Investor Presentation

Tyler Technologies I March 2024

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Statement Regarding Use of Non-GAAP Measures

Tyler Technologies has provided in this presentation 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. 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. Non-GAAP 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 revenues (ARR) is calculated by annualizing the current quarter's recurring revenues from maintenance and subscriptions.

Tyler currently uses a non-GAAP tax rate of 22.0%.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 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, primarily local and state governments, that could negatively impact information technology spending; (2) disruption to our business and harm to our competitive position resulting from cyber-attacks and security vulnerabilities; (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 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; (7) general economic, political and market conditions, including continued inflation and rising interest rates; (8) technological and market risks associated with the development of new products or services or of new versions of existing or acquired products or services; (9) 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; (10) the ability to attract and retain qualified personnel and dealing with the loss or retirement of key members of management or other key personnel; and (11) 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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Tyler: A Winning Long-Term Growth Story

Accelerating Recurring Revenue Growth

22%
CAGR

since 2018

SaaS Revenue Growth

27.7%
CAGR

Since 2019

Massive Opportunity, a Market Leader With Just

~5%
share*

of fragmented $34B market

Uniquely positioned to deliver the most comprehensive mission-critical digital solutions in large replacement market, leveraging largest public sector installed base

**Core state, local, and education addressable market*

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AT A GLANCE

The Leader in Software Solutions to the Public Sector

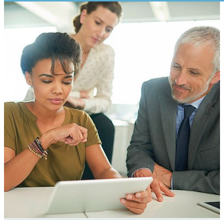
1
MARKET POSITION

83%
RECURRING REVENUES 2023

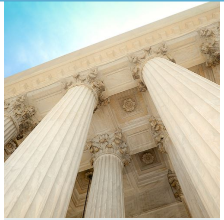
17%
FREE CASH FLOW MARGIN

98%
GROSS CLIENT RETENTION

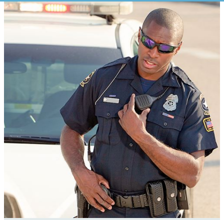
REVENUE BREAKDOWN*



ERP / FINANCIAL
31%

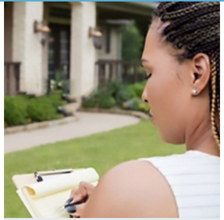


COURTS & JUSTICE
14%

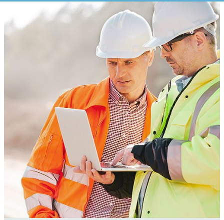


PUBLIC SAFETY
6%

PLATFORM TECHNOLOGIES
31%

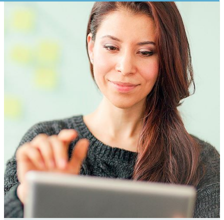


APPRAISAL & TAX
6%



CIVIC SERVICES
3%

K-12 SCHOOLS
7%



OTHER
2%

****2023***

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AGENDA

Tyler: A Winning Long-Term Growth Story

Record of Success

An impressive track record

Market Leader

A clear leader in attractive markets

2030 Vision & Four Growth Pillars

Recurring revenues, improved margins & expanded FCF

Accelerating Cloud First Strategy

Three dimensions of cloud migration, margin drivers

Key Metrics & Annual Guidance

Delivering superior FCF and sustained value creation

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Tyler is Entering a New Growth Era

1998 - 2017	2018 - 2022	2023+
Building Leadership Position Built a broad portfolio of software solutions exclusively for local government	**Expanding the Vision: Strategic Investment** Connected Communities, Shift to cloud-*first*, expansion into State & Federal markets, Data & Insights, Citizen Experience, & Payments	**New Era of Sustained Growth and FCF Generation** 2023 SaaS inflection point plus internal alignment on other investments

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Tyler’s Path to Connected Communities

C O N N E C T E D   C O M M U N I T I E S

1. LAUNCH THE VISION
2. MIGRATE TO THE CLOUD
3. ADD DATA & INSIGHTS
4. ADD LOW-CODE PLATFORM
5. ADD EXPERTISE

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THE FIRST VISION OF

Connected Communities

Family of Products
BEST PRODUCTS FOR EACH AGENCY

Common Foundation
CONSISTENT FUNCTIONALITY

Shared Data
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CLOUD-BASED DATA SHARING

Connected Apps & Personalized Portals
A CUSTOMIZED EXPERIENCE

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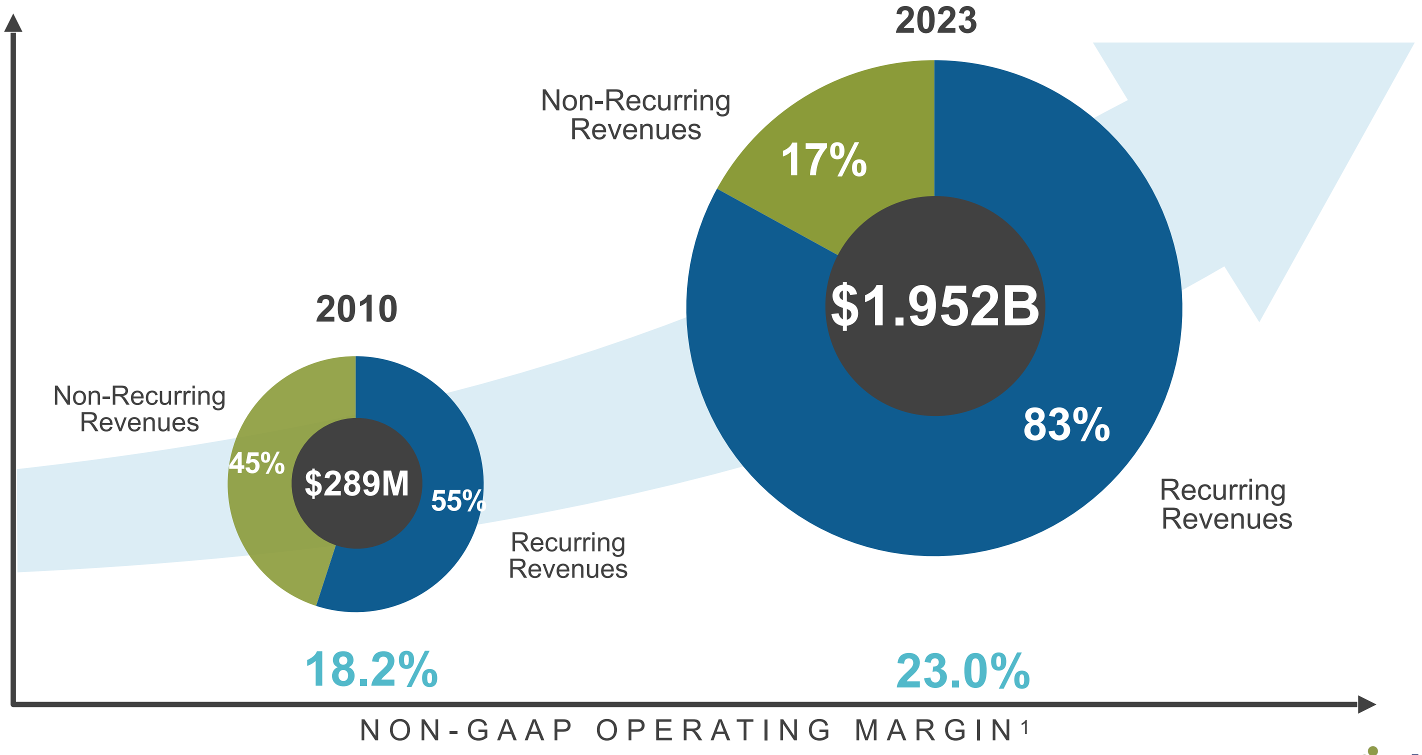
Tyler Transformation is Well Underway

WITH HIGHER GROWTH, HIGHER LONG-TERM MARGIN PROFILE

22% CAGR

IN RECURRING REVENUES

LAST 5 YEARS



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

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We have more than doubled our Software TAM in 5 years

Strong Secular Tailwinds…

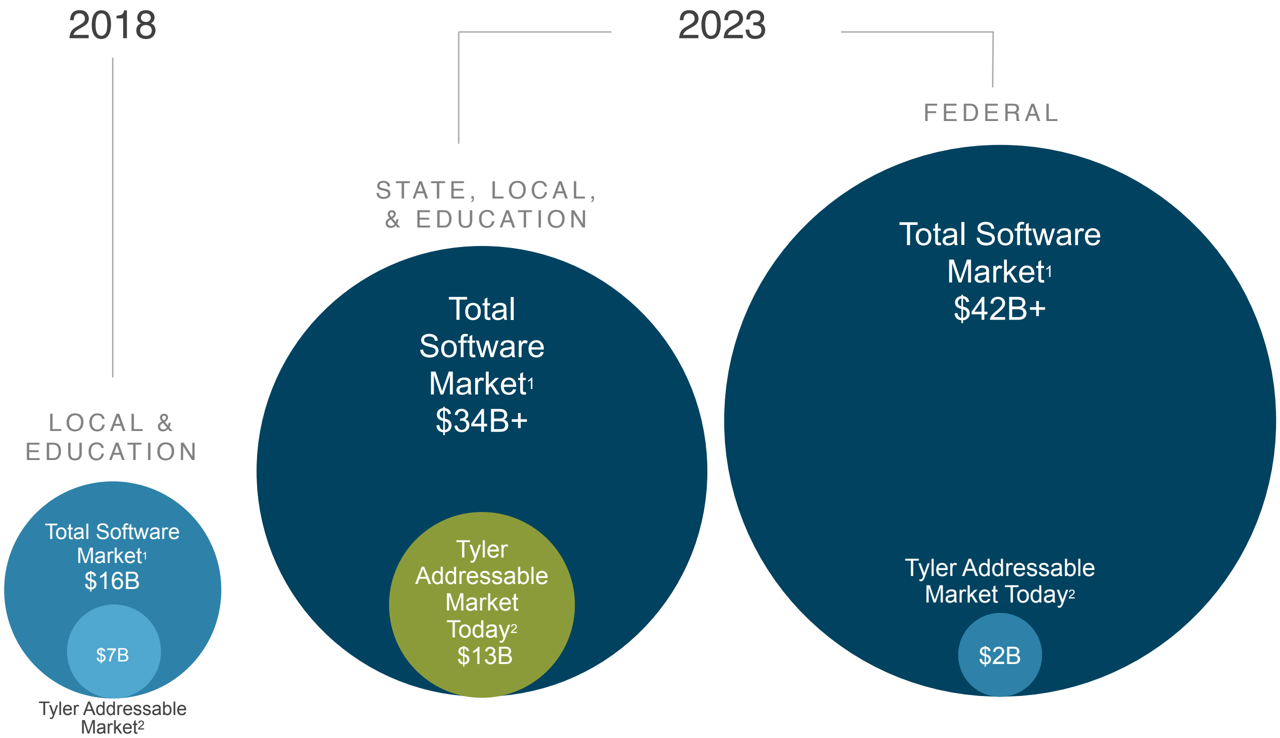
Many antiquated government systems no longer supported

Governments shifting systems to the cloud

Subscription services preferred for budgeting

. . .driving market growth

7-9%
annual market growth



[1] Gartner -Spending on applications and vertical specific software [2] Company estimate

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Targeting a Large, Fragmented Market with Antiquated Systems

>88,000 Local Governments

>450,000 Potential Systems

1/3
Competitive Deployments

2/3
Antiquated Deployments

20+ year old systems

Legacy vendors

Homegrown / custom COBOL systems

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Strengths We Are Leveraging

Uniquely positioned to deliver most comprehensive mission-critical digital solutions to the public sector

1. Broadest, most integrated solutions
2. Singular vertical focus
3. Largest installed base
4. Investments in innovation focused on long-term results
5. Strategic acquirer in a fragmented industry

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STRENGTH #1

Delivering the Broadest, Most Integrated Public Sector Solutions

PUBLIC ADMINISTRATION	COURTS & PUBLIC SAFETY	SCHOOLS	TRANSFORMATIVE TECHNOLOGY	HEALTH & HUMAN SERVICES
Enterprise Financial Management	Enterprise Justice	School ERP Pro	Data & Insights	Veterans' Benefits
Enterprise Permitting & Licensing	Enterprise Supervision	Student Transportation	Cybersecurity	Appeals Case Management
EEO Case Management	Civil Process	Absence & Substitute	Payments	Home & Community Based Services
	Virtual Court	Tyler Drive™		

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STRENGTH #2

Singular Vertical Focus With Deep Domain Expertise

	DIFFERENTIATORS						
	Singular focus on public sector	Broad public sector solutions	Families of connected suites	Large R&D spend on public sector solutions	Large installed base to leverage	Robust SaaS solutions	Integrated Payments & Portal solution
tyler technologies	●	●	●	●	●	●	●
Local / Niche Players	◕	◔	○	◔	◔	◔	◑
Larger Multi-Focus National Players	○	◔	◔	◔	◑	◕	◑

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STRENGTH #3

Largest Installed Base – Provides Significant Cross-Sell and Upsell Opportunities

LARGEST INSTALLED BASE OFFERING UNIQUE SALES SYNERGIES

40,000
client installations

13,000
client locations

~3
Average number of
products per customer

8-10
Potential products
per customer

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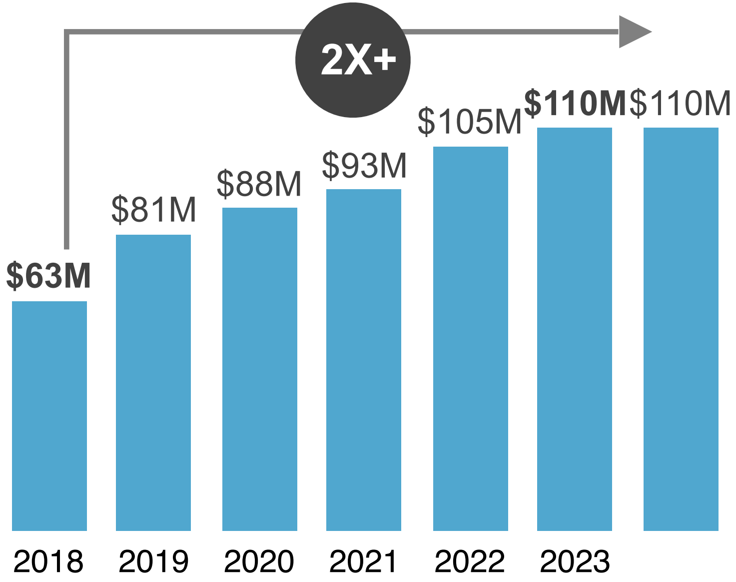
STRENGTH #4

Strategic Innovation Focused on Long-Term Results

- **Anticipating client needs** for digital transformation
- **Increased R&D** spending further widens the moat
- **2,050** innovative engineers*
- **40%** of Tyler team members have worked in the public sector

Increased R&D



**Includes both R&D and COS engineers*

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STRENGTH #5

Acquisitions Are a Core Competency – Adds Capabilities and Accelerates Growth

15 acquisitions
last 5 years including:

- Socrata
- CaseloadPRO
- MicroPact
- NIC
- US eDirect
- Rapid Financial Solutions
- ARInspect
- ResourceX

Invested **64%** of free cash flow last 5 years

Advantages

- Expands TAM
- Adds new products, capabilities, and AI technologies
- Adds clients
- Leverages our sales organization and client base

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Tyler 2030 Vision and Four Growth Pillars

GOAL

Recurring revenue growth
+ Improved Margins & Expanded Free Cash Flow

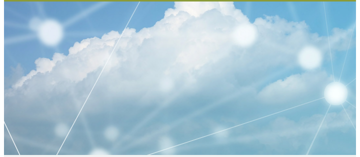
1. Leveraging Installed Base

- Flips / Upsell
- Cross-sell
- Expanded portfolio from M&A

2. Expanding TAM: State & Federal

- Leverage M&A to grow in new markets

3. Cloud Transition



- Cloud-first drives long-term recurring revenue growth + expanded FCF

4. Transactions Growth

- Truly differentiated offering
- Long runway ahead

Disciplined Capital Allocation

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PILLAR #1

Leveraging Tyler's Vast Installed Base

- Leverage 13,000+ client locations through upsells and cross sells
- Strategic acquisitions adding adjacent products and expanding TAM
- Continued R&D to maintain market dominance and high retention rates
- Enhanced focus on client satisfaction

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PILLAR #2

Expand TAM into State and Federal

Leverage recent acquisitions to create compelling offerings for state and federal markets:

- Data & Insights platform
- Low code platform
- State enterprise contracts

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PILLAR #3

Next Generation SaaS Business

- Complete cloud transition – margin expansion
- Optimize products for the cloud
- Consolidate product versions
- Close private data centers
- Migrate on-premises clients to AWS
- Achieve 90+% recurring revenues

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PILLAR #4

Enhanced Citizen Engagement – Transactions Growth

- Grow payments business across installed base
- Highly differentiated from commodity solutions
- Sticky, predictable revenue streams
- FCF contribution but lower margin

Payments – A Channel for Driving Growth

- **Payments brings value** to our clients and will be a channel for driving growth
- **Payments will enhance Tyler free cash flow** with acknowledged margin pressure from pass through processing and interchange fees
- Tyler is modeling **10% – 13% transaction revenue growth** with modest **gross margin improvement** through 2030

Source: Tyler Estimates

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The Combination of Three Companies Produced Strategic Synergies

3 Companies

- Tyler Technologies
- NIC
- Rapid Financial

ONE PAYMENTS ORGANIZATION

Leading Player

1 payments product team

All Tyler divisions serviced

300+ sales professionals

$88B+ dollars processed

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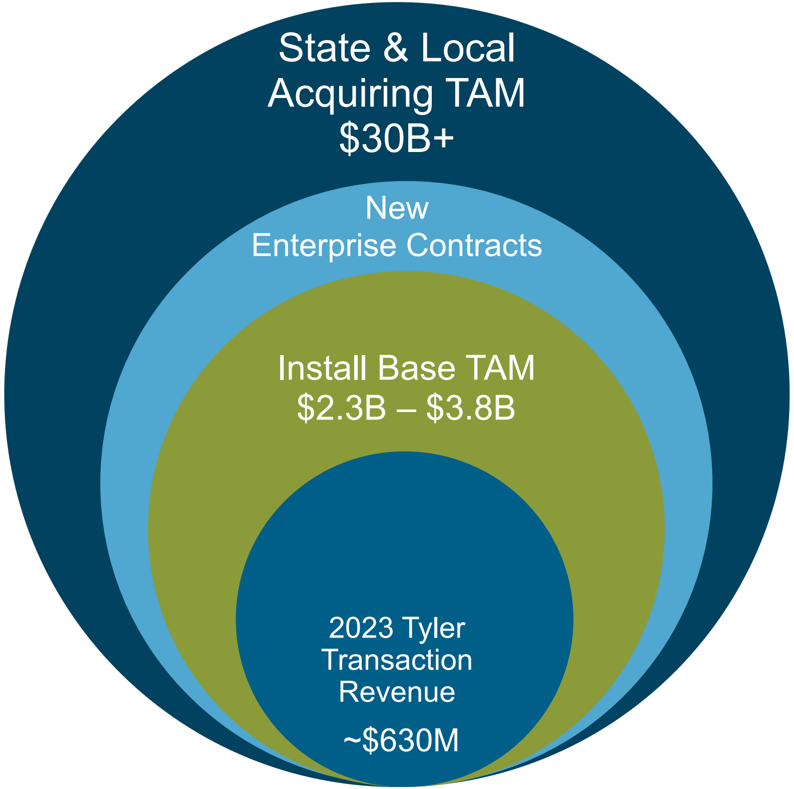
Significant Opportunity to Expand Payments Beyond Current Installed Base



Source: Tyler Estimates
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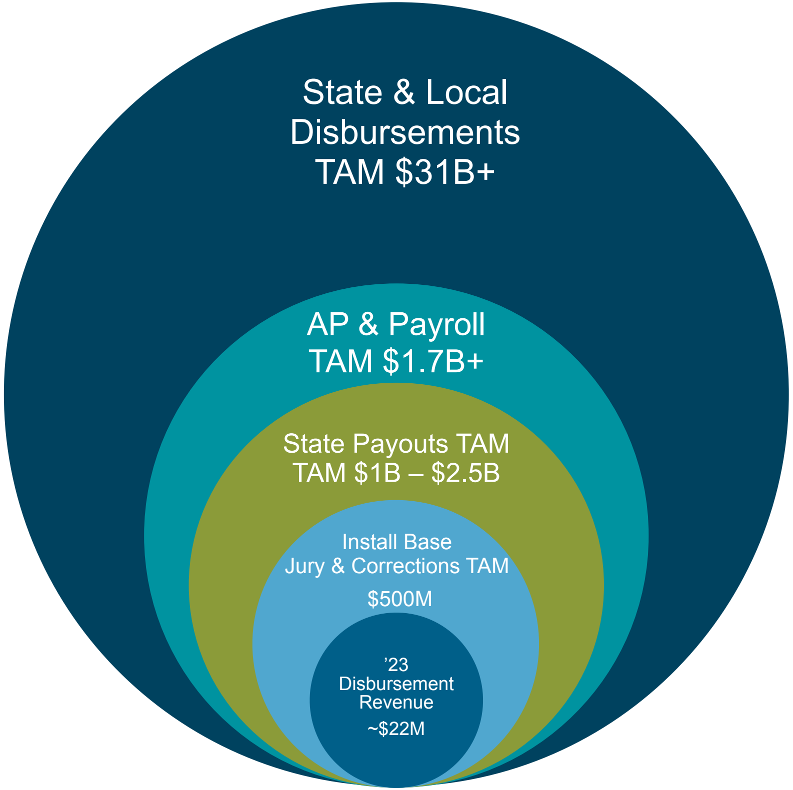
Electronic Disbursements is an Entirely New Market With Equal Growth Potential



Source: Tyler Estimates

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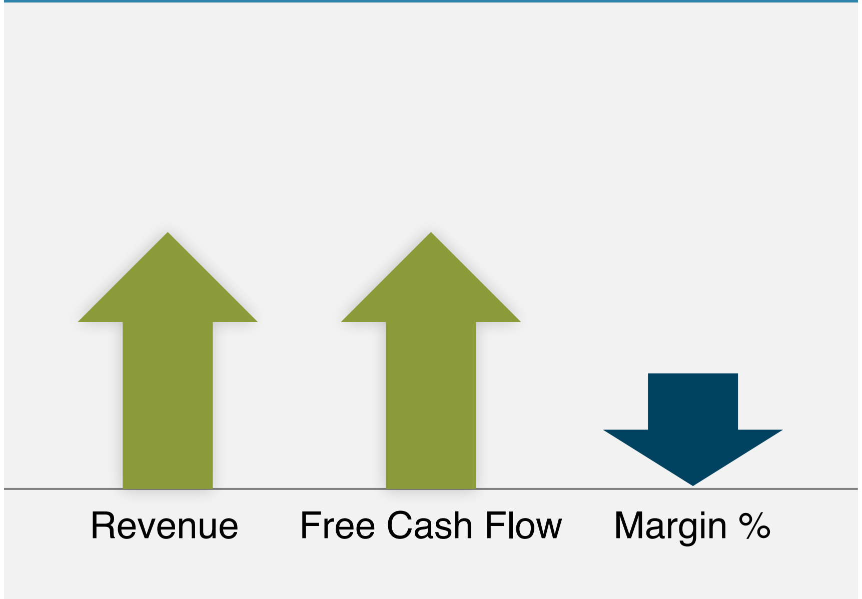
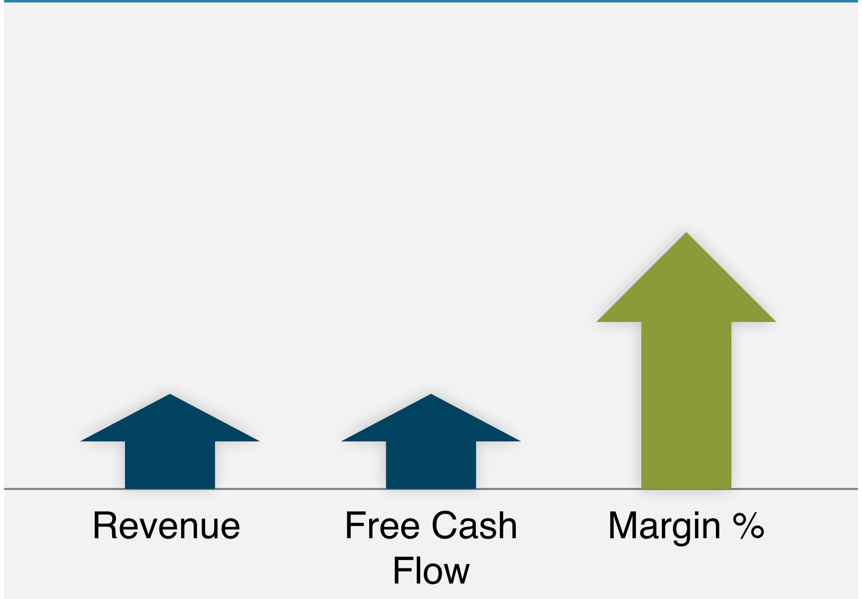
The Nature of the Contract Impacts Differently on Revenue, FCF, and Margin

‘Gross’ Contracts



‘Net’ Contracts



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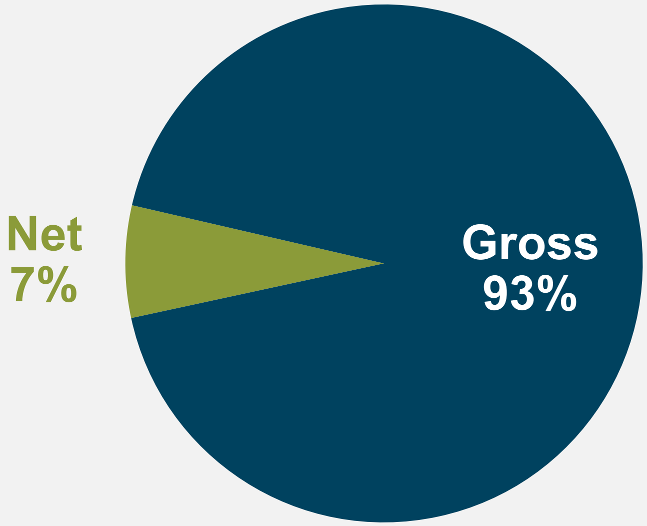
Overwhelmingly, Tyler's Business is 'Gross' Revenue

Payments Revenue by Contracting Model



Impact on Financial Profile

Tyler can command a premium price given its differentiators

↓

Payments growth will put pressure on Tyler margins (-200bps in 2023)

↓

Free cash flow will be bolstered by a gross contract dominated portfolio

Source: Tyler Contract Data Base

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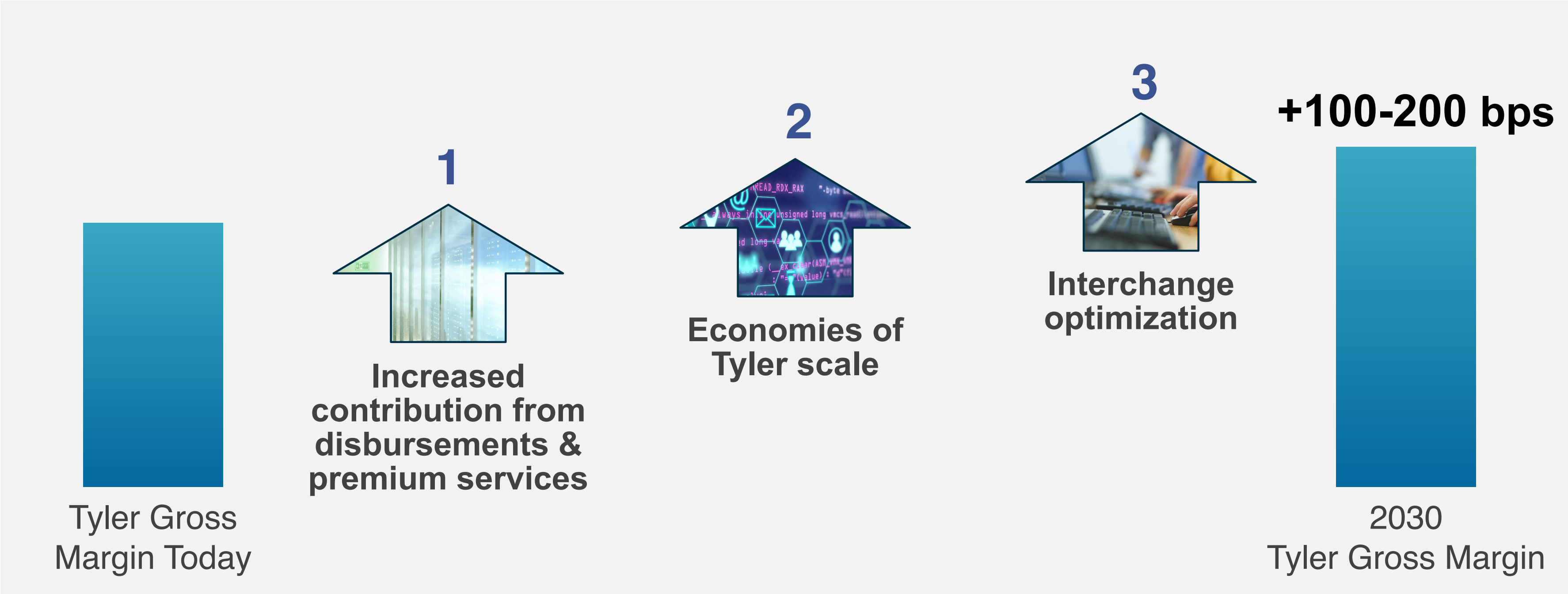
Whether Gross or Net Contracts, Opportunity for Margin Expansion Exists



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Payments Offers Multiple Growth Opportunities Ahead

4 Electronic disbursements

3 Expand beyond current installed base

2 Increase existing state services

1 Leverage local government installed base

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Advancing Along Our Cloud-First Roadmap

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2019
- Launched Cloud First initiative
- Strategic Collaboration Agreement with AWS

2016
- 30% of new Total Contract Value sold as SaaS

2011
- Tyler opens second datacenter in Dallas, Texas

2000
- Began offering solutions hosted in Tyler private cloud

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Advancing Along Our Cloud-First Roadmap

Tyler 2030

2023 - 2025
- Evacuate/close our private cloud Data Centers
- Launch cloud optimized releases & begin version consolidation
- Accelerate on-premises maintenance-to-SaaS conversions

2022
- Align on a Data Center closure approach
- Begin migrating on-premises and private cloud clients to AWS

2020 - 2021
- Strategy and product roadmap for each product line
- Deployed first clients in AWS

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Executing Progress on Three Dimensions of Cloud Transformation

87%

1 New Clients

Goal: 100% of new client contracts are Software-as-a-Service deployed in public cloud

60%

2 Private Cloud Clients

Goal: Tyler's private cloud datacenters are completely evacuated with clients migrated to public cloud

15%

3 On-Premises Clients

Goal: Tyler's existing on-premises clients are converted to Software-as-a-Service deployed in public cloud

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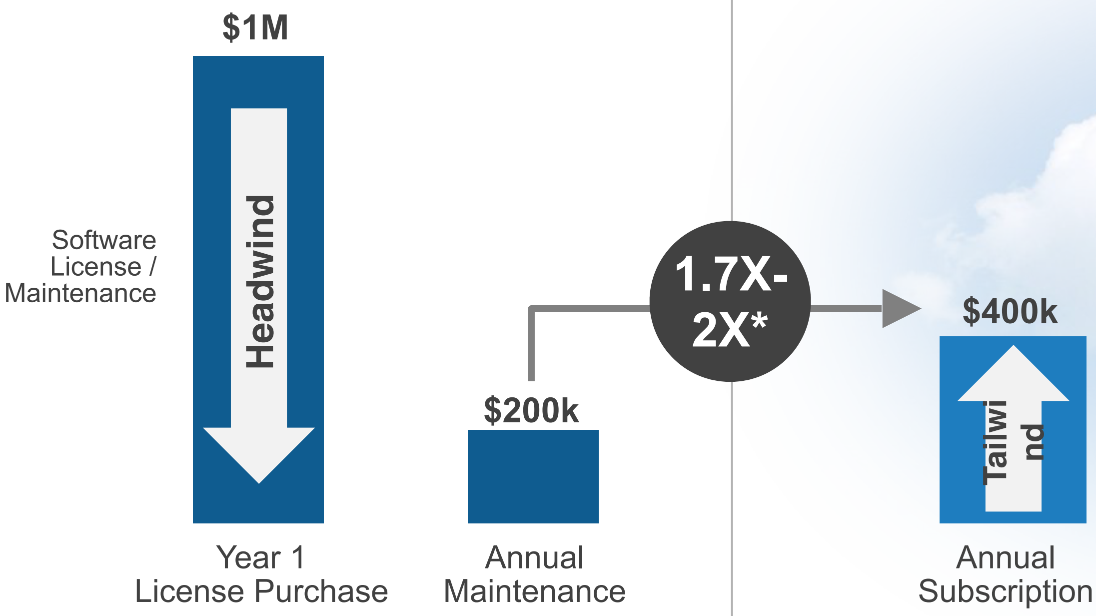
The Transition to Cloud Creates Both Headwinds and Tailwinds

On-premises Perpetual License Model

SaaS Model

Revenue Growth Potential



Cloud lifetime revenue is ~ **1.7-2X** greater than on-premises.

*Based on new client. Average uplift from on-premises migrations is ~1.75x.

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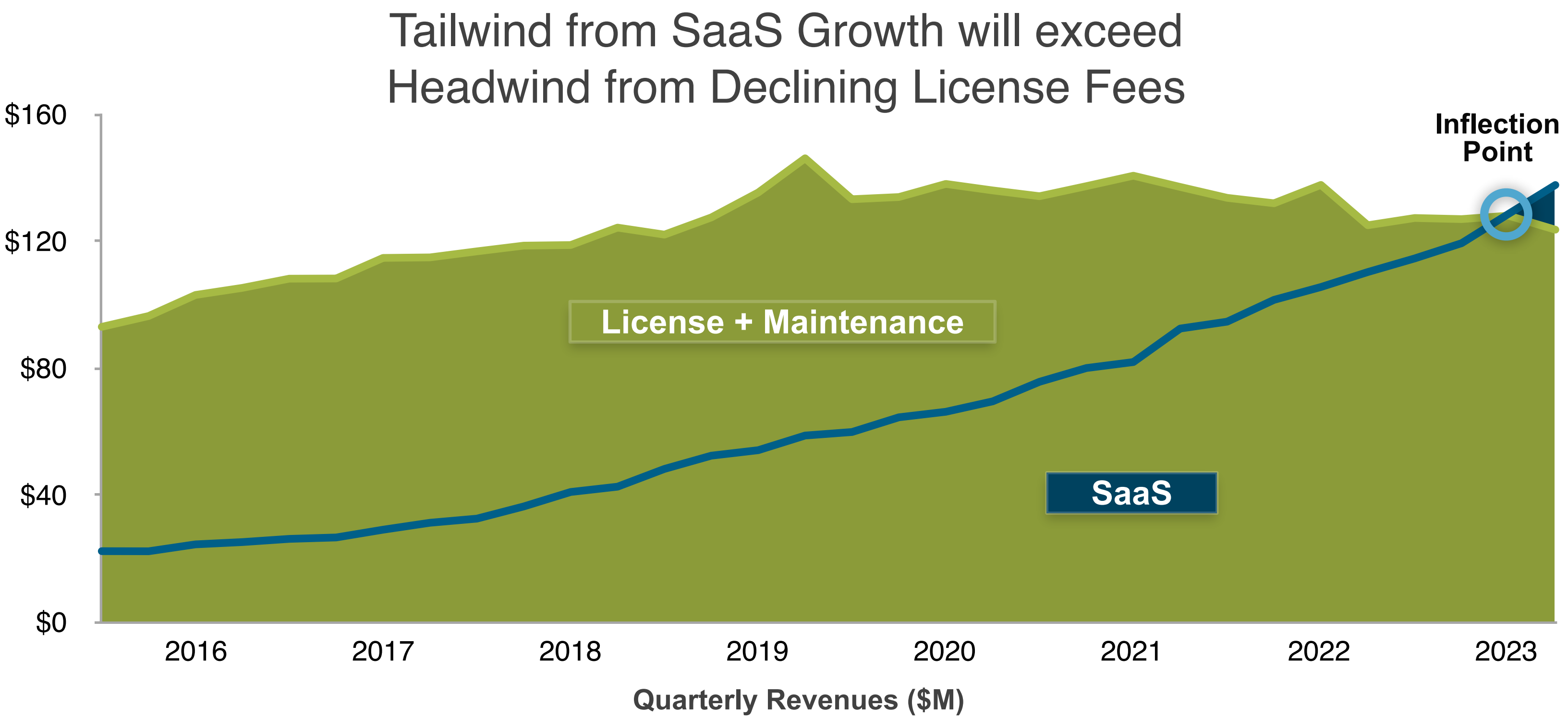
We Are Now at the Cloud Revenue Inflection Point



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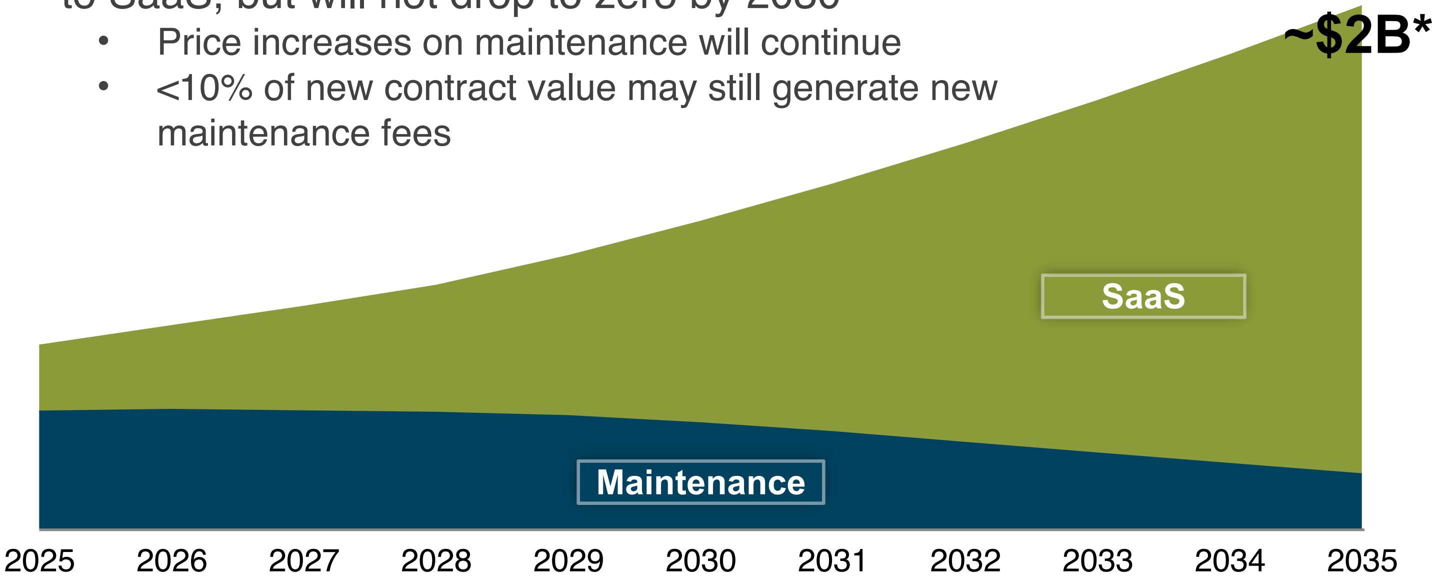
Tyler by 2030 – A SaaS Company, with ~$2B Software Recurring Revenues

- Maintenance fees will decline as licensed clients convert to SaaS, but will not drop to zero by 2030
    - Price increases on maintenance will continue
    - <10% of new contract value may still generate new maintenance fees



	CAGR '22-'25	CAGR '25-'30
SaaS	~20%	High-teens
Maintenance	(~1-2%)	(LDD-to-low-teens)

Blended Software Recurring Revenue CAGR of 9-12% from FY22-FY30

*Modeled at midpoint of internal estimates

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Cloud Transformation Margin Drivers

1. Private cloud evacuation

2. Tyler solution optimization

3. Version consolidation

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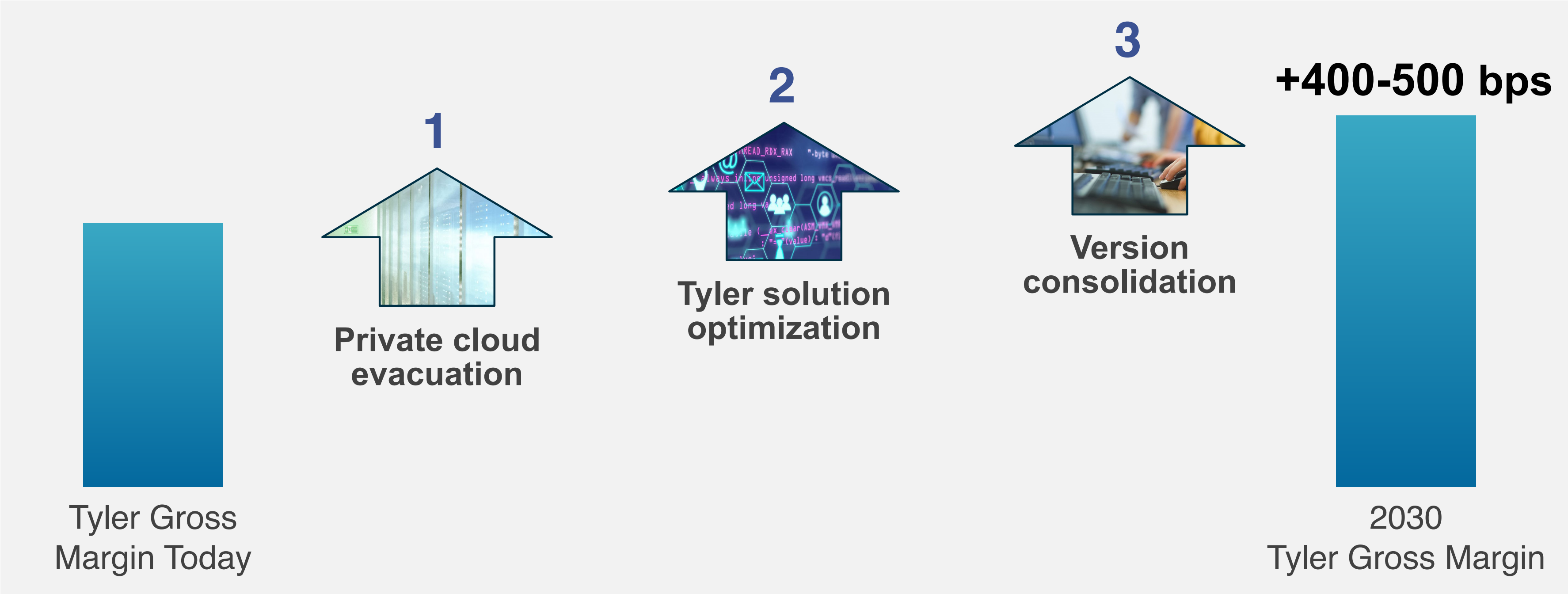
Collectively, Expect 400-500 bps Contribution to Gross Margin by 2030



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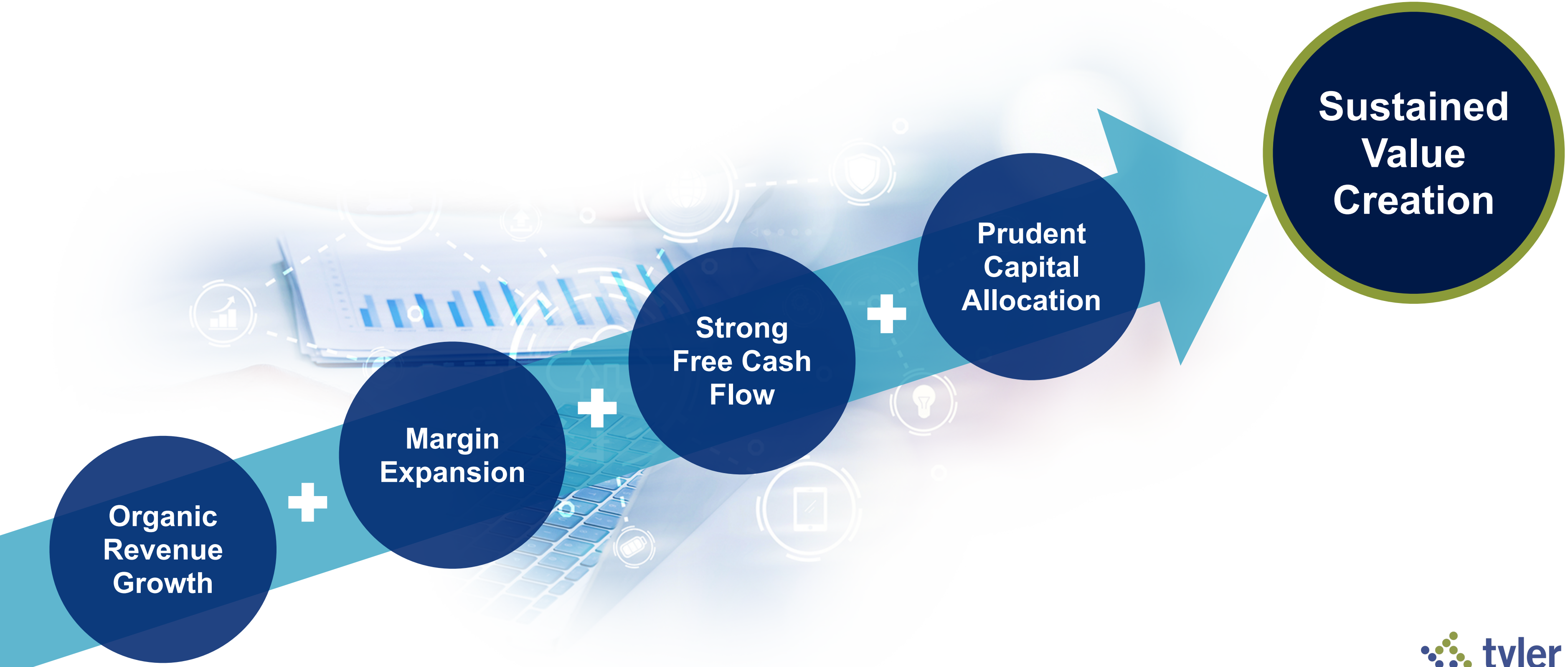
Tyler's Financial Algorithm Delivers Superior Free Cash Flow and Creates Sustained Value



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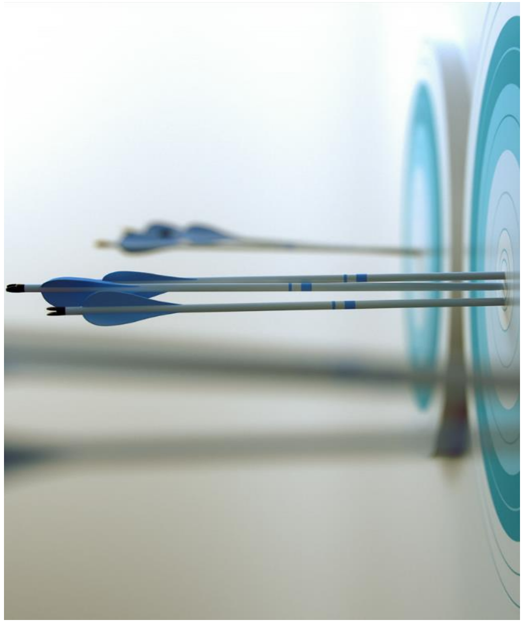
Tyler's Organic Financial Goals: Near-Term 2025 and Mid-Term 2030

Revenues	2025E	2030E
Total revenues	$2.3-2.4B	$3.6-3.8B
% recurring	86-87%	~90%
Margin Profile	**2025E**	**2030E**
Revenues	100%	100%
Gross Margin	47-48%	53-55%
S&M % of Revenue	~7%	6-7%
G&A % of Revenue	~11%	9-10%
R&D % of Revenue	~5%	~5%
Operating Margin	~25%	30+%
Free Cash Flow Margin[1]	17-19%	High 20s



1. Includes ~$30mn of estimated cash tax impact r*elated to IRC Section 174 capitalization rules* in 2025. No cash tax impact by 2030.

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Recurring Revenues and Free Cash Flow are the Best Measures of Our Performance

Top-Line Performance

Recurring Revenues

- Total Recurring Revenues
  - Software (SaaS & Maintenance)
  - Transactional

Bottom-Line Performance

Free Cash Flow

- LTM Free Cash Flow

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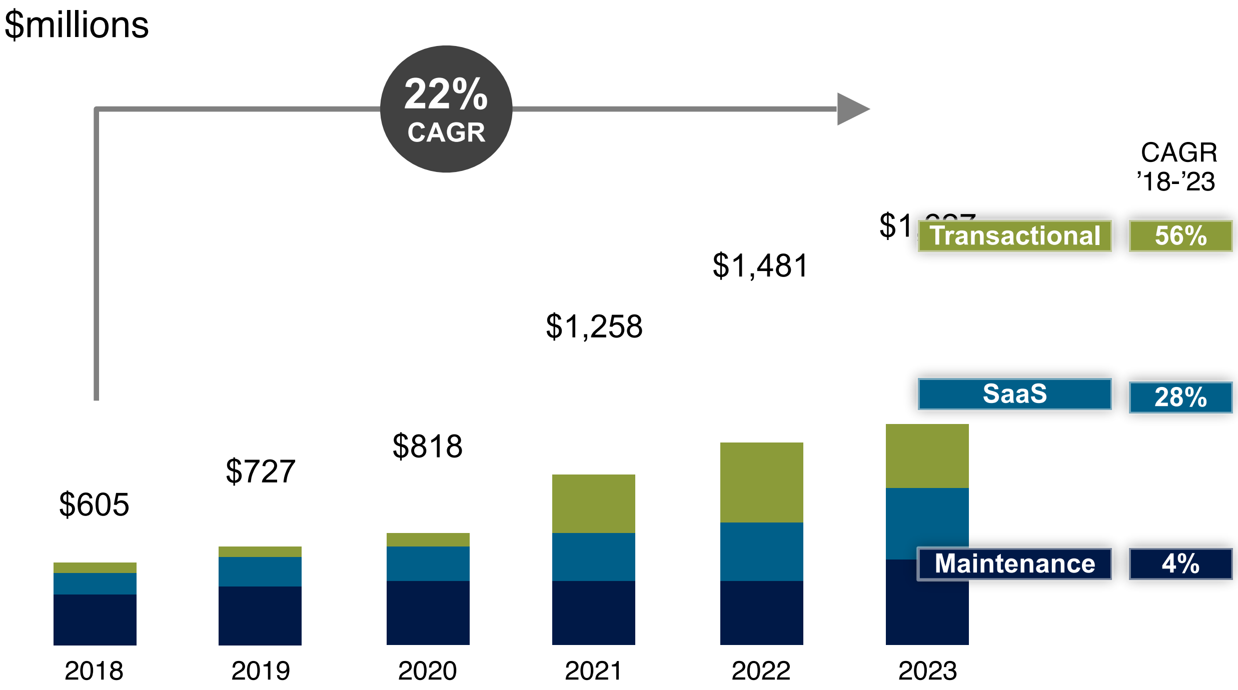
Recurring Revenue Growth has Accelerated



Drivers

- Cloud transition
- Differentiated payments platform
- Industry-leading customer retention

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Powerful Cash Generating Engine – Converts Efficiently from Earnings

FCF / Non-GAAP Net Income Conversion

109% average

LAST 5 YEARS

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Capital Allocation Priorities Going Forward

1. Pay down debt
2. Strategic acquisitions
3. Opportunistic share repurchase

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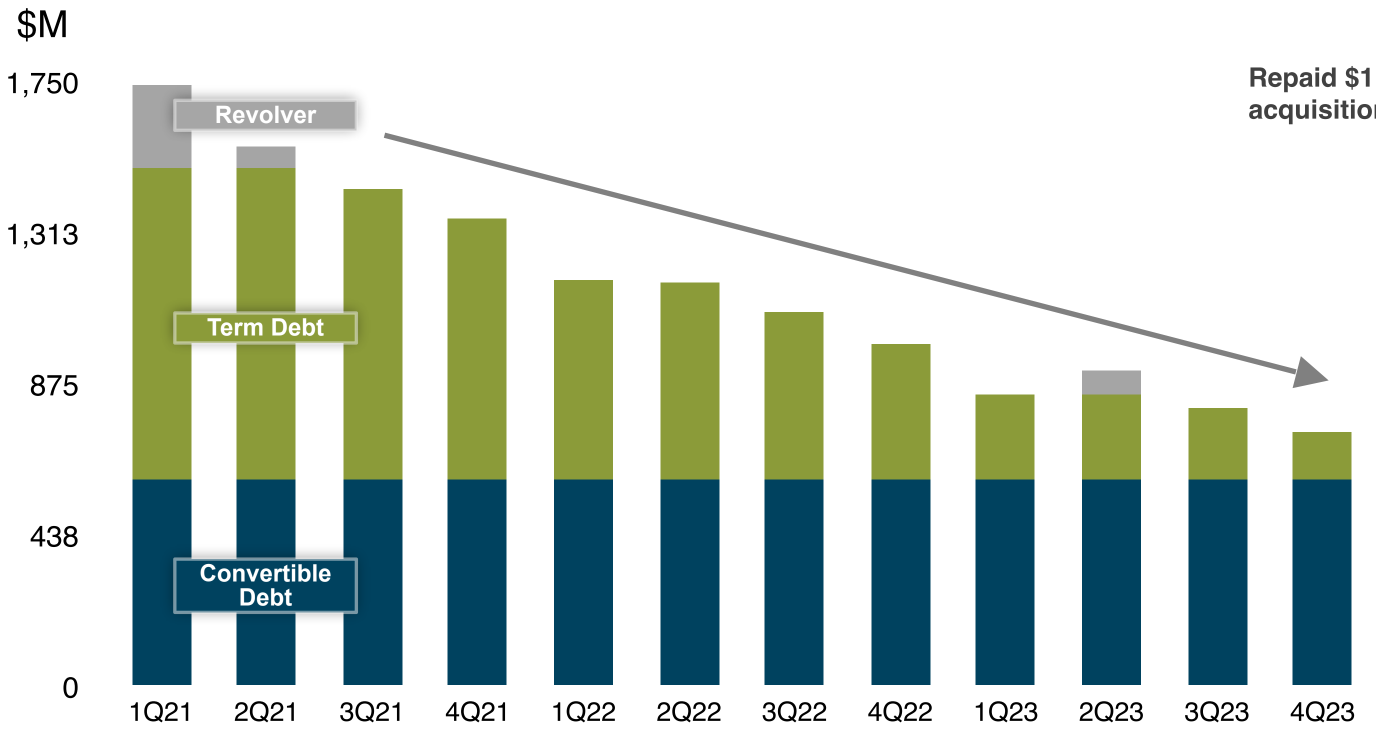
PRIORITY #1

Deleveraging Remains Our Top Priority



Repaid $1.1B of term debt since NIC acquisition in April 2021

Net Leverage

~0.97X at year end 2023

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PRIORITY #2

Acquisition Playbook: Driving Long-term Strategic Value

Strategy

- TAM expansion into adjacent markets
- Functional "tuck-ins" to add compelling differentiators or fill gaps in existing markets
- Growth acceleration through Tyler's installed base and sales channels

Target Company Profile

✓ Accretive to Tyler growth and margins

✓ Sustainable technology

✓ Strong leadership team

✓ Unrealized growth potential

✓ Cultural fit

Valuation Approach

- Acquisition multiples below Tyler's trading multiples
- Discipline on synergies
- Expectation of compounded growth in excess of Tyler's organic growth rate

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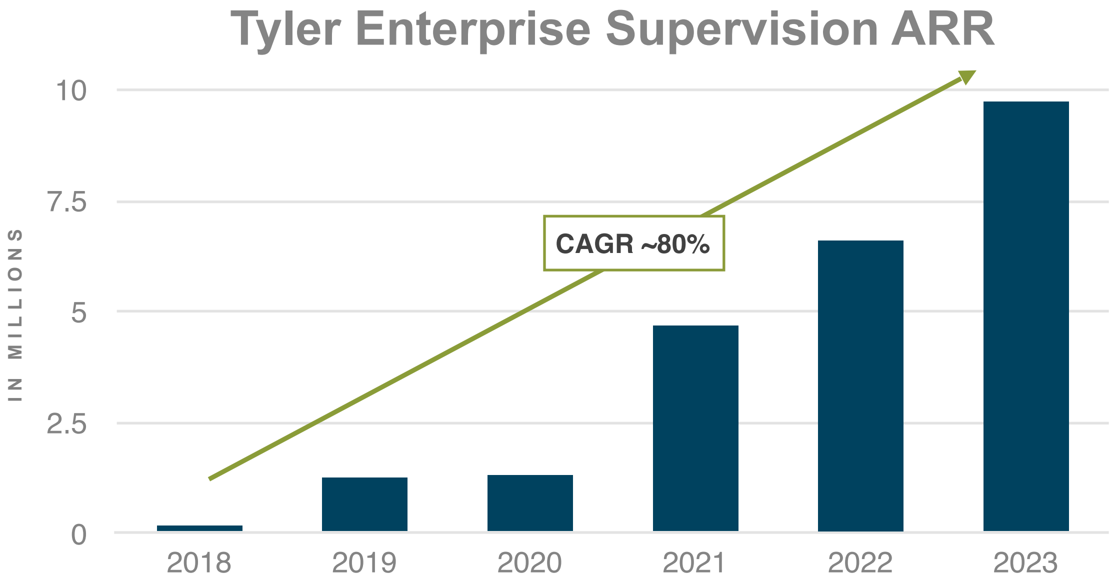
Acquisitions complete "suites", enabling sales to connected markets and significantly accelerating growth

Enterprise Supervision



LAW ENFORCEMENT | CORRECTIONS & SUPERVISION | COURTS & PROSECUTION

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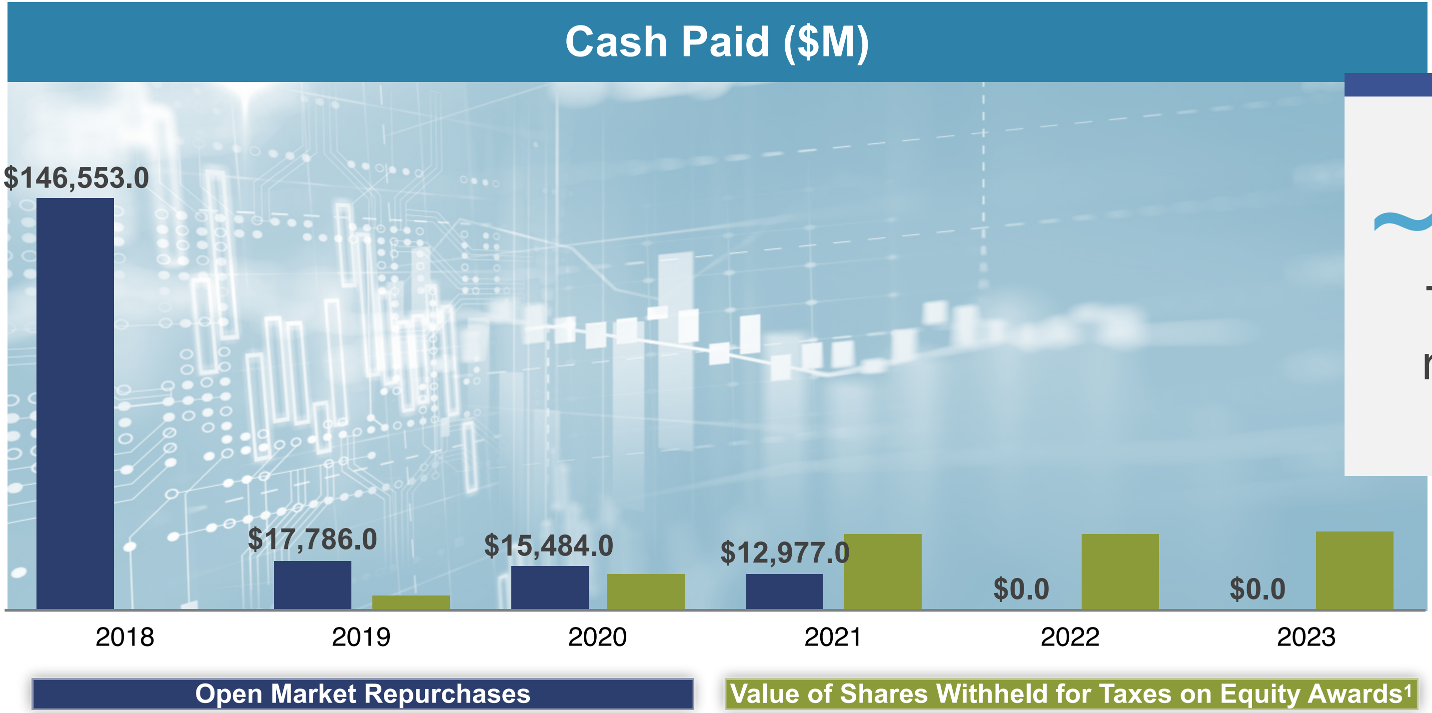
PRIORITY #3

Opportunistic Share Repurchases



~28M
Total shares repurchased since 2002

1. Reflects the value of shares withheld for taxes on RSUs / PSUs granted to employees.

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2030 Goals

ALIGNED WITH EXECUTIVE COMPENSATION

Recurring Revenues

10-12% organic recurring revenue growth

Total revenues: $3.6B-$3.8B

Recurring revenue 90+%

Margin Expansion

30+% blended operating margin

Free Cash Flow

FCF margin high 20s%

Approx. $1B FCF in 2030

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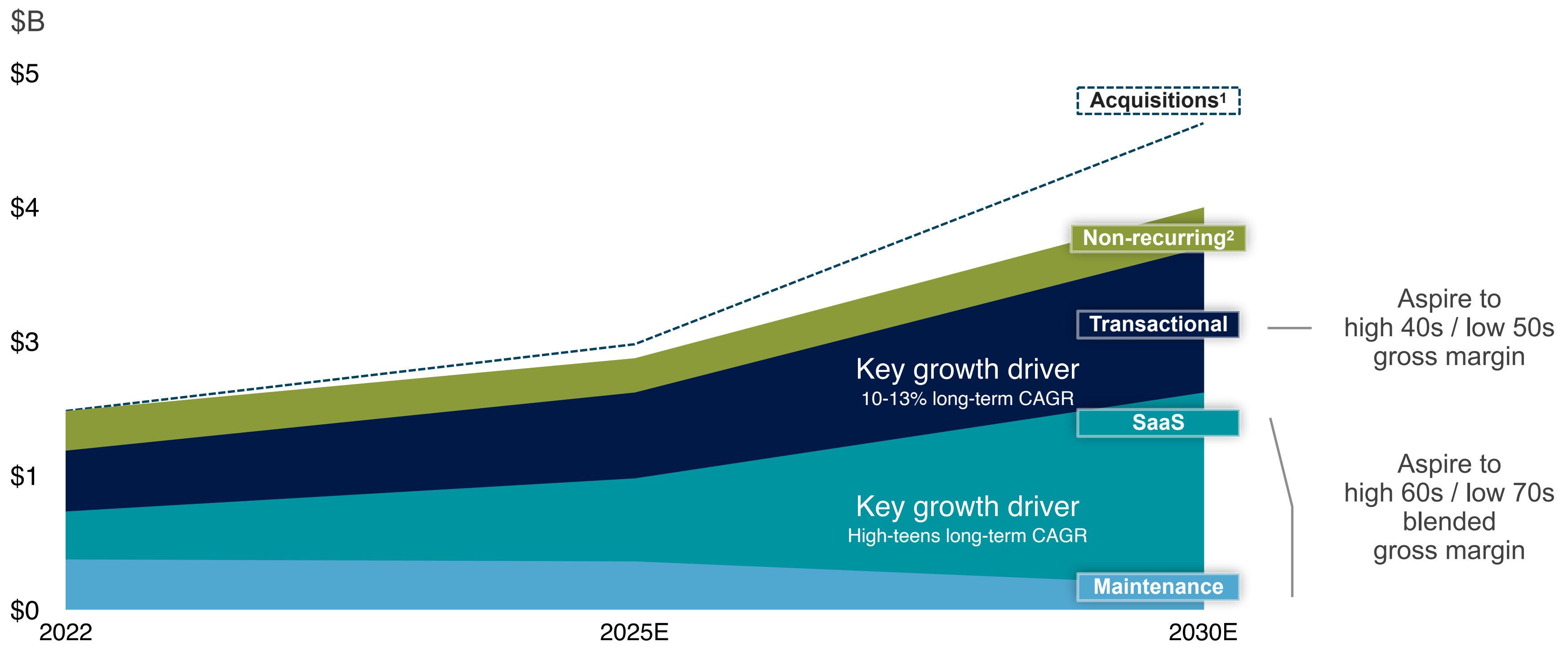
Growth, Revenue Mix, and Margin Improvement will Reshape Tyler's Financial Profile by 2030



1. For illustrative purposes only.
2. Assumes negative low single digit gross margin on Software Services by 2030.

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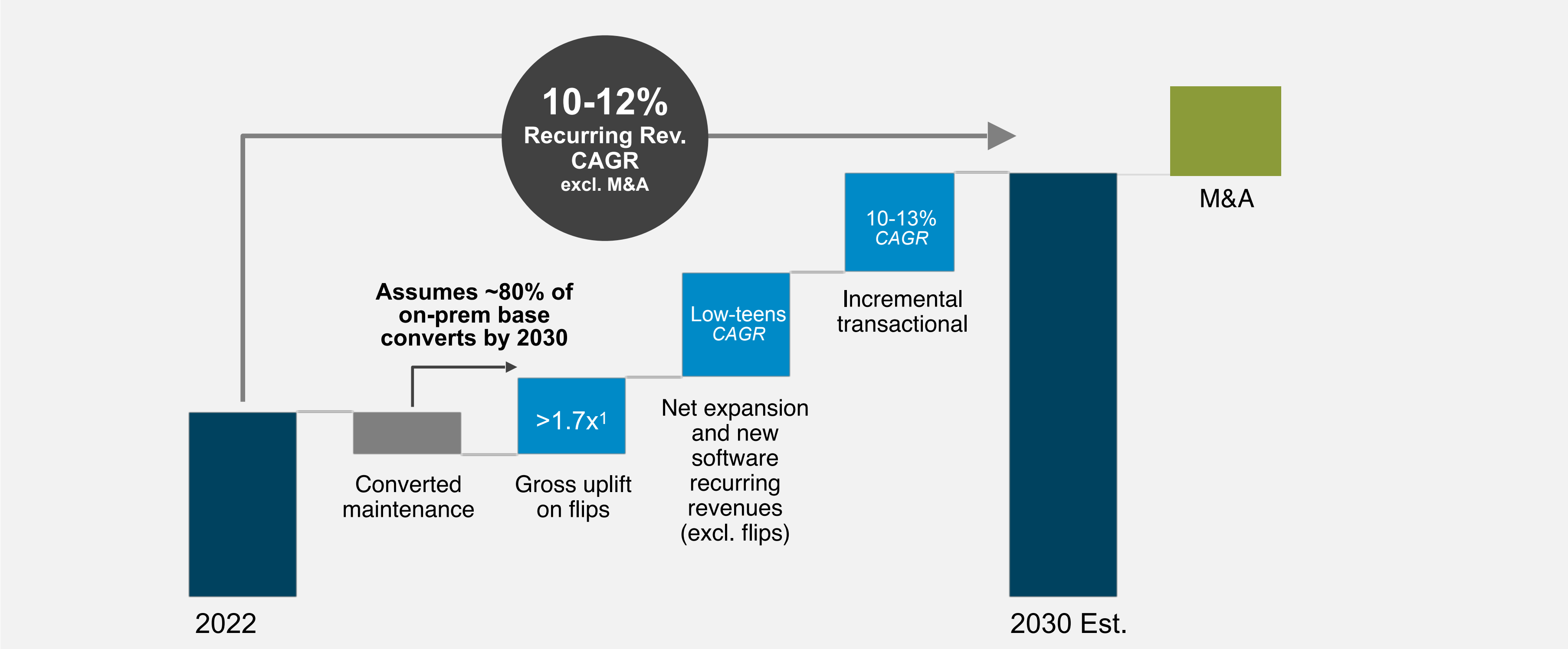
Clear Runway for Double-Digit Recurring Revenue Growth



1. Assumes that once "flip" occurs that Maintenance revenue is dropped and converted at a multiple of up to 1.7x. Assumes standard price increases begin after the initial term of the flip, which have a range of 1-5 years.

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Cloud is a Significant Margin Expansion Lever

Category	P&L Impact	Potential	Drivers
Cloud Operations	Cost of Revenue	⬆⬆⬆⬆	• Datacenter evacuations • AWS efficiency / cloud optimization of products
Development & Support	Cost of Revenue / R&D	⬆⬆⬆⬆	• Version consolidation and more streamlined focus on cloud portfolio
Payments	Cost of Revenue	⬆⬆	• Long-term mix shift to higher payment issuing revenues • Premium pricing through differentiated offerings
Professional Services	Cost of Revenue	⬆	• Accelerate timeline to fully billable utilization for new hires • Manage headcount attrition
General & Administrative	OpEx	⬆⬆	• Automation efficiencies from new investments in ERP, CPM, and Payroll • Internal IT consolidation and rationalization
Sales & Marketing	OpEx	⬆	• Reassess trade show model and take advantage of scale • Efficient sales model with focus on cross-sell / flips

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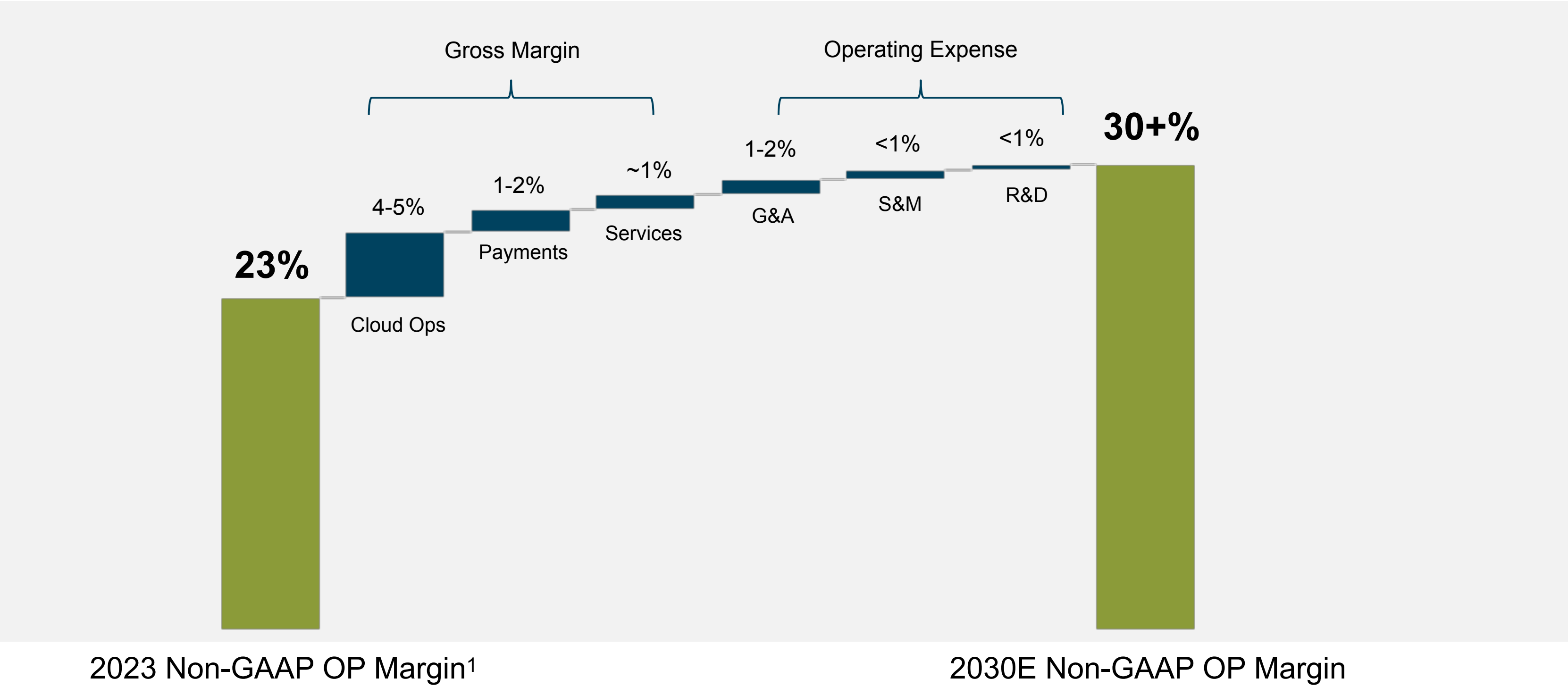
Majority of Operating Leverage to Come from Gross Margin Improvement



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

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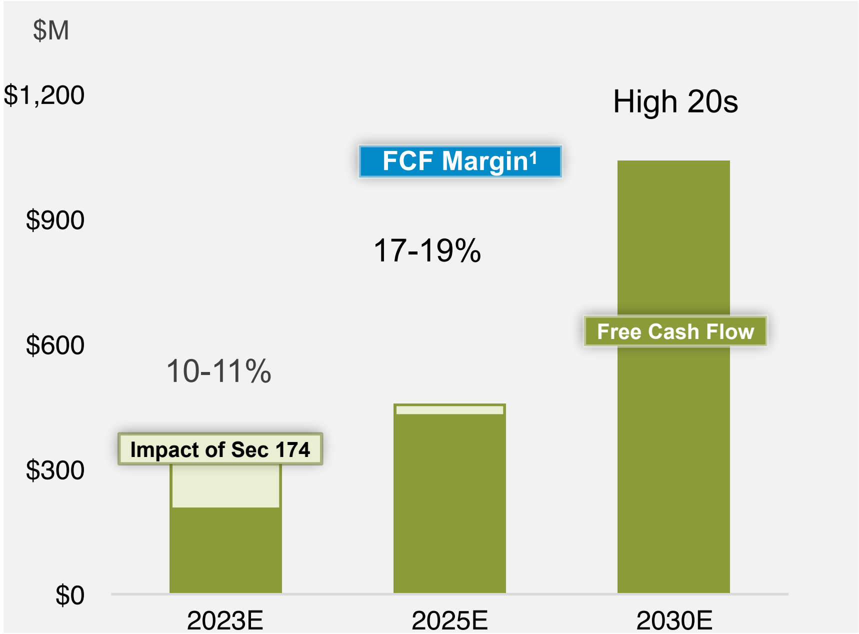
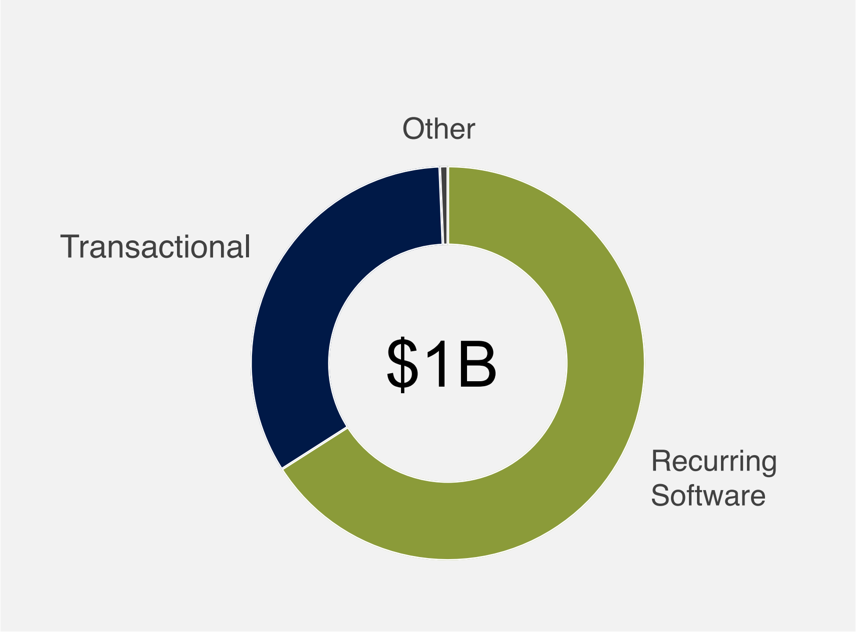
Free Cash Flow Grows to ~$1B by 2030

Free Cash Flow (FCF) Growing to ~$1B



2030 Estimated FCF Contribution – One Third From Transactional Business



1. Includes ~$130mn of cash tax impact in 2023E for Sec 174, and another ~$30mn impact in 2025E.

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2024 Annual Guidance

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2024 Annual Guidance

ACCELERATING SAAS SHIFT AND CLOUD TRANSITION PROGRESS

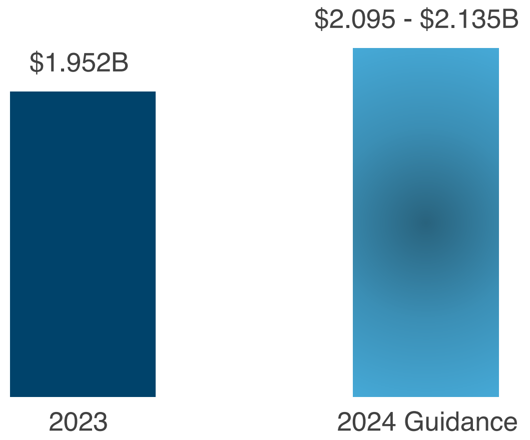
REVENUE DRIVERS

Guidance midpoint implies organic growth of approx. 8%

Revenue range percentage growth expectations:

- Subscriptions growth in the mid-teens
    - SaaS growth in the low twenties
    - Transaction growth mid-single digits
        - Merchant fees decline low-single digits
- Professional services growth in the mid-single digits
- Licenses and royalties growth in the low-single digits
- Maintenance decline low-single digits
- Hardware and other growth in the low to mid-single digits

Total Revenues



1. See reconciliation of GAAP to Non-GAAP measures on slide 20 in this presentation and in our earnings release.

Most recent 2024 guidance provided on 2/15/24
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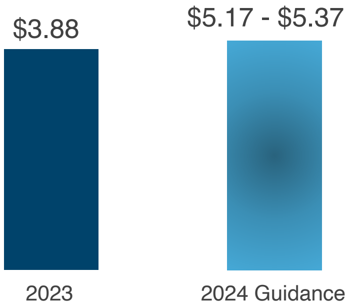
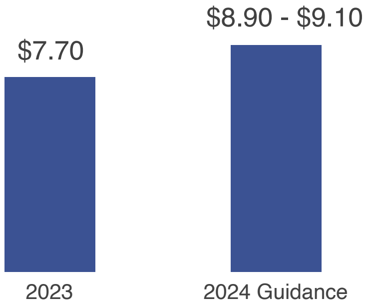
2024 Annual Guidance

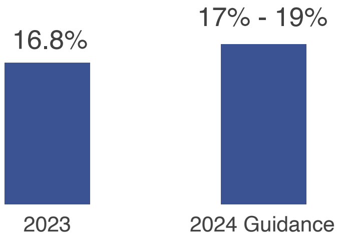
Diluted EPS - GAAP[1]



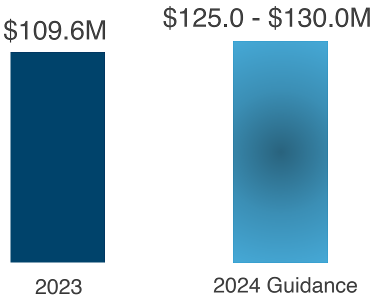
Diluted EPS - Non-GAAP[1]



Free Cash Flow Margin



R&D Expense



GAAP to non-GAAP guidance reconciliation	2024
GAAP diluted earnings per share [(1)]	$5.17 - $5.37
Plus:	
Share-based compensation expense	2.92
Amortization of acquired software and other intangibles	2.21
Less:	
Income tax impact [(1)]	(1.40)
Non-GAAP diluted earnings per share	$8.90 - $9.10
Shares used in computing diluted earnings per share (millions)	43.5
GAAP estimated annual effective tax rate used in computing GAAP diluted earnings per share [(1)]	18%
Non-GAAP estimated annual effective tax rate used in computing non-GAAP diluted earnings per share	22%

[(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.

Most recent 2024 guidance provided on 2/15/24

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2024 Annual Guidance

Quarterly Cadence Drivers

Revenue Guidance: $2.095 - $2.135B

- Slightly weighted toward second half 2024: ~49% 1H vs ~51% 2H
  - SaaS revenues grow sequentially throughout the year
  - Transaction revenues grow sequentially in Q1 and Q2, relatively flat from Q2 to Q3, and decline in Q4 due to normal seasonal patterns
    - Year-over-year, Transaction revenues expected to be flat to down slightly in 1H due to the gross to net change in one state enterprise payments agreement.
    - Expect 2H growth in the low double-digits

Diluted Non-GAAP EPS Guidance: $8.90 - $9.10[1]

- Weighted more heavily in second half 2024: ~45% - 46% in 1H vs ~54% - 55% in 2H
- Modest sequential growth from Q4 2023 to Q1 2024, sequentially increases in Q2, steps up further in Q3, and relatively even in Q3 and Q4
- Second half 2024 growth reflects impact of data center closure and timing of revenue recognition, including flips

1. See reconciliation of GAAP to Non-GAAP measures on slide 20 in this presentation and in our earnings release.

Most recent 2024 guidance provided on 2/15/24

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Appendix

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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 December 31, 2023	Three Months Ended December 31, 2022	Twelve Months Ended December 31, 2023	Twelve Months Ended December 31, 2022
GAAP gross profit	**$ 212,925**	$ 193,334	**$ 861,099**	$ 783,863
Non-GAAP adjustments:				
Add: Share-based compensation expense included in cost of revenues	**6,981**	6,667	**26,607**	27,486
Add: Amortization of acquired software	**9,183**	11,310	**36,062**	52,192
Non-GAAP gross profit	**$ 229,089**	$ 211,311	**$ 923,768**	$ 863,541
GAAP gross margin	**44.3%**	42.8%	**44.1%**	42.4%
Non-GAAP gross margin	**47.6%**	46.7%	**47.3%**	46.7%

Reconciliation of non-GAAP operating income and margin	Three Months Ended December 31, 2023	Three Months Ended December 31, 2022	Twelve Months Ended December 31, 2023	Twelve Months Ended December 31, 2022
GAAP operating income	**$ 47,748**	$ 40,711	**$ 218,537**	$ 214,249
Non-GAAP adjustments:				
Add: Share-based compensation expense	**27,433**	24,994	**108,338**	102,985
Add: Employer portion of payroll tax related to employee stock transactions	**682**	378	**1,873**	1,571
Add: Acquisition-related costs	**154**	757	**409**	1,971
Add: Lease restructuring costs and other	**2,863**	1,623	**8,220**	2,782
Add: Amortization of acquired software	**9,183**	11,310	**36,062**	52,192
Add: Amortization of other intangibles	**19,333**	18,104	**74,632**	61,363
Non-GAAP adjustments subtotal	**$ 59,648**	$ 57,166	**$ 229,534**	$ 222,864
Non-GAAP operating income	**$ 107,396**	$ 97,877	**$ 448,071**	$ 437,113
GAAP operating margin	**9.9%**	9.0%	**11.2%**	11.6%
Non-GAAP operating margin	**22.3%**	21.6%	**23.0%**	23.6%

Reconciliation of non-GAAP net income and earnings per share	Three Months Ended December 31, 2023	Three Months Ended December 31, 2022	Twelve Months Ended December 31, 2023	Twelve Months Ended December 31, 2022
GAAP net income	**$ 38,903**	$ 31,077	**$ 165,919**	$ 164,240
Non-GAAP adjustments:				
Add: Total non-GAAP adjustments to operating income	**59,648**	57,166	**229,534**	222,864
Less: Income tax impact	**(17,198)**	(17,884)	**(61,792)**	(68,999)
Non-GAAP net income	**$ 81,353**	$ 70,359	**$ 333,661**	$ 318,105
GAAP earnings per diluted share	**$ 0.91**	$ 0.73	**$ 3.88**	$ 3.87
Non-GAAP earnings per diluted share	**$ 1.89**	$ 1.66	**$ 7.80**	$ 7.50

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Non-GAAP Measures

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
Detail of share-based compensation expense	**2023**	2022	**2023**	2022
Subscriptions, maintenance and professional services	**$ 6,981**	$ 6,667	**$ 26,607**	$ 27,486
Sales and marketing expense	**2,730**	2,229	**10,118**	8,800
General and administrative expense	**17,722**	16,098	**71,613**	66,699
Total share-based compensation expense	**$ 27,433**	$ 24,994	**$ 108,338**	$ 102,985

	Three Months Ended December 31,		Twelve Months Ended December 31,	
Reconciliation of EBITDA and adjusted EBITDA	**2023**	2022	**2023**	2022
GAAP net income	**$ 38,903**	$ 31,077	**$ 165,919**	$ 164,240
Amortization of other intangibles	**19,333**	18,104	**74,632**	61,363
Depreciation and amortization included in cost of revenues, sales and marketing expense, general and administrative expense, and research and development expense	**19,755**	22,627	**74,954**	89,890
Interest expense	**3,750**	8,103	**23,629**	28,379
Income tax provision	**5,747**	2,543	**32,317**	23,353
EBITDA	**$ 87,488**	$ 82,454	**$ 371,451**	$ 367,225
Share-based compensation expense	**27,433**	24,994	**108,338**	102,985
Acquisition-related costs	**154**	757	**409**	1,971
Lease restructuring costs and other	**2,863**	1,623	**8,220**	2,782
Adjusted EBITDA	**$ 117,938**	$ 109,828	**$ 488,418**	$ 474,963

	Three Months Ended December 31,		Twelve Months Ended December 31,	
Reconciliation of free cash flow	**2023**	2022	**2023**	2022
Net cash provided by operating activities	**$ 147,419**	$ 121,857	**$ 380,440**	$ 381,455
Less: additions to property and equipment	**(8,013)**	(5,088)	**(20,519)**	(22,529)
Less: investments in software development	**(5,043)**	(2,065)	**(32,490)**	(27,622)
Free cash flow	**$ 134,363**	$ 114,704	**$ 327,431**	$ 331,304
Free cash flow margin	**27.9 %**	25.4 %	**16.8 %**	17.9 %

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