TERADATA CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions - unaudited)

	2024					2025					2026			
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	YTD
Operating activities														
Net income	$ 20	$ 37	$ 32	$ 25	$ 114	$ 44	$ 9	$ 40	$ 37	$ 130	$ 335	$ 46	$ 38	$ 419
Adjustments to reconcile net income (loss) to net cash provided by operating activities:														
Depreciation and amortization	27	26	25	22	100	20	23	24	23	90	25	23	25	73
Stock-based compensation expense	34	29	29	27	119	22	31	29	30	112	29	33	33	95
Deferred income taxes	12	(4)	(3)	(16)	(11)	10	(6)	20	7	31	36	4	1	41
Loss on Blue Chip Swap	2	1	-	1	4	-	-	1	-	1	-	1	-	1
Changes in assets and liabilities:														
Receivables	(25)	63	1	13	52	(73)	14	(16)	58	(17)	(71)	66	54	49
Inventories	(3)	(6)	6	(2)	(5)	5	8	-	(8)	5	8	-	(8)	-
Current payables and accrued expenses	(30)	(34)	27	36	(1)	(30)	(24)	(12)	18	(48)	(15)	(32)	39	(8)
Deferred revenue	(6)	(47)	(44)	27	(70)	39	(28)	6	5	22	71	(43)	(95)	(67)
Other assets and liabilities	(4)	(22)	4	23	1	(29)	16	2	(10)	(21)	(17)	8	4	(5)
Net cash provided by operating activities	27	43	77	156	303	8	43	94	160	305	401	106	91	598
Investing activities														
Expenditures for property and equipment	(6)	(3)	(8)	(7)	(24)	(1)	(4)	(5)	(9)	(19)	(10)	(1)	(5)	(16)
Additions to capitalized software	-	(1)	-	(1)	(2)	-	-	(1)	-	(1)	(1)	-	(1)	(2)
Business acquisitions and other investing activities, including loss on Blue Chip Swap	(2)	(1)	(2)	(1)	(6)	-	(1)	-	-	(1)	-	(1)	-	(1)
Net cash used in investing activities	(8)	(5)	(10)	(9)	(32)	(1)	(5)	(6)	(9)	(21)	(11)	(2)	(6)	(19)
Financing activities														
Repurchases of Company common stock	(124)	(47)	(15)	(29)	(215)	(44)	(28)	(30)	(38)	(140)	(34)	(40)	(57)	(131)
Repayments of long-term borrowings	-	(6)	(7)	(6)	(19)	(6)	(6)	(7)	(6)	(25)	(6)	(450)	-	(456)
Payments of finance leases	(20)	(17)	(17)	(17)	(71)	(16)	(17)	(18)	(18)	(69)	(17)	(15)	(13)	(45)
Other financing activities, net	(6)	-	5	-	(1)	(2)	-	5	(2)	1	(5)	(2)	4	(3)
Net cash used in financing activities	(150)	(70)	(34)	(52)	(306)	(68)	(51)	(50)	(64)	(233)	(62)	(507)	(66)	(635)
Effect of exchange rate changes on cash and cash equivalents	(17)	(5)	14	(22)	(30)	9	14	(1)	-	22	(6)	2	(1)	(5)
(Decrease) increase in cash, cash equivalents and restricted cash	(148)	(37)	47	73	(65)	(52)	1	37	87	73	322	(401)	18	(61)
Cash, cash equivalents and restricted cash at beginning of period	486	338	301	348	486	421	369	370	407	421	494	816	415	494
Cash, cash equivalents and restricted cash at end of period	$ 338	$ 301	$ 348	$ 421	$ 421	$ 369	$ 370	$ 407	$ 494	$ 494	$ 816	$ 415	$ 433	$ 433
Free Cash Flow (non-GAAP measure) [1]	$ 21	$ 39	$ 69	$ 148	$ 277	$ 7	$ 39	$ 88	$ 151	$ 285	$ 390	$ 105	$ 85	$ 580

Note 1: Teradata's management uses a non-GAAP measure called "free cash flow," which we define as net cash provided by operating activities less capital expenditures for property and equipment, and additions to capitalized software, as one measure of assessing the financial performance of the Company. Free cash flow does not have a uniform definition under generally accepted accounting principles in the United States (GAAP) and therefore, Teradata's definition may differ from other companies' definitions of this measure. 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.