

May 2025

Q1'25 Earnings Results

Teradata Investor Relations

teradata.

© 2025 Teradata. All rights reserved.



Forward-looking statements

This release contains forward-looking statements within the meaning of Section 21E of the Securities and Exchange Act of 1934. Forward-looking statements generally relate to opinions, beliefs, and projections of expected future financial and operating performance, business trends, liquidity, and market conditions, among other things. These forward-looking statements are based upon current expectations and assumptions and often can be identified by words such as “expect,” “strive,” “looking ahead,” “outlook,” “guidance,” “forecast,” “anticipate,” “continue,” “plan,” “estimate,” “believe,” “focus,” “see,” “commit,” “should,” “project,” “will,” “would,” “likely,” “intend,” “potential,” or similar expressions. Forward-looking statements in this release include our 2025 second quarter and 2025 full year financial outlook, Chief Financial Officer transition, and product innovation and demand. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially, including those relating to: the global economic environment and business conditions in general, including inflation, tariffs, and/or recessionary conditions; the ability of our suppliers to meet their commitments to us; the timing of purchases, migrations, or expansions by our current and potential customers, including our ability to retain customers; the rapidly changing and intensely competitive nature of the information technology industry, the data analytics business, and artificial intelligence capabilities; fluctuations in our operating, capital allocation, and cash flow results; our ability to execute and realize the anticipated benefits of our

refreshed brand, business transformation program or restructuring, sales and operational execution initiatives, and cost saving initiatives, including the 2024 restructuring actions; risks inherent in operating in foreign countries, including sanctions, tariffs, foreign currency fluctuations, and/or acts of war; risks associated with data privacy, cyberattacks and maintaining secure and effective products for our customers, as well as, internal information technology and control systems; the timely and successful development, production or acquisition, availability and/or market acceptance of new and existing products, product features and services, including for artificial intelligence; tax rates; turnover of our workforce and the ability to attract and retain skilled employees; protecting our intellectual property; availability and successful execution of new alliance and acquisition opportunities; subscription arrangements that may be cancelled or fail to be renewed; the impact on our business and financial reporting from the implementation of a new ERP system and changes in accounting rules; and other factors described from time to time in Teradata’s filings with the U.S. Securities and Exchange Commission, including its most recent annual report on Form 10-K, and subsequent quarterly reports on Forms 10-Q or current reports on Forms 8-K, as well as Teradata’s annual report to stockholders. Teradata does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Non-GAAP Financial Measures

This presentation and the accompanying discussion include certain non-GAAP financial measures, which exclude such items as stock-based compensation expense and other special items, as well as other non-GAAP financial measures, such as free cash flow (FCF) and constant currency revenue comparisons. Please refer to the Appendix for a reconciliation of non-GAAP to GAAP measures as well as additional useful information regarding Teradata’s use of non-GAAP financial measures.

Teradata – at a glance

Corporate purpose

We believe people thrive when empowered with trusted information.

What we do

We are the hybrid cloud platform for Trusted AI. We drive value and innovation at scale, making it faster and easier to grow your business.

How we do it

We deliver harmonized data, Trusted AI, and faster innovation for better decision-making.

Financial Overview



\$606M Public Cloud ARR; an increase of 16% YoY in CC and now comprises 42% of Total ARR⁽¹⁾⁽²⁾



Q1'25 Non-GAAP Diluted EPS of \$0.66, up 15% YoY⁽²⁾



Q1'25 Non-GAAP operating margin of 21.8%, up 270 bps YoY⁽²⁾



Q1'25 FCF of \$7M⁽²⁾

Notes:

(1) Total annual recurring revenue (ARR) is defined as the annual value at a point in time of all recurring contracts, including subscription, cloud, software upgrade rights, and maintenance. Total ARR does not include managed services and third-party software. Public cloud ARR is defined as the annual value at a point in time of all contracts related to public cloud implementations of Teradata VantageCloud and does not include ARR related to private or managed cloud implementations. The Company believes these are useful metrics to investors as it demonstrates progress toward achieving our strategic objectives as outlined in the Form 10-K and Form 10-Q. The impact of currency on ARR is determined by calculating the prior period ending ARR using the current period end currency rates. The impact of currency on revenue is determined by calculating the prior-period results using the current-year monthly average currency rates. See the foreign currency fluctuation schedule, which is used to determine revenue on a constant currency ("CC") basis, on the Investor Relations page of the Company's website at investor.teradata.com.

(2) Constant currency, non-GAAP operating income/margin, non-GAAP diluted earnings per share and free cash flow ("FCF") are non-GAAP financial measures. Please refer to the Appendix for additional information on these non-GAAP financial measures, including reconciliations to the nearest GAAP measures.

Q1'25 Financials

Teradata – by the numbers Q1'25

Public Cloud ARR

\$606M

+ 15% YoY

+ 16% YoY in CC

Total ARR

\$1.442M

- 3% YoY

- 2% YoY in CC

Recurring Revenue

\$358M

- 8% YoY

- 6% YoY in CC

Total Revenue

\$418M

- 10% YoY

- 8% YoY in CC

Notes: Total annual recurring revenue (ARR) is defined as the annual value at a point in time of all recurring contracts, including subscription, cloud, software upgrade rights, and maintenance. Total ARR does not include managed services and third-party software. Public cloud ARR is defined as the annual value at a point in time of all contracts related to public cloud implementations of Teradata VantageCloud and does not include ARR related to private or managed cloud implementations. The Company believes these are useful metrics to investors as it demonstrates progress toward achieving our strategic objectives as outlined in the Form 10-K and Form 10-Q. The impact of currency on ARR is determined by calculating the prior period ending ARR using the current period end currency rates. The impact of currency on revenue is determined by calculating the prior-period results using the current-year monthly average currency rates. See the foreign currency fluctuation schedule, which is used to determine revenue on a constant currency ("CC") basis, on the Investor Relations page of the Company's website at investor.teradata.com.

Teradata – by the numbers Q1'25

GAAP Diluted Earnings per Share

\$0.45

+ from \$0.20 in Q1'24

Non-GAAP Diluted Earnings per Share

\$0.66

+ from \$0.57 in Q1'24

Cash Flow from Operations

\$8M

- from \$27M in Q1'24

Free Cash Flow

\$7M

- from \$21M in Q1'24

NOTES: Non-GAAP diluted earnings per share and free cash flow are non-GAAP financial measures. Please refer to the Appendix for additional information on these non-GAAP financial measures, including reconciliations to the nearest GAAP measures.

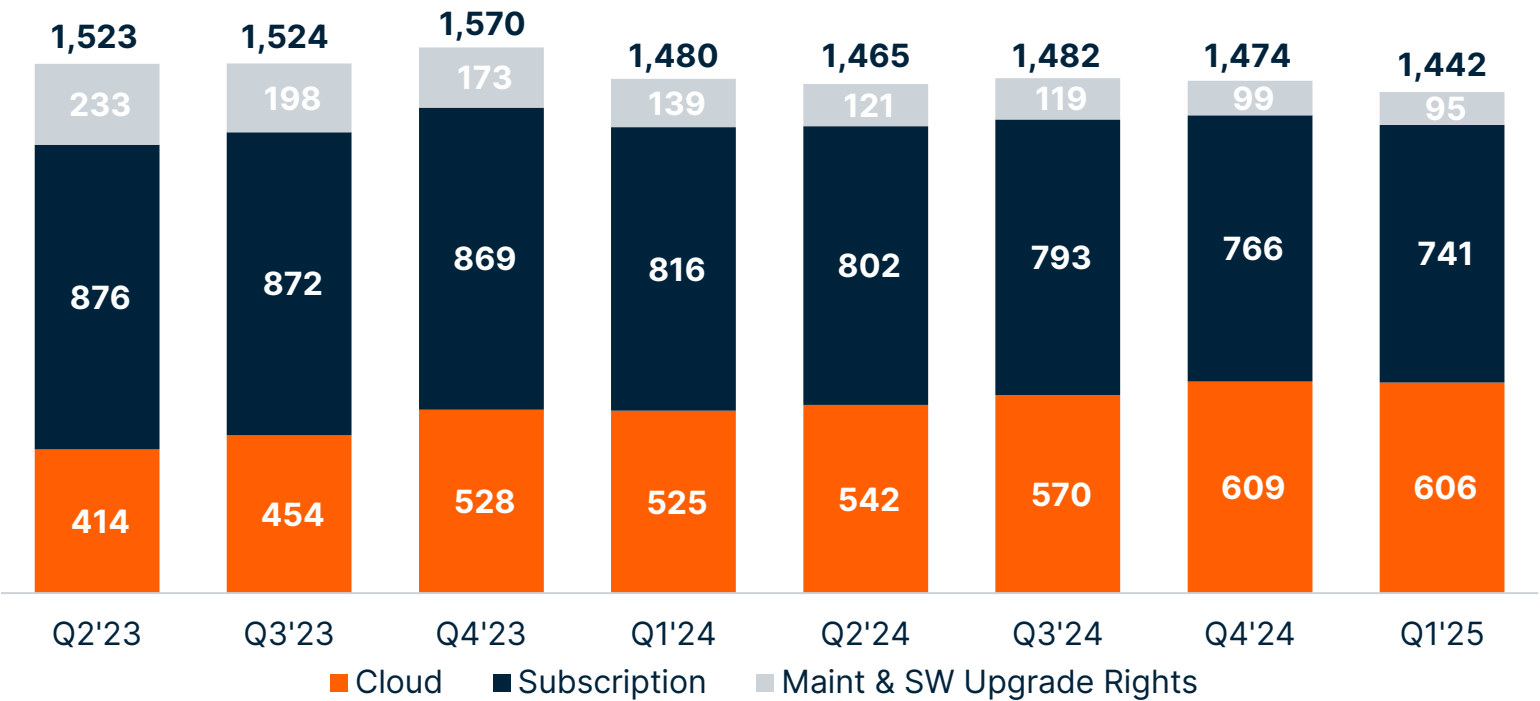
ARR by product

\$1.442M

- 3% YoY

- 2% YoY in CC

42% Cloud ARR as a % of Total ARR



	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25
Cloud ARR as a % of Total ARR	27%	30%	34%	35%	37%	38%	41%	42%

Notes: Amounts in U.S. Dollars in Millions. Please see Teradata's Form 10-K for the period ended December 31, 2024, for additional information. The Appendix contains a summary of impacts to ARR, Total Revenue and Recurring Revenue in FY23, FY24 and FY25. Subscription ARR (included within total ARR) - annual contract value for all active and contractually binding term-based contracts at the end of a period. Subscription ARR includes on-premises subscription-based transactions and private cloud. Maintenance and Software Upgrade Rights ARR (included within total ARR) - annual contract value for all active and contractually binding term-based contracts at the end of a period. Maintenance and Software Upgrade Rights ARR includes maintenance and software upgrade rights on perpetual products. The Company believes these are useful metrics to investors as it demonstrates progress toward achieving our strategic objectives as outlined in the Form 10-K and Form 10-Q. The impact of currency is determined by calculating the prior-period results using the current-year monthly currency rates. See the foreign currency fluctuation schedule, which is used to determine revenue on a constant currency ("CC") basis, on the Investor Relations page of the Company's website at investor.teradata.com.

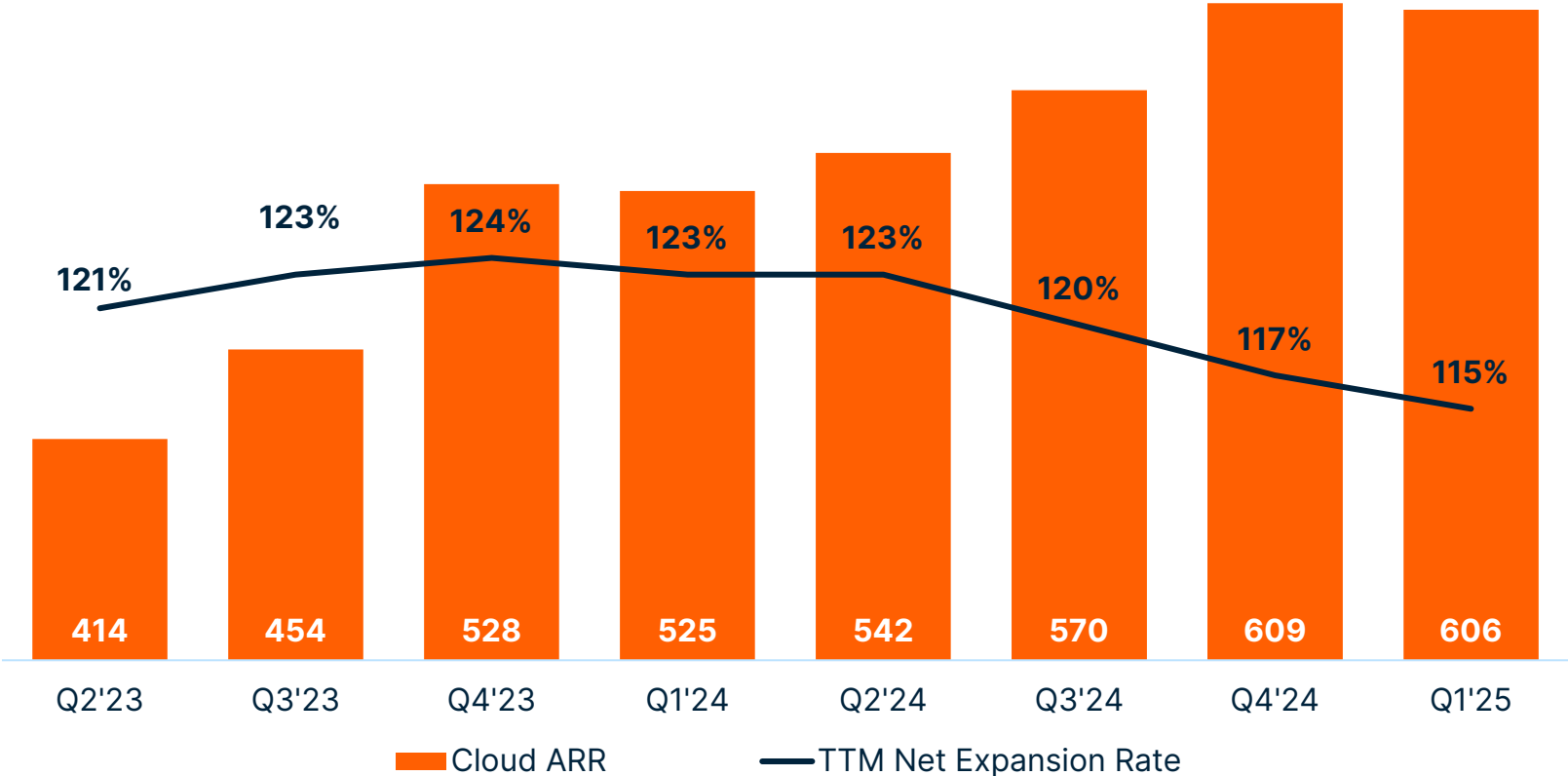
Cloud ARR & TTM Net Expansion Rate

\$606M

+ 15% YoY

+ 16% YoY in CC

115% Cloud Net Expansion Rate



Notes:

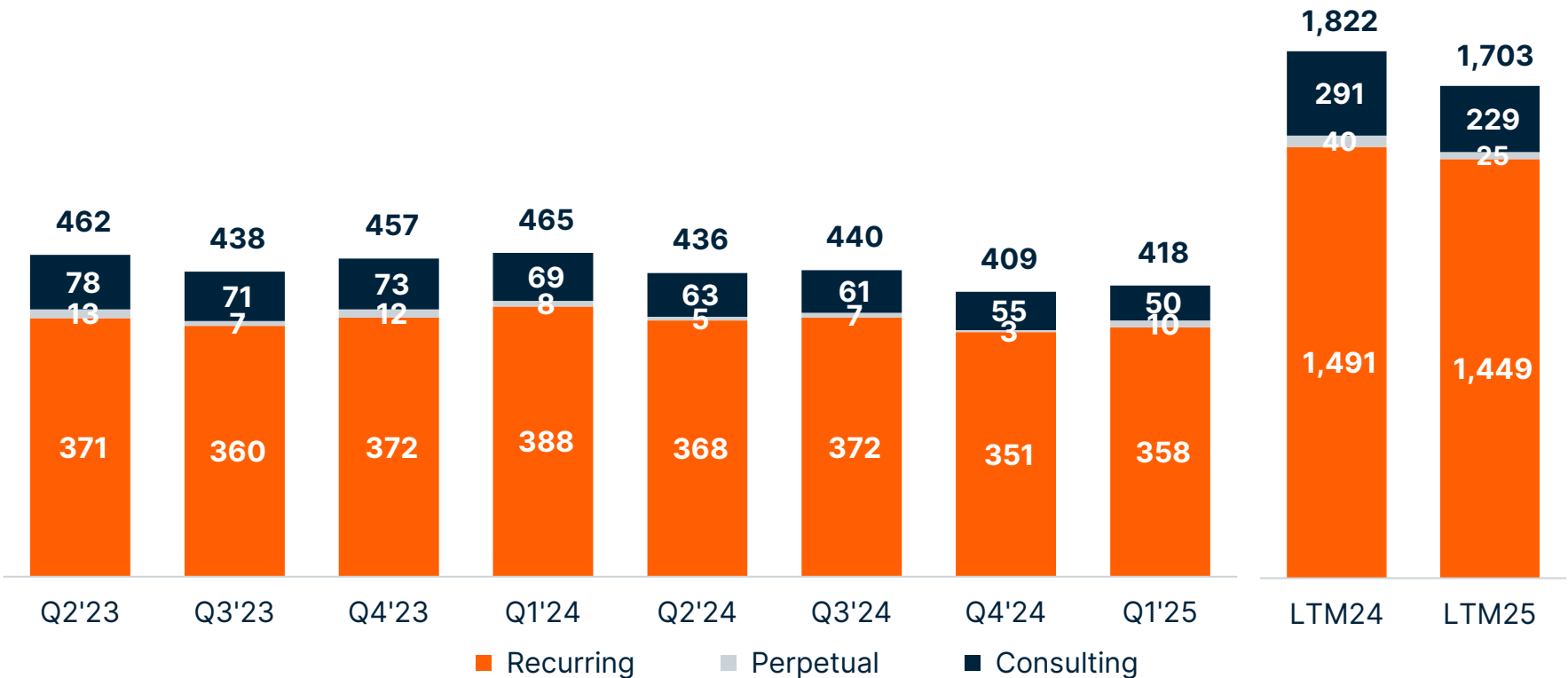
- 1) Amounts in U.S. Dollars in Millions. Public cloud ARR is defined as the annual value at a point in time of all contracts related to public cloud implementations of Teradata VantageCloud and does not include ARR related to private or managed cloud implementations.
- 2) The impact of currency is determined by calculating the prior-period results using the current-year monthly currency rates
- 3) Teradata calculates its last-twelve months dollar-based cloud net expansion rate as of a fiscal quarter end as follows:
 - We identify the ARR for active cloud customers in the fiscal quarter ending one year prior to the given fiscal quarter (the "base period");
 - We then identify the Public Cloud ARR in the given fiscal quarter (the "current period") from the same set of active cloud customers as the base period, including increases in usage, as well as reductions and cancellations, and additional conversions of on-premises revenues to the cloud for customers active in the base period, all in constant currency; and
 - The quarterly dollar-based, Cloud Net Expansion Rate is calculated by taking the ARR from the current period and dividing by the ARR from the base period.
 - The last twelve-month dollar-based cloud net expansion rate is calculated by taking the average of the quarterly dollar-based cloud net expansion rate from the last fiscal quarter and the prior three fiscal quarters.

Revenue by type

\$418M

- 8% YoY
- 6% CC

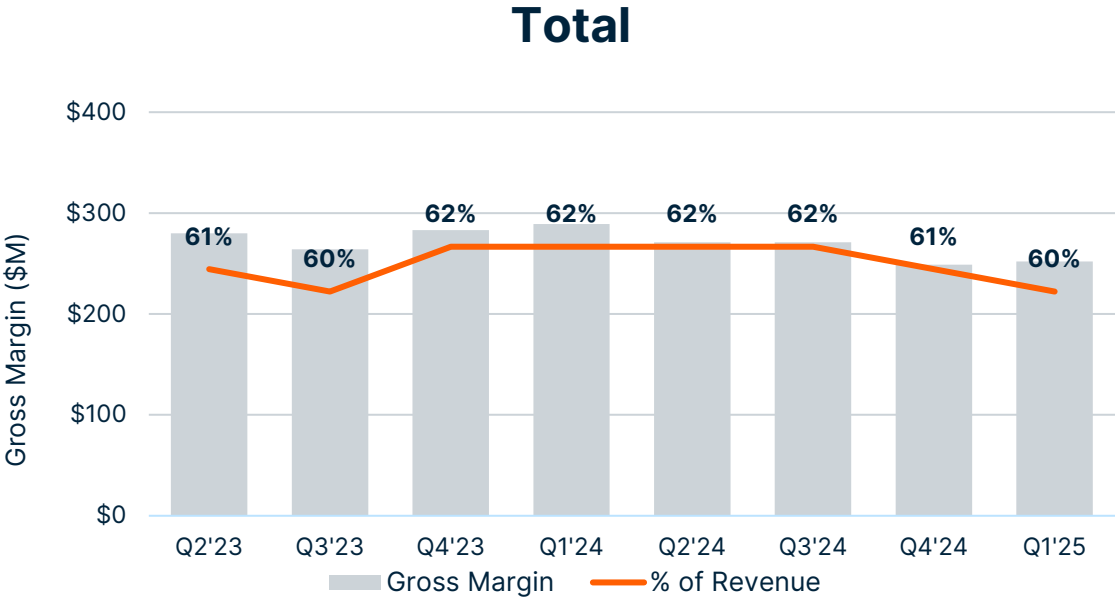
86% Recurring Revenue as a % of Total Revenue



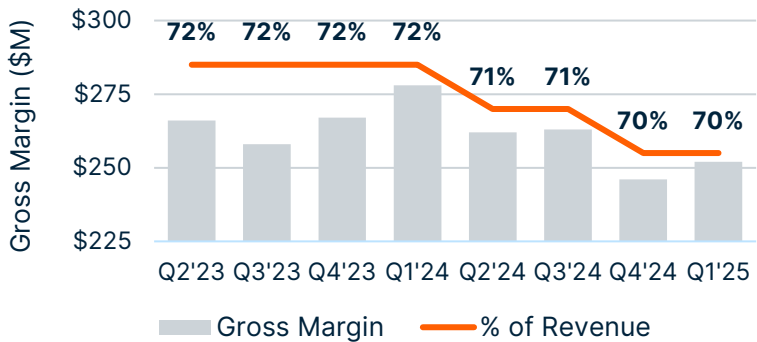
	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	LTM24	LTM25
Recurring Revenue as a % of Total Revenue	80%	82%	81%	83%	84%	85%	86%	86%	82%	85%

Notes: The Appendix contains a summary of impacts to ARR, Total Revenue and Recurring Revenue in FY23, FY24 and FY25. The impact of currency is determined by calculating the prior-period results using the current-year monthly average currency rates. See the foreign currency fluctuation schedule, which is used to determine revenue on a constant currency ("CC") basis, on the Investor Relations page of the Company's website at investor.teradata.com.

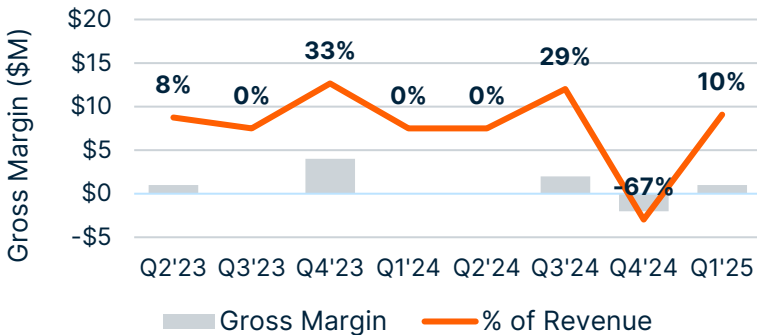
Non-GAAP gross margin



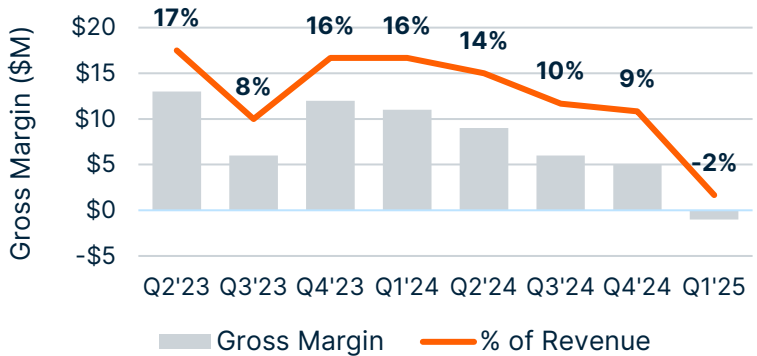
Recurring



Perpetual and Other



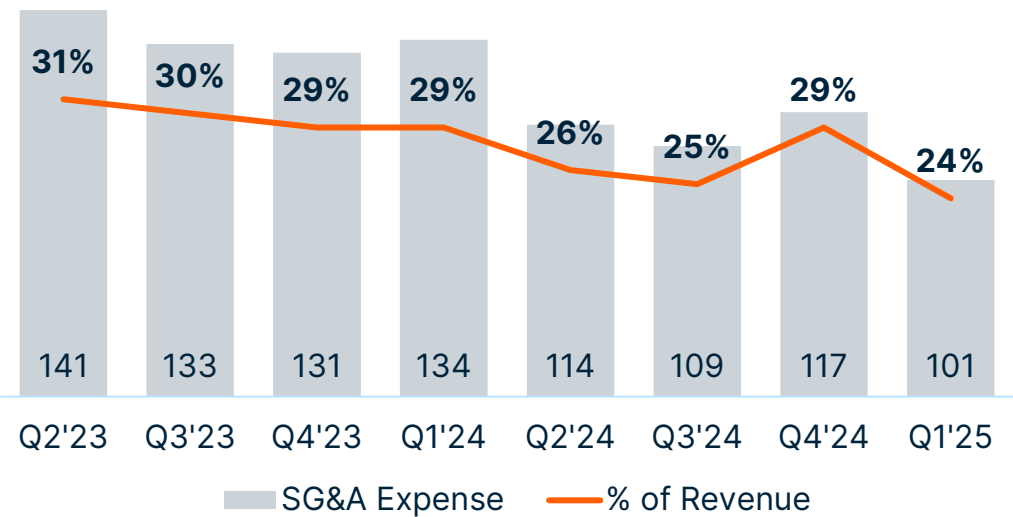
Consulting



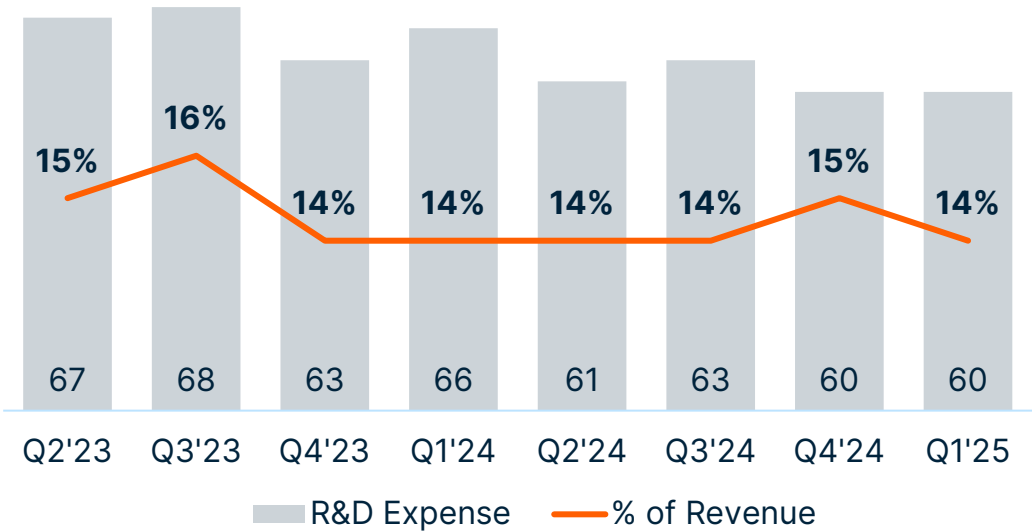
Notes: Non-GAAP gross margin percentage is a non-GAAP measure. Please see the Appendix for reconciliations of GAAP to non-GAAP measures and additional information

Non-GAAP operating expenses

SG&A



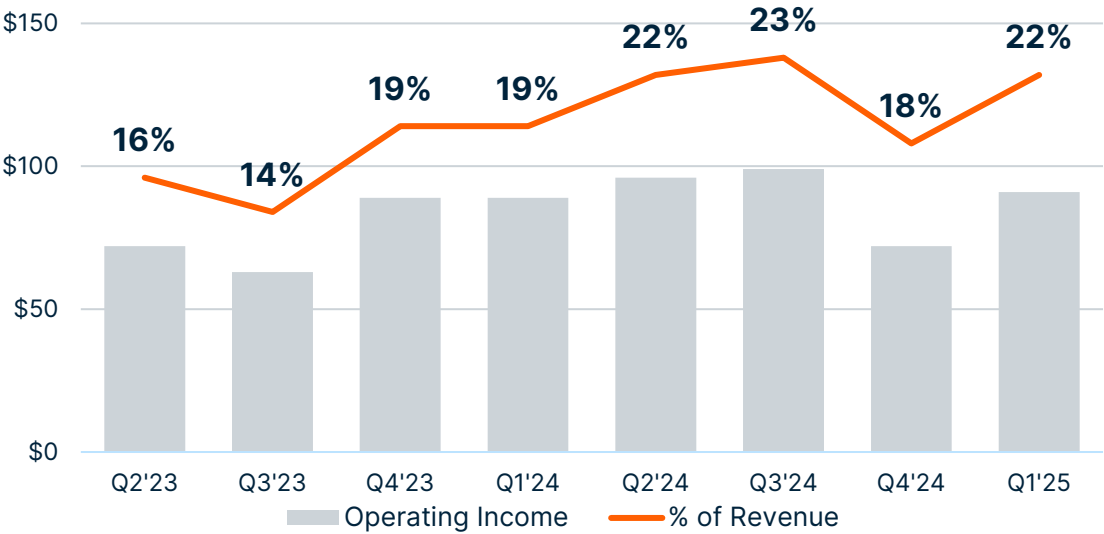
R&D



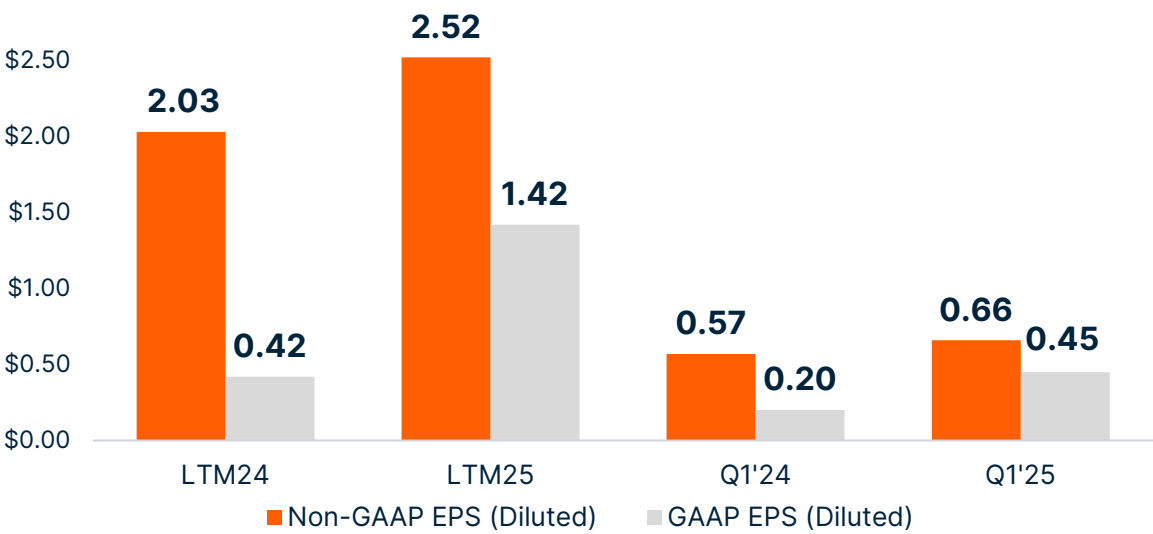
Notes: Amounts in U.S. Dollars in Millions, except for earnings per share. Non-GAAP SG&A and R&D expenses are non-GAAP measures. Please see the Appendix for reconciliations of GAAP to non-GAAP measures and additional information.

Non-GAAP operating margin & earnings per share

Non-GAAP Operating Margin

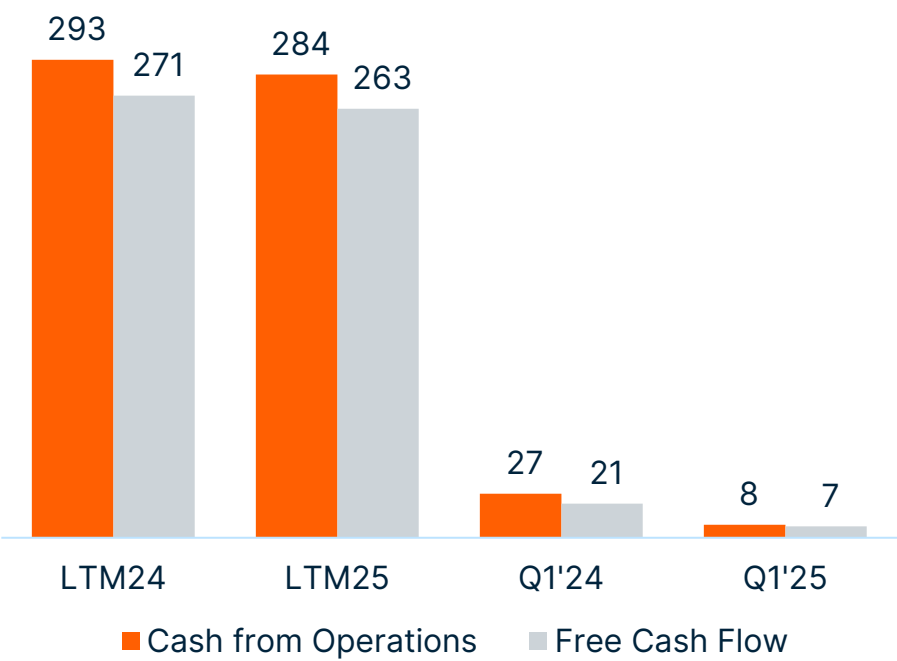


Earnings per Share



Notes: Amounts in U.S. Dollars in Millions, except for earnings per share. Non-GAAP operating margins and earnings per share are non-GAAP measures. Please see the Appendix for reconciliations of GAAP to non-GAAP measures and additional information.

Free cash flow & capital allocation



Q1'25 Capital Allocation

Stock repurchase

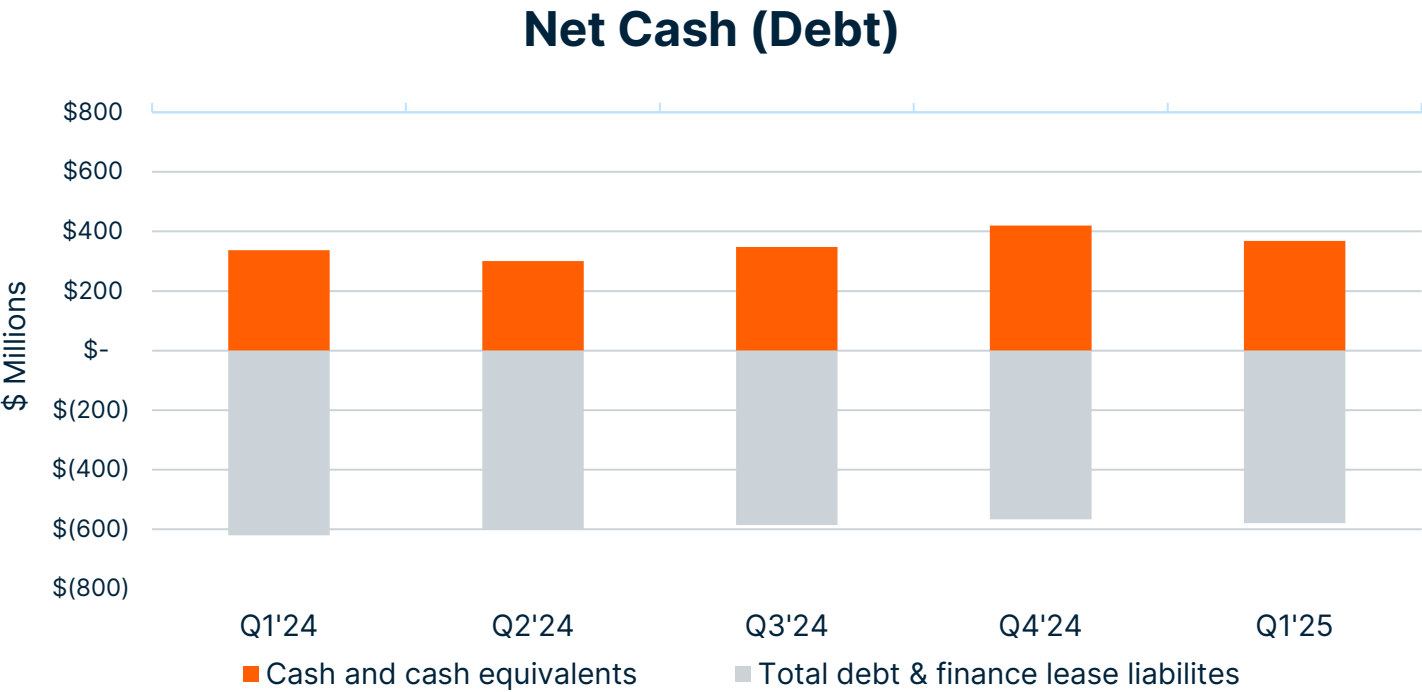
\$44M

Approximately 1.6 million shares

Return of Q1'25 FCF = 629%

Notes: Amounts in U.S. Dollars in Millions. Free cash flow (FCF) is a non-GAAP measure. Teradata defines FCF as cash provided by / used in operating activities, less total capital expenditures. Please see Appendix for additional information.

Select cash and debt balances



\$ Millions	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25
Cash and cash equivalents	\$ 337	\$ 301	\$ 348	\$ 420	\$ 368
Total debt	\$ (499)	\$ (492)	\$ (486)	\$ (480)	\$ (474)
Finance lease liabilities	\$ (121)	\$ (110)	\$ (100)	\$ (87)	\$ (105)
Net cash (debt)	\$ (283)	\$ (301)	\$ (238)	\$ (147)	\$ (211)

2025 Financial Outlook

FY25 financial outlook



Public cloud ARR

growth of 14% to 18% YoY in CC



Recurring revenue

in the range of -3% to -5% YoY in CC



Non-GAAP diluted EPS

in the range of \$2.15 to \$2.25



Total ARR

growth of flat to 2% YoY in CC



Total revenue

in the range of -4% to -7% YoY in CC



Free cash flow

of \$250 to \$280 million

Notes:

Public Cloud ARR (included within Total ARR) - annual value at a point in time of all contracts related to public cloud implementations of Teradata VantageCloud and does not include Annual Recurring Revenue ("ARR") related to private or managed cloud implementations. Total Annual Recurring Revenue ("Total ARR") - annual value at a point in time of all recurring contracts, including subscription, cloud, software upgrade rights, and maintenance. Total ARR does not include managed services and third-party software. Non-GAAP diluted earnings per share (EPS) and free cash flow (FCF) are non-GAAP measures. Please see the Appendix for reconciliation of GAAP to non-GAAP measures and additional information.

We are providing an outlook for the 2025 growth rates for public cloud ARR, total ARR, recurring revenue, and total revenue in constant currency to provide better visibility into the underlying growth of the business. Teradata calculates public cloud ARR and total ARR in constant currency by calculating the prior period ending public cloud ARR or total ARR, as applicable, using the current period end currency rates. It is impractical to provide a schedule on currency period end rates at a future point in time. Teradata calculates recurring revenue and total revenue in constant currency by using the prior-period results with the current-year monthly average currency rates. See the foreign currency fluctuation schedule on the Investor Relations page of the Company's website at investor.teradata.com to calculate the anticipated impact of currency on the revenue outlook.

Q2'25 financial outlook



Recurring revenue

in the range of -5% to -7% YoY in CC



Total revenue

in the range of -7% to -9% YoY in CC



Non-GAAP diluted EPS

in the range of \$0.37 to \$0.41

Notes:

Non-GAAP diluted earnings per share (EPS) is a non-GAAP measures. Please see the Appendix for reconciliation of GAAP to non-GAAP measures and additional information.

We are providing an outlook for the second quarter 2025 growth rates for recurring revenue, and total revenue in constant currency to provide better visibility into the underlying growth of the business. Teradata calculates recurring revenue and total revenue in constant currency by using the prior-period results with the current-year monthly average currency rates. See the foreign currency fluctuation schedule on the Investor Relations page of the Company's website at investor.teradata.com to calculate the anticipated impact of currency on the revenue outlook.

FY25 key modeling assumptions



Non-GAAP Tax Rate

23.1%



WASO

97 million



Return of FCF

Target at least 50%



Other Expense

Approximately \$47 million

Industry and ESG Recognition

Industry recognition



Leader in The Forrester Wave™: **Data Management for Analytics Platforms, Q2 2025**

Leader in The Forrester Wave™: **Enterprise Data Fabric, Q1 2024**



Teradata recognized for our vision and execution in the 2024 Gartner® Magic Quadrant™ for **Cloud Database Management Systems**



550+ ratings

"works well with our analytics functions and meets the need of our team. It's fast and reliable, has the best features in industry"

Sr Manager Data Science – Healthcare

Submitted Oct 9, 2024 5.0 ★★★★★ Overall User Rating

Teradata recognized for our Ability to Execute and Completeness of Vision in the Gartner® Magic Quadrant™ for Cloud Database Management Systems

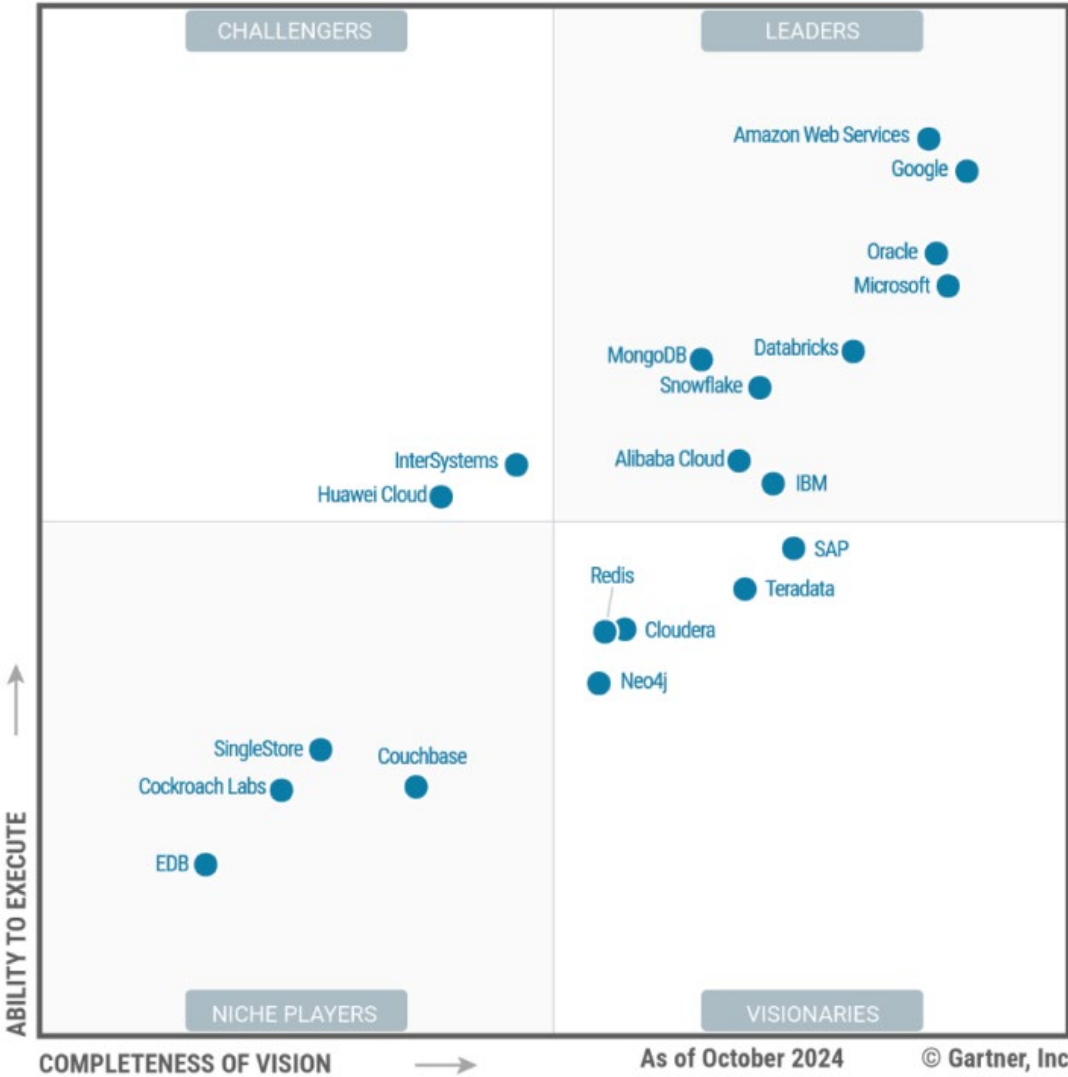
We offer a bold vision for how trusted AI will impact business and transform enterprises amid the rapid evolution of AI and cloud technology.

Gartner does not endorse any vendor, product, or service depicted in its research publications, and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner research publications consist of the opinions of Gartner's research organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.

Gartner, Magic Quadrant for Cloud Database Management Systems, By Henry Cook, Ramke Ramakrishnan, Xingyu Gu, Aaron Rosenbaum, Masud Miraz, 19 December 2024.

GARTNER is a registered trademark and service mark of Gartner, Inc. and/or its affiliates in the U.S. and internationally, Magic Quadrant is a registered trademark of Gartner, Inc. and/or its affiliates and is used herein with permission. All rights reserved.

Figure 1. Magic Quadrant to Cloud Database Management Systems



Strong performance across all evaluated Use Cases in Gartner® Critical Capabilities for Cloud Database Management Systems for Analytical Use Cases

- Tied for second in the Enterprise Data Warehouse Use Case
- Placed among the highest ranked five vendors across every evaluated Use Case—highlighting the breadth and strength of our product capabilities.

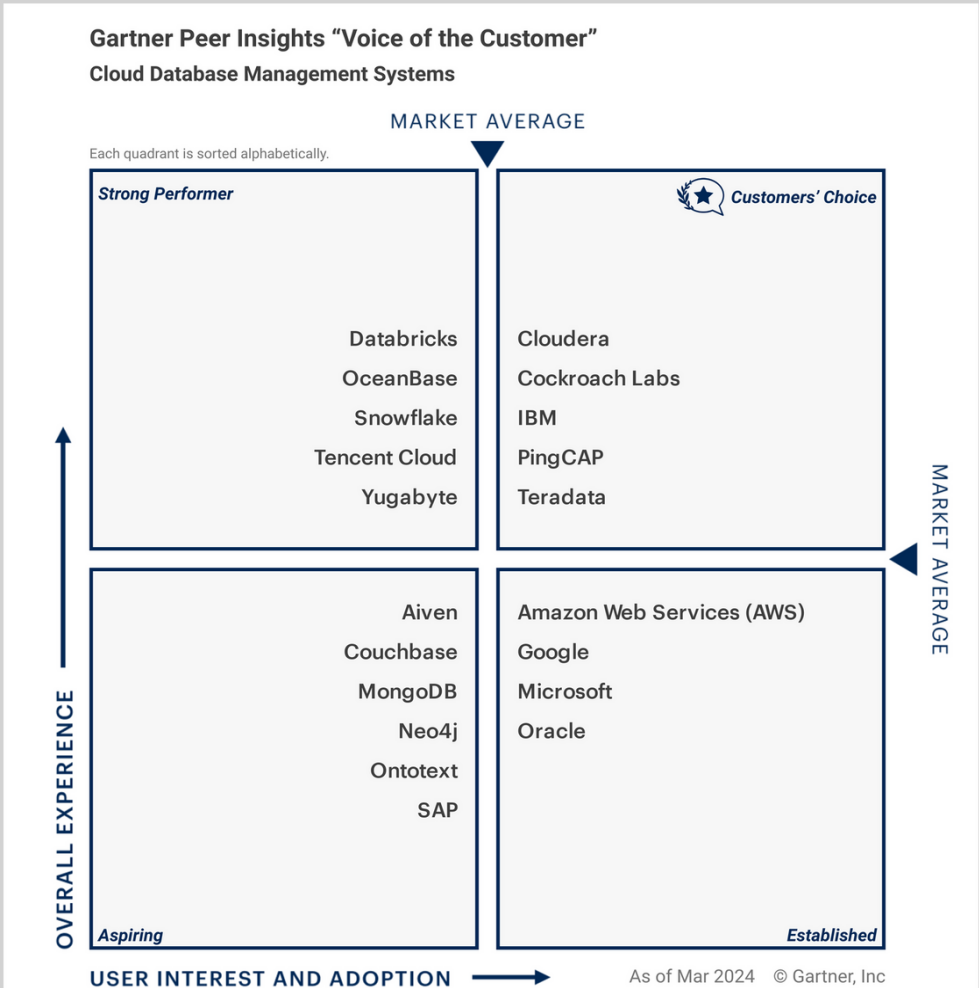
Gartner, Critical Capabilities for Cloud Database Management Systems for Analytical Use Cases, Aaron Rosenbaum, Henry Cook, Ramke Ramakrishnan, Xingyu Gu, Masud Miraz, 20 January, 2025.

Gartner does not endorse any vendor, product or service depicted in its research publications and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner research publications consist of the opinions of Gartner's Research & Advisory organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.

Teradata is a Customers' Choice

Teradata receives a 2024 Customers' Choice for Cloud Database Management Systems in the Gartner® Peer Insights™ 'Voice of the Customer' report!

Recognition is based on reviews and ratings from verified end-users, reflecting genuine satisfaction and positive experiences with Teradata.



Teradata recognized as **Exemplary** in four ISG Research Buyers Guides:

- Analytic Data Platforms

- Named a Leader in Product Experience and Capability

- AI Platforms

- Named a Leader in Manageability

- GenAI Platforms

- Named a Leader in Manageability

- Machine Learning Operations

- Named a Leader in Manageability





Teradata named a Leader in Enterprise Data Fabric, recognized for:

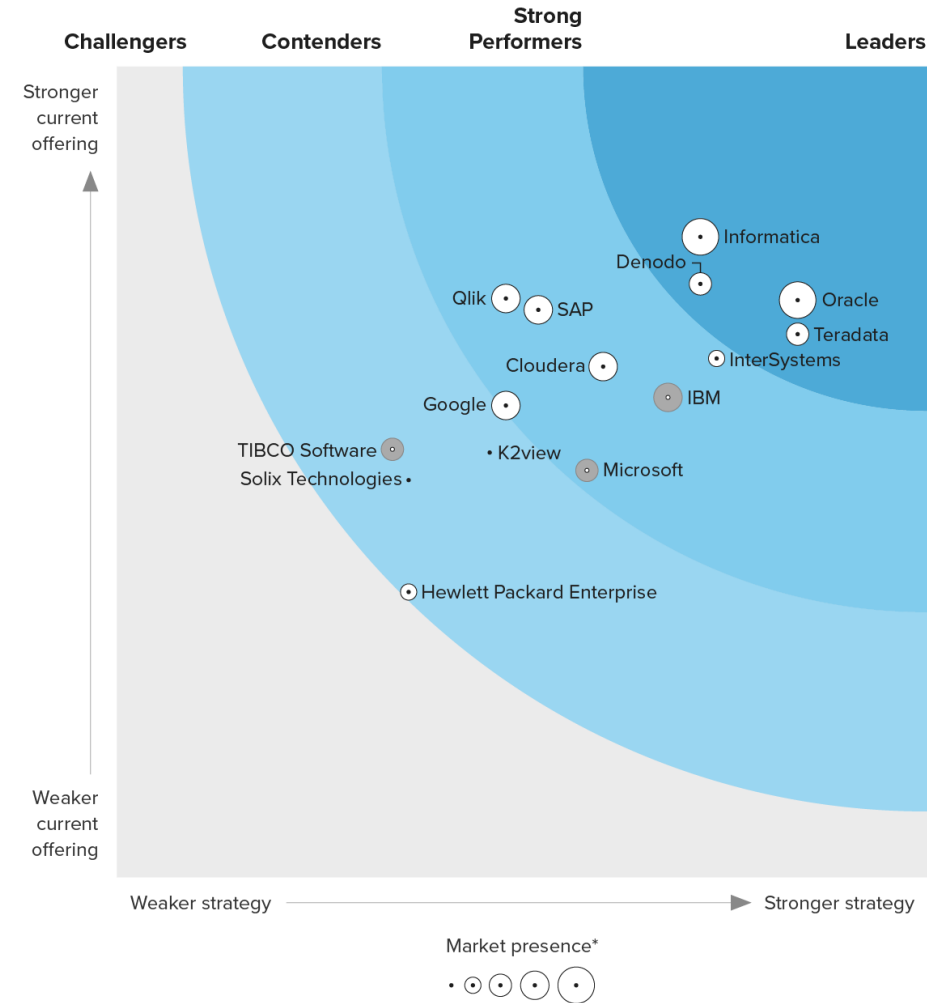
- “A clear, differentiated vision that focuses on intelligent processing, democratizing data, accelerating time to value, empowering users, agile data onboarding, and semantic knowledge mapping.”
- “Superior roadmap focuses on genAI/LLM, process automation, data quality, data sharing/collaboration, metadata management, and UI personalization.”

– Noel Yuhanna

The Forrester Wave is copyrighted by Forrester Research, Inc. Forrester and Forrester Wave are trademarks of Forrester Research, Inc. The Forrester Wave is a graphical representation of Forrester's call on a market and is plotted using a detailed spreadsheet with exposed scores, weightings, and comments. Forrester does not endorse any vendor, product, or service depicted in the Forrester Wave. Information is based on best available resources. Opinions reflect judgment at the time and are subject to change.



THE FORRESTER WAVE™
Enterprise Data Fabric
Q1 2024



Teradata is strongly committed to ESG

Accolades



Recognition



Affiliations



Appendix

GAAP to Non-GAAP Reconciliations and Additional Information

Use of Non-GAAP Measures

Teradata reports its results in accordance with GAAP. However, as described below, the Company believes that certain non-GAAP measures such as free cash flow, non-GAAP gross profit, non-GAAP operating expenses, non-GAAP operating income, non-GAAP net income, and non-GAAP diluted earnings per share, all of which exclude certain items, and which may be reported on a constant currency basis, are useful for investors. Our non-GAAP measures are not meant to be considered in isolation to, as substitutes for, or superior to, results determined in accordance with GAAP, and should be read only in conjunction with our condensed consolidated financial statements prepared in accordance with GAAP. Each of our non-GAAP measures do not have a uniform definition under GAAP and therefore, Teradata's definition may differ from other companies' definitions of these measures.

The following tables reconcile Teradata's actual and projected results and EPS under GAAP to the Company's actual and projected non-GAAP results and EPS for the periods presented, which exclude certain specified items. Our management internally uses supplemental non-GAAP financial measures, such as gross profit, operating income, net income, and EPS, excluding certain items, to understand, manage and evaluate our business and support operating decisions on a regular basis. The Company believes such non-GAAP financial measures (1) provide useful information to investors regarding the underlying business trends and performance of the Company's ongoing operations, (2) are useful for period-over-period comparisons of such operations and results, that may be more easily compared to peer companies and allow investors a view of the Company's operating results excluding stock-based compensation expense and special items, (3) provide useful information to management and investors regarding present and future business trends, and (4) provide consistency and comparability with past reports and projections of future results.

Three months ended March 31, 2025 and 2024

Amounts in U.S. Dollars in Millions, except per share amounts.
Amounts are unaudited.

NOTES:

1. While Teradata reports its results using generally accepted accounting principles in the U.S. (GAAP), certain non-GAAP financial measures may be used to reflect operational performance and to determine the effectiveness of its business management. Certain special items may be segregated from our GAAP results from time-to-time to reflect the on-going Earnings Per Share performance of the Company. Non-GAAP measures should not be used as a substitute for, or superior to, the Company's reported GAAP results.
2. Special items for the three months ended March 31, 2025 include \$3 million (\$1 million after-tax) for reorganization, transformation and other activities.
3. Special items for the three months ended March 31, 2024 include \$2 million (\$2 million after-tax) for losses on sale of Blue Chip Swap, and \$7 million (\$5 million after-tax) for reorganization, transformation and other activities.

	2025				2024				% Change Non-GAAP Yr/Yr
	GAAP	Stock-based Compensation Expense	Other Special Items ²	Non-GAAP ¹	GAAP	Stock-based Compensation Expense	Other Special Items ³	Non-GAAP ¹	
Revenue									
Recurring	\$ 358	\$ -	\$ -	\$ 358	\$ 388	\$ -	\$ -	\$ 388	-8%
Perpetual software licenses, hardware and other	10	-	-	10	8	-	-	8	25%
Consulting services	50	-	-	50	69	-	-	69	-28%
Total revenue	418	-	-	418	465	-	-	465	-10%
Gross profit									
Recurring	250	(2)	-	252	276	(2)	-	278	-9%
% of Revenue	69.8%			70.4%	71.1%			71.6%	
Perpetual software licenses, hardware and other	1	-	-	1	-	-	-	-	#DIV/0!
% of Revenue	10.0%			10.0%	0.0%			0.0%	
Consulting services	(3)	(2)	-	(1)	8	(2)	(1)	11	-109%
% of Revenue	-6.0%			-2.0%	11.6%			15.9%	
Total gross profit	248	(4)	-	252	284	(4)	(1)	289	-13%
% of Revenue	59.3%			60.3%	61.1%			62.2%	
Selling, general and administrative expenses	116	12	3	101	161	23	4	134	-25%
Research and development expenses	66	6	-	60	75	7	2	66	-9%
Total expenses	182	18	3	161	236	30	6	200	-20%
% of Revenue	43.5%			38.5%	50.8%			43.0%	
Income from operations	66	(22)	(3)	91	48	(34)	(7)	89	2%
% of Revenue	15.8%			21.8%	10.3%			19.1%	
Other expense, net	(8)	-	-	(8)	(16)	-	(2)	(14)	
Income before income taxes	58	(22)	(3)	83	32	(34)	(9)	75	11%
Income tax expense	14	(3)	(2)	19	12	(4)	(2)	18	
% Tax rate	24.1%			22.9%	37.5%			24.0%	
Net income	\$ 44	\$ (19)	\$ (1)	\$ 64	\$ 20	\$ (30)	\$ (7)	\$ 57	12%
% of Revenue	10.5%			15.3%	4.3%			12.3%	
Net income per common share									
Basic	\$ 0.46	\$ (0.20)	\$ (0.01)	\$ 0.67	\$ 0.21	\$ (0.31)	\$ (0.07)	\$ 0.59	14%
Diluted	\$ 0.45	\$ (0.20)	\$ (0.01)	\$ 0.66	\$ 0.20	\$ (0.30)	\$ (0.07)	\$ 0.57	16%
Weighted average common shares outstanding									
Basic	95.1			95.1	97.4			97.4	
Diluted	97.4			97.4	100.1			100.1	

Three months ended December 31, 2024 and 2023

Amounts in U.S. Dollars in Millions, except per share amounts.
Amounts are unaudited.

NOTES:

1. While Teradata reports its results using generally accepted accounting principles in the U.S. (GAAP), certain non-GAAP financial measures may be used to reflect operational performance and to determine the effectiveness of its business management. Certain special items may be segregated from our GAAP results from time-to-time to reflect the on-going Earnings Per Share performance of the Company. Non-GAAP measures should not be used as a substitute for, or superior to, the Company's reported GAAP results.
2. Special items for the three months ended December 31, 2024 include \$6 million (\$4 million after-tax) for reorganization, transformation and other activities.
3. Special items for the three months ended December 31, 2023 include \$13 million (\$21 million after-tax) for losses on sale of Blue Chip Swap, a \$12 million tax impact from a tax valuation allowance in Argentina, and \$13 million (\$8 million after-tax) for reorganization and transformation activities.

	2024				2023				% Change Non-GAAP Yr/Yr
	GAAP	Stock-based Compensation Expense	Other Special Items ²	Non-GAAP ¹	GAAP	Stock-based Compensation Expense	Other Special Items ³	Non-GAAP ¹	
Revenue									
Recurring	\$ 351	\$ -	\$ -	\$ 351	\$ 372	\$ -	\$ -	\$ 372	-6%
Perpetual software licenses, hardware and other	3	-	-	3	12	-	-	12	-75%
Consulting services	55	-	-	55	73	-	-	73	-25%
Total revenue	409	-	-	409	457	-	-	457	-11%
Gross profit									
Recurring	243	(2)	(1)	246	264	(3)	-	267	-8%
% of Revenue	69.2%			70.1%	71.0%			71.8%	
Perpetual software licenses, hardware and other	(2)	-	-	(2)	4	-	-	4	-150%
% of Revenue	-66.7%			-66.7%	33.3%			33.3%	
Consulting services	2	(2)	(1)	5	10	(2)	-	12	-58%
% of Revenue	3.6%			9.1%	13.7%			16.4%	
Total gross profit	243	(4)	(2)	249	278	(5)	-	283	-12%
% of Revenue	59.4%			60.9%	60.8%			61.9%	
Selling, general and administrative expenses	136	16	3	117	159	18	10	131	-11%
Research and development expenses	68	7	1	60	72	7	2	63	-5%
Total expenses	204	23	4	177	231	25	12	194	-9%
% of Revenue	49.9%			43.3%	50.5%			42.5%	
Income from operations	39	(27)	(6)	72	47	(30)	(12)	89	-19%
% of Revenue	9.5%			17.6%	10.3%			19.5%	
Other expense, net	(9)	-	-	(9)	(25)	-	(14)	(11)	
Income before income taxes	30	(27)	(6)	63	22	(30)	(26)	78	-19%
Income tax expense	5	(4)	(2)	11	29	(7)	15	21	
% Tax rate	16.7%			17.5%	131.8%			26.9%	
Net income (loss)	\$ 25	\$ (23)	\$ (4)	\$ 52	\$ (7)	\$ (23)	\$ (41)	\$ 57	-9%
% of Revenue	6.1%			12.7%	(1.5%)			12.5%	
Net income (loss) per common share									
Basic	\$ 0.26	\$ (0.24)	\$ (0.04)	\$ 0.54	\$ (0.07)	\$ (0.23)	\$ (0.42)	\$ 0.58	-6%
Diluted	\$ 0.26	\$ (0.24)	\$ (0.04)	\$ 0.53	\$ (0.07)	\$ (0.23)	\$ (0.42)	\$ 0.56	-5%
Weighted average common shares outstanding									
Basic	95.5			95.5	97.9			97.9	
Diluted	97.4			97.4	97.9			100.9	

Three months ended September 30, 2024 and 2023

Amounts in U.S. Dollars in Millions, except per share amounts.
Amounts are unaudited.

NOTES:

- 1. While Teradata reports its results using generally accepted accounting principles in the U.S. (GAAP), certain non-GAAP financial measures may be used to reflect operational performance and to determine the effectiveness of its business management. Certain special items may be segregated from our GAAP results from time-to-time to reflect the on-going Earnings Per Share performance of the Company. Non-GAAP measures should not be used as a substitute for, or superior to, the Company's reported GAAP results.
- 2. Special items for the three months ended September 30, 2024 include \$14 million (\$10 million after-tax) for reorganization, transformation and other activities.
- 3. Special items for the three months ended September 30, 2023 include \$3 million (\$3 million after-tax) for reorganization and transformation activities.

	2024				2023				% Change Non-GAAP Yr/Yr
	GAAP	Stock-based Compensation Expense	Other Special Items ²	Non-GAAP ¹	GAAP	Stock-based Compensation Expense	Other Special Items ³	Non-GAAP ¹	
Revenue									
Recurring	\$ 372	\$ -	\$ -	\$ 372	\$ 360	\$ -	\$ -	\$ 360	3%
Perpetual software licenses, hardware and other	7	-	-	7	7	-	-	7	0%
Consulting services	61	-	-	61	71	-	-	71	-14%
Total revenue	440	-	-	440	438	-	-	438	0%
Gross profit									
Recurring	261	(2)	-	263	255	(2)	(1)	258	2%
% of Revenue	70.2%			70.7%	70.8%			71.7%	
Perpetual software licenses, hardware and other	2	-	-	2	-	-	-	-	#DIV/0!
% of Revenue	28.6%			28.6%	0.0%			0.0%	
Consulting services	3	(2)	(1)	6	4	(2)	-	6	0%
% of Revenue	4.9%			9.8%	5.6%			8.5%	
Total gross profit	266	(4)	(1)	271	259	(4)	(1)	264	3%
% of Revenue	60.5%			61.6%	59.1%			60.3%	
Selling, general and administrative expenses	137	19	9	109	156	22	1	133	-18%
Research and development expenses	73	6	4	63	76	7	1	68	-7%
Total expenses	210	25	13	172	232	29	2	201	-14%
% of Revenue	47.7%			39.1%	53.0%			45.9%	
Income from operations	56	(29)	(14)	99	27	(33)	(3)	63	57%
% of Revenue	12.7%			22.5%	6.2%			14.4%	
Other expense, net	(9)	-	-	(9)	(14)	-	-	(14)	
Income before income taxes	47	(29)	(14)	90	13	(33)	(3)	49	84%
Income tax expense	15	(4)	(4)	23	1	(5)	-	6	
% Tax rate	31.9%			25.6%	7.7%			12.2%	
Net income	\$ 32	\$ (25)	\$ (10)	\$ 67	\$ 12	\$ (28)	\$ (3)	\$ 43	56%
% of Revenue	7.3%			15.2%	2.7%			9.8%	
Net income per common share									
Basic	\$ 0.33	\$ (0.26)	\$ (0.10)	\$ 0.70	\$ 0.12	\$ (0.28)	\$ (0.03)	\$ 0.43	61%
Diluted	\$ 0.33	\$ (0.26)	\$ (0.10)	\$ 0.69	\$ 0.12	\$ (0.27)	\$ (0.03)	\$ 0.42	64%
Weighted average common shares outstanding									
Basic	96.1			96.1	99.2			99.2	
Diluted	97.0			97.0	102.0			102.0	

Three months ended June 30, 2024 and 2023

Amounts in U.S. Dollars in Millions, except per share amounts.
Amounts are unaudited.

NOTES:

- 1. While Teradata reports its results using generally accepted accounting principles in the U.S. (GAAP), certain non-GAAP financial measures may be used to reflect operational performance and to determine the effectiveness of its business management. Certain special items may be segregated from our GAAP results from time-to-time to reflect the on-going Earnings Per Share performance of the Company. Non-GAAP measures should not be used as a substitute for, or superior to, the Company's reported GAAP results.
- 2. Special items for the three months ended June 30, 2024 include \$1 million (\$1 million after-tax) for reorganization, transformation and other activities.
- 3. Special items for the three months ended June 30, 2023 include \$4 million (\$2 million after-tax) for reorganization and transformation activities.

	2024				2023				% Change Non-GAAP Yr/Yr
	GAAP	Stock-based Compensation Expense	Other Special Items ²	Non-GAAP ¹	GAAP	Stock-based Compensation Expense	Other Special Items ³	Non-GAAP ¹	
Revenue									
Recurring	\$ 368	\$ -	\$ -	\$ 368	\$ 371	\$ -	\$ -	\$ 371	-1%
Perpetual software licenses, hardware and other	5	-	-	5	13	-	-	13	-62%
Consulting services	63	-	-	63	78	-	-	78	-19%
Total revenue	436	-	-	436	462	-	-	462	-6%
Gross profit									
Recurring	258	(3)	(1)	262	264	(2)	-	266	-2%
% of Revenue	70.1%			71.2%	71.2%			71.7%	
Perpetual software licenses, hardware and other	-	-	-	-	1	-	-	1	-100%
% of Revenue	0.0%			0.0%	7.7%			7.7%	
Consulting services	7	(2)	-	9	11	(2)	-	13	-31%
% of Revenue	11.1%			14.3%	14.1%			16.7%	
Total gross profit	265	(5)	(1)	271	276	(4)	-	280	-3%
% of Revenue	60.8%			62.2%	59.7%			60.6%	
Selling, general and administrative expenses	131	16	1	114	167	23	3	141	-19%
Research and development expenses	68	8	(1)	61	76	8	1	67	-9%
Total expenses	199	24	-	175	243	31	4	208	-16%
% of Revenue	45.6%			40.1%	52.6%			45.0%	
Income from operations	66	(29)	(1)	96	33	(35)	(4)	72	33%
% of Revenue	15.1%			22.0%	7.1%			15.6%	
Other expense, net	(11)	-	-	(11)	(9)	-	-	(9)	
Income before income taxes	55	(29)	(1)	85	24	(35)	(4)	63	35%
Income tax expense	18	(5)	-	23	7	(5)	(2)	14	
% Tax rate	32.7%			27.1%	29.2%			22.2%	
Net income	\$ 37	\$ (24)	\$ (1)	\$ 62	\$ 17	\$ (30)	\$ (2)	\$ 49	27%
% of Revenue	8.5%			14.2%	3.7%			10.6%	
Net income per common share									
Basic	\$ 0.38	\$ (0.25)	\$ (0.01)	\$ 0.64	\$ 0.17	\$ (0.30)	\$ (0.02)	\$ 0.49	32%
Diluted	\$ 0.38	\$ (0.25)	\$ (0.01)	\$ 0.64	\$ 0.17	\$ (0.29)	\$ (0.02)	\$ 0.48	33%
Weighted average common shares outstanding									
Basic	96.5			96.5	101.0			101.0	
Diluted	97.4			97.4	102.9			102.9	

Three months ended March 31, 2024 and 2023

Amounts in U.S. Dollars in Millions, except per share amounts.
Amounts are unaudited.

NOTES:

1. While Teradata reports its results using generally accepted accounting principles in the U.S. (GAAP), certain non-GAAP financial measures may be used to reflect operational performance and to determine the effectiveness of its business management. Certain special items may be segregated from our GAAP results from time-to-time to reflect the on-going Earnings Per Share performance of the Company. Non-GAAP measures should not be used as a substitute for, or superior to, the Company's reported GAAP results.
2. Special items for the three months ended March 31, 2024 include \$2 million (\$2 million after-tax) for losses on sale of Blue Chip Swap, and \$7 million (\$5 million after-tax) for reorganization and transformation activities.
3. Special items for the three months ended March 31, 2023 include \$1 million (\$1 million after-tax) for reorganization and transformation activities.

	2024				2023				% Change Non-GAAP Yr/Yr
	GAAP	Stock-based Compensation Expense	Other Special Items ²	Non-GAAP ¹	GAAP	Stock-based Compensation Expense	Other Special Items ³	Non-GAAP ¹	
Revenue									
Recurring	\$ 388	\$ -	\$ -	\$ 388	\$ 389	\$ -	\$ -	\$ 389	0%
Perpetual software licenses, hardware and other	8	-	-	8	13	-	-	13	-38%
Consulting services	69	-	-	69	74	-	-	74	-7%
Total revenue	465	-	-	465	476	-	-	476	-2%
Gross profit									
Recurring	276	(2)	-	278	291	(2)	-	293	-5%
% of Revenue	71.1%			71.6%	74.8%			75.3%	
Perpetual software licenses, hardware and other	-	-	-	-	2	-	-	2	-100%
% of Revenue	0.0%			0.0%	15.4%			15.4%	
Consulting services	8	(2)	(1)	11	9	(2)	-	11	0%
% of Revenue	11.6%			15.9%	12.2%			14.9%	
Total gross profit	284	(4)	(1)	289	302	(4)	-	306	-6%
% of Revenue	61.1%			62.2%	63.4%			64.3%	
Selling, general and administrative expenses	161	23	4	134	153	18	1	134	0%
Research and development expenses	75	7	2	66	70	6	-	64	3%
Total expenses	236	30	6	200	223	24	1	198	1%
% of Revenue	50.8%			43.0%	46.8%			41.6%	
Income from operations	48	(34)	(7)	89	79	(28)	(1)	108	-18%
% of Revenue	10.3%			19.1%	16.6%			22.7%	
Other expense, net	(16)	-	(2)	(14)	(21)	-	-	(21)	
Income before income taxes	32	(34)	(9)	75	58	(28)	(1)	87	-14%
Income tax expense	12	(4)	(2)	18	18	(6)	-	24	
% Tax rate	37.5%			24.0%	31.0%			27.6%	
Net income	\$ 20	\$ (30)	\$ (7)	\$ 57	\$ 40	\$ (22)	\$ (1)	\$ 63	-10%
% of Revenue	4.3%			12.3%	8.4%			13.2%	
Net income per common share									
Basic	\$ 0.21	\$ (0.31)	\$ (0.07)	\$ 0.59	\$ 0.39	\$ (0.22)	\$ (0.01)	\$ 0.62	-6%
Diluted	\$ 0.20	\$ (0.30)	\$ (0.07)	\$ 0.57	\$ 0.39	\$ (0.21)	\$ (0.01)	\$ 0.61	-6%
Weighted average common shares outstanding									
Basic	97.4			97.4	101.4			101.4	
Diluted	100.1			100.1	103.8			103.8	

Twelve months ended December 31, 2024 and 2023

Amounts in U.S. Dollars in Millions, except per share amounts.
Amounts are unaudited.

NOTES:

1. While Teradata reports its results using generally accepted accounting principles in the U.S. (GAAP), certain non-GAAP financial measures may be used to reflect operational performance and to determine the effectiveness of its business management. Certain special items may be segregated from our GAAP results from time-to-time to reflect the on-going Earnings Per Share performance of the Company. Non-GAAP measures should not be used as a substitute for, or superior to, the Company's reported GAAP results.
2. Special items for the twelve months ended December 31, 2024 include \$2 million (\$2 million after-tax) for losses on sale of Blue Chip Swap, and \$28 million (\$20 million after-tax) for reorganization, transformation and other activities.
3. Special items for the twelve months ended December 31, 2023 include \$13 million (\$21 million after-tax) for losses on sale of Blue Chip Swap, a \$12 million tax impact from a tax valuation allowance in Argentina, and \$21 million (\$14 million after-tax) for reorganization and transformation activities.

	2024				2023				% Change Non-GAAP Yr/Yr
	GAAP	Stock-based Compensation Expense	Other Special Items ²	Non-GAAP ¹	GAAP	Stock-based Compensation Expense	Other Special Items ³	Non-GAAP ¹	
Revenue									
Recurring	\$ 1,479	\$ -	\$ -	\$ 1,479	\$ 1,492	\$ -	\$ -	\$ 1,492	-1%
Perpetual software licenses, hardware and other	23	-	-	23	45	-	-	45	-49%
Consulting services	248	-	-	248	296	-	-	296	-16%
Total revenue	1,750	-	-	1,750	1,833	-	-	1,833	-5%
Gross profit									
Recurring	1,038	(9)	(2)	1,049	1,074	(9)	(1)	1,084	-3%
% of Revenue	70.2%			70.9%	72.0%			72.7%	
Perpetual software licenses, hardware and other	-	-	-	-	7	-	-	7	-100%
% of Revenue	0.0%			0.0%	15.6%			15.6%	
Consulting services	20	(8)	(3)	31	34	(8)	-	42	-26%
% of Revenue	8.1%			12.5%	11.5%			14.2%	
Total gross profit	1,058	(17)	(5)	1,080	1,115	(17)	(1)	1,133	-5%
% of Revenue	60.5%			61.7%	60.8%			61.8%	
Selling, general and administrative expenses	565	74	17	474	635	81	15	539	-12%
Research and development expenses	284	28	6	250	294	28	4	262	-5%
Total expenses	849	102	23	724	929	109	19	801	-10%
% of Revenue	48.5%			41.4%	50.7%			43.7%	
Income from operations	209	(119)	(28)	356	186	(126)	(20)	332	7%
% of Revenue	11.9%			20.3%	10.1%			18.1%	
Other expense, net	(45)	-	(2)	(43)	(69)	-	(14)	(55)	
Income before income taxes	164	(119)	(30)	313	117	(126)	(34)	277	13%
Income tax expense	50	(17)	(8)	75	55	(23)	13	65	
% Tax rate	30.5%			24.0%	47.0%			23.5%	
Net income	\$ 114	\$ (102)	\$ (22)	\$ 238	\$ 62	\$ (103)	\$ (47)	\$ 212	12%
% of Revenue	6.5%			13.6%	3.4%			11.6%	
Net income per common share									
Basic	\$ 1.18	\$ (1.06)	\$ (0.23)	\$ 2.47	\$ 0.62	\$ (1.03)	\$ (0.47)	\$ 2.12	16%
Diluted	\$ 1.16	\$ (1.04)	\$ (0.22)	\$ 2.42	\$ 0.61	\$ (1.01)	\$ (0.46)	\$ 2.07	17%
Weighted average common shares outstanding									
Basic	96.4			96.4	99.8			99.8	
Diluted	98.2			98.2	102.4			102.4	

Earnings per share

NOTES:

- i. Represents the income tax effect of the pre-tax adjustments to reconcile GAAP to Non-GAAP income based on the applicable jurisdictional statutory tax rate of the underlying item. Including the income tax effect assists investors in understanding the tax provision associated with those adjustments and the effective tax rate related to the underlying business and performance of the Company's ongoing operations. As a result of these adjustments, the Company's non-GAAP effective tax rate for the three months ended March 31, 2025, was 22.9% and March 31, 2024, was 24.0%. In addition, for the first quarter and full year 2025, we included a discrete tax adjustment of (\$0.06) for the expected reversal of tax reserves due to the final settlement of an IRS audit in the first quarter of 2025.

	For the Three Months ended March 31		2025 Outlook	
	2025	2024	2025 Q2 Guidance	2025 FY Guidance
Earnings Per Share:				
GAAP Earnings Per Share	\$0.45	\$0.20	\$0.02 - \$0.06	\$1.06 - \$1.16
Excluding:				
Stock-based compensation expense	0.23	0.34	0.27	1.09
Reorganization and other costs	0.03	0.07	0.16	0.22
Argentina Blue Chip Swap	-	0.02	-	-
Income tax adjustments ⁽ⁱ⁾	(0.05)	(0.06)	(0.08)	(0.22)
Non-GAAP Diluted Earnings Per Share	\$0.66	\$0.57	\$0.37 - \$0.41	\$2.15- \$2.25

Free cash flow reconciliation – March 31, 2025 and 2024

NOTES:

The Company believes that free cash flow is a useful non-GAAP measure for investors. Free cash flow does not have a uniform definition under GAAP in the United States and therefore, Teradata's definition may differ from other companies' definitions of this measure. Teradata defines free cash flow as cash provided by/used in operating activities, less total capital expenditures. Teradata's management uses free cash flow to assess the financial performance of the Company and believes it is useful for investors because it relates the operating cash flow of the Company to the capital that is spent to continue and improve business operations. In particular, free cash flow indicates the amount of cash generated after capital expenditures which can be used for among other things, investments in the Company's existing businesses, strategic acquisitions, strengthening the Company's balance sheet, repurchase of Company stock and repay the Company's debt obligations. Free cash flow does not represent the residual cash flow available for discretionary expenditures since there may be other non-discretionary expenditures that are not deducted from the measure. This non-GAAP measure should not be considered as a substitute for, or superior to, cash flows from operating activities under GAAP.

(in millions)	For the Three Months ended March 31		Outlook
	2025	2024	2025
Cash provided by operating activities (GAAP)	\$8	\$27	\$270 to \$300
Less total capital expenditures	(1)	(6)	(~20)
Free Cash Flow (non-GAAP measure)	\$7	\$21	\$250 to \$280

Thank you

teradata.