TERADATA CORPORATION

(in millions, except per share amounts - unaudited)

	2023					2024					2025			
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	YTD
Revenue														
Recurring	$ 389	$ 371	$ 360	$ 372	$ 1,492	$ 388	$ 368	$ 372	$ 351	$ 1,479	$ 358	$ 354	$ 366	$ 1,078
Growth Rate as Reported	1%	8%	9%	4%	5%	(0%)	(1%)	3%	(6%)	(1%)	(8%)	(4%)	(2%)	(4%)
Growth Rate Constant Currency (non-GAAP)*	4%	10%	10%	4%	7%	1%	2%	5%	(4%)	1%	(6%)	(4%)	(3%)	(4%)
Perpetual software licenses, hardware and other	13	13	7	12	45	8	5	7	3	23	10	3	3	16
Growth Rate as Reported	(50%)	63%	(50%)	(29%)	(31%)	(38%)	(62%)	0%	(75%)	(49%)	25%	(40%)	(57%)	(20%)
Growth Rate Constant Currency (non-GAAP)*	(43%)	61%	(50%)	(34%)	(29%)	(40%)	(58%)	(2%)	(69%)	(47%)	26%	(62%)	(44%)	(17%)
Consulting services	74	78	71	73	296	69	63	61	55	248	50	51	47	148
Growth Rate as Reported	(12%)	1%	(1%)	(6%)	(5%)	(7%)	(19%)	(14%)	(25%)	(16%)	(28%)	(19%)	(23%)	(23%)
Growth Rate Constant Currency (non-GAAP)*	(5%)	5%	(1%)	(4%)	(2%)	(2%)	(15%)	(12%)	(21%)	(13%)	(26%)	(20%)	(22%)	(23%)
Total revenue	**476**	**462**	**438**	**457**	**1,833**	**465**	**436**	**440**	**409**	**1,750**	**418**	**408**	**416**	**1,242**
Growth Rate as Reported	(4%)	7%	5%	1%	2%	(2%)	(6%)	0%	(11%)	(5%)	(10%)	(6%)	(5%)	(7%)
Growth Rate Constant Currency (non-GAAP)*	0%	10%	6%	1%	4%	(1%)	(3%)	2%	(9%)	(3%)	(8%)	(7%)	(6%)	(7%)
Gross profit														
Recurring	291	264	255	264	1,074	276	258	261	243	1,038	250	235	250	735
% of Revenue	74.8%	71.2%	70.8%	71.0%	72.0%	71.1%	70.1%	70.2%	69.2%	70.2%	69.8%	66.4%	68.3%	68.2%
Perpetual software licenses, hardware and other	2	1	-	4	7	-	-	2	(2)	-	1	-	3	4
% of Revenue	15.4%	7.7%	0.0%	33.3%	15.6%	0.0%	0.0%	28.6%	(66.7%)	0.0%	10.0%	0.0%	100.0%	25.0%
Consulting services	9	11	4	10	34	8	7	3	2	20	(3)	(5)	-	(8)
% of Revenue	12.2%	14.1%	5.6%	13.7%	11.5%	11.6%	11.1%	4.9%	3.6%	8.1%	(6.0%)	(9.8%)	0.0%	(5.4%)
Total gross profit	**302**	**276**	**259**	**278**	**1,115**	**284**	**265**	**266**	**243**	**1,058**	**248**	**230**	**253**	**731**
% of Revenue	63.4%	59.7%	59.1%	60.8%	60.8%	61.1%	60.8%	60.5%	59.4%	60.5%	59.3%	56.4%	60.8%	58.9%
Selling, general and administrative expenses	153	167	156	159	635	161	131	137	136	565	116	135	122	373
Research and development expenses	70	76	76	72	294	75	68	73	68	284	66	71	70	207
Total operating expense	223	243	232	231	929	236	199	210	204	849	182	206	192	580
% of Revenue	46.8%	52.6%	53.0%	50.5%	50.7%	50.8%	45.6%	47.7%	49.9%	48.5%	43.5%	50.5%	46.2%	46.7%
Income from operations	**79**	**33**	**27**	**47**	**186**	**48**	**66**	**56**	**39**	**209**	**66**	**24**	**61**	**151**
% of Revenue	16.6%	7.1%	6.2%	10.3%	10.1%	10.3%	15.1%	12.7%	9.5%	11.9%	15.8%	5.9%	14.7%	12.2%
Other expense, net	(21)	(9)	(14)	(25)	(69)	(16)	(11)	(9)	(9)	(45)	(8)	(11)	(7)	(26)
Income before income taxes	58	24	13	22	117	32	55	47	30	164	58	13	54	125
Income tax expense	18	7	1	29	55	12	18	15	5	50	14	4	14	32
% Income tax	31.0%	29.2%	7.7%	131.8%	47.0%	37.5%	32.7%	31.9%	16.7%	30.5%	24.1%	30.8%	25.9%	25.6%
Net income (loss)	$ 40	$ 17	$ 12	$ (7)	$ 62	$ 20	$ 37	$ 32	$ 25	$ 114	$ 44	$ 9	$ 40	$ 93
% of Revenue	8.4%	3.7%	2.7%	(1.5%)	3.4%	4.3%	8.5%	7.3%	6.1%	6.5%	10.5%	2.2%	9.6%	7.5%
Net income (loss) per common share**														
Basic	$ 0.39	$ 0.17	$ 0.12	$ (0.07)	$ 0.62	$ 0.21	$ 0.38	$ 0.33	$ 0.26	$ 1.18	$ 0.46	$ 0.09	$ 0.42	$ 0.98
Diluted	$ 0.39	$ 0.17	$ 0.12	$ (0.07)	$ 0.61	$ 0.20	$ 0.38	$ 0.33	$ 0.26	$ 1.16	$ 0.45	$ 0.09	$ 0.42	$ 0.96
Weighted average common shares outstanding														
Basic	101.4	101.0	99.2	97.9	99.8	97.4	96.5	96.1	95.5	96.4	95.1	95.3	94.2	94.9
Diluted	103.8	102.9	102.0	97.9	102.4	100.1	97.4	97.0	97.4	98.2	97.4	96.0	95.5	96.5
Stock-based compensation expense (after-tax)	$ (22)	$ (30)	$ (28)	$ (23)	$ (103)	$ (30)	$ (24)	$ (25)	$ (23)	$ (102)	$ (19)	$ (32)	$ (24)	$ (75)
Special items (after-tax) (see Notes)	$ (1)	$ (2)	$ (3)	$ (41)	$ (47)	$ (7)	$ (1)	$ (10)	$ (4)	$ (22)	$ (1)	$ (4)	$ (5)	$ (10)
Net income (Non-GAAP)*	**$ 63**	**$ 49**	**$ 43**	**$ 57**	**$ 212**	**$ 57**	**$ 62**	**$ 67**	**$ 52**	**$ 238**	**$ 64**	**$ 45**	**$ 69**	**$ 178**
Non-GAAP Diluted EPS*	**$ 0.61**	**$ 0.48**	**$ 0.42**	**$ 0.56**	**$ 2.07**	**$ 0.57**	**$ 0.64**	**$ 0.69**	**$ 0.53**	**$ 2.42**	**$ 0.66**	**$ 0.47**	**$ 0.72**	**$ 1.84**

Notes

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.
Q3 2023 - $3 million ($3 million after-tax) for reorganization and transformation activities.
Q4 2023 - $13 million ($8 million after-tax) for reorganization and transformation activities, $13 million ($21 million after-tax) for losses on sale of Blue Chip Swap, and a $12 million tax impact from a tax valuation allowance in Argentina
Q1 2024 - $7 million ($5 million after-tax) for reorganization and transformation activities, and $2 million ($2 million after-tax) for losses on sale of Blue Chip Swap.
Q2 2024 - $1 million ($1 million after-tax) for reorganization and transformation activities.
Q3 2024 - $14 million ($10 million after-tax) for reorganization and transformation activities.
Q4 2024 - $6 million ($4 million after-tax) for reorganization and transformation activities.
Q1 2025 - $3 million ($1 million after-tax) for reorganization and transformation activities.
Q2 2025 - $12 million ($4 million after-tax) for reorganization and transformation activities.
Q3 2025 - $7 million ($5 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.

TERADATA CORPORATION
HISTORICAL NON-GAAP - Supplemental schedule**
(Unaudited)
(in millions, except per share amounts - unaudited)

	2023					2024					2025			
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	YTD
Revenue (non-GAAP)														
Recurring	$ 389	$ 371	$ 360	$ 372	$ 1,492	$ 388	$ 368	$ 372	$ 351	$ 1,479	$ 358	$ 354	$ 366	$ 1,078
Growth Rate as Reported	1%	8%	9%	4%	5%	(0%)	(1%)	3%	(6%)	(1%)	(8%)	(4%)	(2%)	(4%)
Growth Rate Constant Currency (non-GAAP)*	4%	10%	10%	4%	7%	1%	2%	5%	(4%)	1%	(6%)	(4%)	(3%)	(4%)
Perpetual software licenses, hardware and other	13	13	7	12	45	8	5	7	3	23	10	3	3	16
Growth Rate as Reported	(50%)	63%	(50%)	(29%)	(31%)	(38%)	(62%)	0%	(75%)	(49%)	25%	(40%)	(57%)	(20%)
Growth Rate Constant Currency (non-GAAP)*	(43%)	61%	(50%)	(34%)	(29%)	(40%)	(58%)	(2%)	(69%)	(47%)	26%	(62%)	(44%)	(17%)
Consulting services	74	78	71	73	296	69	63	61	55	248	50	51	47	148
Growth Rate as Reported	(12%)	1%	(1%)	(6%)	(5%)	(7%)	(19%)	(14%)	(25%)	(16%)	(28%)	(19%)	(23%)	(23%)
Growth Rate Constant Currency (non-GAAP)*	(5%)	5%	(1%)	(4%)	(2%)	(2%)	(15%)	(12%)	(21%)	(13%)	(26%)	(20%)	(22%)	(23%)
Total revenue	**476**	**462**	**438**	**457**	**1,833**	**465**	**436**	**440**	**409**	**1,750**	**418**	**408**	**416**	**1,242**
Growth Rate as Reported	(4%)	7%	5%	1%	2%	(2%)	(6%)	0%	(11%)	(5%)	(10%)	(6%)	(5%)	(7%)
Growth Rate Constant Currency (non-GAAP)*	0%	10%	6%	1%	4%	(1%)	(3%)	2%	(9%)	(3%)	(8%)	(7%)	(6%)	(7%)
Gross profit (non-GAAP)														
Recurring	293	266	258	267	1,084	278	262	263	246	1,049	252	239	252	743
% of Revenue	75.3%	71.7%	71.7%	71.8%	72.7%	71.6%	71.2%	70.7%	70.1%	70.9%	70.4%	67.5%	68.9%	68.9%
Perpetual software licenses, hardware and other	2	1	-	4	7	-	-	2	(2)	-	1	-	3	4
% of Revenue	15.4%	7.7%	0.0%	33.3%	15.6%	0.0%	0.0%	28.6%	(66.7%)	0.0%	10.0%	0.0%	100.0%	25.0%
Consulting services	11	13	6	12	42	11	9	6	5	31	(1)	(1)	4	2
% of Revenue	14.9%	16.7%	8.5%	16.4%	14.2%	15.9%	14.3%	9.8%	9.1%	12.5%	(2.0%)	(2.0%)	8.5%	1.4%
Total gross profit (non-GAAP)	**306**	**280**	**264**	**283**	**1,133**	**289**	**271**	**271**	**249**	**1,080**	**252**	**238**	**259**	**749**
% of Revenue	64.3%	60.6%	60.3%	61.9%	61.8%	62.2%	62.2%	61.6%	60.9%	61.7%	60.3%	58.3%	62.3%	60.3%
Selling, general and administrative expenses	134	141	133	131	539	134	114	109	117	474	101	107	101	309
Research and development expenses	64	67	68	63	262	66	61	63	60	250	60	64	60	184
Total operating expense (non-GAAP)	198	208	201	194	801	200	175	172	177	724	161	171	161	493
% of Revenue	41.6%	45.0%	45.9%	42.5%	43.7%	43.0%	40.1%	39.1%	43.3%	41.4%	38.5%	41.9%	38.7%	39.7%
Income from operations (non-GAAP)	**108**	**72**	**63**	**89**	**332**	**89**	**96**	**99**	**72**	**356**	**91**	**67**	**98**	**256**
% of Revenue	22.7%	15.6%	14.4%	19.5%	18.1%	19.1%	22.0%	22.5%	17.6%	20.3%	21.8%	16.4%	23.6%	20.6%
Other expense, net	(21)	(9)	(14)	(11)	(55)	(14)	(11)	(9)	(9)	(43)	(8)	(11)	(8)	(27)
Income before income taxes (non-GAAP)	87	63	49	78	277	75	85	90	63	313	83	56	90	229
Income tax expense (benefit)	24	14	6	21	65	18	23	23	11	75	19	11	21	51
% Income tax	27.6%	22.2%	12.2%	26.9%	23.5%	24.0%	27.1%	25.6%	17.5%	24.0%	22.9%	19.6%	23.3%	22.3%
Net income (non-GAAP)**	**$ 63**	**$ 49**	**$ 43**	**$ 57**	**$ 212**	**$ 57**	**$ 62**	**$ 67**	**$ 52**	**$ 238**	**$ 64**	**$ 45**	**$ 69**	**$ 178**
% of Revenue	13.2%	10.6%	9.8%	12.5%	11.6%	12.3%	14.2%	15.2%	12.7%	13.6%	15.3%	11.0%	16.6%	14.3%
Net income per common share (non-GAAP)***														
Basic	$ 0.62	$ 0.49	$ 0.43	$ 0.58	$ 2.12	$ 0.59	$ 0.64	$ 0.70	$ 0.54	$ 2.47	$ 0.67	$ 0.47	$ 0.73	$ 1.88
Diluted	**$ 0.61**	**$ 0.48**	**$ 0.42**	**$ 0.56**	**$ 2.07**	**$ 0.57**	**$ 0.64**	**$ 0.69**	**$ 0.53**	**$ 2.42**	**$ 0.66**	**$ 0.47**	**$ 0.72**	**$ 1.84**
Weighted average common shares outstanding														
Basic	101.4	101.0	99.2	97.9	99.8	97.4	96.5	96.1	95.5	96.4	95.1	95.3	94.2	94.9
Diluted	103.8	102.9	102.0	100.9	102.4	100.1	97.4	97.0	97.4	98.2	97.4	96.0	95.5	96.5

* The impact of currency is determined by calculating the prior period results using the current-period monthly average currency rates.
** 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.
*** 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.

TERADATA CORPORATION
RECONCILIATION OF RESULTS - GAAP TO NON-GAAP
Reflects the Impact of Special Items
(in millions, except per share amounts - unaudited)
For the Three Months Ended September 30

	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	

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.

TERADATA CORPORATION
RECONCILIATION OF RESULTS - GAAP TO NON-GAAP
Reflects the Impact of Special Items
(in millions, except per share amounts - unaudited)
For the Nine Months Ended September 30

	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	**$ 1,078**	$ -	$ -	$ 1,078	**$ 1,128**	$ -	$ -	$ 1,128	-4%
Perpetual software licenses, hardware and other	**16**	-	-	16	**20**	-	-	20	-20%
Consulting services	**148**	-	-	148	**193**	-	-	193	-23%
Total revenue	**1,242**	**-**	-	1,242	**1,341**	**-**	-	1,341	-7%
Gross profit									
Recurring	**735**	(7)	(1)	743	**795**	(7)	(1)	803	-7%
% of Revenue	**68.2%**			68.9%	**70.5%**			71.2%	
Perpetual software licenses, hardware and other	**4**	-	-	4	**2**	-	-	2	100%
% of Revenue	**25.0%**			25.0%	**10.0%**			10.0%	
Consulting services	**(8)**	(6)	(4)	2	**18**	(6)	(2)	26	-92%
% of Revenue	**-5.4%**			1.4%	**9.3%**			13.5%	
Total gross profit	**731**	(13)	(5)	749	**815**	(13)	(3)	831	-10%
% of Revenue	**58.9%**			60.3%	**60.8%**			62.0%	
Selling, general and administrative expenses	**373**	50	14	309	**429**	58	14	357	-13%
Research and development expenses	**207**	19	4	184	**216**	21	5	190	-3%
Total expenses	**580**	69	18	493	**645**	79	19	547	-10%
% of Revenue	**46.7%**			39.7%	**48.1%**			40.8%	
Income from operations	**151**	(82)	(23)	256	**170**	(92)	(22)	284	-10%
% of Revenue	**12.2%**			20.6%	**12.7%**			21.2%	
Other expense, net	**(26)**	-	1	(27)	**(36)**	-	(2)	(34)	
Income before income taxes	**125**	(82)	(22)	229	**134**	(92)	(24)	250	-8%
Income tax expense	**32**	(7)	(12)	51	**45**	(13)	(6)	64	
% Tax rate	**25.6%**			22.3%	**33.6%**			25.6%	
Net income	**$ 93**	$ (75)	$ (10)	$ 178	**$ 89**	$ (79)	$ (18)	$ 186	-4%
% of Revenue	**7.5%**			14.3%	**6.6%**			13.9%	
Net income per common share									
Basic	**$ 0.98**	$ (0.79)	$ (0.11)	$ 1.88	**$ 0.92**	$ (0.82)	$ (0.19)	$ 1.92	-2%
Diluted	**$ 0.96**	$ (0.78)	$ (0.10)	$ 1.84	**$ 0.91**	$ (0.80)	$ (0.18)	$ 1.89	-3%
Weighted average common shares outstanding									
Basic	**94.9**			94.9	**96.7**			96.7	
Diluted	**96.5**			96.5	**98.3**			98.3	

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 nine months ended September 30, 2025 include $22 million ($10 million after-tax) for reorganization, transformation and other activities.
3) Special items for the nine months ended September 30, 2024 include $2 million ($2 million after-tax) for losses on sale of Blue Chip Swap, and $22 million ($16 million after-tax) for reorganization, transformation and other activities.

Teradata calculates free cash flow, a non-GAAP financial measure, as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
Net income (GAAP)	$ 40	$ 32	$ 93	$ 89
Net cash provided by operating activities (GAAP)	**$ 94**	**$ 77**	**$ 145**	**$ 147**
Less capital expenditures for:				
Expenditures for property and equipment	(5)	(8)	(10)	(17)
Additions to capitalized software	(1)	-	(1)	(1)
Free Cash Flow (non-GAAP measure) [1]	**$ 88**	**$ 69**	**$ 134**	**$ 129**

Note 1: 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.

TERADATA CORPORATION
RECONCILIATION OF RESULTS - GAAP TO NON-GAAP
Reflects the Impact of Special Items
(in millions, except per share amounts - unaudited)
For the Three Months Ended June 30

	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	**$ 354**	$ -	$ -	$ 354	**$ 368**	$ -	$ -	$ 368	-4%
Perpetual software licenses, hardware and other	**3**	-	-	3	**5**	-	-	5	-40%
Consulting services	**51**	-	-	51	**63**	-	-	63	-19%
Total revenue	**408**	-	-	408	**436**	**-**	-	436	-6%
Gross profit									
Recurring	**235**	(3)	(1)	239	**258**	(3)	(1)	262	-9%
% of Revenue	**66.4%**			67.5%	**70.1%**			71.2%	
Perpetual software licenses, hardware and other	**-**	-	-	-	**-**	-	-	-	N/A
% of Revenue	**0.0%**			0.0%	**0.0%**			0.0%	
Consulting services	**(5)**	(2)	(2)	(1)	**7**	(2)	-	9	-111%
% of Revenue	**-9.8%**			-2.0%	**11.1%**			14.3%	
Total gross profit	**230**	(5)	(3)	238	**265**	(5)	(1)	271	-12%
% of Revenue	**56.4%**			58.3%	**60.8%**			62.2%	
Selling, general and administrative expenses	**135**	20	8	107	**131**	16	1	114	-6%
Research and development expenses	**71**	6	1	64	**68**	8	(1)	61	5%
Total expenses	**206**	26	9	171	**199**	24	-	175	-2%
% of Revenue	**50.5%**			41.9%	**45.6%**			40.1%	
Income from operations	**24**	(31)	(12)	67	**66**	(29)	(1)	96	-30%
% of Revenue	**5.9%**			16.4%	**15.1%**			22.0%	
Other expense, net	**(11)**	-	-	(11)	**(11)**	-	-	(11)	
Income before income taxes	**13**	(31)	(12)	56	**55**	(29)	(1)	85	-34%
Income tax expense	**4**	1	(8)	11	**18**	(5)	-	23	
% Tax rate	**30.8%**			19.6%	**32.7%**			27.1%	
Net income	**$ 9**	$ (32)	$ (4)	$ 45	**$ 37**	$ (24)	$ (1)	$ 62	-27%
% of Revenue	**2.2%**			11.0%	**8.5%**			14.2%	
Net income per common share									
Basic	**$ 0.09**	$ (0.34)	$ (0.04)	$ 0.47	**$ 0.38**	$ (0.25)	$ (0.01)	$ 0.64	-27%
Diluted	**$ 0.09**	$ (0.33)	$ (0.04)	$ 0.47	**$ 0.38**	$ (0.25)	$ (0.01)	$ 0.64	-27%
Weighted average common shares outstanding									
Basic	**95.3**			95.3	**96.5**			96.5	
Diluted	**96.0**			96.0	**97.4**			97.4	

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, 2025 include $12 million ($4 million after-tax) for reorganization, transformation and other activities.

3) Special items for the three months ended June 30, 2024 include $1 million ($1 million after-tax) for reorganization, transformation and other activities.

TERADATA CORPORATION
RECONCILIATION OF RESULTS - GAAP TO NON-GAAP
Reflects the Impact of Special Items
(in millions, except per share amounts - unaudited)
For the Six Months Ended June 30

	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	**$ 712**	$ -	$ -	$ 712	**$ 756**	$ -	$ -	$ 756	-6%
Perpetual software licenses, hardware and other	**13**	-	-	13	**13**	-	-	13	0%
Consulting services	**101**	-	-	101	**132**	-	-	132	-23%
Total revenue	**826**	**-**	-	826	**901**	**-**	-	901	-8%
Gross profit									
Recurring	**485**	(5)	(1)	491	**534**	(5)	(1)	540	-9%
% of Revenue	**68.1%**			69.0%	**70.6%**			71.4%	
Perpetual software licenses, hardware and other	**1**	-	-	1	**-**	-	-	-	N/A
% of Revenue	**7.7%**			7.7%	**0.0%**			0.0%	
Consulting services	**(8)**	(4)	(2)	(2)	**15**	(4)	(1)	20	-110%
% of Revenue	**-7.9%**			-2.0%	**11.4%**			15.2%	
Total gross profit	**478**	(9)	(3)	490	**549**	(9)	(2)	560	-13%
% of Revenue	**57.9%**			59.3%	**60.9%**			62.2%	
Selling, general and administrative expenses	**251**	32	11	208	**292**	39	5	248	-16%
Research and development expenses	**137**	12	1	124	**143**	15	1	127	-2%
Total expenses	**388**	44	12	332	**435**	54	6	375	-11%
% of Revenue	**47.0%**			40.2%	**48.3%**			41.6%	
Income from operations	**90**	(53)	(15)	158	**114**	(63)	(8)	185	-15%
% of Revenue	**10.9%**			19.1%	**12.7%**			20.5%	
Other expense, net	**(19)**	-	-	(19)	**(27)**	-	(2)	(25)	
Income before income taxes	**71**	(53)	(15)	139	**87**	(63)	(10)	160	-13%
Income tax expense	**18**	(2)	(10)	30	**30**	(9)	(2)	41	
% Tax rate	**25.4%**			21.6%	**34.5%**			25.6%	
Net income	**$ 53**	$ (51)	$ (5)	$ 109	**$ 57**	$ (54)	$ (8)	$ 119	-8%
% of Revenue	**6.4%**			13.2%	**6.3%**			13.2%	
Net income per common share									
Basic	**$ 0.56**	$ (0.54)	$ (0.05)	$ 1.14	**$ 0.59**	$ (0.56)	$ (0.08)	$ 1.23	-7%
Diluted	**$ 0.55**	$ (0.53)	$ (0.05)	$ 1.12	**$ 0.58**	$ (0.55)	$ (0.08)	$ 1.20	-7%
Weighted average common shares outstanding									
Basic	**95.2**			95.2	**97.0**			97.0	
Diluted	**97.0**			97.0	**98.9**			98.9	

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 six months ended June 30, 2025 include $15 million ($5 million after-tax) for reorganization, transformation and other activities.
3) Special items for the six months ended June 30, 2024 include $2 million ($2 million after-tax) for losses on sale of Blue Chip Swap, and $8 million ($6 million after-tax) for reorganization, transformation and other activities.

Teradata calculates free cash flow, a non-GAAP financial measure, as follows:

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Net income (GAAP)	$ 9	$ 37	$ 53	$ 57
Net cash provided by operating activities (GAAP)	**$ 43**	**$ 43**	**$ 51**	**$ 70**
Less capital expenditures for:				
Expenditures for property and equipment	(4)	(3)	(5)	(9)
Additions to capitalized software	-	(1)	-	(1)
Free Cash Flow (non-GAAP measure) [1]	**$ 39**	**$ 39**	**$ 46**	**$ 60**

Note 1: 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.

TERADATA CORPORATION
RECONCILIATION OF RESULTS - GAAP TO NON-GAAP
Reflects the Impact of Special Items
(in millions, except per share amounts - unaudited)
For the Three Months Ended March 31

	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	**$ 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	

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.

Teradata calculates free cash flow, a non-GAAP financial measure, as follows:

	Three Months Ended March 31	
	2025	**2024**
Net income (GAAP)	$ 44	$ 20
Net cash provided by operating activities (GAAP)	**$ 8**	**$ 27**
Less capital expenditures for:		
Expenditures for property and equipment	(1)	(6)
Free Cash Flow (non-GAAP measure) [1]	**$ 7**	**$ 21**

Note 1: 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.

TERADATA CORPORATION
RECONCILIATION OF RESULTS - GAAP TO NON-GAAP
Reflects the Impact of Special Items
(in millions, except per share amounts - unaudited)
For the Three Months Ended December 31

	2024				2023				
	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	**$ 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	

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 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.

TERADATA CORPORATION
RECONCILIATION OF RESULTS - GAAP TO NON-GAAP
Reflects the Impact of Special Items
(in millions, except per share amounts - unaudited)
For the Twelve Months Ended December 31

	2024				2023				
	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	**$ 1,479**	$ -	$ -	$ 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	

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.

Teradata calculates free cash flow, a non-GAAP financial measure, as follows:

	Three Months Ended December 31		Twelve Months Ended December 31	
	2024	2023	2024	2023
Net income (GAAP)	$ 25	$ (7)	$ 114	$ 62
Net cash provided by operating activities (GAAP)	**$ 156**	**$ 176**	**$ 303**	**$ 375**
Less capital expenditures for:				
Expenditures for property and equipment	(7)	(8)	(24)	(19)
Additions to capitalized software	(1)	-	(2)	(1)
Free Cash Flow (non-GAAP measure) [1]	**$ 148**	**$ 168**	**$ 277**	**$ 355**

Note 1: 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.

TERADATA CORPORATION
RECONCILIATION OF RESULTS - GAAP TO NON-GAAP
Reflects the Impact of Special Items
(in millions, except per share amounts - unaudited)
For the Three Months Ended September 30

	2024				2023				
	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	**$ 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	

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.

TERADATA CORPORATION
RECONCILIATION OF RESULTS - GAAP TO NON-GAAP
Reflects the Impact of Special Items
(in millions, except per share amounts - unaudited)
For the Nine Months Ended September 30

	2024				2023				
	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	**$ 1,128**	$ -	$ -	$ 1,128	**$ 1,120**	$ -	$ -	$ 1,120	1%
Perpetual software licenses, hardware and other	**20**	-	-	20	**33**	-	-	33	-39%
Consulting services	**193**	-	-	193	**223**	-	-	223	-13%
Total revenue	**1,341**	**-**	-	1,341	**1,376**	**-**	-	1,376	-3%
Gross profit									
Recurring	**795**	(7)	(1)	803	**810**	(6)	(1)	817	-2%
% of Revenue	**70.5%**			71.2%	**72.3%**			72.9%	
Perpetual software licenses, hardware and other	**2**	-	-	2	**3**	-	-	3	-33%
% of Revenue	**10.0%**			10.0%	**9.1%**			9.1%	
Consulting services	**18**	(6)	(2)	26	**24**	(6)	-	30	-13%
% of Revenue	**9.3%**			13.5%	**10.8%**			13.5%	
Total gross profit	**815**	(13)	(3)	831	**837**	(12)	(1)	850	-2%
% of Revenue	**60.8%**			62.0%	**60.8%**			61.8%	
Selling, general and administrative expenses	**429**	58	14	357	**476**	63	5	408	-13%
Research and development expenses	**216**	21	5	190	**222**	21	2	199	-5%
Total expenses	**645**	79	19	547	**698**	84	7	607	-10%
% of Revenue	**48.1%**			40.8%	**50.7%**			44.1%	
Income from operations	**170**	(92)	(22)	284	**139**	(96)	(8)	243	17%
% of Revenue	**12.7%**			21.2%	**10.1%**			17.7%	
Other expense, net	**(36)**	-	(2)	(34)	**(44)**	-	-	(44)	
Income before income taxes	**134**	(92)	(24)	250	**95**	(96)	(8)	199	26%
Income tax expense	**45**	(13)	(6)	64	**26**	(16)	(2)	44	
% Tax rate	**33.6%**			25.6%	**27.4%**			22.1%	
Net income	**$ 89**	$ (79)	$ (18)	$ 186	**$ 69**	$ (80)	$ (6)	$ 155	20%
% of Revenue	**6.6%**			13.9%	**5.0%**			11.3%	
Net income per common share									
Basic	**$ 0.92**	$ (0.82)	$ (0.19)	$ 1.92	**$ 0.69**	$ (0.80)	$ (0.06)	$ 1.54	25%
Diluted	**$ 0.91**	$ (0.80)	$ (0.18)	$ 1.89	**$ 0.67**	$ (0.78)	$ (0.06)	$ 1.51	25%
Weighted average common shares outstanding									
Basic	**96.7**			96.7	**100.5**			100.5	
Diluted	**98.3**			98.3	**102.8**			102.8	

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 nine months ended September 30, 2024 include $2 million ($2 million after-tax) for losses on sale of Blue Chip Swap, and $22 million ($16 million after-tax) for reorganization, transformation and other activities.
3) Special items for the nine months ended September 30, 2023 include $8 million ($6 million after-tax) for reorganization and transformation activities.

Teradata calculates free cash flow, a non-GAAP financial measure, as follows:

	Three Months Ended September 30				Nine Months Ended September 30			
	2024		2023		2024		2023	
Net income (GAAP)	$	32	$	12	$	89	$	69
Net cash provided by operating activities (GAAP)	**$**	**77**	**$**	**41**	**$**	**147**	**$**	**199**
Less capital expenditures for:								
Expenditures for property and equipment		(8)		(5)		(17)		(11)
Additions to capitalized software		-		-		(1)		(1)
Free Cash Flow (non-GAAP measure) [1]	**$**	**69**	**$**	**36**	**$**	**129**	**$**	**187**

Note 1: 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.

TERADATA CORPORATION
RECONCILIATION OF RESULTS - GAAP TO NON-GAAP
Reflects the Impact of Special Items
(in millions, except per share amounts - unaudited)
For the Three Months Ended June 30

	2024				2023				
	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	**$ 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	34%
Weighted average common shares outstanding									
Basic	**96.5**			96.5	**101.0**			101.0	
Diluted	**97.4**			97.4	**102.9**			102.9	

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.

TERADATA CORPORATION
RECONCILIATION OF RESULTS - GAAP TO NON-GAAP
Reflects the Impact of Special Items
(in millions, except per share amounts - unaudited)
For the Six Months Ended June 30

	2024				2023				
	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	**$ 756**	$ -	$ -	$ 756	**$ 760**	$ -	$ -	$ 760	-1%
Perpetual software licenses, hardware and other	**13**	-	-	13	**26**	-	-	26	-50%
Consulting services	**132**	-	-	132	**152**	-	-	152	-13%
Total revenue	**901**	**-**	-	901	**938**	**-**	-	938	-4%
Gross profit									
Recurring	**534**	(5)	(1)	540	**555**	(4)	-	559	-3%
% of Revenue	**70.6%**			71.4%	**73.0%**			73.6%	
Perpetual software licenses, hardware and other	**-**	-	-	-	**3**	-	-	3	-100%
% of Revenue	**0.0%**			0.0%	**11.5%**			11.5%	
Consulting services	**15**	(4)	(1)	20	**20**	(4)	-	24	-17%
% of Revenue	**11.4%**			15.2%	**13.2%**			15.8%	
Total gross profit	**549**	(9)	(2)	560	**578**	(8)	-	586	-4%
% of Revenue	**60.9%**			62.2%	**61.6%**			62.5%	
Selling, general and administrative expenses	**292**	39	5	248	**320**	41	4	275	-10%
Research and development expenses	**143**	15	1	127	**146**	14	1	131	-3%
Total expenses	**435**	54	6	375	**466**	55	5	406	-8%
% of Revenue	**48.3%**			41.6%	**49.7%**			43.3%	
Income from operations	**114**	(63)	(8)	185	**112**	(63)	(5)	180	3%
% of Revenue	**12.7%**			20.5%	**11.9%**			19.2%	
Other expense, net	**(27)**	-	(2)	(25)	**(30)**	-	-	(30)	
Income before income taxes	**87**	(63)	(10)	160	**82**	(63)	(5)	150	7%
Income tax expense	**30**	(9)	(2)	41	**25**	(11)	(2)	38	
% Tax rate	**34.5%**			25.6%	**30.5%**			25.3%	
Net income	**$ 57**	$ (54)	$ (8)	$ 119	**$ 57**	$ (52)	$ (3)	$ 112	6%
% of Revenue	**6.3%**			13.2%	**6.1%**			11.9%	
Net income per common share									
Basic	**$ 0.59**	$ (0.56)	$ (0.08)	$ 1.23	**$ 0.56**	$ (0.51)	$ (0.03)	$ 1.11	11%
Diluted	**$ 0.58**	$ (0.55)	$ (0.08)	$ 1.20	**$ 0.55**	$ (0.50)	$ (0.03)	$ 1.08	11%
Weighted average common shares outstanding									
Basic	**97.0**			97.0	**101.2**			101.2	
Diluted	**98.9**			98.9	**103.3**			103.3	

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 six months ended June 30, 2024 include $2 million ($2 million after-tax) for losses on sale of Blue Chip Swap, and $8 million ($6 million after-tax) for reorganization, transformation and other activities.
3) Special items for the six months ended June 30, 2023 include $5 million ($3 million after-tax) for reorganization and transformation activities.

Teradata calculates free cash flow, a non-GAAP financial measure, as follows:

	Three Months Ended June 30		Six Months Ended June 30	
	2024	2023	2024	2023
Net income (GAAP)	$ 37	$ 17	$ 57	$ 57
Net cash provided by operating activities (GAAP)	**$ 43**	**$ 49**	**$ 70**	**$ 158**
Less capital expenditures for:				
Expenditures for property and equipment	(3)	(2)	(9)	(6)
Additions to capitalized software	(1)	(1)	(1)	(1)
Free Cash Flow (non-GAAP measure) [1]	**$ 39**	**$ 46**	**$ 60**	**$ 151**

Note 1: 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.

TERADATA CORPORATION
RECONCILIATION OF RESULTS - GAAP TO NON-GAAP
Reflects the Impact of Special Items
(in millions, except per share amounts - unaudited)
For the Three Months Ended March 31

	2024				2023				
	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	**$ 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	

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, transformation and other activities.
3) Special items for the three months ended March 31, 2023 include $1 million ($1 million after-tax) for reorganization and transformation activities.

Teradata calculates free cash flow, a non-GAAP financial measure, as follows:

	Three Months Ended March 31	
	2024	2023
Net income (GAAP)	$ 20	$ 40
Net cash provided by operating activities (GAAP)	**$ 27**	**$ 109**
Less capital expenditures for:		
Expenditures for property and equipment	(6)	(4)
Free Cash Flow (non-GAAP measure) [1]	**$ 21**	**$ 105**

Note 1: 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.