November 2026

Q3’26 Earnings Results

Teradata Investor Relations

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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 2026 fourth quarter and 2026 full year financial outlook and product innovation and demand. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially, including those relating to: our strategy and ongoing business transformation, significant execution risk for our cloud, hybrid, on-premises, Artificial Intelligence (“AI”) and Machine Learning (“ML”) offerings, operational disruptions and unforeseen circumstances, impact of unanticipated delays or acceleration in our sales cycles to make accurate estimates impacting quarterly operating results, financial guidance and forecasts, the global economic environment and business conditions in general, including inflation, tariffs, and/or recessionary conditions; impact of price increase on our net sales, profit margins and earnings, 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 restructuring actions; risks inherent in operating in foreign countries, export controls and trade compliance, including sanctions, tariffs, foreign currency fluctuations, and/or acts of war; risks associated with data privacy, IP-enforcement actions, 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 our artificial intelligence, cloud, on-prem and hybrid offerings, 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 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), adjusted 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.

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Teradata – at a glance

Corporate purpose

Transforming knowledge into autonomous decisions that drive meaningful outcomes.

What we do

We turn enterprise data and context into scalable, trusted autonomous intelligence that drives real-time business outcomes.

How we do it

We unify data, knowledge, and business context, activating intelligence for immediate impact.

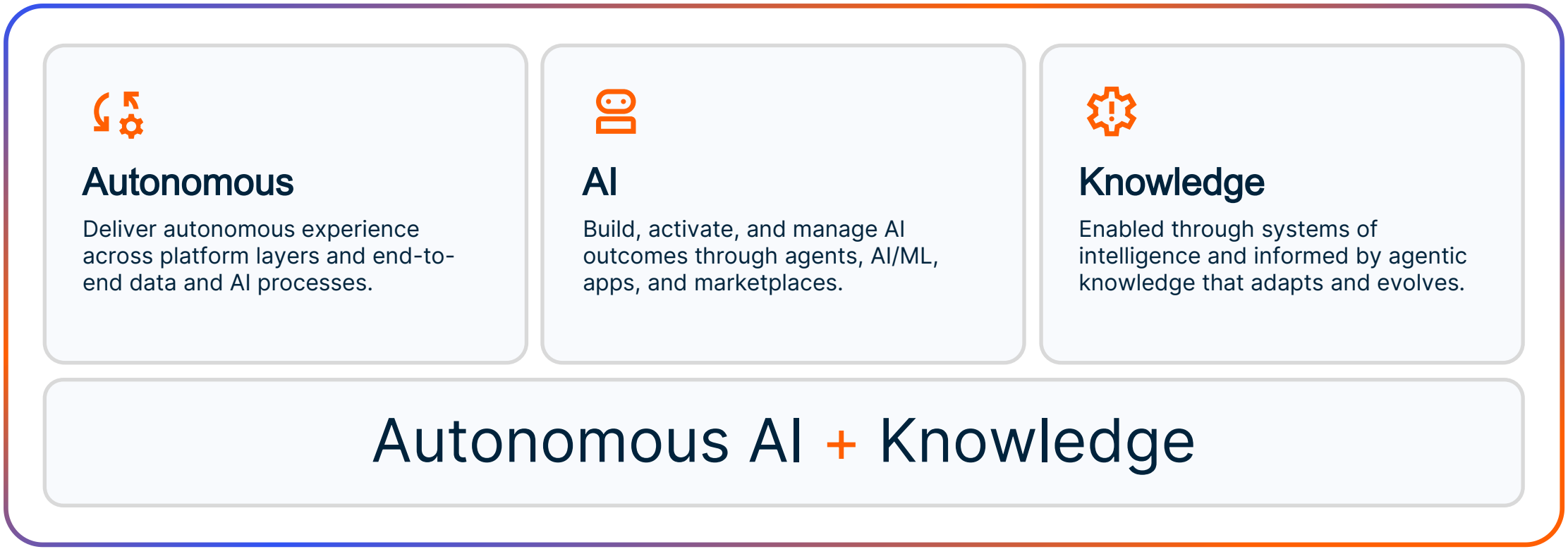
Q3'26 YTD Financial Overview

- Recurring Revenue growth of 4% YoY and 3% constant currency(1)
- Non-GAAP Operating Margin of 23.6%, up 300 basis points from the prior year period(2)
- Non-GAAP Earnings per Share of $2.27, up $0.43 from the prior year period(2)
- Adjusted Free Cash Flow of $254M, up 90% from the prior year period(2)

Notes:
(1) 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.
(2) Non-GAAP Operating Margin, Non-GAAP Earnings per Share and Adjusted 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.

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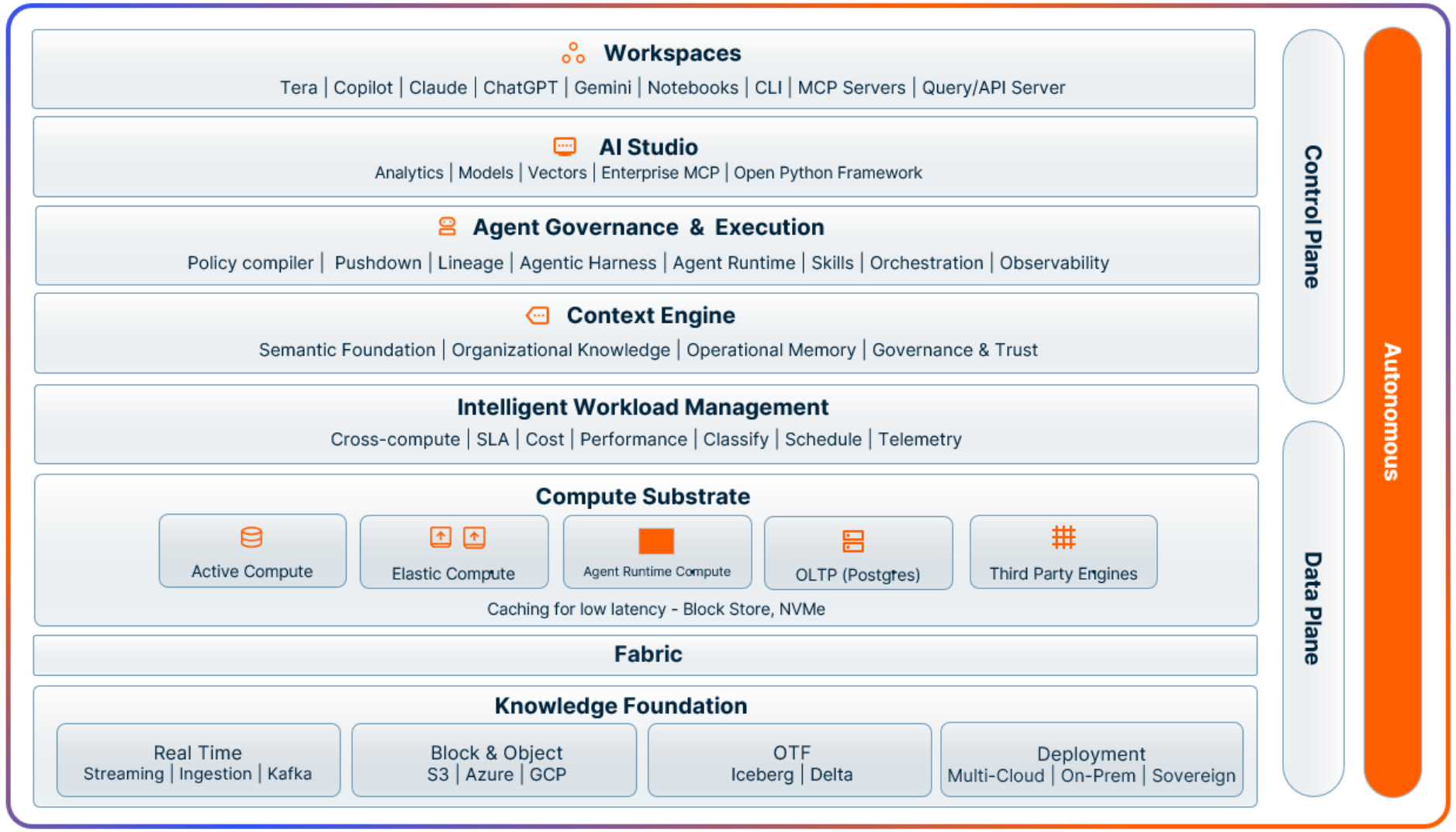
Teradata vision



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Teradata Technology Stack



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Q3’26 Financials

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Teradata – by the numbers Q3’26

Total ARR

$1.512B

+ 1% YoY

+ 2% YoY in CC

Public Cloud ARR

$700M

+ 11% YoY

+ 11% YoY in CC

Recurring Revenue

$359M

- 2% YoY

- 2% YoY in CC

Total Revenue

$399M

- 4% YoY

- 4% YoY in CC

GAAP Diluted EPS

$0.40

- from $0.42 in Q3’25

Non-GAAP Diluted EPS

$0.70

- from $0.72 in Q3’25

Cash Flow from Operations

$91M

- from $94M in Q3’25

Adjusted Free Cash Flow

$96M

+ from $88M in Q3’25

Notes: Total Annual Recurring Revenue ("Total ARR") is defined as the annual contract value for all active and contractually binding term-based contracts at the end of the period, including cloud, recurring AI services, subscriptions, hardware rental, maintenance, and software upgrade rights. Public cloud ARR is defined as the annual contract value for all active and contractually binding term-based contracts at the end of a period that are operated in a public cloud environment. 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. 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.

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Teradata – by the numbers YTD’26

Total ARR

$1.512B

+ 1% YoY

+ 2% YoY in CC

Public Cloud ARR

$700M

+ 11% YoY

+ 11% YoY in CC

Recurring Revenue

$1.122B

+ 4% YoY

+ 3% YoY in CC

Total Revenue

$1.253B

+ 1% YoY

+ 0% YoY in CC

GAAP Diluted EPS

$4.36*

+ from $0.96 in YTD’25

Non-GAAP Diluted EPS

$2.27

+ from $1.84 in YTD’25

Cash Flow from Operations

$598M*

+ from $145M in YTD’25

Adjusted Free Cash Flow

$254M

+ from $134M in YTD’25

*For YTD’26, the SAP settlement positively impacted GAAP Diluted EPS by $3.01 and Cash flow from Operations by an after-tax net amount of $326 million.

Notes: Total Annual Recurring Revenue ("Total ARR") is defined as the annual contract value for all active and contractually binding term-based contracts at the end of the period, including cloud, recurring AI services, subscriptions, hardware rental, maintenance, and software upgrade rights. Public cloud ARR is defined as the annual contract value for all active and contractually binding term-based contracts at the end of a period that are operated in a public cloud environment. 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. Non-GAAP diluted earnings per share and adjusted 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.

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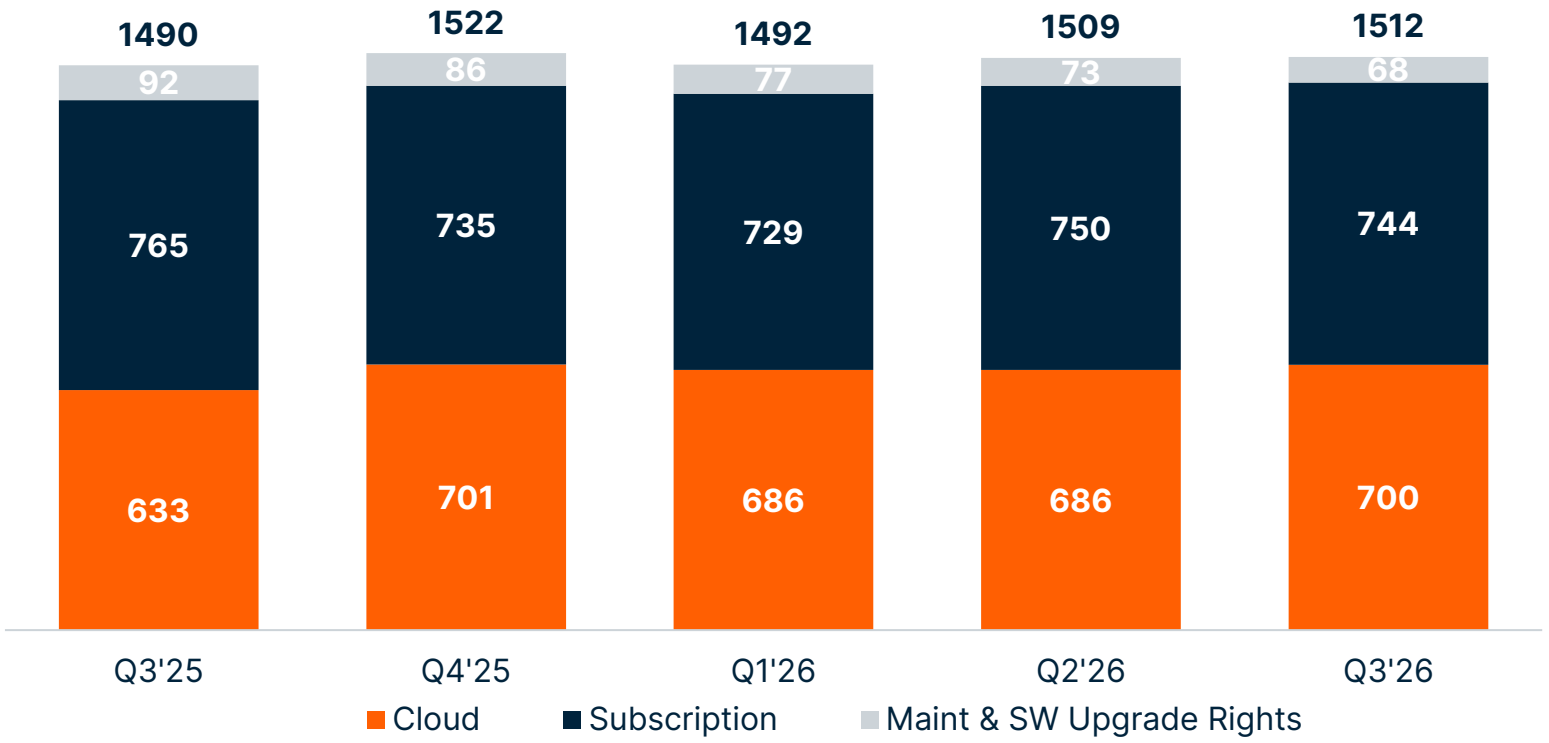
ARR by product

$1.512B

+ 1% YoY

+ 2% YoY in CC

46% Cloud ARR as a % of Total ARR



	Q3'25	Q4'25	Q1'26	Q2'26	Q3'26
Cloud ARR as a % of Total ARR	42%	46%	46%	45%	46%

Notes: Amounts in U.S. Dollars in Millions. Please see Teradata's Form 10-K for the period ended December 31, 2025, for additional information. 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. Public Cloud ARR (included within total ARR) is defined as the annual contract value for all active and contractually binding term-based contracts at the end of a period that are operated in a public cloud environment. 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.

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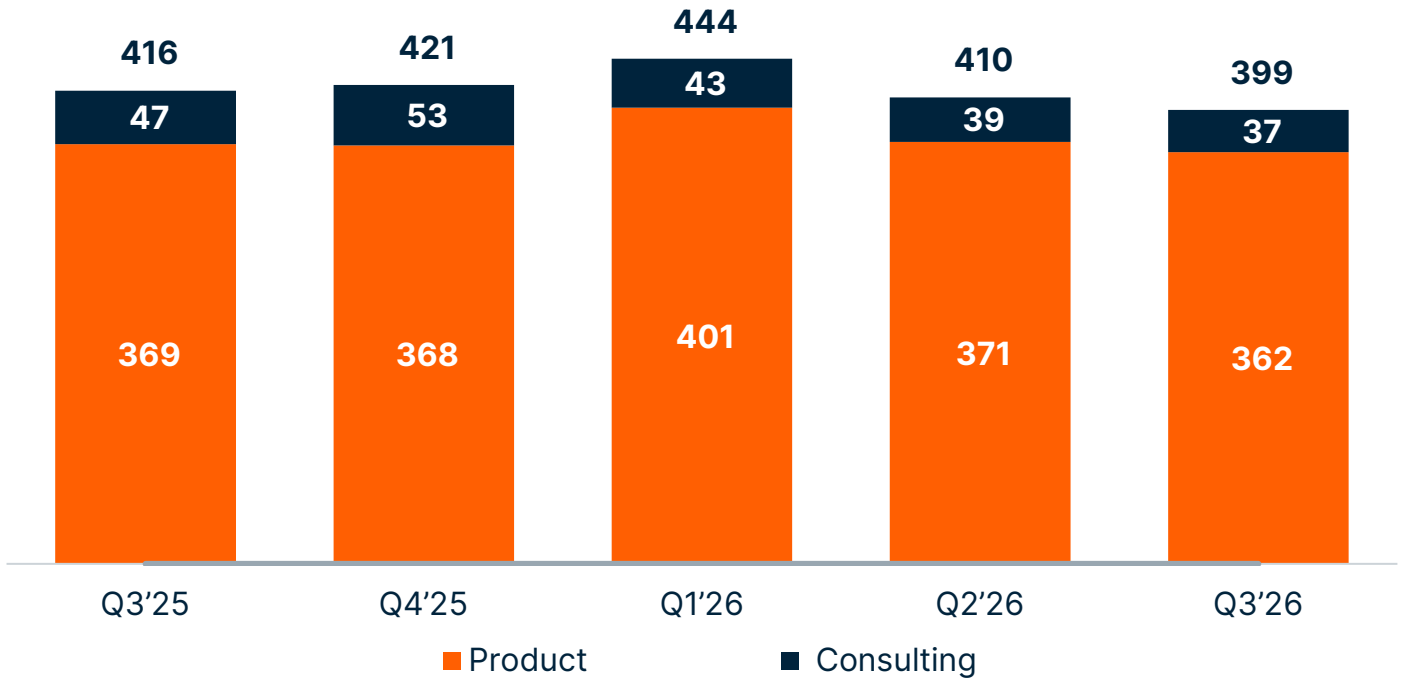
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Revenue by segment

$399M

- 4% YoY
- 4% CC

91% Product Revenue as a % of Total Revenue

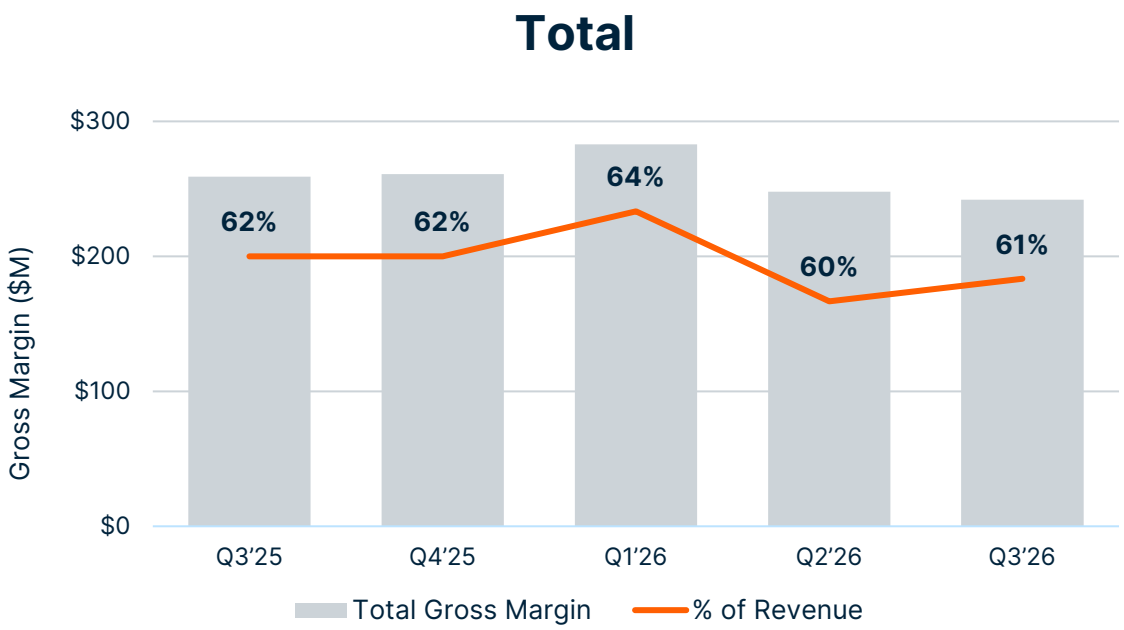


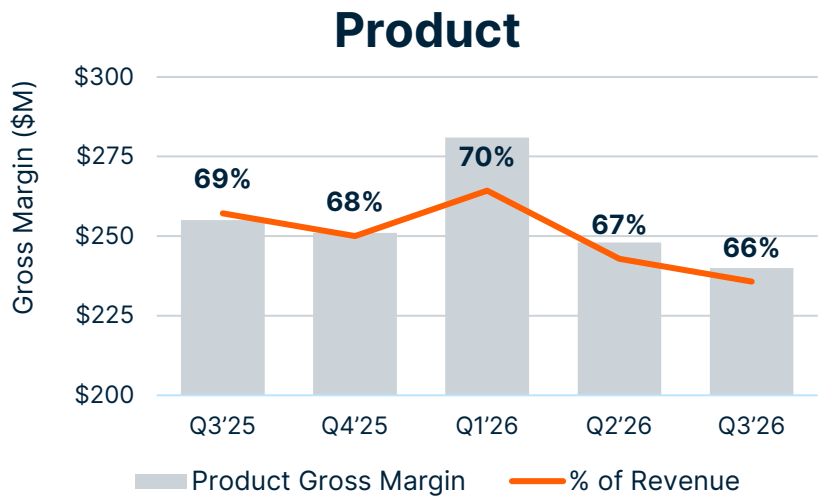
	Q3'25	Q4'25	Q1'26	Q2'26	Q3'26
Product Revenue as a % of Total Revenue	89%	87%	90%	90%	91%

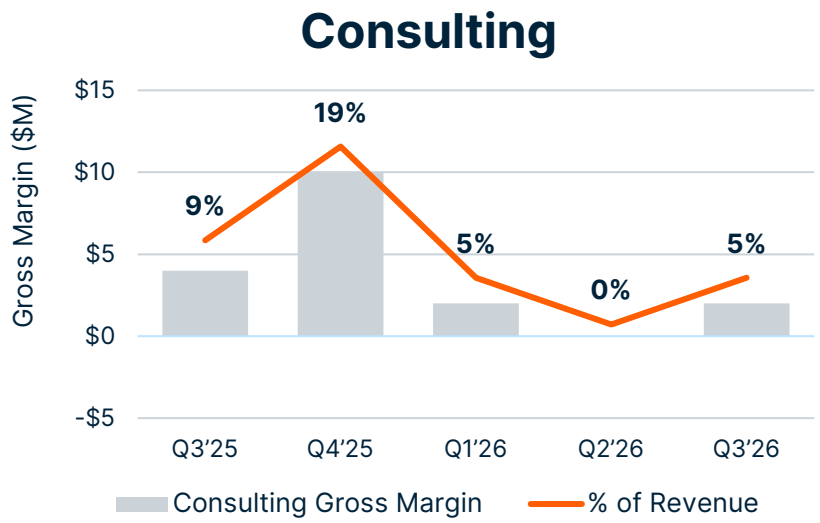
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Non-GAAP gross margin



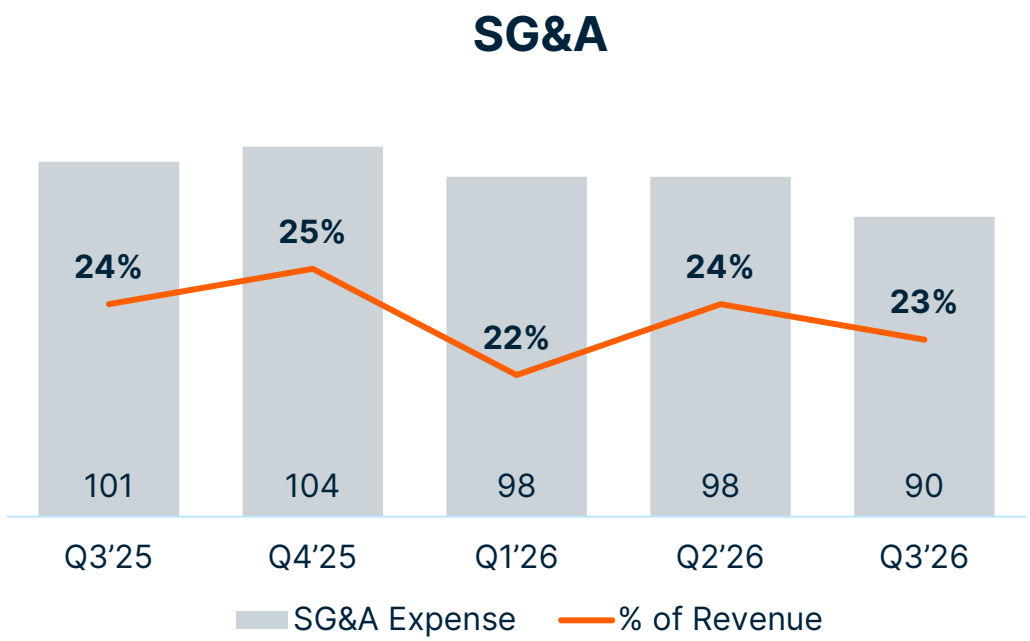


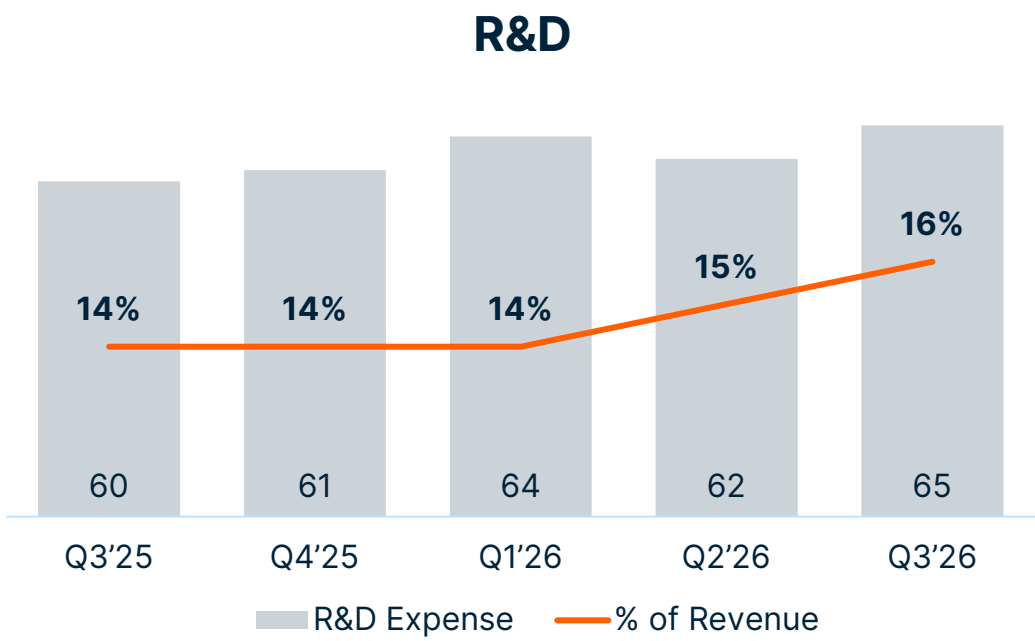


Notes: Non-GAAP gross margin percentage is a non-GAAP measure. Please see the Appendix for reconciliations of GAAP to non-GAAP measures and additional information

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Non-GAAP operating expenses



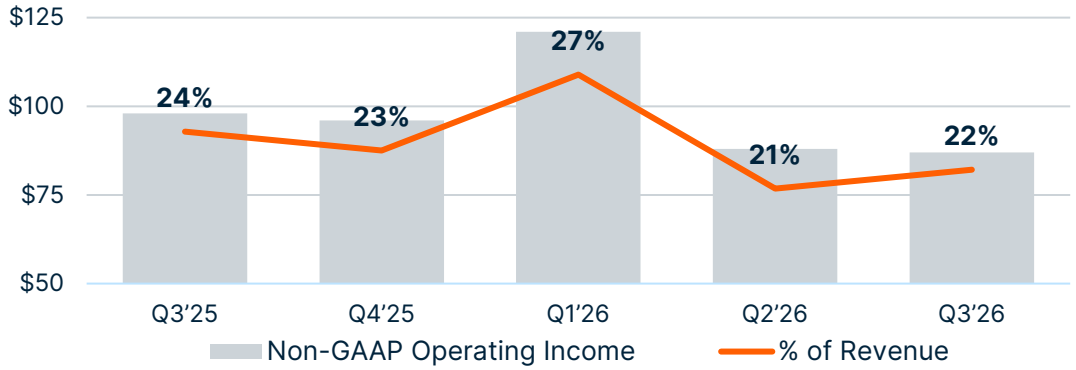


Notes: Amounts in U.S. Dollars in Millions. Non-GAAP SG&A and R&D expenses are non-GAAP measures. Please see the Appendix for reconciliations of GAAP to non-GAAP measures and additional information.

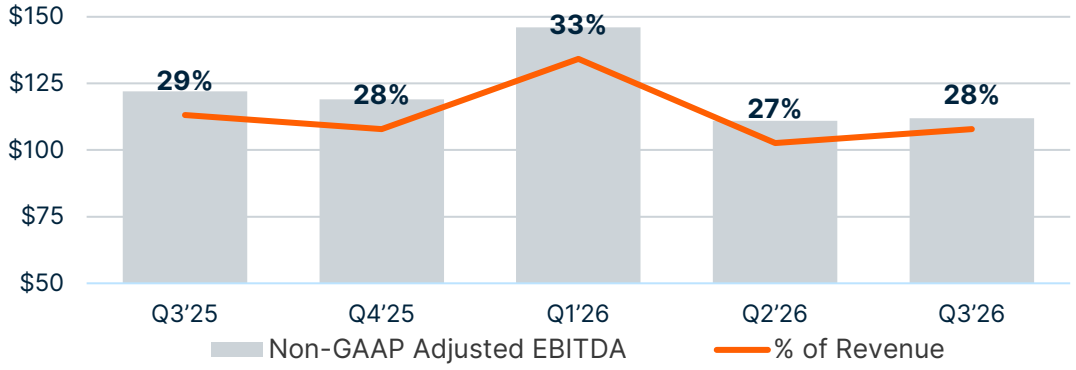
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Non-GAAP operating margin, Non-GAAP adjusted EBITDA & EPS

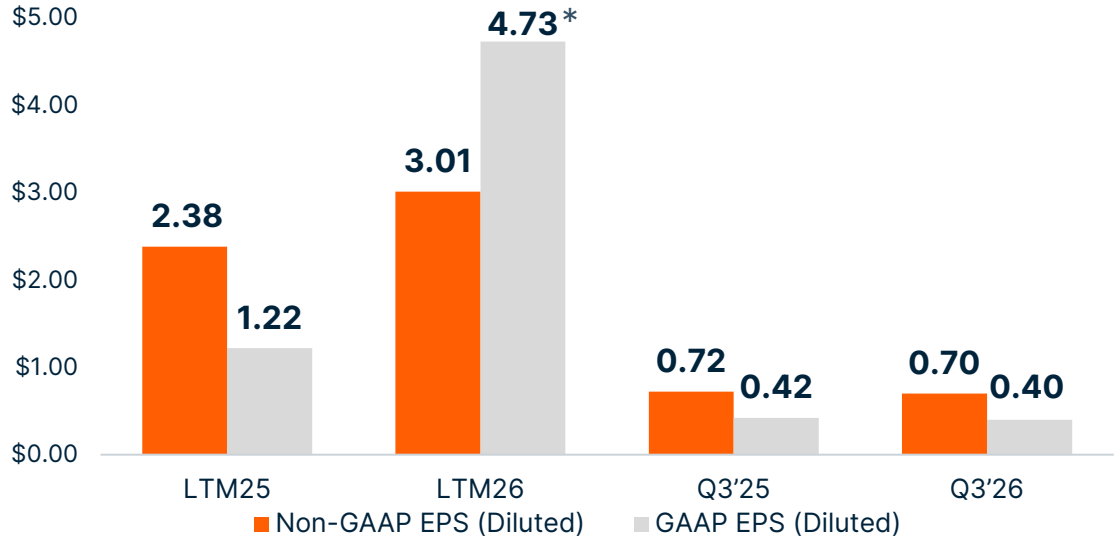
Non-GAAP Operating Margin



Non-GAAP Adjusted EBITDA Margin



Earnings per Share

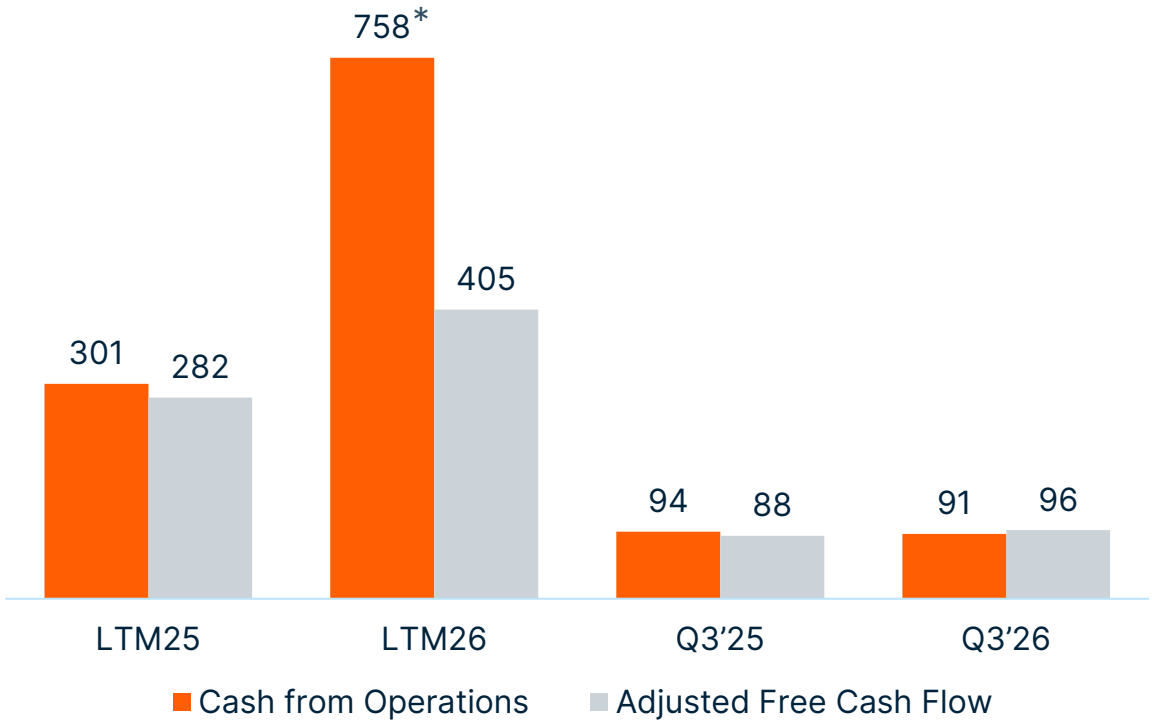


*The SAP settlement positively impacted GAAP Diluted EPS by $3.01 in LTM26.

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

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Cash flow & capital allocation



Q3'26 Capital Allocation

Stock repurchase

$57M

Approximately 2.0 million shares

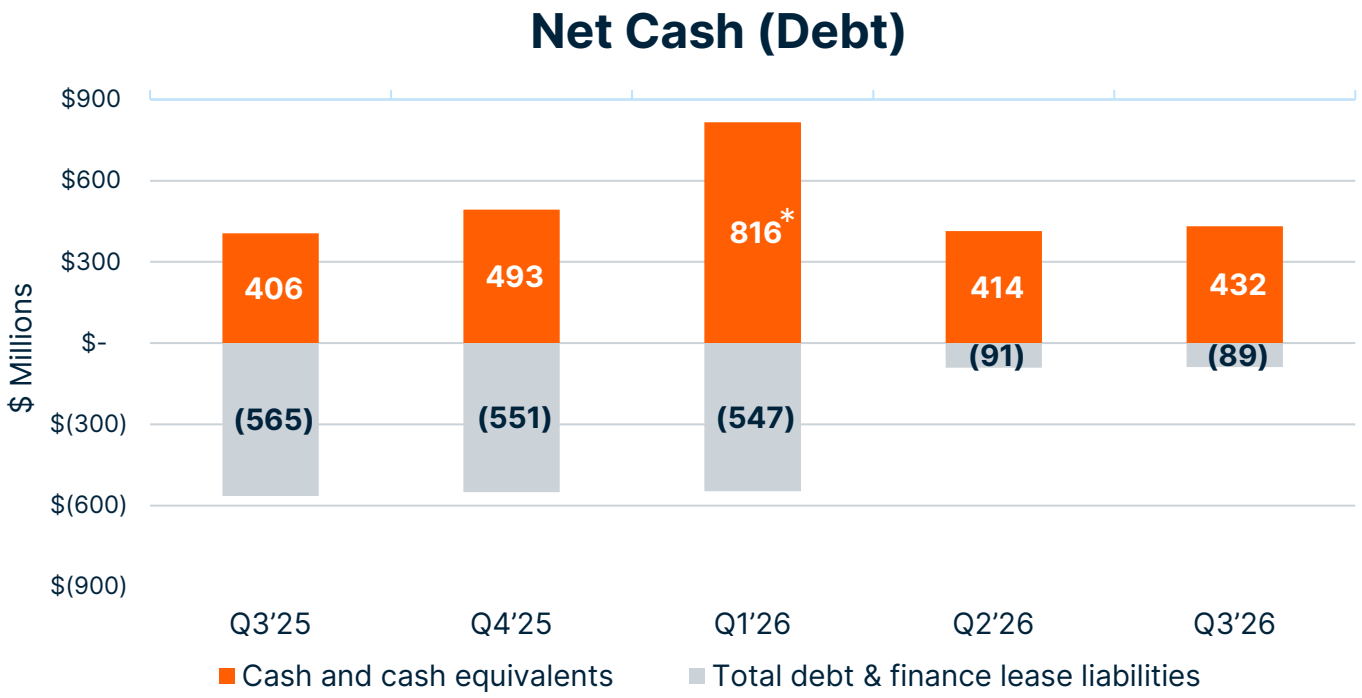
*For the LTM26, the SAP settlement positively impacted Cash flow from Operations by an after-tax net amount of $326 million.

Notes: Amounts in U.S. Dollars in Millions. Adjusted free cash flow (FCF) is a non-GAAP measure. Please refer to the Appendix for additional information on the non-GAAP financial measure, including a reconciliation to the nearest GAAP measures.

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Select cash and debt balances



$ Millions	Q3'25	Q4'25	Q1'26	Q2'26	Q3'26
Cash and cash equivalents	$ 406	$ 493	$ 816*	$ 414	$ 432
Total debt	$ (462)	$ (456)	$ (449)	$ 0	$ 0
Finance lease liabilities	$ (103)	$ (95)	$ (98)	$ (91)	$ (89)
Net cash (debt)	**$ (159)**	**$ (58)**	**$ 269**	**$ 323**	**$ 343**
Share Repurchases	$ 30	$ 38	$ 34	$ 40	$ 57

*The SAP settlement positively impacted Cash and cash equivalents by $359 million on a pre-tax net basis in Q1'26.

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2026 Financial Outlook

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FY26 financial outlook

Total ARR
growth of 2% to 4% YoY

Recurring revenue
growth of 1% to 2% YoY

Total revenue
in the range of -1% to flat YoY

Adjusted free cash flow
of $330 to $350 million

Non-GAAP diluted EPS
in the range of $2.86 to $2.90

Notes:
Total Annual Recurring Revenue ("Total ARR") is defined as the annual contract value for all active and contractually binding term-based contracts at the end of the period, including cloud, recurring AI services, subscriptions, hardware rental, maintenance, and software upgrade rights. Non-GAAP diluted earnings per share (EPS) and adjusted free cash flow (FCF) are non-GAAP measures. Please see the Appendix for reconciliation of GAAP to non-GAAP measures and additional information.

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Q4’26 financial outlook



Recurring revenue

in the range of -2% to -4% YoY



Total revenue

in the range of -4% to -6% YoY



Non-GAAP diluted EPS

in the range of $0.58 to $0.62

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.

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FY26 key modeling assumptions

Non-GAAP Tax Rate

Approximately 24%

WASO

96.0 million

Return of Adjusted FCF

Target at least 50%

Other Expense

Approximately $17 million

Notes: Non-GAAP Tax rate and adjusted free cash flow (FCF) are non-GAAP measures. Please refer to the Appendix for additional information on the non-GAAP financial measure, including a reconciliation to the nearest GAAP measures.

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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, adjusted free cash flow, non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, non-GAAP operating margin, non-GAAP Adjusted EBITDA, 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.

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Three months ended September 30, 2026 and 2025

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, 2026, include $1 million ($(1) million after-tax) for reorganization, transformation and other activities.

3. Special items for the three months ended September 30, 2025, include $7 million ($5 million after-tax) for reorganization, transformation and other activities.

	2026					2025				
	GAAP	Stock-based Compensation Expense	Other Special Items [2]	SAP Settlement	Non-GAAP [1]	GAAP	Stock-based Compensation Expense	Other Special Items [3]	Non-GAAP [1]	% Change Non-GAAP Yr/Yr
Revenue										
Recurring	$ 359	$ -	$ -	$ -	$ 359	$ 366	$ -	$ -	$ 366	-2%
Perpetual software licenses, hardware and other	3	-	-	-	3	3	-	-	3	0%
Product Sales	362	-	-		362	369	-	-	369	-2%
Consulting services	37	-	-	-	37	47	-	-	47	-21%
Total revenue	399	-	-	-	399	416	-	-	416	-4%
Gross profit										
Recurring	239	(2)	-	-	241	250	(2)	-	252	-4%
% of Revenue	66.6%				67.1%	68.3%			68.9%	
Perpetual software licenses, hardware and other	(1)	-	-	-	(1)	3	-	-	3	-133%
% of Revenue	-33.3%				-33.3%	100.0%			100.0%	
Product Sales	238	(2)	-		240	253	(2)	-	255	-6%
% of Revenue	65.7%				66.3%	68.6%			69.1%	
Consulting services	-	(3)	1	-	2	-	(2)	(2)	4	-50%
% of Revenue	0.0%				5.4%	0.0%			8.5%	
Total gross profit	238	(5)	1	-	242	253	(4)	(2)	259	-7%
% of Revenue	59.6%				60.7%	60.8%			62.3%	
Selling, general and administrative expenses	109	20	(1)	-	90	122	18	3	101	-11%
Research and development expenses	75	8	2	-	65	70	7	3	60	8%
Total expenses	184	28	1	-	155	192	25	6	161	-4%
% of Revenue	46.1%				38.8%	46.2%			38.7%	
Income from operations	54	(33)	-	-	87	61	(29)	(8)	98	-11%
% of Revenue	13.5%				21.8%	14.7%			23.6%	
Other expense, net	(4)	-	(1)	-	(3)	(7)	-	1	(8)	
Income before income taxes	50	(33)	(1)	-	84	54	(29)	(7)	90	-7%
Income tax expense	12	(5)	(2)	2	17	14	(5)	(2)	21	
% Tax rate	24.0%				20.2%	25.9%			23.3%	
Net income	$ 38	$ (28)	$ 1	$ (2)	$ 67	$ 40	$ (24)	$ (5)	$ 69	-3%
% of Revenue	9.5%				16.8%	9.6%			16.6%	
Net income per common share										
Basic	$ 0.41	$ (0.30)	$ 0.01	$ (0.02)	$ 0.72	$ 0.42	$ (0.25)	$ (0.05)	$ 0.73	-2%
Diluted	$ 0.40	$ (0.29)	$ 0.01	$ (0.02)	$ 0.70	$ 0.42	$ (0.25)	$ (0.05)	$ 0.72	-3%
Weighted average common shares outstanding										
Basic	92.6				92.6	94.2			94.2	
Diluted	95.5				95.5	95.5			95.5	

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Three months ended June 30, 2026 and 2025

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, 2026, include $6 million ($4 million after-tax) for reorganization, transformation and other activities.

3. Special items for the three months ended June 30, 2025, include $12 million ($4 million after-tax) for reorganization, transformation and other activities.

	2026					2025				
	GAAP	Stock-based Compensation Expense	Other Special Items [2]	SAP Settlement	Non-GAAP [1]	GAAP	Stock-based Compensation Expense	Other Special Items [3]	Non-GAAP [1]	% Change Non-GAAP Yr/Yr
Revenue										
Recurring	$ 363	$ -	$ -	$ -	$ 363	$ 354	$ -	$ -	$ 354	3%
Perpetual software licenses, hardware and other	8	-	-	-	8	3	-	-	3	167%
Product Sales	371	-	-		371	357	-	-	357	4%
Consulting services	39	-	-	-	39	51	-	-	51	-24%
Total revenue	410	-	-	-	410	408	-	-	408	0%
Gross profit										
Recurring	243	(3)	-	-	246	235	(3)	(1)	239	3%
% of Revenue	66.9%				67.8%	66.4%			67.5%	
Perpetual software licenses, hardware and other	2	-	-	-	2	-	-	-	-	N/A
% of Revenue	25.0%				25.0%	0.0%			0.0%	
Product Sales	245	(3)	-		248	235	(3)	(1)	239	4%
% of Revenue	66.0%				66.8%	65.8%			66.9%	
Consulting services	(2)	(1)	(1)	-	-	(5)	(2)	(2)	(1)	-100%
% of Revenue	-5.1%				0.0%	-9.8%			-2.0%	
Total gross profit	243	(4)	(1)	-	248	230	(5)	(3)	238	4%
% of Revenue	59.3%				60.5%	56.4%			58.3%	
Selling, general and administrative expenses	120	20	2	-	98	135	20	8	107	-8%
Research and development expenses	75	9	4	-	62	71	6	1	64	-3%
Total expenses	195	29	6	-	160	206	26	9	171	-6%
% of Revenue	47.6%				39.0%	50.5%			41.9%	
Income from operations	48	(33)	(7)	-	88	24	(31)	(12)	67	31%
% of Revenue	11.7%				21.5%	5.9%			16.4%	
Other income (expense), net	(1)	-	1	-	(2)	(11)	-	-	(11)	
Income before income taxes	47	(33)	(6)	-	86	13	(31)	(12)	56	54%
Income tax expense	1	(5)	(2)	(12)	20	4	1	(8)	11	
% Tax rate	2.1%				23.3%	30.8%			19.6%	
Net income	$ 46	$ (28)	$ (4)	$ 12	$ 66	$ 9	$ (32)	$ (4)	$ 45	47%
% of Revenue	11.2%				16.1%	2.2%			11.0%	
Net income per common share										
Basic	$ 0.49	$ (0.30)	$ (0.04)	$ 0.13	$ 0.70	$ 0.09	$ (0.34)	$ (0.04)	$ 0.47	48%
Diluted	$ 0.48	$ (0.29)	$ (0.04)	$ 0.12	$ 0.69	$ 0.09	$ (0.33)	$ (0.04)	$ 0.47	47%
Weighted average common shares outstanding										
Basic	93.9				93.9	95.3			95.3	
Diluted	96.2				96.2	96.0			96.0	

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Three months ended March 31, 2026 and 2025

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, 2026, include $7 million ($6 million after-tax) for reorganization, transformation and other activities.

3. Special items for the three months ended March 31, 2025, include $3 million ($1 million after-tax) for reorganization, transformation and other activities.

	2026					2025				
	GAAP	Stock-based Compensation Expense	Other Special Items [2]	SAP Settlement	Non-GAAP [1]	GAAP	Stock-based Compensation Expense	Other Special Items [3]	Non-GAAP [1]	% Change Non-GAAP Yr/Yr
Revenue										
Recurring	$ 400	$ -	$ -	$ -	$ 400	$ 358	$ -	$ -	$ 358	12%
Perpetual software licenses, hardware and other	1	-	-	-	1	10	-	-	10	-90%
Product Sales	401	-	-		401	368	-	-	368	9%
Consulting services	43	-	-	-	43	50	-	-	50	-14%
Total revenue	444	-	-	-	444	418	-	-	418	6%
Gross profit										
Recurring	277	(2)	(1)	-	280	250	(2)	-	252	11%
% of Revenue	69.3%				70.0%	69.8%			70.4%	
Perpetual software licenses, hardware and other	1	-	-	-	1	1	-	-	1	0%
% of Revenue	100.0%				100.0%	10.0%			10.0%	
Product Sales	278	(2)	(1)		281	251	(2)	-	253	11%
% of Revenue	69.3%				70.1%	68.2%			68.8%	
Consulting services	(2)	(2)	(2)	-	2	(3)	(2)	-	(1)	-300%
% of Revenue	-4.7%				4.7%	-6.0%			-2.0%	
Total gross profit	276	(4)	(3)	-	283	248	(4)	-	252	12%
% of Revenue	62.2%				63.7%	59.3%			60.3%	
Selling, general and administrative expenses	240	17	4	121	98	116	12	3	101	-3%
Research and development expenses	72	8	-	-	64	66	6	-	60	7%
Total expenses	312	25	4	121	162	182	18	3	161	1%
% of Revenue	70.3%				36.5%	43.5%			38.5%	
(Loss) income from operations	(36)	(29)	(7)	(121)	121	66	(22)	(3)	91	33%
% of Revenue	(8.1%)				27.3%	15.8%			21.8%	
Other income (expense), net	473	-	-	480	(7)	(8)	-	-	(8)	
Income before income taxes	437	(29)	(7)	359	114	58	(22)	(3)	83	37%
Income tax expense	102	(5)	(1)	79	29	14	(3)	(2)	19	
% Tax rate	23.3%				25.4%	24.1%			22.9%	
Net income	$ 335	$ (24)	$ (6)	$ 280	$ 85	$ 44	$ (19)	$ (1)	$ 64	33%
% of Revenue	75.5%				19.1%	10.5%			15.3%	
Net income per common share										
Basic	$ 3.60	$ (0.26)	$ (0.06)	$ 3.01	$ 0.91	$ 0.46	$ (0.20)	$ (0.01)	$ 0.67	35%
Diluted	$ 3.47	$ (0.25)	$ (0.06)	$ 2.90	$ 0.88	$ 0.45	$ (0.20)	$ (0.01)	$ 0.66	33%
Weighted average common shares outstanding										
Basic	93.0				93.0	95.1			95.1	
Diluted	96.6				96.6	97.4			97.4	

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Three months ended December 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 December 31, 2025, include $9 million ($8 million after-tax) for reorganization, transformation and other activities.
3. Special items for the three months ended December 31, 2024, include $6 million ($4 million after-tax) for reorganization, transformation and other activities.

	2025				2024				
	GAAP	Stock-based Compensation Expense	Other Special Items [2]	Non-GAAP [1]	GAAP	Stock-based Compensation Expense	Other Special Items [3]	Non-GAAP [1]	% Change Non-GAAP Yr/Yr
Revenue									
Recurring	$ 367	$ -	$ -	$ 367	$ 351	$ -	$ -	$ 351	5%
Perpetual software licenses, hardware and othe	1	-	-	1	3	-	-	3	-67%
Product Sales	368	-	-	368	354	-	-	354	4%
Consulting services	53	-	-	53	55	-	-	55	-4%
Total revenue	421	-	-	421	409	-	-	409	3%
Gross profit									
Recurring	248	(2)	(1)	251	243	(2)	(1)	246	2%
% of Revenue	67.6%			68.4%	69.2%			70.1%	
Perpetual software licenses, hardware and othe	-	-	-	-	(2)	-	-	(2)	-100%
% of Revenue	0.0%			0.0%	-66.7%			-66.7%	
Product Sales	248	(2)	(1)	251	241	(2)	(1)	244	3%
% of Revenue	67.4%			68.2%	68.1%			68.9%	
Consulting services	8	(2)	-	10	2	(2)	(1)	5	100%
% of Revenue	15.1%			18.9%	3.6%			9.1%	
Total gross profit	256	(4)	(1)	261	243	(4)	(2)	249	5%
% of Revenue	60.8%			62.0%	59.4%			60.9%	
Selling, general and administrative expenses	129	18	7	104	136	16	3	117	-11%
Research and development expenses	73	8	4	61	68	7	1	60	2%
Total expenses	202	26	11	165	204	23	4	177	-7%
% of Revenue	48.0%			39.2%	49.9%			43.3%	
Income from operations	54	(30)	(12)	96	39	(27)	(6)	72	33%
% of Revenue	12.8%			22.8%	9.5%			17.6%	
Other expense, net	(1)	-	3	(4)	(9)	-	-	(9)	
Income before income taxes	53	(30)	(9)	92	30	(27)	(6)	63	46%
Income tax expense	16	(4)	(1)	21	5	(4)	(2)	11	
% Tax rate	30.2%			22.8%	16.7%			17.5%	
Net income	$ 37	$ (26)	$ (8)	$ 71	$ 25	$ (23)	$ (4)	$ 52	37%
% of Revenue	8.8%			16.9%	6.1%			12.7%	
Net income per common share									
Basic	$ 0.40	$ (0.28)	$ (0.09)	$ 0.76	$ 0.26	$ (0.24)	$ (0.04)	$ 0.54	40%
Diluted	$ 0.38	$ (0.27)	$ (0.08)	$ 0.74	$ 0.26	$ (0.24)	$ (0.04)	$ 0.53	40%
Weighted average common shares outstanding									
Basic	93.0			93.0	95.5			95.5	
Diluted	96.4			96.4	97.4			97.4	

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Three months ended September 30, 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 September 30, 2025, include $7 million ($5 million after-tax) for reorganization, transformation and other activities.

3. Special items for the three months ended September 30, 2024, include $14 million ($10 million after-tax) for reorganization, transformation and other activities.

	2025				2024				
	GAAP	Stock-based Compensation Expense	Other Special Items [2]	Non-GAAP [1]	GAAP	Stock-based Compensation Expense	Other Special Items [3]	Non-GAAP [1]	% Change Non-GAAP Yr/Yr
Revenue									
Recurring	**$ 366**	$ -	$ -	$ 366	**$ 372**	$ -	$ -	$ 372	-2%
Perpetual software licenses, hardware and other	**3**	-	-	3	**7**	-	-	7	-57%
Consulting services	**47**	-	-	47	**61**	-	-	61	-23%
Total revenue	**416**	-	-	416	**440**	-	-	440	-5%
Gross profit									
Recurring	**250**	(2)	-	252	**261**	(2)	-	263	-4%
% of Revenue	**68.3%**			68.9%	**70.2%**			70.7%	
Perpetual software licenses, hardware and other	**3**	-	-	3	**2**	-	-	2	50%
% of Revenue	**100.0%**			100.0%	**28.6%**			28.6%	
Consulting services	**-**	(2)	(2)	4	**3**	(2)	(1)	6	-33%
% of Revenue	**0.0%**			8.5%	**4.9%**			9.8%	
Total gross profit	**253**	(4)	(2)	259	**266**	(4)	(1)	271	-4%
% of Revenue	**60.8%**			62.3%	**60.5%**			61.6%	
Selling, general and administrative expenses	**122**	18	3	101	**137**	19	9	109	-7%
Research and development expenses	**70**	7	3	60	**73**	6	4	63	-5%
Total expenses	**192**	25	6	161	**210**	25	13	172	-6%
% of Revenue	**46.2%**			38.7%	**47.7%**			39.1%	
Income from operations	**61**	(29)	(8)	98	**56**	(29)	(14)	99	-1%
% of Revenue	**14.7%**			23.6%	**12.7%**			22.5%	
Other expense, net	**(7)**	-	1	(8)	**(9)**	-	-	(9)	
Income before income taxes	**54**	(29)	(7)	90	**47**	(29)	(14)	90	0%
Income tax expense	**14**	(5)	(2)	21	**15**	(4)	(4)	23	
% Tax rate	**25.9%**			23.3%	**31.9%**			25.6%	
Net income	**$ 40**	$ (24)	$ (5)	$ 69	**$ 32**	$ (25)	$ (10)	$ 67	3%
% of Revenue	**9.6%**			16.6%	**7.3%**			15.2%	
Net income per common share									
Basic	**$ 0.42**	$ (0.25)	$ (0.05)	$ 0.73	**$ 0.33**	$ (0.26)	$ (0.10)	$ 0.70	5%
Diluted	**$ 0.42**	$ (0.25)	$ (0.05)	$ 0.72	**$ 0.33**	$ (0.26)	$ (0.10)	$ 0.69	4%
Weighted average common shares outstanding									
Basic	**94.2**	$ (0.07)		94.2	**96.1**			96.1	
Diluted	**95.5**			95.5	**97.0**			97.0	

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Twelve months ended December 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 twelve months ended December 31, 2025, include $31 million ($18 million after-tax) for reorganization, transformation and other activities.

3. 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.

	2025				2024				
	GAAP	Stock-based Compensation Expense	Other Special Items [2]	Non-GAAP [1]	GAAP	Stock-based Compensation Expense	Other Special Items [3]	Non-GAAP [1]	% Change Non-GAAP Yr/Yr
Revenue									
Recurring	$ 1,445	$ -	$ -	$ 1,445	$ 1,479	$ -	$ -	$ 1,479	-2%
Perpetual software licenses, hardware and othe	17	-	-	17	23	-	-	23	-26%
Product Sales	1,462	-	-	1,462	1,502	-	-	1,502	-3%
Consulting services	201	-	-	201	248	-	-	248	-19%
Total revenue	1,663	-	-	1,663	1,750	-	-	1,750	-5%
Gross profit									
Recurring	983	(9)	(2)	994	1,038	(9)	(2)	1,049	-5%
% of Revenue	68.0%			68.8%	70.2%			70.9%	
Perpetual software licenses, hardware and othe	4	-	-	4	-	-	-	-	N/A
% of Revenue	23.5%			23.5%	0.0%			0.0%	
Product Sales	987	(9)	(2)	998	1,038	(9)	(2)	1,049	-5%
% of Revenue	67.5%			68.3%	69.1%			69.8%	
Consulting services	-	(8)	(4)	12	20	(8)	(3)	31	-61%
% of Revenue	0.0%			6.0%	8.1%			12.5%	
Total gross profit	987	(17)	(6)	1,010	1,058	(17)	(5)	1,080	-6%
% of Revenue	59.4%			60.7%	60.5%			61.7%	
Selling, general and administrative expenses	502	68	21	413	565	74	17	474	-13%
Research and development expenses	280	27	8	245	284	28	6	250	-2%
Total expenses	782	95	29	658	849	102	23	724	-9%
% of Revenue	47.0%			39.6%	48.5%			41.4%	
Income from operations	205	(112)	(35)	352	209	(119)	(28)	356	-1%
% of Revenue	12.3%			21.2%	11.9%			20.3%	
Other expense, net	(27)	-	4	(31)	(45)	-	(2)	(43)	
Income before income taxes	178	(112)	(31)	321	164	(119)	(30)	313	3%
Income tax expense	48	(11)	(13)	72	50	(17)	(8)	75	
% Tax rate	27.0%			22.4%	30.5%			24.0%	
Net income	$ 130	$ (101)	$ (18)	$ 249	$ 114	$ (102)	$ (22)	$ 238	5%
% of Revenue	7.8%			15.0%	6.5%			13.6%	
Net income per common share									
Basic	$ 1.38	$ (1.07)	$ (0.19)	$ 2.64	$ 1.18	$ (1.06)	$ (0.23)	$ 2.47	7%
Diluted	$ 1.35	$ (1.05)	$ (0.19)	$ 2.58	$ 1.16	$ (1.04)	$ (0.22)	$ 2.42	6%
Weighted average common shares outstanding									
Basic	94.4			94.4	96.4			96.4	
Diluted	96.6			96.6	98.2			98.2	

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Adjusted EBITDA

NOTES:

* While Teradata reports its results using GAAP, certain non-GAAP financial measures may be used to reflect operational performance. These non-GAAP measures may exclude the impact of stock compensation expense and certain special items, which are used to support. our GAAP results from time-to-time to reflect the on-going Earnings Per Share performance of the Company. Although non-GAAP measures should not be used in isolation or as a substitute for, or superior to, the Company's reported GAAP results, and should be read only in conjunction with our condensed consolidated financial statements prepared in accordance with GAAP. Teradata uses non-GAAP measures to manage and determine the effectiveness of its business management. A reconciliation of Teradata's GAAP results to these non-GAAP financial measures for each period included in this summary is found in the supplemental appendices hereto.

	2025					2026			
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	YTD
Total revenue (GAAP)	**418**	**408**	**416**	**421**	**1,663**	**444**	**410**	**399**	**1,253**
Income (loss) from operations (GAAP)	**66**	**24**	**61**	**54**	**205**	**(36)**	**48**	**54**	**66**
Excluding:									
Stock based compensation expense	22	31	29	30	112	29	33	33	95
Reorganization and other costs	3	12	8	12	35	128	7	-	135
Income from operations (Non GAAP)	91	67	98	96	352	121	88	87	296
Depreciation and amortization (GAAP)	20	23	24	23	90	25	23	25	73
EBITDA (non-GAAP)*	**$ 111**	**$ 90**	**$ 122**	**$ 119**	**$ 442**	**$ 146**	**$ 111**	**$ 112**	**$ 369**
% of Revenue	26.6%	22.1%	29.3%	28.3%	26.6%	32.9%	27.1%	28.1%	29.4%

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Earnings per share – Last 12 months

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.

		2026			September 30, 2026
	Q4	Q1	Q2	Q3	LTM
Earnings Per Share:					
GAAP Earnings Per Share (diluted)	**0.38**	**3.47**	**0.48**	**0.40**	**4.73**
Excluding:					
Stock-based compensation expense	0.31	0.30	0.34	0.34	1.29
Reorganization and other costs	0.10	0.07	0.06	0.01	0.24
SAP Settlement*	-	(3.73)	-	-	(3.73)
Impact of Q3 SAP earnings per share dilution off-set	-	0.01	-	-	0.01
Income tax adjustments [i]	(0.05)	0.76	(0.19)	(0.05)	0.47
Non-GAAP Diluted Earnings Per Share	**0.74**	**0.88**	**0.69**	**0.70**	**3.01**

*Updated by one cent to reflect Q3 share dilution

		2025			September 30, 2025
	Q4	Q1	Q2	Q3	LTM
GAAP Earnings Per Share (diluted)	**0.26**	**0.45**	**0.09**	**0.42**	**1.22**
Excluding:					
Stock-based compensation expense	0.27	0.23	0.32	0.30	1.12
Reorganization and other costs	0.06	0.03	0.13	0.07	0.29
Income tax adjustments [i]	(0.06)	(0.05)	(0.07)	(0.07)	(0.25)
Non-GAAP Diluted Earnings Per Share	**0.53**	**0.66**	**0.47**	**0.72**	**2.38**

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Earnings per share – Three months ended September 30, 2026 and 2026 Outlook

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 $69 million discrete income tax effect of the SAP settlement recorded in the first nine months of 2026. 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 GAAP effective tax rate and non-GAAP effective tax rate for the three months ended September 30, 2026, was 24.0% and 20.2%, respectively, and September 30, 2025, was 25.9% and 23.3%, respectively. For the nine months ended September 30, 2026, the Company's GAAP effective tax rate and non-GAAP effective tax rate was 21.5% and 23.2%, respectively and September 30, 2025, was 25.6% and 22.3%, respectively.

	For the Three Months ended September 30		For the Nine Months ended September 30		2026 Outlook	
Earnings Per Share:	**2026**	**2025**	**2026**	**2025**	**Q4**	**FY**
GAAP Earnings Per Share	$0.40	$0.42	$4.36	$0.96	$0.26 - $0.30	$4.63 - $4.67
Excluding:						
Stock-based compensation expense	0.34	0.30	0.99	0.85	0.31	1.30
Reorganization and other costs	0.01	0.07	0.14	0.23	0.08	0.21
SAP Settlement	-	-	(3.73)	-	-	(3.73)
Income tax adjustments[i]	(0.05)	(0.07)	0.51	(0.20)	(0.07)	0.45
Non-GAAP Diluted Earnings Per Share	$0.70	$0.72	$2.27	$1.84	$0.58 - $0.62	$2.86 - $2.90

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Adjusted free cash flow reconciliation – Last twelve months

NOTES:

The Company believes that free cash flow and adjusted free cash flow are useful non-GAAP measures for investors. Free cash flow and adjusted free cash flow do not have a uniform definition under GAAP in the United States and therefore, Teradata's definitions 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 and adjusted free cash flow as free cash flow less the gross proceeds from the SAP settlement, plus the non-recurring legal and other expenses incurred in connection with the SAP litigation and resulting settlement, and taxes paid specific to the settlement agreement. Teradata's management uses free cash flow and adjusted free cash flow to assess the financial performance of the Company and believes they are useful for investors because they relate 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 and adjusted free cash flow adjusts the impact of the SAP settlement. Neither free cash flow or adjusted free cash flow represent the residual cash flow available for discretionary expenditures since there may be other non-discretionary expenditures that are not deducted from these measures. These non-GAAP measures should not be considered as a substitute for, or superior to, cash flows from operating activities under GAAP.

		2026			September 30, 2026
	Q4	Q1	Q2	Q3	LTM
Net cash provided by operating activities (GAAP)	**160**	**401**	**106**	**91**	**$ 758**
Less capital expenditures for:					
Expenditures for property and equipment	(9)	(10)	(1)	(5)	(25)
Additions to capitalized software	-	(1)	-	(1)	(2)
total capital expenditures	(9)	(11)	(1)	(6)	(27)
Free Cash Flow (non-GAAP measure) [1]	**151**	**390**	**105**	**85**	**731**
Less SAP gross settlement proceeds	-	(480)	-	-	(480)
Plus legal and other expenses	-	121	-	-	121
Plus taxes specific to the settlement	-	-	22	11	33
Adjusted Free Cash Flow (non-GAAP Measure)[1]	**151**	**31**	**127**	**96**	**405**

		2025			September 30, 2025
	Q4	Q1	Q2	Q3	LTM
Net cash provided by operating activities (GAAP)	**156**	**8**	**43**	**94**	**$ 301**
Less capital expenditures for:					
Expenditures for property and equipment	(7)	(1)	(4)	(5)	(17)
Additions to capitalized software	(1)	-	-	(1)	(2)
total capital expenditures	(8)	(1)	(4)	(6)	(19)
Free Cash Flow (non-GAAP measure) [1]	**148**	**7**	**39**	**88**	**282**

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Adjusted free cash flow reconciliation – September 30, 2026 and 2025

NOTES:

As described below, the Company believes that free cash flow and adjusted free cash flow are useful non-GAAP measures for investors. Free cash flow and adjusted free cash flow do not have a uniform definition under GAAP in the United States and therefore, Teradata's definitions 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 and adjusted free cash flow as free cash flow less the gross proceeds from the SAP settlement, plus the non-recurring legal and other expenses incurred in connection with the SAP litigation and resulting settlement, and taxes paid specific to the settlement agreement. Teradata's management uses free cash flow and adjusted free cash flow to assess the financial performance of the Company and believes they are useful for investors because they relate 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 and adjusted free cash flow adjusts the impact of the SAP settlement. Neither free cash flow or adjusted free cash flow represent the residual cash flow available for discretionary expenditures since there may be other non-discretionary expenditures that are not deducted from these measures. These non-GAAP measures 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 September 30		For the Nine Months ended September 30		Outlook
	2026	2025	2026	2025	2026
Cash provided by operating activities (GAAP)	$91	$94	$598	$145	$665 to $685
Less total capital expenditures	(6)	(6)	(18)	(11)	(~20)
Free Cash Flow (non-GAAP measure)	$85	$88	$580	$134	$645 to $665
Less SAP gross settlement proceeds	-	-	(480)	-	(480)
Plus legal and other expenses	-	-	121	-	121
Plus taxes specific to the settlement	11	-	33	-	44
Adjusted Free Cash Flow (non-GAAP Measure)	$96	$88	$254	$134	$330 to $350

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