Tyler Technologies Reports Second Quarter 2000 Operating Results

DALLAS, Aug. 16 /PRNewswire/ -- Dallas-based Tyler Technologies, Inc. (NYSE: TYL) today reported operating results for the quarter ended June 30, 2000. Revenues from continuing operations for the second quarter of 2000 increased 19% to $32.1 million from $26.9 million in the second quarter of 1999. Loss from continuing operations was $3.9 million ($0.09 per diluted share) for the quarter ended June 30, 2000, compared to income from continuing operations of $0.7 million ($0.02 per diluted share) in the same period of the prior year.

EBITDA, or earnings from continuing operations before interest, litigation defense costs, income taxes, depreciation and amortization, was $2.3 million ($0.05 per diluted share) for the quarter ended June 30, 2000, compared to $5.6 million ($0.14 per diluted share) in the same quarter of 1999. For the six months ended June 30, 2000, revenues increased 41% to $64.6 million from $45.7 million in 1999. Loss from continuing operations for the six-month period was $7.2 million ($0.16 per diluted share) in 2000, compared to income from continuing operations of $1.3 million ($0.04 per diluted share) for the same period in 1999. Net loss for the six months ended June 30, 2000 was $7.7 million ($0.17 per diluted share), compared to a net loss of $30,000 ($0.00 per diluted share) in 1999.

EBITDA for the six months ended June 30, 2000 was $4.7 million, compared to $9.8 million for the same period of 1999. EBITDA per diluted share was $0.11 for the first half of 2000, compared to $0.26 in the first half of 1999. Included in the operating results for the three and six month periods ended June 30, 2000 are approximately $1.6 million and $2.9 million, respectively, in business development costs related to NationsData.com, the Company's subsidiary that is developing a national data repository and Internet portal for the delivery of public information. NationsData.com continued to develop its web-enabled database during the second quarter and to aggressively pursue sales opportunities, as well as strategic partnerships. Costs related to NationsData.com in 1999 were primarily capitalized, with only $278,000 of expense in the first half of 1999.

Excluding the costs associated with NationsData.com, EBITDA for the quarter ended June 30, 2000 was $3.5 million ($0.08 per diluted share), compared to $5.8 million ($0.15 per diluted share) in the second quarter of 1999. For the six months ended June 30, 2000, EBITDA excluding NationsData.com was $6.9 million ($0.16 per diluted share), compared to $10.1 million ($0.27 per diluted share) for the same period in 1999.

Tyler's results for the quarter continued to be significantly affected by a slowdown in the demand for new systems in the local government market. "New sales have been unexpectedly sluggish throughout our industry in the first half of the year, a condition we primarily attribute to the after-effects of Y2K," stated John M. Yeaman, president of Tyler. "While 1999 revenues, particularly in the first half of the year, were stimulated somewhat by Y2K- fueled demand, many local governments have since delayed new system installations and other information management projects. As a result, revenues in 2000 and comparisons to 1999 results have been negatively affected," continued Mr. Yeaman.

"While we are disappointed that the post-Y2K demand for new systems has not returned to normal levels as quickly as expected, we remain very excited about the long-term opportunities in our core business," said Mr. Yeaman. "Leading indicators such as proposal activities and new order signings have more recently shown signs of improvement," added Mr. Yeaman. "Those indicators give us reason to be optimistic about the prospects for improved operating performance in the last half of the year." Tyler's backlog of signed contracts at June 30, 2000 was $99.8 million, an increase of $5.7 million from the March 30, 2000 backlog level of $94.1 million. "We are pleased our progress so far this year on product development initiatives," added Mr. Yeaman.

"Tyler has expended significant amounts of capital and manpower in 2000 on new product development efforts that we expect to form the foundation for the next stage of our growth strategy. Those products being developed include new technologies that will form the core for Tyler's next-generation software, local government applications to round out our already robust product line, and e-government products that connect local government with the public."

Tyler's e-government offerings currently available or under development include web browser-based solutions that allow access to information in local government offices, e-commerce solutions that allow the public to transact business with local governments over the Internet, and ASP deployable back-end information management systems. "We are confident that as demand grows, Tyler will be exceptionally well-positioned with an industry-leading mix of technology, products and services for the local government marketplace."

Tyler also announced that it has amended its senior revolving credit facility to provide for a series of principal reductions through October 2001. "The revised credit facility is consistent with our goal of reducing total debt and strengthening our balance sheet," commented Mr. Yeaman.

Tyler Technologies is a leading provider of Internet-based e-government and back-end information management solutions to local government. Tyler partners with clients to make local government more accessible to the public, more responsive to needs of the citizens, and more efficient. Tyler's client base includes over 5,000 local government offices in 49 states, Canada and Puerto Rico. More information about Tyler Technologies can be found on its website at https://www.tylertechnologies.com.

Although Tyler Technologies believes that the expectations reflected in these forward-looking statements are reasonable, these expectations and the related statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected. Tyler Technologies expressly disclaims any obligation to release publicly any updates or revisions to these forward-looking statements to reflect any change in its expectations.

SOURCE Tyler Technologies, Inc.
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