

TERADATA CORPORATION
(in millions, except per share amounts - unaudited)

	2021					2022					2023		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	YTD
Revenue													
Recurring	\$ 372	\$ 376	\$ 352	\$ 364	\$ 1,464	\$ 386	\$ 345	\$ 331	\$ 357	\$ 1,419	\$ 389	\$ 371	\$ 760
Growth Rate as Reported	20%	16%	7%	5%	12%	4%	(8%)	(6%)	(2%)	(3%)	1%	8%	4%
Growth Rate Constant Currency (non-GAAP)*	17%	13%	6%	6%	11%	6%	(5%)	(2%)	0%	0%	4%	10%	7%
Perpetual software licenses, hardware and other	23	17	18	19	77	26	8	14	17	65	13	13	26
Growth Rate as Reported	0%	(32%)	(28%)	(44%)	(28%)	13%	(53%)	(22%)	(11%)	(16%)	(50%)	63%	(24%)
Growth Rate Constant Currency (non-GAAP)*	(2%)	(32%)	(29%)	(43%)	(28%)	17%	(50%)	(22%)	0%	0%	(43%)	61%	(18%)
Consulting services	96	98	90	92	376	84	77	72	78	311	74	78	152
Growth Rate as Reported	(4%)	(10%)	(10%)	(17%)	(10%)	(13%)	(21%)	(20%)	(15%)	(17%)	(12%)	1%	(6%)
Growth Rate Constant Currency (non-GAAP)*	(8%)	(14%)	(10%)	(16%)	(12%)	(9%)	(16%)	(12%)	0%	0%	(5%)	5%	0%
Total revenue	491	491	460	475	1,917	496	430	417	452	1,795	476	462	938
Growth Rate as Reported	13%	7%	1%	(3%)	4%	1%	(12%)	(9%)	(5%)	(6%)	(4%)	7%	1%
Growth Rate Constant Currency (non-GAAP)*	10%	4%	1%	(2%)	3%	4%	(8%)	(4%)	0%	0%	0%	10%	5%
Gross profit													
Recurring	282	289	257	271	1,099	281	249	239	253	1,022	291	264	555
% of Revenue	75.8%	76.9%	73.0%	74.5%	75.1%	72.8%	72.2%	72.2%	70.9%	72.0%	74.8%	71.2%	73.0%
Perpetual software licenses, hardware and other	12	6	7	9	34	8	2	4	4	18	2	1	3
% of Revenue	52.2%	35.3%	38.9%	47.4%	44.2%	30.8%	25.0%	28.6%	23.5%	27.7%	15.4%	7.7%	11.5%
Consulting services	13	15	11	14	53	12	7	16	6	41	9	11	20
% of Revenue	13.5%	15.3%	12.2%	15.2%	14.1%	14.3%	9.1%	22.2%	7.7%	13.2%	12.2%	14.1%	13.2%
Total gross profit	307	310	275	294	1,186	301	258	259	263	1,081	302	276	578
% of Revenue	62.5%	63.1%	59.8%	61.9%	61.9%	60.7%	60.0%	62.1%	58.2%	60.2%	63.4%	59.7%	61.6%
Selling, general and administrative expenses	149	161	166	170	646	157	163	155	175	650	153	167	320
Research and development expenses	77	79	79	74	309	76	81	79	77	313	70	76	146
Total operating expense	226	240	245	244	955	233	244	234	252	963	223	243	466
% of Revenue	46.0%	48.9%	53.3%	51.4%	49.8%	47.0%	56.7%	56.1%	55.8%	53.6%	46.8%	52.6%	49.7%
Income from operations	81	70	30	50	231	68	14	25	11	118	79	33	112
% of Revenue	16.5%	14.3%	6.5%	10.5%	12.1%	13.7%	3.3%	6.0%	2.4%	6.6%	16.6%	7.1%	11.9%
Other expense, net	(9)	(11)	(11)	(8)	(39)	(13)	(14)	(15)	(9)	(51)	(21)	(9)	(30)
Income before income taxes	72	59	19	42	192	55	-	10	2	67	58	24	82
Income tax expense	19	15	2	9	45	19	4	2	9	34	18	7	25
% Income tax	26.4%	25.4%	10.5%	21.4%	23.4%	34.5%	972.0%	20.0%	450.0%	50.7%	31.0%	29.2%	30.5%
Net income (loss)	\$ 53	\$ 44	\$ 17	\$ 33	\$ 147	\$ 36	\$ (4)	\$ 8	\$ (7)	\$ 33	\$ 40	\$ 17	\$ 57
% of Revenue	10.8%	9.0%	3.7%	6.9%	7.7%	7.3%	(0.9%)	1.9%	(1.5%)	1.8%	8.4%	3.7%	6.1%
Net income (loss) per common share**													
Basic	\$ 0.49	\$ 0.40	\$ 0.16	\$ 0.31	\$ 1.35	\$ 0.34	\$ (0.04)	\$ 0.08	\$ (0.07)	\$ 0.32	\$ 0.39	\$ 0.17	\$ 0.56
Diluted	\$ 0.47	\$ 0.39	\$ 0.15	\$ 0.29	\$ 1.30	\$ 0.33	\$ (0.04)	\$ 0.08	\$ (0.07)	\$ 0.31	\$ 0.39	\$ 0.17	\$ 0.55
Weighted average common shares outstanding													
Basic	108.7	109.0	108.9	107.7	108.6	105.0	103.5	102.7	101.6	103.2	101.4	101.0	101.2
Diluted	112.8	112.7	113.4	112.2	112.9	108.6	103.5	104.7	101.6	105.8	103.8	102.9	103.3
Stock-based compensation expense (after-tax)	\$ (15)	\$ (27)	\$ (23)	\$ (28)	\$ (93)	\$ (21)	\$ (27)	\$ (23)	\$ (32)	\$ (103)	\$ (22)	\$ (30)	\$ (52)
Special items (after-tax) (see Notes)	\$ (10)	\$ (12)	\$ (9)	\$ (3)	\$ (34)	\$ (14)	\$ (12)	\$ (1)	\$ (11)	\$ (38)	\$ (1)	\$ (2)	\$ (3)
Net income (Non-GAAP)*	\$ 78	\$ 83	\$ 49	\$ 64	\$ 274	\$ 71	\$ 35	\$ 32	\$ 36	\$ 174	\$ 63	\$ 49	\$ 112
Non-GAAP Diluted EPS*	\$ 0.69	\$ 0.74	\$ 0.43	\$ 0.57	\$ 2.43	\$ 0.65	\$ 0.33	\$ 0.31	\$ 0.35	\$ 1.64	\$ 0.61	\$ 0.48	\$ 1.08

Notes

Q1 2021 - \$1 million (\$1 million after-tax) for amortization of acquired intangible assets, \$4 million (\$3 million after-tax) for integration and transformation activities, and \$8 million (\$6 million after-tax) for legal fees associated with the lawsuit that we initiated in the second quarter of 2018.

Q2 2021 - \$1 million (\$1 million after-tax) for amortization of acquired intangible assets, \$9 million (\$6 million after-tax) for integration and transformation activities, and \$6 million (\$5 million after-tax) for legal fees associated with the lawsuit that we initiated in the second quarter of 2018.

Q3 2021 - \$1 million (\$1 million after-tax) for amortization of acquired intangible assets, \$4 million (\$3 million after-tax) for integration and transformation activities, \$9 million (\$7 million after-tax) for legal fees associated with the lawsuit that we initiated in the second quarter of 2018 and \$2 million tax impact for CARES Act true up.

Q4 2021 - \$1 million (\$1 million after-tax) for amortization of acquired intangible assets, \$2 million (\$1 million after-tax) for integration and transformation activities, and \$3 million (\$1 million after-tax) for legal fees associated with the lawsuit that we initiated in the second quarter of 2018.

Q1 2022 - \$1 million (\$1 million after-tax) for amortization of acquired intangible assets, \$15 million (\$13 million after-tax) for reorganization and transformation activities, and costs associated with ceasing operations in Russia.

Q2 2022 - \$1 million (\$1 million after-tax) for amortization of acquired intangible assets, \$8 million (\$11 million after-tax) for reorganization and transformation activities, and costs associated with ceasing operations in Russia, which includes a tax benefit associated with the write-off of Russian tax attributes.

Q3 2022 - \$2 million (\$1 million after-tax) for reorganization and transformation activities.

Q4 2022 - \$15 million (\$11 million after-tax) for reorganization and transformation activities.

Q1 2023 - \$1 million (\$1 million after-tax) for reorganization and transformation activities.

Q2 2023 - \$4 million (\$2 million after-tax) for reorganization and transformation activities.

* While Teradata reports its results using generally accepted accounting principles in the U.S. (GAAP), certain non-GAAP financial measurements may be used to reflect operational performance. 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. Similarly constant currency growth rate for revenues eliminates the foreign exchange rate fluctuations. Although non-GAAP measures should not be used as a substitute for, or superior to, the Company's reported GAAP results, Teradata uses non-GAAP measures to manage and determine the effectiveness of its business management.

** Net income per share in each quarter is computed using the weighted-average number of shares outstanding during that quarter while net income per share for the full year is computed using the weighted-average number of shares outstanding during the year. Thus the sum of the four quarters' net income per share does not necessarily equal the full-year net income per share.