INVESTOR DAY 2021
Teradata Reimagined

The Connected Multi-Cloud Data Platform for Enterprise Analytics
Forward-Looking Statements

This presentation and the accompanying discussion contain 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 presentation and those relating to: the global economic environment and business conditions in general or on the ability of our suppliers to meet their commitments to us, or the timing of purchases by our current and potential customers; the rapidly changing and intensely competitive nature of the information technology industry and the data analytics business; fluctuations in our operating results; our ability to realize the anticipated benefits of our business transformation program or other restructuring and cost saving initiatives; risks inherent in operating in foreign countries, including foreign currency fluctuations; risks associated with the ongoing and uncertain impact of the COVID-19 pandemic on our business, financial condition and operating results, including the impact of the COVID-19 pandemic on our customers and suppliers; risks associated with data privacy, cyberattacks and maintaining secure and effective 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; tax rates; turnover of workforce and the ability to attract and retain skilled employees; protecting our intellectual property; the availability and successful exploitation of new alliance and acquisition opportunities; subscription arrangements may be cancelled or fail to be renewed; the impact on our business and financial reporting from 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 annual report on Form 10-K for the year ended December 31, 2020 and subsequent quarterly reports on Forms 10-Q, as well as the Company’s annual report to stockholders. The forward-looking statements included in this presentation and the accompanying discussion are made as of September 9, 2021, and 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 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 is a new company

Right technology
Right strategy
Right people
Customers depend on us every single day. Mission critical insights from all data...at scale.
We transform how businesses work and people live through the power of data
Next generation of data-innovation...

Connected Data
Teradata Vantage on AWS

Native Object Store
Teradata Vantage On-Premises
Oracle

Vantage on AWS

Differentiated Insights
12 months
Delivered on our commitments
accelerated
in the cloud
What delivering on our commitments looks like

Transitioned from perpetual to subscription model and cloud-first

Continuously delivered on financial guidance

Focused on profitability

Built profitable recurring revenue streams
$1.4B+
recurring revenue streams*

$400M+
free cash flow 2021*

* Annual recurring revenue (ARR) as of June 30, 2021. ARR is defined as the annual value at a point in time of all recurring contracts, including subscription, cloud, software upgrade rights, and maintenance. ARR does not include managed services and third-party software.

* Free cash flow outlook for fiscal 2021. Free cash flow is a non-GAAP measure. Please see the Appendix for reconciliations of GAAP to non-GAAP measures and additional information.
New Teradata

a cloud company
Shifted our R&D Budget

30% to 70% cloud

+$210M per year *

* Based on research & development expense fiscal 2020
Executed a significant transformation

From hardware appliance to software

Abstracted software for cloud

True As-a-service model
Our transformation is built on three principles:

- Customer and market driven
- Agility in execution
- Accountability to each other
ESG is a priority, and it shows
New Teradata
The Connected Multi-Cloud Data Platform for Enterprise Analytics
$1B+
Cloud ARR 2025 *

* Teradata forecast of cloud ARR for fiscal 2025. Cloud ARR represents public cloud ARR, which is defined as the annual value at a point in time of all contracts related to public cloud implementations of Teradata Vantage and does not include ARR related to private or managed cloud implementations.
Recognized cloud leader
Leading provider in key industries

- Financial Services
- Telco
- Retail
- Healthcare
- Manufacturing
- Government
- Transportation
Data growth driven by

Digital Transformation

5G  IOT  Edge  AI
We are part of a large and growing market *

* Various sources including IDC and Gartner.
Our focus is the enterprise segment

Global 10K | Seven key verticals
Our differentiated capabilities

- Start to enterprise scale
- Trusted by our customers
- Extensive analytic capabilities

TCO
Workload management
Query optimization

Connected data fabric

Patented capabilities
We support the world’s largest enterprises

Running billions of queries daily... on millions of virtual CPUs... processing exabytes of data per year

* Various Teradata internal customer support systems.
We are uniquely positioned to win against

The Competition

Traditional  CSPs  Cloud Natives
New Teradata

The Connected Multi-Cloud Data Platform for Enterprise Analytics
Partners essential to our success

Fastest, lowest risk, most cost-effective migration path for enterprises to the cloud

CSPs = Multiple $ for every $1 of Teradata

* Sourced from 2021 quarterly review with CSP partners.
Systems Integrators

Eliminate channel conflict and accelerate to the cloud
Industry leading team
Driving Teradata forward
Hillary Ashton
Chief Product Officer
Differentiated Technology Platform
Modern Cloud Architecture
Cloud-Native Integrations
Data Fabric
Insights at Scale

Todd Cione
Chief Revenue Officer
Deep Vertical and Enterprise Expertise
New Use Cases
New Logos
Partners Execution

Claire Bramley
Chief Financial Officer
Operational Discipline
Execute Transformation
Growth Targets
Long Range Plans and Projections
Uniquely positioned

Large and rapidly growing data market

Enterprise customer base

Significant recurring revenue streams

$100M public cloud - double in 2021*

>$400M of free cash flow**

7,000 employees committed to the new Teradata

* Public cloud ARR outlook for fiscal 2021. Public cloud ARR is defined as the annual value at a point in time of all contracts related to public cloud implementations of Teradata Vantage and does not include ARR related to private or managed cloud implementations.

** Free cash flow outlook for fiscal 2021. Free cash flow is a non-GAAP measure. Please see the Appendix for reconciliations of GAAP to non-GAAP measures and additional information.
We transform how businesses work and people live through the power of data.
The connected multi-cloud data platform for enterprise analytics.

Profitable growth cloud company

Unique connected data platform

Strong competitive position in a large market

Over $1B cloud ARR and ~ $550M FCF in FY25*

Delivering value to customers and shareholders

* Teradata forecasts for fiscal 2025. Cloud ARR represents public cloud ARR, which is defined as the annual value at a point in time of all contracts related to public cloud implementations of Teradata Vantage and does not include ARR related to private or managed cloud implementations. Free cash flow is a non-GAAP measure. Teradata is not providing a reconciliation to the most comparable GAAP measure (cash provided by operating activities forecast for fiscal 2025) as non-GAAP adjustments relate to events that have not yet occurred and would be unreasonably burdensome to forecast. Please see the Appendix for additional information.
Customer needs for a data platform align to our growth and expansion

- Multi-Cloud
- Enterprise Scale Price Performance
- Open Analytics & Data Access
In the last 18 months, we’ve delivered what customers want

Multi-Cloud
- Google Cloud supported
- 30+ cloud native integrations
- Created a connected multi-cloud data fabric with QueryGrid

Enterprise Scale
- Optimized for cloud
- Consumption pricing model
- Further reduce the cost per query with new advanced algorithms
- Advanced cloud workload management

Open Analytics & Data Access
- Native object store integration extends separation of compute and storage
- Enhanced and modernized 10 industry data models
- Improved open analytics access through R, Python, H20.ai, scikit-learn, and more

Shifted from 30% to 70% R&D spend on cloud
Teradata’s multi-cloud solution offers customers flexibility and choice – accelerating consumption

Global Financial Institution
>$20 Billion Revenue, >50K Employees
>1.5B Queries Per Year

Modern Cloud Architecture | Native Object Store | Multi-Cloud | QueryGrid Enables Data Fabric
Our modern cloud architecture accelerates consumption
Our modern cloud architecture accelerates consumption and is connected with a data fabric.
Adoption and consumption of Teradata – driven by modern cloud native integration

**ADDITIONAL INTEGRATIONS**

- AWS PrivateLink: PRIVATE CONNECTIONS
- AWS Marketplace: OFFERING
- AWS CloudFormation: ORCHESTRATION
- AWS Key Management Svcs: KEY MANAGEMENT
- Amazon EKS: KUBERNETES CONTAINERS
- Amazon EBS: PERSISTENT STORAGE
- Amazon CloudTrail: API MONITORING
- Amazon CloudWatch: RESOURCE MONITORING
- Amazon EBS Snapshots: RAPID BACKUPS

**Languages & Tools**

- Teradata Studio
- Python
- Jupyter
- R / R Studio
- Java
- ODBC
- .NET
- CLI

**AI and Machine Learning Platform**

**Amazon Data Exchange**

**AWS CloudFormation**

**ORCHESTRATION**

**AWS PrivateLink**

**PRIVATE CONNECTIONS**

**AWS Marketplace**

**OFFERING**

**AWS Key Management Svcs**

**KEY MANAGEMENT**

**Amazon EKS**

**KUBERNETES CONTAINERS**

**Amazon EBS**

**PERSISTENT STORAGE**

**Amazon CloudTrail**

**API MONITORING**

**Amazon CloudWatch**

**RESOURCE MONITORING**

**Amazon EBS Snapshots**

**RAPID BACKUPS**

**Note:** Not all service integrations are shown.
Enterprise customers face profoundly complex and accelerating data demands

Teradata QueryGrid

Microsoft

AWS

On-Premises
Teradata meets enterprise needs today and tomorrow

Teradata QueryGrid

**Microsoft**
- Core Banking on Azure
  - Country 1 Instance
    - Mortgage
    - Credit Card
    - Demand Deposit
    - Enterprise Customer

**AWS**
- Customer Experience on AWS
  - Intra-Cloud Connected Data Fabric
  - Call Center
  - Clicks

**On-Premises**
- Core Banking on Premises
  - Country 2 Instance
    - Mortgage
    - Credit Card
    - Demand Deposit
    - Enterprise Customer

Global Food and Beverage Company
> $65 Billion Revenue, >50K Employees
> >4.5B Queries Per Year

Enterprise Performance | Data and Analytic Scale | Enterprise Governance of Cost
Teradata is built-for-complexity and performance, in a world of scarce resources and delivers the BEST price performance.

The realities of cloud economics quickly highlight the fundamental doctrine that the only metric that truly matters in the cloud is price/performance.

― Gartner, Predicts 2021: Data and Analytics Leaders Are Poised for Success but Risk an Uncertain Future, Lydia Clougherty Jones and 6 others, 1 December 2020

* Same workloads running on AWS infrastructure
External benchmark BEZNext, Feb. 2021
Metric represented in U.S. cents (¢)
Different query types which make up workloads. Competitors are only good at one kind.

<table>
<thead>
<tr>
<th>SIMPLE STRATEGIC QUERY</th>
<th>HQ runs trend report for room vacancy rates by room type for last 6 months in California</th>
</tr>
</thead>
<tbody>
<tr>
<td>COMPLEX STRATEGIC QUERY</td>
<td>nPath model determines optimal paths for successful reservation across all digital channels</td>
</tr>
<tr>
<td>SIMPLE TACTICAL QUERY</td>
<td>Partner inquiry about promo eligibility based on LTV</td>
</tr>
<tr>
<td>COMPLEX TACTICAL QUERY</td>
<td>Next best offer at check-in</td>
</tr>
</tbody>
</table>
Only Teradata can deliver mixed workloads at enterprise scale

- SIMPLE STRATEGIC QUERY
- COMPLEX STRATEGIC QUERY
- SIMPLE TACTICAL QUERY
- COMPLEX TACTICAL QUERY

Workload Management

Optimizer

Unique File System

Data

- Single Source of Truth
- Lowest Cost
- Consistency
When customers are delighted with price performance – they win, and we grow

Price predictability and financial governance are key strengths of Teradata

— 2020 Gartner Magic Quadrant for Cloud Database Management Systems

Going to the Cloud with Teradata Vantage, I saw it live. It was amazing to see what other vendors only touted. I can scale up in double or triple the size within minutes and have all the computing power separate from storage, do the big workloads, and then scale back down to keep ongoing cost-effectiveness in place.

— Mark Abramson, Architect Manager, Enterprise Data, Analytics and Reporting, Brinker International, Inc.

<table>
<thead>
<tr>
<th>System</th>
<th>Cost per query</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teradata Vantage On AWS</td>
<td>$0.004</td>
</tr>
<tr>
<td>Amazon Redshift</td>
<td>$0.014</td>
</tr>
<tr>
<td>Snowflake 1 System</td>
<td>$0.020</td>
</tr>
<tr>
<td>Snowflake 4 Systems</td>
<td>$0.029</td>
</tr>
</tbody>
</table>

* Same workloads running on AWS infrastructure
External benchmark BEZNext, Feb. 2021
Metric represented in U.S. cents (¢)

Global Financial Institution

>$100 Billion Revenue, >200K Employees
>20B Queries Per Year

Consumption Minded | Analytics: Open | Data: Use It, Don’t Move It
We love all data wherever it is. We can access it all with our data fabric. Use it, don’t move it.
Making analytics open is built-to-win for customers, and a consumption-win for Teradata

**Vantage**

In-Database Analytics

- API-enabled Robust Partner Integration
- Modern Industry Data Models deployed as data products
- API-enabled Industry Language & Library Support
- API-enabled Open Analytic Framework

**In-Database Analytics**

- Powerful extensions to relational operations
  - Geospatial
  - Temporal
  - Time-Aware
  - nPath
We’ve only just begun – we are here to play and win

The connected multi-cloud data platform for enterprise analytics

1

Multi-Cloud

- Autonomy with multi-cluster and zero downtime elasticity
- Teradata File system extended to create intelligent object stores
- Greater automation of database management

2

Enterprise Scale
Price Performance

- Built-in AnalyticOps and Enterprise Feature Store
- Extensive suite of high-performance in-database analytic pipelines to support AI/ML lifecycle

3

Open Analytics
& Data Access

- Open analytics framework to support open-source execution, extending bring your own analytics
- Enterprise-grade developer experience to empower self-service and optimize API usage
- Extend intelligent data fabric
Differentiated vertical and enterprise expertise

Seamless GTM model; deeply embedded within customers

Partners playing a crucial role in our success

Driving Cloud ARR growth to $1B+ in FY25*

* Teradata forecast for fiscal 2025. Cloud ARR represents public cloud ARR, which is defined as the annual value at a point in time of all contracts related to public cloud implementations of Teradata Vantage and does not include ARR related to private or managed cloud implementations.
We have differentiated vertical and enterprise expertise

- **40 Years of proven vertical experience within the world’s largest enterprises**
- **7 Core industries**
- **8 Core personas**
- **100s Proven use cases**
We are creating scaled business value for customers

For Telco

1 Use case domain
Customer Experience

5 Use case sub-domains
Customer Insights Foundation
Customer Lifecycle Management
Frictionless Customer Experience
Marketing Effectiveness
Digital Channel Optimization

13 Use cases
Customer Segmentation
Behavioral/Preference Analytics
Behavioral Segmentation
Cross Sell/Up-Sell
Real Time Customer Engagement
Communication Targeting
Customer Experience Analytics
Customer Re-engagement
Event Analytics
Customer On-Boarding and Development
Customer Retention
Cross Channel Performance
Transactional Classification

10 Use case breakdowns
Network Experience Analytics
Contact Centre Sentiment
Handset and Device Performance
Outage Management
Process Touch-point Feedback
Complaint Prediction
Sentiment Analysis
Service Efficiency
Cross Channel Customer Experience
Customer Experience and Satisfaction Index
We deliver value on our customers’ terms

<table>
<thead>
<tr>
<th>Category</th>
<th>Feature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings per Share</td>
<td>Complex, data integration at Scale</td>
</tr>
<tr>
<td>Statutory &amp; Regulatory Compliance</td>
<td>Accountability for 100Ms of consumers</td>
</tr>
<tr>
<td>Return on Investment</td>
<td>100s of proven use cases for 7 industries</td>
</tr>
<tr>
<td>Reduction in TCO</td>
<td>Lowest cost per query &amp; known bills</td>
</tr>
<tr>
<td>Time to Value</td>
<td>Pre-built data integration = rapid execution</td>
</tr>
<tr>
<td>Analytics Automation</td>
<td>Operationalized workload generates $ results automatically</td>
</tr>
<tr>
<td>Ease of Data Reconciliation</td>
<td>Data management delivers efficiencies</td>
</tr>
<tr>
<td>Technology Resilience</td>
<td>Proven, reliable &amp; trusted at scale</td>
</tr>
</tbody>
</table>
We have built off our global coverage, and enhanced our GTM engine.
We have built off our global coverage, and enhanced our GTM engine.
Seamless GTM model and deeply embedded within customers
Volkswagen & Teradata use data and advanced analytics to boost the efficiency of body shop processes.

The use of process data for 100% process monitoring is a decisive step towards the Smart Factory and will be the basis for further applications that contribute to continuous improvement.

— Mathias Boomgaarden, Project Manager WPS light at Volkswagen
We are expanding by creating outsized value for the largest enterprises.

Global Financial Services Player

>30% expense reduction by investing in application and platform consolidation with Vantage.

- Regulatory Reporting
- Risk Management
- Fraud Analytics
- Advanced Financial Modelling
- Customer Experience Analytics
- Continuity of Business
Cloud migration is a growth strategy

“Data is the heart of how we run our business and support our customers, and it’s all coming out of Teradata”

— John Higginson, CTO
Partners are playing a crucial role in our success
We partner with cloud leaders to help customers migrate smoothly to any cloud.

“Helping customers across all industries make informed decisions that lead to better strategies and outcomes is at the heart of our collaboration with Teradata.”

— Erin Chapple, Corporate VP Azure Core, Microsoft
We partner with Systems Integrators to help customers drive value.

Teradata has a trusted platform that can operate day-to-day with a clear path and vision on future technology development.

— Yann Lepant, Managing Director, leading the data and AI practice across UK and Ireland
Customers choose Teradata for flexibility, de-risked cloud investments, and expertise

**Flexibility & Agility**
- Scalability in every dimension to meet strict SLAs
- Elasticity
- Multi-cloud and hybrid platform
- 4 different pricing options

**De-risking**
- Rapid, low touch migration
- Same code base
- Dramatically reducing time to market & value

**Teradata industry & data expertise**
- Re-usable assets e.g. data models, use cases, proven value generation
- World class, experienced professional services
- Operationalised analytics at scale
We've forecasted CAGR Cloud ARR in excess of market growth rates *

* Teradata forecasts for fiscal 2022 through 2025. Various sources including IDC and Gartner.
Differentiated vertical and enterprise expertise

Seamless GTM model; deeply embedded within customers

Partners playing a crucial role in our success

Driving Cloud ARR growth to $1B+ in FY25*

* Teradata forecast for fiscal 2025. Cloud ARR represents public cloud ARR, which is defined as the annual value at a point in time of all contracts related to public cloud implementations of Teradata Vantage and does not include ARR related to private or managed cloud implementations.
Claire Bramley
Chief Financial Officer
Teradata forecasts for fiscal 2025. Cloud ARR represents public cloud ARR, which is defined as the annual value at a point in time of all contracts related to public cloud implementations of Teradata Vantage and does not include ARR related to private or managed cloud implementations. Non-GAAP operating margin and free cash flow are non-GAAP measures. Teradata is not providing a reconciliation to the most comparable GAAP measure (GAAP operating margin forecast for fiscal 2025 in the case of non-GAAP operating margin forecast for fiscal 2025 and cash provided by operating activities forecast for fiscal 2025 in the case of free cash flow forecast for fiscal 2025) as non-GAAP adjustments relate to events that have not yet occurred and would be unreasonably burdensome to forecast. Please see the Appendix for additional information.

- **Cloud ARR in FY25**: $1B+
- **Non-GAAP Operating Margin in FY25**: Low 20%
- **Free Cash Flow generated in FY25**: ~$550M
- **Return of Excess Capital in FY25**: ≥50%
Teradata is well positioned for future sustainable profitable growth.

Non-GAAP gross margin % 52% 53% ≥ 59%
Non-GAAP operating margin % 12% 10% ≥ 14%
Free cash flow $237M $89M ≥ $400M

* Non-GAAP gross margin percentage, non-GAAP operating margin percentage, and free cash flow are non-GAAP measures. Please see the Appendix for reconciliations of GAAP to non-GAAP measures and additional information.
Doing
what we said we would do

Cloud ARR Growth

- Q1’21
- Q2’21

Non-GAAP EPS

- Q2’20
- Q3’20
- Q4’20
- Q1’21
- Q2’21

Cloud ARR represents public cloud ARR, which is defined as the annual value at a point in time of all contracts related to public cloud implementations of Teradata Vantage and does not include ARR related to private or managed cloud implementations. Non-GAAP diluted earnings per share (EPS) is a non-GAAP measure. Please see the Appendix for reconciliations of GAAP to non-GAAP measures and additional information.
We are on track to meet or beat our commitments for FY21*

- Public cloud ARR growth YoY of at least 100%
- Total ARR growth of mid-to-high-single-digit % YoY
- FY21 recurring revenue growth of high-single to low-double-digit % YoY
- FY21 total revenue growth of low-to-mid-single digit % YoY
- Non-GAAP EPS in the range of $1.92 to $1.96
- Free cash flow of at least $400 million

* Fiscal 2021 outlook. Cloud ARR represents public cloud ARR, which is defined as the annual value at a point in time of all contracts related to public cloud implementations of Teradata Vantage and does not include ARR related to private or managed cloud implementations. ARR is defined as the annual value at a point in time of all recurring contracts, including subscription, cloud, software upgrade rights, and maintenance. ARR does not include managed services and third-party software. Non-GAAP diluted earnings per share (EPS) and free cash flow are non-GAAP measures. *Please see the Appendix for reconciliations of GAAP to non-GAAP measures and additional information.
We are focused on growing Cloud ARR
Cloud net expansion rates are strong

Teradata calculates its last-twelve months dollar-based cloud net expansion rate as of a fiscal quarter end as follows. We identify the ARR for active cloud customers in the fiscal quarter ending one year prior to the given fiscal quarter (the “base period”). We then identify the cloud ARR in the given fiscal quarter (the “current period”) from the same set of active 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. 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. 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.
We are focused on

New cloud customer logo growth in the Global 10K
Non-Cloud ARR excluding migration projected to grow from FY21 to FY25 *

* Represents Teradata forecasts for fiscal 2021 through 2025. ARR is defined as the annual value at a point in time of all recurring contracts, including subscription, cloud, software upgrade rights, and maintenance. ARR does not include managed services and third-party software.
In FY25, project **Cloud ARR of $1B+**, representing **over 50%** in Total ARR

* Teradata forecasts for fiscal 2021 through 2025. Cloud ARR represents public cloud ARR, which is defined as the annual value at a point in time of all contracts related to public cloud implementations of Teradata Vantage and does not include ARR related to private or managed cloud implementations. ARR is defined as the annual value at a point in time of all recurring contracts, including subscription, cloud, software upgrade rights, and maintenance. ARR does not include managed services and third-party software.
We expect sustained future recurring revenue growth

Recurring revenue growth YoY = 8% to 10% (FY21 – FY25 CAGR)

Total revenue growth YoY = 4% to 6% (FY21 – FY25 CAGR)

* Amounts for fiscal 2021 represent outlook. Amounts for fiscal 2022 through 2025 represent Teradata forecasts.
Continued margin expansion contributes to greater future earnings power.

Gross margin improvement expected primarily in the Cloud by:

- Achieving greater cloud scale while...
- Negotiating better deals with hyperscale cloud providers and...
- Leveraging greater automation
Continued margin expansion contributes to greater future earnings power.

Operating margin improvement expected driven by:

- Cost discipline while...
- Funding innovation and...
- Optimizing revenue generating heads
We are committed to returning capital to shareholders

Design business plan around competitive competencies and return targets

Use capital to achieve business objectives

Deploy excess capital to achieve optimal risk adjusted ROI

Develop EPS and FCF targets to maximize shareholder value over the long term

Invest in COGS and OPEX needs to drive sustainable growth

Share repurchases

M&A

FY21 return target at least 50%

FY22 return target at least 50%

Longer term return target ≥ 50%

Operate at $1 – 2\times\text{Debt/EBITDA}$ ratio

* Fiscal 2021 amount is outlook. Fiscal 2022 amount and longer-term return targets are Teradata forecasts.
**Preliminary FY22 estimates and modeling assumptions**

<table>
<thead>
<tr>
<th>Preliminary FY22 Estimates</th>
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</thead>
<tbody>
<tr>
<td><strong>Cloud ARR</strong></td>
</tr>
<tr>
<td><strong>Non-GAAP Diluted EPS</strong></td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Key Modeling Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recurring revenue growth Y/Y</strong></td>
</tr>
<tr>
<td><strong>Total revenue growth Y/Y</strong></td>
</tr>
<tr>
<td><strong>Tax Rate</strong></td>
</tr>
<tr>
<td><strong>OI&amp;E</strong></td>
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<tr>
<td><strong>WASO</strong></td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th></th>
<th>Cloud ARR</th>
<th>Non-GAAP Operating Margin</th>
<th>Free cash flow</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY21 – FY25 CAGR</td>
<td>of 60% to 65%</td>
<td>In the low 20% range in FY25</td>
<td>Approximately $550 million in FY25</td>
</tr>
<tr>
<td>Total ARR</td>
<td>of 8% to 12%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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We have a significant opportunity to increase shareholder value

Capture the Future
- Best-of-breed technology
- Differentiated
- Continued innovation

Accelerate Growth in Large Market Opportunity
- Investing in growth
- Opportunities to lead in large markets

Scalable Financial Model
- Recurring revenue growth
- Efficient operating models

Long-Term Value Creation

Sustainable Revenue Growth
- Increased earnings power
- Greater FCF generation
Teradata’s future valuation potential is **significant**

**Recurring revenue growth + Free cash flow margin**

<table>
<thead>
<tr>
<th></th>
<th>FY20</th>
<th>FY25(E)</th>
</tr>
</thead>
<tbody>
<tr>
<td>~20%</td>
<td></td>
<td>35%+</td>
</tr>
</tbody>
</table>

**Cloud ARR**

<table>
<thead>
<tr>
<th></th>
<th>FY20</th>
<th>FY25(E)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$106M</td>
<td></td>
<td>$1B+</td>
</tr>
</tbody>
</table>

* Teradata forecasts for fiscal 2025. Free cash flow margin is a non-GAAP measure. Teradata is not providing a reconciliation to the most comparable GAAP measure (cash provided by operating activities margin forecast for fiscal 2025) as non-GAAP adjustments relate to events that have not yet occurred and would be unreasonably burdensome to forecast. Cloud ARR represents public cloud ARR, which is defined as the annual value at a point in time of all contracts related to public cloud implementations of Teradata Vantage and does not include ARR related to private or managed cloud implementations. Please see the Appendix for additional information.
The new Teradata means better outcomes for all

$1B+

Low 20%

～$550M

≥50%

Cloud ARR in FY25
Non-GAAP Operating Margin in FY25
Free Cash Flow generated in FY25
Return of Excess Capital

* Teradata forecasts for fiscal 2025. Cloud ARR represents public cloud ARR, which is defined as the annual value at a point in time of all contracts related to public cloud implementations of Teradata Vantage and does not include ARR related to private or managed cloud implementations. Non-GAAP operating margin and free cash flow are non-GAAP measures. Teradata is not providing a reconciliation to the most comparable GAAP measure (GAAP operating margin forecast for fiscal 2025 in the case of non-GAAP operating margin forecast for fiscal 2025 and cash provided by operating activities forecast for fiscal 2025 in the case of free cash flow forecast for fiscal 2025) as non-GAAP adjustments relate to events that have not yet occurred and would be unreasonably burdensome to forecast. Please see the Appendix for additional information.
**The connected multi-cloud data platform for enterprise analytics**

- **Profitable growth cloud company**
- **Unique connected data platform**
- **Strong competitive position in a large market**
- **Over $1B cloud ARR and ~$550M FCF in FY25**
- **Delivering value to customers and shareholders**

*Teradata forecasts for fiscal 2025. Cloud ARR represents public cloud ARR, which is defined as the annual value at a point in time of all contracts related to public cloud implementations of Teradata Vantage and does not include ARR related to private or managed cloud implementations. Free cash flow is a non-GAAP measure. Teradata is not providing a reconciliation to the most comparable GAAP measure (cash provided by operating activities forecast for fiscal 2025) as non-GAAP adjustments relate to events that have not yet occurred and would be unreasonably burdensome to forecast. Please see the Appendix for additional information.*
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 non-GAAP gross profit, non-GAAP operating income, non-GAAP net income, and non-GAAP earnings per diluted share, or EPS, all of which exclude certain items (as well as free cash flow) 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.
## Gross Profit and Operating Income

### (in millions, except per share data)

<table>
<thead>
<tr>
<th>Gross Profit:</th>
<th>2017</th>
<th>2019</th>
<th>2021E</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP Gross Profit</td>
<td>$1,024</td>
<td>$955</td>
<td>≥ $1,088</td>
</tr>
<tr>
<td>% of Revenue</td>
<td>47.5%</td>
<td>50.3%</td>
<td>≥ 57.3%</td>
</tr>
<tr>
<td>Excluding:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock-based compensation expense</td>
<td>13</td>
<td>14</td>
<td>16</td>
</tr>
<tr>
<td>Acquisition, integration, reorganization related, and other costs</td>
<td>4</td>
<td>11</td>
<td>15</td>
</tr>
<tr>
<td>Amortization of capitalized software</td>
<td>71</td>
<td>33</td>
<td>-</td>
</tr>
<tr>
<td>Non-GAAP Gross Profit</td>
<td>$1,112</td>
<td>$1,013</td>
<td>≥$1,119</td>
</tr>
<tr>
<td>% of Revenue</td>
<td>51.6%</td>
<td>53.3%</td>
<td>≥59.0%</td>
</tr>
</tbody>
</table>

### (in millions, except per share data)

<table>
<thead>
<tr>
<th>Operating Income:</th>
<th>2017</th>
<th>2019</th>
<th>2021E</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP Operating Income</td>
<td>$68</td>
<td>$6</td>
<td>≥$107</td>
</tr>
<tr>
<td>% of Revenue</td>
<td>3.2%</td>
<td>0.3%</td>
<td>≥5.6%</td>
</tr>
<tr>
<td>Excluding:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock-based compensation expense</td>
<td>66</td>
<td>87</td>
<td>125</td>
</tr>
<tr>
<td>Amortization of acquisition-related intangible assets</td>
<td>8</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Acquisition, integration, reorganization related, and other costs</td>
<td>37</td>
<td>51</td>
<td>30</td>
</tr>
<tr>
<td>Amortization of capitalized software</td>
<td>71</td>
<td>33</td>
<td>-</td>
</tr>
<tr>
<td>Non-GAAP Operating Income</td>
<td>$252</td>
<td>$183</td>
<td>≥$266</td>
</tr>
<tr>
<td>% of Revenue</td>
<td>11.7%</td>
<td>9.6%</td>
<td>≥14.0%</td>
</tr>
</tbody>
</table>
## Earnings Per Share

<table>
<thead>
<tr>
<th></th>
<th>Q2 2020</th>
<th>Q3 2020</th>
<th>Q4 2020</th>
<th>Q1 2021</th>
<th>Q2 2021</th>
<th>2021 FY Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP Earnings / (Loss)</td>
<td>$(0.40)</td>
<td>$(0.01)</td>
<td>$0.04</td>
<td>$0.47</td>
<td>$0.39</td>
<td>$0.78 - $0.82</td>
</tr>
<tr>
<td>Excluding:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock-based compensation expense</td>
<td>0.29</td>
<td>0.24</td>
<td>0.20</td>
<td>0.19</td>
<td>0.28</td>
<td>0.95</td>
</tr>
<tr>
<td>Amortization of acquisition-related intangible assets</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.03</td>
</tr>
<tr>
<td>Acquisition, integration, reorganization related, and other costs</td>
<td>0.18</td>
<td>0.29</td>
<td>0.23</td>
<td>0.10</td>
<td>0.13</td>
<td>0.42</td>
</tr>
<tr>
<td>Amortization of capitalized software</td>
<td>0.05</td>
<td>0.06</td>
<td>0.05</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>IP restructuring tax expense (benefit) (1)</td>
<td>0.01</td>
<td>-</td>
<td>(0.01)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Tax contingency adjustment (2)</td>
<td>0.18</td>
<td>(0.03)</td>
<td>0.01</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>CARES Act NOL carryback (3)</td>
<td>-</td>
<td>-</td>
<td>(0.08)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Income tax adjustments (4)</td>
<td>(0.07)</td>
<td>(0.13)</td>
<td>(0.07)</td>
<td>(0.08)</td>
<td>(0.07)</td>
<td>(0.26)</td>
</tr>
<tr>
<td>Impact of dilution (5)</td>
<td>(0.01)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-GAAP Diluted Earnings Per Share</td>
<td>$0.24</td>
<td>$0.43</td>
<td>$0.38</td>
<td>$0.69</td>
<td>$0.74</td>
<td>$1.92 - $1.96</td>
</tr>
</tbody>
</table>

(1) The Company’s GAAP effective tax rate for the three months ended June 30, 2020, includes $1 million of discrete tax expense related to withholding taxes associated with an intra-entity asset transfer of certain of its intellectual property to one of its Irish subsidiaries, which occurred on January 1, 2020. The one-time tax expense for this intra-entity asset transfer was excluded from non-GAAP results.

(2) The Company’s forecasted full-year 2020 GAAP marginal effective tax rate included $3 million of tax expense related to tax contingencies pursuant to FIN 48. For GAAP purposes, this is a component of the marginal rate and is recognized as tax benefit or expense based on the Company’s reported GAAP pre-tax income or loss for the quarter. To more accurately reflect the impact of the expense on a quarterly basis for non-GAAP purposes, the $3 million of tax expense was recognized ratably each quarter in 2020 instead of being included in the marginal effective rate.

(3) The Company’s GAAP effective tax rate for the three months ended December 31, 2020 includes a net $9 million income tax benefit resulting from the CARES Act of 2020, which allows US corporations a one-time opportunity to claim income tax refunds by allowing a 5-year net operating loss (“NOL”) carryback for taxable losses incurred in the tax year 2020. Teradata intends to carry back its 2020 NOL to claim a refund for taxes it paid in 2015, which created a one-time income tax benefit for GAAP reporting purposes for the difference between the 35% 2015 carry back tax rate and the current 21% federal statutory tax rate.

(4) 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.

(5) Represents the impact to earnings per share as a result of moving from basic to diluted shares.
Free Cash Flow (FCF)

As described below, the Company believes that free cash flow is a useful non-GAAP measure for investors. Teradata defines free cash flow as cash provided by / used in operating activities, less capital expenditures for property and equipment, and additions to capitalized software. Free cash flow does not have a uniform definition under 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 for, among other things, investment in the Company's existing businesses, strategic acquisitions, strengthening the Company's balance sheet, repurchase of the Company's stock and repayment of the Company's debt obligations, if any. Free cash flow does not represent the residual cash flow available for discretionary expenditures since there may be other nondiscretionary expenditures that are not deducted from the measure. This non-GAAP measure is not meant to be considered in isolation to, as a substitute 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.

The following table reconciles Teradata’s actual and projected cash provided by operating activities under GAAP to free cash flow for the periods presented.

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>2017</th>
<th>2019</th>
<th>2021E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash provided by operating activities (GAAP)</td>
<td>$324</td>
<td>$148</td>
<td>≥$440</td>
</tr>
<tr>
<td>Less capital expenditures for:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditures for property and equipment</td>
<td>(78)</td>
<td>(54)</td>
<td>(≥35)</td>
</tr>
<tr>
<td>Additions to capitalized software</td>
<td>(9)</td>
<td>(5)</td>
<td>(≥5)</td>
</tr>
<tr>
<td>Total capital expenditures</td>
<td>(87)</td>
<td>(59)</td>
<td>(≥40)</td>
</tr>
<tr>
<td>Free Cash Flow (non-GAAP measure)</td>
<td>$237</td>
<td>$89</td>
<td>≥$400</td>
</tr>
</tbody>
</table>
Thank you.