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**

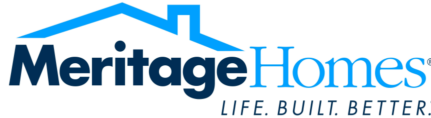
For the quarterly period ended March 31, 2026

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	ý	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 April 20, 2026: 66,702,433

MERITAGE HOMES CORPORATION
FORM 10-Q FOR THE QUARTER ENDED MARCH 31, 2026
TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION	
Item 1. Financial Statements	
Unaudited Consolidated Balance Sheets as of March 31, 2026 and December 31, 2025	3
Unaudited Consolidated Income Statements for the Three Months Ended March 31, 2026 and 2025	4
Unaudited Consolidated Statements of Cash Flows for the Three Months Ended March 31, 2026 and 2025	5
Notes to Unaudited Consolidated Financial Statements	6
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	25
Item 3. Quantitative and Qualitative Disclosures About Market Risk	35
Item 4. Controls and Procedures	35
PART II. OTHER INFORMATION	
Item 1. Legal Proceedings	37
Item 1A. Risk Factors	37
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	37
Items 3-4. Not Applicable	
Item 5. Other Information	38
Item 6. Exhibits	39
SIGNATURES	40
INDEX OF EXHIBITS	40

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

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

	March 31, 2026	December 31, 2025
Assets		
Cash and cash equivalents	$ 766,632	$ 775,157
Other receivables	280,922	306,956
Real estate	5,962,075	5,987,120
Deposits on real estate under option or contract	166,236	174,170
Investments in unconsolidated entities	60,762	57,268
Property and equipment, net	46,064	46,647
Deferred tax assets, net	51,211	53,293
Prepaids, other assets and goodwill	220,709	221,676
Total assets	$ 7,554,611	$ 7,622,287
Liabilities		
Accounts payable	$ 199,943	$ 200,679
Accrued and other liabilities	408,718	387,698
Home sale deposits	10,907	9,213
Loans payable and other borrowings	34,990	24,328
Senior and convertible senior notes, net	1,806,284	1,804,726
Total liabilities	2,460,842	2,426,644
Stockholders' Equity		
Preferred stock, par value $0.01. Authorized 10,000,000 shares; none issued and outstanding at March 31, 2026 and December 31, 2025	—	—
Common stock, par value $0.01. Authorized 125,000,000 shares; 66,702,433 and 68,168,923 shares issued and outstanding at March 31, 2026 and December 31, 2025, respectively	667	682
Additional paid-in capital	—	—
Retained earnings	5,093,102	5,194,961
Total stockholders' equity	5,093,769	5,195,643
Total liabilities and stockholders' equity	$ 7,554,611	$ 7,622,287

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 March 31,	
	2026	2025
Homebuilding:		
Home closing revenue	$ 1,107,822	$ 1,342,104
Land closing revenue	9,361	15,421
Total closing revenue	1,117,183	1,357,525
Cost of home closings	(914,024)	(1,046,454)
Cost of land closings	(9,630)	(12,256)
Total cost of closings	(923,654)	(1,058,710)
Home closing gross profit	193,798	295,650
Land closing gross (loss)/profit	(269)	3,165
Total closing gross profit	193,529	298,815
Financial Services:		
Revenue	6,285	7,082
Expense	(3,623)	(4,192)
Earnings from financial services unconsolidated entities and other, net	831	673
Financial services profit	3,493	3,563
Commissions and other sales costs	(79,472)	(94,720)
General and administrative expenses	(51,402)	(56,997)
Interest expense	(587)	—
Other income, net	6,963	9,498
Earnings before income taxes	72,524	160,159
Provision for income taxes	(17,215)	(37,353)
Net earnings	$ 55,309	$ 122,806
Earnings per common share:		
Basic	$ 0.82	$ 1.71
Diluted	$ 0.82	$ 1.69
Weighted average number of shares:		
Basic	67,367	71,915
Diluted	67,806	72,650

See accompanying notes to unaudited consolidated financial statements

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

	Three Months Ended March 31,	
	2026	2025
Cash flows from operating activities:		
Net earnings	$ 55,309	$ 122,806
Adjustments to reconcile net earnings to net cash provided by/(used in) operating activities:		
Depreciation and amortization	5,373	5,949
Real estate and land impairments	2,427	—
Write-off of terminated land deals	1,373	1,433
Stock-based compensation	5,860	6,325
Equity in earnings from unconsolidated entities	(656)	(626)
Distributions of earnings from unconsolidated entities	673	588
Other	2,074	489
Changes in assets and liabilities:		
Decrease/(increase) in real estate	34,049	(60,821)
Decrease/(increase) in deposits on real estate under option or contract	7,389	(62,179)
Decrease/(increase) in other receivables, prepaids and other assets	29,018	(37,636)
Decrease in accounts payable and accrued and other liabilities	(43,274)	(16,041)
Increase/(decrease) in home sale deposits	1,694	(2,863)
Net cash provided by/(used in) operating activities	101,309	(42,576)
Cash flows from investing activities:		
Investments in unconsolidated entities	(3,517)	(5,850)
Purchases of property and equipment	(4,308)	(5,592)
Proceeds from sales of property and equipment	94	29
Net cash used in investing activities	(7,731)	(11,413)
Cash flows from financing activities:		
Repayment of loans payable and other borrowings	(33)	(2,150)
Proceeds from issuance of senior notes	—	497,195
Payment of debt issuance costs	—	(5,073)
Proceeds from liabilities related to consolidated real estate not owned	59,947	—
Dividends paid	(32,017)	(30,887)
Repurchase of shares	(130,000)	(44,999)
Net cash (used in)/provided by financing activities	(102,103)	414,086
Net (decrease)/increase in cash and cash equivalents	(8,525)	360,097
Cash and cash equivalents, beginning of period	775,157	651,555
Cash and cash equivalents, end of period	$ 766,632	$ 1,011,652

See Supplemental Disclosure of Cash Flow Information in Note 13.

See accompanying 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 homebuilding 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 segment, which offers title and escrow, mortgage, and insurance services to our homebuyers. Carefree Title Agency, Inc. ("Carefree Title"), our wholly-owned title company, provides title insurance and closing/settlement services to our homebuyers in certain states. Managing our own title operations allows us greater control over the entire escrow and closing cycles in addition to generating additional revenue. Meritage Homes Insurance Agency, Inc. (“Meritage Insurance”), our wholly-owned insurance broker, works in collaboration with insurance companies nationwide to offer homeowners insurance and other insurance products to our homebuyers. Our financial services operations also provide mortgage services to our homebuyers through an unconsolidated joint venture.

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. Its homebuilding activities are conducted under the name of Meritage Homes in each of our homebuilding markets. At March 31, 2026, we were actively selling homes in 345 communities, with base prices ranging from approximately $162,000 to $1,000,000.

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, 2025 ("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 and in the accompanying unaudited consolidated financial statements to conform to classifications used in the current year. 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. Effective January 2, 2025, our common stock was split two-for-one (the "Stock Split"), with no adjustment to the number of authorized shares or the par value.

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 $55.3 million and $20.1 million are included in Cash and cash equivalents at March 31, 2026 and December 31, 2025, 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, land held for sale, and mothball communities. 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. Mothball communities represent communities where we have elected to stop development of an existing actively selling community because we believe the economic performance of the community would be maximized by deferring development for a period of time to allow market conditions to improve. 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. See Note 2 for additional information related to capitalized interest.

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 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.

Existing communities. Community-level reviews on active communities are performed quarterly, and are bifurcated between started and unstarted lots, 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 across the remaining lots in the community and is recognized in Cost of home closings in the period in which the impairment is determined. The fair value of the community’s assets is determined using either a market-based approach for projects to be sold or a discounted cash flow model for longer-termed projects we intend to build out. If a market-based approach is used, we determine fair value based on recent comparable purchase and sale activity in the local market, adjusted for variances as determined by our knowledge of the region and general real estate expertise. If a discounted cash flow approach is used, we compute fair value using projections, estimates and observable and unobservable inputs such as (i) home selling prices in the community adjusted for current and expected sales discounts and incentives, (ii) costs related to the community — both land development and home construction — including costs spent to date and budgeted remaining costs to spend, (iii) projected sales absorption rates, reflecting any product mix change strategies implemented to stimulate the orders pace, (iv) expected cancellation rates, (v) alternative land uses including disposition of all or a portion of the land owned, if applicable, and (vi) discount rate, which is currently 10-14% and varies based on the perceived risk inherent in the community’s other cash flow assumptions. These assumptions vary widely across different communities and geographies and are largely dependent on local market conditions. Community-level factors that may impact our key estimates include:

- Our current experience in the market;
- The presence and significance of local competitors, including their offered product type, comparable lot size, remaining lots and competitive actions such as incentive offerings;
- Economic and related demographic conditions for the surrounding community, such as major employers;
- Desirability of the particular community, including unique amenities or other favorable or unfavorable attributes; and
- Existing home inventory supplies for the surrounding community.

These local circumstances may significantly impact our assumptions and the resulting computation of fair value and are, therefore, closely evaluated by our division personnel in their preparation of the discounted cash flow models. The models are

also evaluated by regional and corporate personnel for consistency and integration, as decisions that affect pricing or absorption at one community may have resulting consequences for neighboring communities.

Mothball communities. In certain cases, we may elect to stop development of an existing actively selling community (mothball) if we believe the economic performance of the community would be maximized by deferring development for a period of time to allow market conditions to improve. The decision may be based on financial and/or operational metrics. If we decide to mothball a community, we will impair it to its fair value, if applicable, as discussed above and then cease future development activity until such a time when management believes that market conditions have improved and economic performance will be maximized. No costs are capitalized to communities that are designated as mothballed. When a community is initially placed into mothball status, it is management’s belief that the community is affected by local market conditions that are expected to improve within the next 1-5 years. Mothballed communities are reviewed at least annually to determine if they are at risk of future impairment. The financial and operational status and expectations of these communities are analyzed as well as any unique attributes that could be viewed as indicators for future impairments. Adjustments are made accordingly and incremental impairments, if any, are recorded at each re-evaluation.

Land held for sale or future development. Land held for sale or future development is reviewed at least annually to determine if it is at risk of future impairment. Our assessments on land held for sale or land held for future development typically involve third-party valuations, such as broker opinions, and recent comparable land sales in the area. For land held for future development, our assessments typically include highly subjective estimates for future performance, including the timing of development, the product to be offered, orders pace and selling prices of the product when the community is anticipated to open for sales, and the projected costs to develop and construct the community. We evaluate various factors to develop our forecasts, including the availability of and demand for homes and finished lots within the surrounding community, historical, current and future sales trends, and third-party data, if available. Based on these factors, we reach conclusions for future performance based on our judgment. If land held for sale or future development is deemed to be impaired, impairment changes are recognized in the period in which the impairment is determined. Impairments on land held for sale are recognized in Cost of land closings and impairments on land held for future development are recognized in Cost of home closings.

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 $166.2 million and $174.2 million as of March 31, 2026 and December 31, 2025, 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 and other liabilities on the accompanying unaudited consolidated balance sheets.

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

	As of	
	March 31, 2026	December 31, 2025
ROU assets	$ 57,164	$ 56,985
Lease liabilities	60,784	60,470

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			
	March 31, 2026		December 31, 2025	
	Outstanding	Estimated work remaining to complete	Outstanding	Estimated work remaining to complete
Sureties:				
Sureties related to owned projects and lots under contract	$ 1,011,633	$ 591,882	$ 965,349	$ 585,768
Total Sureties	$ 1,011,633	$ 591,882	$ 965,349	$ 585,768
Letters of Credit (“LOCs”):				
LOCs for land development	75,958	N/A	70,547	N/A
LOCs for general corporate operations	5,000	N/A	5,000	N/A
Total LOCs	$ 80,958	N/A	$ 75,547	N/A

Accrued and Other Liabilities. Accrued and other liabilities at March 31, 2026 and December 31, 2025 consisted of the following (in thousands):

	As of	
	March 31, 2026	December 31, 2025
Accruals related to real estate development and construction activities	$ 138,514	$ 144,122
Payroll and other benefits	66,566	98,591
Accrued interest	18,309	14,619
Accrued taxes	18,110	14,205
Warranty reserves	26,042	26,677
Lease liabilities	60,784	60,470
Liabilities related to consolidated real estate not owned	59,947	—
Other accruals	20,446	29,014
Total	$ 408,718	$ 387,698

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 record any adjustments in the three months ended March 31, 2026 or 2025. Included in the warranty reserve balances at March 31, 2026 and December 31, 2025 are case-specific warranty reserves, as discussed in Note 15.

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

	Three Months Ended March 31,	
	2026	2025
Balance, beginning of period	$ 26,677	$ 32,693
Additions to reserve from new home deliveries	2,971	4,390
Warranty claims, net of recoveries	(3,606)	(1,731)
Adjustments to pre-existing reserves	—	—
Balance, end of period	$ 26,042	$ 35,352

Warranty reserves are included in Accrued and other 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 March 31, 2026 and December 31, 2025.

Recent Accounting Pronouncements.

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("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. We adopted ASU 2023-09 for the annual period beginning January 1, 2025 and for interim periods beginning January 1, 2026. ASU 2023-09 is applied retrospectively to all prior periods presented in these financial statements.

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.

NOTE 2 — REAL ESTATE AND CAPITALIZED INTEREST

Real estate consists of the following (in thousands):

	As of	
	March 31, 2026	**December 31, 2025**
Homes completed and under construction [(1)]	$ 1,933,033	$ 2,069,548
Finished home sites and home sites under development [(2)]	3,963,883	3,917,572
Consolidated real estate not owned [(3)]	65,159	—
Total	$ 5,962,075	$ 5,987,120

(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, land held for sale and communities in mothball status, less impairments, if any. Land held for development, land held for sale and communities in mothball status totaled $190.9 million and $164.4 million as of March 31, 2026 and December 31, 2025, respectively. 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.

(3) See Note 3 for additional information on consolidated real estate not owned.

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 March 31,	
	2026	**2025**
Capitalized interest, beginning of period	$ 77,064	$ 53,678
Interest incurred	20,005	14,714
Interest expensed	(587)	—
Interest amortized to cost of home and land closings	(12,018)	(11,285)
Capitalized interest, end of period	$ 84,464	$ 57,107

As discussed in Note 1, and in accordance with ASC 360-10, 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. Based on these reviews, we recorded the following impairment charges during the three months ended March 31, 2026 and 2025 (in thousands).

	Three Months Ended March 31,		Three Months Ended March 31,	
	2026		2025	
Real estate inventory impairments:				
West	$	—	$	—
Central		1,273		—
East	$	1,154	$	—
Total	$	2,427	$	—
Impairments of land held for sale:				
West	$	—	$	—
Central		—		—
East	$	—	$	—
Total	$	—	$	—
Total impairments:				
West	$	—	$	—
Central		1,273		—
East	$	1,154	$	—
Total	$	2,427	$	—

As discussed in Note 1, non-refundable deposits are expensed to Cost of home closings when a land acquisition is terminated or no longer considered probable. The following tables summarizes the write-offs of non-refundable deposits and associated pre-acquisition costs for terminated land contracts during the periods presented (in thousands):

	Three Months Ended March 31,			
	2026		2025	
Terminated option/purchase contracts and related pre-acquisition costs:				
West	$	100	$	562
Central		342		336
East		931		535
Total	$	1,373	$	1,433

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 and Accrued and other liabilities, respectively. See Notes 2 and 1 for a detail of these asset and liability balances, respectively, if any.

The table below presents a summary of our lots under option at March 31, 2026 (dollars in thousands):

	Projected Number of Lots	Purchase Price	Option/ Earnest Money Deposits–Cash
Purchase and option contracts — committed	19,740	$ 3,739,750	$ 159,149
Purchase and option contracts — uncommitted (1)	14,628	1,014,956	7,087
Total purchase and option contracts (2)	34,368	4,754,706	166,236 (3)
Purchase contracts recorded on balance sheet as Real estate (2)	3,161	$ 65,159	$ — (4)

(1) We have not completed our acquisition evaluation process and we have not internally committed to purchase these lots.
(2) None of our purchase or option contracts require us to purchase lots, except for our specific performance contracts. The purchase price for specific performance contracts are recorded on the accompanying unaudited consolidated balance sheets as Real estate. See Note 2 for details of the Real estate balance.
(3) Amount is reflected on the accompanying unaudited consolidated balance sheets in Deposits on real estate under option or contract as of March 31, 2026.
(4) Deposits for specific performance contracts are recorded on the accompanying unaudited consolidated balance sheets as Real estate.

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. Our mortgage joint venture is engaged in mortgage activities and primarily provides mortgage services to our homebuyers. As of March 31, 2026, we had three 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	
	March 31, 2026	December 31, 2025
Assets:		
Cash	$ 20,320	$ 3,516
Real estate	136,008	181,166
Other assets	55,148	6,748
Total assets	$ 211,476	$ 191,430
Liabilities and equity:		
Accounts payable and other liabilities	$ 7,415	$ 8,448
Equity of:		
Meritage [1]	60,969	57,268
Other	143,092	125,714
Total liabilities and equity	$ 211,476	$ 191,430

	Three Months Ended March 31,	
	2026	2025
Revenue	$ 12,793	$ 10,740
Costs and expenses	(10,886)	(9,859)
Net earnings of unconsolidated entities	$ 1,907	$ 881
Meritage's share of pre-tax earnings [1] [2]	$ 656	$ 626

(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 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	
	March 31, 2026	December 31, 2025
Other borrowings, secured real estate notes payable [1]	$ 34,990	$ 24,328
$910.0 million unsecured revolving credit facility	—	—
Total	$ 34,990	$ 24,328

(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. On July 9, 2025, we entered into the Eleventh Amendment to Amended and Restated Credit Agreement, which extends the maturity date from June 12, 2029 to July 9, 2030. 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 March 31, 2026, the interest rate on outstanding borrowings under the Credit Facility would have been 4.865% 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 March 31, 2026.

We had no outstanding borrowings under the Credit Facility as of March 31, 2026 and December 31, 2025. There were no borrowings or repayments under the Credit Facility during the three months ended March 31, 2026, and $5.0 million of borrowings and repayments under the Credit Facility during the three months ended March 31, 2025. As of March 31, 2026, we had outstanding letters of credit issued under the Credit Facility totaling $81.0 million, leaving $829.0 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	
	March 31, 2026	December 31, 2025
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 March 31, 2026, there was $2,501 in net unamortized discount.	497,499	497,429
Net debt issuance costs	(16,215)	(17,703)
Total	$ 1,806,284	$ 1,804,726

There have been no material changes to the terms of the 2028 Convertible Notes and the related capped call transactions since those described in Note 7 - Senior and Convertible Senior Notes, Net in the consolidated financial statements included in our Annual Report. During the three months ended March 31, 2026, the circumstances allowing holders of the 2028 Convertible Notes to convert were not met.

The indentures for our 2027 Notes, 2029 Notes and 2035 Notes contain covenants that place limits on secured debt and sale and leaseback transactions. We were in compliance with all such covenants as of March 31, 2026.

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 Meritage Homes or any Guarantor to obtain funds from their respective subsidiaries, as applicable, by dividend or loan. We do not provide separate financial statements of the Guarantor Subsidiaries because Meritage Homes (the parent company) has no independent assets or operations and the guarantees are full and unconditional and joint and several. Subsidiaries of Meritage Homes Corporation that are non-guarantor subsidiaries are, individually and in the aggregate, minor, and 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.

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			
	March 31, 2026		December 31, 2025	
	Aggregate Principal	Estimated Fair Value	Aggregate Principal	Estimated Fair Value
5.125% 2027 Notes	$ 300,000	$ 300,750	$ 300,000	$ 301,890
1.750% 2028 Convertible Notes	$ 575,000	$ 574,310	$ 575,000	$ 566,548
3.875% 2029 Notes	$ 450,000	$ 437,625	$ 450,000	$ 442,125
5.650% 2035 Notes	$ 500,000	$ 481,500	$ 500,000	$ 510,050

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. The fair value of real estate inventories that were measured as of March 31, 2026 was $259.8 million. See Note 1 for information on the significant observable and unobservable inputs we utilized in our fair value measurements with respect to the Real estate assets measured at fair value, and Note 2 for a summary of the impairment charges on Real estate to bring the assets to their estimated fair value.

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 March 31,	
	2026	2025
Basic weighted average number of shares outstanding	67,367	71,915
Effect of dilutive securities:		
Unvested restricted stock	439	735
Diluted average shares outstanding	67,806	72,650
Net earnings	$ 55,309	$ 122,806
Basic earnings per share	$ 0.82	$ 1.71
Diluted earnings per share	$ 0.82	$ 1.69

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 7 - Senior and Convertible Senior Notes, Net in the consolidated financial statements included in our Annual Report, 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.

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
Balance at December 31, 2025	$ —	$ 10,247	$ 22,715	$ —	$ —	$ 32,962
Additions	—	—	—	—	—	—
Balance at March 31, 2026	$ —	$ 10,247	$ 22,715	$ —	$ —	$ 32,962

NOTE 10 — STOCKHOLDERS' EQUITY

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

	Three Months Ended March 31, 2026 (In thousands)				
	Number of Shares	Common Stock	Additional Paid-In Capital	Retained Earnings	Total
Balance at December 31, 2025	68,169	$ 682	$ —	$ 5,194,961	$ 5,195,643
Net earnings	—	—	—	55,309	55,309
Stock-based compensation expense	—	—	5,860	—	5,860
Issuance of stock	349	3	(3)	—	—
Dividends declared	—	—	—	(32,017)	(32,017)
Share repurchases	(1,816)	(18)	(5,857)	(125,151)	(131,026)
Balance at March 31, 2026	66,702	$ 667	$ —	$ 5,093,102	$ 5,093,769

	Three Months Ended March 31, 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 on January 2, 2025	—	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

During the three months ended March 31, 2026 and 2025, our Board of Directors approved, and we paid, a quarterly cash dividend on common stock of $0.48 and $0.43 per share, respectively. During the three months ended March 31, 2026 and 2025, 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 and other 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 which 1,650,007 shares remain available for grant at March 31, 2026. 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 March 31,	
	2026	2025
Stock-based compensation expense	$ 5,860	$ 6,325
Non-vested shares granted	287,388	320,213
Performance-based non-vested shares granted	94,683	82,907
Performance-based shares issued in excess of target shares granted [(1)]	21,892	20,556
Restricted stock awards vested (includes performance-based awards)	327,438	493,050

(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	
	March 31, 2026	December 31, 2025
Unrecognized stock-based compensation cost	$ 44,160	$ 30,419
Weighted average years expense recognition period	2.27	1.97
Total equity awards outstanding [(1)]	1,014,616	1,004,268

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

We also offer a non-qualified deferred compensation plan ("Deferred Compensation Plan") to highly compensated employees in order to allow them additional pre-tax income deferrals above and beyond the limits that qualified plans, such as 401(k) plans, impose on highly compensated employees. We do not currently offer a contribution match on the Deferred Compensation Plan. All contributions to the plan to date have been funded by the employees and, therefore, we have no associated expense related to the Deferred Compensation Plan for the three months ended March 31, 2026 or 2025, other than minor administrative costs.

NOTE 12 — INCOME TAXES

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

	Three Months Ended March 31,	
	2026	2025
Federal	$ 13,826	$ 30,631
State	3,389	6,722
Total	$ 17,215	$ 37,353

The effective tax rate for the three months ended March 31, 2026 and 2025 was 23.7% and 23.3%, respectively.

At March 31, 2026 and December 31, 2025, 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 federal NOLs or credit carryovers, and determined that no valuation allowance on our deferred tax assets is necessary at March 31, 2026.

At March 31, 2026, we had $2.2 million taxes payable and no income taxes receivable. The taxes payable at March 31, 2026 primarily consists of income tax liability accrued in excess of federal and state estimated tax payments and energy tax credits. We have accrued taxes of $13.2 million recorded in Accrued and other liabilities on the accompanying unaudited consolidated balance sheets at March 31, 2026 that consists primarily of state franchise tax and federal excise tax.

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 2021. We have no federal tax examinations pending resolution at this time, and one state income tax examination covering various years pending resolution at this time.

NOTE 13 — SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

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

	Three Months Ended March 31,	
	2026	**2025**
Cash paid during the year for:		
Interest, net of interest capitalized	$ (4,972)	$ (14,385)
Income taxes paid, net	$ 98	$ 107
Non-cash operating activities:		
Real estate acquired through notes payable	$ 10,695	$ 7,990
Non-cash investing and financing activities:		
Distributions of real estate from unconsolidated joint ventures, net	$ —	$ 2,950

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 Chief Operating Decision Maker ("CODM") to analyze financial performance, make decisions, and allocate resources. Our CODM is the chief executive officer. The CODM's evaluation of the homebuilding segment performance is based on segment home closing revenue, home closing gross profit and gross margin, total closing 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.

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 March 31, 2026			
	West	Central	East	Total
Home closing revenue	$ 336,183	$ 376,300	$ 395,339	$ 1,107,822
Land closing revenue	—	2,726	6,635	9,361
Total closing revenue	336,183	379,026	401,974	1,117,183
Cost of home closings	274,703	307,695	331,626	914,024
Cost of land closings	—	2,670	6,960	9,630
Total cost of closings	274,703	310,365	338,586	923,654
Home closing gross profit	61,480	68,605	63,713	193,798
Land closing gross (loss)/profit	—	56	(325)	(269)
Total closing gross profit	61,480	68,661	63,388	193,529
Home closing gross margin	*18.3%*	*18.2%*	*16.1%*	*17.5%*
Commissions and other sales costs	21,371	28,477	29,624	79,472
General and administrative expenses	10,851	11,172	16,093	38,116
Homebuilding segment operating income	29,258	29,012	17,671	75,941
Financial services segment profit				3,493
Corporate and unallocated costs (1)				(13,286)
Interest expense				(587)
Other income, net				6,963
Earnings before income taxes				$ 72,524

(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 March 31, 2025			
	West	Central	East	Total
Home closing revenue	$ 479,636	$ 412,537	$ 449,931	$ 1,342,1
Land closing revenue	691	930	13,800	15,4
Total closing revenue	480,327	413,467	463,731	1,357,5
Cost of home closings	$ 374,665	$ 321,808	$ 349,981	$ 1,046,4
Cost of land closings	142	335	11,779	12,2
Total cost of closings	374,807	322,143	361,760	1,058,7
Home closing gross profit	104,971	90,729	99,950	295,6
Land closing gross profit	549	595	2,021	3,1
Total closing gross profit	105,520	91,324	101,971	298,8
Home closing gross margin	*21.9%*	*22.0%*	*22.2%*	*22.0*
Commissions and other sales costs	27,402	32,657	34,661	94,7
General and administrative expenses	13,453	12,839	18,092	44,3
Homebuilding segment operating income	64,665	45,828	49,218	159,7
Financial services segment profit				3,5
Corporate and unallocated costs (1)				(12,6
Interest expense				
Other income, net				9,4
Earnings before income taxes				$ 160,1

(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 March 31, 2026					
	West	Central	East	Financial Services	Corporate and Unallocated	Total
Deposits on real estate under option or contract	$ 26,558	$ 60,853	$ 78,825	$ —	$ —	$ 166,236
Real estate	1,762,412	1,648,341	2,551,322	—	—	5,962,075
Investments in unconsolidated entities	30,690	29,183	—	—	889	60,762
Other assets	45,058 (1)	312,229 (2)	89,553 (3)	2,888	915,810 (4)	1,365,538
Total assets	$ 1,864,718	$ 2,050,606	$ 2,719,700	$ 2,888	$ 916,699	$ 7,554,611

(1) Balance consists primarily of prepaid expenses and other assets and property and equipment, net.
(2) Balance consists primarily of development reimbursements from local municipalities, prepaid expenses and other assets, and cash and cash equivalents.
(3) Balance consists primarily of cash and cash equivalents, goodwill (see Note 9), and prepaid expenses and other assets.
(4) Balance consists primarily of cash and cash equivalents, prepaids and other assets, and deferred tax assets.

	At December 31, 2025					
	West	Central	East	Financial Services	Corporate and Unallocated	Total
Deposits on real estate under option or contract	$ 26,155	$ 61,686	$ 86,329	$ —	$ —	$ 174,170
Real estate	1,782,502	1,685,355	2,519,263	—	—	5,987,120
Investments in unconsolidated entities	28,631	27,734	—	—	903	57,268
Other assets	37,118 (1)	309,583 (2)	78,724 (3)	2,342	975,962 (4)	1,403,729
Total assets	$ 1,874,406	$ 2,084,358	$ 2,684,316	$ 2,342	$ 976,865	$ 7,622,287

(1) Balance consists primarily of property and equipment, net, prepaid expenses and other assets, and development receivables.
(2) Balance consists primarily of development reimbursements from local municipalities, property and equipment, net, goodwill (see Note 9), and prepaid expenses and other assets.
(3) Balance consists primarily of prepaid expenses and other assets, goodwill (see Note 9), and property and equipment, net.
(4) Balance consists primarily of cash and cash equivalents, prepaids and other assets, and deferred tax 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 March 31, 2026 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 $26.0 million of total Warranty reserves related to alleged stucco defects in certain homes we constructed predominantly between 2015 and 2019. 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 March 31, 2026, after considering potential recoveries from the consultants and contractors involved and their insurers and the potential recovery under our general liability insurance policies, we believe our reserves are sufficient to cover the above mentioned matters. See Note 1 for information related to our warranty obligations.

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 sufficient liquidity; our goals, strategies and strategic initiatives including our use of interest rate buy-downs and other financing incentives, our spec and move-in ready strategy, 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 2026; 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 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; shortages in the availability and cost of subcontract labor; legislation related to tariffs; cancellation rates; supply chain and labor constraints; the ability of our potential buyers to sell their existing homes; the adverse effect of slow absorption rates; our ability to acquire and develop lots may be negatively impacted if we are unable to obtain performance and surety bonds; impairments of our real estate inventory; competition; home warranty and construction defect claims; failures in health and safety performance; fluctuations in quarterly operating results; our level of indebtedness; our exposure to counterparty risk with respect to our capped calls; our ability to obtain financing if our credit ratings are downgraded; our exposure to and impacts from natural disasters or severe weather conditions; the availability and cost of finished lots and undeveloped land; the success of our strategy to offer and market entry-level and first move-up homes; a change to the feasibility of projects under option or contract that could result in the write-down or write-off of earnest money or option deposits; our limited geographic diversification; sustainability matters and disclosure; 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 ("SEC"), including those set forth in our Form 10-K for the year ended December 31, 2025 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 homebuilding market continued to be challenged in the first quarter of 2026, due to persistent affordability challenges and diminished consumer confidence, which was further depressed by severe winter storms and military operations in Iran which we believe drove increasing interest rates, gas prices and inflation. While demand for affordable, move-in ready homes from millennial, Gen Z and baby boomer generations continues, buyers are increasingly reliant on financing assistance to overcome market uncertainty and manage monthly payments. Our ability to offer financing incentives, including interest rate locks and buy-downs, remains a key differentiator, primarily compared to resale homes, where individual sellers are typically not able to provide such incentives. While we face headwinds in the current environment, we acknowledge that capturing demand requires higher than anticipated incentive utilization, even as we look to optimize every asset and prioritize margin preservation.

Construction cycle times remained under 110 calendar days, below our historical normalized time of approximately 120 days and materially improved from more than 150 days over the last several years as the supply chain and labor markets return to normal conditions. Our all-spec strategy also minimizes variability and creates efficiencies through repeatability. Land costs remain elevated following years of historically high land acquisition and development costs, however, our scale and purchasing power allow us to secure volume discounts from national vendors, helping offset some of this pressure.

We believe that the execution of our all-spec strategy of move-in ready homes with a commitment to affordability appropriately focuses on our key financial goals such as strong home closing revenue and home closing gross margin, controlling selling, and general and administrative costs, and maintaining sufficient liquidity.

Summary Company Results

Home closing volume of 2,967 homes in the three months ended March 31, 2026 was down 13.1% from 3,416 homes in the same prior year period. Lower closing volume combined with a 5.0% decrease in average sales price ("ASP") on closings resulted in $1.1 billion in home closing revenue, a 17.5% decrease from $1.3 billion in the three months ended March 31, 2025. The lower ASP is a result of increased utilization of incentives and geographic mix shift, and contributed to the first quarter 2026 home closing gross margin decline of 450 basis points to 17.5%, compared to 22.0% in the prior year period. The decrease in home closing gross margin was also attributable to reduced leverage of fixed costs on lower home closing revenue and higher lot costs, all of which were only partially offset by savings achieved in direct costs and shorter construction cycle times. Lower home closing volume and ASP on closings led to home closing gross profit of $193.8 million in the three months ended March 31, 2026 compared to $295.7 million in the comparable prior year period. Land closing gross loss of $0.3 million in the three months ended March 31, 2026 compared to land closing gross profit of $3.2 million in the comparable 2025 period. Financial services profit was $3.5 million in the three months ended March 31, 2026, flat with the prior year period. Commissions and other sales costs of $79.5 million in the three months ended March 31, 2026 decreased $15.2 million due primarily to lower home closing revenue. General and administrative expenses of $51.4 million in the three months ended March 31, 2026 decreased $5.6 million from the same period of 2025, largely due to savings in compensation expense and intentional reductions in discretionary expenses. Earnings before income taxes for the three months ended March 31, 2026 of $72.5 million decreased $87.6 million year over year from $160.2 million in the same period of 2025. The effective income tax rate of 23.7% for the three months ended March 31, 2026 increased slightly from 23.3% in 2025. The decrease in year-over-year profitability resulted in net earnings of $55.3 million in the three months ended March 31, 2026 versus $122.8 million in the three months ended March 31, 2025.

Home orders of 3,664 for the three months ended March 31, 2026 decreased 5.5% from 3,876 home orders in the prior year quarter due to an 18.2% decrease in orders pace to 3.6 net homes per month, offset by the 17.0% increase in average active communities. Home order value during the three months ended March 31, 2026 of $1.4 billion decreased 10.1% year-over-year, due to lower order volume and a 4.9% decrease in ASP on orders caused by the same factors discussed previously. Our cancellation rate was 11% in the three months ended March 31, 2026, compared to 9% in the comparable 2025 period. We ended the first quarter of 2026 with 1,865 homes in backlog valued at $711.5 million, decreases of 6.9% and 12.4%, respectively, from March 31, 2025. The lower backlog units are due to lower order volume and a higher backlog conversion rate of 254% during the three months ended March 31, 2026, compared to 221% in the comparable 2025 period.

We ended the first quarter of 2026 with 345 active communities, the highest in Company history, up from 290 at March 31, 2025 and 336 at December 31, 2025. We purchased approximately 2,600 lots for $141.0 million, spent $185.1 million on land development, net of reimbursements, and started construction on 2,524 homes during the three months ended March 31, 2026.

Company Positioning

We believe that the focus on community count growth, 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:

- 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;
- Offering our customers affordable, move-in ready homes with a 60-day closing ready commitment;
- Delivering affordable homes on a shorter timeline through simplification of production processes and maintaining levels of spec inventory that are aligned with our strategy;
- Continuously improving the overall home buying experience through simplification and innovation; and
- Increasing homeowner satisfaction by offering energy-efficient homes that are cleaner and healthier.

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 2025);
- 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 first quarter of 2026 with a 26.6% debt-to-capital ratio and a 17.4% net debt-to-capital ratio;
- 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 three months ended March 31, 2026 compared to those disclosed in Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations, included in our 2025 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 affect the comparability between our home orders, closings and backlog due to the changing mix between periods. 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 March 31,		Quarter over Quarter	
	2026	**2025**	**Change $**	**Change %**
Total				
Dollars	$ 1,107,822	$ 1,342,104	$ (234,282)	(17.5)%
Homes closed	2,967	3,416	(449)	(13.1)%
Average sales price	$ 373.4	$ 392.9	$ (19.5)	(5.0)%
West Region				
Dollars	$ 336,183	$ 479,636	$ (143,453)	(29.9)%
Homes closed	686	998	(312)	(31.3)%
Average sales price	$ 490.1	$ 480.6	$ 9.5	2.0 %
Central Region				
Dollars	$ 376,300	$ 412,537	$ (36,237)	(8.8)%
Homes closed	1,108	1,187	(79)	(6.7)%
Average sales price	$ 339.6	$ 347.5	$ (7.9)	(2.3)%
East Region				
Dollars	$ 395,339	$ 449,931	$ (54,592)	(12.1)%
Homes closed	1,173	1,231	(58)	(4.7)%
Average sales price	$ 337.0	$ 365.5	$ (28.5)	(7.8)%

Home Orders (1)	Three Months Ended March 31,		Quarter over Quarter	
	2026	**2025**	**Change $**	**Change %**
Total				
Dollars	$ 1,400,440	$ 1,558,177	$ (157,737)	(10.1)%
Homes ordered	3,664	3,876	(212)	(5.5)%
Average sales price	$ 382.2	$ 402.0	$ (19.8)	(4.9)%
West Region				
Dollars	$ 444,293	$ 539,594	$ (95,301)	(17.7)%
Homes ordered	898	1,093	(195)	(17.8)%
Average sales price	$ 494.8	$ 493.7	$ 1.1	0.2 %
Central Region				
Dollars	$ 457,299	$ 489,160	$ (31,861)	(6.5)%
Homes ordered	1,316	1,365	(49)	(3.6)%
Average sales price	$ 347.5	$ 358.4	$ (10.9)	(3.0)%
East Region				
Dollars	$ 498,848	$ 529,423	$ (30,575)	(5.8)%
Homes ordered	1,450	1,418	32	2.3 %
Average sales price	$ 344.0	$ 373.4	$ (29.4)	(7.9)%

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

Order Backlog [(1)]

	At March 31,		Quarter over Quarter	
	2026	**2025**	**Change $**	**Change %**
Total				
Dollars	$ 711,466	$ 812,358	$ (100,892)	(12.4)%
Homes in backlog	1,865	2,004	(139)	(6.9)%
Average sales price	$ 381.5	$ 405.4	$ (23.9)	(5.9)%
West Region				
Dollars	$ 193,651	$ 262,627	$ (68,976)	(26.3)%
Homes in backlog	397	530	(133)	(25.1)%
Average sales price	$ 487.8	$ 495.5	$ (7.7)	(1.6)%
Central Region				
Dollars	$ 238,387	$ 242,919	$ (4,532)	(1.9)%
Homes in backlog	665	659	6	0.9 %
Average sales price	$ 358.5	$ 368.6	$ (10.1)	(2.7)%
East Region				
Dollars	$ 279,428	$ 306,812	$ (27,384)	(8.9)%
Homes in backlog	803	815	(12)	(1.5)%
Average sales price	$ 348.0	$ 376.5	$ (28.5)	(7.6)%

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

Active Communities and Cancellation Rates

Active Communities

	Three Months Ended March 31,			
	2026		2025	
	Ending	Average	Ending	Average
Total	**345**	**340.5**	**290**	**291.0**
West Region	88	85.5	85	88.0
Central Region	107	109.5	82	86.0
East Region	150	145.5	123	117.0

Cancellation Rates [(2)]

	Three Months Ended March 31,	
	2026	**2025**
Total	**11 %**	**9 %**
West Region	6 %	7 %
Central Region	12 %	9 %
East Region	13 %	10 %

(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 March 31, 2026, we closed 2,967 homes, 13.1% lower than 3,416 closings in the three months ended March 31, 2025. The decrease in home closing volume combined with a 5.0% lower ASP on closings drove $1.1 billion in home closing revenue for the three months ended March 31, 2026, 17.5% lower than the same period in 2025. Nearly 70% of our first quarter closings came from intra-quarter home orders. Home order volume in the three months ended March 31, 2026 of 3,664 homes was 5.5% lower than 3,876 homes in the three months ended March 31, 2025, due to an 18.2% decrease in orders pace to 3.6 net homes per month in the three months ended March 31, 2026 which was partially offset by a 17.0% increase in average active communities. Demand has been meaningfully impacted by consumer confidence that has been weak for some time and recently exacerbated by economic and world events. The lower home order volume combined with 4.9% lower ASP on orders led to 10.1% lower home order value of $1.4 billion for the three months ended March 31, 2026, compared to $1.6 billion in the prior year period. The decline in ASP on both closings and orders was caused by increased utilization of incentives and shift in geographic mix. Order cancellations of 11% for the three months ended March 31, 2026 were up from 9% in the comparable 2025 period, but remains below our historical company average. We believe our low cancellation rates reflects the benefits of a shorter timeline to home closing that is provided by our move-in ready homes with a 60-day closing ready commitment. The first quarter of 2026 ended with 1,865 homes in backlog valued at $711.5 million, compared to 2,004 units valued at $812.4 million at March 31, 2025. The year over year decrease in backlog homes is the result of lower order volume and a higher backlog conversion rate of 254% during the three months ended March 31, 2026, compared to 221% in the same period of 2025.

West. The West Region generated $336.2 million in home closing revenue in the three months ended March 31, 2026, a 29.9% decrease compared to $479.6 million in the prior year period. The lower revenue was due entirely to 31.3% lower closing volume of 686 homes in the three months ended March 31, 2026, compared to 998 homes in the prior year. ASP on closings increased 2.0% due to geographic mix within the region. Home orders for the three months ended March 31, 2026 of 898 were down 17.8% from 1,093 in the prior year period, due to the combination of a 14.6% decrease in orders pace and 2.8% fewer average active communities. The orders pace of 3.5 homes per month in the three months ended March 31, 2026 compares to 4.1 homes per month in the same period of the prior year. Home order value of $444.3 million for the three months ended March 31, 2026 decreased 17.7% due entirely to the lower order volume, as ASP on orders was flat year over year. The West Region had the lowest cancellation rate in the Company, at 6% for the three months ended March 31, 2026, and down from 7% in the prior year period. The West Region ended the first quarter of 2026 with 397 homes in backlog valued at $193.7 million, compared to 530 units valued at $262.6 million at March 31, 2025. The lower backlog is the combined effect of the lower orders in the first quarter of 2026, along with a record backlog conversion rate of 371% for the three months ended March 31, 2026 compared to 229% in the same period of 2025.

Central. The Central Region closed 1,108 homes in the three months ended March 31, 2026, down 6.7% from 1,187 in the prior year period. Home closing revenue of $376.3 million in the three months ended March 31, 2026 was 8.8% lower than $412.5 million in the prior year period due to the combined impact of lower home closing volume and a 2.3% decrease in ASP on closings. The decline in ASP on closings is a result of higher utilization of incentives. Home order volume decreased 3.6% to 1,316 homes in the three months ended March 31, 2026 due to a 24.5% decline in orders pace to 4.0 homes per month, offset by a 27.3% increase in average active community count. The decrease in volume combined with a 3.0% decrease in ASP on orders led to 6.5% lower home order value of $457.3 million in the three months ended March 31, 2026. The Central Region cancellation rate of 12% in the three months ended March 31, 2026 was up from 9% in the prior year period but continues to be lower than the historical company average. The Central Region ended the first quarter of 2026 with 665 units in backlog, relatively consistent with prior year, while backlog value of $238.4 million was down 1.9% from March 31, 2025 due to a 2.7% lower ASP on backlog.

East. During the three months ended March 31, 2026, the East Region closed 1,173 homes for $395.3 million, down 4.7% and 12.1%, respectively from 1,231 closings and $449.9 million in home closing revenue in the comparable prior year period. The lower home closing revenue was driven by fewer closings and a 7.8% lower ASP on home closings, resulting from shift in geographic mix within the region and greater utilization of incentives. The Region improved home order volume over prior year by 2.3%, with orders of 1,450 for the three months ended March 31, 2026, due entirely to a 24.4% higher average active community count which reflects continued growth in our newer divisions, and was partially offset by a 17.5% lower orders pace. The orders pace of 3.3 homes per month compared to 4.0 in the prior year period is reflective of the demand conditions in the underlying geographies. Order value of $498.8 million in the three months ended March 31, 2026 decreased 5.8% from $529.4 million in the prior year period due to a 7.9% decrease in ASP on orders year over year caused by geographic mix shift and increased use of incentives. The East Region cancellation rate of 13% in the three months ended March 31, 2026 was up from 10% in the same prior year period but remains below our historical company average. The East Region ended the first quarter of 2026 with 803 homes in backlog, relatively consistent with prior year, as the higher order volume was offset by an

increased backlog conversion rate of 223% in the first quarter of 2026 compared to 196% in the prior year quarter. Backlog value of $279.4 million decreased 8.9%, from $306.8 million at March 31, 2025 primarily due to a decrease in ASP on backlog.

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

	Three Months Ended March 31,	
	2026	2025
Land closing revenue	$ 9,361	$ 15,421
Land closing gross (loss)/profit	$ (269)	$ 3,165

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 March 31,			
	2026		2025	
	Dollars	Percent of Home Closing Revenue	Dollars	Percent of Home Closing Revenue
Home Closing Gross Profit [1]				
Total	$ 193,798	17.5 %	$ 295,650	22.0 %
Add: Real estate-related impairments	2,427		—	
Add: Write-off of terminated land deals	1,373		1,433	
Adjusted Home Closing Gross Profit [2]	$ 197,598	17.8 %	$ 297,083	22.1 %
West	$ 61,480	18.3 %	$ 104,971	21.9 %
Add: Real estate-related impairments	—		—	
Add: Write-off of terminated land deals	100		562	
Adjusted Home Closing Gross Profit [2]	$ 61,580	18.3 %	$ 105,533	22.0 %
Central	$ 68,605	18.2 %	$ 90,729	22.0 %
Add: Real estate-related impairments	1,273		—	
Add: Write-off of terminated land deals	342		336	
Adjusted Home Closing Gross Profit [2]	$ 70,220	18.7 %	$ 91,065	22.1 %
East	$ 63,713	16.1 %	$ 99,950	22.2 %
Add: Real estate-related impairments	1,154		—	
Add: Write-off of terminated land deals	931		535	
Adjusted Home Closing Gross Profit [2]	$ 65,798	16.6 %	$ 100,485	22.3 %

(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.

(2) Adjusted Home closing gross profit is a non-GAAP measure and should be considered in addition to, rather than as a substitute for, the comparable GAAP financial measures. We believe this non-GAAP financial measure is relevant and useful to investors in understanding our operating results and may be helpful in comparing the Company with other companies in the homebuilding and other industries to the extent they provide similar information.

Companywide. Home closing gross profit for the three months ended March 31, 2026 was $193.8 million, with a home closing gross margin of 17.5% down 450 basis points from 22.0% in the three months ended March 31, 2025. The margin decline was due to the combined impact of increased utilization of incentives, reduced leverage of fixed costs on lower home closing revenue and higher lot costs, all of which were only partially offset by savings in direct costs, shorter construction cycle times and lower compensation expense. Additionally, home closing gross margin was negatively impacted by real estate-related impairments and charges related to terminated land contracts. Excluding these charges, adjusted home closing gross margin was 17.8% for the three months ended March 31, 2026, compared to 22.1% for the three months ended March 31, 2025.

West. The West Region had home closing gross margin of 18.3% for the three months ended March 31, 2026, down 360 basis points from 21.9% in the three months ended March 31, 2025, due to higher lot costs and reduced leverage of fixed costs, which was partially offset by savings in direct costs.

Central. The Central Region Home closing gross margin of 18.2% for the three months ended March 31, 2026 decreased 380 basis points from 22.0% in the prior year period due to increased lot costs and reduced fixed cost leverage due to lower home closing revenue. Real estate-related impairments and charges for terminated contracts also had a negative impact on home closing gross margin for both first quarter periods. Excluding these charges, adjusted home closing gross margin was 18.7% and 22.1% for the three months ended March 31, 2026 and 2025, respectively.

East. The East Region Home closing gross margin was 16.1% and 22.2% for the three months ended March 31, 2026 and 2025, respectively, a 610 basis point decrease. The margin decline was due to reduced leverage of fixed costs on lower home closing revenue and higher lot costs, which more than offset the savings in direct costs. The East Region home closing gross was also impacted by real estate-related impairments and charges incurred related to terminated land contracts. When excluding these items, adjusted home closing gross margin was 16.6% and 22.3% for the three months ended March 31, 2026 and 2025, respectively.

Financial Services Profit (in thousands)

	Three Months Ended March 31,	
	2026	2025
Financial services profit	$ 3,493	$ 3,563

Financial services profit represents the net profit of our financial services operations, including the operating profit generated by our wholly-owned title and insurance companies, Carefree Title and Meritage Insurance, respectively, as well as our portion of earnings from a mortgage joint venture. Financial services profit was fairly consistent year over year.

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

	Three Months Ended March 31,	
	2026	2025
Commissions and other sales costs	$ (79,472)	$ (94,720)
Percent of Home closing revenue	7.2 %	7.1 %
General and administrative expenses	$ (51,402)	$ (56,997)
Percent of Home closing revenue	4.6 %	4.2 %
Interest expense	$ (587)	$ —
Other income, net	$ 6,963	$ 9,498
Provision for income taxes	$ (17,215)	$ (37,353)

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 and completed spec home inventory costs. These costs decreased $15.2 million, to $79.5 million, and as a percentage of home closing revenue were relatively flat at 7.2% in the three months ended March 31, 2026, compared to 7.1% in the prior year period. The lower dollar spend is tied directly to lower commissions due to reduced home closing revenue.

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 March 31, 2026, general and administrative expenses of $51.4 million decreased $5.6 million from $57.0 million in the prior year period, primarily due to lower compensation expense and intentional reductions in discretionary spend, which were partially offset by increased spend on technology. General and administrative expenses as a percentage of home closing revenue increased 40

basis points to 4.6% for the three months ended March 31, 2026, up from 4.2% in the prior year period due to reduced leverage of fixed costs 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 $0.6 million interest expense for the three months ended March 31, 2026, and no interest expense in the same period of 2025 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 $7.0 million and $9.5 million for the three months ended March 31, 2026 and 2025, respectively.

Income Taxes. Our effective tax rate was 23.7% and 23.3% for the three months ended March 31, 2026 and 2025, respectively.

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 real estate 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 March 31, 2026, we had $766.6 million of cash and cash equivalents and $829.0 million available under the Credit Facility, thereby providing approximately $1.6 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 March 31, 2026, 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 and 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 March 31, 2026 or December 31, 2025.

Operating Cash Flow Activities

During the three months ended March 31, 2026, net cash provided by operating activities totaled $101.3 million, and for the three months ended March 31, 2025, net cash used in operating activities totaled $42.6 million. Net cash provided by operating activities for the three months ended March 31, 2026 consisted largely of cash generated from net earnings of $55.3 million, a $34.0 million decrease in real estate, and a $29.0 million decrease in other receivables, prepaids and other assets. Cash flows used in operations in the three months ended March 31, 2025 reflected cash generated by net earnings of $122.8 million, which was offset by increases in real estate and deposits on real estate under option or contract of $60.8 million and $62.2 million, respectively.

Investing Cash Flow Activities

During the three months ended March 31, 2026 and 2025, net cash used in investing activities totaled $7.7 million and $11.4 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 three months ended March 31, 2026, net cash used by financing activities totaled $102.1 million, consisting of $130.0 million of share repurchases and $32.0 million of dividends paid, offset by $59.9 million in proceeds from liabilities related to consolidated real estate not owned. During the three months ended March 31, 2025, net cash provided by financing activities of $414.1 million primarily reflects the net proceeds of $492.1 million from the issuance of our 5.650% Senior Notes due 2035, offset by $45.0 million of share repurchases and $30.9 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	
	March 31, 2026	December 31, 2025
Senior and convertible senior notes, net and loans payable and other borrowings	$ 1,841,274	$ 1,829,054
Stockholders’ equity	5,093,769	5,195,643
Total capital	$ 6,935,043	$ 7,024,697
Debt-to-capital [(1)]	26.6 %	26.0 %
Senior and convertible senior notes, net, and loans payable and other borrowings	$ 1,841,274	$ 1,829,054
Less: cash and cash equivalents	(766,632)	(775,157)
Net debt	1,074,642	1,053,897
Stockholders’ equity	5,093,769	5,195,643
Total net capital	$ 6,168,411	$ 6,249,540
Net debt-to-capital [(2)]	17.4 %	16.9 %

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

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

Dividends

During the three months ended March 31, 2026 and 2025, our Board of Directors approved, and we paid, a quarterly cash dividend on common stock of $0.48 and $0.43 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 March 31, 2026. Our actual financial covenant calculations as of March 31, 2026 are reflected in the table below.

Financial Covenant (dollars in thousands):	Covenant Requirement	Actual
Minimum Tangible Net Worth	> $3,794,870	$5,044,702
Leverage Ratio	< 60%	15.6%
Investments other than defined permitted investments	< $1,538,411	$60,762

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 associated 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 term 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 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 March 31, 2026 (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 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 has 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
August 21, 2025	August 21, 2025	$ 500,000,000

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 March 31, 2026 there was $384.1 million available under this program to repurchase shares. We repurchased 1,815,820 shares under the program during the three months ended March 31, 2026.

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
January 1, 2026 - January 31, 2026	230,134	$ 69.37	230,134	$ 498,115,692
February 1, 2026 - February 28, 2026	1,138,125	$ 73.84	1,138,125	$ 414,079,358
March 1, 2026 - March 31, 2026	447,561	$ 67.03	447,561	$ 384,079,385
Total	1,815,820		1,815,820	

Item 5. Other Information

Insider Trading Arrangements

During the fiscal quarter ended March 31, 2026, no director or officer adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408 of Regulation S-K.

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 filed on April 10, 2006 for the 2006 Annual Meeting of Stockholders
3.1.4	Amendment to Articles of Incorporation of Meritage Homes Corporation	Incorporated by reference to Appendix B of the Definitive Proxy Statement filed on April 1, 2008 for the 2008 Annual Meeting of Stockholders
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	Incorporated by reference to Exhibit 3.1.6 of Form 10-Q for the quarter ended June 30, 2025
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	Phillippe Lord - Notice of Approved 2026 Compensation*	Incorporated by reference to Exhibit 10.1 of Form 8-K dated March 26, 2026
10.2	Hilla Sferruzza - Notice of Approved 2026 Compensation*	Incorporated by reference to Exhibit 10.2 of Form 8-K dated March 26, 2026
10.3	Malissia Clinton - Notice of Approved 2026 Compensation*	Incorporated by reference to Exhibit 10.3 of Form 8-K dated March 26, 2026
10.4	Javier Feliciano - Notice of Approved 2026 Compensation*	Incorporated by reference to Exhibit 10.4 of Form 8-K dated March 26, 2026
22	List of Guarantor Subsidiaries	Incorporated by reference to Exhibit 22 of Form 10-K for the year ended December 31, 2025
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's Quarterly Report on Form 10-Q for the quarter ended March 31, 2026 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 March 31, 2026, formatted in Inline XBRL and contained in exhibit 101.	

* Indicates a management contract or compensatory 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: April 24, 2026

INDEX OF EXHIBITS

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* Indicates a management contract or compensatory plan.

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: April 24, 2026

/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: April 24, 2026

/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 March 31, 2026, 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)

April 24, 2026

By: /s/ Hilla Sferruzza

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

April 24, 2026