

## Tyler Technologies Reports Earnings for Third Quarter 2026

*SaaS revenues grew 21.2% and free cash flow reached a new quarterly high*

**PLANO, Texas** – October 28, 2026 – [Tyler Technologies, Inc.](#) (NYSE: TYL), a large-cap growth and value S&P 500 company, today announced financial results for the third quarter ended September 30, 2026.

"We achieved solid third quarter results, with double-digit recurring revenue growth, robust margin expansion, strong bookings, and record quarterly free cash flow," said Lynn Moore, Tyler's executive chair, president and chief executive officer. "Strong SaaS bookings reinforce healthy public sector demand, reflected in a growing sales pipeline and driven by continued public sector investment in digital modernization. Our government-grade AI strategy is delivering tangible progress, with approximately 300 deals containing AI sold across our client base to date. Combined with disciplined capital allocation, including our repurchase of approximately 8.5% of our outstanding shares year-to-date, these achievements position us well for a strong finish to 2026 and reinforce our confidence in our long-term growth initiatives that underpin our Tyler 2030 objectives," concluded Moore.

**Third Quarter 2026 Financial Highlights** (all comparisons are to the third quarter of 2025):

### Revenues

- Total revenues were \$647.6 million, up 8.7%.
- Recurring revenues were \$568.8 million, up 11.0%, and comprised 87.8% of total revenues.
- Subscription revenues were \$462.6 million, up 15.3%.
  - SaaS revenues grew 21.2% to \$242.2 million.
  - Transaction revenues grew 9.5% to \$220.4 million.
- Annualized recurring revenue (ARR) was \$2.28 billion, up 11.0%.

### Earnings/EBITDA

- GAAP operating income was \$117.0 million, up 19.5%. Non-GAAP operating income was \$182.1 million, up 14.8%.
- GAAP net income was \$95.1 million, or \$2.33 per diluted share, up 12.7%. Non-GAAP net income was \$143.4 million, or \$3.52 per diluted share, up 10.0%.
- Adjusted EBITDA was \$192.7 million, up 13.4%.

### Cash Flow

- Cash flows from operations were \$282.5 million, up 10.7%.
- Free cash flow was \$277.0 million, up 11.9%.

"Third quarter results reflect the strength and resilience of Tyler's recurring revenue model. Recurring revenues grew 11.0%, driven by SaaS revenue growth of 21.2%. Transaction-based revenues growth accelerated to 9.5% (14.2% excluding the impact of the Texas payments contract wind-down). Free cash flow reached a quarterly record of \$277 million, up 11.9%, supported by earnings growth and improved working capital performance," said Brian Miller, Tyler's executive vice president and chief financial officer. "During the quarter, we deployed capital across both strategic growth initiatives and shareholder returns, including the acquisition of CODY Systems and the repurchase of 1.1 million shares of our common stock. Supported by our strong balance sheet, robust cash generation, and significant remaining share repurchase authorization, we maintain financial flexibility to invest in growth initiatives, pursue disciplined acquisition opportunities, and continue building shareholder value," concluded Miller.

### Recent Business Highlights

- On July 30, we completed the acquisition of CODY Systems, an established public safety company that provides SaaS software and data management, integration, and exchange solutions for public safety, law enforcement, and other public sector entities, for approximately \$27.7 million in cash.
- We repurchased 1,148,389 shares of our common stock during the quarter for approximately \$379 million, with approximately \$1.37 billion remaining under our previously announced repurchase authorizations.

### Financial Outlook for 2026

As of October 28, 2026, Tyler Technologies is providing the following guidance for the full year 2026:

| Guidance for 2026                                        | Range                              |
|----------------------------------------------------------|------------------------------------|
| Total revenues                                           | \$2.535 billion to \$2.565 billion |
| Non-GAAP diluted earnings per share                      | \$12.95 to \$13.20                 |
| Free cash flow margin                                    | 26% to 28%                         |
| Research and development expense                         | \$245 million to \$250 million     |
| Capital expenditures                                     | \$20 million to \$22 million       |
| Capitalized software development costs included in capex | \$5 million                        |
| Net interest income                                      | \$15 million to \$17 million       |

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.

## Conference Call

Prepared remarks, the quarterly earnings presentation providing additional information and analysis, and supplemental materials can be found at the [Financials section](#) of Tyler's investor relations [website](#). Tyler Technologies will hold a Q&A conference call on Thursday, October 29, 2026, at 8:30 a.m. ET. Participants can pre-register for the teleconference [here](#). Alternatively, participants can join the teleconference by dialing 833-461-5787 with the meeting ID 900 456 382.

The live audio webcast and archived replay can also be accessed at the [Events & Presentations section](#) of Tyler's investor relations [website](#).

## About Tyler Technologies, Inc.

Tyler Technologies (NYSE: TYL) is a leading provider of technology solutions purpose-built exclusively for the public sector. Tyler's end-to-end solutions empower local, state, and federal government entities to operate efficiently and transparently with residents and each other. By connecting data and processes across disparate systems, Tyler's solutions strengthen the core operations of government and help agencies turn insight into action for their communities. With more than 50,000 installations across 16,000 client locations, Tyler serves clients in all 50 states, Canada, the Caribbean, Australia, and other international locations. Tyler has been recognized numerous times for growth and innovation, including on Government Technology's GovTech 100 list. More information about Tyler Technologies, an S&P 500 company headquartered in Plano, Texas, can be found at [tylertech.com](http://tylertech.com).

## Non-GAAP Financial 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, restructuring costs and other, gain on remeasurement of equity investment, and non-recurring items in other income, net. 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, evolving use of artificial intelligence (“AI”), security vulnerabilities and software updates, or changes in our ability to access third-party software and services; (3) our ability to protect client information from security breaches or misuse through AI and to 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 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 successfully research, develop, integrate, and commercialize AI capabilities into our solutions, to achieve client adoption of those capabilities, and to effectively monetize them is subject to significant risks, including the continued need for substantial investment, competition from new and existing market participants offering alternative AI solutions, and the possibility that clients may not adopt or pay for AI features at the levels we expect, any of which could result in disruption to our business, adversely affect our revenue and margins, and harm our competitive position; (8) 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; (9) general economic, political and market conditions, including inflation and changes in interest rates; (10) technological and market risks associated with the development of new technologies, products or services or of new versions of existing or acquired products or services; (11) 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; (12) 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 (13) 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.

(Comparative results follow)

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**TYLER TECHNOLOGIES, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
(Amounts in thousands, except per share data)  
(Unaudited)

|                                                       | Three months ended September 30, |            | Nine months ended September 30, |              |
|-------------------------------------------------------|----------------------------------|------------|---------------------------------|--------------|
|                                                       | 2026                             | 2025       | 2026                            | 2025         |
| Revenues:                                             |                                  |            |                                 |              |
| Subscriptions                                         | \$ 462,602                       | \$ 401,094 | \$ 1,346,071                    | \$ 1,181,158 |
| Maintenance                                           | 106,239                          | 111,312    | 320,923                         | 336,236      |
| Professional services                                 | 62,968                           | 64,728     | 186,941                         | 187,390      |
| Other                                                 | 15,757                           | 18,745     | 52,230                          | 52,377       |
| Total revenues                                        | 647,566                          | 595,879    | 1,906,165                       | 1,757,161    |
| Cost of revenues:                                     |                                  |            |                                 |              |
| Subscriptions, maintenance, and professional services | 305,924                          | 289,070    | 906,254                         | 859,718      |
| Amortization of software development                  | 5,470                            | 6,195      | 16,673                          | 17,079       |
| Amortization of acquired software                     | 8,786                            | 9,376      | 26,302                          | 27,989       |
| Other                                                 | 9,177                            | 9,786      | 35,236                          | 30,658       |
| Total cost of revenues                                | 329,357                          | 314,427    | 984,465                         | 935,444      |
| Gross profit                                          | 318,209                          | 281,452    | 921,700                         | 821,717      |
| Sales and marketing expense                           | 40,023                           | 37,560     | 118,671                         | 110,345      |
| General and administrative expense                    | 81,561                           | 79,971     | 259,259                         | 236,024      |
| Research and development expense                      | 63,349                           | 51,788     | 185,908                         | 150,474      |
| Amortization of other intangibles                     | 16,239                           | 14,201     | 45,918                          | 42,173       |
| Operating income                                      | 117,037                          | 97,932     | 311,944                         | 282,701      |
| Interest expense                                      | (3,773)                          | (1,235)    | (7,813)                         | (3,743)      |
| Gain on remeasurement of equity investment            | —                                | —          | 25,048                          | —            |
| Other income, net                                     | 7,893                            | 10,855     | 19,031                          | 26,397       |
| Income before income taxes                            | 121,157                          | 107,552    | 348,210                         | 305,355      |
| Income tax provision                                  | 26,083                           | 23,159     | 78,444                          | 55,283       |
| Net income                                            | \$ 95,074                        | \$ 84,393  | \$ 269,766                      | \$ 250,072   |
| Earnings per common share:                            |                                  |            |                                 |              |
| Basic                                                 | \$ 2.35                          | \$ 1.96    | \$ 6.55                         | \$ 5.80      |
| Diluted                                               | \$ 2.33                          | \$ 1.93    | \$ 6.51                         | \$ 5.70      |
| Weighted average common shares outstanding:           |                                  |            |                                 |              |
| Basic                                                 | 40,491                           | 43,135     | 41,179                          | 43,085       |
| Diluted                                               | 40,731                           | 43,834     | 41,451                          | 43,879       |

**TYLER TECHNOLOGIES, INC.**  
**RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES**  
(Amounts in thousands, except per share data)  
(Unaudited)

|                                                                    | Three months ended September 30, |            | Nine months ended September 30, |            |
|--------------------------------------------------------------------|----------------------------------|------------|---------------------------------|------------|
|                                                                    | 2026                             | 2025       | 2026                            | 2025       |
| Reconciliation of non-GAAP gross profit and margin                 |                                  |            |                                 |            |
| GAAP gross profit                                                  | \$ 318,209                       | \$ 281,452 | \$ 921,700                      | \$ 821,717 |
| Non-GAAP adjustments:                                              |                                  |            |                                 |            |
| Add: Share-based compensation expense included in cost of revenues | 9,167                            | 9,307      | 28,145                          | 26,912     |
| Add: Amortization of acquired software                             | 8,786                            | 9,376      | 26,302                          | 27,989     |
| Non-GAAP gross profit                                              | \$ 336,162                       | \$ 300,135 | \$ 976,147                      | \$ 876,618 |
| GAAP gross margin                                                  | 49.1 %                           | 47.2 %     | 48.4 %                          | 46.8 %     |
| Non-GAAP gross margin                                              | 51.9 %                           | 50.4 %     | 51.2 %                          | 49.9 %     |

|                                                                             | Three months ended September 30, |            | Nine months ended September 30, |            |
|-----------------------------------------------------------------------------|----------------------------------|------------|---------------------------------|------------|
|                                                                             | 2026                             | 2025       | 2026                            | 2025       |
| Reconciliation of non-GAAP operating income and margin                      |                                  |            |                                 |            |
| GAAP operating income                                                       | \$ 117,037                       | \$ 97,932  | \$ 311,944                      | \$ 282,701 |
| Non-GAAP adjustments:                                                       |                                  |            |                                 |            |
| Add: Share-based compensation expense                                       | 39,214                           | 36,669     | 120,035                         | 112,631    |
| Add: Employer portion of payroll tax related to employee stock transactions | 103                              | 159        | 1,332                           | 2,278      |
| Add: Acquisition-related costs                                              | 492                              | 214        | 2,803                           | 247        |
| Add: Restructuring costs and other                                          | 189                              | 57         | 6,004                           | 105        |
| Add: Amortization of acquired software                                      | 8,786                            | 9,376      | 26,302                          | 27,989     |
| Add: Amortization of other intangibles                                      | 16,239                           | 14,201     | 45,918                          | 42,173     |
| Non-GAAP adjustments subtotal                                               | 65,023                           | 60,676     | 202,394                         | 185,423    |
| Non-GAAP operating income                                                   | \$ 182,060                       | \$ 158,608 | \$ 514,338                      | \$ 468,124 |
| GAAP operating margin                                                       | 18.1 %                           | 16.4 %     | 16.4 %                          | 16.1 %     |
| Non-GAAP operating margin                                                   | 28.1 %                           | 26.6 %     | 27.0 %                          | 26.6 %     |

**TYLER TECHNOLOGIES, INC.**  
**RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES**  
(Amounts in thousands, except per share data)  
(Unaudited)

|                                                              | Three months ended September 30, |            | Nine months ended September 30, |            |
|--------------------------------------------------------------|----------------------------------|------------|---------------------------------|------------|
|                                                              | 2026                             | 2025       | 2026                            | 2025       |
| Reconciliation of non-GAAP net income and earnings per share |                                  |            |                                 |            |
| GAAP net income                                              | \$ 95,074                        | \$ 84,393  | \$ 269,766                      | \$ 250,072 |
| Non-GAAP adjustments:                                        |                                  |            |                                 |            |
| Add: Total non-GAAP adjustments to operating income          | 65,023                           | 60,676     | 202,394                         | 185,423    |
| Less: Gain on remeasurement of equity investment             | —                                | —          | (25,048)                        | —          |
| Add: Non-recurring items in other income, net                | —                                | —          | 1,406                           | —          |
| Less: Income tax impact                                      | (16,738)                         | (14,692)   | (42,757)                        | (55,142)   |
| Non-GAAP net income                                          | \$ 143,359                       | \$ 130,377 | \$ 405,761                      | \$ 380,353 |
| GAAP earnings per diluted share                              | \$ 2.33                          | \$ 1.93    | \$ 6.51                         | \$ 5.70    |
| Non-GAAP earnings per diluted share                          | \$ 3.52                          | \$ 2.97    | \$ 9.79                         | \$ 8.67    |

|                                            | Three months ended September 30, |           | Nine months ended September 30, |            |
|--------------------------------------------|----------------------------------|-----------|---------------------------------|------------|
|                                            | 2026                             | 2025      | 2026                            | 2025       |
| Detail of share-based compensation expense |                                  |           |                                 |            |
| Cost of revenues                           | \$ 9,167                         | \$ 9,307  | \$ 28,145                       | \$ 26,912  |
| Operating expenses                         | 30,047                           | 27,362    | 91,890                          | 85,719     |
| Total share-based compensation expense     | \$ 39,214                        | \$ 36,669 | \$ 120,035                      | \$ 112,631 |

|                                                                                                                                                                   | Three months ended September 30, |            | Nine months ended September 30, |            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|------------|---------------------------------|------------|
|                                                                                                                                                                   | 2026                             | 2025       | 2026                            | 2025       |
| Reconciliation of EBITDA and adjusted EBITDA                                                                                                                      |                                  |            |                                 |            |
| GAAP net income                                                                                                                                                   | \$ 95,074                        | \$ 84,393  | \$ 269,766                      | \$ 250,072 |
| Amortization of other intangibles                                                                                                                                 | 16,239                           | 14,201     | 45,918                          | 42,173     |
| Depreciation and amortization included in cost of revenues, sales and marketing expense, general and administrative expense, and research and development expense | 19,383                           | 20,683     | 58,401                          | 61,214     |
| Interest expense                                                                                                                                                  | 3,773                            | 1,235      | 7,813                           | 3,743      |
| Gain on remeasurement of equity investment                                                                                                                        | —                                | —          | (25,048)                        | —          |
| Other income, net                                                                                                                                                 | (7,893)                          | (10,855)   | (19,031)                        | (26,397)   |
| Income tax provision                                                                                                                                              | 26,083                           | 23,159     | 78,444                          | 55,283     |
| EBITDA                                                                                                                                                            | \$ 152,659                       | \$ 132,816 | \$ 416,263                      | \$ 386,088 |
| Share-based compensation expense                                                                                                                                  | 39,214                           | 36,669     | 120,035                         | 112,631    |
| Acquisition-related costs                                                                                                                                         | 492                              | 214        | 2,803                           | 247        |
| Employer portion of payroll tax related to employee stock transactions                                                                                            | 103                              | 159        | 1,332                           | 2,278      |
| Lease restructuring costs and other                                                                                                                               | 189                              | 57         | 6,004                           | 105        |
| Adjusted EBITDA                                                                                                                                                   | \$ 192,657                       | \$ 169,915 | \$ 546,437                      | \$ 501,349 |

**TYLER TECHNOLOGIES, INC.**  
**RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES**  
**(Amounts in thousands, except per share data)**  
**(Unaudited)**

|                                           | Three months ended September 30, |            | Nine months ended September 30, |            |
|-------------------------------------------|----------------------------------|------------|---------------------------------|------------|
|                                           | 2026                             | 2025       | 2026                            | 2025       |
| Reconciliation of free cash flow          |                                  |            |                                 |            |
| Net cash provided by operating activities | \$ 282,473                       | \$ 255,191 | \$ 514,146                      | \$ 409,660 |
| Less: additions to property and equipment | (4,433)                          | (3,876)    | (12,721)                        | (11,698)   |
| Less: investment in software development  | (1,062)                          | (3,738)    | (3,167)                         | (14,138)   |
| Free cash flow                            | \$ 276,978                       | \$ 247,577 | \$ 498,258                      | \$ 383,824 |
| Free cash flow margin                     | 42.8 %                           | 41.5 %     | 26.1 %                          | 21.8 %     |

**TYLER TECHNOLOGIES, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Amounts in thousands)  
(Unaudited)

|                                                           | <u>September 30, 2026</u> | <u>December 31, 2025</u> |
|-----------------------------------------------------------|---------------------------|--------------------------|
| <b>ASSETS</b>                                             |                           |                          |
| Current assets:                                           |                           |                          |
| Cash and cash equivalents                                 | \$ 788,222                | \$ 1,015,400             |
| Accounts receivable, net                                  | 684,176                   | 638,798                  |
| Short-term investments                                    | 91,172                    | 81,800                   |
| Prepaid expenses and other current assets                 | 88,937                    | 84,142                   |
| Income tax receivable                                     | 9,469                     | 23,748                   |
| Total current assets                                      | <u>1,661,976</u>          | <u>1,843,888</u>         |
| Accounts receivable, long-term portion                    | 16,567                    | 5,968                    |
| Operating lease right-of-use assets                       | 37,551                    | 35,602                   |
| Property and equipment, net                               | 160,823                   | 160,355                  |
| Other assets:                                             |                           |                          |
| Software development costs, net                           | 48,645                    | 68,371                   |
| Goodwill                                                  | 2,770,159                 | 2,590,013                |
| Other intangibles, net                                    | 834,981                   | 780,414                  |
| Non-current investments                                   | 25,289                    | 60,698                   |
| Other non-current assets                                  | 89,439                    | 93,599                   |
| Total assets                                              | <u>\$ 5,645,430</u>       | <u>\$ 5,638,908</u>      |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>               |                           |                          |
| Current liabilities:                                      |                           |                          |
| Accounts payable and accrued liabilities                  | \$ 390,117                | \$ 365,346               |
| Operating lease liabilities                               | 11,182                    | 9,598                    |
| Deferred revenue                                          | 846,284                   | 780,838                  |
| Current portion of convertible senior notes due 2026, net | —                         | 599,663                  |
| Total current liabilities                                 | <u>1,247,583</u>          | <u>1,755,445</u>         |
| Convertible senior notes due 2031, net                    | 1,410,110                 | —                        |
| Deferred revenue, long-term                               | 17,971                    | 20,988                   |
| Deferred income taxes                                     | 110,451                   | 95,063                   |
| Operating lease liabilities, long-term                    | 34,011                    | 33,347                   |
| Other long-term liabilities                               | 34,969                    | 31,276                   |
| Total liabilities                                         | <u>2,855,095</u>          | <u>1,936,119</u>         |
| Shareholders' equity                                      | <u>\$ 2,790,335</u>       | <u>\$ 3,702,789</u>      |
| Total liabilities and shareholders' equity                | <u>\$ 5,645,430</u>       | <u>\$ 5,638,908</u>      |

**TYLER TECHNOLOGIES, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Amounts in thousands)  
(Unaudited)

|                                                                                                                                 | Three months ended September 30, |            | Nine months ended September 30, |            |
|---------------------------------------------------------------------------------------------------------------------------------|----------------------------------|------------|---------------------------------|------------|
|                                                                                                                                 | 2026                             | 2025       | 2026                            | 2025       |
| Cash flows from operating activities:                                                                                           |                                  |            |                                 |            |
| Net income                                                                                                                      | \$ 95,074                        | \$ 84,393  | \$ 269,766                      | \$ 250,072 |
| Adjustments to reconcile net income to cash provided by operations:                                                             |                                  |            |                                 |            |
| Depreciation and amortization                                                                                                   | 37,131                           | 34,988     | 111,892                         | 103,931    |
| Gains from sale of investments                                                                                                  | —                                | —          | (4)                             | —          |
| Share-based compensation expense                                                                                                | 39,214                           | 36,669     | 120,035                         | 112,631    |
| Operating lease right-of-use assets expense                                                                                     | 1,988                            | 2,300      | 7,880                           | 7,160      |
| Deferred income tax provision                                                                                                   | 9,492                            | 37,462     | 41,358                          | 26,382     |
| Gain on remeasurement of equity investment                                                                                      | —                                | —          | (25,048)                        | —          |
| Other                                                                                                                           | 194                              | 43         | 227                             | 82         |
| Changes in operating assets and liabilities, exclusive of effects of acquired companies                                         | 99,380                           | 59,336     | (11,960)                        | (90,598)   |
| Net cash provided by operating activities                                                                                       | 282,473                          | 255,191    | 514,146                         | 409,660    |
| Cash flows from investing activities:                                                                                           |                                  |            |                                 |            |
| Additions to property and equipment                                                                                             | (4,433)                          | (3,876)    | (12,721)                        | (11,698)   |
| Purchase of marketable security investments                                                                                     | (4,725)                          | (72,680)   | (56,206)                        | (179,966)  |
| Proceeds and maturities from marketable security investments                                                                    | 8,090                            | 42,023     | 81,850                          | 76,307     |
| Investment in software development                                                                                              | (1,062)                          | (3,738)    | (3,167)                         | (14,138)   |
| Cost of acquisitions, net of cash acquired                                                                                      | (24,739)                         | (16,907)   | (239,030)                       | (35,137)   |
| Other                                                                                                                           | (9)                              | (1)        | 4                               | 525        |
| Net cash used by investing activities                                                                                           | (26,878)                         | (55,179)   | (229,270)                       | (164,107)  |
| Cash flows from financing activities:                                                                                           |                                  |            |                                 |            |
| Repayment of convertible senior notes due 2026                                                                                  | —                                | —          | (600,000)                       | —          |
| Proceeds from issuance of convertible senior notes due 2031                                                                     | —                                | —          | 1,437,500                       | —          |
| Purchase of capped call transactions                                                                                            | —                                | —          | (187,163)                       | —          |
| Payment of debt issuance costs                                                                                                  | —                                | —          | (31,704)                        | —          |
| Purchase of treasury shares                                                                                                     | (369,097)                        | (173,045)  | (1,124,102)                     | (174,650)  |
| Payment of employee taxes paid for withheld shares upon equity award settlement, net of proceeds from exercise of stock options | 5,526                            | 15,461     | (16,608)                        | 12,306     |
| Contributions from employee stock purchase plan                                                                                 | 4,376                            | 4,561      | 13,554                          | 13,883     |
| Other                                                                                                                           | (3,531)                          | (335)      | (3,531)                         | (7,712)    |
| Net cash used by financing activities                                                                                           | (362,726)                        | (153,358)  | (512,054)                       | (156,173)  |
| Net (decrease) increase in cash and cash equivalents                                                                            | (107,131)                        | 46,654     | (227,178)                       | 89,380     |
| Cash and cash equivalents at beginning of period                                                                                | 895,353                          | 787,447    | 1,015,400                       | 744,721    |
| Cash and cash equivalents at end of period                                                                                      | \$ 788,222                       | \$ 834,101 | \$ 788,222                      | \$ 834,101 |