until we would be required to repay such debt and access the capital markets to issue new debt. Obligations to settle our convertible senior notes by conversion 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 as the borrowing rates are based on SOFR or Prime (see Note 5 to our unaudited consolidated financial statements included in this report).

Item 4. Controls and Procedures

In order to ensure that the information we must disclose in our filings and submissions with the Securities and Exchange Commission ("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 Exchange Act Rules 13a-15(e) and 15d-15(e), as of June 30, 2025 (the "Evaluation Date"). Based on such evaluation, our 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 that is required to be disclosed by us in the reports 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 disclosure.

During the fiscal quarter covered by this Form 10-Q, there has not been any change in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

See Note 15 to our unaudited consolidated financial statements included in this report for a discussion of our legal proceedings.

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, Item IA "Risk Factors" in our Annual Report, which could materially affect our business, financial condition or future results. The risks described in our Annual Report on Form 10-K are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may eventually prove to materially adversely affect our business, financial condition and/or operating results. There have been no material changes in our risk factors as previously disclosed in our Annual Report.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

Our Board of Directors authorized a stock repurchase program in 2019, and have subsequently authorized additional expenditures under the program, summarized in the table below.

Date authorized	Date announced	Amount authorized
February 13, 2019	April 29, 2019	$ 100,000,000
November 13, 2020	January 27, 2021	$ 100,000,000
August 12, 2021	August 17, 2021	$ 100,000,000
May 19, 2022	May 25, 2022	$ 200,000,000
November 21, 2024	November 21, 2024	$ 250,000,000

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. As of June 30, 2025 there was $219.1 million available under this program to repurchase shares. We repurchased 674,124 shares under the program during the three months ended June 30, 2025.

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
April 1, 2025 - April 30, 2025	145,965	$ 67.88	145,965	$ 254,170,806
May 1, 2025 - May 31, 2025	528,159	$ 66.44	528,159	$ 219,078,895
June 1, 2025 - June 30, 2025	—	$ —	—	$ 219,078,895
Total	674,124		674,124	

Item 5. Other Information

Insider Trading Arrangements

During the fiscal quarter ended June 30, 2025, no director or officerterminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408 of Regulation S-K, and no independent director adopted a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement. During the fiscal quarter ended June 30, 2025, our officers adopted Rule 10b5-1 trading arrangements, as follows:

Name and Title	Date Adopted	Duration of Trading Arrangement	Description of the Aggregate Number of Securities to be Sold Pursuant to the Arrangement
Phillippe Lord *Chief Executive Officer*	June 3, 2025	February 23, 2026 - March 31, 2026	Sell sufficient shares to cover taxes due on vesting of equity awards that were granted on February 20, 2023 and vest on February 20, 2026.
Hilla Sferruzza *Executive Vice President and Chief Financial Officer*	June 3, 2025	February 23, 2026 - March 31, 2026	Sell sufficient shares to cover taxes due on vesting of equity awards that were granted on February 20, 2023 and vest on February 20, 2026.
Steven J. Hilton *Executive Chairman*	June 3, 2025	February 23, 2026 - March 31, 2026	Sell sufficient shares to cover taxes due on vesting of equity awards that were granted on February 20, 2023 and vest on February 20, 2026.
Malissia Clinton *Executive Vice President and General Counsel*	June 3, 2025	February 23, 2026 - March 31, 2026	Sell sufficient shares to cover taxes due on vesting of equity awards that were granted on February 20, 2023 and vest on February 20, 2026.
Javier Feliciano *Executive Vice President and Chief People Officer*	June 3, 2025	February 23, 2026 - March 31, 2026	Sell sufficient shares to cover taxes due on vesting of equity awards that were granted on February 20, 2023 and vest on February 20, 2026.

Item 6. Exhibits

Exhibit Number	Description	Page or Method of Filing
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
3.1.6	Amendment to Articles of Incorporation of Meritage Homes Corporation	Filed herewith
3.2	Meritage Homes Corporation Amended and Restated Bylaws	Incorporated by reference to Exhibit 3.1 of Form 8-K dated May 22, 2025
10.1	Representative Form of Non-Employee Director Equity Deferral Program *	Filed herewith
10.2	Eleventh Amendment to Amended and Restated Credit Agreement	Incorporated by reference to Exhibit 10.1 of Form 8-K dated July 9, 2025
22	List of Guarantor Subsidiaries	Incorporated by reference to Exhibit 22 of Form 10-K for the year ended December 31, 2024
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
101.0	The following information from the Meritage Homes Corporation Quarterly Report on Form 10-Q as of and for the six months ended June 30, 2025 were formatted in Inline XBRL (Extensible Business Reporting Language): (i) Unaudited Consolidated Balance Sheets, (ii) Unaudited Consolidated Income Statements, (iii) Unaudited Consolidated Statements of Cash Flows, and (iv) Notes to Unaudited Consolidated Financial Statements.	
104.0	The cover page from the Company’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2025, formatted in Inline XBRL and contained in exhibit 101.	

* Indicates a management contract or compensation plan.

SIGNATURES

Pursuant to the requirements 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.

MERITAGE HOMES CORPORATION,
a Maryland corporation

By: /s/ HILLA SFERRUZZA

Hilla Sferruzza
Executive Vice President and Chief Financial Officer
(Duly Authorized Officer and Principal Financial Officer)

Date: July 25, 2025

INDEX OF EXHIBITS

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* Indicates a management contract or compensation plan.

MERITAGE HOMES CORPORATION

ARTICLES OF AMENDMENT

Meritage Homes Corporation, a Maryland corporation (the "Company"), hereby certifies to the State Department of Assessments and Taxation of Maryland that:

FIRST: The charter of the Company (the "Charter") is hereby amended by deleting Article VI in its entirety and inserting the following in lieu thereof:

> The number of directors of the Corporation shall be as set forth in the bylaws of the Corporation, but shall never be less than the minimum number permitted by the Maryland General Corporation Law now or hereinafter in force. At the 2026 annual meeting of stockholders, each of the successors to the directors whose terms expire at the 2026 annual meeting of stockholders shall be elected to serve until the 2027 annual meeting of stockholders and until their respective successors are duly elected and qualify. Beginning with the 2027 annual meeting of stockholders, all directors shall be elected to serve until the next annual meeting of stockholders and until their respective successors are duly elected and qualify.

SECOND: The amendment to the Charter as set forth above has been duly advised by the Board of Directors of the Company and approved by the stockholders of the Company as required by law.

THIRD: The undersigned officer acknowledges these Articles of Amendment to be the corporate act of the Company and, as to all matters of facts required to be verified under oath, the undersigned officer acknowledges that, to the best of such officer's knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Company has caused these Articles of Amendment to be signed in its name and on its behalf by its Chief Executive Officer and attested to by its Secretary on this 22nd day of May, 2025.

ATTEST: MERITAGE HOMES CORPORATION

ATTEST:	MERITAGE HOMES CORPORATION
/s/ Malissia Clinton______________	By: /s/ Phillippe Lord________________________
Name: Malissia Clinton	Name: Phillippe Lord
Title: EVP, General Counsel & Secretary	Title: President & Chief Executive Officer

NON-EMPLOYEE DIRECTOR EQUITY DEFERRAL PROGRAM
UNDER THE
MERITAGE HOMES CORPORATION 2018 STOCK INCENTIVE PLAN

This Non-Employee Director Equity Deferral Program (the "Deferral Program") is adopted by the Board of Directors ("Board") of Meritage Homes Corporation, a corporation organized under the laws of the State of Maryland (the "Company"), pursuant to the Meritage Homes Corporation 2018 Stock Incentive Plan, as amended (the "Plan"), and is effective as of May 22, 2025. When a word or phrase appears in this Deferral Program document with the initial letter capitalized, and the word or phrase does not begin a sentence, the word or phrase shall generally be given the meaning ascribed to it in the Plan, unless a clearly different meaning is required by the context in which the word or phrase is used or a different meaning is specifically provided in this Deferral Program document.

1. **Recitals**. Pursuant to Section 3.1 of the Plan, Non-Employee Directors are eligible to receive Awards. The purpose of this Deferral Program is to allow Non-Employee Directors to elect to receive either the immediate or deferred payment of their vested Restricted Stock Unit Awards. Consistent with the Company's Executive Compensation Committee Charter, the Board has delegated its authority to administer the Plan, and, as a result this Deferral Program, to the Executive Compensation Committee of the Board (the "Committee").

2. **Timing and Manner of Payment of Restricted Stock Units – General Rule**. As partial compensation for service on the Board, and unless otherwise determined by the Committee, Non-Employee Directors will receive a Restricted Stock Unit Award. As a general rule, the Award Agreement for any Restricted Stock Unit (" RSU") shall provide that payment for the Award will be made within 60 days following the day on which the Award vests ***unless*** the Non-Employee Director elects to defer payment pursuant to Section 3, below. In any event, at the time of settlement for a Restricted Stock Unit Award, the Company shall make payment for vested Awards by: (a) issuing and delivering to Grantee the number of shares of Stock equal to the number of vested Restricted Stock Units; and (b) issuing 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.

3. **Election to Defer Restricted Stock Unit Awards**. Each Non-Employee Director may elect to defer receipt of 100% of the Restricted Stock Unit Award. The terms of any such deferral must comply with the provisions of this Section 3:

(a) **Deferral Election**. A Non-Employee Director may elect to defer the payment of his or her Restricted Stock Units until the first to occur of: (i) the date on which the Non-Employee Director incurs a Separation from Service (including death); or (ii) the date specified by the Non-Employee Director, in writing, in his or her RSU Deferral Election Form (that will be provided by the Company)[1] (a "RSU Deferral Election"). Any such election shall be made in writing by submitting a signed RSU Deferral Election Form to the Company.

(b) **Deferral Election Timing – General**. The RSU Deferral Election Form must be submitted to the Company no later than December 31 of the calendar year prior to the relevant Date of Grant (*e.g.*, an election to defer Restricted Stock Units to be granted in 2026

[1] Such specified date must be a date at least 3 years from the date the Non-Employee Director completes his or her RSU Deferral Election Form. If the Non-Employee Director selects a date prior to this date, then the Director's deferral election will not be honored.

must be received by December 31, 2025). The RSU Deferral Election will become irrevocable as of the relevant December 31.

(c) **Deferral Election Timing – No Deferral for Newly Elected or Appointed Director**. Newly elected or appointed Non-Employee Directors shall not have a deferral opportunity with respect to the Restricted Stock Unit Award granted to the Non-Employee Director in his or her first year of service on the Board (*e.g.*, a Non-Employee Director that begins to provide service in May 2025 shall not have an opportunity to defer the Restricted Stock Units granted in 2025 but shall have an opportunity to defer the Restricted Stock Units that are granted in 2026 and beyond).

(d) **No Evergreen Elections**. The elections made pursuant to any RSU Deferral Election Form are not intended to be "evergreen" which means that each calendar year a Non-Employee Director must complete a new RSU Deferral Election Form to make additional deferrals pursuant to this Deferral Program.

4. **Subsequent Deferral Elections**. A new RSU Deferral Election (the "Subsequent Deferral Election") that changes the time of settlement previously designated by a Non-Employee Director will be honored if, and only if, the following conditions are satisfied: (a) the Subsequent Deferral Election does not take effect until at least 12 months after the date on which it is submitted to the Company; (b) the Subsequent Deferral Election is made at least 12 months prior to the originally scheduled payment date; and (c) the Subsequent Deferral Election provides for a newly scheduled payment date that is at least 5 years later than the originally scheduled payment date.

5. **Number of Shares Subject to Awards; Board Service Required**. The number of shares of Stock subject to any Restricted Stock Unit Award for any given year will be determined by the Committee in its sole discretion. For the avoidance of doubt, in order to be eligible to receive an Award, a Non-Employee Director must be a member of the Board on the Date of Grant for such Award.

6. **Award Agreement**. All Awards will be evidenced by a Restricted Stock Unit Award Agreement that will prescribe the terms and conditions, including the vesting conditions, that apply to the Award.

7. **Amendment and Termination**. The Committee reserves the right to modify, amend or terminate this Deferral Program at any time and from time to time. Any such amendment, modification or termination, however, shall be subject to the requirements of Section 13 of the Plan to the extent that it is applicable.

8. **Section 409A Compliance**. It is intended that the terms of any Restricted Stock Unit Award and any election made pursuant to this Deferral Program will not result in the imposition of any tax liability pursuant to Section 409A of the Code. This Deferral Program and each Award Agreement shall be construed and interpreted consistent with that intent. Nevertheless, the Company does not guarantee any particular tax effect or treatment of the amounts due under this Deferral Program.

9. **Unfunded Status of Awards**. This Deferral Program and the Plan are intended to be "unfunded" plans for incentive compensation. With respect to any payments not yet made to a Non-Employee Director pursuant to an Award, nothing contained in this Deferral Program, the Plan or any Award Agreement shall give the Non-Employee Director any rights that are greater than those of a general creditor of the Company. Neither the Non-Employee Director nor any other person shall have any interest in any bookkeeping account, fund or in any specific asset or assets of the Company or any other entity by reason of any Award.

10. **<u>Incorporation of Plan Provisions</u>**. The provisions of the Plan shall apply to all RSU Deferral Elections made pursuant to this Deferral Program and shall accordingly be deemed to be incorporated herein.

11. **<u>Dividend Equivalents</u>**. If a Non-Employee Director defers the settlement of RSUs pursuant to this Deferral Program, the Non-Employee Director shall be entitled to a Dividend Equivalent Award as follows: each time the Company declares and pays ordinary cash dividends on or after the date on which the RSUs vest and prior to the date on which the RSUs are settled, a cash amount equal to the ordinary cash dividend that would have been payable to the Non-Employee Director with respect to the Stock underlying the Restricted Stock Units as if that Stock was issued outstanding as of the dividend payment date shall be accrued by the Company and shall be paid to the Non-Employee Director at the time the corresponding RSUs are settled (it being understood that the provisions of this sentence shall not apply to any extraordinary dividends or distributions). For the avoidance of doubt, Dividend Equivalent Awards shall not accrue or be paid with respect to any RSUs that do not vest in accordance with their terms.

IN WITNESS WHEREOF, the Company has caused this Deferral Program to be executed as of this May 22, 2025.

MERITAGE HOMES CORPORATION

By: /s/ Javier Feliciano________
Javier Feliciano, Chief People Officer

EXHIBIT 31.1

RULE 13a-14(a)/15d-14(a) CERTIFICATION

I, Phillippe Lord, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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: July 25, 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 Quarterly Report on Form 10-Q 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: July 25, 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 Quarterly Report on Form 10-Q of Meritage Homes Corporation (the "Company") for the period ending June 30, 2025, 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)

July 25, 2025

By: /s/ Hilla Sferruzza

Hilla Sferruzza
Executive Vice President and Chief Financial Officer (Principal Financial Officer)

July 25, 2025