

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

	2022					2023					2024			
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	YTD
Operating activities														
Net income (loss)	\$ 36	\$ (4)	\$ 8	\$ (7)	\$ 33	\$ 40	\$ 17	\$ 12	\$ (7)	\$ 62	\$ 20	\$ 37	\$ 32	\$ 89
Adjustments to reconcile net income (loss) to net cash provided by operating activities:														
Depreciation and amortization	40	33	28	33	134	28	31	27	30	116	27	26	25	78
Stock-based compensation expense	31	32	27	36	126	28	35	33	30	126	34	29	29	92
Deferred income taxes	8	(6)	(9)	(19)	(26)	7	(5)	(1)	(12)	(11)	12	(4)	(3)	5
Loss on Blue Chip Swap	-	-	-	-	-	-	-	-	13	13	2	1	-	3
Changes in assets and liabilities:														
Receivables	6	64	13	(111)	(28)	23	76	(21)	-	78	(25)	63	1	39
Inventories	10	(1)	4	5	18	1	(2)	1	(5)	(5)	(3)	(6)	6	(3)
Current payables and accrued expenses	(49)	23	4	57	35	(41)	11	21	16	7	(30)	(34)	27	(37)
Deferred revenue	20	(58)	(65)	121	18	41	(105)	(40)	99	(5)	(6)	(47)	(44)	(97)
Other assets and liabilities	49	22	24	14	109	(18)	(9)	9	12	(6)	(4)	(22)	4	(22)
Net cash provided by operating activities	151	105	34	129	419	109	49	41	176	375	27	43	77	147
Investing activities														
Expenditures for property and equipment	(1)	(2)	(3)	(8)	(14)	(4)	(2)	(5)	(8)	(19)	(6)	(3)	(8)	(17)
Additions to capitalized software	-	(1)	-	(1)	(2)	-	(1)	-	-	(1)	-	(1)	-	(1)
Business acquisitions and other investing activities, including loss on Blue Chip Swap	-	-	-	(2)	(2)	-	-	(16)	(13)	(29)	(2)	(1)	(2)	(5)
Net cash used in investing activities	(1)	(3)	(3)	(11)	(18)	(4)	(3)	(21)	(21)	(49)	(8)	(5)	(10)	(23)
Financing activities														
Repurchases of Company common stock	(300)	(17)	(29)	(41)	(387)	(84)	(70)	(147)	(7)	(308)	(124)	(47)	(15)	(186)
Proceeds from long-term borrowings	-	500	-	-	500	-	-	-	-	-	-	-	-	-
Repayments of long-term borrowings	(13)	(400)	-	-	(413)	-	-	-	-	-	-	(6)	(7)	(13)
Payments of finance leases	(22)	(23)	(22)	(19)	(86)	(20)	(21)	(21)	(20)	(82)	(20)	(17)	(17)	(54)
Other financing activities, net	4	(3)	5	(1)	5	(7)	6	7	1	7	(6)	-	5	(1)
Net cash (used in) provided by financing activities	(331)	57	(46)	(61)	(381)	(111)	(85)	(161)	(26)	(383)	(150)	(70)	(34)	(254)
Effect of exchange rate changes on cash and cash equivalents	(6)	(19)	(24)	5	(44)	(10)	(10)	(16)	8	(28)	(17)	(5)	14	(8)
Increase (decrease) in cash, cash equivalents and restricted cash	(187)	140	(39)	62	(24)	(16)	(49)	(157)	137	(85)	(148)	(37)	47	(138)
Cash, cash equivalents and restricted cash at beginning of period	595	408	548	509	595	571	555	506	349	571	486	338	301	486
Cash, cash equivalents and restricted cash at end of period	<u>\$ 408</u>	<u>\$ 548</u>	<u>\$ 509</u>	<u>\$ 571</u>	<u>\$ 571</u>	<u>\$ 555</u>	<u>\$ 506</u>	<u>\$ 349</u>	<u>\$ 486</u>	<u>\$ 486</u>	<u>\$ 338</u>	<u>\$ 301</u>	<u>\$ 348</u>	<u>\$ 348</u>
Free Cash Flow (non-GAAP measure) ¹	<u>\$ 150</u>	<u>\$ 102</u>	<u>\$ 31</u>	<u>\$ 120</u>	<u>\$ 403</u>	<u>\$ 105</u>	<u>\$ 46</u>	<u>\$ 36</u>	<u>\$ 168</u>	<u>\$ 355</u>	<u>\$ 21</u>	<u>\$ 39</u>	<u>\$ 69</u>	<u>\$ 129</u>

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.