

February 2026

Q4'25 and 2025 Earnings Results

Teradata Investor Relations

teradata.

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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 first 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: the global economic environment and business conditions in general, including inflation, tariffs, and/or recessionary conditions; 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, including sanctions, tariffs, foreign currency fluctuations, and/or acts of war; risks associated with data privacy, 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 the implementation of a new ERP system and 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) 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.

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.

Financial Overview



\$1.522B Total ARR; an increase of 3% YoY⁽¹⁾



FY25 Cash Flow from Operations of \$305M; Free Cash Flow of \$285M⁽²⁾



\$701M Public Cloud ARR; an increase of 15% YoY and now comprises 46% of Total ARR⁽¹⁾



FY25 GAAP Diluted EPS of \$1.35 and Non-GAAP Diluted EPS of \$2.58⁽²⁾

Notes:

⁽¹⁾ 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. ⁽²⁾ Non-GAAP diluted earnings per share and free cash flow ("FCF") 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.

Q4'25 and 2025 Financials

Teradata – by the numbers Q4'25

Total ARR

\$1.522B

+ 3% YoY

+ 1% YoY in CC

Public Cloud ARR

\$701M

+ 15% YoY

+ 13% YoY in CC

Recurring Revenue

\$367M

+ 5% YoY

+ 3% YoY in CC

Total Revenue

\$421M

+ 3% YoY

+ 1% YoY in CC

GAAP Diluted EPS

\$0.38

+ from \$0.26 in Q4'24

Non-GAAP Diluted EPS

\$0.74

+ from \$0.53 in Q4'24

Cash Flow from Operations

\$160M

+ from 156M in Q4'24

Free Cash Flow

\$151M

+ from \$148M in Q4'24

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.

Teradata – by the numbers FY25

Total ARR

\$1.522B

+ 3% YoY

+ 1% YoY in CC

Public Cloud ARR

\$701M

+ 15% YoY

+ 13% YoY in CC

Recurring Revenue

\$1.445B

- 2% YoY

- 3% YoY in CC

Total Revenue

\$1.663B

- 5% YoY

- 5% YoY in CC

GAAP Diluted EPS

\$1.35

+ from \$1.16 in FY24

Non-GAAP Diluted EPS

\$2.58

+ from \$2.42 in FY24

Cash Flow from Operations

\$305M

+ from \$303M in FY24

Free Cash Flow

\$285M

+ from \$277M in FY24

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.

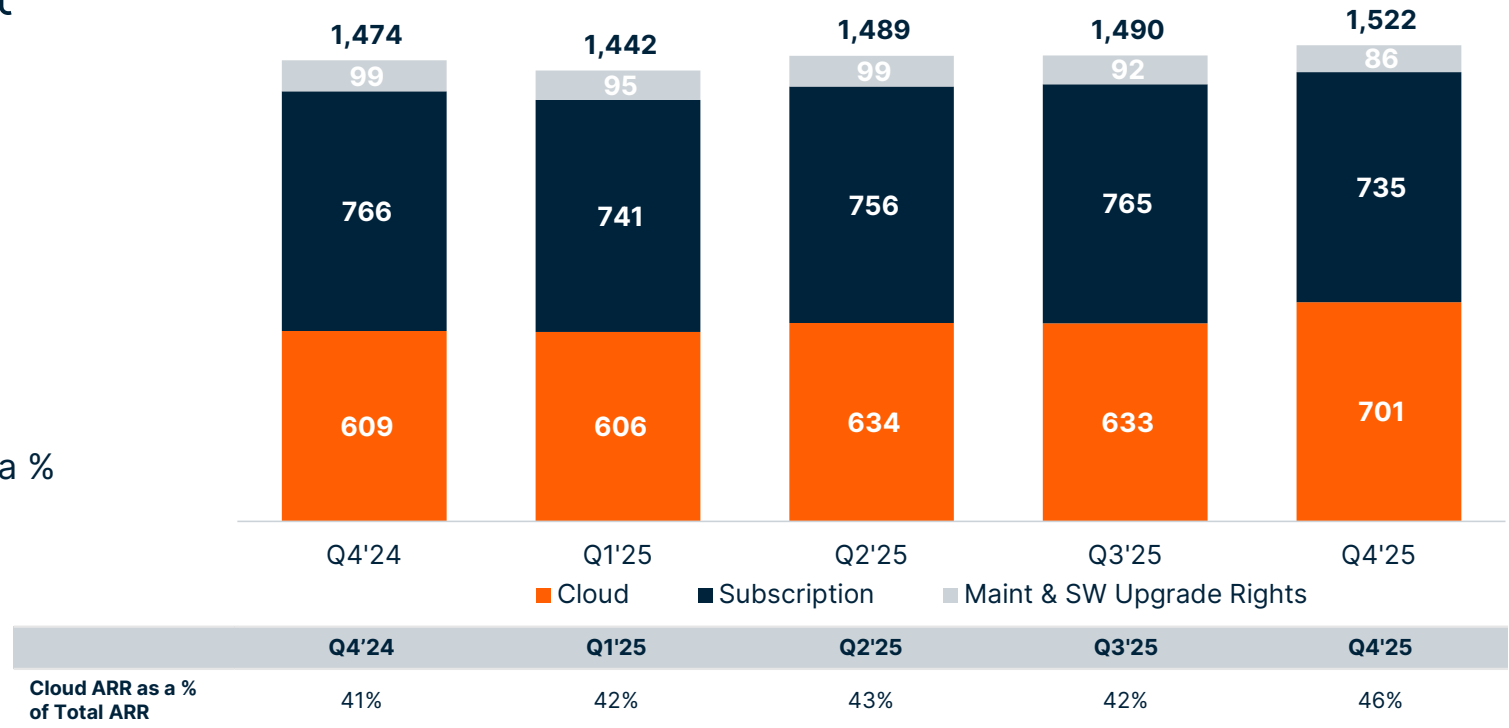
ARR by product

\$1.522B

+ 3% YoY

+ 1% YoY in CC

46% Cloud ARR as a %
of Total ARR



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.

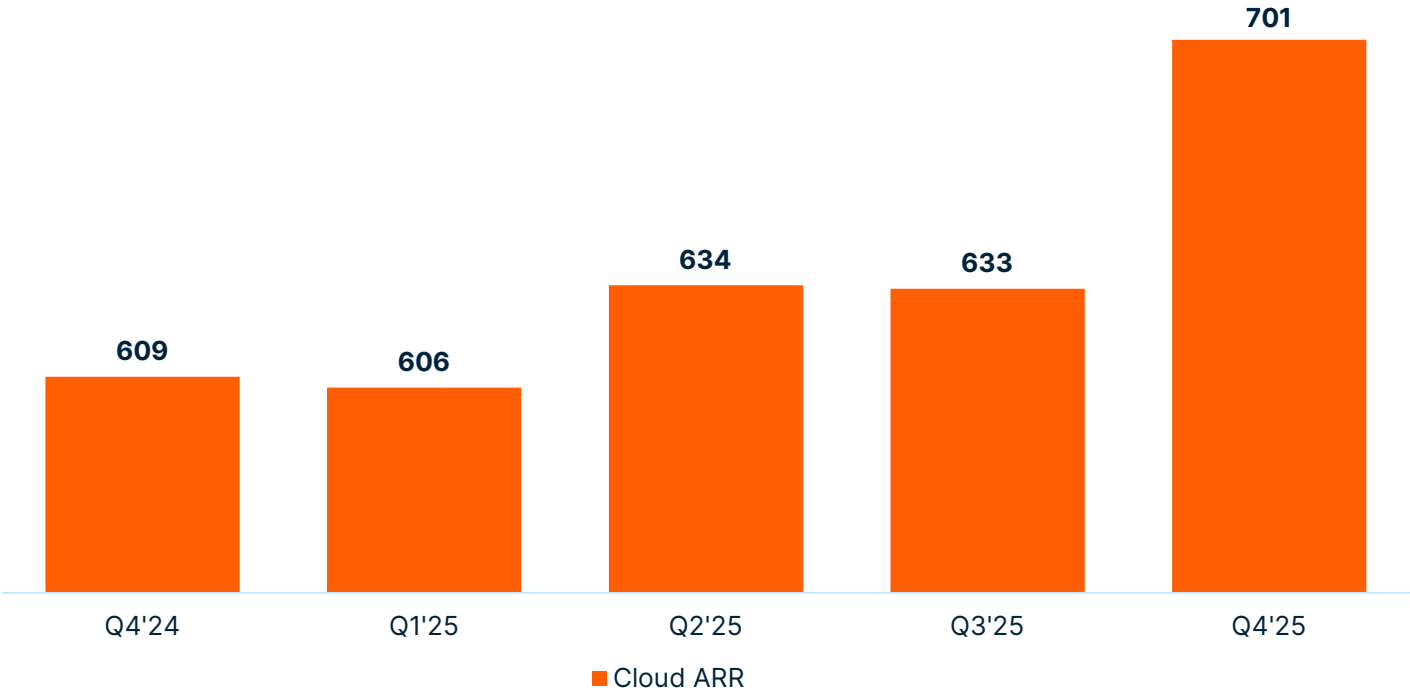
Cloud ARR & TTM Net Expansion Rate

\$701M

+ 15% YoY

+ 13% YoY in CC

108% Cloud Net Expansion Rate



Notes:

1) Amounts in U.S. Dollars in Millions. 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.

2) The impact of currency is determined by calculating the prior-period results using the current-year monthly currency rates.

3) Teradata calculates its last-twelve months dollar-based cloud net expansion rate as of a fiscal quarter end as follows: a) We identify the ARR for active cloud customers in the fiscal quarter ending one year prior to the given fiscal quarter (the "base period"); b) We then identify the Public Cloud ARR in the given fiscal quarter (the "current period") from the same set of active cloud customers as the base period, including increases in usage, as well as reductions and cancellations, and additional conversions of on-premises revenues to the cloud for customers active in the base period, all in constant currency; c) The quarterly dollar-based, Cloud Net Expansion Rate is calculated by taking the ARR from the current period and dividing by the ARR from the base period, and d) The last twelve-month dollar-based cloud net expansion rate is calculated by taking the average of the quarterly dollar-based cloud net expansion rate from the last fiscal quarter and the prior three fiscal quarters.

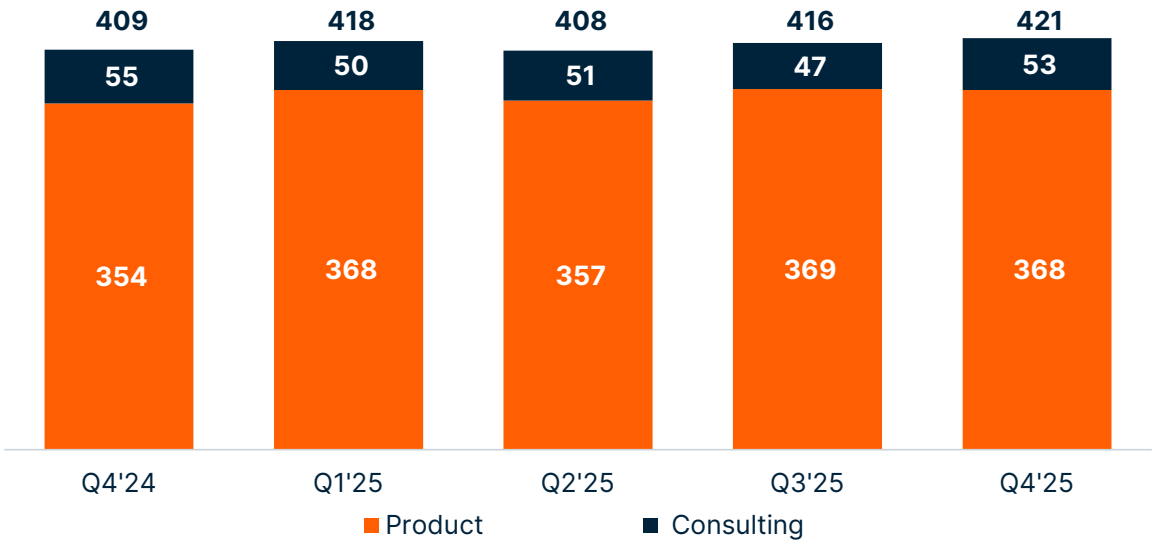
Revenue by segment

\$421M

+ 3% YoY

+ 1% CC

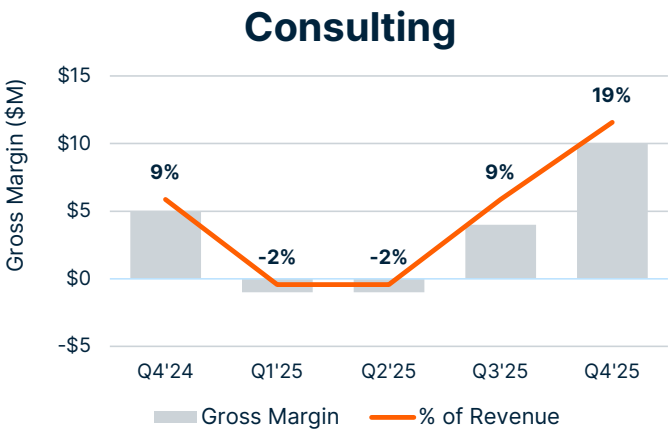
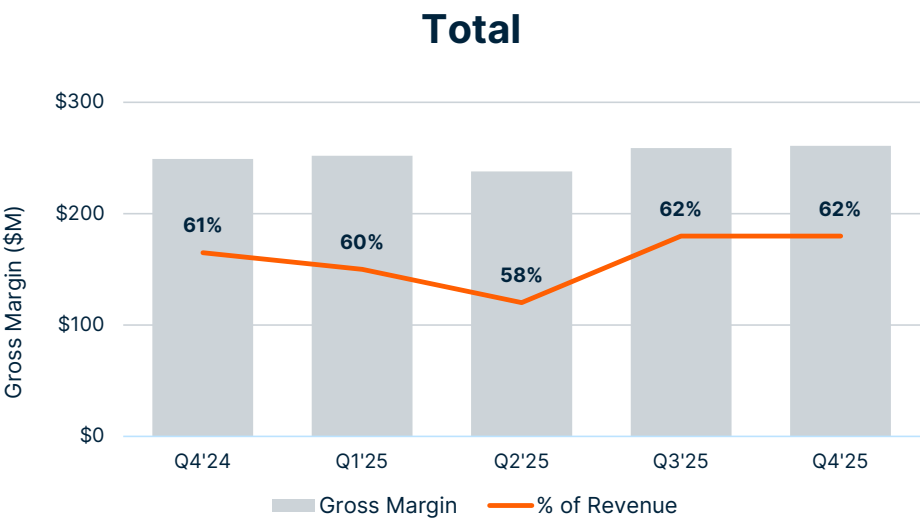
87% Product Revenue as a % of Total Revenue



	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25
Product Revenue as a % of Total Revenue	87%	88%	88%	89%	87%

Notes: 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.

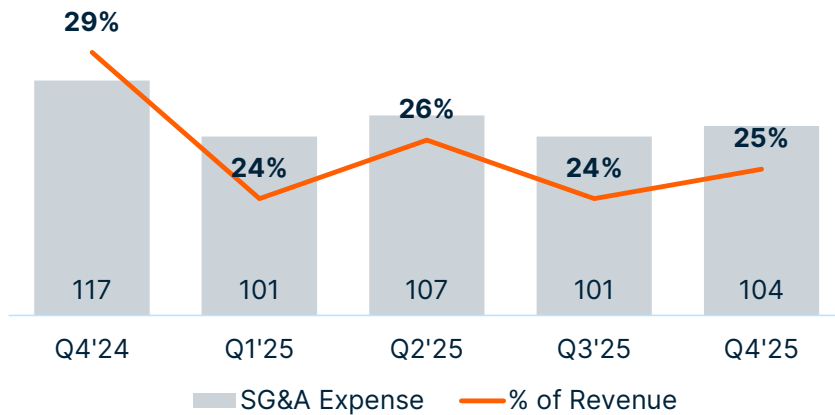
Non-GAAP gross margin



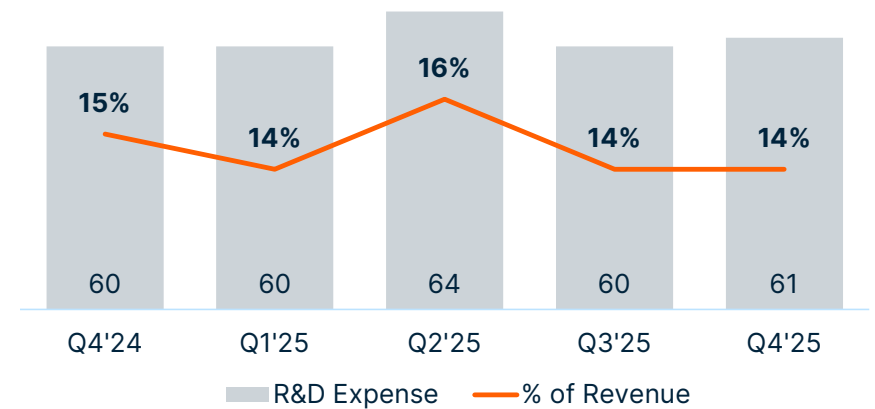
Notes: Non-GAAP gross margin percentage is a non-GAAP measure. Please see the Appendix for reconciliations of GAAP to non-GAAP measures and additional information

Non-GAAP operating expenses

SG&A

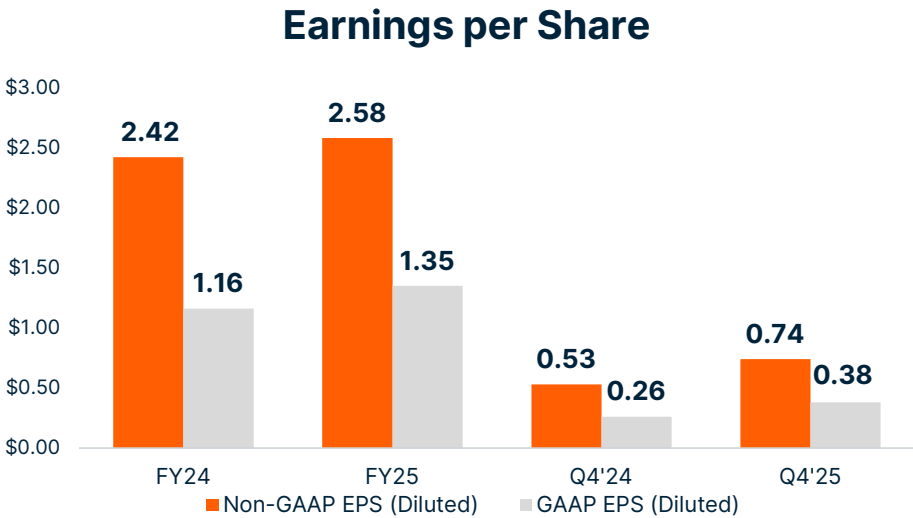
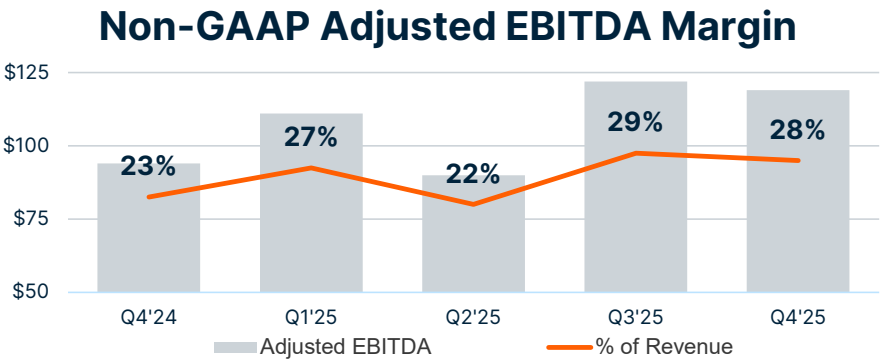
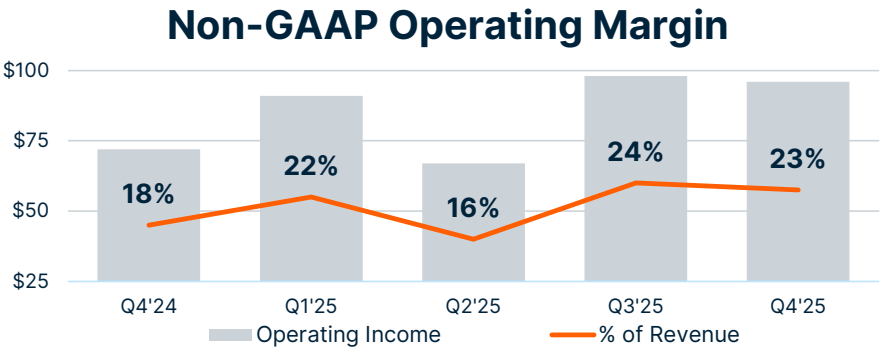


R&D



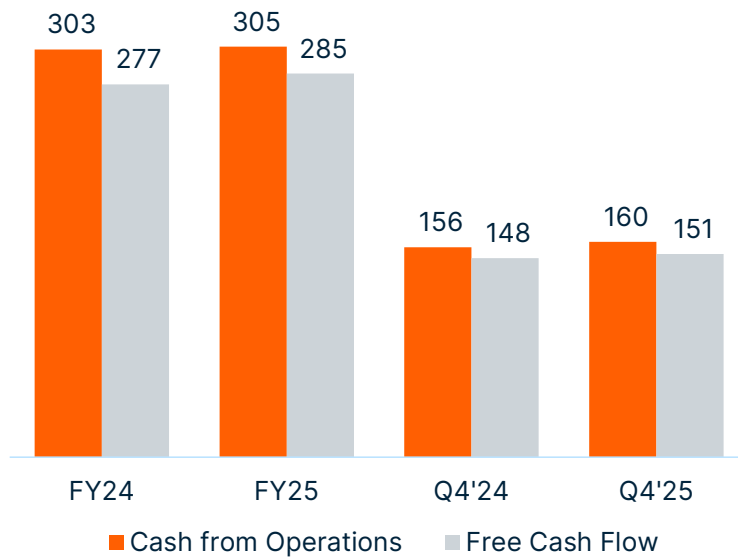
Notes: Amounts in U.S. Dollars in Millions. Non-GAAP SG&A and R&D expenses are non-GAAP measures. Please see the Appendix for reconciliations of GAAP to non-GAAP measures and additional information.

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



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.

Free cash flow & capital allocation



Q4'25 Capital Allocation

Stock repurchase

\$38M

Approximately 1.5 million shares

Return of Q4'25 FCF = 25%

FY25 Capital Allocation

Stock repurchase

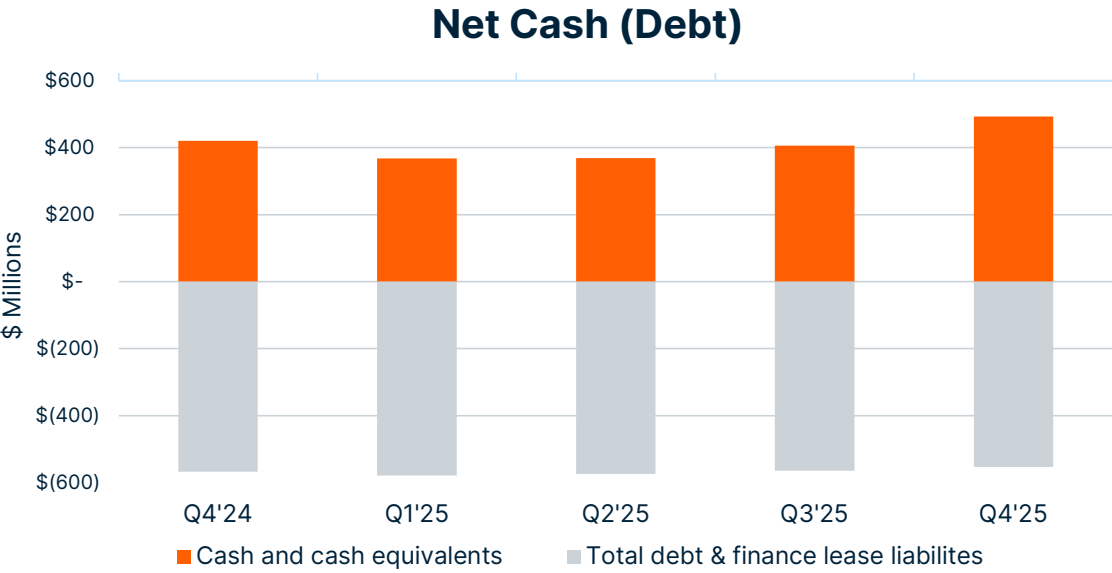
\$140M

Approximately 5.8 million shares

Return of FY25 FCF = 49%

Notes: Amounts in U.S. Dollars in Millions. Free cash flow (FCF) is a non-GAAP measure. Teradata defines FCF as cash provided by / used in operating activities, less total capital expenditures. Please see Appendix for additional information.

Select cash and debt balances



\$ Millions	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25
Cash and cash equivalents	\$ 420	\$ 368	\$ 369	\$ 406	\$ 493
Total debt	\$ (480)	\$ (474)	\$ (468)	\$ (462)	\$ (456)
Finance lease liabilities	\$ (87)	\$ (105)	\$ (106)	\$ (103)	\$ (95)
Net cash (debt)	\$ (147)	\$ (211)	\$ (205)	\$ (159)	\$ (58)
Share Repurchases	\$ 29	\$ 44	\$ 28	\$ 30	\$ 38

2026 Financial Outlook

FY26 financial outlook



Total ARR

growth of 2% to 4% YoY



Recurring revenue

in the range of flat to 2% YoY



Total revenue

in the range of -2% to flat YoY



Free cash flow

of \$310 to \$330 million



Non-GAAP diluted EPS

in the range of \$2.55 to \$2.65

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 free cash flow (FCF) are non-GAAP measures. Please see the Appendix for reconciliation of GAAP to non-GAAP measures and additional information.

Q1'26 financial outlook



Recurring revenue

growth of 6% to 8% YoY



Total revenue

growth of 1% to 3% YoY



Non-GAAP diluted EPS

in the range of \$0.75 to \$0.79

Notes:

Non-GAAP diluted earnings per share (EPS) is a non-GAAP measure. Please see the Appendix for reconciliation of GAAP to non-GAAP measures and additional information.

FY26 key modeling assumptions



Non-GAAP Tax Rate

Approximately 24%



WASO

97.0 million



Return of FCF

Target at least 50%



Other Expense

Approximately \$38 million

Industry Recognition

Industry Recognition of Teradata's Autonomous AI + Knowledge Platform

FORRESTER

Teradata named a Leader in The Forrester Wave™: Data Management for Analytics Platforms, Q2 2025

Teradata named a Leader in The Forrester Wave™: Data Fabric Platforms, Q4 2025

"Teradata is a strong choice for enterprises demanding a reliable, scalable, and highly available analytical platform across a hybrid cloud environment."

- Noel Yuhanna, [The Forrester Wave™: Data Fabric Platforms, Q4 2025](#).

*ISG Research

Teradata recognized as Exemplary in three ISG Research AI Platforms Buyers Guides

1. [AI Platforms](#)
2. [Agentic and Generative AI](#)
3. [Machine Learning Operations](#)

Gartner

Teradata named a Visionary in the 2025 Gartner® Magic Quadrant™ for Cloud Database Management Systems



Teradata named a Leader in the Data Platform Technology Value Matrix 2025

Teradata named a Leader in Data Science and Machine Learning Platform Technology Value Matrix 2025



Teradata named to 2025 Constellation ShortList™ for Next-Gen Databases: RDBMS for On-Premises



"Something major is happening at Teradata and it's not just another 'AI pivot'. It's a full-scale Transformation that could redefine how regulated or mission-critical enterprises adopt Agentic AI, without sacrificing reliability, governance or control."

- [Dion Hinchliffe](#)



"Nucleus Research found that Teradata delivered 427% ROI and up to 75% faster AI model delivery."

- [Alex Wurm](#)

II/I HYPERFRAME

"Teradata's differentiation stems from its heritage in managing mission-critical analytics for the world's largest enterprises, which now serves as a foundation for AI orchestration"

- [Stephanie Walter](#)

The Forrester Wave™: Data Management for Analytics Platforms, Q2 2025



Teradata named a Leader in the The Forrester Wave™: Data Management for Analytics Platforms, Q2 2025

Teradata earned the highest scores possible (5/5) in the criteria of **Vision, In-Platform Analytics, Data Transformation, Data Modeling, and Data Integration**—which we believe reflects our strong performance across all platform capabilities and underscores the strength of our strategic vision.

“Teradata is a good choice for organizations seeking to support hybrid cloud DMA deployments, especially where reliability, scalability, and high availability are essential.”

– As written in the report authored by Noel Yuhanna

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THE FORRESTER WAVE™
Data Management For Analytics Platforms
Q2 2025



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, 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.

GAAP to Non-GAAP Reconciliation

Three months ended December 31, 2025 and 2024

Amounts in U.S. Dollars in Millions, except per share amounts.
Amounts are unaudited.

NOTES:

- 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.
- Special items for the three months ended December 31, 2025 include \$9 million (\$8 million after-tax) for reorganization, transformation and other activities.
- 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 other	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 other	-	-	-	-	(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%	14.7%			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	

GAAP to Non-GAAP Reconciliation

Three months ended September 30, 2025 and 2024

Amounts in U.S. Dollars in Millions, except per share amounts.
Amounts are unaudited.

NOTES:

- 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.
- Special items for the three months ended September 30, 2025 include \$7 million (\$5 million after-tax) for reorganization, transformation and other activities.
- Special items for the three months ended September 30, 2024 include \$14 million (\$10 million after-tax) for reorganization, transformation and other activities.



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	2025				2024				% Change Non-GAAP Yr/Yr
	GAAP	Stock-based Compensation Expense	Other Special Items ²	Non-GAAP ¹	GAAP	Stock-based Compensation Expense	Other Special Items ³	Non-GAAP ¹	
Revenue									
Recurring	\$ 366	\$ -	\$ -	\$ 366	\$ 372	\$ -	\$ -	\$ 372	-2%
Perpetual software licenses, hardware and other	3	-	-	3	7	-	-	7	-57%
Product	369	-	-	369	379	-	-	379	-3%
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	60.3%			60.9%	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%	
Product	253	(2)	-	255	263	(2)	-	265	-4%
% of Revenue	60.6%			60.1%	69.4%			69.1%	
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	

GAAP to Non-GAAP Reconciliation

Three months ended June 30, 2025 and 2024

Amounts in U.S. Dollars in Millions, except per share amounts. Amounts are unaudited.

NOTES:

- 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.
- Special items for the three months ended June 30, 2025 include \$12 million (\$4 million after-tax) for reorganization, transformation and other activities.
- Special items for the three months ended June 30, 2024 include \$1 million (\$1 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	\$ 354	\$ -	\$ -	\$ 354	\$ 368	\$ -	\$ -	\$ 368	-4%
Perpetual software licenses, hardware and other	3	-	-	3	5	-	-	5	-40%
Product	357	-	-	357	373	-	-	373	-4%
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%	
Product	235	(3)	(1)	239	258	(3)	(1)	262	-9%
% of Revenue	65.8%			66.9%	69.2%			70.2%	
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	

GAAP to Non-GAAP Reconciliation

Three months ended March 31, 2025 and 2024

Amounts in U.S. Dollars in Millions, except per share amounts. Amounts are unaudited.

NOTES:

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



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	2025				2024				% Change Non-GAAP Yr/Yr
	GAAP	Stock-based Compensation Expense	Other Special Items ²	Non-GAAP ¹	GAAP	Stock-based Compensation Expense	Other Special Items ³	Non-GAAP ¹	
Revenue									
Recurring	\$ 358	\$ -	\$ -	\$ 358	\$ 388	\$ -	\$ -	\$ 388	-8%
Perpetual software licenses, hardware and other	10	-	-	10	8	-	-	8	N/A
Product	368	-	-	368	396	-	-	396	-7%
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	-	-	-	-	N/A
% of Revenue	10.0%			10.0%	0.0%			0.0%	
Product	251	(2)	-	253	276	(2)	-	278	-9%
% of Revenue	68.2%			68.8%	69.7%			70.2%	
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	

GAAP to Non-GAAP Reconciliation

Twelve months ended December 31, 2025 and 2024

Amounts in U.S. Dollars in Millions, except per share amounts. Amounts are unaudited.

NOTES:

- 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.
- Special items for the twelve months ended December 31, 2025 include \$31 million (\$18 million after-tax) for reorganization, transformation and other activities.
- 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				% Change Non-GAAP Yr/Yr
	GAAP	Stock-based Compensation Expense	Other Special Items ²	Non-GAAP ¹	GAAP	Stock-based Compensation Expense	Other Special Items ³	Non-GAAP ¹	
Revenue									
Recurring	\$ 1,445	\$ -	\$ -	\$ 1,445	\$ 1,479	\$ -	\$ -	\$ 1,479	-2%
Perpetual software licenses, hardware and other	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%			68.6%	70.2%			70.9%	
Perpetual software licenses, hardware and other	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%			0.0%	6.1%			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	

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.

	2024	2025			
	Q4	Q1	Q2	Q3	Q4
Total revenue (GAAP)	409	418	408	416	421
Income from operations (GAAP)	39	66	24	61	54
Excluding:					
Stock based compensation expense	27	22	31	29	30
Reorganization and other costs	6	3	12	8	12
Income from operations (Non GAAP)	72	91	67	98	96
Depreciation and amortization (GAAP)	22	20	23	24	23
EBITDA (non-GAAP)*	\$ 94	\$ 111	\$ 90	\$ 122	\$ 119
% of Revenue	23.0%	26.6%	22.1%	29.3%	28.3%

Earnings per share

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. As a result of these adjustments, the Company's non-GAAP effective tax rate for the three months ended December 31, 2025, was 22.8% and December 31, 2024, was 17.5%. In addition, for the first quarter and full year 2025, we included a discrete tax adjustment of (\$0.06) for the reversal of tax reserves due to the final settlement of an IRS audit in the first quarter of 2025. For the Twelve months ended December 31, 2025, the Company's non-GAAP effective tax rate was 22.4% and December 31, 2024, was 24.0%.

	For the Three Months ended December 31		For the Twelve Months ended December 31		2026 Outlook	
Earnings Per Share:	2025	2024	2025	2024	Q1 Guidance	FY Guidance
GAAP Earnings Per Share	\$0.38	\$0.26	\$1.35	\$1.16	\$0.36 - \$0.40	\$1.26 - \$1.36
Excluding:						
Stock-based compensation expense	0.31	0.27	1.16	1.21	0.29	1.22
Reorganization and other costs	0.10	0.06	0.32	0.30	0.18	0.34
Income tax adjustments ⁽ⁱ⁾	(0.05)	(0.06)	(0.25)	(0.25)	(0.08)	(0.27)
Non-GAAP Diluted Earnings Per Share	<u>\$0.74</u>	<u>\$0.53</u>	<u>\$2.58</u>	<u>\$2.42</u>	<u>\$0.75 - \$0.79</u>	<u>\$2.55 - \$2.65</u>

Free cash flow reconciliation – December 31, 2025 and 2024

NOTES:

The Company believes that free cash flow is a useful non-GAAP measure for investors. Free cash flow does not have a uniform definition under GAAP in the United States and therefore, Teradata's definition may differ from other companies' definitions of this measure. Teradata defines free cash flow as cash provided by/used in operating activities, less investing activities related to capital expenditures for property and equipment and additions to capitalized software ("total capital expenditures"). 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.

(in millions)	For the Three Months ended December 31		For the Twelve Months ended December 31		Outlook
	2025	2024	2025	2024	2026
Cash provided by operating activities (GAAP)	\$160	\$156	\$305	\$303	\$330 to \$350
Less total capital expenditures	(9)	(8)	(20)	(26)	(~20)
Free Cash Flow (non-GAAP measure)	\$151	\$148	\$285	\$277	\$310 to \$330

Thank you

teradata.