

**2026 First Quarter Earnings Review
2026 Annual Guidance**

April 29, 2026



tyler
technologies

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 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 23.0%. 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 below in this press release.

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.

The Leader in Software Solutions for the Public Sector

TYLER AT A GLANCE

1

MARKET
POSITION

87%

RECURRING
REVENUES 2025

26.6%

FREE CASH FLOW
MARGIN 2025

98%

GROSS CLIENT
RETENTION

2025 REVENUE BREAKDOWN



ERP /
FINANCIAL
33%



PLATFORM
TECHNOLOGIES
27%



COURTS &
JUSTICE
15%



PUBLIC
SAFETY
7%



K-12
SCHOOLS
7%



APPRAISAL &
TAX
4%



CIVIC
SERVICES
5%



OTHER
2%

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

Q1 2026 Summary

First Quarter Results

ARR & FREE CASH FLOW EXCEED EXPECTATIONS



Revenues*

Total Revenues \$613.5M, up 8.6%
SaaS Revenues \$222.4M, up 23.5%
Transactions Revenues \$207.4M, up 6.4%
ARR \$2.15B, up 10.4%



Free Cash Flow¹

\$102.8M, up 113%
FCF margin expanded to 16.8%



Non-GAAP Operating Margin¹

27.2%, up 40 bps

**Excluding the impact of the Texas payments contract, total revenues grew 11.0% and transactions revenues grew 13.8%*

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

First Quarter Results

HIGHLIGHTS



Stable public sector market with healthy budgets; strong RFP and demo trends reflecting sustained long-term demand and continued tech investment to drive efficiencies

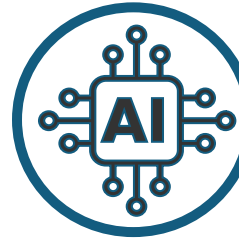


Repurchased nearly 800,000 shares of our stock. Including April 2026 activity, repurchased 2.5% of shares outstanding YTD. **Repaid \$600 million convertible debt** at maturity



Total bookings rose 10%, a new record for first quarter bookings

Accelerated SaaS adoption with SaaS revenue growth of 23.5% and total SaaS bookings up 40.4%



Strong adoption of AI-enabled solutions, addressing practical use cases purpose-built for the public sector

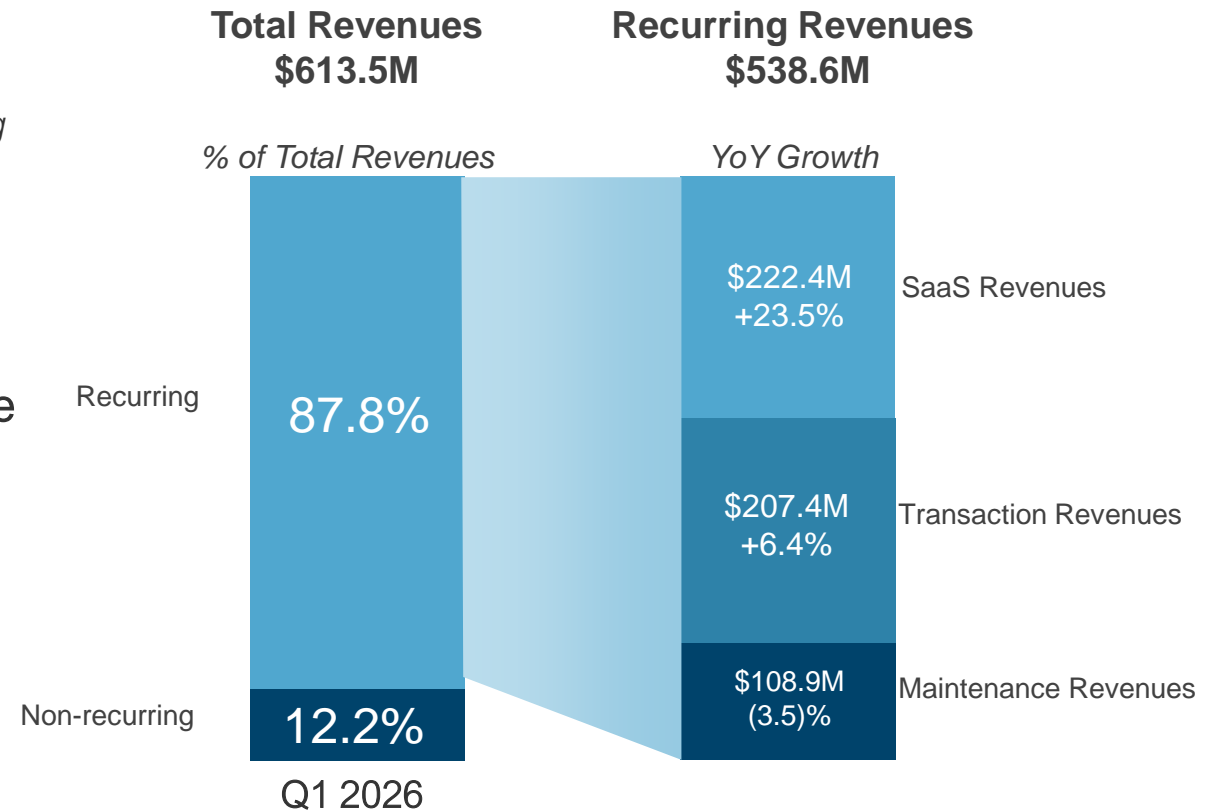
Tyler Connect 2026 showcased Tyler Foundry, our platform designed to create and deploy agentic AI capabilities focused on high-ROI use cases embedded into our clients' mission-critical work



Solid progress with cloud migrations, with flips ACV growth of 10% YoY

Strong Recurring Revenue Growth

- Recurring revenues **up 10.4%**
 - *Excluding the impact of the Texas payments contract, recurring revenues grew 13.3%*
- Subscriptions **rose 14.6%**
 - SaaS revenues **grew 23.5%**
 - Transaction revenues **increased 6.4% (13.8% increase excluding Texas payments impact)**, driven by higher transaction volumes and continued expansion of our payments client base
 - Maintenance revenues **declined 3.5%**, reflecting the ongoing migration of on-premises clients to SaaS



Notable Q1 Wins

ACCELERATING SAAS MOMENTUM

New Software deals

- Cherokee County Clerk of Courts, GA
 - Enterprise Justice
- Upper Peninsula 911 Authority, MI
 - Enterprise Public Safety
- Ellis County, TX
 - Enterprise Justice
- District of Columbia, DC
 - Student Transportation
- Arlington County, VA
 - Enterprise Assessment & Tax
- Erie County, NY
 - Enterprise Assessment & Tax
- Allentown School District, PA
 - Enterprise ERP
- City of Evansville, IN
 - Enterprise Permitting & Licensing

SaaS flips

- Northwest Regional Education Services District, OR
 - School ERP Pro
- Hidalgo County, TX
 - Enterprise Justice
- Hays County, TX
 - Enterprise Justice
 - Civil Process
- City of Peoria, AZ
 - Enterprise Public Safety
 - Enforcement Mobile
- Bucks County, PA
 - Enterprise Assessment & Tax
- City of Gulfport, MS
 - Enterprise Public Safety
- City of Birmingham, AL
 - Municipal Justice
- Cumberland County, NC
 - Enterprise ERP

AI-Driven deals

- Resident Assistant
 - Alabama Department of Revenue
- Priority-Based Budgeting
 - Town of Groton, CT Board of Education
- Document Automation
 - Harris County, TX
 - Third largest county in US by population
 - Miami-Dade County, FL
 - Seventh largest county in US by population
 - City of Cleveland, TX
 - City of Butler, MO
 - Quincy Township, PA

Notable Q1 Wins

State / Federal / Transactions

- Transaction-based State Contract
 - Digital Motor Vehicle Titling
 - Electronic Liens
 - Leveraged state enterprise agreement
 - Estimated ARR > \$20M
- Tasmania Parks & Wildlife
 - Recreation Dynamics
 - Transaction-based
- Arkansas Dept of Finance & Administration
 - Statewide Resident Engagement Platform, including mobile
- State Enterprise Contract Renewals / Extensions
 - Oklahoma
 - South Carolina

Multi-Product / Cross-Sell Synergies

- County of Loudoun, VA
 - Enterprise Permitting & Licensing
 - Environmental Health
- City of Rome, GA
 - Existing Enterprise ERP client
 - Added Enterprise Permitting & Licensing
- Winter Park, FL
 - Existing Enterprise ERP client
 - Added Payments

2026 Annual Guidance

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EXECUTING LONG-TERM GROWTH AND CLOUD-FIRST STRATEGY

REVENUE DRIVERS

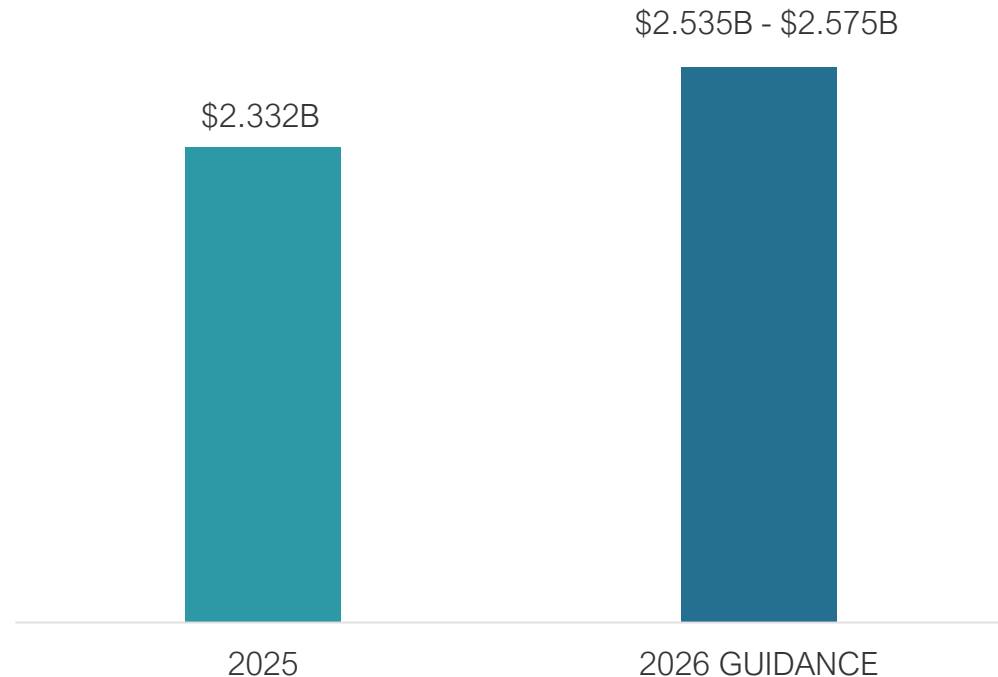
Guidance midpoint implies growth of approx. 9.5%

- Excluding impact of Texas payments contract termination, midpoint implies 11.3%

Revenue percentage growth expectations:

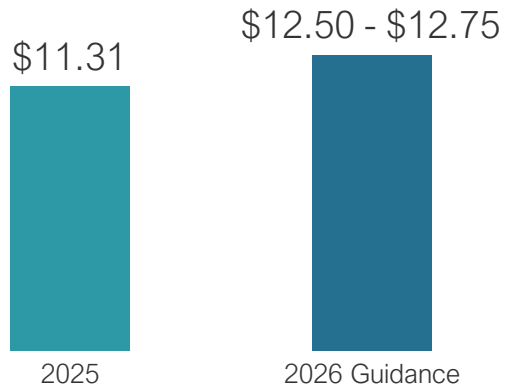
- Subscriptions growth of 13 - 16%
 - SaaS growth of 21.5 – 23.5%
 - Transaction growth of 6 - 8%
 - Excluding impact of Texas payments contract termination, growth of 11 – 13%
- Maintenance decline of 3 - 5%
- Professional services growth of 0 - 2%
- Other revenue growth of 9 - 11%

TOTAL REVENUES

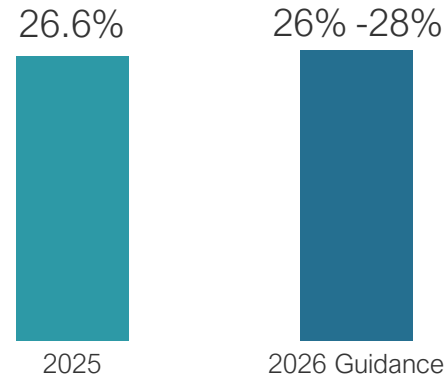


2026 Annual Guidance

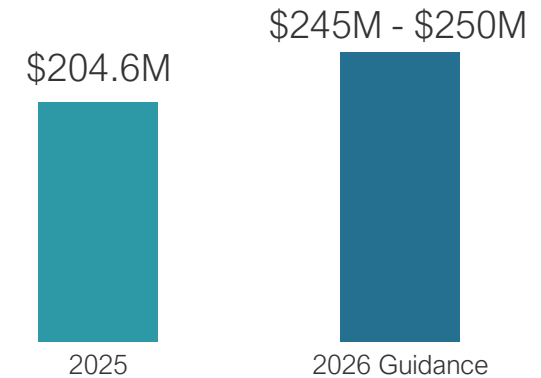
Diluted EPS - Non-GAAP



Free Cash Flow Margin



R&D Expense



Most recent 2026 guidance provided on 4/29/26

Tyler Technologies has not reconciled forward-looking full-year non-GAAP financial measures to their most directly comparable GAAP measures, as permitted by item 10(e)(1)(i)(B) of Regulation S-K. Such reconciliations would require unreasonable efforts at this time to estimate and quantify with a reasonable degree of certainty various necessary GAAP components, including for example those related to stock-based compensation, acquisition transactions, tax items or others that may arise during the year. These components and other factors could materially impact the amount of the future directly comparable GAAP measures, which may differ significantly from their non-GAAP counterparts.

Tyler's AI Commitment

Tyler's AI Commitment

BUILT ON FOUNDATIONAL PRINCIPLES



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

W H Y W E W I N



+



+



+



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

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 March 31,	
	2026	2025
GAAP gross profit	\$ 296,434	\$ 267,081
Non-GAAP adjustments:		
Add: Share-based compensation expense included in cost of revenues	9,474	8,714
Add: Amortization of acquired software	8,984	9,294
Non-GAAP gross profit	\$ 314,892	\$ 285,089
GAAP gross margin	48.3 %	47.3 %
Non-GAAP gross margin	51.3 %	50.4 %

Reconciliation of non-GAAP operating income and margin	Three months ended March 31,	
	2026	2025
GAAP operating income	\$ 99,812	\$ 89,173
Non-GAAP adjustments:		
Add: Share-based compensation expense	37,159	37,660
Add: Employer portion of payroll tax related to employee stock transactions	792	1,064
Add: Acquisition-related costs	224	33
Add: Restructuring costs and other	5,489	24
Add: Amortization of acquired software	8,984	9,294
Add: Amortization of other intangibles	14,133	14,139
Non-GAAP adjustments subtotal	66,781	62,214
Non-GAAP operating income	\$ 166,593	\$ 151,387
GAAP operating margin	16.3 %	15.8 %
Non-GAAP operating margin	27.2 %	26.8 %

Reconciliation of non-GAAP net income and earnings per share	Three months ended March 31,	
	2026	2025
GAAP net income	\$ 81,180	\$ 81,052
Non-GAAP adjustments:		
Add: Total non-GAAP adjustments to operating income	66,781	62,214
Less: Income tax impact	(14,595)	(21,200)
Non-GAAP net income	\$ 133,366	\$ 122,066
GAAP earnings per diluted share	\$ 1.88	\$ 1.84
Non-GAAP earnings per diluted share	\$ 3.09	\$ 2.78

Non-GAAP Measures

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

Detail of share-based compensation expense	Three months ended March 31,	
	2026	2025
Cost of revenues	\$ 9,474	\$ 8,714
Operating expenses	27,685	28,946
Total share-based compensation expense	<u>\$ 37,159</u>	<u>\$ 37,660</u>

Reconciliation of EBITDA and adjusted EBITDA	Three months ended March 31,	
	2026	2025
GAAP net income	\$ 81,180	\$ 81,052
Amortization of other intangibles	14,133	14,139
Depreciation and amortization included in cost of revenues, sales and marketing expense, general and administrative expense, and research and development expense	19,723	20,209
Interest expense	1,066	1,246
Other income, net	(7,676)	(7,363)
Income tax provision	25,242	14,238
EBITDA	<u>\$ 133,668</u>	<u>\$ 123,521</u>
Share-based compensation expense	37,159	37,660
Acquisition-related costs	224	33
Employer portion of payroll tax related to employee stock transactions	792	1,064
Lease restructuring costs and other	5,489	24
Adjusted EBITDA	<u>\$ 177,332</u>	<u>\$ 162,302</u>

Reconciliation of free cash flow	Three months ended March 31,	
	2026	2025
Net cash provided by operating activities	\$ 107,262	\$ 56,158
Less: additions to property and equipment	(3,237)	(2,335)
Less: investment in software development	(1,260)	(5,550)
Free cash flow	<u>\$ 102,765</u>	<u>\$ 48,273</u>
Free cash flow margin	<u>16.8 %</u>	<u>8.5 %</u>

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