

**2025 Fourth Quarter Earnings Review**

**2026 Annual Guidance**

February 12, 2026



**tyler**  
technologies

# Statement Regarding Use of Non-GAAP Measures

Tyler Technologies has provided in this press release financial measures that have not been prepared in accordance with generally accepted accounting principles (GAAP) and are therefore considered non-GAAP financial measures. This information includes non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating income, non-GAAP operating margin, non-GAAP net income, non-GAAP earnings per diluted share, EBITDA, adjusted EBITDA, free cash flow, and free cash flow margin. We use these non-GAAP financial measures internally in analyzing our financial results and believe they are useful to investors, as a supplement to GAAP measures, in evaluating Tyler's ongoing operational performance because they provide additional insight in comparing results from period to period while isolating the effects of some items that vary from period to period without correlation to core operating performance. Tyler believes the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing our financial results with other companies in our industry, many of which present similar non-GAAP financial measures. EBITDA is net income before interest expense, other income, income taxes, depreciation, and amortization. Non-GAAP and adjusted financial measures discussed above exclude share-based compensation expense, employer portion of payroll taxes on employee stock transactions, expenses associated with amortization of intangibles arising from business combinations, acquisition-related expenses, and lease restructuring costs and other. Annualized recurring revenue (ARR) is calculated by annualizing the current quarter's recurring revenues from subscriptions and maintenance.

Tyler used a non-GAAP tax rate of 22.5% for the year ended December 31, 2025, and expects to use a non-GAAP tax rate of 23.0% in 2026. 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, including local, state and federal government agencies, that could negatively impact information technology spending; (2) disruption to our business and harm to our competitive position resulting from cyber-attacks, security vulnerabilities and software updates; (3) our ability to protect client information from security breaches and provide uninterrupted operations of data centers; (4) our ability to achieve growth or operational synergies through the integration of acquired businesses, while avoiding unanticipated costs and disruptions to existing operations; (5) material portions of our business require the Internet infrastructure to be adequately maintained; (6) our ability to actively monitor developments in artificial intelligence ("AI") regulation and ethical standards as we expect that future changes in the regulatory landscape may affect our product development timelines, compliance costs, and market opportunities related to AI; (7) our ability to achieve our financial forecasts due to various factors, including project delays by our clients, reductions in transaction size, fewer transactions, delays in delivery of new products or releases or a decline in our renewal rates for service agreements; (8) general economic, political and market conditions, including inflation and changes in interest rates; (9) technological and market risks associated with the development of new products or services or of new versions of existing or acquired products or services; (10) competition in the industry in which we conduct business and the impact of competition on pricing, client retention and pressure for new products or services; (11) the ability to attract and retain qualified personnel and dealing with rising labor costs, the loss or retirement of key members of management or other key personnel; and (12) costs of compliance and any failure to comply with government and stock exchange regulations.

These factors and other risks that affect our business are described in our filings with the Securities and Exchange Commission, including the detailed “Risk Factors” contained in our most recent annual report on Form 10-K and quarterly report on Form 10-Q. We expressly disclaim any obligation to publicly update or revise our forward-looking statements.

# The Leader in Software Solutions to the Public Sector

TYLER AT A GLANCE

1

MARKET  
POSITION

87%

RECURRING  
REVENUES 2025

26.6%

FREE CASH FLOW  
MARGIN 2025

98%

GROSS CLIENT  
RETENTION

## 2025 REVENUE BREAKDOWN



ERP /  
FINANCIAL  
33%



PLATFORM  
TECHNOLOGIES  
27%



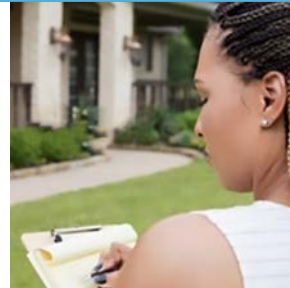
COURTS &  
JUSTICE  
15%



PUBLIC  
SAFETY  
7%



K-12  
SCHOOLS  
7%



APPRAISAL &  
TAX  
4%



CIVIC  
SERVICES  
5%



OTHER  
2%

# Tyler 2030 | Pillars of Growth



Leveraging  
Our Strong  
Client Base



Expanding  
Into New  
Markets



Completing  
Our Cloud  
Transition



Growing  
Our Payments  
Business

**Goals:** Grow revenues, expand margins, and invest in our people & tools

# Q4 2025 Summary

# Fourth Quarter Results

ARR & FREE CASH FLOW EXCEED EXPECTATIONS



## Revenues

Total Revenues \$575.2M, up 6.3%

*Excluding non-cash loss reserve, total revenue up 8%*

SaaS Revenues \$208.3M, up 20.2%

Transactions Revenues \$196.7M, up 12.1%

**ARR \$2.1B, up 10.9%**



## Free Cash Flow<sup>1</sup>

\$236.9M, up 9.7%

FCF margin expanded to  
41.2%



## Non-GAAP Operating Margin<sup>1</sup>

24.1%, down 30 bps

*Impact of non-cash loss reserve is 120 bps*

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

# Fourth Quarter Results

## KEY HIGHLIGHTS



### **Stable public sector market**

reflected in strong leading demand indicators of RFP and demo trends



**Healthy public sector budgets** primarily funded by property taxes – a stable funding source underlying long-term demand; prioritizing tech investments to drive efficiencies



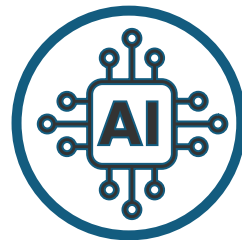
**Accelerated SaaS Adoption** with SaaS revenue growth up 20.2% and total SaaS bookings up 9.6%



**Executing our unified payments strategy** with payments operations consolidated across company and value-added transactions services deeply embedded in our software solutions



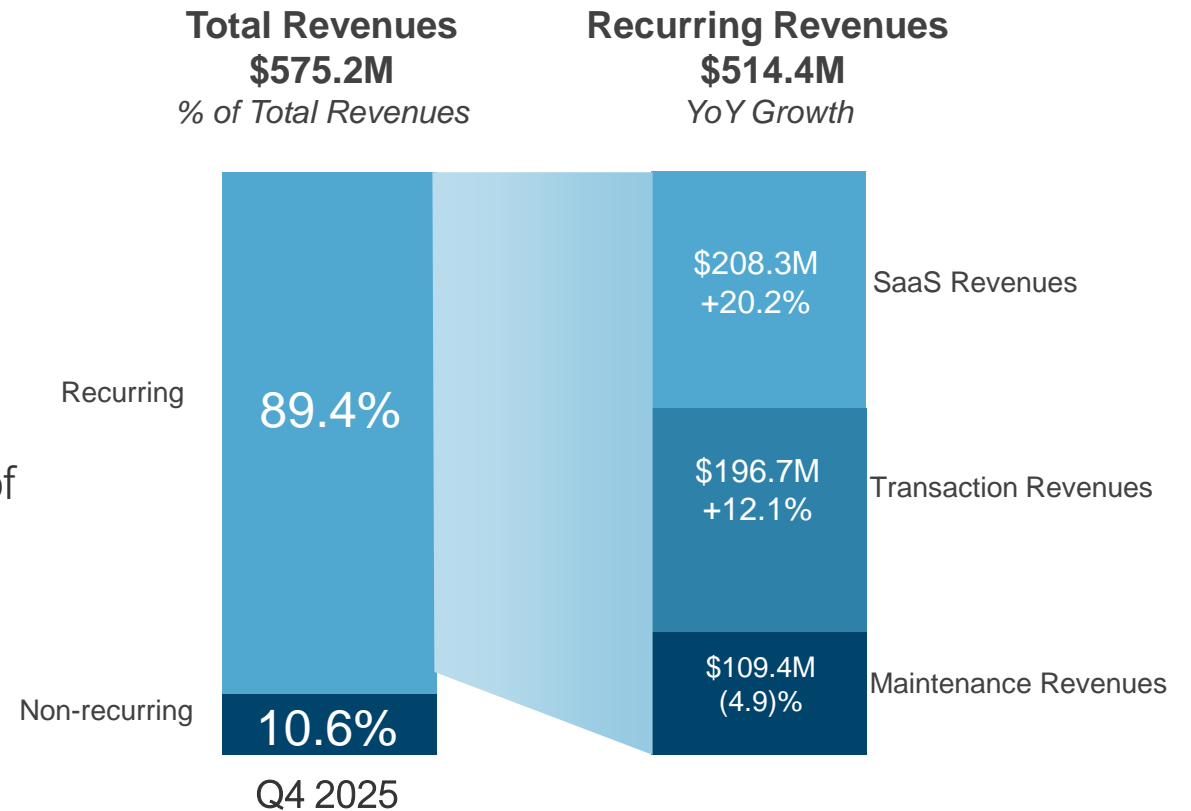
**Flips ARR increased 64.5% YoY and 54.8% sequentially.** Both the number and value of on-premises flips to the cloud represented new quarterly highs



**Increased adoption of AI-enabled solutions** while advancing agentic AI from concept to disciplined deployment in Q1 2026, providing early access to embedded agentic capabilities for select clients in select solutions

# Strong Recurring Revenue Growth

- Recurring revenues up 10.9%
- Subscriptions rose 16.1%
  - SaaS revenues grew 20.2%
  - Transaction revenues increased 12.1%, driven by higher transaction volumes and continued expansion of our payments client base
  - Maintenance revenues declined 4.9%, reflecting the ongoing migration on-premises clients to SaaS



# Notable Q4 Wins

## ACCELERATING SAAS MOMENTUM

### New Software deals

- Thurston County, WA
  - Enterprise Assessment
- Riverside County, CA
  - Public Safety Enterprise Corrections
  - Existing courts software client
- Placer County, CA
  - Enterprise Supervision
- Enterprise ERP
  - Jefferson County School District, AL
  - Huntsville City Schools, AL
    - *Two of the state's largest school districts*
- Boone County, KY
  - Enterprise Public Safety
- Fairfax County Public Schools, VA
  - Student Transportation

### SaaS flips

- Los Angeles County, CA
  - Enterprise Permitting & Licensing
  - Added Fire Prevention Mobile – largest FPM deal to date
- City of Beverly Hills, CA
  - Enterprise Public Safety
  - First public safety flip in CA
- Madison, WI
  - Enterprise ERP
- City of White Plains, NY
  - Enterprise Public Safety *plus* Fire/EMS Analytics
- Linn Benton Lincoln Education Services District, OR
  - School ERP Pro
  - Largest Tyler Drive & Tyler GPS add-on
- Enterprise Justice
  - Contra Costa County, CA
  - Two of the six largest counties in Texas – Travis and Collin Counties
- City of Dallas, TX
  - Municipal Justice

### AI-Driven deals

- Resident Engagement
  - State of Wisconsin
  - Fairfax County, VA
- Priority-Based Budgeting
  - Alabama Department of Corrections
  - City of Plano, TX
- Document Automation
  - American Arbitration Association, NY
  - Nebraska Department of Motor Vehicles, NE

# Notable Q4 Wins

## State / Federal / Transactions

- Maryland Administrative Office of the Courts
  - Payments & Disbursements
  - Existing Enterprise Justice client
  - Strong collaboration between State & Federal and Justice divisions
- Multnomah County, OR
  - Largest payments deal to date for Appraisal & Tax
  - Existing Appraisal & Tax software client
- New Mexico Department of Corrections
  - Inmate Services Financial suite
  - Warehouse Management Administration suite
  - Leverage State sales team
- Application Platform
  - Wisconsin Department of Transportation
  - Virginia - Indigent Defense Commission

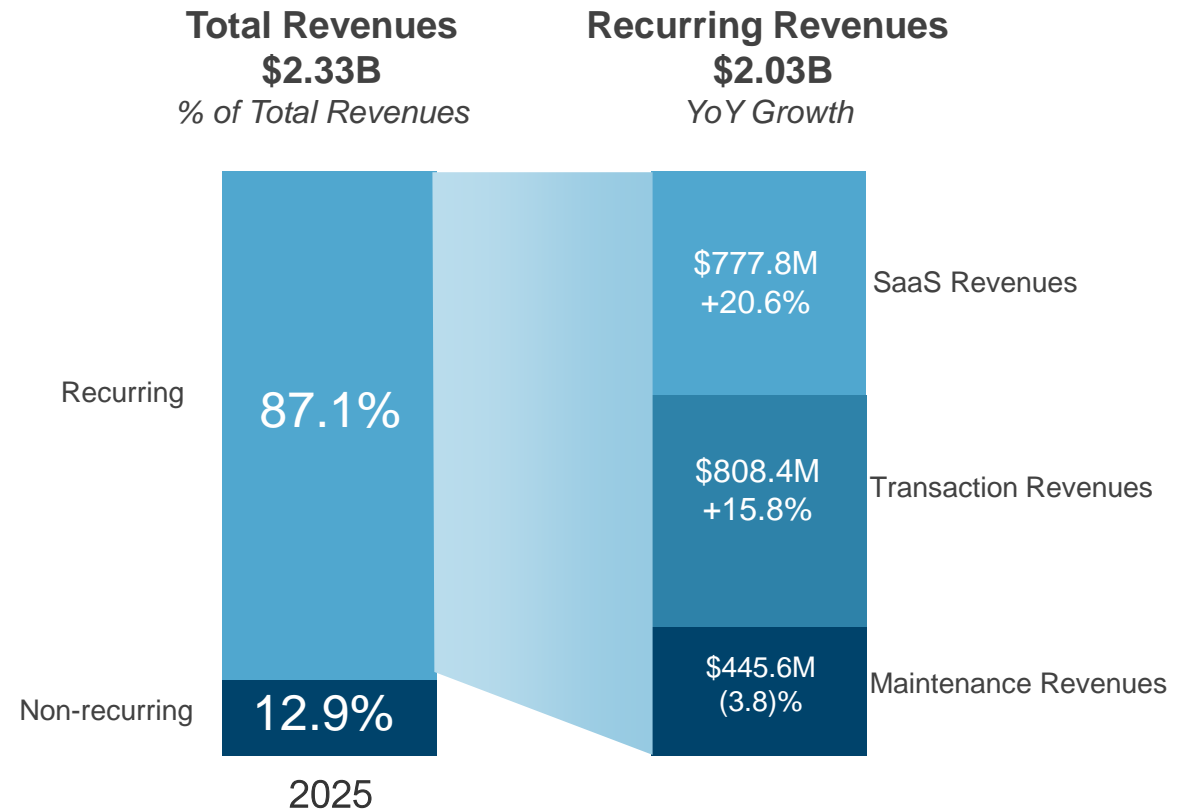
## Multi-Product / Cross-Sell wins

- Major State Enterprise Client
  - Digital Motor Vehicle Titling, Transaction funded
  - Tyler Cashiering, SaaS contract
- City of Moore, OK
  - Enterprise Public Safety full suite
  - Existing Public Safety Pro client
  - Total Tyler city with Enterprise ERP & Municipal Justice
- Midwest City, OK
  - Enterprise Public Safety & Enforcement Mobile
  - Total Tyler city with Enterprise ERP & Municipal Justice
- City of Dallas, TX - Code Enforcement
  - Enforcement Mobile
  - Leveraged existing Municipal Justice client
- Guadalupe County, TX
  - Civil Process Mobile Enterprise Solution
  - Existing Enterprise Justice client

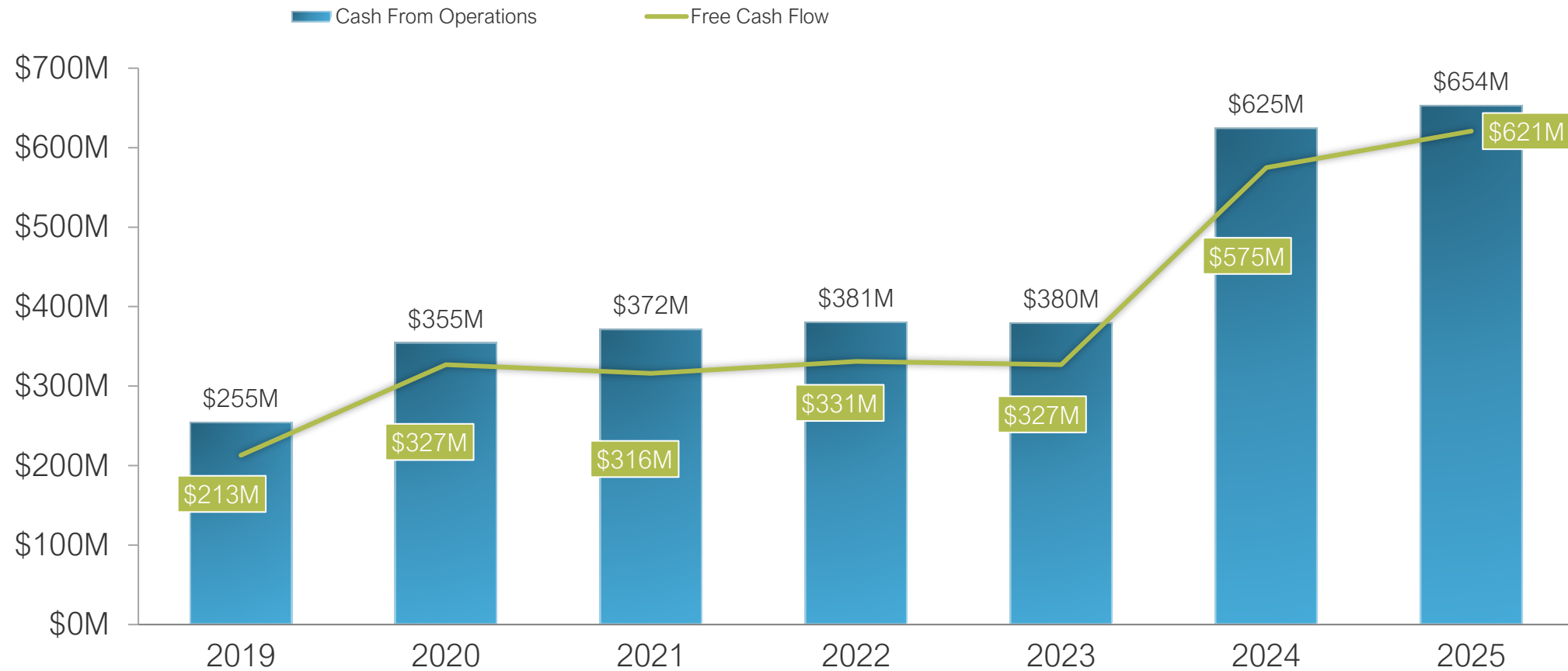
# 2025 Annual Summary

# Strong Annual Recurring Revenue Growth

- Total revenues up 9.1%
  - Excluding non-cash loss reserve, up 9.6%
- Recurring revenues up 12.5%
- Subscriptions rose 18.1%
  - SaaS revenues grew 20.6%
  - Transaction revenues increased 15.8%, driven by increased adoption and deployment of transaction-based services
  - Maintenance revenues declined 3.8%, reflecting the ongoing migration of on-premises clients to SaaS



# Exceptional Trend of Cash Flow Generation



# 2026 Annual Guidance

# 2026 Annual Guidance

EXECUTING LONG-TERM GROWTH AND CLOUD-FIRST STRATEGY

## REVENUE DRIVERS

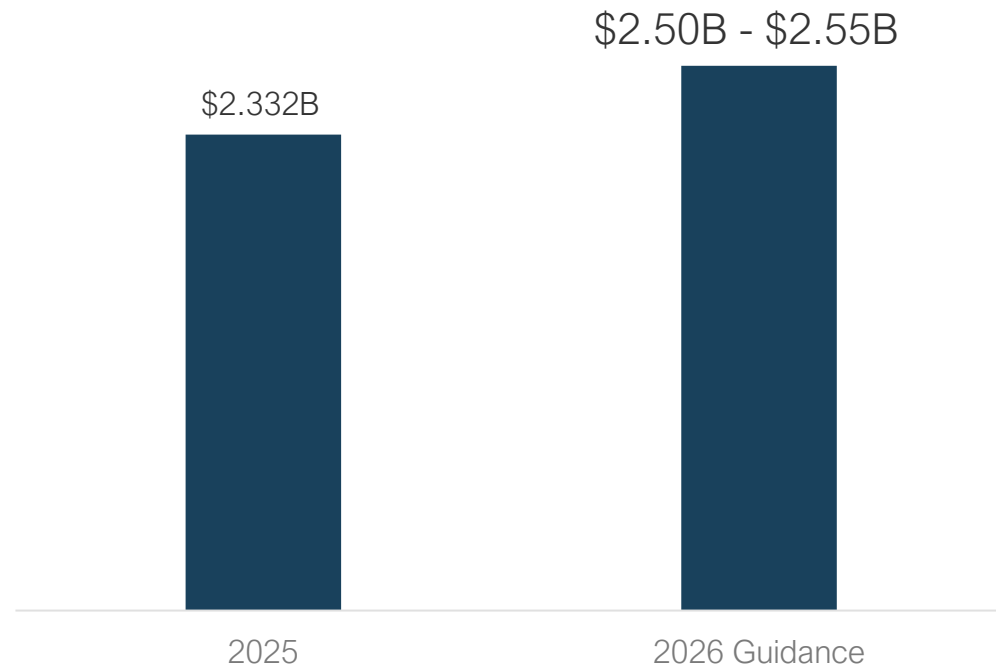
### Guidance midpoint implies growth of approx. 8.3%

- Excluding impact of Texas payments contract termination, midpoint implies 10.0%

Revenue range percentage growth expectations:

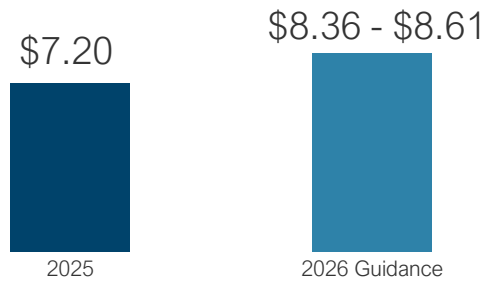
- Subscriptions growth of 12 - 15%
  - SaaS growth of 20.5 – 22.5%
  - Transaction growth of 5 - 7%
    - Excluding impact of Texas payments contract termination, growth between 10 – 12%
- Maintenance down 5 - 7%
- Professional services growth of 3 - 5%
- Software Licenses and royalties growth of 15 - 17%
  - Excluding impact of non-cash loss reserve of \$9.7M in Q425, declines 30 - 32%
- Hardware and other down 17 - 19%

## Total Revenues

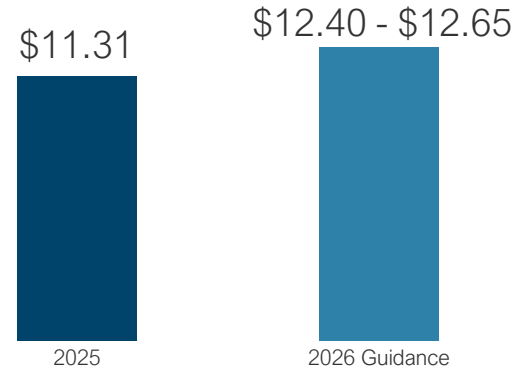


# 2026 Annual Guidance

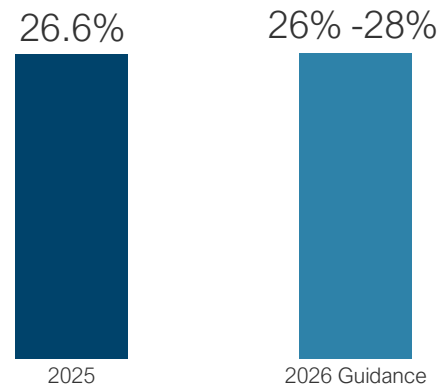
## Diluted EPS - GAAP



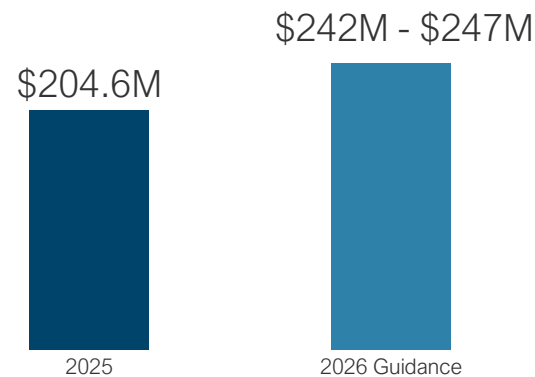
## Diluted EPS - Non-GAAP



## Free Cash Flow Margin



## R&D Expense - GAAP



GAAP to non-GAAP guidance reconciliation	2026
GAAP diluted earnings per share <sup>(1)</sup>	\$8.36- \$8.61
Plus:	
Share-based compensation expense	3.23
Amortization of acquired software and other intangibles	1.93
Less:	
Income tax impact <sup>(1)</sup>	(1.12)
Non-GAAP diluted earnings per share	\$12.40 - \$12.65
Shares used in computing diluted earnings per share (millions)	44.0
GAAP estimated annual effective tax rate used in computing GAAP diluted earnings per share <sup>(1)</sup>	23.5%
Non-GAAP estimated annual effective tax rate used in computing non-GAAP diluted earnings per share <sup>(2)</sup>	23.0%
<sup>(1)</sup> 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.	
<sup>(2)</sup> The non-GAAP estimated annual effective tax rate is expected to be 23.0%, up from 22.5% in 2025.	

Most recent 2025 guidance provided on 2/11/26

# Tyler's AI Commitment

# Tyler's AI Commitment

BUILT ON FOUNDATIONAL PRINCIPLES



## Built on foundational principles

Secure & private

Auditable & transparent

Practical

Human centered



## Governed with strong oversight

AI governance committee

GenAI-specific guardrails and protections

Adversarial testing & strict evaluations



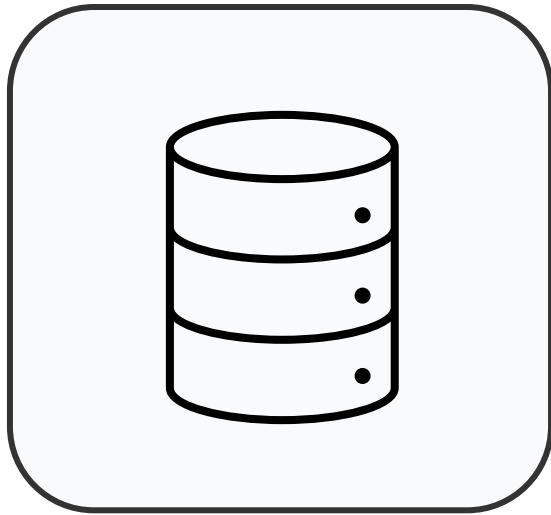
## Strengthened with deep partnerships

AWS + Anthropic

Azure + Open AI

# Tyler has the foundational elements to succeed

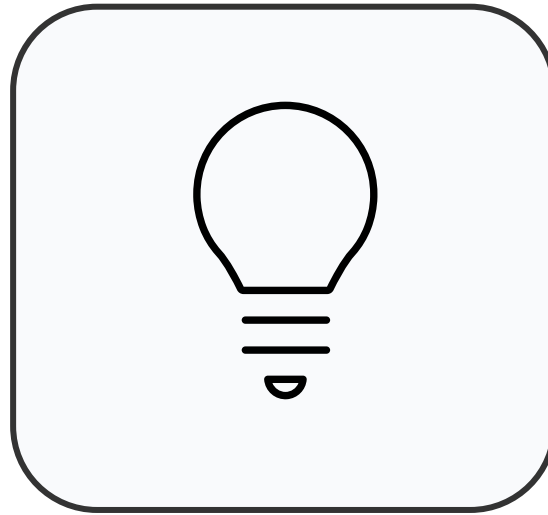
## W H Y W E W I N



### Data

Produced daily by over 15,000 clients

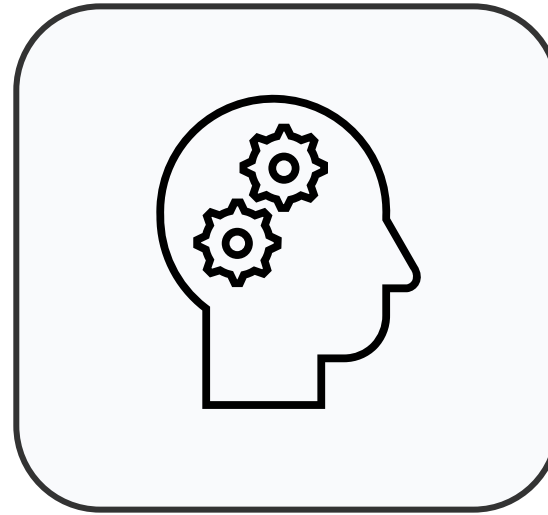
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### Expertise

From decades of public sector experience managing complex workflows

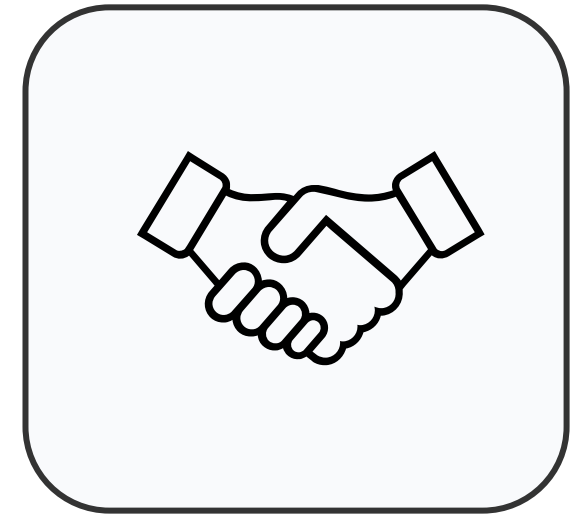
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### Tyler AI

Internal & partnerships with Microsoft + OpenAI + AWS + Anthropic

+



### Trust

Clients trust us to lead

# Appendix

# Non-GAAP Measures

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2025	2024	2025	2024
Reconciliation of non-GAAP gross profit and margin				
GAAP gross profit	\$ 261,983	\$ 236,819	\$ 1,083,700	\$ 935,761
Non-GAAP adjustments:				
Add: Share-based compensation expense included in cost of revenues	9,217	8,340	36,129	31,322
Add: Amortization of acquired software	9,446	9,241	37,435	36,964
Non-GAAP gross profit	\$ 280,646	\$ 254,400	\$ 1,157,264	\$ 1,004,047
GAAP gross margin	45.5%	43.8%	46.5%	43.8%
Non-GAAP gross margin	48.8%	47.0%	49.6%	47.0%

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2025	2024	2025	2024
Reconciliation of non-GAAP operating income and margin				
GAAP operating income	\$ 74,975	\$ 71,686	\$ 357,676	\$ 299,526
Non-GAAP adjustments:				
Add: Share-based compensation expense	38,645	34,353	151,276	122,813
Add: Employer portion of payroll tax related to employee stock transactions	688	1,303	2,966	3,606
Add: Acquisition-related costs	467	—	714	29
Add: Lease restructuring costs and other	60	1,374	165	1,250
Add: Amortization of acquired software	9,446	9,241	37,435	36,964
Add: Amortization of other intangibles	14,246	13,814	56,419	59,627
Non-GAAP adjustments subtotal	\$ 63,552	\$ 60,085	\$ 248,975	\$ 224,289
Non-GAAP operating income	\$ 138,527	\$ 131,771	\$ 606,651	\$ 523,815
GAAP operating margin	13.0%	13.2%	15.3%	14.0%
Non-GAAP operating margin	24.1%	24.4%	26.0%	24.5%

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2025	2024	2025	2024
Reconciliation of non-GAAP net income and earnings per share				
GAAP net income	\$ 65,531	\$ 65,221	\$ 315,603	\$ 263,026
Non-GAAP adjustments:				
Add: Total non-GAAP adjustments to operating income	63,552	60,085	248,975	224,289
Less: Income tax impact	(13,984)	(18,561)	(69,126)	(71,999)
Non-GAAP net income	\$ 115,099	\$ 106,745	\$ 495,452	\$ 415,316
GAAP earnings per diluted share	\$ 1.50	\$ 1.49	\$ 7.20	\$ 6.05
Non-GAAP earnings per diluted share	\$ 2.64	\$ 2.43	\$ 11.31	\$ 9.55

# Non-GAAP Measures

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NON-GAAP  
MEASURES USED  
IN THIS  
PRESENTATION

Detail of share-based compensation expense	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2025	2024	2025	2024
Cost of revenues	\$ 9,217	\$ 8,340	\$ 36,129	\$ 31,322
Operating expenses	29,428	26,013	115,147	91,491
Total share-based compensation expense	\$ 38,645	\$ 34,353	\$ 151,276	\$ 122,813

Reconciliation of EBITDA and adjusted EBITDA	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2025	2024	2025	2024
GAAP net income	\$ 65,531	\$ 65,221	\$ 315,603	\$ 263,026
Amortization of other intangibles	14,246	13,814	56,419	59,627
Depreciation and amortization included in cost of revenues, sales and marketing expense, general and administrative expense, and research and development expense	19,921	20,235	81,135	80,963
Interest expense	1,252	1,259	4,995	5,931
Other income, net	(11,240)	(6,340)	(37,637)	(14,572)
Income tax provision	19,432	11,546	74,715	45,141
EBITDA	\$ 109,142	\$ 105,735	\$ 495,230	\$ 440,116
Share-based compensation expense	38,645	34,353	151,276	122,813
Acquisition-related costs	467	—	714	29
Employer portion of payroll tax related to employee stock transactions	688	1,303	2,966	3,606
Lease restructuring costs and other	60	1,374	165	1,250
Adjusted EBITDA	\$ 149,002	\$ 142,765	\$ 650,351	\$ 567,814

Reconciliation of free cash flow	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2025	2024	2025	2024
Net cash provided by operating activities	\$ 243,883	\$ 224,774	\$ 653,543	\$ 624,633
Less: additions to property and equipment	(4,317)	(3,801)	(16,015)	(20,535)
Less: investment in software development	(2,640)	(4,989)	(16,778)	(29,401)
Free cash flow	\$ 236,926	\$ 215,984	\$ 620,750	\$ 574,697
Free cash flow margin	41.2 %	39.9 %	26.6 %	26.9 %

**Empowering people who serve the public<sup>®</sup>**



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