



News Release

# Data Analytics Customers Value Choice and Simplicity; Teradata's New Flexible Cloud Pricing Provides Both

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**Innovative cloud pricing models include Blended Pricing – for the lowest cost at scale – and Consumption Pricing – for a true pay-as-you-go, usage-based offer**

Recognizing that data analytics workloads, usage patterns, and utilization rates can vary widely across an organization, **Teradata** (NYSE: **TDC**), the cloud data analytics platform company, today announced flexible cloud pricing options to make it easy for enterprises to grow, and benefit from data analytics in the cloud.

In keeping with Teradata's aim to provide its customers with simplicity and choice, the company now offers **two flexible cloud pricing models**: Blended and Consumption. Blended Pricing is best suited for high usage and provides the ultimate in billing predictability while delivering the lowest cost at scale. Consumption Pricing is an affordable, pay-as-you-go option best suited for ad hoc queries and workloads with typical or unknown usage that delivers cost transparency for easy departmental chargeback.

With broad availability of both models, enterprises can expect more choice, lower risk, higher efficiency, and greater transparency from Teradata. These options are crucial in today's unpredictable market where technologies, supply chains, and customer expectations can shift abruptly, leaving companies with stranded data analytics investments if their software fails to provide enough flexibility to evolve as needs change.

"If 2020 has taught us anything, it's that change happens fast, and having simple, flexible cloud pricing options gives customers the freedom needed to optimize their data analytics investments," said Hillary Ashton, Chief Product Officer at Teradata. "Different analytic use cases have vastly different utilization patterns at different points in time, which means that having choice in pricing models enables Teradata to offer the best one for each customer



scenario ranging from a small ad hoc discovery system to a large production analytics environment.”

Through decades of catering to data analytics needs spanning dozens of business cycles, Teradata understands deeply what is required for firms to extract the most value from their data. Blended Pricing, which is based primarily on capacity, is optimized for high or predictable utilization. Consumption Pricing is optimized for typical to low utilization, unknown future usage, or for tactical business analytics that include frequent ad hoc queries. The ability for Teradata customers to choose the most appropriate cloud pricing model for data analytic workloads facilitates financial governance and can improve customers’ return on investment.

“The convenience of a true consumption-based pricing model – determined by actual usage of the Vantage platform for running successful queries, rather than just available capacity – is a win for customers who want to better align their investment with specific analytic outcomes,” added Ashton. “It also corrects outdated perceptions about the cost required to become a Teradata customer, since there is now a risk-free, zero down option to pay only for what’s used with Vantage, the industry’s best cloud data analytics platform.”

Analyst firm Gartner predicts in the report, **Overcome Economic Uncertainty Through Financial Governance of Your Cloud Data Management Environment, April 2020** that, “By 2022, 75% of organizations using cloud data management will encounter budget overruns resulting in their questioning the value of using cloud services.”

In order to ensure the benefits of deploying in an agile cloud environment are not negated by lack of pricing transparency and cost overruns, Teradata has developed flexible cloud pricing options to meet every company’s use case(s):

#### Blended Pricing

Teradata’s Blended Pricing option is an enterprise-class pricing model that couples low-cost, predictable reserved compute capacity with on-demand elasticity. Customers pay only for compute resources used or activated, plus storage.

Blended Pricing allows organizations to get cloud elasticity when needed while also benefitting from the lowest cost at scale.

Key benefits of Teradata’s Blended Pricing model include:

- Predictability: No billing surprises – unlike other cloud analytics companies that employ inefficient auto-scaling which drives up incremental cost;

- Lowest cost at scale: Vantage scales linearly, whereas other cloud analytics companies get increasingly inefficient as they scale; and
- Granularity: Vantage offers incremental elasticity, which means not over-provisioning, and thus not over-paying for what's not needed, unlike alternatives.

## Consumption Pricing

Teradata's Consumption Pricing is an innovative, usage-based option with automatic elasticity in which organizations pay only for compute resources consumed for successful queries, measured down to the kilobyte by user, plus storage. Businesses leveraging Teradata's Consumption Pricing model need never worry about utilization, system sizing, or resource status since Teradata manages them on their behalf – and they never pay for what they do not use. For a risk-free experience, organizations can even start with zero down and no obligation.

Consumption Pricing makes it easier for customers to experiment with new analytics without fear of leaving money for unused resources on the table. Longtime Teradata customer, True Value Company – one of the world's leading hardlines wholesalers – is one such customer now taking advantage of the company's new Consumption Pricing model.

“As we continue on our modernization journey, it's imperative that we are able to drive new, user-driven analytics capabilities to uncover critical business insights and operational efficiencies, all at an optimized cost,” said Ron Byczynski, Director, Infrastructure, DevOps & QA at True Value. “By leveraging Teradata's Consumption Pricing model, we will pay only for resources used, allowing us to better streamline our IT investments to ensure maximum ROI.”

Key benefits of Teradata's Consumption Pricing model include:

- Pay only for what is used: Enables improved business efficiency and aligns investment with outcomes while not paying for unused capacity;
- Automated elasticity: Since resource sizing is embedded in the offer, now customers no longer need to think about sizing, saving them time on capacity planning;
- Cost allocation: Easy departmental chargeback on data analytics costs based on users' actual resource consumption; and
- Zero obligation: A risk-free opportunity to use Teradata Vantage in the cloud.

Vantage: the modern cloud data analytics platform

Teradata Vantage is the modern cloud data analytics platform that unifies data lakes, data warehouses, and

analytics with new data sources and types. Built for a hybrid multi-cloud reality, Vantage solves the world's most complex data challenges at scale.

Both Teradata's Blended and Consumption Pricing models offer customers the best of what the Vantage platform has to offer, including:

- As-a-service delivery: Teradata provisions and manages each customer in a dedicated public cloud environment, enabling users to focus on answers instead of non-differentiating tasks;
- Dynamic resource allocation: Field-proven workload management helps customers prioritize users and queries, set guaranteed performance levels, and control spend; and
- Software optimization: Sophisticated algorithms minimize compute and IO consumption, streamlining throughput and often eliminating the need to add the non-budgeted compute resources required by others.

#### Availability

Blended Pricing is now available for every Vantage deployment option worldwide.

Consumption Pricing is available for Vantage on AWS and Vantage on Azure globally. Availability for Vantage on Google Cloud is expected within the first half of 2021.

## Resources

Gartner, **Overcome Economic Uncertainty Through Financial Governance of Your Cloud Data Management Environment, April 2020.**

#### Note to Investors

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, and market conditions, among other things. These forward-looking statements are based upon current expectations and assumptions and involve risks and uncertainties that could cause actual results to differ materially, including the factors discussed in this release and those relating to the timely and successful development, production or acquisition, availability and/or market acceptance of new or existing products, product features and services, and other factors described from time to time in Teradata's filings with the U.S. Securities and Exchange Commission, including its annual report on Form 10-K for the year ended December 31, 2019 and subsequent quarterly reports on Forms 10-Q, as well as the Company'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



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#### About Teradata

At Teradata, we believe that people thrive when empowered with trusted information. We offer the most complete cloud analytics and data platform for AI. By delivering harmonized data and trusted AI, we enable more confident decision-making, unlock faster innovation, and drive the impactful business results organizations need most. See how at **Teradata.com**.

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