

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark one)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 2026.

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____.

Commission File Number 001-37468

AppFolio, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State of incorporation or organization)

26-0359894
(I.R.S. Employer Identification No.)

70 Castilian Drive
Santa Barbara, California
(Address of principal executive offices)

93117
(Zip Code)

(805) 364-6093

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Class A common stock, \$0.0001 par value	APPF	NASDAQ Global Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of April 16, 2026, the number of shares of the registrant's Class A common stock outstanding was 24,028,908 and the number of shares of the registrant's Class B common stock outstanding was 11,329,625.

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FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2026 (this "Quarterly Report"), contains forward-looking statements within the meaning of the federal securities laws, including the Private Securities Litigation Reform Act of 1995 (the "PSLRA"), which statements involve substantial risks and uncertainties. The forward-looking statements made in this Quarterly Report are intended to qualify for the protection of the safe harbor provided by the PSLRA and are based primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, operating results, cash flows and/or prospects. Forward-looking statements include all statements that are not statements of historical fact. Forward-looking statements can also be identified by words such as "may," "will," "should," "might," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential," "future," or "continue," or the negative of these words or other similar terms or expressions. Examples of forward-looking statements include, among others, statements regarding changes in the competitive environment, responding to customer needs, research and product development plans, future products and services, growth in the size of our business and number of customers, strategic plans and objectives, the benefits or performance of our strategic investments, business forecasts and plans, our future or assumed financial condition, results of operations and liquidity, trends affecting our business and industry, capital needs and financing plans, capital resource allocation plans, share repurchase plans, and commitments and contingencies, including with respect to the outcome of legal proceedings or regulatory matters. We cannot assure you that the results, events, and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results, events, or circumstances could differ materially from those described in the forward-looking statements. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties, and other factors, including those risks, uncertainties and other factors described in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Quarterly Report and "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025 (our "Annual Report"), as well as in the other reports we file with the Securities and Exchange Commission (the "SEC"). You should read this Quarterly Report, and the other documents we file with the SEC, with the understanding that our actual future results may be materially different from the results expressed or implied by these forward-looking statements. As such, you should not rely upon forward-looking statements as predictions of future events. Any forward-looking statement made by us in this Quarterly Report is based only on information currently available to us and speaks only as of the date on which it is made. We undertake no obligation to update any forward-looking statements made in this Quarterly Report to reflect events or circumstances after the date of this Quarterly Report or to reflect new information or the occurrence of unanticipated events, except as required by law.

PART I. FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

APPFOLIO, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)
(in thousands)

	March 31, 2026	December 31, 2025
Assets		
Current assets		
Cash and cash equivalents	\$ 147,412	\$ 106,967
Investment securities—current	4,241	144,256
Accounts receivable, net	43,966	36,873
Prepaid expenses and other current assets	59,323	65,218
Total current assets	254,942	353,314
Property and equipment, net	22,449	23,228
Operating lease right-of-use assets	15,364	15,924
Capitalized software development costs, net	11,416	11,324
Goodwill	96,410	96,410
Intangible assets, net	36,269	38,826
Deferred income taxes	50,795	58,823
Long-term investments	77,668	77,033
Other long-term assets	15,247	14,085
Total assets	\$ 580,560	\$ 688,967
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 3,740	\$ 4,123
Accrued employee expenses	25,163	59,774
Accrued expenses	21,436	20,829
Other current liabilities	22,018	22,121
Total current liabilities	72,357	106,847
Operating lease liabilities	31,981	33,287
Other liabilities	5,994	6,254
Total liabilities	110,332	146,388
Commitments and contingencies (Note 6)		
Stockholders' equity:		
Class A common stock	3	3
Class B common stock	1	1
Additional paid-in capital	295,114	284,054
Accumulated other comprehensive (loss) Income	(12)	30
Treasury stock	(298,273)	(172,480)
Retained earnings	473,395	430,971
Total stockholders' equity	470,228	542,579
Total liabilities and stockholders' equity	\$ 580,560	\$ 688,967

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

APPFOLIO, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)
(in thousands, except per share amounts)

	Three Months Ended March 31,	
	2026	2025
Revenue	\$ 262,214	\$ 217,702
Costs and operating expenses:		
Cost of revenue (exclusive of depreciation and amortization) ⁽¹⁾	94,975	79,498
Sales and marketing ⁽¹⁾	37,501	31,057
Research and product development ⁽¹⁾	49,629	43,758
General and administrative ⁽¹⁾	24,341	23,351
Depreciation and amortization	5,020	6,255
Total costs and operating expenses	211,466	183,919
Income from operations	50,748	33,783
Other income, net	569	56
Interest income, net	1,784	2,953
Income before provision for income taxes	53,101	36,792
Provision for income taxes	10,677	5,409
Net income	\$ 42,424	\$ 31,383
Net income per common share:		
Basic	\$ 1.19	\$ 0.86
Diluted	\$ 1.18	\$ 0.86
Weighted average common shares outstanding:		
Basic	35,699	36,302
Diluted	35,812	36,648

⁽¹⁾ Includes stock-based compensation expense as follows:

	Three Months Ended March 31,	
	2026	2025
Stock-based compensation expense included in costs and operating expenses:		
Cost of revenue (exclusive of depreciation and amortization)	\$ 1,088	\$ 1,287
Sales and marketing	3,340	2,848
Research and product development	7,882	6,931
General and administrative	5,679	5,305
Total stock-based compensation expense	\$ 17,989	\$ 16,371

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

APPFOLIO, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)
(in thousands)

	Three Months Ended March 31,	
	2026	2025
Net income	\$ 42,424	\$ 31,383
Other comprehensive loss:		
Changes in unrealized losses on investment securities, net of tax	(42)	(207)
Comprehensive income	<u>\$ 42,382</u>	<u>\$ 31,176</u>

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

APPFOLIO, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(UNAUDITED)
(in thousands)

	Common Stock Class A		Common Stock Class B		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Retained Earnings	Total
	Shares	Amount	Shares	Amount					
	Balance at December 31, 2025	24,335	\$ 3	11,655					
Exercise of stock options and issuance of common stock under the Employee Stock Purchase Plan	7	—	—	—	998	—	—	—	998
Stock-based compensation	—	—	—	—	18,219	—	—	—	18,219
Vesting of restricted stock units, net of shares withheld for taxes	65	—	—	—	(8,157)	—	—	—	(8,157)
Conversion of Class B common stock to Class A common stock	325	—	(325)	—	—	—	—	—	—
Repurchase of common stock	(703)	—	—	—	—	—	(125,793)	—	(125,793)
Other comprehensive loss	—	—	—	—	—	(42)	—	—	(42)
Net Income	—	—	—	—	—	—	—	42,424	42,424
Balance at March 31, 2026	24,029	\$ 3	11,330	\$ 1	\$ 295,114	\$ (12)	\$ (298,273)	\$ 473,395	\$ 470,228

	Common Stock Class A		Common Stock Class B		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Retained Earnings	Total
	Shares	Amount	Shares	Amount					
	Balance at December 31, 2024	23,241	\$ 2	13,163					
Exercise of stock options	1	—	—	—	11	—	—	—	11
Stock-based compensation	—	—	—	—	16,483	—	—	—	16,483
Vesting of restricted stock units, net of shares withheld for taxes	60	—	—	—	(9,078)	—	—	—	(9,078)
Conversion of Class B common stock to Class A common stock	182	—	(182)	—	—	—	—	—	—
Repurchase on common stock	(445)	—	—	—	—	—	(95,763)	—	(95,763)
Other comprehensive loss	—	—	—	—	—	(207)	—	—	(207)
Net Income	—	—	—	—	—	—	—	31,383	31,383
Balance at March 31, 2025	23,039	\$ 2	12,981	\$ 2	\$ 262,237	\$ (34)	\$ (121,519)	\$ 321,431	\$ 462,119

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

APPFOLIO, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(in thousands)

	Three Months Ended March 31,	
	2026	2025
Cash from operating activities		
Net income	\$ 42,424	\$ 31,383
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	5,020	6,255
Amortization of operating lease right-of-use assets	560	501
Amortization of costs capitalized to obtain revenue contracts	3,168	2,720
Deferred income taxes	8,028	(5,541)
Stock-based compensation, including as amortized	17,989	16,371
Other	(523)	(917)
Changes in operating assets and liabilities:		
Accounts receivable	(7,443)	(3,116)
Prepaid expenses and other assets	(8,206)	(5,460)
Accounts payable	(382)	2,546
Operating lease liabilities	(1,180)	(1,051)
Accrued expenses and other liabilities	(25,157)	(5,226)
Net cash provided by operating activities	<u>34,298</u>	<u>38,465</u>
Cash from investing activities		
Purchases of available-for-sale investments	(42,663)	(62,302)
Proceeds from sales of available-for-sale investments	140,154	102,718
Proceeds from maturities of available-for-sale investments	42,360	42,150
Purchases of property and equipment	(231)	(230)
Capitalization of software development costs	(1,304)	(636)
Cash paid in business acquisition, net of cash acquired	—	(906)
Net cash provided by investing activities	<u>138,316</u>	<u>80,794</u>
Cash from financing activities		
Proceeds from stock option exercises and the issuance of common stock under the Employee Stock Purchase Plan	998	11
Tax withholding for net share settlement	(8,157)	(9,078)
Purchase of common stock	(125,010)	(95,763)
Net cash used in financing activities	<u>(132,169)</u>	<u>(104,830)</u>
Net increase in cash, cash equivalents and restricted cash	40,445	14,429
Cash, cash equivalents and restricted cash		
Beginning of period	107,217	42,754
End of period	<u>\$ 147,662</u>	<u>\$ 57,183</u>
Cash, cash equivalents and restricted cash at end of period:		
Cash and cash equivalents	\$ 147,412	\$ 56,933
Restricted cash included in prepaid expenses and other current assets	250	250
Total cash, cash equivalents and restricted cash shown in the consolidated statements of cash flows	<u>\$ 147,662</u>	<u>\$ 57,183</u>
Supplemental disclosure of cash flow information		
Cash paid for amounts included in the measurement of lease liabilities included in operating cash flows	\$ 1,666	\$ 1,558

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

APPFOLIO, INC.

NOTES TO CONDENSED CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS

1. Nature of Business

AppFolio, Inc. ("we," "us" or "our") is a technology leader powering the future of the real estate industry. We provide a cloud-based platform on which our customers operate their businesses. Our services enable our customers to connect communities, increase operational efficiency, deliver exceptional customer experiences, and improve financial and operational performance.

2. Summary of Significant Accounting Policies

Basis of Presentation and Significant Accounting Policies

The accompanying unaudited Condensed Consolidated Financial Statements were prepared in accordance with accounting principles generally accepted in the United States ("GAAP") for interim financial information. Certain information and disclosures normally included in consolidated financial statements prepared in accordance with GAAP have been condensed or omitted. Accordingly, these Condensed Consolidated Financial Statements should be read in conjunction with our audited consolidated financial statements and the related notes included in our Annual Report, which was filed with the SEC on February 5, 2026. The year-end condensed balance sheet was derived from our audited consolidated financial statements. Our unaudited interim Condensed Consolidated Financial Statements include, in the opinion of management, all adjustments, consisting of normal and recurring items, necessary for the fair statement of our Condensed Consolidated Financial Statements. The operating results for the three months ended March 31, 2026 are not necessarily indicative of the results expected for the full year ending December 31, 2026.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenue, expenses, other income, and provision for income taxes during the reporting period. Assets and liabilities which are subject to judgment and use of estimates include the fair value of financial instruments, the fair value of privately-held strategic investments, useful lives of property and equipment and intangible assets, capitalized software development costs, incremental borrowing rate applied in lease accounting, the period of benefit associated with deferred costs, stock-based compensation, income taxes, and contingencies. Actual results could differ from those estimates and any such differences may have a material impact on our Consolidated Financial Statements.

Segment Information

Our chief operating decision maker ("CODM"), the Chief Executive Officer, allocates resources and assesses financial performance based upon discrete financial information at the consolidated level. There are no segment managers who are held accountable by our CODM, or anyone else, for operations, operating results and planning for levels or components below the consolidated unit level. Accordingly, we have determined that we operate as a single operating and reportable segment.

Our CODM uses consolidated net income (loss) as the sole measure of segment profit or loss. Significant segment expenses include cost of revenue (excluding depreciation and amortization), sales and marketing, research and product development, general and administrative expenses, and depreciation and amortization. For expenses incurred during the three months ended March 31, 2026 and 2025, refer to our Condensed Consolidated Statements of Operations. Stock-based compensation expense is also recognized as a significant segment expense. Details regarding this expense for the three months ended March 31, 2026 and 2025 is included in the parenthetical note to the respective Condensed Consolidated Statements of Operations.

Recent Accounting Pronouncements Adopted

In July 2025, the Financial Accounting Standards Board ("FASB") issued ASU 2025-05, Measurement of Credit Losses for Accounts Receivable and Contract Assets, which amends ASC 326-202 to provide a practical expedient (for all entities) and an accounting policy election (for all entities, other than public business entities, that elect the practical expedient) related to the estimation of expected credit losses for current accounts receivable and current contract assets that arise from transactions accounted for under ASC 606. The guidance will be applied on a prospective basis and is effective for calendar year-end public business entities in the 2026 annual period and its interim periods, with early adoption permitted. We adopted the standard from January 1, 2026 prospectively. The adoption of the standard has no material impact on our financial statements.

Recent Accounting Pronouncements Not Yet Adopted

In November 2024, FASB issued ASU 2024-03, *Disaggregation of Income Statement Expense*. The new standard requires additional disclosures about specific types of expenses included in the expense captions presented on the face of income statements as well as disclosures about selling expenses. The guidance applies prospectively with the option to apply the standard retrospectively and is effective for calendar year-end public business entities in the 2027 annual period and in 2028 for interim periods with early adoption permitted. We are currently evaluating the impact of ASU 2024-03 on our Consolidated Financial Statements.

In September 2025, the FASB issued ASU 2025-06, Targeted Improvements to the Accounting for Internal-Use Software, to modernize the accounting guidance for the costs to develop software for internal use. The new guidance amends the existing standard that refers to various stages of a software development project to align better with current software development methods, such as agile programming. The new guidance will be effective for calendar year-end public business entities in the 2028 annual period. The guidance can be applied on a fully prospective basis, a modified basis for in-process projects, or a full retrospective basis. We are currently evaluating the impact of this ASU on our Consolidated Financial Statements.

3. Revenue and Deferred Costs

The following table presents our revenue categories for the three months ended March 31, 2026 and 2025 (in thousands):

	Three Months Ended March 31,	
	2026	2025
Subscription Services	\$ 58,222	\$ 49,513
Value Added Services	201,363	164,706
Other	2,629	3,483
Total revenue	\$ 262,214	\$ 217,702

Our revenue is generated primarily from customers in the United States.

Deferred Costs

Deferred costs were \$23.8 million and \$22.8 million as of March 31, 2026 and December 31, 2025, respectively, of which \$11.8 million and \$11.2 million, respectively, are included in *Prepaid expenses and other current assets* and \$12.0 million and \$11.6 million, respectively, are included in *Other long-term assets* in the accompanying Condensed Consolidated Balance Sheets. Amortization expense for deferred costs was \$3.2 million, and \$2.7 million for three months ended March 31, 2026 and 2025, respectively. For the three months ended March 31, 2026 and 2025, no impairments were identified in relation to the costs capitalized for the periods presented.

Remaining Performance Obligations

Transaction price allocated to remaining performance obligations ("RPO") represents contracted revenue that has not been recognized, which includes deferred revenue and non-cancelable amounts that will be invoiced and recognized as revenue in future periods. RPO does not include revenue related to performance obligations that are part of a contract with an original expected duration of one year or less or related to usage-based Value Added Services that are billed in arrears.

As of March 31, 2026, the total non-cancelable RPO under our contracts with customers was \$103.6 million, and we expect to recognize revenue on approximately 40.3% of these RPO over the following 12 months, with the balance to be recognized thereafter. During the three months ended March 31, 2026, we recognized revenue of \$8.9 million, that was included in the RPO at the beginning of the period presented.

4. Investment Securities and Fair Value Measurements

Investment Securities

Investment securities classified as available-for-sale consisted of the following as of March 31, 2026 and December 31, 2025 (in thousands):

	March 31, 2026			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
U.S. government and agency securities	4,242	—	(1)	4,241
Total available-for-sale investment securities	\$ 4,242	\$ —	\$ (1)	\$ 4,241

	December 31, 2025			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
U.S. government and agency securities	144,216	40	—	144,256
Total available-for-sale investment securities	\$ 144,216	\$ 40	\$ —	\$ 144,256

As of March 31, 2026, for available-for-sale debt securities in an unrealized loss position, the Company evaluated whether any portion of the decline in fair value below amortized cost was due to credit losses. Based on this evaluation, and considering that it is more likely than not that the Company will hold the securities until maturity or recovery of the cost basis, no allowance for credit losses was recorded for available-for-sale investment securities as of March 31, 2026 or December 31, 2025.

The fair values of available-for-sale investment securities, by remaining contractual maturity, are as follows (in thousands):

	March 31, 2026		December 31, 2025	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Due in one year or less	\$ 4,242	\$ 4,241	\$ 144,216	\$ 144,256
Total available-for-sale investment securities	\$ 4,242	\$ 4,241	\$ 144,216	\$ 144,256

During the three months ended March 31, 2026 and 2025, we had sales and maturities of investment securities, as follows (in thousands):

	Three Months Ended March 31, 2026			
	Gross Realized Gains	Gross Realized Losses	Gross Proceeds from Sales	Gross Proceeds from Maturities
U.S. government and agency securities	\$ —	\$ (61)	\$ 140,154	\$ 42,360
Total	\$ —	\$ (61)	\$ 140,154	\$ 42,360

	Three Months Ended March 31, 2025			
	Gross Realized Gains	Gross Realized Losses	Gross Proceeds from Sales	Gross Proceeds from Maturities
U.S. government and agency securities	61	(5)	102,718	42,150
Total	\$ 61	\$ (5)	\$ 102,718	\$ 42,150

The tables above do not include our strategic investments of non-marketable equity investments in privately-held companies, which are recorded in *long-term investments* in our Condensed Consolidated Balance Sheets. These strategic investments consist of the following as of March 31, 2026 and December 31, 2025 (in thousands):

	March 31, 2026	December 31, 2025
Second Nature	\$ 75,000	\$ 75,000
Others	2,668	2,033
Total long-term investments	<u>\$ 77,668</u>	<u>\$ 77,033</u>

The cumulative amount of upward adjustments recognized on our strategic investments of non-marketable equity investments was \$0.6 million, all of which was recorded during the first quarter of 2026 for our investment in a privately held technology company. There is no cumulative amount of downward adjustment as of March 31, 2026.

There were no realized or unrealized gains or losses from remeasurement of investments in equity securities under the measurement alternative for the three months ended March 31, 2025.

Fair Value Measurements

Recurring Fair Value Measurements

The following tables present our financial assets and liabilities measured at fair value on a recurring basis as of March 31, 2026 and December 31, 2025 by level within the fair value hierarchy (in thousands):

	March 31, 2026		
	Level 1	Level 2	Total Fair Value
Cash equivalents:			
Money market funds	\$ 108,701	\$ —	\$ 108,701
Available-for-sale investment securities:			
U.S. government and agency securities	—	4,241	4,241
Total	<u>\$ 108,701</u>	<u>\$ 4,241</u>	<u>\$ 112,942</u>

	December 31, 2025		
	Level 1	Level 2	Total Fair Value
Cash equivalents:			
Money market funds	\$ 89,365	\$ —	\$ 89,365
Available-for-sale investment securities:			
U.S. government and agency securities	—	144,256	144,256
Total	<u>\$ 89,365</u>	<u>\$ 144,256</u>	<u>\$ 233,621</u>

The carrying amounts of cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued liabilities approximate their fair value because of the short maturity of these items.

Fair value for our Level 1 investment securities is based on market prices for identical assets. Our Level 2 securities were priced by a pricing vendor. The pricing vendor utilizes the most recent observable market information in pricing these securities or, if specific prices are not available for these securities, other observable inputs like market transactions involving comparable securities are used.

Strategic Investments Measured and Recorded at Fair Value on a Non-Recurring Basis

Strategic investments primarily include equity investments in privately-held companies, which do not have a readily determinable fair value. Strategic investments are classified as Level 3 in the fair value hierarchy, as their nonrecurring fair value measurements may include observable and unobservable inputs. As of March 31, 2026 and December 31, 2025, the balance of strategic investments was \$77.7 million and \$77.0 million, respectively. We recognized a net unrealized gain of \$0.6 million in connection with our investment in a privately held technology company in *Other income, net* in our Condensed Consolidated Statements of Operations for the three months ended March 31, 2026. We did not recognize any net unrealized gain or loss for our strategic investments for the three months ended March 31, 2025.

5. Other Balance Sheet Components

Prepaid expenses and other current assets

Prepaid expenses and other current assets consisted of the following (in thousands):

	March 31, 2026	December 31, 2025
Income tax receivable ⁽¹⁾	\$ 17,365	\$ 27,133
Prepaid expenses	24,151	15,707
Deferred commissions ⁽²⁾	11,784	11,166
Deposits for insurance services ⁽³⁾	4,545	7,765
Other	1,478	3,447
Total Prepaid expenses and other current assets	<u>\$ 59,323</u>	<u>\$ 65,218</u>

⁽¹⁾For additional information on income tax, refer to Note 9, *Income Taxes*.

⁽²⁾For additional information on deferred commissions, refer to Deferred Costs in Note 3, *Revenue and Deferred Costs*.

⁽³⁾For additional information on deposits held with a third party related to requirements to maintain collateral for insurance services, refer to "Legal Liability to Landlord Insurance" in Note 6, *Commitments and Contingencies*.

Accrued Employee Expenses

Accrued employee expenses consisted of the following (in thousands):

	March 31, 2026	December 31, 2025
Accrued bonuses ⁽¹⁾	\$ 7,985	\$ 43,298
Accrued payroll and other	17,178	16,476
Total accrued employee expenses	<u>\$ 25,163</u>	<u>\$ 59,774</u>

⁽¹⁾Accrued bonuses decreased significantly as of March 31, 2026, due to the payment of 2025 annual bonuses in the first quarter of 2026.

Other Current Liabilities

Other current liabilities consisted of the following (in thousands):

	March 31, 2026	December 31, 2025
Unearned premium liabilities ⁽¹⁾	\$ 7,422	\$ 6,662
Insurance reserves ⁽²⁾	7,482	6,630
Operating lease liabilities-current	4,998	4,873
Other	2,116	3,956
Total other current liabilities	<u>\$ 22,018</u>	<u>\$ 22,121</u>

⁽¹⁾Unearned premium liabilities are the refundable portion of commissions received in connection with the sale of renters insurance policies to residents through AppFolio Insurance Services, Inc., our wholly owned subsidiary. In the event a resident cancels their renters insurance policy prior to the end of such policy, we may be required to refund a pro rata portion of the commission paid on such policy.

⁽²⁾For additional information on insurance reserves, refer to "Legal Liability to Landlord Insurance" in Note 6, *Commitments and Contingencies*.

6. Commitments and Contingencies

Legal Liability to Landlord Insurance

We have a wholly owned subsidiary, Terra Mar Insurance Company, Inc., which was established in connection with reinsuring liability to landlord insurance policies offered to our customers by our third-party service provider. We assume a 100% quota share of the liability to landlord insurance policies placed with our customers by our third-party service provider. We accrue for reported claims, and include an estimate of losses incurred but not reported by our property manager customers, in cost of revenue because we bear the risk related to all such claims. Our estimated liability for reported claims and incurred but not reported claims as of March 31, 2026 and December 31, 2025 was \$7.5 million and \$6.6 million, respectively, and is included in *Other current liabilities* on our Condensed Consolidated Balance Sheets.

Included in *Prepaid expenses and other current assets* as of March 31, 2026 and December 31, 2025 are \$4.5 million and \$7.8 million, respectively, of deposits held with a third party related to requirements to maintain collateral for this insurance service.

Commitments

In January 2026, we entered into an agreement with vendors for certain cloud computing services. We are committed to spend a minimum of at least \$219.3 million through 2031, of which \$36.2 million is short-term. We may pay more than the minimum purchase commitment to our cloud-computing vendors based on usage.

Credit Facility

On September 30, 2025, we entered into a credit agreement by and among AppFolio, Inc., certain of our subsidiaries as guarantors, the lender(s) party thereto, and PNC Bank, National Association, in its capacity as Administrative Agent, Swingline Loan Lender and Issuing Lender (the "Credit Facility").

The Credit Facility provides for a \$150.0 million senior secured revolving credit facility, including sublimits of \$25.0 million for letters of credit and \$25.0 million for swingline loans, and is scheduled to mature on September 30, 2030. We may, subject to customary conditions and consent of the applicable lenders, increase the revolving commitment or incur term loans thereunder (capped at amounts specified in the Credit Facility) or extend the maturity date of the Credit Facility.

Borrowings under the Credit Facility bear interest at variable rates based, at our option, on Term Secured Overnight Financing Rate Data ("SOFR"), Daily Simple SOFR, or a Base Rate, plus an applicable margin (ranging from 125.0 to 200.00 basis points in the case of Term SOFR and Daily Simple SOFR and 25.0 to 100.00 basis points in the case of the Base Rate) determined by our Consolidated Net Leverage Ratio, all as defined in the Credit Facility. We also pay a quarterly commitment fee (ranging from 15.0 to 30.0 basis points depending on our Consolidated Net Leverage Ratio) on unused amounts, as well as customary letter of credit and agency fees.

The obligations under the Credit Facility are guaranteed by certain of our subsidiaries and secured by a first-priority security interest in substantially all of our and our guarantors' personal property, subject to customary exclusions and exceptions. The Credit Facility includes customary representations, warranties, and affirmative and negative covenants, including a financial covenant requiring maintenance of a Consolidated Net Leverage Ratio. The negative covenants include, among other things, restrictions on our and our subsidiaries' ability to incur indebtedness and liens, make investments, pay dividends or distributions or repurchase equity interests, merge, consolidate or otherwise dispose of assets, enter into transactions with affiliates, and prepay, redeem, purchase or otherwise retire junior indebtedness, all subject to certain exceptions.

As of March 31, 2026, there were no outstanding borrowings under the Credit Facility, and we were in compliance with the covenants under the Credit Facility.

Legal Proceedings

From time to time, we are involved in various investigative inquiries, legal proceedings and disputes arising from or related to matters incident to the ordinary course of our business activities, including actions with respect to intellectual property, employment, labor, regulatory and contractual matters. Although the ultimate outcome of such investigative inquiries, legal proceedings and other disputes cannot be predicted with certainty, we do not believe that any such investigative inquiries, legal proceedings and other disputes, if determined adversely to us, would, individually or taken together, have a material adverse effect on our business, operating results, financial condition or cash flows.

Indemnification

In the ordinary course of business, we may provide indemnification of varying scope and terms to customers, business partners, investors, directors, officers, and other parties with respect to certain matters, including, but not limited to, losses arising out of our breach of any applicable agreements, intellectual property infringement claims made by third parties, and other liabilities relating to or arising from our services or our acts or omissions. These indemnification provisions may survive termination of the underlying agreement and the maximum potential amount of future payments we could be required to make under these indemnification provisions may not be subject to maximum loss clauses and is indeterminable. We have not incurred any costs as a result of such indemnification obligations and have not recorded any liabilities related to such obligations in the Condensed Consolidated Financial Statements.

7. Share Repurchase Program

On February 20, 2019, our Board of Directors (our "Board") authorized a \$100.0 million share repurchase program (the "2019 Stock Repurchase Program") relating to our outstanding shares of Class A common stock. Under the 2019 Stock Repurchase Program, we were authorized to repurchase shares of our Class A common stock from time to time in open market purchases or privately negotiated transactions. The 2019 Stock Repurchase Program did not obligate us to repurchase any minimum dollar amount or number of shares, did not have an expiration date, and it could have been modified, suspended or terminated at any time and for any reason.

During the first quarter of 2025, we repurchased 445,311 shares of our Class A common stock through open market repurchases under the 2019 Stock Repurchase Program at an average purchase price of \$215.05 per share, inclusive of broker commissions, for an aggregate repurchase price of \$95.8 million which was recorded as a reduction to stockholders' equity. As a result of the repurchases, we substantially exhausted the remaining shares available for purchase under the 2019 Stock Repurchase Program, and it has terminated.

On April 23, 2025, our Board authorized a \$300.0 million share repurchase program (the "2025 Stock Repurchase Program") relating to our outstanding shares of Class A common stock. Under the 2025 Stock Repurchase Program, we are authorized to repurchase shares of our Class A common stock from time to time in open market purchases or privately negotiated transactions. The 2025 Stock Repurchase Program does not obligate us to repurchase any minimum dollar amount or number of shares, has no expiration date, and can be modified, suspended or terminated at any time and for any reason. The timing and actual number of shares repurchased will depend on a variety of factors, including price, corporate and legal requirements, market conditions and other factors. During the second quarter of 2025, we repurchased 243,987 shares of our Class A common stock through open market repurchases under the 2025 Stock Repurchase Program at an average purchase price of \$204.77 per share, inclusive of broker commissions, for an aggregate repurchase price of \$50.0 million which was recorded as a reduction to stockholders' equity. We did not repurchase any shares of our Class A common stock during the third or fourth quarter of 2025.

During the first quarter of 2026, we repurchased 702,502 shares of our Class A common stock through open market repurchases under the 2025 Stock Repurchase Program at an average purchase price of \$177.95 per share, inclusive of broker commissions, for an aggregate repurchase price of \$125.0 million, which was recorded as a reduction to stockholders' equity. As of March 31, 2026, the amount remaining available for repurchases under the 2025 Stock Repurchase Program was \$125.0 million.

8. Stock-Based Compensation

Restricted Stock Units

A summary of activity in connection with our restricted stock units ("RSUs") for the three months ended March 31, 2026, is as follows (number of shares in thousands):

	Number of Shares	Weighted Average Grant Date Fair Value per Share
Unvested as of December 31, 2025	627	\$ 200.81
Granted	402	201.66
Vested	(108)	180.60
Forfeited	(13)	203.14
Unvested as of March 31, 2026	<u>908</u>	<u>\$ 203.45</u>

Unvested RSUs as of March 31, 2026 were composed of 0.8 million RSUs with only service conditions and 0.1 million performance share units ("PSUs") with both service conditions and performance conditions. RSUs granted with only service conditions generally vest over a four-year period, assuming continued employment through the applicable vesting date. The number of PSUs granted, as included in the above table, assumes achievement of the performance metrics at 100% of the performance target. The unvested PSUs as of March 31, 2026, are subject to vesting based on the achievement of pre-established performance metrics for the year ending December 31, 2026 and will vest over a three year period, assuming continued employment through each applicable vesting date. The actual number of shares to be granted at the end of the performance period will range from 0% to 150% of the target number of shares depending on achievement relative to the performance metrics over the applicable period; however, performance-based compensation expense is included in calculating achievement of the performance metrics, resulting in an effective maximum payout of approximately 135% of target.

We recognized stock-based compensation expense for the RSUs and PSUs of \$17.7 million and \$16.0 million for the three months ended March 31, 2026 and 2025, respectively. As of March 31, 2026, the total estimated remaining stock-based compensation expense for the aforementioned RSUs and PSUs was \$148.3 million, which is expected to be recognized over a weighted average period of 2.7 years.

9. Income Taxes

We calculate our provision for income taxes on a quarterly basis by applying an estimated annual effective tax rate to income (loss) from operations and by calculating the tax effect of discrete items recognized during the quarter.

For the three months ended March 31, 2026, we recorded income tax expense of \$10.7 million, representing an effective tax rate of 20.1%. Our effective tax rate differs from the U.S. federal statutory rate of 21% primarily due to research and development tax credits, partially offset by state income taxes and non-deductible officers' compensation. For the three months ended March 31, 2025, our effective tax rate differs from the U.S. federal statutory rate of 21% primarily due to excess tax benefits from stock-based compensation and research & development tax credits, partially offset by state income taxes and non-deductible officers' compensation.

We assess our ability to realize our deferred tax assets on a quarterly basis and we establish a valuation allowance if it is more-likely-than-not that some portion of deferred tax assets will not be realized. We weigh all available positive and negative evidence, including our earnings history and results of recent operations, scheduled reversals of deferred tax liabilities, projected future taxable income and tax planning strategies. During the three months ended December 31, 2024, we assessed all available evidence and determined that there was sufficient positive evidence to overcome the negative evidence, including our past and current financial results, growth demonstrated in our top-line performance, as well as projected profitability. Accordingly, we determined it is more likely than not that the deferred tax assets will be realized and we released our valuation allowance at December 31, 2024.

10. Net Income Per Share

Net income per common share was the same for shares of our Class A and Class B common stock because they are entitled to the same liquidation and dividend rights and are therefore combined in the table below. The following table sets forth the computation of basic and diluted net income per common share (in thousands):

	Three Months Ended March 31,	
	2026	2025
Basic net income per share:		
Numerator		
Net income attributable to common stockholders	\$ 42,424	\$ 31,383
Denominator		
Weighted average common shares outstanding; basic	35,699	36,302
Net income per common share; basic	\$ 1.19	\$ 0.86
Diluted net income per share:		
Numerator		
Net income attributable to common stockholders	\$ 42,424	\$ 31,383
Denominator		
Weighted average common shares outstanding; basic	35,699	36,302
Add: Weighted average dilutive options outstanding	22	39
Add: Weighted average dilutive restricted stock units outstanding	91	307
Weighted average common shares outstanding; diluted	35,812	36,648
Net income per common share; diluted	\$ 1.18	\$ 0.86

Potentially dilutive securities that are not included in the calculation of diluted net income per share because doing so would be antidilutive are as follows (in thousands):

	Three Months Ended March 31,	
	2026	2025
Restricted stock units	385	45
Total potentially dilutive securities	385	45

11. Subsequent Event

In April 2026, we purchased a minority, non-controlling equity interest in a private company, for \$10.0 million, paid with cash on hand.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition, results of operations and liquidity should be read together with our Condensed Consolidated Financial Statements and the related notes included elsewhere in this Quarterly Report and in our Annual Report.

Overview

We are a technology leader powering the future of the real estate industry. We provide a cloud-based platform on which our customers operate their businesses. We help our customers navigate an increasingly interconnected and growing network of stakeholders in their business ecosystems, including property managers, property investors, potential residents, residents, and vendors. We also provide key functionality related to critical transactions across the real estate lifecycle, including screening potential residents, sending and receiving payments, and providing insurance-related risk mitigation services. Our services enable our customers to connect communities, increase operational efficiency, deliver exceptional customer experiences, and improve financial and operational performance.

Financial Highlights for the First Quarter of 2026

- Revenue grew 20% year-over-year to \$262.2 million.
- Total property management units under management grew 8% year-over-year to 9.5 million.
- GAAP operating income was \$50.7 million, or 19.4% of revenue, compared to GAAP operating income of \$33.8 million, or 15.5% of revenue in Q1 2025.
- Non-GAAP operating income was \$71.5 million, or 27.3% of revenue, compared to non-GAAP operating income of \$53.0 million, or 24.3% of revenue in Q1 2025.
- Net cash provided by operating activities was \$34.3 million, or 13.1% of revenue, compared to \$38.5 million, or 17.7% of revenue in Q1 2025.
- Repurchased 703 thousand shares of the Company's Class A common stock for \$125 million.

Key Business Metric

Property management units under management. We believe that our ability to increase our number of property management units under management is an indicator of our market penetration, growth, and potential future business opportunities. We define property management units under management as active or committed units under management at the period end date. We had 9.5 million and 8.8 million property management units under management as of March 31, 2026 and 2025, respectively.

Key Components of Results of Operations

Revenue

Our Subscription Services and certain of our Value Added Services are offered on a subscription basis. The subscription fees for our services vary by property type and are designed to scale with the size of our customers' businesses. We recognize revenue for subscription-based services on a straight-line basis over the contract term beginning on the date that our service is made available. We generally invoice monthly or, to a lesser extent, annually in advance of a subscription period.

We also offer certain Value Added Services, which are not covered by our subscription fees, on a per-use basis. Usage-based fees are charged either as a percentage of the transaction amount (e.g., for certain of our electronic payment services) or on a flat fee per transaction basis generally with no minimum usage commitments (e.g., for our tenant screening and risk mitigation services). We recognize revenue for usage-based services in the period the service is rendered. Our payments services fees are recorded gross of any interchange and payment processing related fees. We generally invoice our usage-based services on a monthly basis or collect the fee at the time of service. A significant majority of our Value Added Services revenue comes from the use of our electronic payment services, tenant screening services, and risk mitigation services.

Other revenue includes fees from one-time services related to the implementation of our software solutions and other recurring or one-time fees related to our customers who are not otherwise using our Subscription Services. This includes legacy customers of businesses we have acquired where the customers haven't migrated to our Subscription Services. The fees for implementation and data migration services are billed upon signing our core subscription contract and are recognized as revenue in the period the service is rendered. Other services are billed when the services rendered are completed and delivered to the customer or billed in advance and deferred over the subscription period.

As of March 31, 2026 and 2025, we had 22,520 and 21,105 property management customers, respectively.

Costs and Operating Expenses

Cost of Revenue (Exclusive of Depreciation and Amortization). Many of our Value Added Services are facilitated by third-party service providers. Cost of revenue paid to these third-party service providers includes, without limitation, the cost of electronic interchange and payment processing-related services to support our payments services, the cost of credit reporting services for our tenant screening services, and various costs associated with our risk mitigation service providers. These third-party costs vary both in amount and as a percentage of revenue for each Value Added Service offering. Cost of revenue also includes personnel-related costs for our employees focused on customer service and the support of our operations (including salaries, cash bonuses, benefits, and stock-based compensation), platform infrastructure costs (such as data center operations and hosting-related costs), and allocated shared and other costs. Cost of revenue excludes depreciation of property and equipment, amortization of capitalized software development costs and amortization of intangible assets.

Sales and Marketing. Sales and marketing expense consists of personnel-related costs for our employees focused on sales and marketing (including salaries, sales commissions, cash bonuses, benefits, and stock-based compensation), costs associated with sales and marketing activities, and allocated shared and other costs. Marketing activities include advertising, online lead generation, lead nurturing, customer and industry events, and the creation of industry-related content and collateral. We focus our sales and marketing efforts on generating awareness of our software solutions, creating sales leads, establishing and promoting our brands, and cultivating an educated community of successful and vocal customers.

Research and Product Development. Research and product development expense consists of personnel-related costs for our employees focused on research and product development (including salaries, cash bonuses, benefits, and stock-based compensation), fees for third-party development resources, and allocated shared and other costs. Our research and product development efforts are focused on expanding functionality and the ease of use of our existing software solutions by adding new core functionality, Value Added Services and other improvements, as well as developing new products and services. We capitalize our software development costs that meet the criteria for capitalization. Amortization of capitalized software development costs is included in depreciation and amortization expense.

General and Administrative. General and administrative expense consists of personnel-related costs for employees in our executive, finance, information technology, human resources, legal, compliance, and administrative organizations (including salaries, cash bonuses, benefits, and stock-based compensation). In addition, general and administrative expense includes fees for third-party professional services (including audit, legal, compliance, and tax services), regulatory fees, other corporate expenses, impairment of long-lived assets, gains on lease modifications, and allocated shared and other costs.

Depreciation and Amortization. Depreciation and amortization expense includes depreciation of property and equipment, amortization of capitalized software development costs, and amortization of intangible assets. We depreciate or amortize property and equipment, software development costs, and intangible assets over their expected useful lives on a straight-line basis, which approximates the pattern in which the economic benefits of the assets are consumed.

Interest Income, Net. Interest income, net includes interest earned on investment securities, amortization and accretion of the premium and discounts paid from the purchase of investment securities, and interest earned on cash deposited in our bank accounts.

Provision for income taxes. Provision for income taxes consists of federal and state income taxes in the United States.

Results of Operations

Revenue

	Three Months Ended March 31,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Subscription Services	\$ 58,222	\$ 49,513	\$ 8,709	18 %
Value Added Services	201,363	164,706	36,657	22 %
Other	2,629	3,483	(854)	(25)%
Total revenue	<u>\$ 262,214</u>	<u>\$ 217,702</u>	<u>\$ 44,512</u>	<u>20 %</u>

The increase in revenue for the three months ended March 31, 2026, compared to the same period in the prior year, was primarily attributable to an increase in the usage of our payments, tenant screening, and risk mitigation services. During the three months ended March 31, 2026, we also experienced growth of 8% in the number of property management units under management compared to the same period in the prior year, which drove growth in users of our Subscription Services and Value Added Services.

Our payment services experienced increased usage during the comparative periods as residents and property managers transacted more business online.

We expect total revenue for the year ending December 31, 2026 to increase compared to the year ended December 31, 2025 as we continue to add new customers and property management units under management, along with increased adoption and usage of our Value Added Services.

Cost of Revenue (Exclusive of Depreciation and Amortization)

	Three Months Ended March 31,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Cost of revenue (exclusive of depreciation and amortization)	\$ 94,975	\$ 79,498	\$ 15,477	19 %
Percentage of revenue	36.2 %	36.5 %		
Stock-based compensation, included above	\$ 1,088	\$ 1,287	\$ (199)	(15)%
Percentage of revenue	0.4 %	0.6 %		

Cost of revenue (exclusive of depreciation and amortization) increased for the three months ended March 31, 2026, compared to the same period in the prior year. The increase was primarily driven by higher third-party service provider costs of \$14.6 million due to increased adoption and usage of our Value Added Services for the respective three-month periods.

We expect cost of revenue (exclusive of depreciation and amortization) for the year ending December 31, 2026, to stay relatively flat as a percentage of revenue compared to the year ended December 31, 2025.

Sales and Marketing

	Three Months Ended March 31,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Sales and marketing	\$ 37,501	\$ 31,057	\$ 6,444	21 %
Percentage of revenue	14.3 %	14.3 %		
Stock-based compensation, included above	\$ 3,340	\$ 2,848	\$ 492	17 %
Percentage of revenue	1.3 %	1.3 %		

Sales and marketing expense increased for the three months ended March 31, 2026, compared to the same period in the prior year. The increase was primarily due to a \$4.5 million increase in personnel-related costs, including stock-based and performance-based compensation, to support growth in the business, combined with a \$1.1 million increase in advertising and promotion expense due to increased targeted go-to-market investment, for the respective three-month periods.

We expect sales and marketing expense for the year ending December 31, 2026 to stay relatively flat as a percentage of revenue compared to the year ended December 31, 2025.

Research and Product Development

	Three Months Ended March 31,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Research and product development	\$ 49,629	\$ 43,758	\$ 5,871	13 %
Percentage of revenue	18.9 %	20.1 %		
Stock-based compensation, included above	\$ 7,882	\$ 6,931	\$ 951	14 %
Percentage of revenue	3.0 %	3.2 %		

Research and product development expense increased for the three months ended March 31, 2026, compared to the same period in the prior year. The increase was primarily due to a \$4.8 million increase in personnel-related costs, including stock-based and performance-based compensation, net of capitalized software development costs driven by headcount growth, for the respective three-month periods.

We expect research and product development expenses for the year ending December 31, 2026 to stay relatively flat as a percentage of revenue compared to the year ended December 31, 2025.

General and Administrative

	Three Months Ended March 31,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
General and administrative	\$ 24,341	\$ 23,351	\$ 990	4 %
Percentage of revenue	9.3 %	10.7 %		
Stock-based compensation, included above	\$ 5,679	\$ 5,305	\$ 374	7 %
Percentage of revenue	2.2 %	2.4 %		

General and administrative expense stayed relatively flat for the three months ended March 31, 2026, compared to the same period in the prior year.

We expect general and administrative expenses for the year ending December 31, 2026 to stay relatively flat as a percentage of revenue compared to the year ended December 31, 2025.

Depreciation and Amortization

	Three Months Ended March 31,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Depreciation and amortization	\$ 5,020	\$ 6,255	\$ (1,235)	(20)%
Percentage of revenue	1.9 %	2.9 %		

Depreciation and amortization expense for the three months ended March 31, 2026 decreased, compared to the same period in the prior year as various assets have reached the end of their useful life.

We expect depreciation and amortization expenses for the year ending December 31, 2026 to stay relatively flat as a percentage of revenue compared to the year ended December 31, 2025.

Interest Income, Net

	Three Months Ended March 31,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Interest income, net	\$ 1,784	\$ 2,953	\$ (1,169)	(40)%
Percentage of revenue	0.7 %	1.4 %		

Interest income for the three months ended March 31, 2026 decreased, compared to the same period in the prior year, primarily due to the sale of available-for-sale investment securities and lower interest rates.

Provision for income taxes

	Three Months Ended March 31,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Income before provision for income taxes	\$ 53,101	\$ 36,792	\$ 16,309	44 %
Provision for income taxes	\$ 10,677	\$ 5,409	\$ 5,268	97 %
Effective tax rate	20.1 %	14.7 %		

For the three months ended March 31, 2026, we recorded income tax expense of \$10.7 million, representing an effective tax rate of 20.1%. Our effective tax rate differs from the U.S. federal statutory rate of 21% primarily due to research & development tax credits, partially offset by state income taxes and non-deductible officers' compensation. For the three months ended March 31, 2025, our effective tax rate differs from the U.S. federal statutory rate of 21% primarily due to excess tax

benefits from stock-based compensation and research & development tax credits, partially offset by state income taxes and non-deductible officers' compensation.

The increase in our effective tax rate for the three months ended March 31, 2026, as compared to the same period in 2025, is primarily driven by higher pre-tax income and a decrease in excess tax benefits from stock-based compensation.

Liquidity and Capital Resources

Our principal sources of liquidity continue to be cash, cash equivalents, and investment securities, as well as cash flows generated from our operations. As of March 31, 2026, we had \$151.7 million in cash, cash equivalents, and investment securities. We have financed our operations primarily through cash generated from operations.

In addition, to optimize our capital structure, on September 30, 2025, we entered into the Credit Facility which provides for a \$150.0 million senior secured revolving credit facility, including sublimits of \$25.0 million for letters of credit and \$25.0 million for swingline loans, and is scheduled to mature on September 30, 2030. We did not draw on the Credit Facility during the first quarter of 2026, and as of March 31, 2026, we had no outstanding borrowings under the Credit Facility and were in compliance with the covenants under the Credit Facility. For more information regarding the Credit Facility, refer to "Credit Facility" in Note 6, *Commitments and Contingencies*, of our Condensed Consolidated Financial Statements.

We believe that our existing cash and cash equivalents, investment securities, and cash generated from operating activities will be sufficient to meet our working capital and capital expenditure requirements for at least the next twelve months. The available borrowing capacity under the Credit Facility provides us additional liquidity and financial flexibility.

Capital Requirements

Our future capital requirements depend on many factors, including continued market acceptance of our software solutions; changes in the number of our customers and adoption and utilization of our Value Added Services by new and existing customers; the timing and extent of the introduction of new core functionality, products and Value Added Services; and the timing and extent of our investments across our organization, including acquisitions of businesses and technologies.

We have in the past entered into, and may in the future enter into, arrangements to acquire or invest in new technologies or markets. We may, as a result of those arrangements or the general expansion of our business, be required to seek additional equity or debt financing, which may not be available on terms favorable to us or at all, impacting our ability to compete successfully, which would harm our business, results of operations, and financial condition.

During the first quarter of 2026, we repurchased 702,502 shares of our Class A common stock under the 2025 Stock Repurchase Program at an average purchase price of \$177.95 per share, inclusive of broker commissions, for an aggregate repurchase price of \$125.0 million, which was recorded as a reduction to stockholders' equity. As of March 31, 2026, the amount remaining available for repurchases under the 2025 Stock Repurchase Program was \$125.0 million. For more information regarding our share repurchases, refer to Note 7, Share Repurchase Program, of our Condensed Consolidated Financial Statements of this Quarterly Report.

Cash Flows

The following table summarizes our cash flows for the periods indicated (in thousands):

	Three Months Ended March 31,	
	2026	2025
Net cash provided by operating activities	\$ 34,298	\$ 38,465
Net cash provided by investing activities	138,316	80,794
Net cash used in financing activities	(132,169)	(104,830)
Net increase in cash, cash equivalents and restricted cash	<u>\$ 40,445</u>	<u>\$ 14,429</u>

Operating Activities

Our primary source of operating cash inflows is cash collected from our customers in connection with their use of our Subscription Services and Value Added Services. Our primary uses of cash from operating activities are for personnel-related expenditures and third-party costs incurred to support the delivery of our software solutions.

The net increase in cash provided by operating activities for the three months ended March 31, 2026, compared to the same period in the prior year, was primarily due to higher cash collections from customers relative to the increase in operating expenditures.

Investing Activities

Cash provided by investing activities is generally composed of the cash paid in purchases of investment securities, maturities and sales of investment securities, purchases of property and equipment, business acquisition, net of cash acquired, and additions to capitalized software development.

The net increase in cash provided by investing activities for the three months ended March 31, 2026, compared to the same period in the prior year, was primarily due to higher sales and maturities of investment securities, and lower purchases of available-for-sale investment securities. For additional information, see Note 4. *Investment Securities and Fair Value Measurements*, of our Condensed Consolidated Financial Statements.

Financing Activities

Cash used in financing activities is generally composed of net share settlements for employee tax withholdings associated with the vesting of equity awards and repurchases of our Class A common stock offset by proceeds from the exercise of stock options and issuance of common stock under the employee stock purchase plan.

The net increase in cash used in financing activities for the three months ended March 31, 2026, compared to the same period in the prior year, was primarily due to repurchases of our Class A common stock.

Non-GAAP Financial Measures

To supplement our Condensed Consolidated Financial Statements, which are prepared and presented in accordance with accounting principles generally accepted in the United States ("GAAP"), this Annual Report contains information regarding our non-GAAP income from operations ("Non-GAAP Operating Income") and non-GAAP operating margin ("Non-GAAP Operating Margin"), each of which constitutes a non-GAAP financial measure. We use these non-GAAP financial measures in addition to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP.

- *Non-GAAP Operating Income* excludes certain non-cash or non-recurring items, including stock-based compensation expense, amortization of stock-based compensation capitalized in software development costs, and amortization of purchased intangibles, as described below. Non-GAAP Operating Margin is calculated as Non-GAAP Operating Income as a percentage of revenue.

We use each of these non-GAAP financial measures internally to assess and compare operating results across reporting periods, for internal budgeting and forecasting purposes, and to evaluate our financial performance. We believe these non-GAAP financial measures also provide useful supplemental information to investors and facilitate the analysis of our operating results and comparison of operating results across reporting periods.

In particular, we believe these non-GAAP financial measures are useful to investors and others in assessing our operating performance due to the following factors:

- *Stock-based compensation expense and amortization of stock-based compensation capitalized in software development costs.* We utilize stock-based compensation to attract and retain employees. It is principally aimed at aligning their interests with those of our stockholders while ensuring long-term retention, rather than to address operational performance for any particular period. As a result, stock-based compensation expenses vary for reasons that are generally unrelated to financial and operational performance in any particular period.
- *Amortization of purchased intangibles.* We view amortization of purchased intangible assets as items arising from pre-acquisition activities determined at the time of an acquisition. While these intangible assets are evaluated for impairment regularly, amortization of the cost of purchased intangibles is an expense that is not typically affected by operations during any particular period.

Our non-GAAP financial measures may not provide information that is directly comparable to that provided by other companies in our industry, as other companies may calculate non-GAAP financial results differently. In addition, there are limitations in using non-GAAP financial measures because non-GAAP financial measures are not prepared in accordance with GAAP and can exclude expenses that may have a material impact on our reported financial results. As such, non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. A reconciliation of income from operations, the most comparable GAAP measure, to Non-GAAP operating income and operating margin, is provided in the table below. We encourage investors to review the reconciliation of these historical non-GAAP financial measures to their most directly comparable GAAP financial measures.

Reconciliation from GAAP to Non-GAAP Results

(in thousands except percentages)

	Three Months Ended March 31,	
	2026	2025
Income from operations:		
GAAP income from operations	\$ 50,748	\$ 33,783
Stock-based compensation expense	17,989	16,371
Amortization of stock-based compensation capitalized in software development costs	241	241
Amortization of purchased intangibles	2,558	2,558
Non-GAAP income from operations	<u>\$ 71,536</u>	<u>\$ 52,953</u>
Operating margin:		
GAAP operating margin	19.4 %	15.5 %
Stock-based compensation expense as a percentage of revenue	6.8	7.5
Amortization of stock-based compensation capitalized in software development costs as a percentage of revenue	0.1	0.1
Amortization of purchased intangibles as a percentage of revenue	1.0	1.2
Non-GAAP operating margin	<u>27.3 %</u>	<u>24.3 %</u>

Critical Accounting Policies and Estimates

Our Condensed Consolidated Financial Statements and the related notes are prepared in accordance with GAAP. The preparation of our Condensed Consolidated Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

There have been no material changes to our critical accounting policies and estimates described in our Annual Report that have had a material impact on our Condensed Consolidated Financial Statements and related notes.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

Investment Securities

As of March 31, 2026, we had \$4.2 million of investment securities consisting of United States government and agency securities. The primary objective of investing in securities is to support our liquidity and capital needs. We did not purchase these investments for trading or speculative purposes and have not used any derivative financial instruments to manage our interest rate risk exposure.

Our investment securities are exposed to market risk due to interest rate fluctuations. While fluctuations in interest rates do not impact our interest income from our investment securities as all of these securities have fixed interest rates, changes in interest rates may impact the fair value of the investment securities. Since our investment securities are held as available for sale, all changes in fair value impact our other comprehensive income unless an investment security is considered impaired in which case changes in fair value are reported in other expense. Due to the relatively short-term nature of our investment portfolio, a hypothetical 100 basis point change in interest rates would not have a material effect on the fair value of our portfolio for the periods presented.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the supervision and participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly Report. Based on this evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered by this Quarterly Report, our disclosure controls and procedures were designed at the reasonable assurance level and were effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the period covered by this Quarterly Report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

For information regarding legal proceedings, refer to Note 6, *Commitments and Contingencies* of our Condensed Consolidated Financial Statements.

Item 1A. Risk Factors

An investment in our Class A common stock involves risks. Before making an investment decision, you should carefully consider all of the information in this Quarterly Report, including in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Condensed Consolidated Financial Statements and related notes. In addition, you should carefully consider the risks and uncertainties described in the section entitled "Risk Factors" in our Annual Report, which was filed with the SEC on February 5, 2026. If any of the identified risks are realized, our business, financial condition, operating results, cash flows and prospects could be materially and adversely affected. In that case, the trading price of our Class A common stock may decline. In addition, other risks of which we are currently unaware, or which we do not currently view as material, could have a material adverse effect on our business, financial condition, operating results, cash flows and prospects. As of the date of this Quarterly Report, there have been no material changes to the risk factors previously disclosed under the section entitled "Risk Factors" in Part I, Item IA of our Annual Report.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The table below summarizes our repurchases of our Class A common stock during the three months ended March 31, 2026.

Period	Total Number of Shares Repurchased ⁽¹⁾ (in thousands)	Average Price Paid Per Share ⁽²⁾	Total Number of Shares Purchased as Part of the Publicly Announced Plans or Programs (in thousands)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in millions)
January 1, 2026 to January 31, 2026	—	\$ —	—	\$ 250.0
February 1, 2026 to February 28, 2026	609	\$ 177.31	609	\$ 142.1
March 1, 2026 to March 31, 2026	94	\$ 182.07	94	\$ 125.0
Total	703	\$ 177.95	703	

⁽¹⁾ On April 23, 2025, our Board authorized the repurchase of up to \$300.0 million of shares of our Class A common stock pursuant to the 2025 Stock Repurchase Program. The 2025 Stock Repurchase Program has no expiration date and can be modified, suspended, or terminated at any time and for any reason. For more information regarding the 2025 Stock Repurchase Program, refer to Note 7, Share Repurchase Program, of our Condensed Consolidated Financial Statements and Part I, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources" of this Quarterly Report.

⁽²⁾ Average price paid per share inclusive of broker commissions.

Item 5. Other Information

(c) On March 12, 2026, Janet Kerr, a member of our Board, adopted a Rule 10b5-1 trading arrangement providing for the sale of up to 3,500 shares of our Class A common stock between June 30, 2026 and December 31, 2026. This trading arrangement was entered into during an open insider trading window and is intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act.

On March 13, 2026, Don Rigler, our Vice President of Accounting (Principle Accounting Officer), adopted a Rule 10b5-1 trading arrangement providing for the sale of up to 1,650 shares of our Class A common stock between June 12, 2026 and November 13, 2028. This trading arrangement was entered into during an open insider trading window and is intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act.

On March 6, 2026, Evan Pickering, our General Counsel and Corporate Secretary, terminated a Rule 10b5-1 trading arrangement that he had adopted on May 15, 2025, prior to his appointment as an officer (as defined in Rule 16a-1(f) under the Exchange Act). This trading arrangement provided for the sale between August 10, 2025 and May 1, 2026 of an indeterminate number of shares of our Class A common stock received by Mr. Pickering in connection with the vesting in between August 10,

2025 and February 10, 2026 of certain RSUs and PSUs held by Mr. Pickering. The actual number of shares of Class A common stock sold depended on the vesting of the RSUs and PSUs and the number of shares withheld to satisfy tax withholding obligations. This trading arrangement was entered into during an open trading window and is intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act.

On March 13, 2026, Mr. Pickering adopted a new Rule 10b5-1 trading arrangement providing for the sale between June 12, 2026 and June 30, 2028 of (i) up to 1,554 shares of our Class A common stock and (ii) an indeterminate number of shares of our Class A common stock received by Mr. Pickering in connection with the vesting between May 10, 2026 and May 10, 2028 of certain RSUs and PSUs held by Mr. Pickering. The actual number of shares of Class A common stock sold will depend on the vesting of the RSUs and PSUs and the number of shares withheld to satisfy tax withholding obligations. This trading arrangement was entered into during an open trading window and is intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act.

On March 13, 2026, Tim Eaton, our Chief Financial Officer, adopted a Rule 10b5-1 trading arrangement providing for the sale between June 15, 2026 and November 22, 2027 of (i) up to 2,211 shares of our Class A common stock and (ii) an indeterminate number of shares of our Class A common stock received by Mr. Eaton in connection with the vesting between May 10, 2026 and November 10, 2027 of certain RSUs and PSUs held by Mr. Eaton. The actual number of shares of Class A common stock sold will depend on the vesting of the RSUs and PSUs and the number of shares withheld to satisfy tax withholding obligations. This trading arrangement was entered into during an open trading window and is intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act.

Item 6. Exhibits

Exhibit Number	Description of Document
10.1	Second Amended and Restated Employment Agreement, dated April 9, 2026, by and between Shane Trigg and the Company
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) promulgated under the Securities Exchange Act of 1934, as amended
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) promulgated under the Securities Exchange Act of 1934, as amended
32.1*	Certifications of Chief Executive Officer and Principal Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* The certifications attached as Exhibit 32.1 accompany this Quarterly Report pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed “filed” by the registrant for purposes of Section 18 of the Exchange Act, and are not to be incorporated by reference into any of the registrant’s filings under the Securities Act or the Exchange Act, whether made before or after the date of this Quarterly Report, irrespective of any general incorporation language contained in any such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AppFolio, Inc.

Date: April 23, 2026

By: /s/ Shane Trigg
Shane Trigg
Chief Executive Officer
(Principal Executive Officer)

Date: April 23, 2026

By: /s/ Tim Eaton
Tim Eaton
Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Shane Trigg, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of AppFolio, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 23, 2026

/s/ Shane Trigg

Shane Trigg
Chief Executive Officer

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Tim Eaton, certify that:

1. I have reviewed this the Quarterly Report on Form 10-Q of AppFolio, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 23, 2026

/s/ Tim Eaton

Tim Eaton
Chief Financial Officer

**CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The following certifications are hereby made in connection with the Quarterly Report on Form 10-Q of AppFolio, Inc. (the "Company") for the period ended March 31, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"):

I, Shane Trigg, President and Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge, (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods presented.

Date: April 23, 2026

By: /s/ Shane Trigg
Shane Trigg
President and Chief Executive Officer

I, Tim Eaton, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge, (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods presented.

Date: April 23, 2026

By: /s/ Tim Eaton
Tim Eaton
Chief Financial Officer