

Investor Presentation

Tyler Technologies | May 2025



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 subscriptions and maintenance.

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

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

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, 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 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 rising labor costs, 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.

Tyler: A Winning Long-Term Growth Story

Accelerating Recurring
Revenue Growth

20%
CAGR

since 2019

SaaS Revenue Growth

25%
CAGR

Since 2019

Massive Opportunity,
a Market Leader With Just

~6%
share*

of fragmented \$21B market

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

**Core addressable public sector software market*

The Leader in Software Solutions to the Public Sector

TYLER AT A GLANCE

1

MARKET
POSITION

85%

RECURRING
REVENUES 2024

26.9%

FREE CASH FLOW
MARGIN 2024

98%

GROSS CLIENT
RETENTION

2024 REVENUE BREAKDOWN



ERP /
FINANCIAL
32%



PLATFORM
TECHNOLOGIES
29%



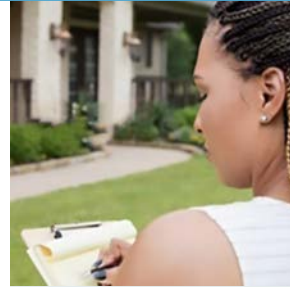
COURTS &
JUSTICE
15%



PUBLIC
SAFETY
7%



K-12
SCHOOLS
7%



APPRAISAL &
TAX
5%



CIVIC
SERVICES
3%



OTHER
2%

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 revenue, 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

Tyler is in 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 and return to sustained operating margin improvement in 2024

THE FIRST VISION OF **Connected Communities**



Family of Products

BEST PRODUCTS FOR EACH AGENCY



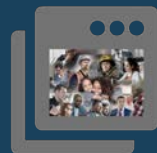
Common Foundation

CONSISTENT FUNCTIONALITY



Shared Data

CLOUD-BASED DATA SHARING



Connected Apps & Personalized Portals

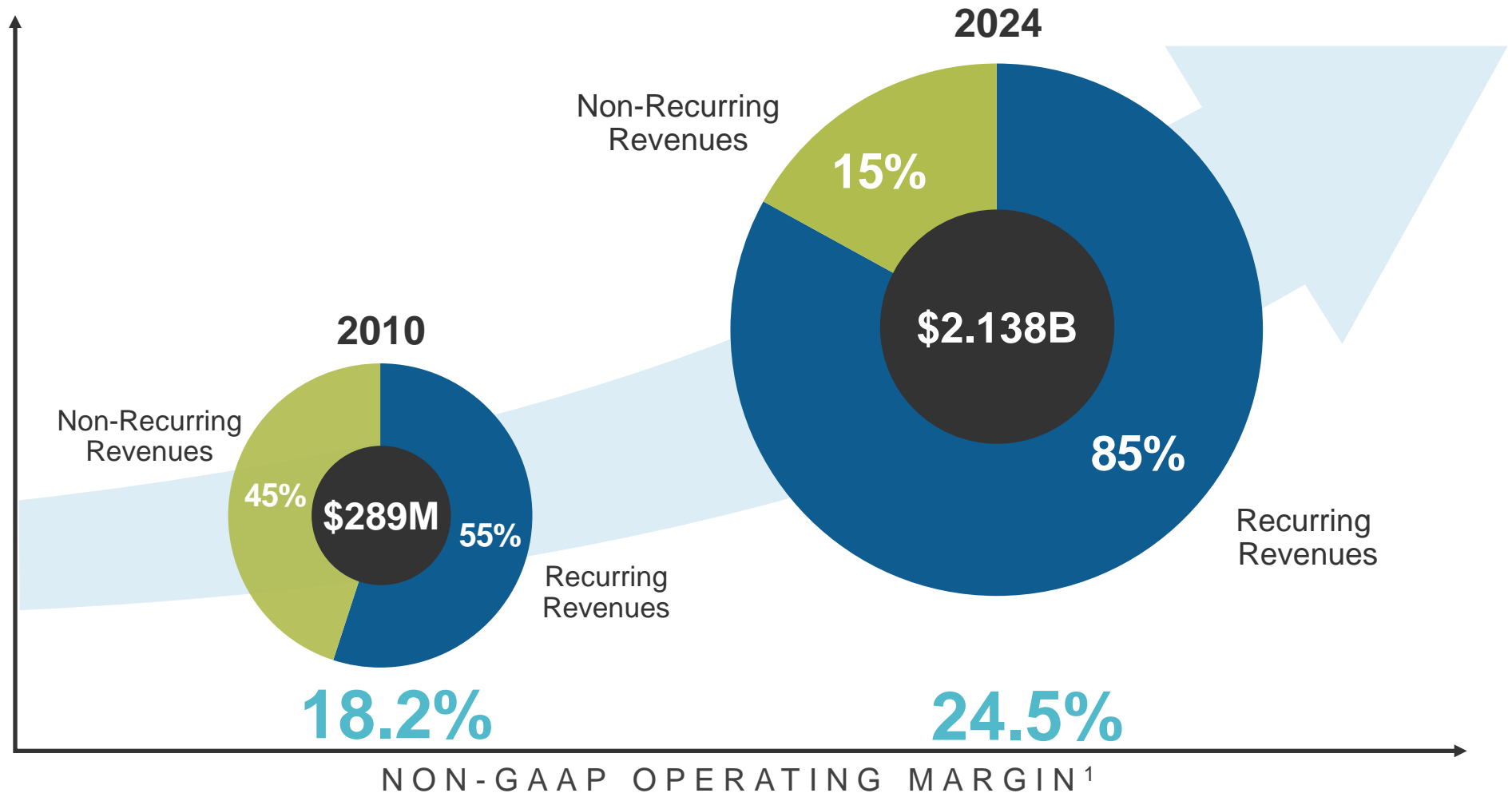
A CUSTOMIZED EXPERIENCE

Tyler Transformation is Well Underway

WITH HIGHER GROWTH, HIGHER LONG-TERM MARGIN PROFILE

20%
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 since 2018

Strong Secular Tailwinds...

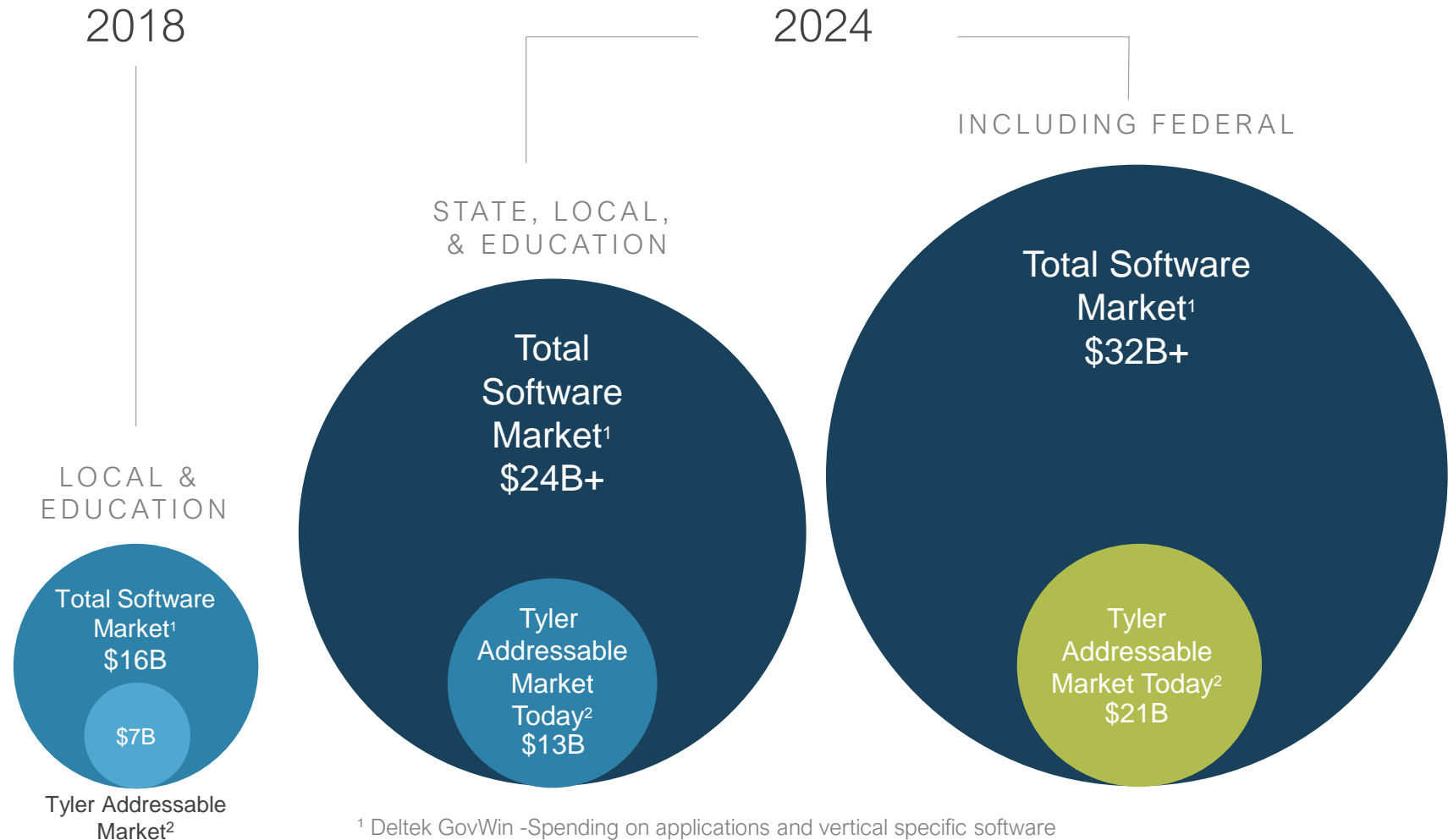
Many antiquated government systems no longer supported

Governments shifting systems to the cloud

Demand for digital modernization and online services

...driving market growth

4 – 6%
annual market growth



¹ Deltek GovWin - Spending on applications and vertical specific software

² Company estimate

Targeting a Large, Fragmented Market with Antiquated Systems

>88,000 Local Governments
>450,000 Potential Systems



1/3
Competitive
Deployments



2/3
Antiquated
Deployments



ORACLE®



20+ year old systems

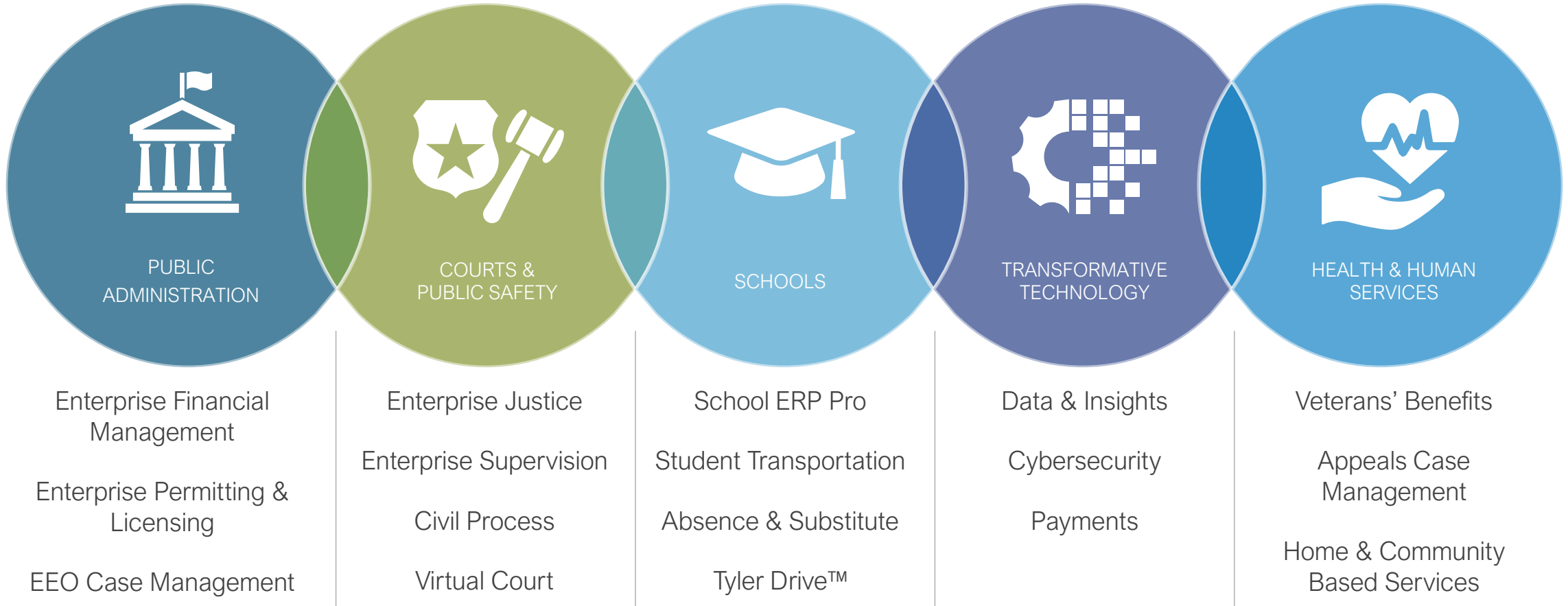
Legacy vendors

Homegrown / custom COBOL systems

Strengths We Are Leveraging



Delivering the Broadest, Most Integrated Public Sector Solutions



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							

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

LARGEST INSTALLED BASE OFFERING UNIQUE SALES SYNERGIES

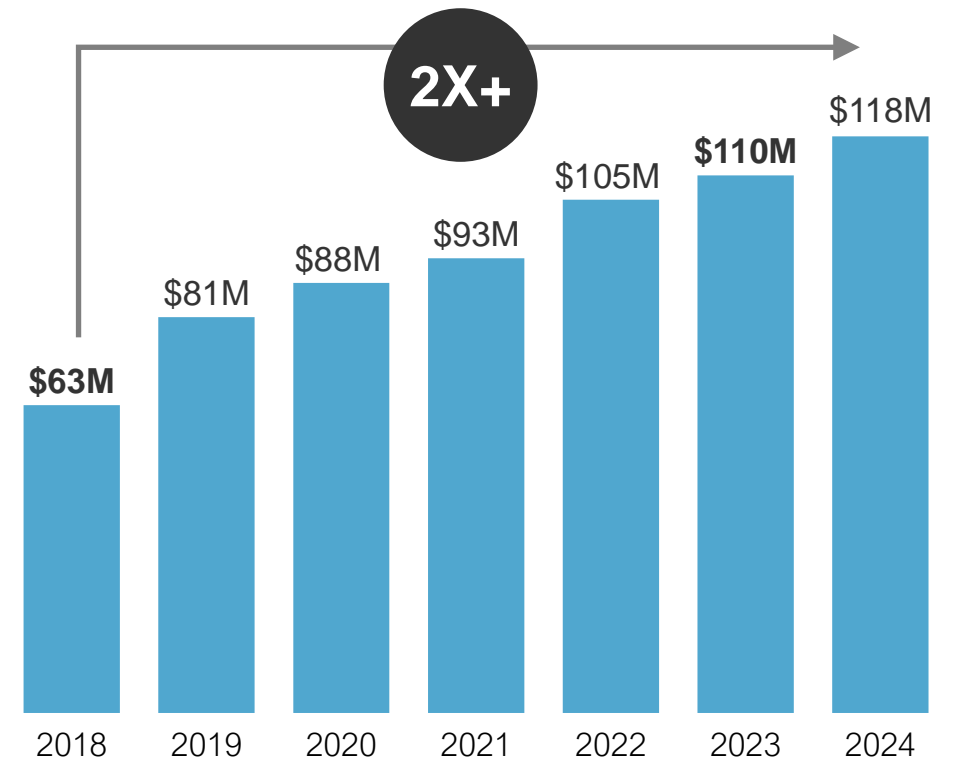


Strategic Innovation Focused on Long-Term Results

- ✓ **Anticipating client needs** for digital transformation
- ✓ **Increased R&D** spending further widens the moat
- ✓ **1,909** innovative engineers*
- ✓ **45%** of Tyler team members have worked in the public sector



Increased R&D



*Includes both R&D and COS engineers as 12/31/24.

Acquisitions Are a Core Competency – Adding Capabilities and Accelerates Growth

13 acquisitions
last 5 years including:

NIC

VendEngine

US eDirect

Rapid Financial Solutions

Computing Systems Innovations

ARInspect

ResourceX

Invested
40% 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

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

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

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

Enhanced Citizen Engagement – Transactions Growth



- Grow payments business across installed base
- Highly differentiated from commodity solutions
- Sticky, reliable 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



The Combination of Three Companies Produced Strategic Synergies

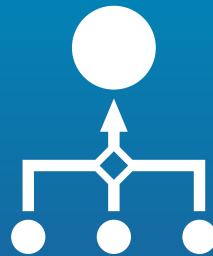
3 Companies

Tyler Technologies

NIC

Rapid Financial

ONE
PAYMENTS
ORGANIZATION



Leading Player

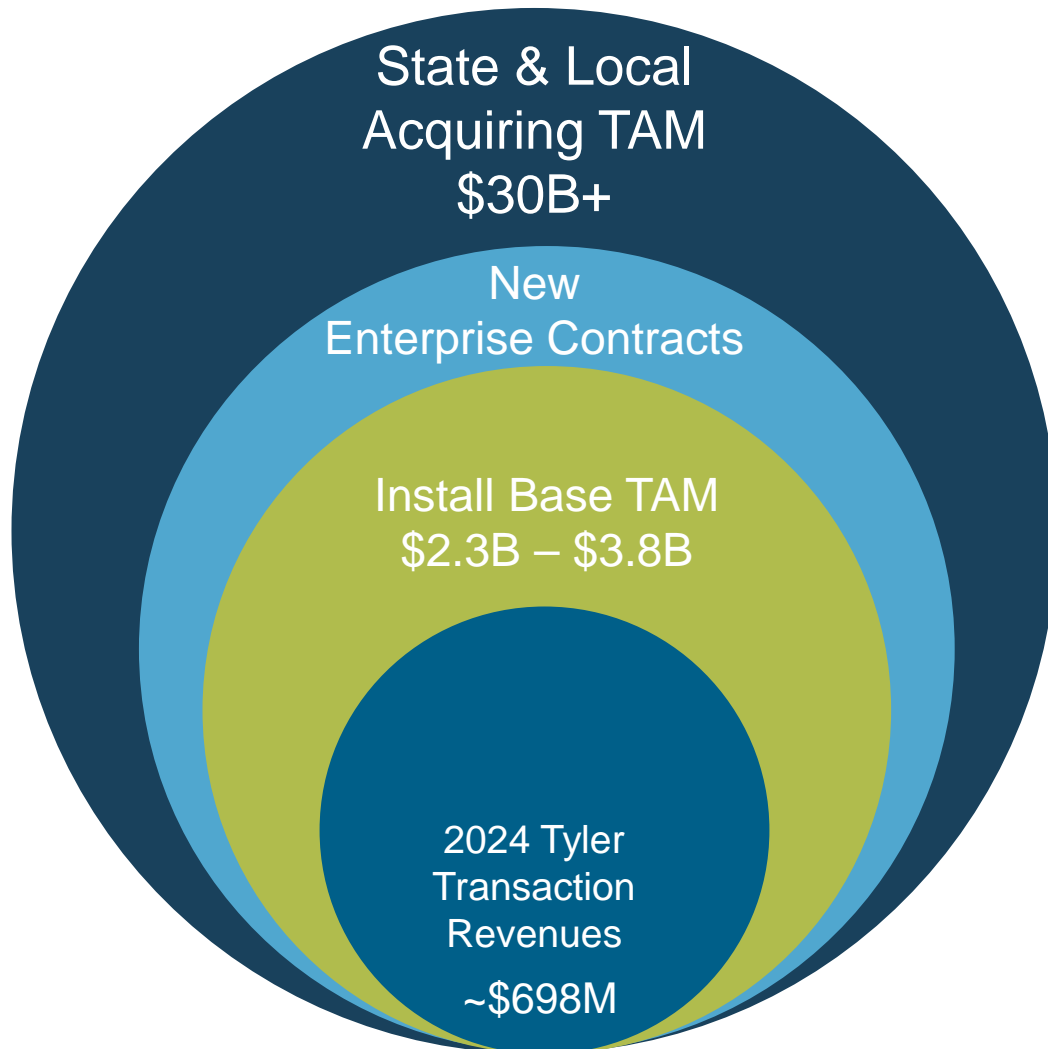
1 payments product team

All Tyler divisions serviced

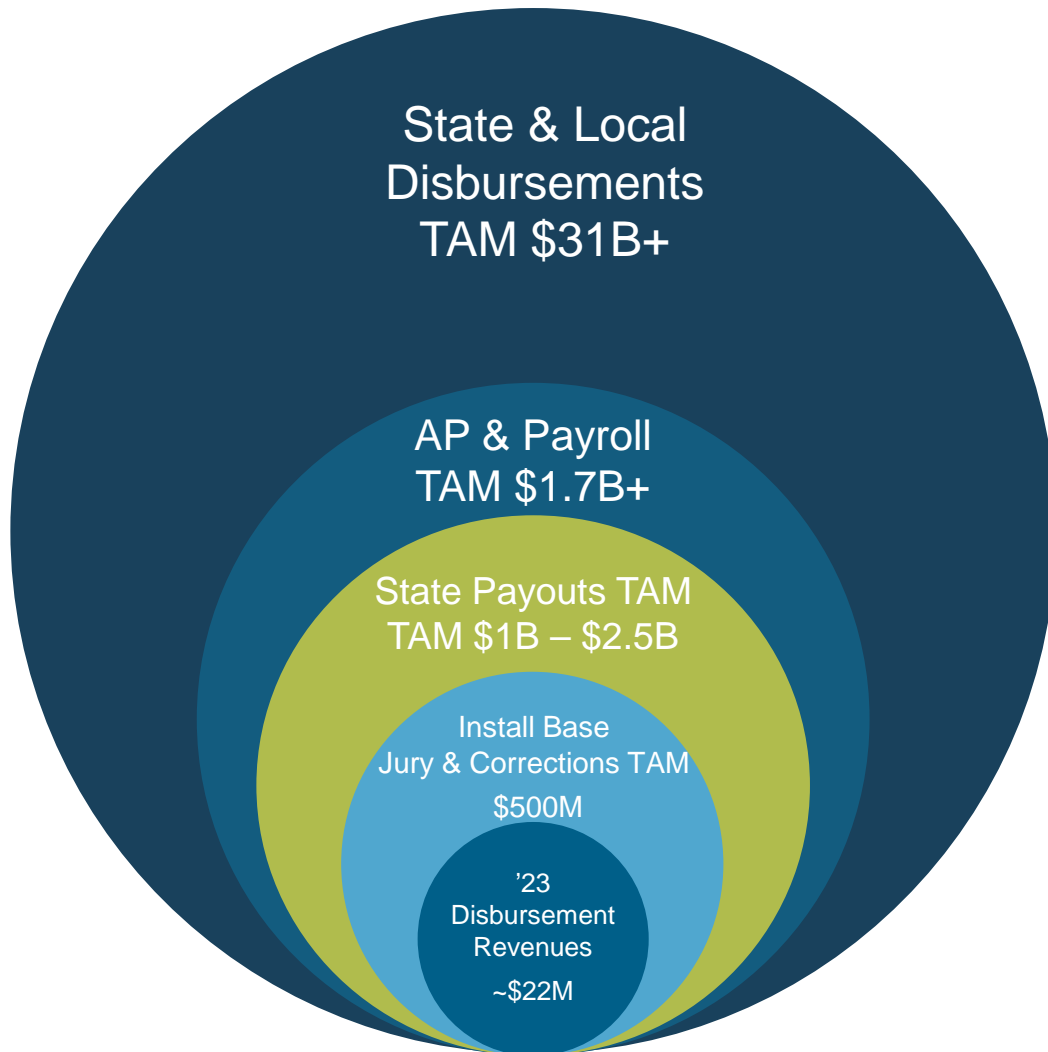
300+ sales professionals

\$88B+ dollars processed

Significant Opportunity to Expand Payments Beyond Current Installed Base



Electronic Disbursements is an Entirely New Market with Equal Growth Potential



Juror and corrections payments through **Tyler install base**



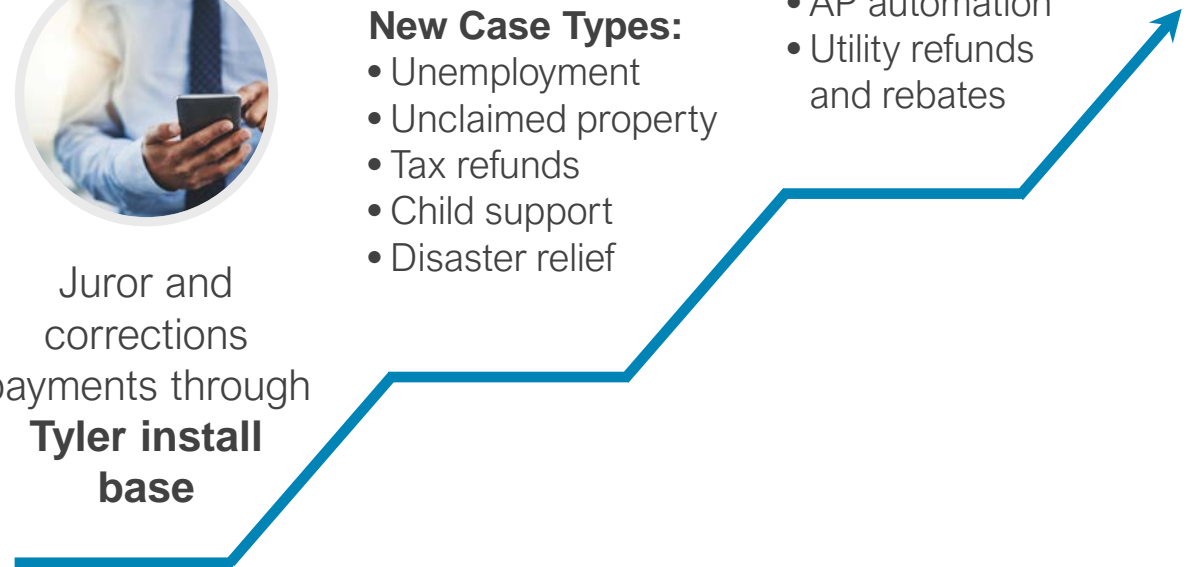
New Case Types:

- Unemployment
- Unclaimed property
- Tax refunds
- Child support
- Disaster relief



New Case Types:

- Government payroll
- AP automation
- Utility refunds and rebates



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

'Gross' Contracts

Revenues flow to Tyler who bears the risk of underlying interchange and merchant processing fees – Tyler receives a % + transaction fee



Revenue

Free Cash Flow

Margin %

'Net' Contracts

Interchange and merchant processing fees and risk is assumed by the agency / client – Tyler receives a transaction fee



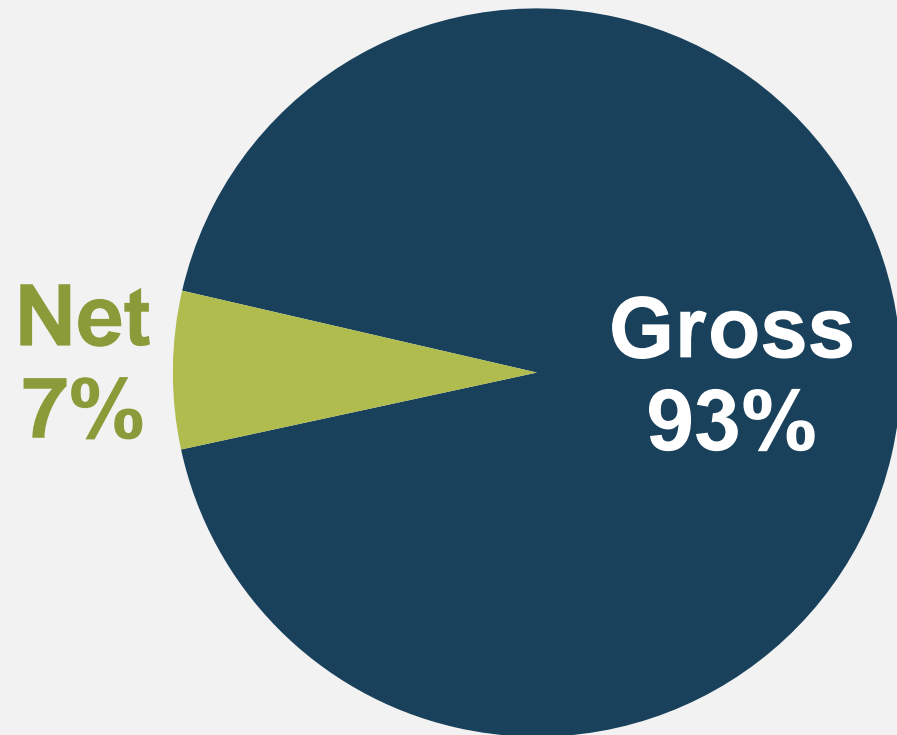
Revenue

Free Cash Flow

Margin %

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

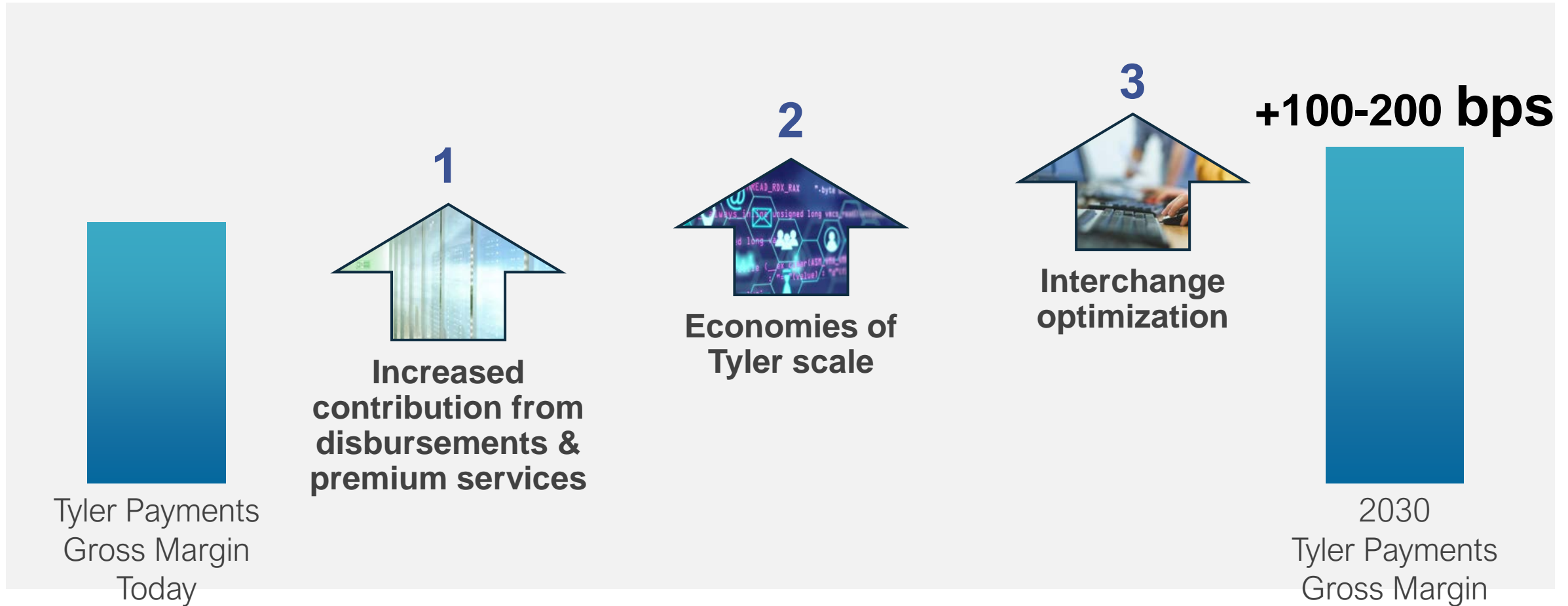


Payments growth put pressure on Tyler margins (-210 bps in 2024)

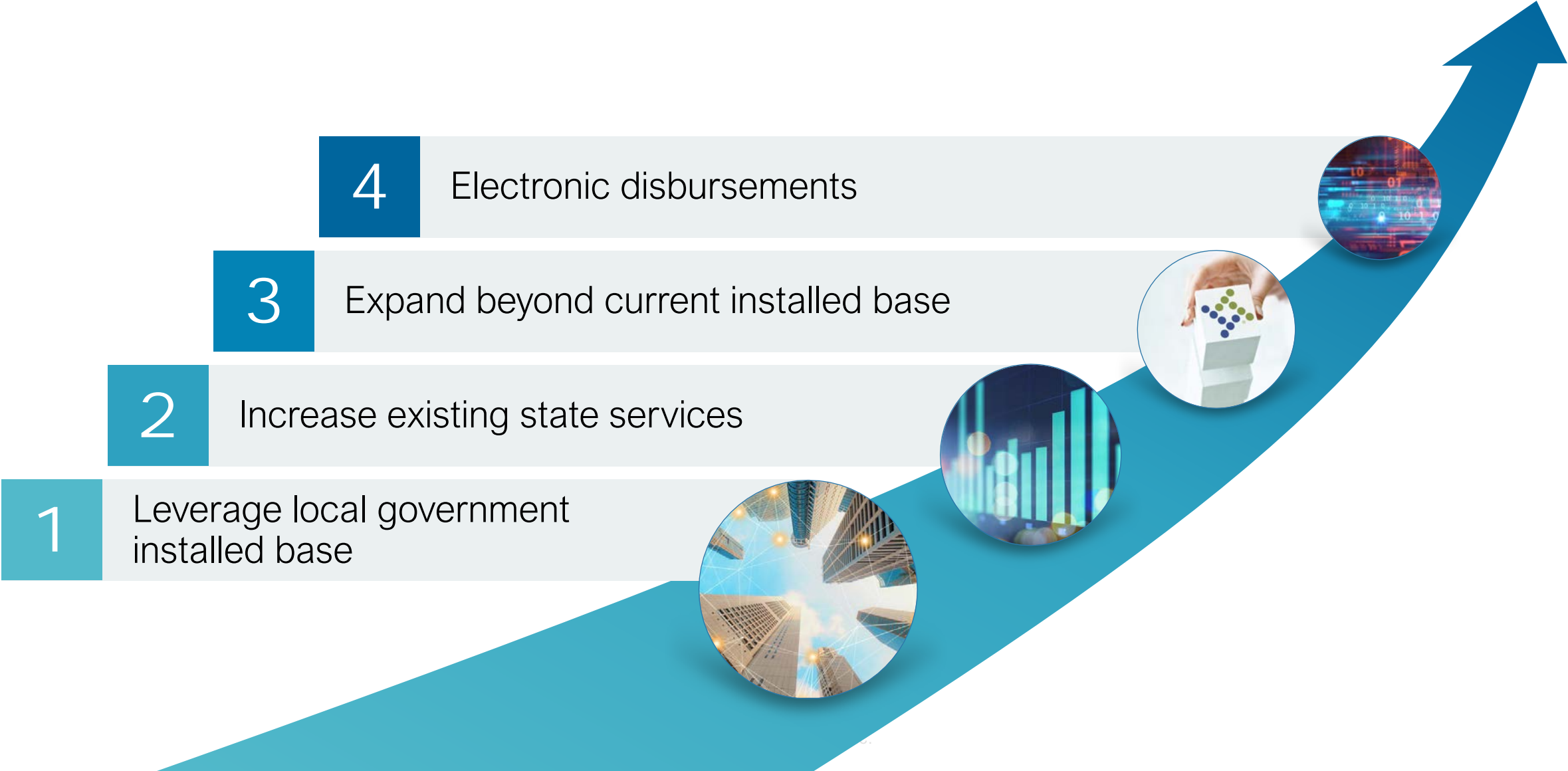


Free cash flow will be bolstered by a gross contract dominated portfolio

Whether Gross or Net Contracts, Opportunity for Payments Margin Expansion Exists



Payments Offers Multiple Growth Opportunities Ahead



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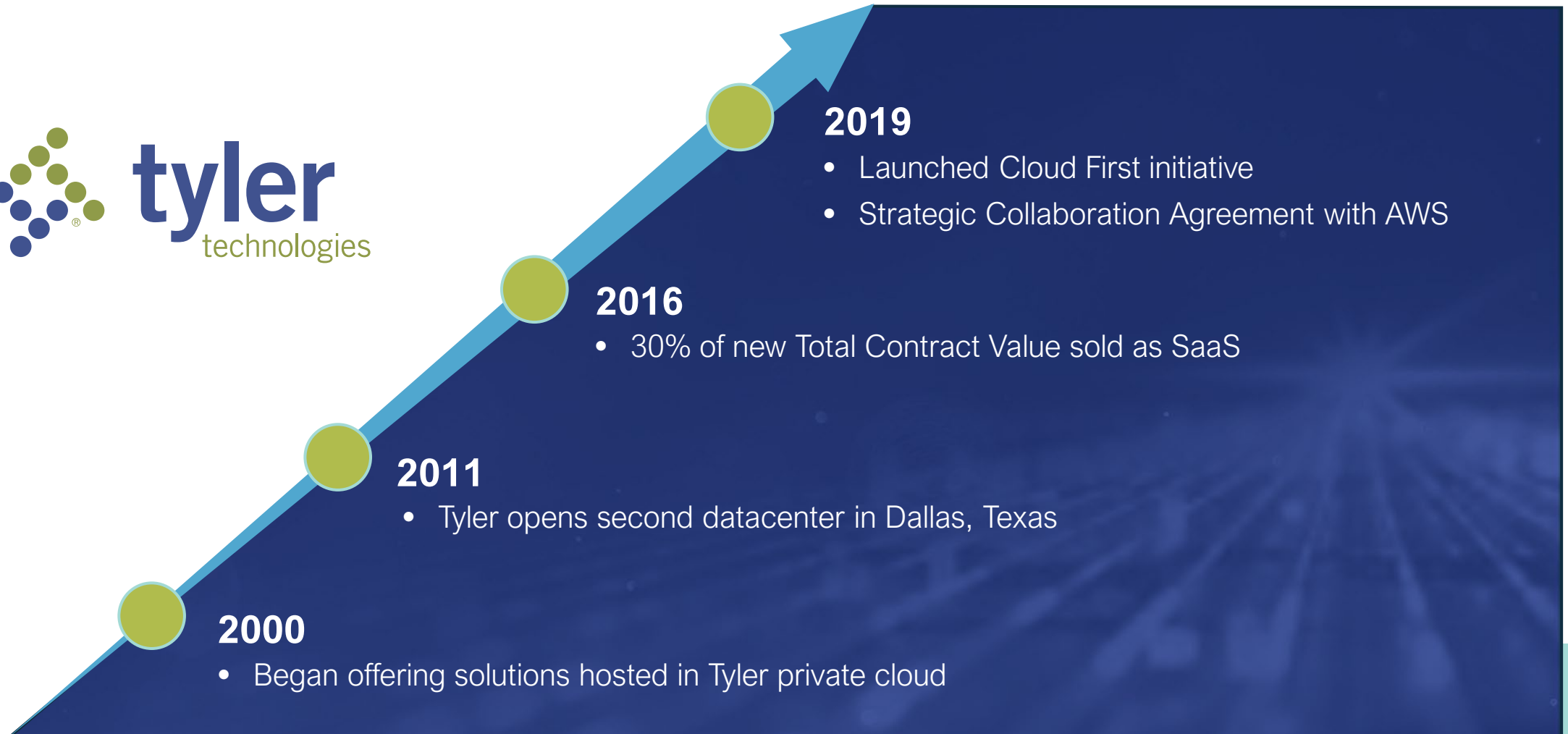
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Advancing Along Our Cloud-First Roadmap



Advancing Along Our Cloud-First Roadmap



Tyler 2030



2020 - 2021

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



2022

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



2023 - 2025

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

Executing Progress on Three Dimensions of Cloud Transformation



97%

1

New Clients

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



65%

2

Private Cloud Clients

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



~25%

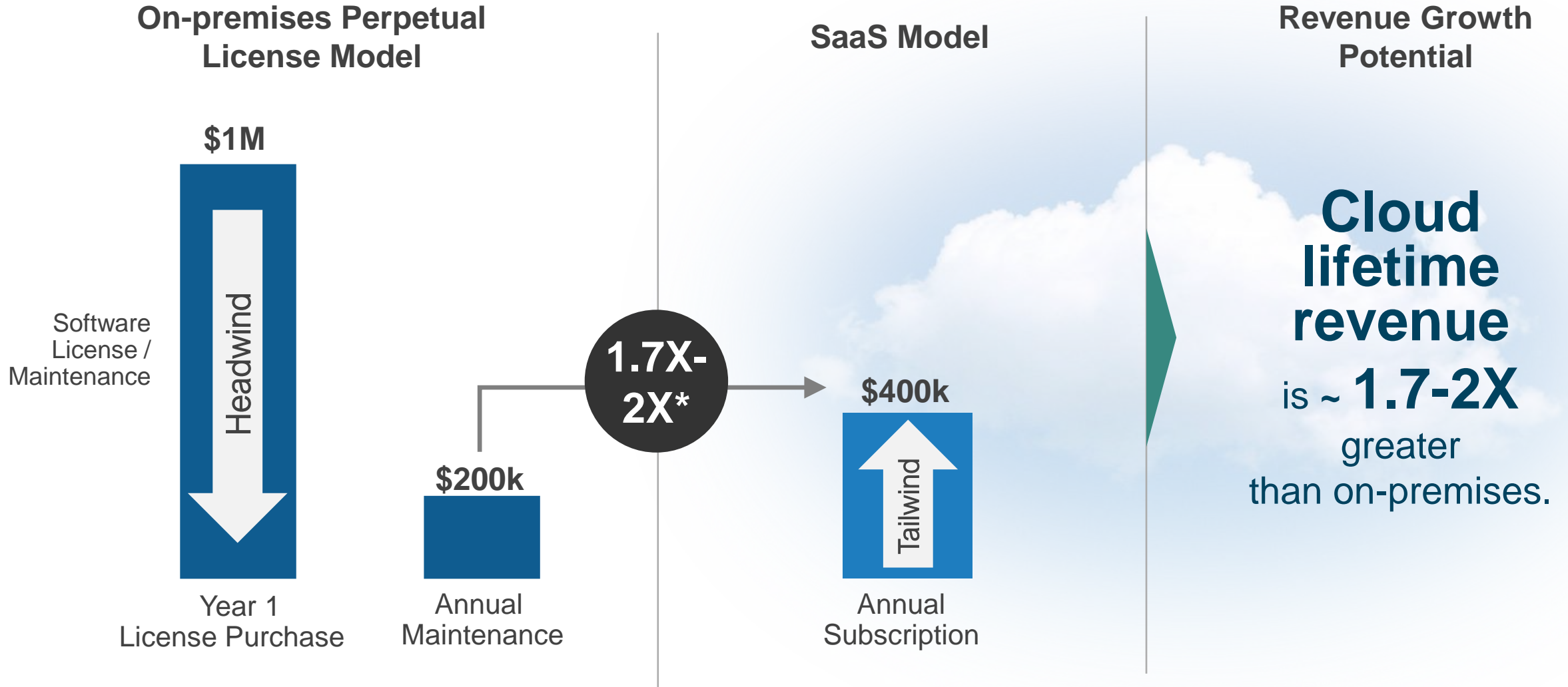
3

On-Premises Clients

Goal: 75%-85% of Tyler's existing on-premises clients are converted to Software-as-a-Service deployed in public cloud

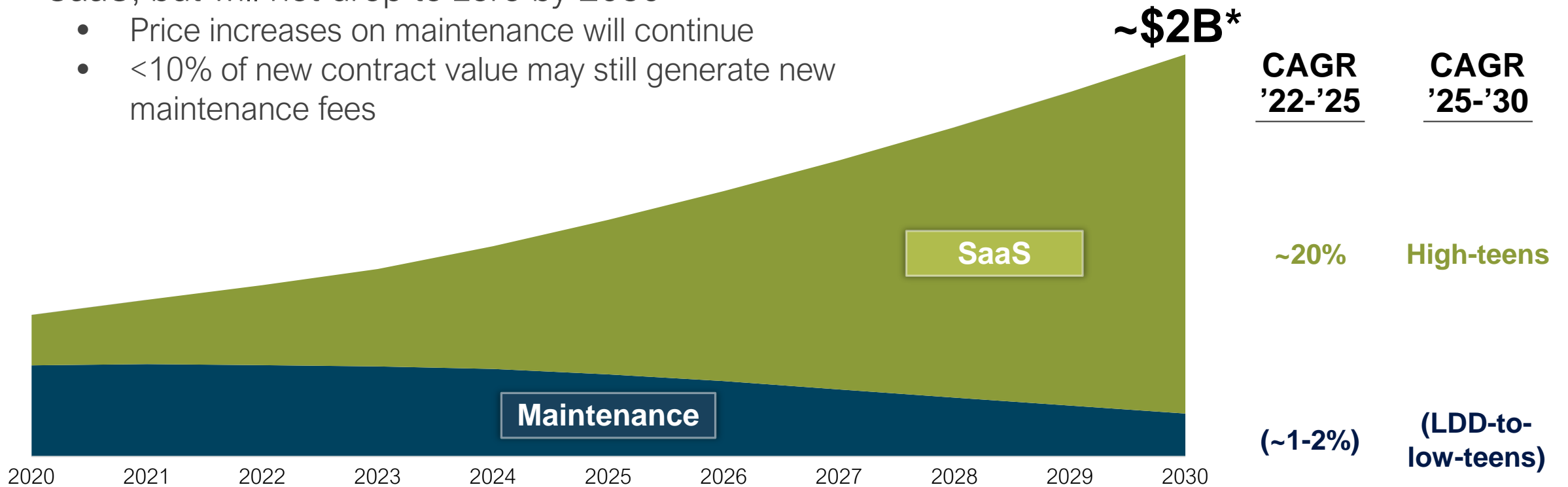


The Transition to Cloud Creates Both Headwinds and Tailwinds



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



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

Cloud Transformation Margin Drivers



1.
**Private cloud
evacuation**

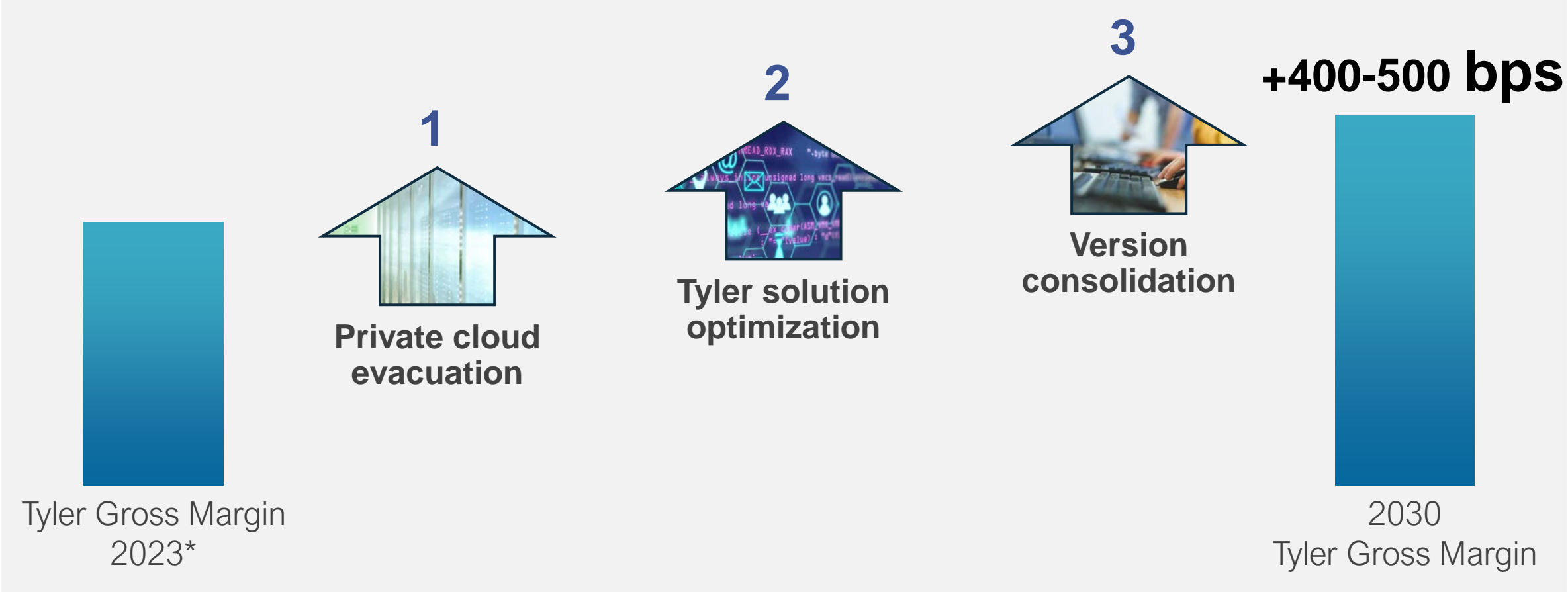


2.
**Tyler solution
optimization**



3.
**Version
consolidation**

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



*As of June 15, 2023.

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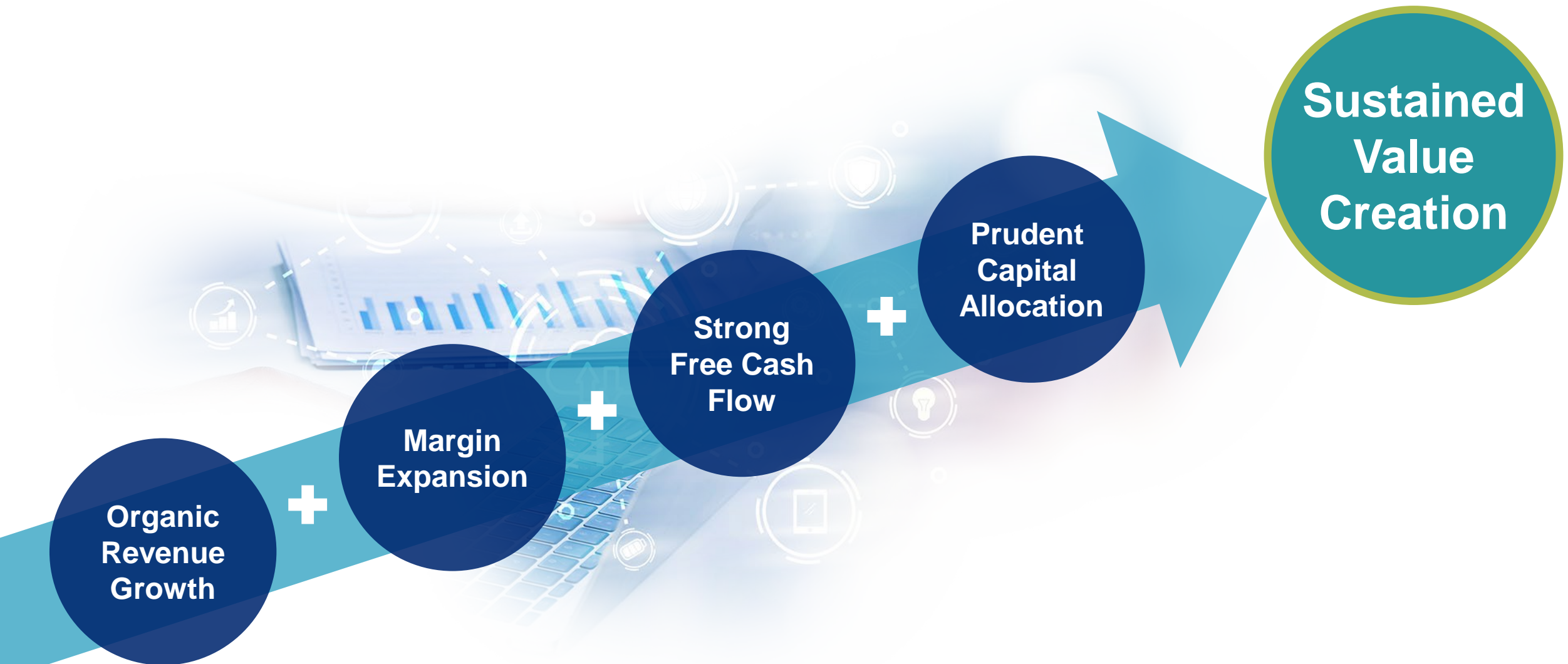
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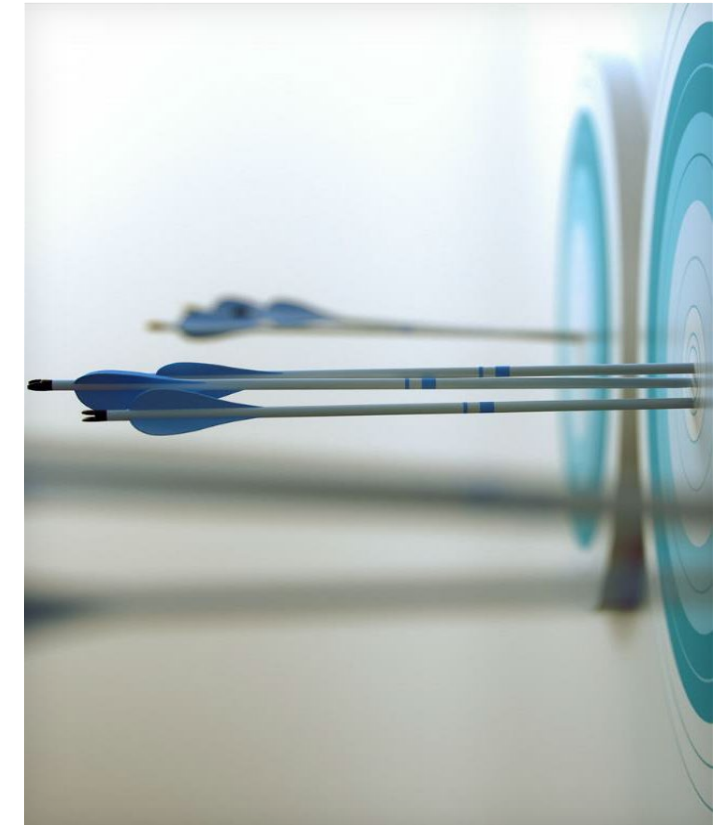
Delivering superior FCF and sustained value creation

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



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 related to IRC Section 174 capitalization rules in 2025. No cash tax impact by 2030.

*2025 and 2030 goals disclosed at the June 15, 2023, Investor Day. See slide 60 for 2025 guidance disclosed as of 2/12/2025.

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

Top-Line Performance

Recurring Revenues

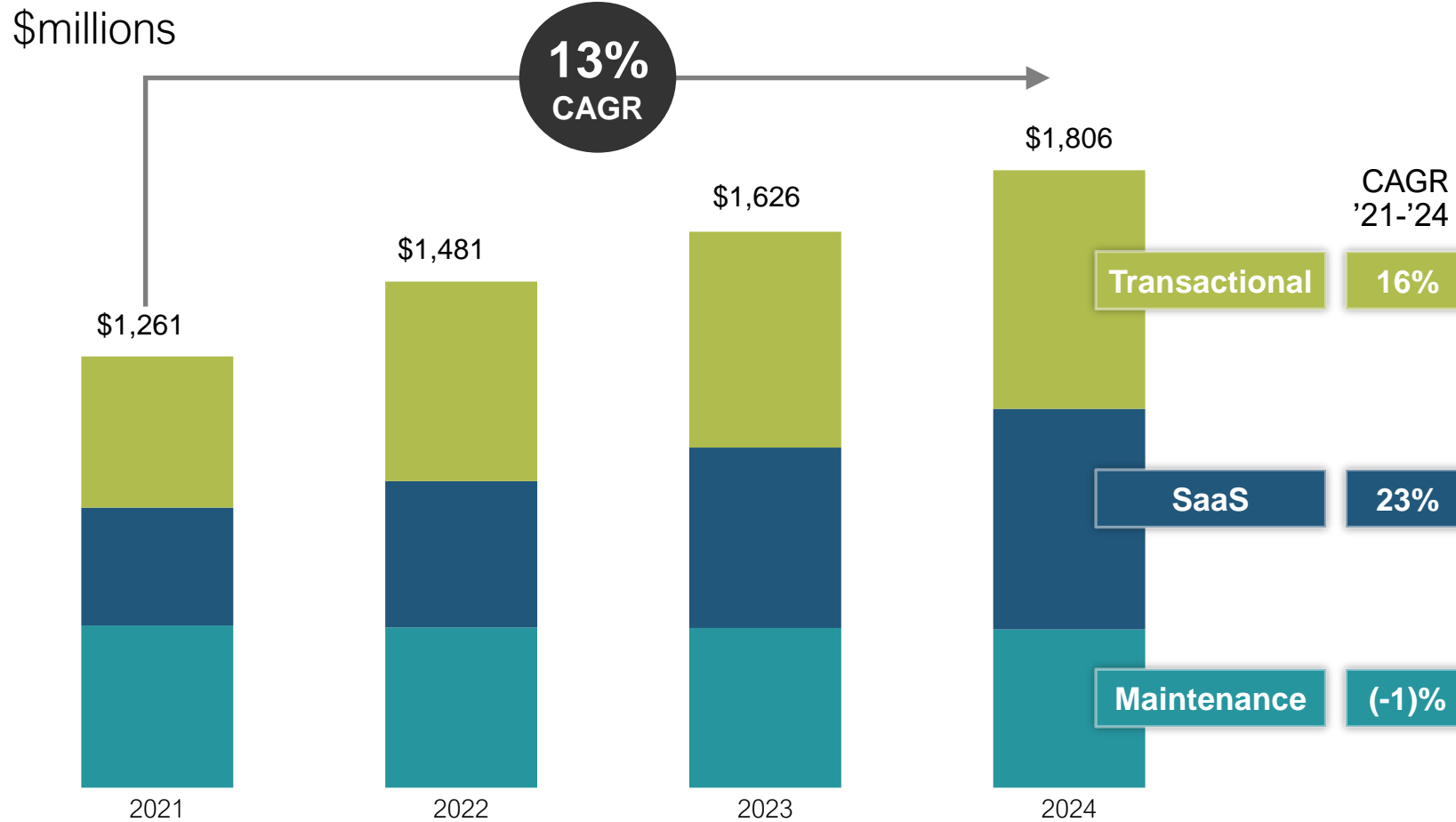
- Total Recurring Revenues
 - Software (SaaS & Maintenance)
 - Transactional

Bottom-Line Performance

Free Cash Flow

LTM Free Cash Flow

Recurring Revenue Growth has Accelerated



Drivers

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

Powerful Cash Generating Engine Drives Optionality in Capital Allocation

FCF / Non-GAAP Net Income Conversion

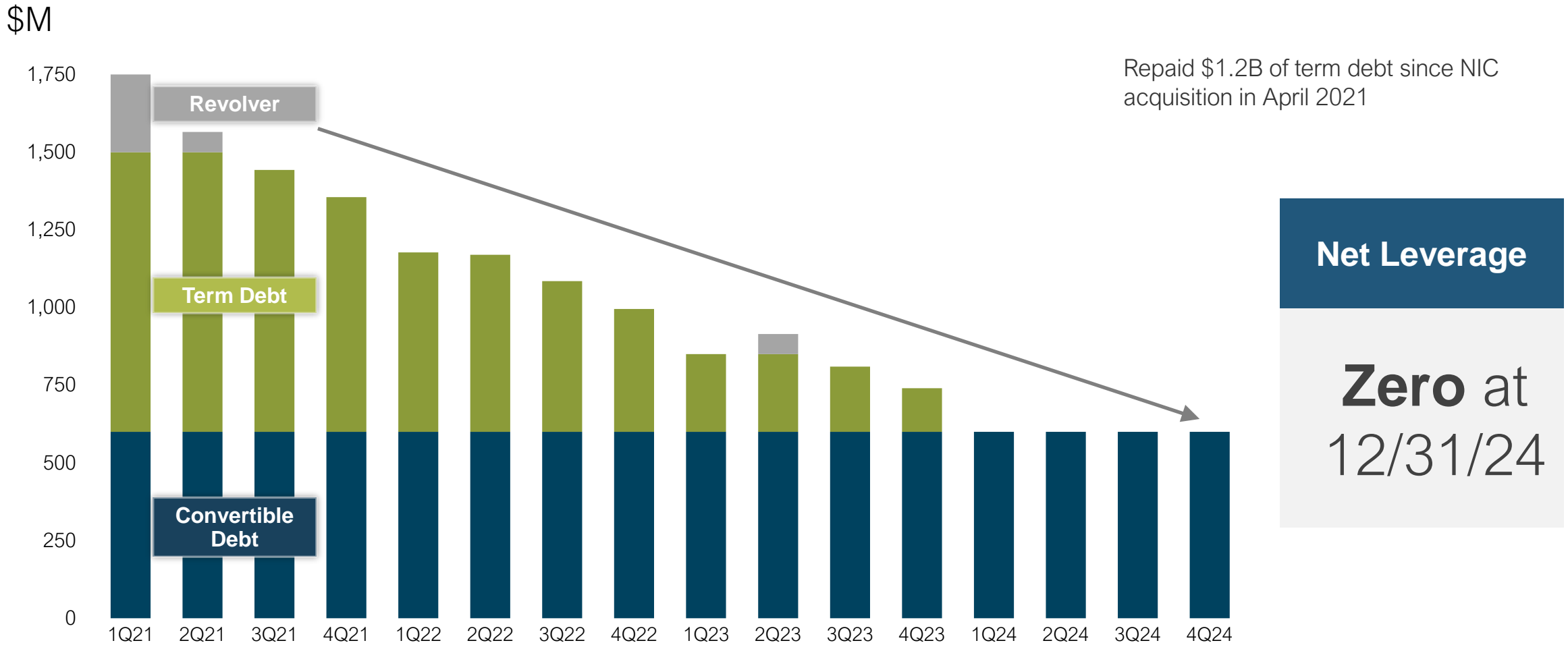
118% average

L A S T 5 Y E A R S

Capital Allocation Priorities

- 1 Internal growth and productivity investments
- 2 Strategic acquisitions
- 3 Opportunistic share repurchase

Deleveraging Has Been Our Top Priority



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

Case Study Demonstrates Success of Our Acquisition Playbook: Acquire → Integrate → Invest → Grow

What We Did:

2025+

Enhanced AI-functionality to provide blueprints for speedier ROI

- Competitive differentiator by leveraging AI to provide proven use cases to implement and realize recommended budget reallocation or revenue recovery opportunities.

2024

Integrated and enhanced features

- Leveraged Tyler's vast public sector ERP data to further refine data-informed decision making and efficiencies to fund strategic priorities and goals.

2023

Acquired AI-driven ResourceX

- Leader in comprehensive priority-based budgeting software for the public sector, leveraging AI for rapid implementation and ROI

Integrated with Tyler ERP & Civic Division

Revenue run rate at time of acquisition

<\$3M

Early traction with multiple contract wins

~\$3.2M ARR signed since acquisition

Strong cross-sell opportunities

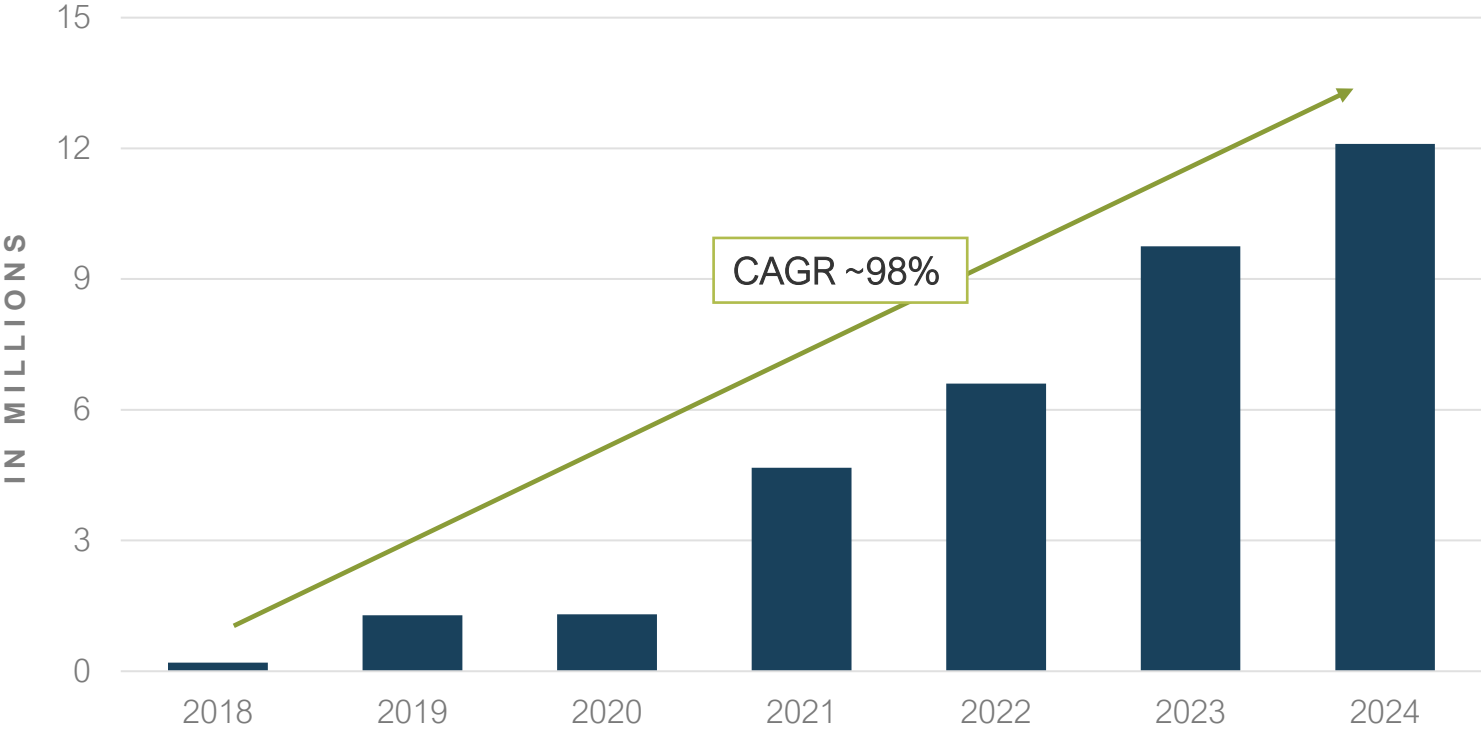
Scalable for cities, counties, schools, State, and Federal agencies

Acquisitions complete “suites” to enable sales to connected markets and significantly accelerate growth

Enterprise Supervision



Tyler Enterprise Supervision ARR

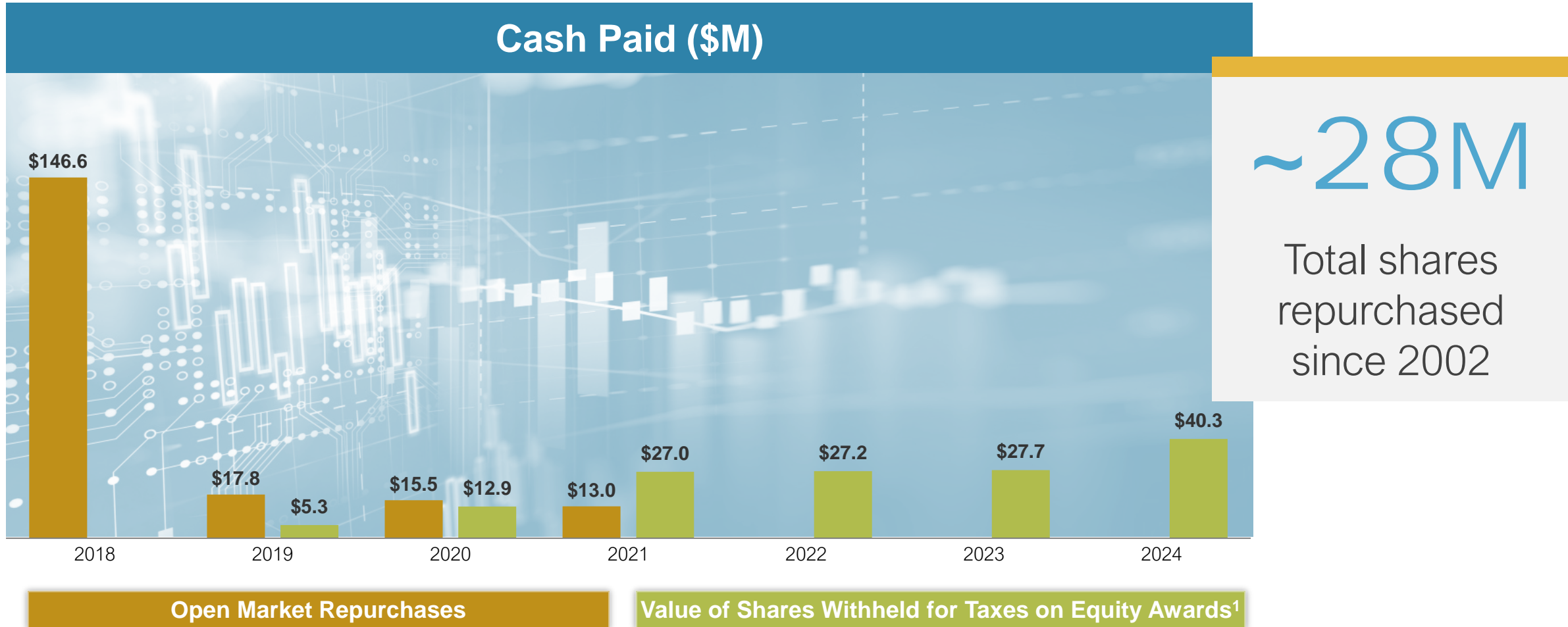


LAW ENFORCEMENT

CORRECTIONS & SUPERVISION

COURTS & PROSECUTION

Opportunistic Share Repurchases



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

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

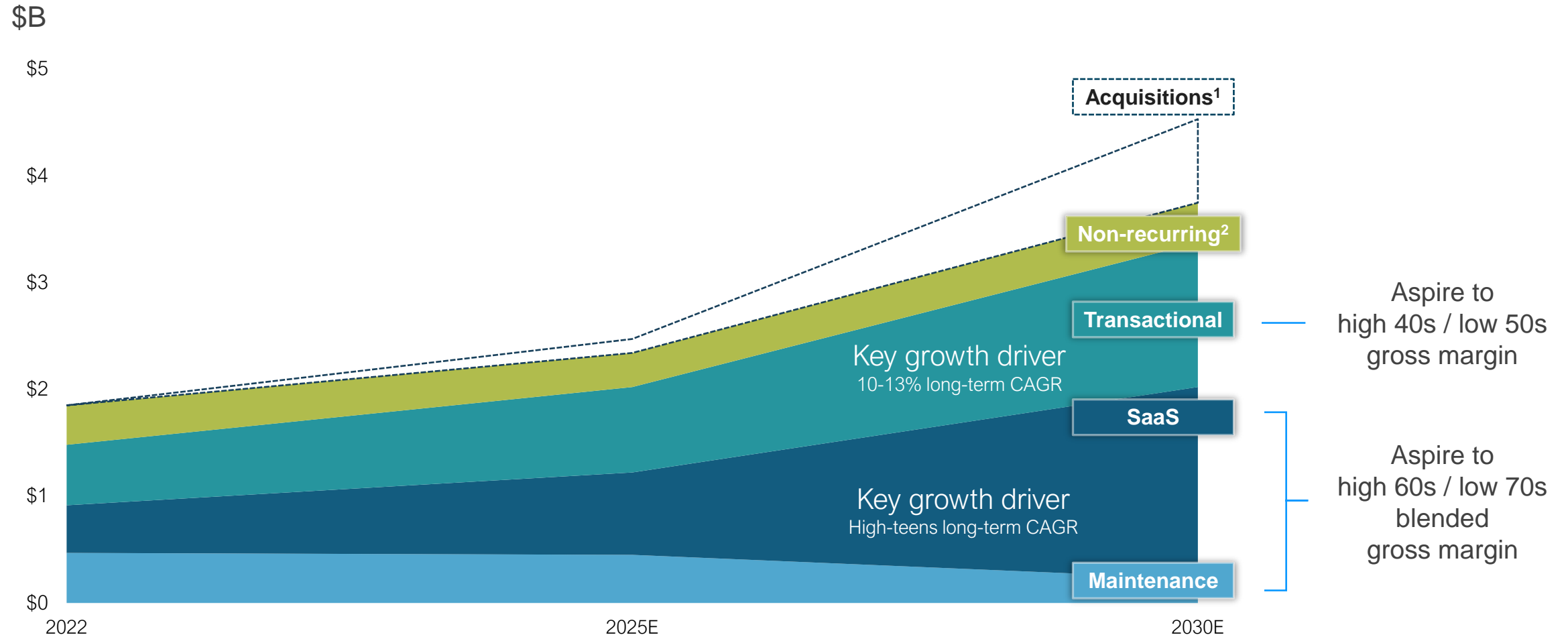


Free Cash Flow

FCF margin high 20s%

Approx. \$1B FCF in 2030

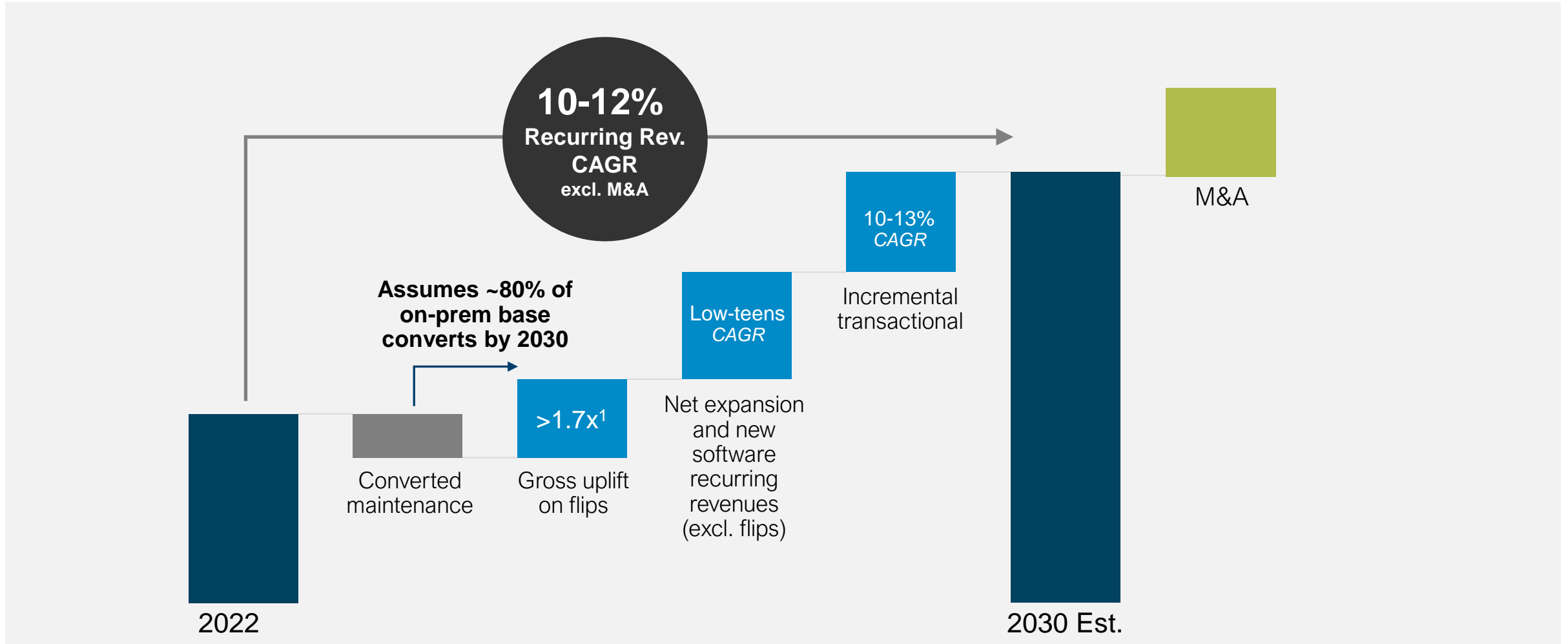
Growth, Revenue Mix, and Margin Improvement will Reshape Tyler's Financial Profile by 2030



1. For illustrative purposes only.

2. Assumes negative low single digit gross margin on Software Services by 2030.

Clear Runway for Double-Digit Recurring Revenue Growth

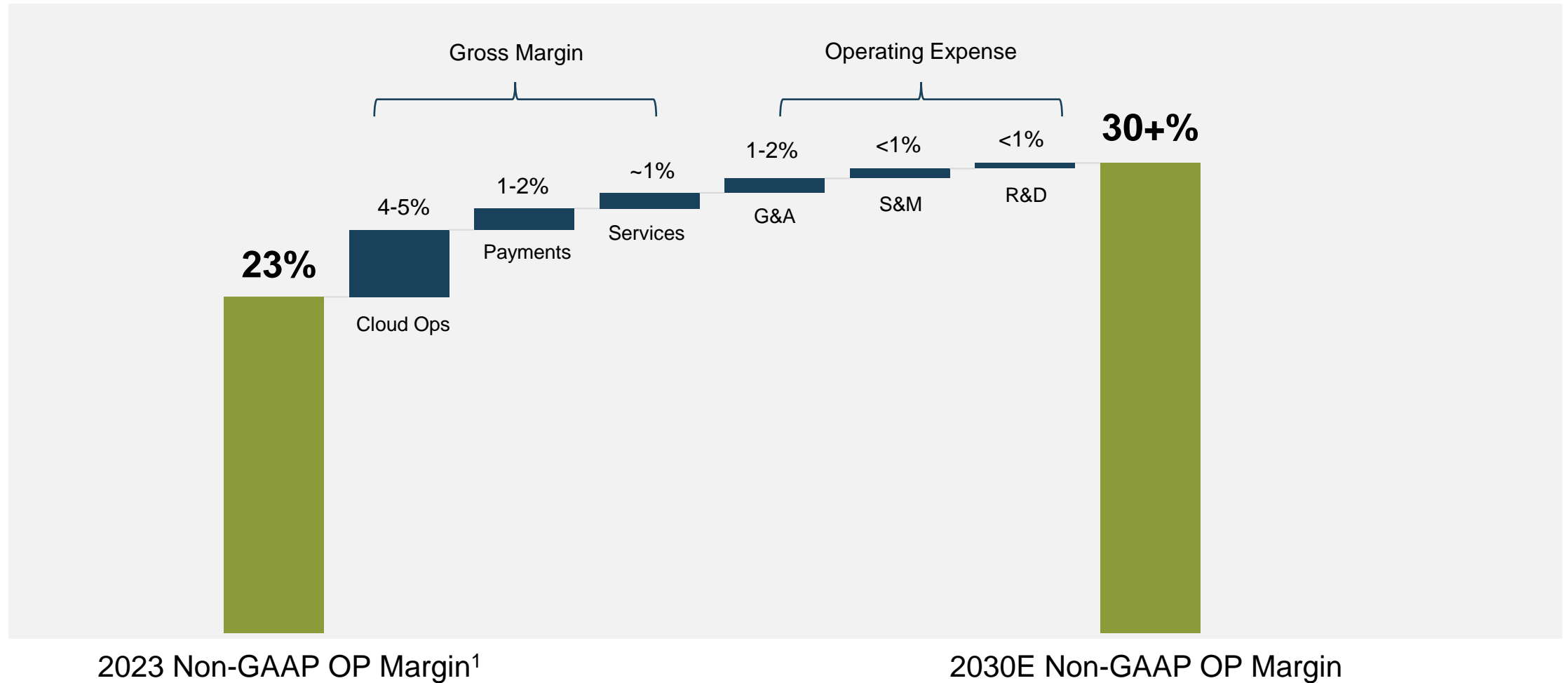


1. Assumes that once "flip" occurs that Maintenance revenue is dropped and converted at a multiple of up to 1.7x. Assumes standard price increases begin after the initial term of the flip, which have a range of 1-5 years.

Cloud is a Significant Margin Expansion Lever

Category	P&L Impact	Potential	Drivers
Cloud Operations	Cost of Revenue	↑↑↑↑	<ul style="list-style-type: none"> Datacenter evacuations AWS efficiency / cloud optimization of products
Development & Support	Cost of Revenue / R&D	↑↑↑↑	<ul style="list-style-type: none"> Version consolidation and more streamlined focus on cloud portfolio
Payments	Cost of Revenue	↑↑	<ul style="list-style-type: none"> Long-term mix shift to higher payment issuing revenues Premium pricing through differentiated offerings
Professional Services	Cost of Revenue	↑	<ul style="list-style-type: none"> Accelerate timeline to fully billable utilization for new hires Manage headcount attrition
General & Administrative	OpEx	↑↑	<ul style="list-style-type: none"> Automation efficiencies from new investments in ERP, CPM, and Payroll Internal IT consolidation and rationalization
Sales & Marketing	OpEx	↑	<ul style="list-style-type: none"> Reassess trade show model and take advantage of scale Efficient sales model with focus on cross-sell / flips

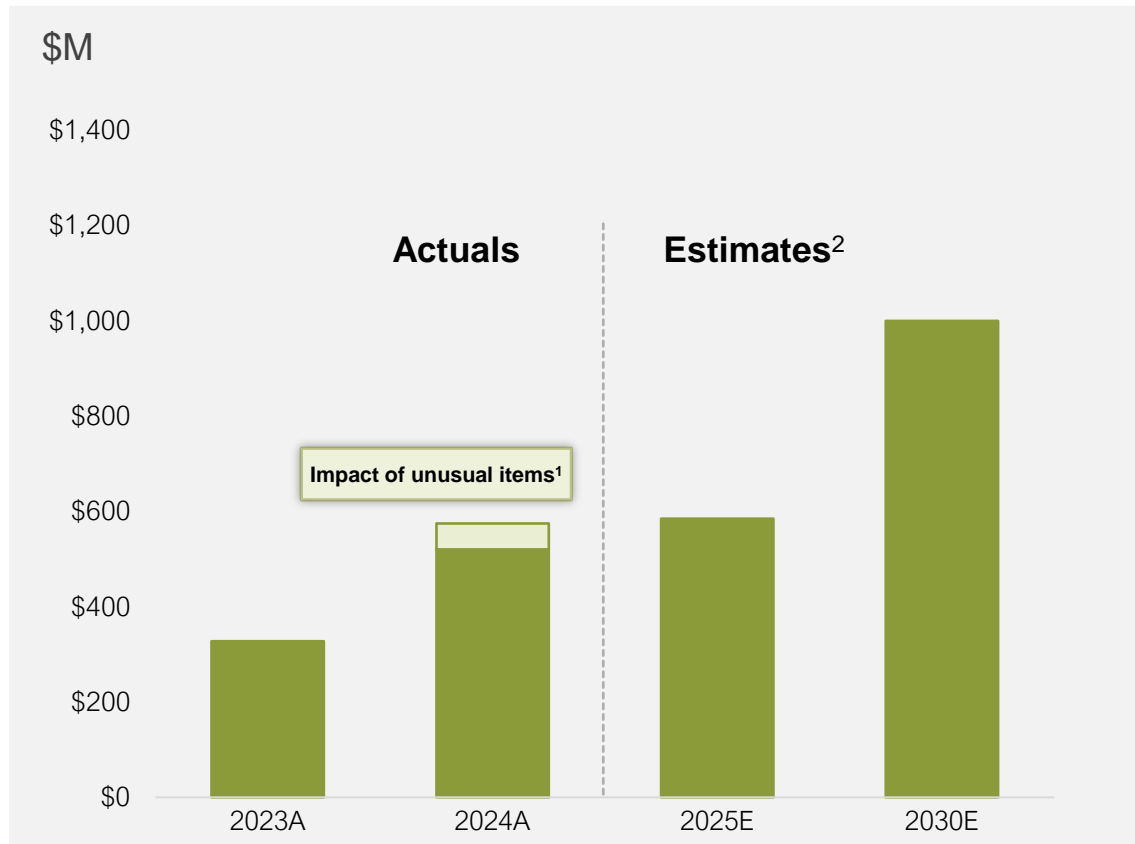
Majority of Operating Leverage to Come from Gross Margin Improvement



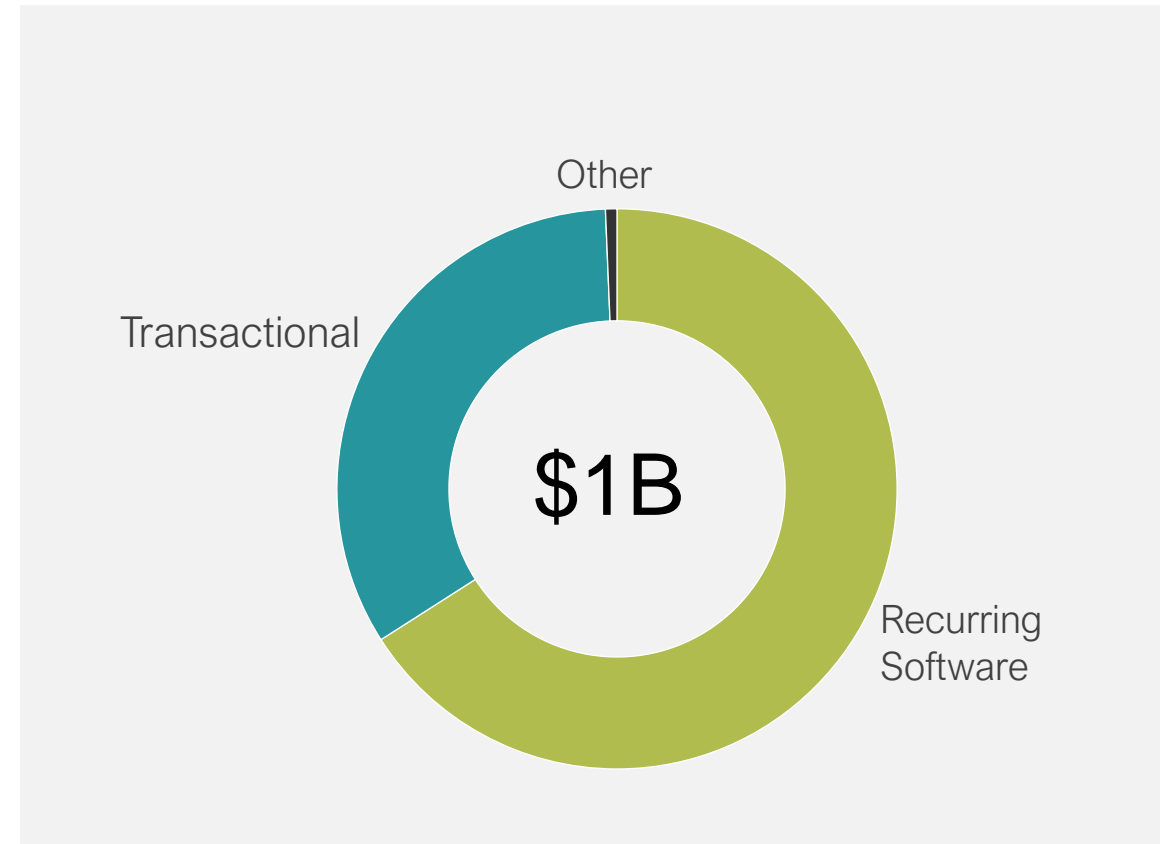
1 See reconciliation of GAAP to Non-GAAP measures included in this presentation and in our earnings release.

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. 2024A includes a \$29M prepayment in October 2024 for six years of SaaS fees and approx. \$25M of cash that was temporarily held and subsequently disbursed through the Tyler Disbursement Platform.

2. Value for 2025E reflects midpoint of guidance range.

2025 Annual Guidance

2025 Annual Guidance

EXECUTING LONG-TERM GROWTH AND CLOUD-FIRST STRATEGY

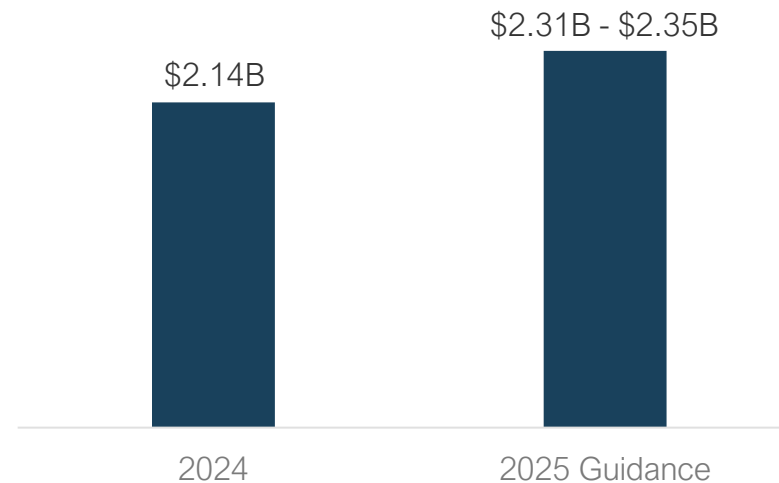
REVENUE DRIVERS

Guidance midpoint implies growth of approx. 9.0%

Revenue range percentage growth expectations:

- Subscriptions growth of 15 - 18%
 - SaaS growth of 21 - 24%
 - Transaction growth of 12 - 14%
 - Merchant fees essentially flat
- Maintenance down 4 - 6%
- Professional services flat to down 3%
- Licenses and royalties down 18 - 20%
- Hardware and other down 18 - 20%

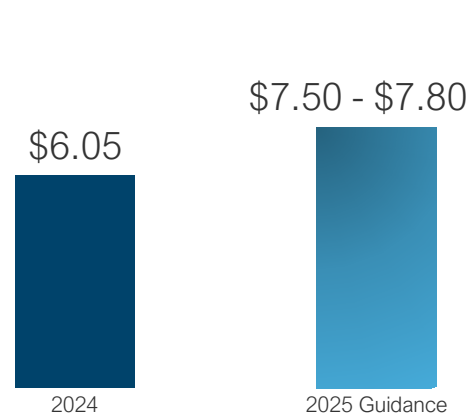
Total Revenues



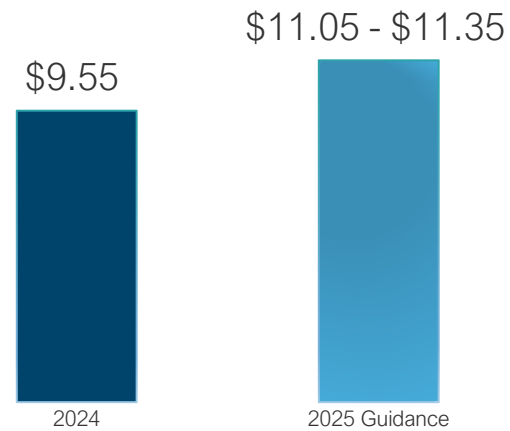
Most recent 2025 guidance provided on 4/23/25

2025 Annual Guidance

Diluted EPS - GAAP¹



Diluted EPS - Non-GAAP



GAAP to non-GAAP guidance reconciliation

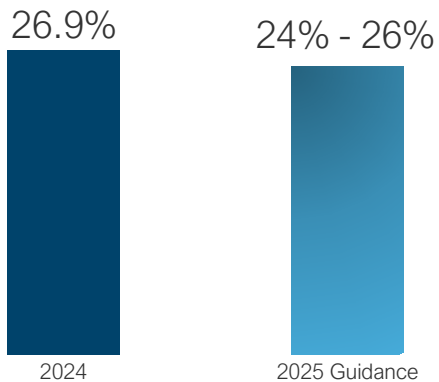
	2025
GAAP diluted earnings per share ⁽¹⁾	\$7.50 - \$7.80
Plus:	
Share-based compensation expense	3.43
Amortization of acquired software and other intangibles	1.79
Less:	
Income tax impact ⁽¹⁾	(1.67)
Non-GAAP diluted earnings per share	\$11.05 - \$11.35
Shares used in computing diluted earnings per share (millions)	44.6
GAAP estimated annual effective tax rate used in computing GAAP diluted earnings per share ⁽¹⁾	17.0%
Non-GAAP estimated annual effective tax rate used in computing non-GAAP diluted earnings per share ⁽²⁾	22.5%

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

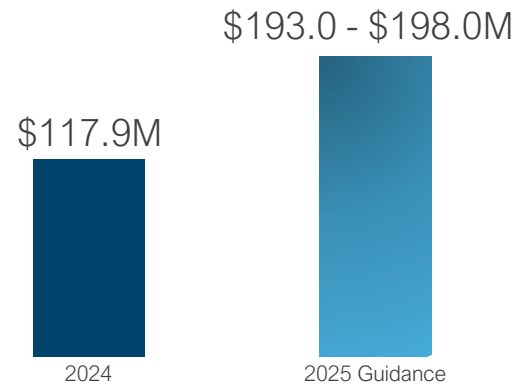
⁽²⁾ The non-GAAP estimated annual effective tax rate is expected to be 22.5%, up from 22.0% in 2024.

Most recent 2025 guidance provided on 4/23/25

Free Cash Flow Margin



R&D Expense



Appendix

Non-GAAP Measures

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

	Three months ended March 31,	
	2025	2024
Reconciliation of non-GAAP gross profit and margin		
GAAP gross profit	\$ 267,081	\$ 223,666
Non-GAAP adjustments:		
Add: Share-based compensation expense included in cost of revenues	8,714	7,390
Add: Amortization of acquired software	9,294	9,239
Non-GAAP gross profit	\$ 285,089	\$ 240,295
GAAP gross margin	47.3 %	43.7 %
Non-GAAP gross margin	50.4 %	46.9 %

	Three months ended March 31,	
	2025	2024
Reconciliation of non-GAAP operating income and margin		
GAAP operating income	\$ 89,173	\$ 66,978
Non-GAAP adjustments:		
Add: Share-based compensation expense	37,660	26,866
Add: Employer portion of payroll tax related to employee stock transactions	1,064	805
Add: Acquisition-related costs	33	27
Add: Lease restructuring costs and other	24	(326)
Add: Amortization of acquired software	9,294	9,239
Add: Amortization of other intangibles	14,139	18,118
Non-GAAP adjustments subtotal	62,214	54,729
Non-GAAP operating income	\$ 151,387	\$ 121,707
GAAP operating margin	15.8 %	13.1 %
Non-GAAP operating margin	26.8 %	23.8 %

	Three months ended March 31,	
	2025	2024
Reconciliation of non-GAAP net income and earnings per share		
GAAP net income	\$ 81,052	\$ 54,170
Non-GAAP adjustments:		
Add: Total non-GAAP adjustments to operating income	62,214	54,729
Less: Income tax impact	(21,200)	(14,232)
Non-GAAP net income	\$ 122,066	\$ 94,667
GAAP earnings per diluted share	\$ 1.84	\$ 1.26
Non-GAAP earnings per diluted share	\$ 2.78	\$ 2.20

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,	
	2025	2024
Cost of revenues	\$ 8,714	\$ 7,390
Operating expenses	28,946	19,476
Total share-based compensation expense	\$ 37,660	\$ 26,866

Reconciliation of EBITDA and adjusted EBITDA	Three months ended March 31,	
	2025	2024
GAAP net income	\$ 81,052	\$ 54,170
Amortization of other intangibles	14,139	18,118
Depreciation and amortization included in cost of revenues, sales and marketing expense, general and administrative expense, and research and development expense	20,209	21,101
Interest expense	1,246	2,184
Other income, net	(7,363)	(1,845)
Income tax provision	14,238	12,469
EBITDA	\$ 123,521	\$ 106,197
Share-based compensation expense	37,660	26,866
Acquisition-related costs	33	27
Employer portion of payroll tax related to employee stock transactions	1,064	805
Lease restructuring costs and other asset write-offs	24	(326)
Adjusted EBITDA	\$ 162,302	\$ 133,569

Reconciliation of free cash flow	Three months ended March 31,	
	2025	2024
Net cash provided by operating activities	\$ 56,158	\$ 71,839
Less: additions to property and equipment	(2,335)	(7,282)
Less: investment in software development	(5,550)	(7,386)
Free cash flow	\$ 48,273	\$ 57,171
Free cash flow margin	8.5 %	11.2 %

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