2025 Third Quarter Earnings Review

Tyler Technologies | October 30, 2025

Statement Regarding Use of Non-GAAP Measures

Tyler Technologies has provided in this press release financial measures that have not been prepared in accordance with generally accepted accounting principles (GAAP) and are therefore considered non-GAAP financial measures. This information includes non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating income, non-GAAP operating margin, non-GAAP net income, non-GAAP earnings per diluted share, EBITDA, adjusted EBITDA, free cash flow, and free cash flow margin. We use these non-GAAP financial measures internally in analyzing our financial results and believe they are useful to investors, as a supplement to GAAP measures, in evaluating Tyler's ongoing operational performance because they provide additional insight in comparing results from period to period while isolating the effects of some items that vary from period to period without correlation to core operating performance. Tyler believes the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing our financial results with other companies in our industry, many of which present similar non-GAAP financial measures. EBITDA is net income before interest expense, other income, income taxes, depreciation, and amortization. Non-GAAP and adjusted financial measures discussed above exclude share-based compensation expense, employer portion of payroll taxes on employee stock transactions, expenses associated with amortization of intangibles arising from business combinations, acquisition-related expenses, and lease restructuring costs and other. Annualized recurring revenue (ARR) is calculated by annualizing the current quarter's recurring revenues from subscriptions and maintenance.

Tyler currently uses a non-GAAP tax rate of 22.5%. This rate is based on Tyler's estimated annual GAAP income tax rate forecast, adjusted to account for items excluded from GAAP income in calculating Tyler's non-GAAP income, as well as significant non-recurring tax adjustments. The non-GAAP tax rate used in future periods will be reviewed periodically to determine whether it remains appropriate in consideration of factors including Tyler's periodic annual effective tax rate calculated in accordance with GAAP, changes resulting from tax legislation, changes in the geographic mix of revenues and expenses, and other factors deemed significant. Due to differences in tax treatment of items excluded from non-GAAP earnings, as well as the methodology applied to Tyler's estimated annual tax rate as described above, the estimated tax rate on non-GAAP income may differ from the GAAP tax rate and from Tyler's actual tax liabilities.

Non-GAAP financial measures should be considered in addition to, and not as a substitute for, or superior to, financial information prepared in accordance with GAAP. The non-GAAP measures used by Tyler Technologies may be different from non-GAAP measures used by other companies. Investors are encouraged to review the reconciliation of these non-GAAP measures to their most directly comparable GAAP financial measures, which has been provided in the financial statement tables included in this presentation and our earnings press release.

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Forward-Looking Statements

This document contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 that are not historical in nature and typically address future or anticipated events, trends, expectations or beliefs with respect to our financial condition, results of operations or business. Forward-looking statements often contain words such as “believes,” “expects,” “anticipates,” “foresees,” “forecasts,” “estimates,” “plans,” “intends,” “continues,” “may,” “will,” “should,” “projects,” “might,” “could” or other similar words or phrases. Similarly, statements that describe our business strategy, outlook, objectives, plans, intentions or goals also are forward-looking statements. We believe there is a reasonable basis for our forward-looking statements, but they are inherently subject to risks and uncertainties and actual results could differ materially from the expectations and beliefs reflected in the forward-looking statements.

We presently consider the following to be among the important factors that could cause actual results to differ materially from our expectations and beliefs: (1) changes in the budgets or regulatory environments of our clients, including local, state and federal government agencies, that could negatively impact information technology spending; (2) disruption to our business and harm to our competitive position resulting from cyber-attacks, security vulnerabilities and software updates; (3) our ability to protect client information from security breaches and provide uninterrupted operations of data centers; (4) our ability to achieve growth or operational synergies through the integration of acquired businesses, while avoiding unanticipated costs and disruptions to existing operations; (5) material portions of our business require the Internet infrastructure to be adequately maintained; (6) our ability to actively monitor developments in artificial intelligence ("AI") regulation and ethical standards as we expect that future changes in the regulatory landscape may affect our product development timelines, compliance costs, and market opportunities related to AI; (7) our ability to achieve our financial forecasts due to various factors, including project delays by our clients, reductions in transaction size, fewer transactions, delays in delivery of new products or releases or a decline in our renewal rates for service agreements; (8) general economic, political and market conditions, including inflation and changes in interest rates; (9) technological and market risks associated with the development of new products or services or of new versions of existing or acquired products or services; (10) competition in the industry in which we conduct business and the impact of competition on pricing, client retention and pressure for new products or services; (11) the ability to attract and retain qualified personnel and dealing with rising labor costs, the loss or retirement of key members of management or other key personnel; and (12) costs of compliance and any failure to comply with government and stock exchange regulations.

These factors and other risks that affect our business are described in our filings with the Securities and Exchange Commission, including the detailed “Risk Factors” contained in our most recent annual report on Form 10-K and quarterly report on Form 10-Q. We expressly disclaim any obligation to publicly update or revise our forward-looking statements.

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The Leader in Software Solutions to the Public Sector

TYLER AT A GLANCE

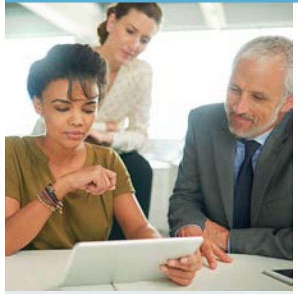
1
MARKET POSITION

85%
RECURRING REVENUES 2024

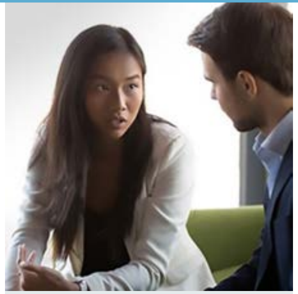
26.9%
FREE CASH FLOW MARGIN 2024

98%
GROSS CLIENT RETENTION

2024 REVENUE BREAKDOWN



ERP / FINANCIAL
32%



PLATFORM TECHNOLOGIES
29%

COURTS & JUSTICE
15%

PUBLIC SAFETY
7%

K-12 SCHOOLS
7%

APPRAISAL & TAX
5%

CIVIC SERVICES
3%

OTHER
2%

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Tyler 2030 | **Pillars of Growth**

Leveraging Our Strong Client Base

Expanding Into New Markets

Completing Our Cloud Transition

Growing Our Payments Business

Goals: Grow revenues, expand margins, and invest in our people & tools

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Q3 2025 Summary

Third Quarter Results

CONTINUED STRONG PERFORMANCE ACROSS KEY METRICS

Revenues

Total Revenues $595.9M, up 9.7%

SaaS Revenues $199.8M, up 20%

ARR $2.05B, up 10.7%

Non-GAAP Earnings[1]

$2.97 EPS, up 17.9%

Non-GAAP Operating Margin[1]

26.6%, up 120 bps

[1] See the reconciliation of GAAP to Non-GAAP measures included in this presentation and in our earnings release.

Third Quarter Results

KEY HIGHLIGHTS

Stable public sector market reflected in strong leading demand indicators of RFP and demo trends

Healthy public sector budgets primarily funded by property taxes – a stable funding source underlying long-term demand; prioritizing tech investments to drive efficiencies

Transactions bookings grew 11.5% YoY

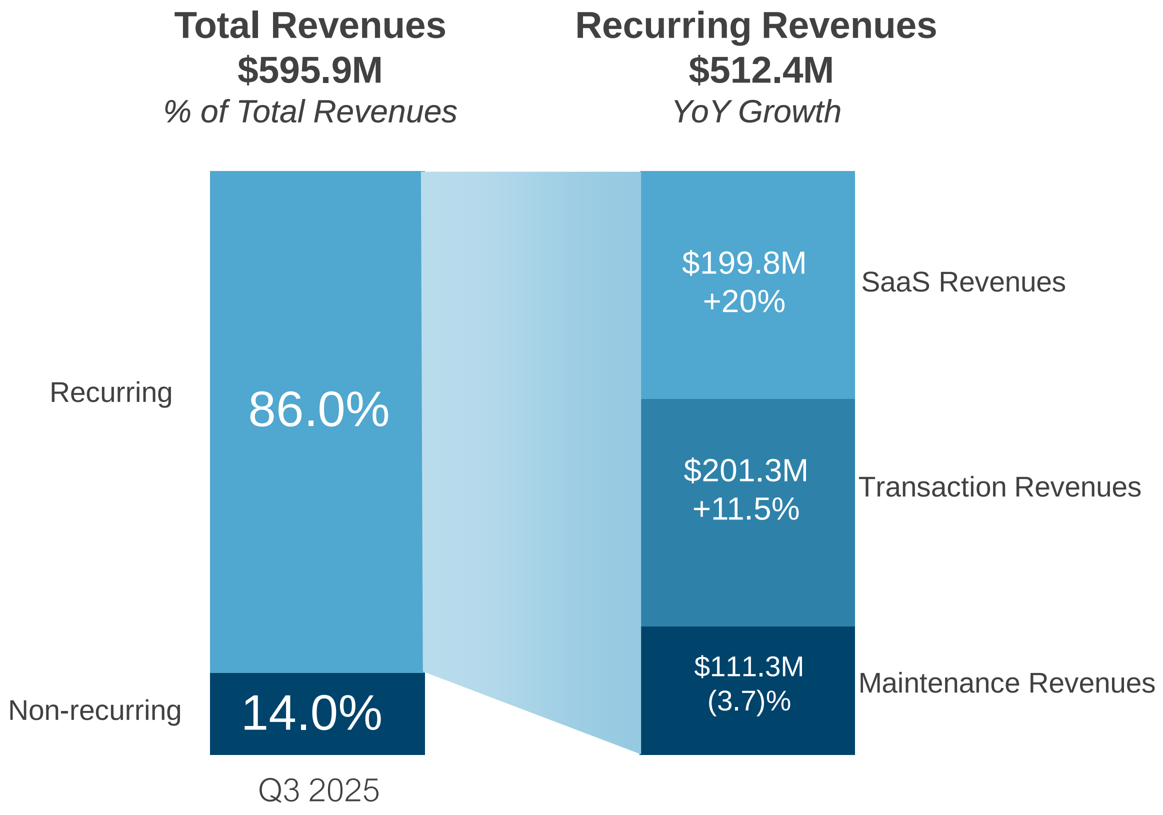
Strong margin expansion – cloud efficiency gains driving scalability across our platform

Accelerated SaaS adoption with total SaaS bookings, including expansions, renewals, and flips, up 5% sequentially from Q2,and up 5.8% YoY, reaching an all-time high.

Strong balance sheet with zero net leverage; significant share repurchase of approx. 300,000 shares, offsetting potential dilution from $600M convertible debt maturing March 2026

Strong Recurring Revenue Growth

- Recurring revenues **up 10.7%**
- Subscriptions **rose 15.5%**
    - o SaaS revenues **grew 20%**
    - o Transaction revenues **increased 11.5%,** driven by increased adoption and deployment of transaction-based services
    - o Maintenance revenues **declined 3.7%, reflecting the ongoing migration on-premises clients to SaaS**



Q3 2025 Strong Performance Across Key Metrics

Total Revenues	Recurring Revenues	Diluted EPS[1]	Adjusted EBITDA[1]
$595.9M +9.7%	$512.4M +10.7%	GAAP $1.93 +10.9% Non-GAAP $2.97 +17.9%	$169.9M +14.4%

Cash from Operations	Free Cash Flow[1]	Gross Margin[1]	Operating Margin[1]
$255.2M -3.2%	$247.6M -2.1% FCF Margin 41.5%	GAAP 47.2% +350 bps Non-GAAP 50.4% +350 bps	GAAP 16.4% +120 bps Non-GAAP 26.6% +120 bps

[1] See the reconciliation of GAAP to Non-GAAP measures included in this presentation and in our earnings release.

Notable Q3 Wins

ACCELERATING SAAS MOMENTUM

New Software deals

- South Carolina Department of Education
  - Student Transportation
- Coweta County, GA
  - Enterprise Public Safety
  - Competitive win
- Arapahoe County, CO
  - Enterprise Assessment & Tax
  - $10.4M total contract value
- City of Dothan, AL
  - Enterprise ERP + Enterprise Asset Management
  - Replacing Oracle
- Garland Independent School District, TX
  - Enterprise ERP

SaaS flips

- Brazoria County, TX
  - Enterprise Justice
- Gwinnett County, GA
  - Enterprise Justice
  - Second largest county in GA
- Wayne County, MI
  - Enterprise Public Safety
- City of Chesapeake, VA
  - Enterprise Public Safety
- Macon-Bibb County, GA
  - Enterprise Public Safety
- City of Las Cruces, NM
  - Enterprise ERP
- City of Charleston, SC
  - Enterprise Permitting & Licensing

AI-Driven deals

- Augmented Field Operations
  - Indiana State Police, leveraged Indiana State Enterprise agreement
- Document Automation
  - Hillsborough County, FL
  - North Dakota Court System
- Priority-Based Budgeting
  - State of Arizona
- Resident Engagement
  - South Carolina Dept of Administration

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Notable Q3 Wins

State / Federal / Transactions

- Chesterfield County, VA
  - Payments
- Colorado Department of Corrections
  - Transaction-based Inmate Financial Services
- Massachusetts Registry of Motor Vehicles
  - Payments
  - Leveraged state enterprise agreement
- Prince George's County, MD
  - Disbursements – Court Funds
- U.S. Department of Veteran Affairs
  - Data & Insights
- Hawaii Dept of Land and Natural Resources
  - Outdoor Recreation
- State Enterprise Awards
  - Iowa State Enterprise. 1-year extension
  - Vermont State Enterprise, 1-year extension
  - Virginia State IT Agency, 1-year renewal

Multi-Product / Cross-Sell wins

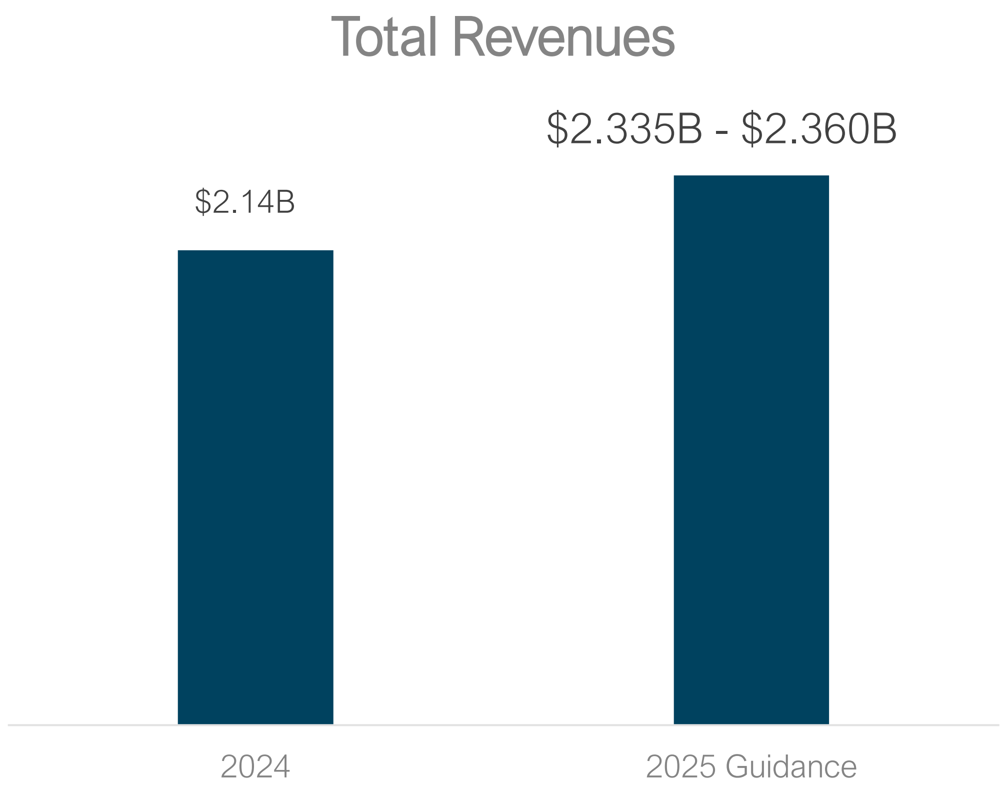
- City of Columbia, MO
  - New Enterprise Public Safety client
  - Existing ERP client
- Jonah Special Utility District, TX
  - ERP Pro + Payments
- Suffolk County, NY
  - Enterprise Records Management + Vitals Access + Payments

2025 Annual Guidance

2025 Annual Guidance

EXECUTING LONG-TERM GROWTH AND CLOUD-FIRST STRATEGY

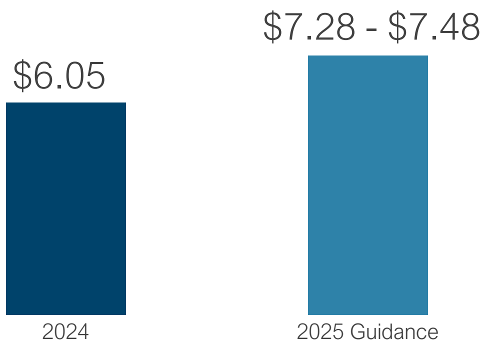
- **Revenue Guidance midpoint implies growth of approx. 10%**
- **Net interest income in the range of $29 million to $31 million**



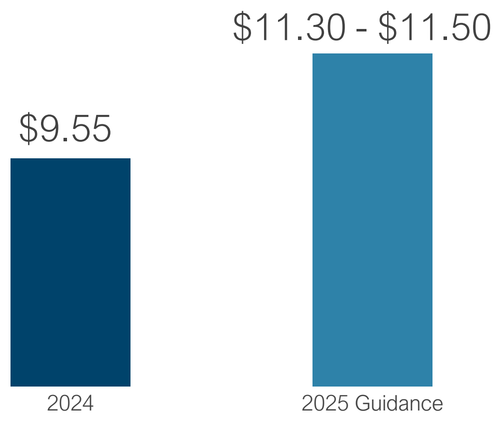
Most recent 2025 guidance provided on 10/29/25

2025 Annual Guidance

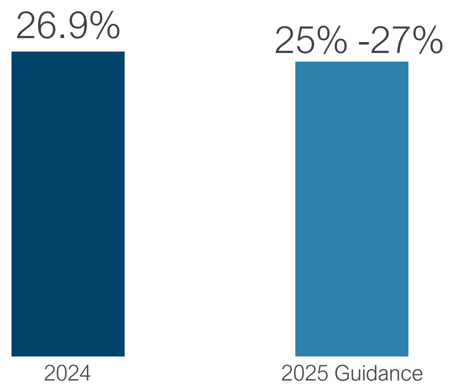
Diluted EPS - GAAP



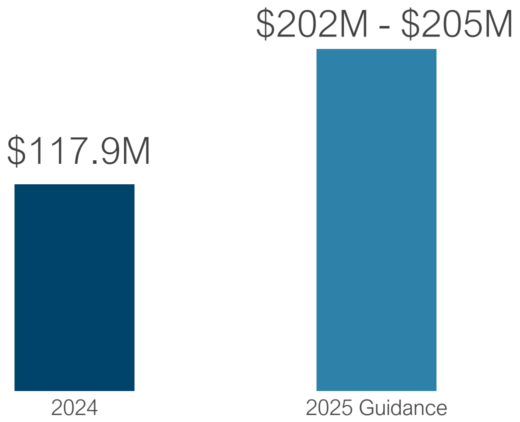
Diluted EPS - Non-GAAP



Free Cash Flow Margin



R&D Expense



GAAP to non-GAAP guidance reconciliation	2025
GAAP diluted earnings per share [(1)]	$7.28 - $7.48
Plus:	
Share-based compensation expense	3.49
Amortization of acquired software and other intangibles	2.12
Less:	
Income tax impact [(1)]	(1.59)
Non-GAAP diluted earnings per share	$11.30 - $11.50
Shares used in computing diluted earnings per share (millions)	43.9
GAAP estimated annual effective tax rate used in computing GAAP diluted earnings per share [(1)]	19.0%
Non-GAAP estimated annual effective tax rate used in computing non-GAAP diluted earnings per share [(2)]	22.5%

[(1)] GAAP diluted earnings per share may fluctuate due to the impact on our annual effective tax rate of discrete tax items, such as stock incentive awards, future acquisitions, changes in tax legislation, and other transactions.

[(2)] The non-GAAP estimated annual effective tax rate is expected to be 22.5%, up from 22.0% in 2024.

Most recent 2025 guidance provided on 10/29/25

Tyler's AI Commitment

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Tyler’s AI Commitment

Built on foundational principles

Secure & private

Auditable & transparent

Practical

Human centered

Governed with strong oversight

AI governance committee

GenAI specific guardrails and protections

Adversarial testing & strict evaluations

Strengthened with deep partnerships

AWS + Anthropic

Azure + Open AI

Tyler has the foundational elements to succeed

WHY WE WIN

Data

Produced daily by over 15,000 clients

+

Expertise

From decades of public sector experience managing complex workflows

+

Tyler AI

Internal & partnerships with Microsoft + OpenAI + AWS + Anthropic

+

Trust

Clients trust us to lead

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Appendix

Non-GAAP Measures

THE TABLE RECONCILES THE NON-GAAP MEASURES USED IN THIS PRESENTATION

Reconciliation of non-GAAP gross profit and margin	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
GAAP gross profit	$ 281,452	$ 237,460	$ 821,717	$ 698,942
Non-GAAP adjustments:				
Add: Share-based compensation expense included in cost of revenues	9,307	7,972	26,912	22,982
Add: Amortization of acquired software	9,376	9,244	27,989	27,723
Non-GAAP gross profit	$ 300,135	$ 254,676	$ 876,618	$ 749,647
GAAP gross margin	47.2 %	43.7 %	46.8 %	43.8 %
Non-GAAP gross margin	50.4 %	46.9 %	49.9 %	47.0 %

Reconciliation of non-GAAP operating income and margin	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
GAAP operating income	$ 97,932	$ 82,827	$ 282,701	$ 227,840
Non-GAAP adjustments:				
Add: Share-based compensation expense	36,669	31,187	112,631	88,460
Add: Employer portion of payroll tax related to employee stock transactions	159	625	2,278	2,303
Add: Acquisition-related costs	214	—	247	29
Add: Lease restructuring costs and other	57	35	105	(124)
Add: Amortization of acquired software	9,376	9,244	27,989	27,723
Add: Amortization of other intangibles	14,201	13,850	42,173	45,813
Non-GAAP adjustments subtotal	60,676	54,941	185,423	164,204
Non-GAAP operating income	$ 158,608	$ 137,768	$ 468,124	$ 392,044
GAAP operating margin	16.4 %	15.2 %	16.1 %	14.3 %
Non-GAAP operating margin	26.6 %	25.4 %	26.6 %	24.6 %

Reconciliation of non-GAAP net income and earnings per share	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
GAAP net income	$ 84,393	$ 75,897	$ 250,072	$ 197,805
Non-GAAP adjustments:				
Add: Total non-GAAP adjustments to operating income	60,676	54,941	185,423	164,204
Less: Income tax impact	(14,692)	(20,829)	(55,142)	(53,438)
Non-GAAP net income	$ 130,377	$ 110,009	$ 380,353	$ 308,571
GAAP earnings per diluted share	$ 1.93	$ 1.74	$ 5.70	$ 4.56
Non-GAAP earnings per diluted share	$ 2.97	$ 2.52	$ 8.67	$ 7.11

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Non-GAAP Measures

THE TABLE RECONCILES THE NON-GAAP MEASURES USED IN THIS PRESENTATION

Detail of share-based compensation expense	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Cost of revenues	$ 9,307	$ 7,972	$ 26,912	$ 22,982
Operating expenses	27,362	23,215	85,719	65,478
Total share-based compensation expense	$ 36,669	$ 31,187	$ 112,631	$ 88,460

Reconciliation of EBITDA and adjusted EBITDA	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
GAAP net income	$ 84,393	$ 75,897	$ 250,072	$ 197,805
Amortization of other intangibles	14,201	13,850	42,173	45,813
Depreciation and amortization included in cost of revenues, sales and marketing expense, general and administrative expense, and research and development expense	20,683	20,007	61,214	60,728
Interest expense	1,235	1,235	3,743	4,672
Other income, net	(10,855)	(4,504)	(26,397)	(8,232)
Income tax provision	23,159	10,199	55,283	33,595
EBITDA	$ 132,816	$ 116,684	$ 386,088	$ 334,381
Share-based compensation expense	36,669	31,187	112,631	88,460
Acquisition-related costs	214	—	247	29
Employer portion of payroll tax related to employee stock transactions	159	625	2,278	2,303
Lease restructuring costs and other	57	35	105	(124)
Adjusted EBITDA	$ 169,915	$ 148,531	$ 501,349	$ 425,049

Reconciliation of free cash flow	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Net cash provided by operating activities	$ 255,191	$ 263,716	$ 409,660	$ 399,859
Less: additions to property and equipment	(3,876)	(2,884)	(11,698)	(16,734)
Less: investment in software development	(3,738)	(7,919)	(14,138)	(24,412)
Free cash flow	$ 247,577	$ 252,913	$ 383,824	$ 358,713
Free cash flow margin	41.5 %	46.5 %	21.8 %	22.5 %

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