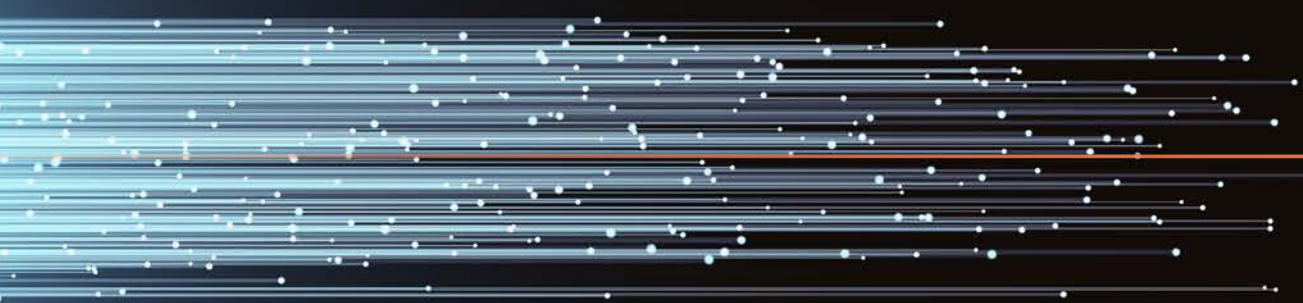


# INVESTOR DAY 2021

## Teradata Reimagined



The Connected Multi-Cloud Data Platform for Enterprise Analytics

teradata.

## 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.

Steve McMillan

Chief Executive Officer

A decorative graphic on the left side of the slide consists of numerous horizontal light trails in shades of blue and white, with small white dots scattered throughout. A thin white curved line starts from the top right and arcs across the bottom right. A horizontal orange line with a small orange dot at its right end extends from the light trails towards the right, ending near the 'teradata.' logo.

teradata.

A woman in silhouette is shown in profile, looking towards the right. She is holding a smartphone in her hands. The background is a city skyline with tall buildings, rendered in a dark, blue-tinted style. The overall mood is professional and forward-looking.

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

A blurred crowd of people in an orange-tinted setting, likely a busy public space or transit station. The image is used as a background for the text.

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**

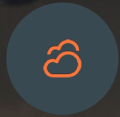


12 months

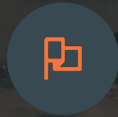
Delivered on our commitments

**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

2021 WORLD'S MOST  
**ETHICAL  
COMPANIES**<sup>TM</sup>  
WWW.ETHISPHERE.COM  
12-TIME HONOREE

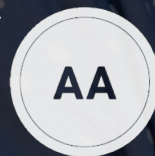
Dow Jones  
Sustainability Indices  


 **SUSTAINALYTICS**

Corporate ESG  
Performance  
**Prime**



**MSCI**  
ESG RATINGS



**ISS QualityScore**  
ENVIRONMENTAL 

**ISS QualityScore**  
SOCIAL   
Highest Rating By  
INSTITUTIONAL SHAREHOLDER SERVICES



# 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.

A man in a dark suit and tie is gesturing with his hands while speaking to a woman whose back is to the camera. They are in a bright, modern office setting. The text is overlaid on this scene.

**Recognized cloud leader**

---

**Gartner®**

**FORRESTER® \***

\* Gartner, Inc., Magic Quadrant for Cloud Database Management Systems by Donald Feinberg, Merv Adrian, Rick Greenwald, Adam Ronthal, Henry Cook, 23 November 2020  
The Forrester Wave™: Cloud Data Warehouse, Q1 2021 by Noel Yuhanna, 24 March 2021

# Leading provider in key industries



Financial  
Services



Telco



Retail



Healthcare



Manufacturing



Government



Transportation

A hand holding a red smartphone against a bokeh background. The background consists of out-of-focus, colorful light spots in shades of purple, blue, green, and yellow. The smartphone is held in the right hand, with the thumb and index finger visible. The screen of the phone is dark, and the back of the phone is a vibrant red color.

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.

**\$85B**



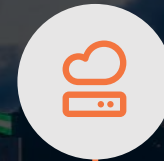
**\$35B**  
cloud



**\$50B**  
on prem

2021 TAM

**\$150B**



**\$93B**  
cloud



**\$57B**  
on prem

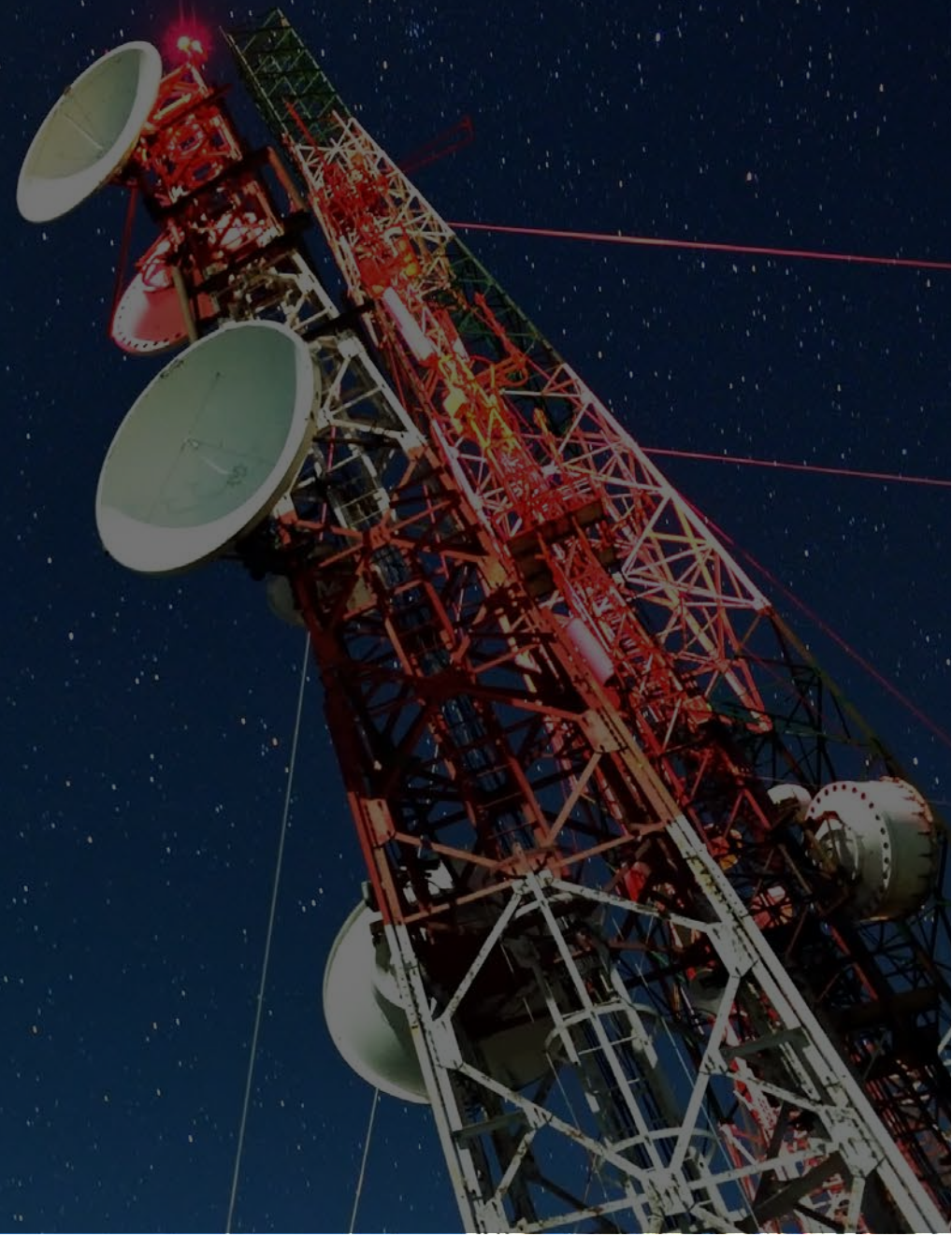
2025 TAM

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.

A swimmer is shown from the chest up, performing a freestyle stroke in a pool. The water is splashing around their head and arms. The background is a dark, teal-tinted image of the swimmer and water. The text is overlaid in white.

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.

A photograph of three business professionals in an office setting. A man in a dark suit and glasses is shaking hands with another man in a dark suit who is seated at a desk. A woman in a light-colored blazer is seated at the desk, smiling. A computer monitor is visible on the desk. The image has a dark, semi-transparent overlay.

# Systems Integrators

Eliminate channel conflict and  
accelerate to the cloud

A Formula 1 pit stop scene featuring a team of crew members in red overalls and helmets working on a red race car. The car is positioned on a pit lane with yellow and white markings. The crew members are focused on various tasks, including tire changes and adjustments. The background shows a blurred pit lane environment with some structures and a 'SPETICOS' sign.

# 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.



A blurred, orange-tinted background image showing a crowd of people in motion, possibly in a public space or transit area. The people are out of focus, creating a sense of movement and activity.

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.

Hillary Ashton

Chief Product Officer



teradata.

## 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 Price Performance

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, H2O.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

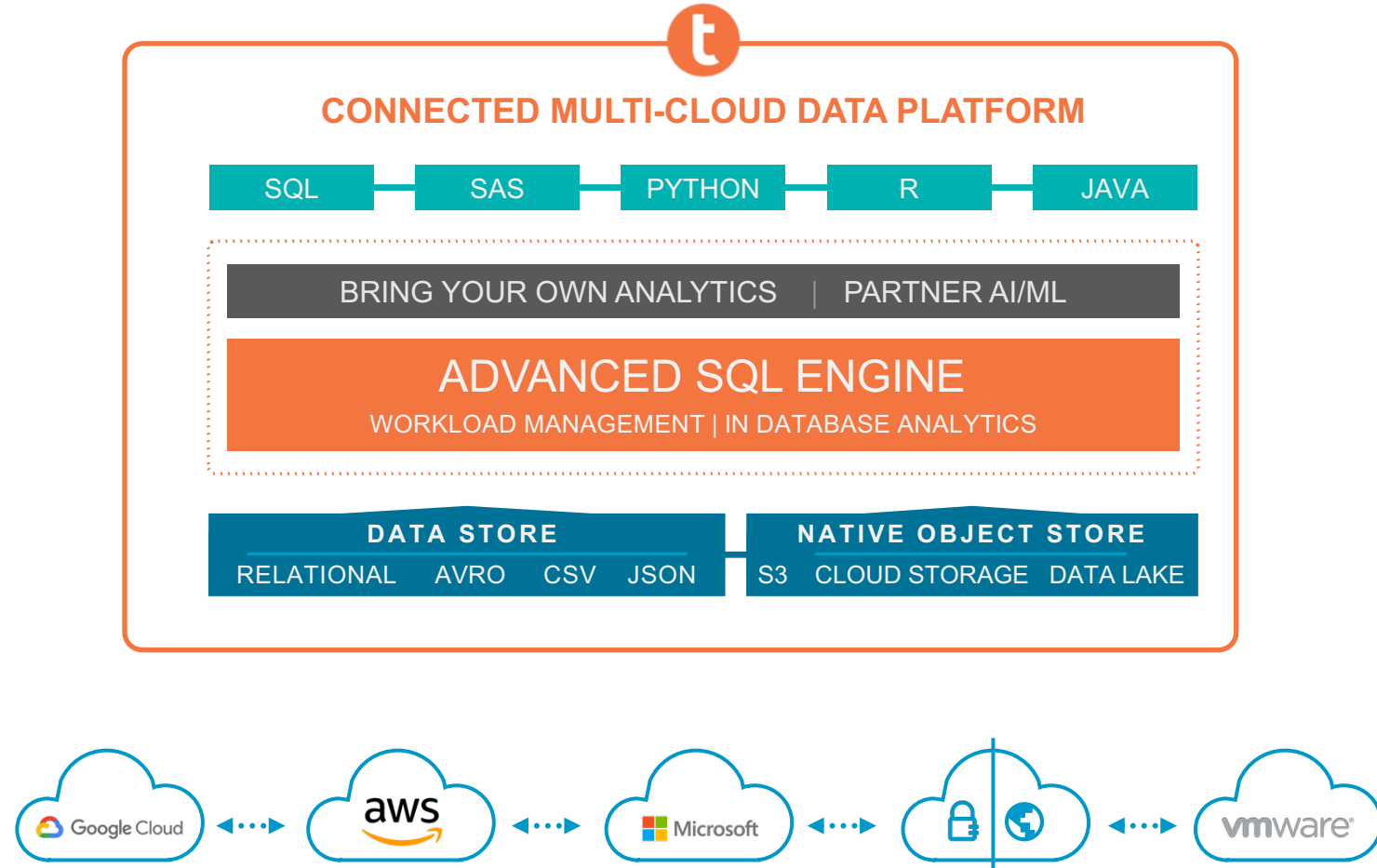
Modern Cloud  
Architecture

Native Object Store

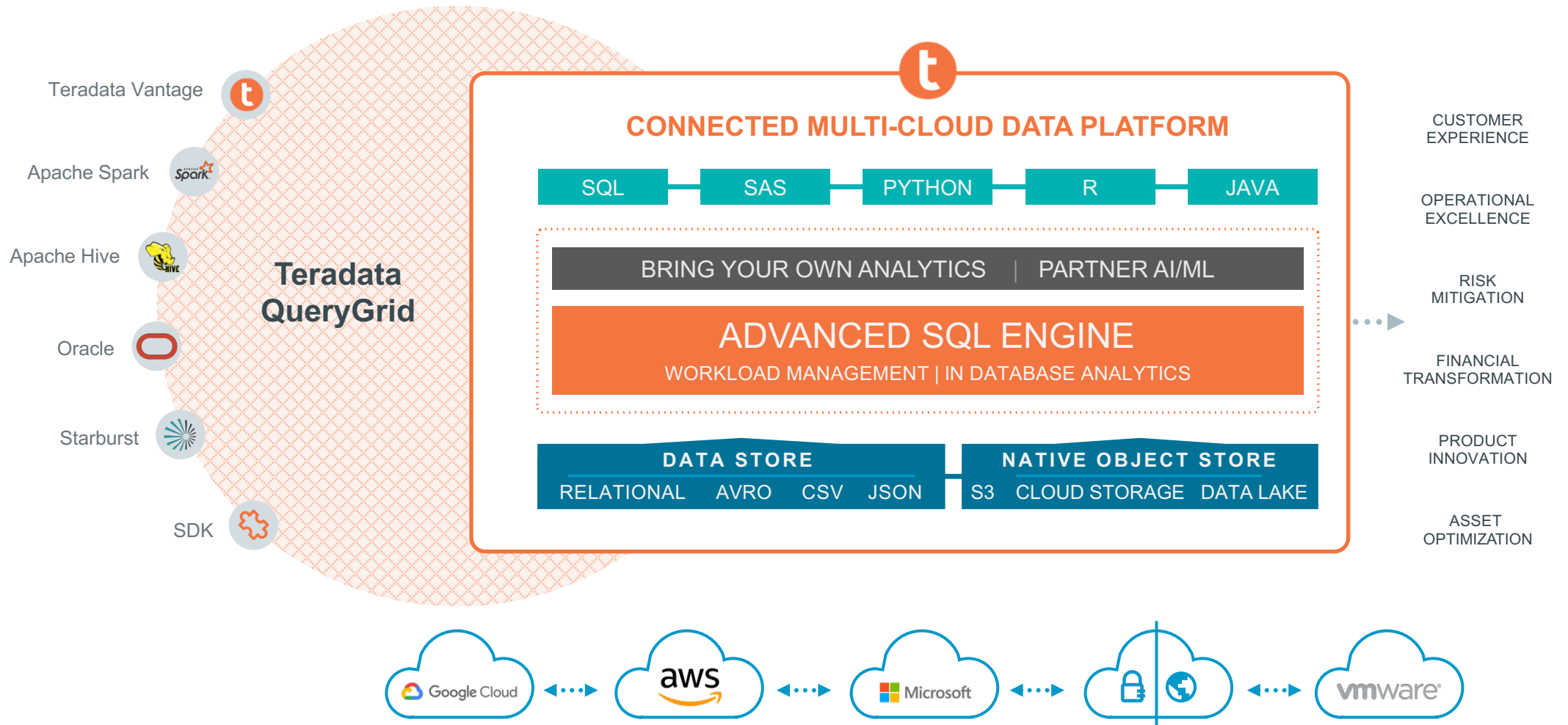
Multi-Cloud

QueryGrid Enables  
Data Fabric

# Our modern cloud architecture accelerates consumption



# Our modern cloud architecture accelerates consumption and is connected with a data fabric





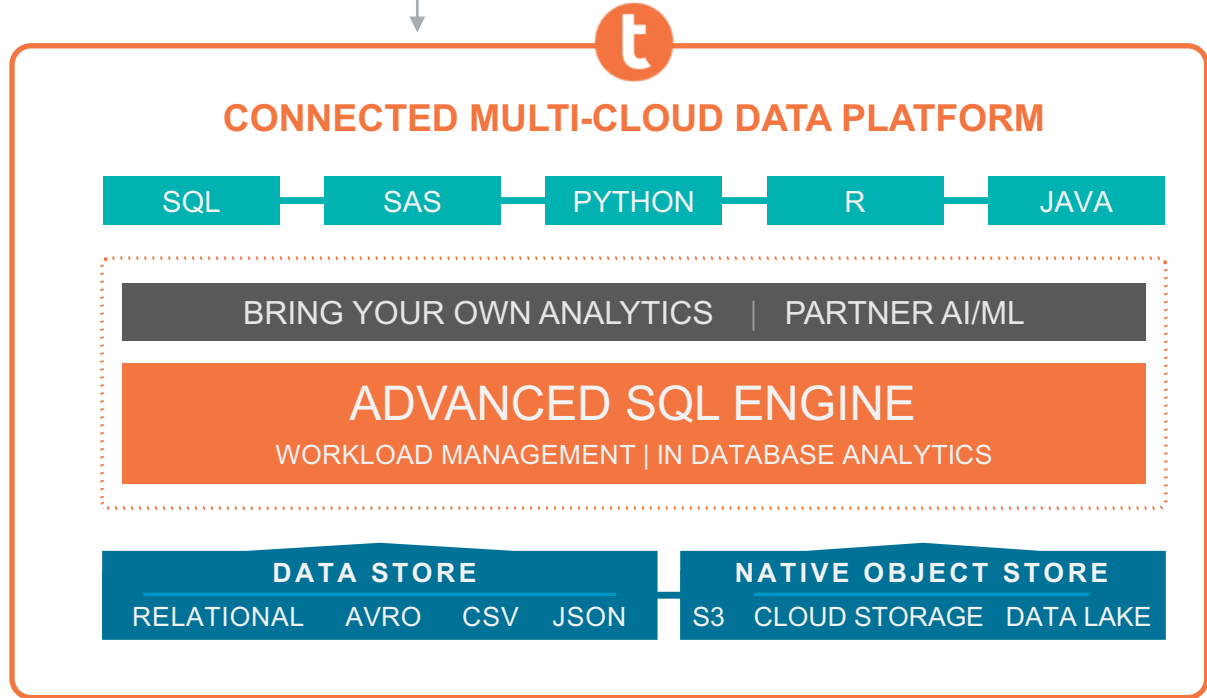
1

Customer 360 Data

- CISCO
- salesforce
- servicenow.
- workday.
- ORACLE

2

Combine Data and Drive AI and ML Outcomes



3

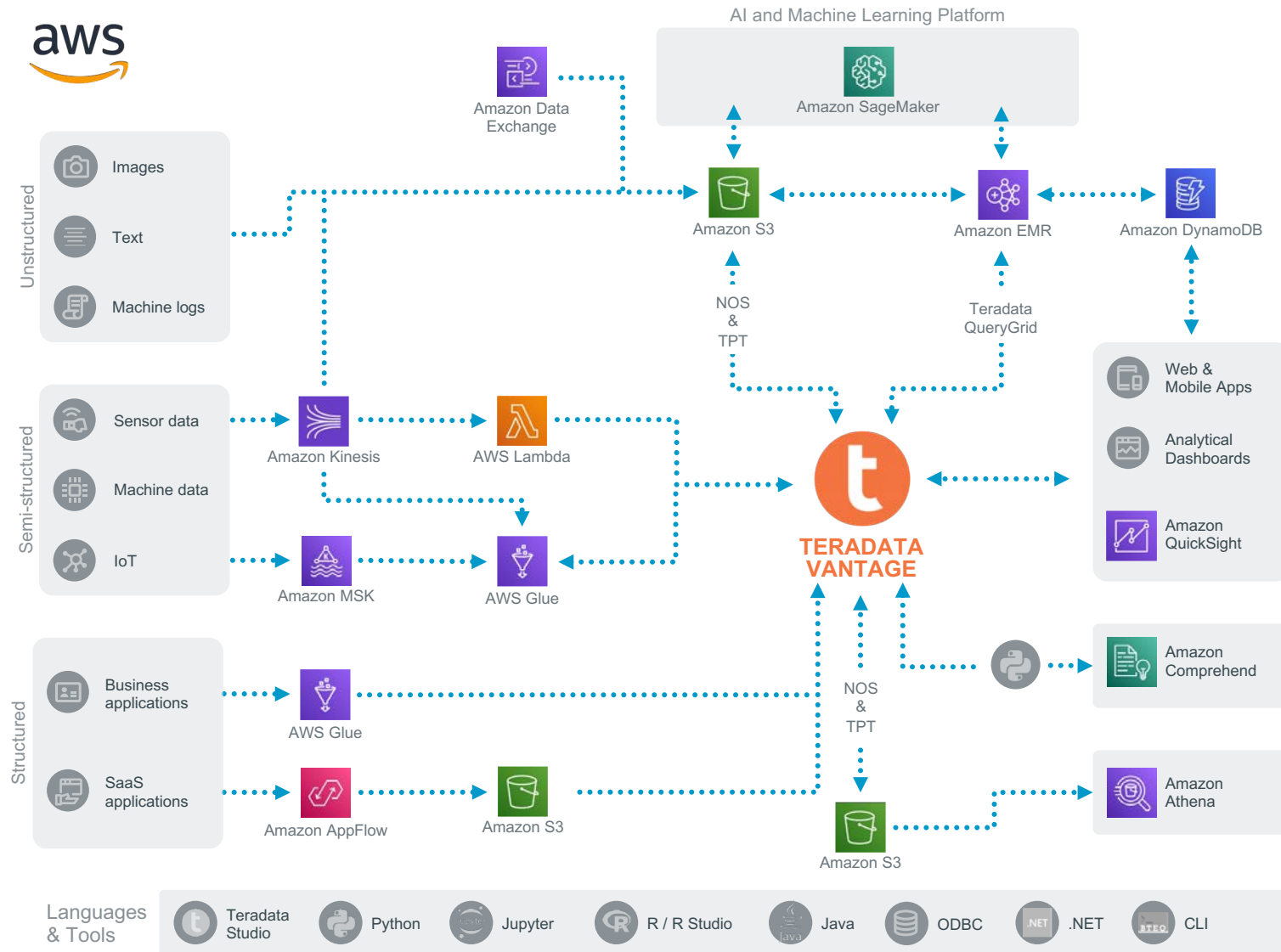
Operationalize Insights

- Customer Experience
- Personalized Customer Engagement
- Seamless Experience
- Real Time Decisions
- Next Best Action



# Adoption and consumption of Teradata – driven by modern cloud native integration

## INTEGRATIONS



## 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**

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



Country 1 Instance



Mortgage



Credit Card



Demand Deposit



Enterprise Customer

**Core Banking  
on Azure**



AWS



Intra-Cloud Connected  
Data Fabric



Call Center



Clicks

**Customer Experience  
on AWS**



On-Premises



Country 2 Instance



Mortgage



Credit Card



Demand Deposit



Enterprise Customer

**Core Banking  
on Premises**

**Enterprise cloud? Check. Enterprise price performance? Unequivocally.**



## **Global Food and Beverage Company**

>\$65 Billion Revenue, >50K Employees

>4.5B Queries Per Year

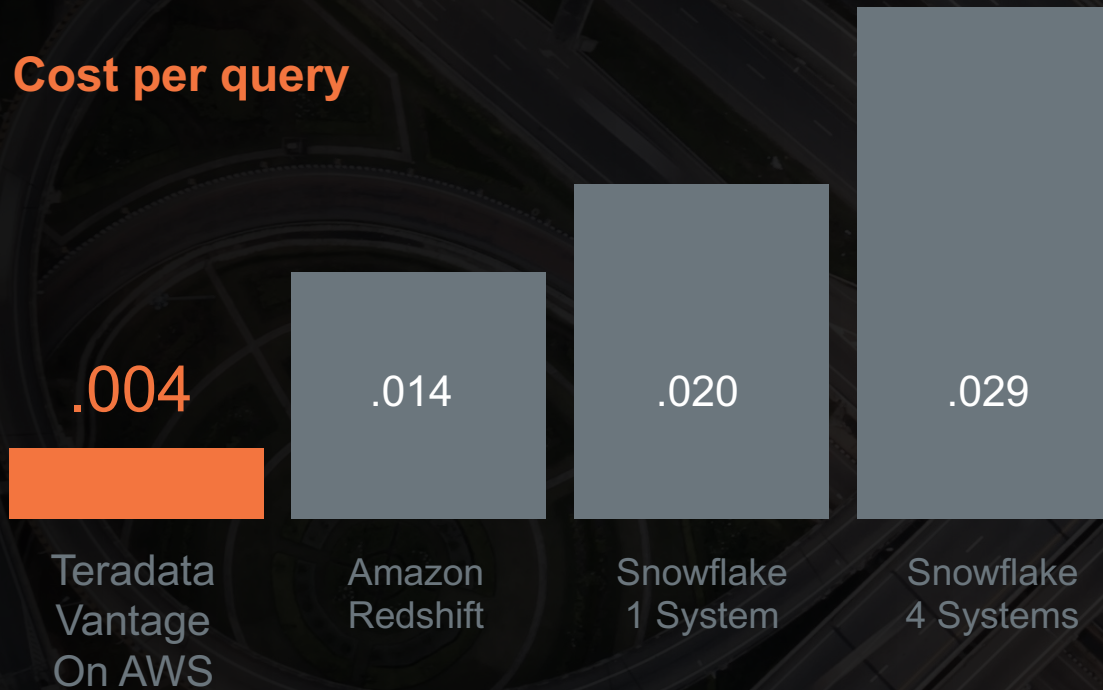
Enterprise Performance

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

## Cost per query



“ 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.**

**SIMPLE STRATEGIC  
QUERY**

HQ runs trend report for room vacancy rates by room type for last 6 months in California

**COMPLEX STRATEGIC  
QUERY**

nPath model determines optimal paths for successful reservation across all digital channels

**SIMPLE TACTICAL  
QUERY**

Partner inquiry about promo eligibility based on LTV

**COMPLEX TACTICAL  
QUERY**

Next best offer at check-in

# 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

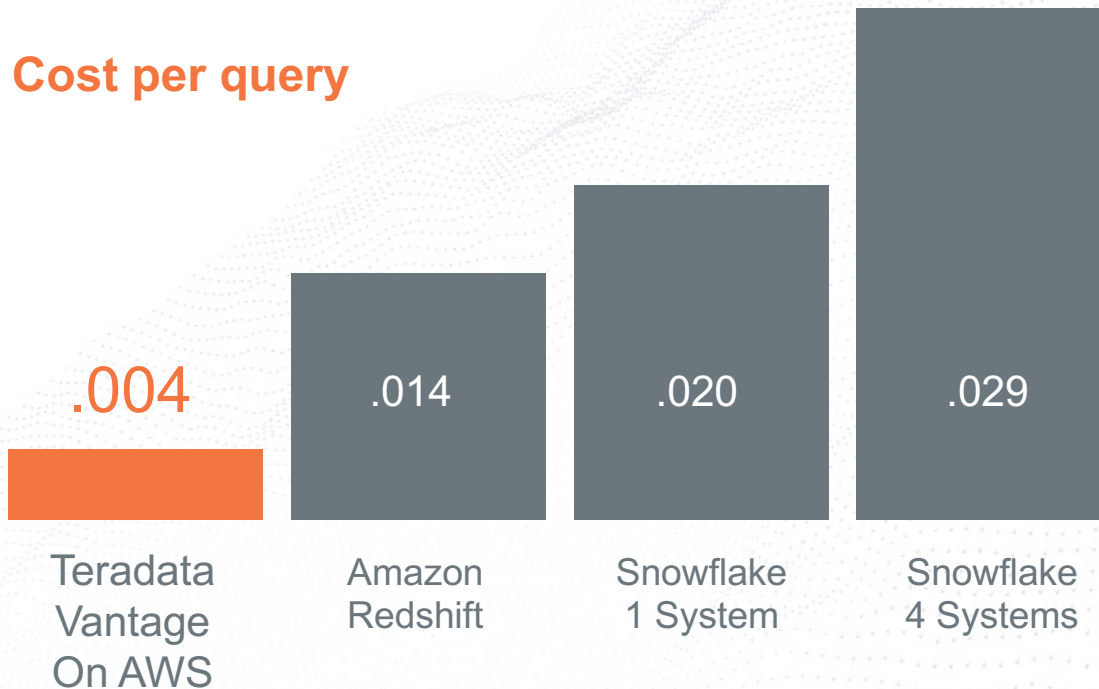


# When customers are delighted with price performance – they win, and we grow

“ Price predictability and financial governance are key strengths of Teradata

— 2020 Gartner Magic Quadrant for Cloud Database Management Systems

## Cost per query



“

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.



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

Enterprise cloud? Check. Enterprise price performance? Unequivocally.  
Open analytics and data access to drive growth? Absolutely.



## Global Financial Institution

>\$100 Billion Revenue, >200K Employees

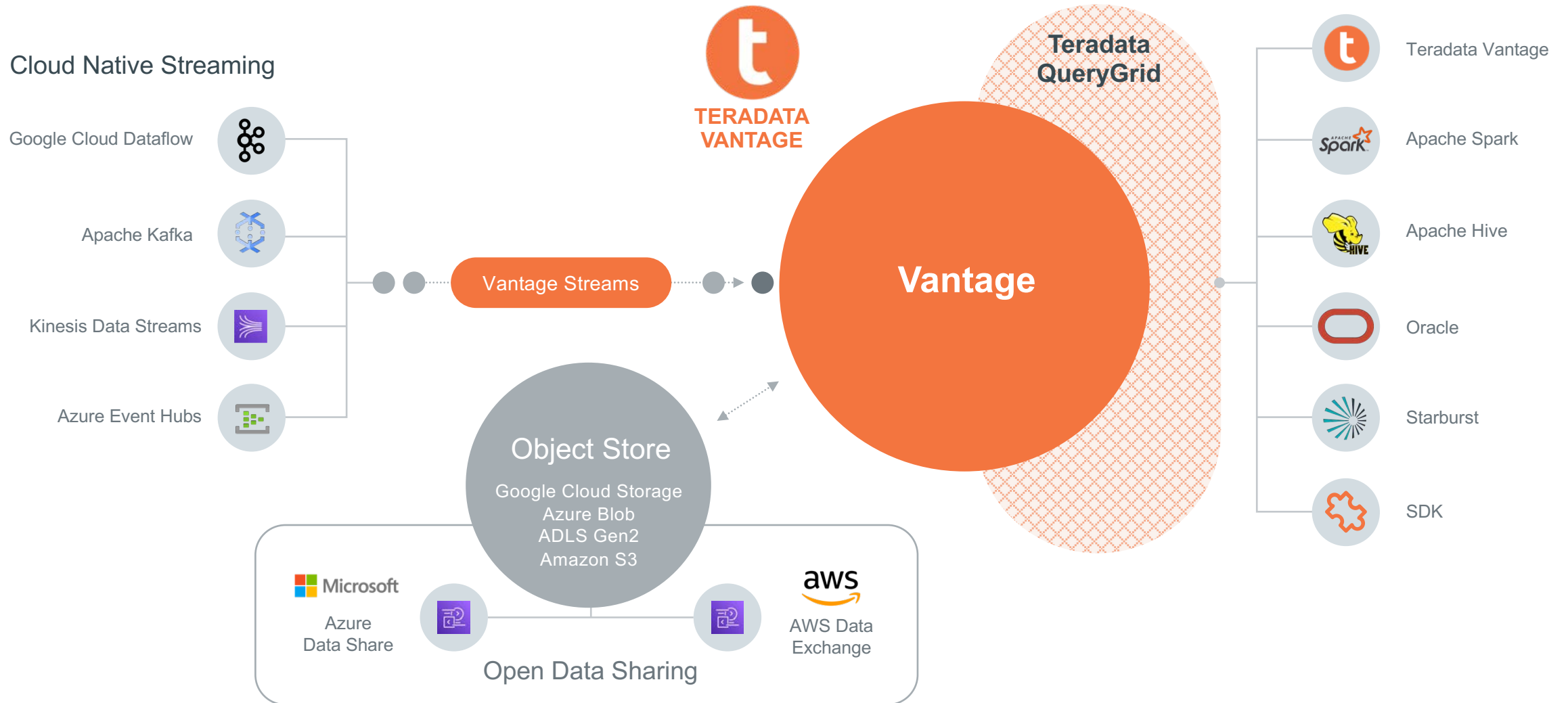
>20B Queries Per Year

Consumption Minded

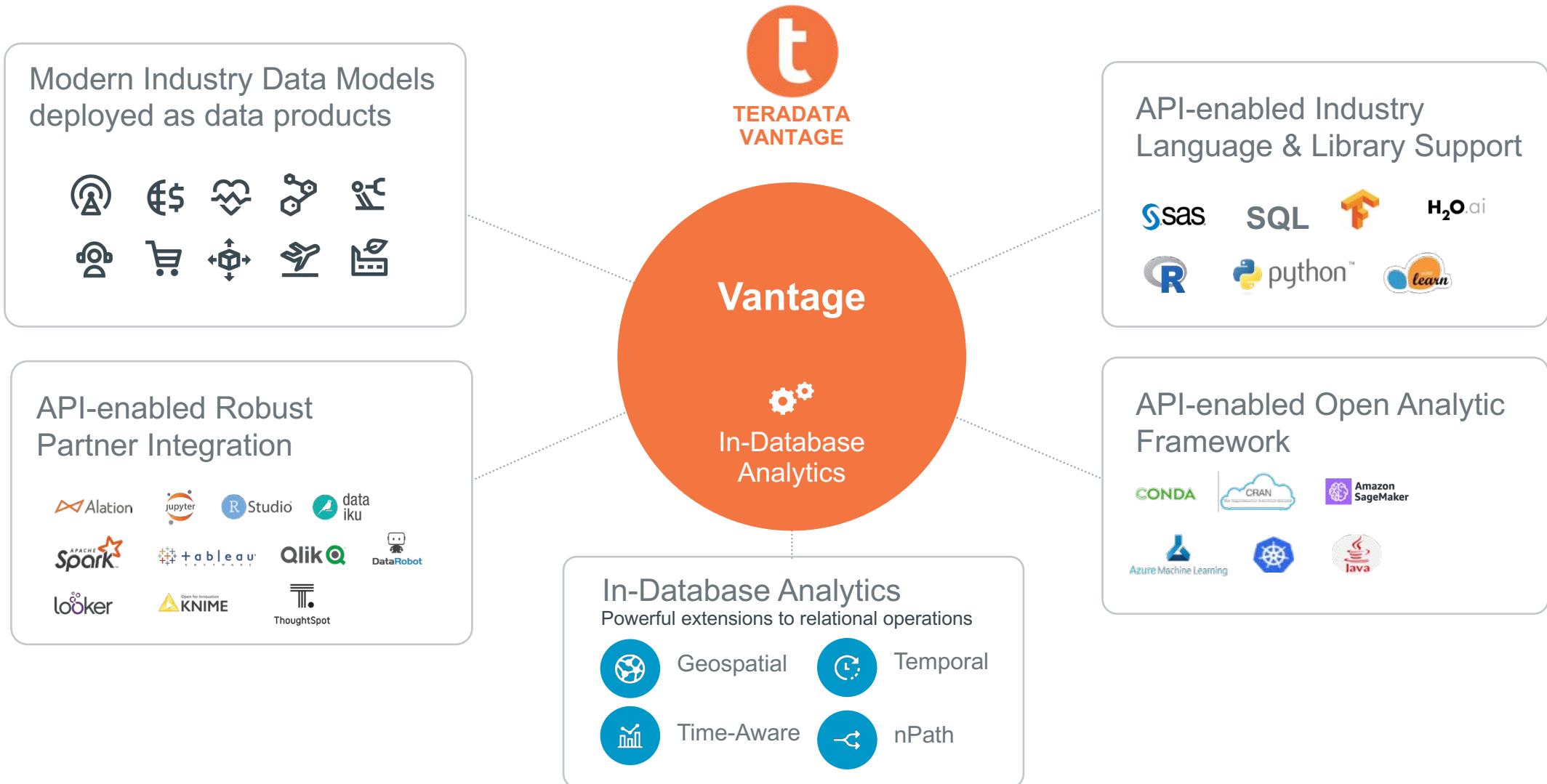
Analytics: Open

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



**Enterprise cloud? Check. Enterprise price performance? Unequivocally. Open analytics and data access to drive growth? Absolutely. Game on.**



Multi-Cloud



Enterprise Scale  
Price Performance



Open Analytics  
& Data Access

**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

Todd Cione

Chief Revenue Officer

A decorative graphic consisting of a large, thin white curved line that starts at the top right and curves down towards the bottom right. A horizontal orange line with a small orange dot at its right end extends from the left side of the frame towards the right, crossing the white curve. On the left side of the frame, there is a cluster of horizontal light trails in shades of blue and white, with small white dots scattered throughout, suggesting data or motion.

teradata.



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.

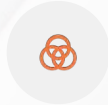


# We have differentiated **vertical and enterprise expertise**



**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

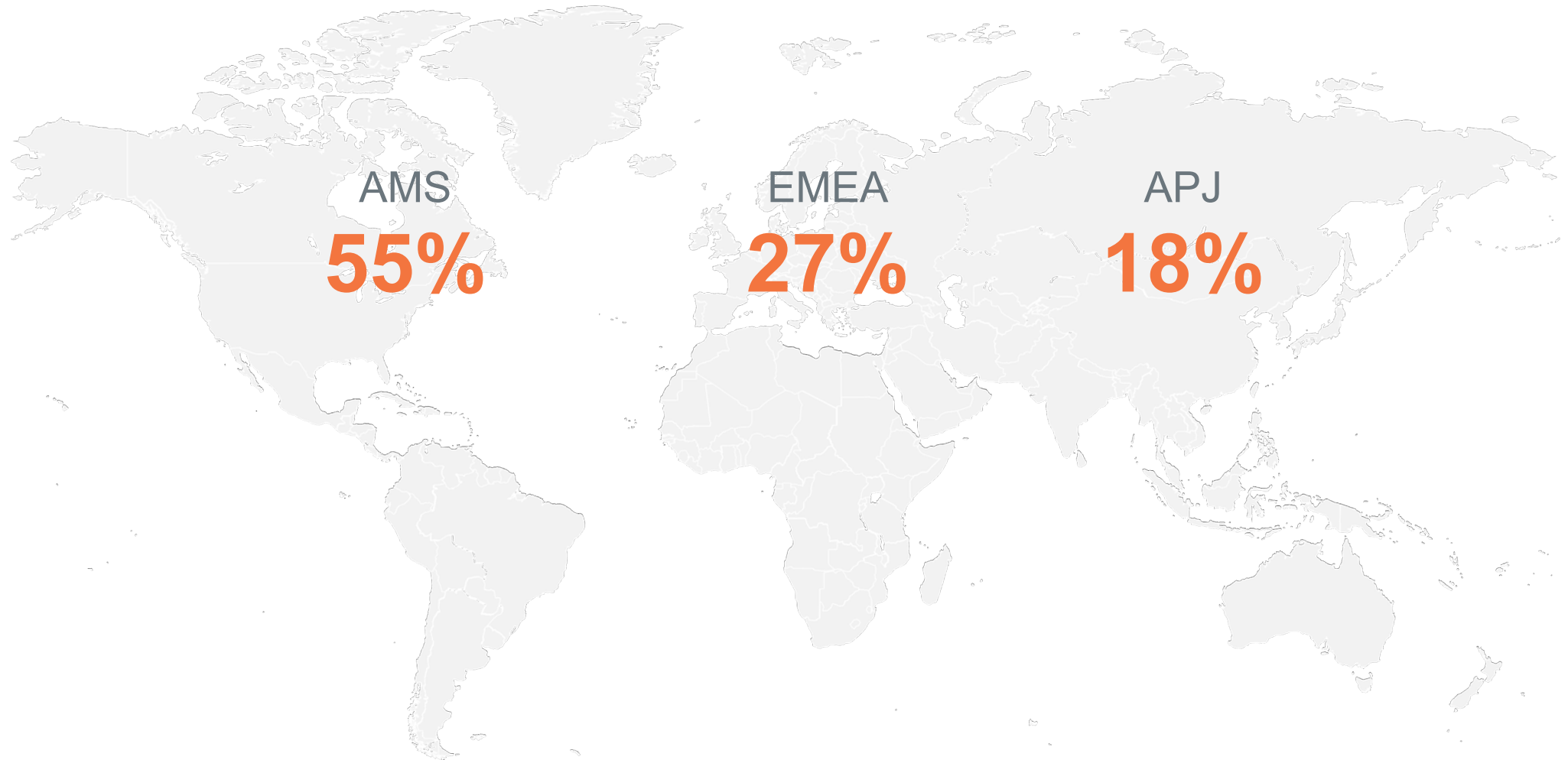
Cross Channel Customer Experience

Customer Experience and Satisfaction Index

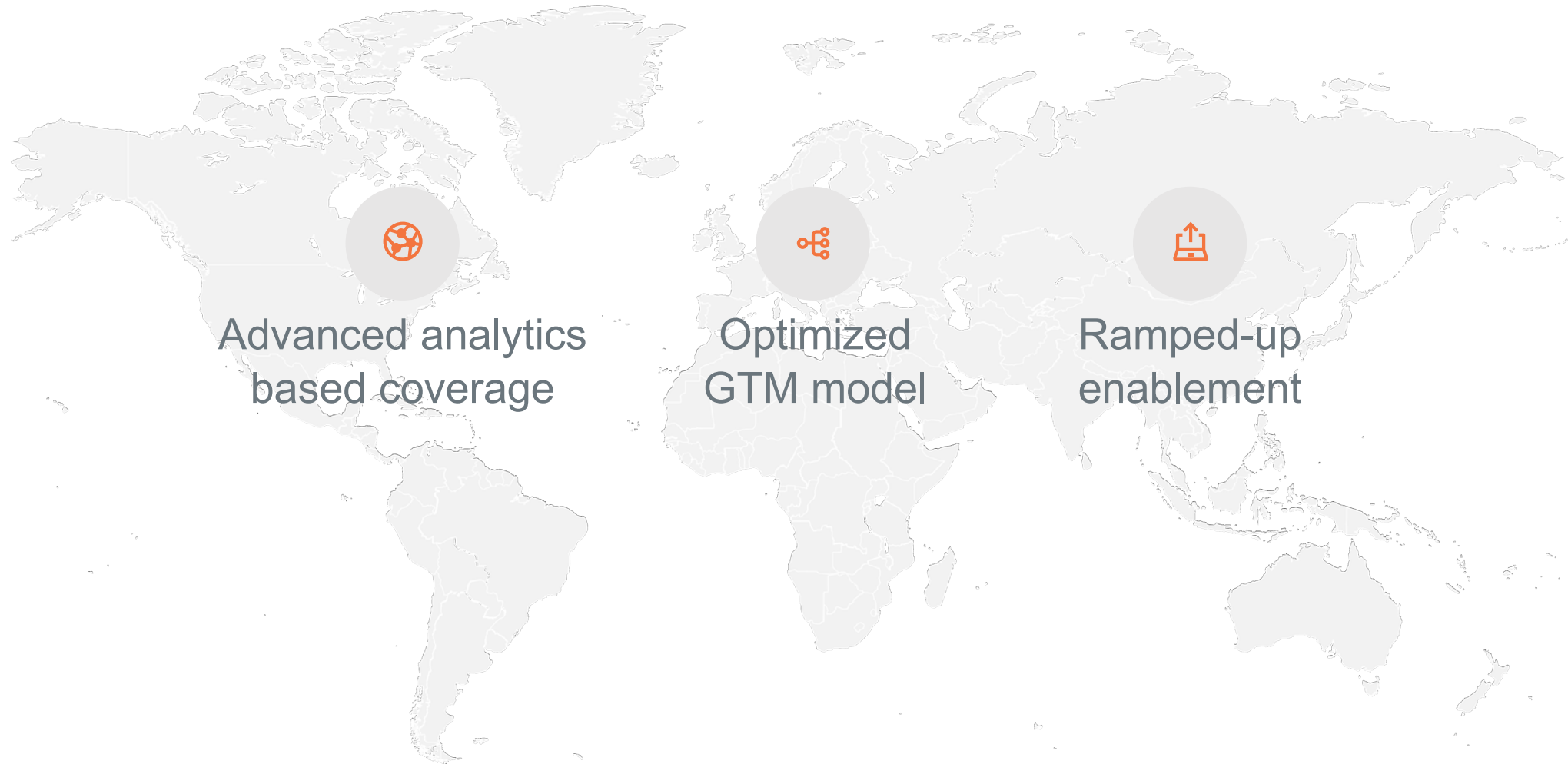
# We deliver value on our customers' terms



We have built off our global coverage,  
**and enhanced our GTM engine**



# We have built off our global coverage, **and enhanced our GTM engine**

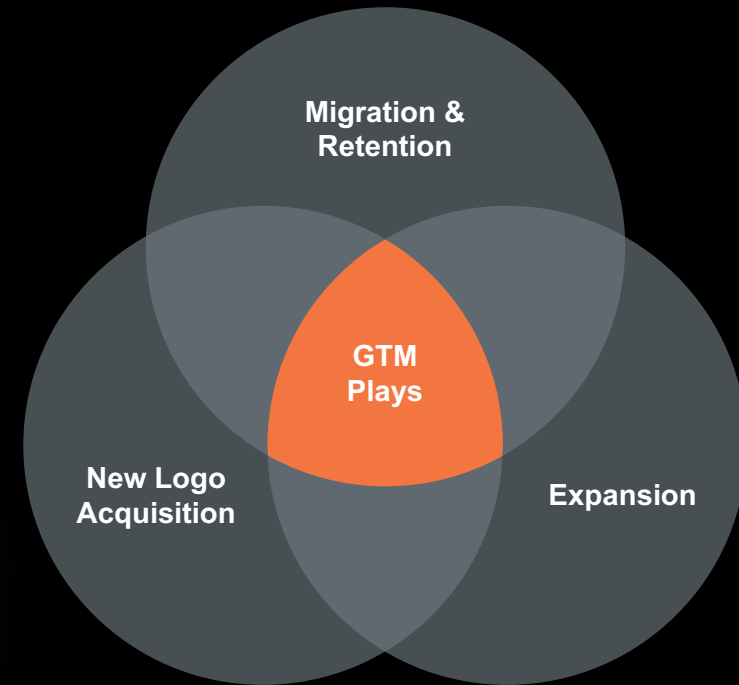


Advanced analytics  
based coverage

Optimized  
GTM model

Ramped-up  
enablement

# Seamless GTM model and **deeply embedded within customers**



Winning new customers is **expanding our base**

**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

**GROUPON**

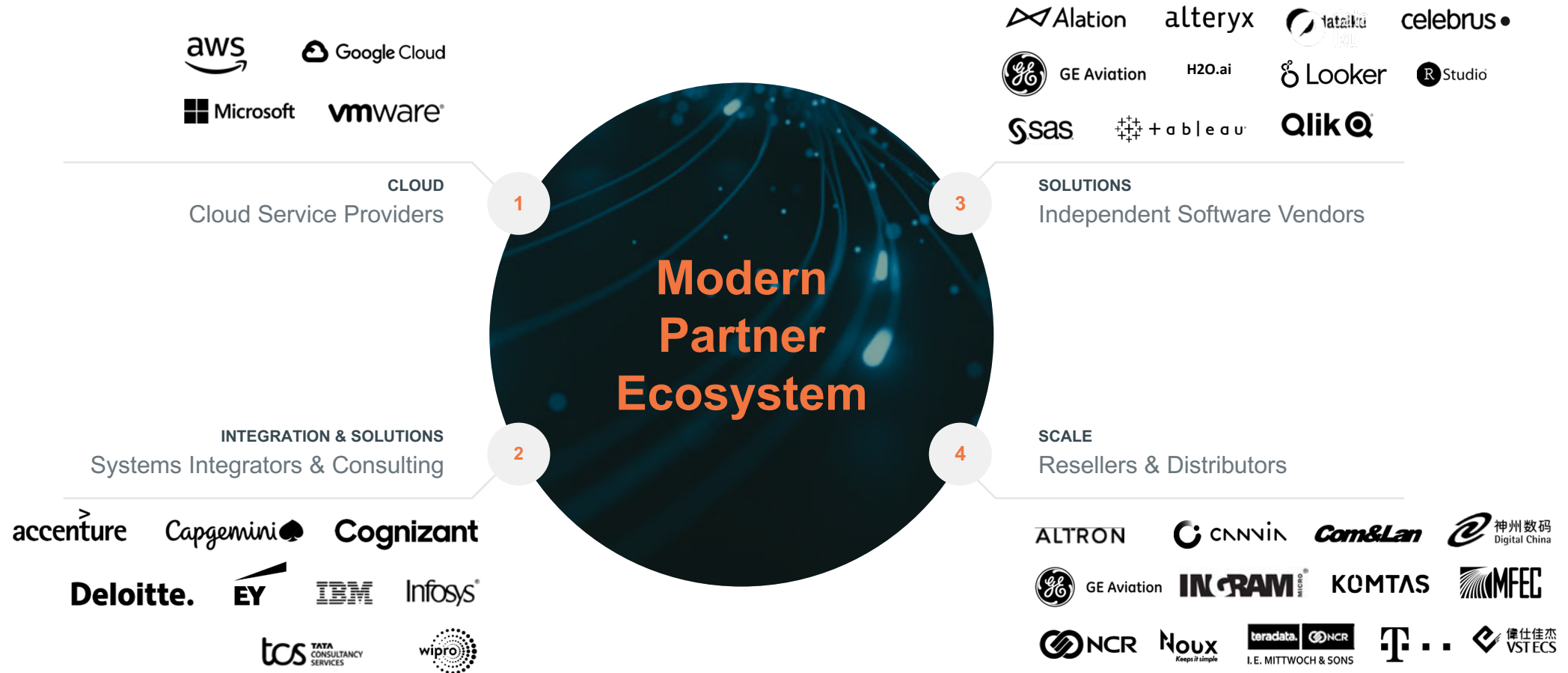




**John Higginson**

Chief Technology Officer  
Groupon

# 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

A professional headshot of Erin Chapple, a woman with dark hair pulled back, smiling warmly. She is wearing a dark blue blazer over a colorful patterned top. The background is a plain, light-colored wall.

**Erin Chapple**

Corporate VP, Azure Core  
Microsoft

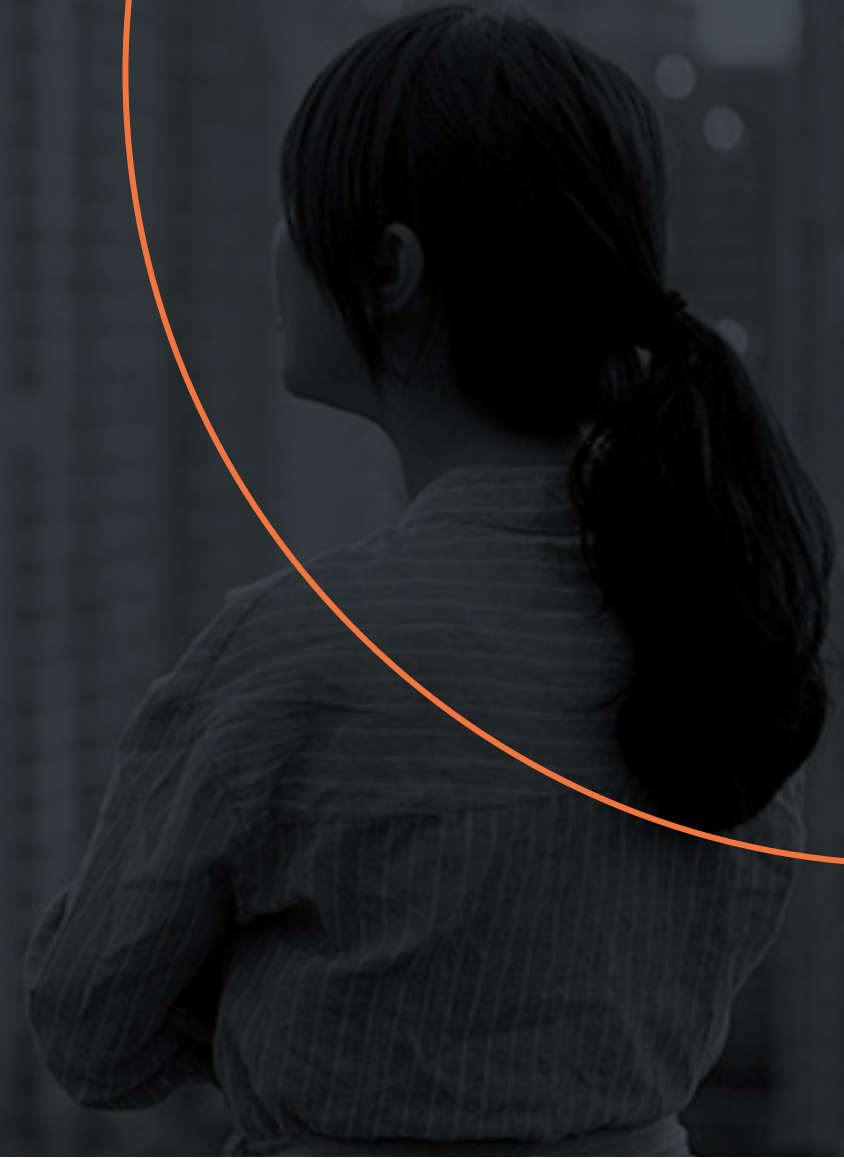
We partner with Systems Integrators  
to help customers drive value

The Accenture logo, featuring the word "accenture" in a white, lowercase, sans-serif font with a small chevron symbol above the "u".

accenture

“ 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



A professional headshot of Yann Lepant, a middle-aged man with short brown hair, wearing glasses and a light blue button-down shirt. He is smiling slightly and looking towards the camera. The background is a plain, light-colored wall.

**Yann Lepant**  
Managing Director  
Accenture

# 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.

**\$1B+**

Cloud ARR  
in FY25

**Low  
20%**

Non-GAAP  
Operating Margin  
in FY25

**~\$550M**

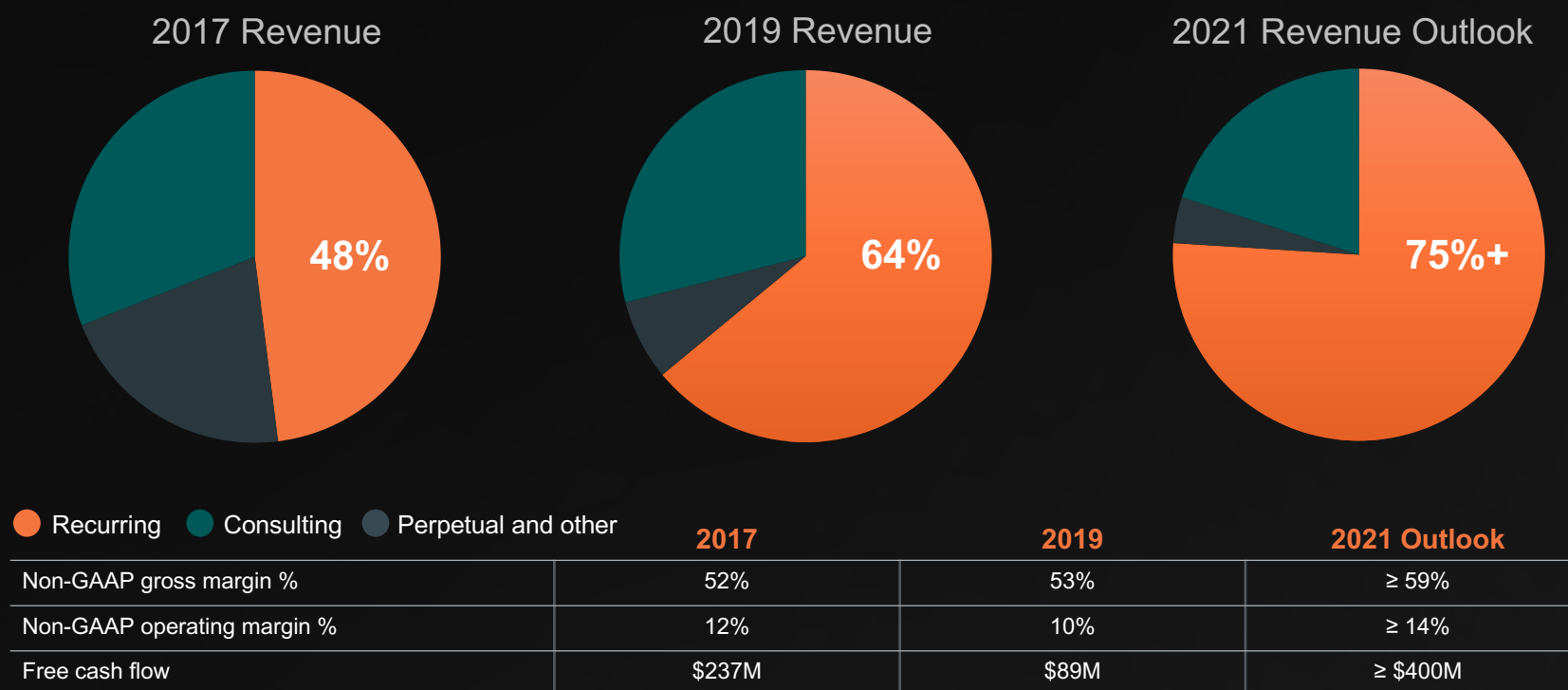
Free Cash Flow  
generated  
in FY25

**≥50%**

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.

# Teradata is well positioned for future sustainable profitable growth



\* 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.

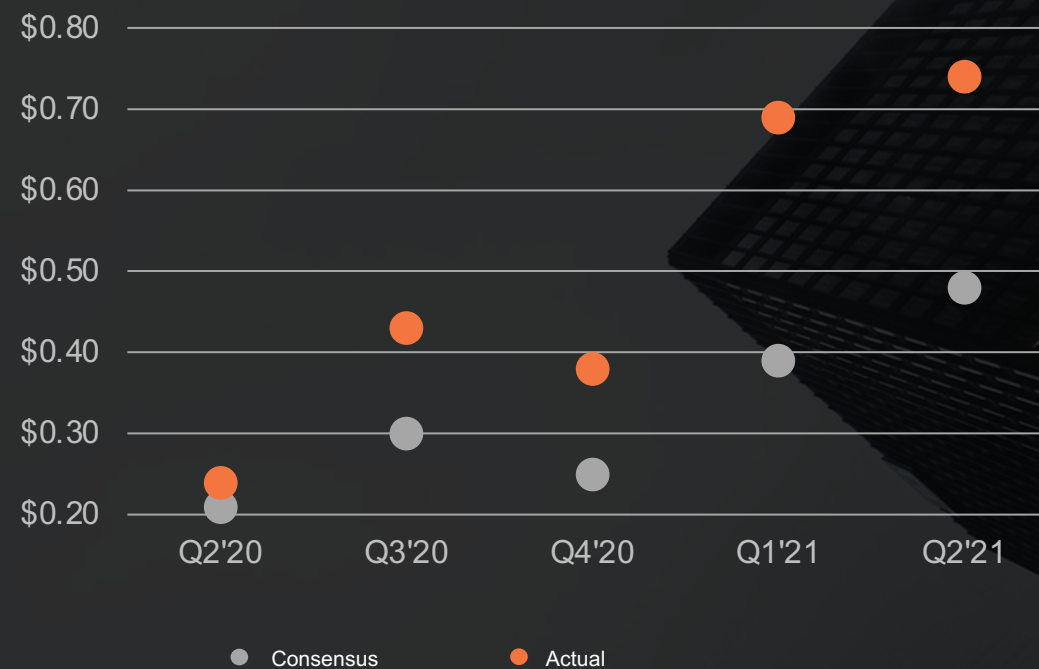
# Doing

what we said we would do

### Cloud ARR Growth



### Non-GAAP EPS



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.

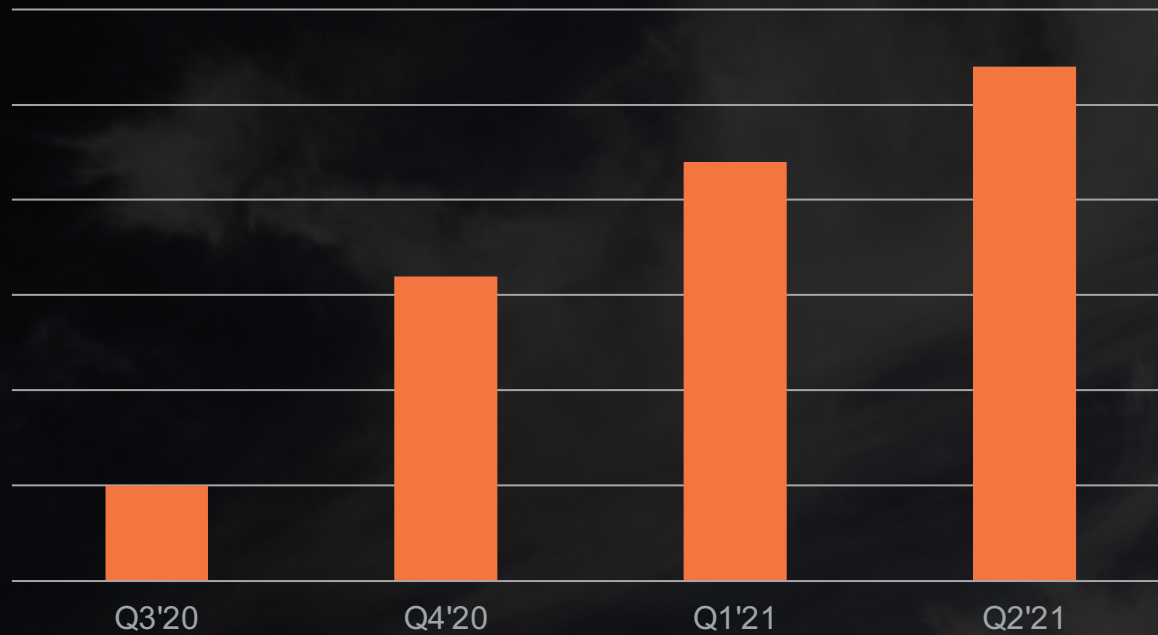
# We are focused on growing **Cloud ARR**





# Cloud net expansion rates are strong

LTM Dollar-Based Net Expansion Rate



At least **130%**

LTM Dollar-Based  
Net Expansion Rate

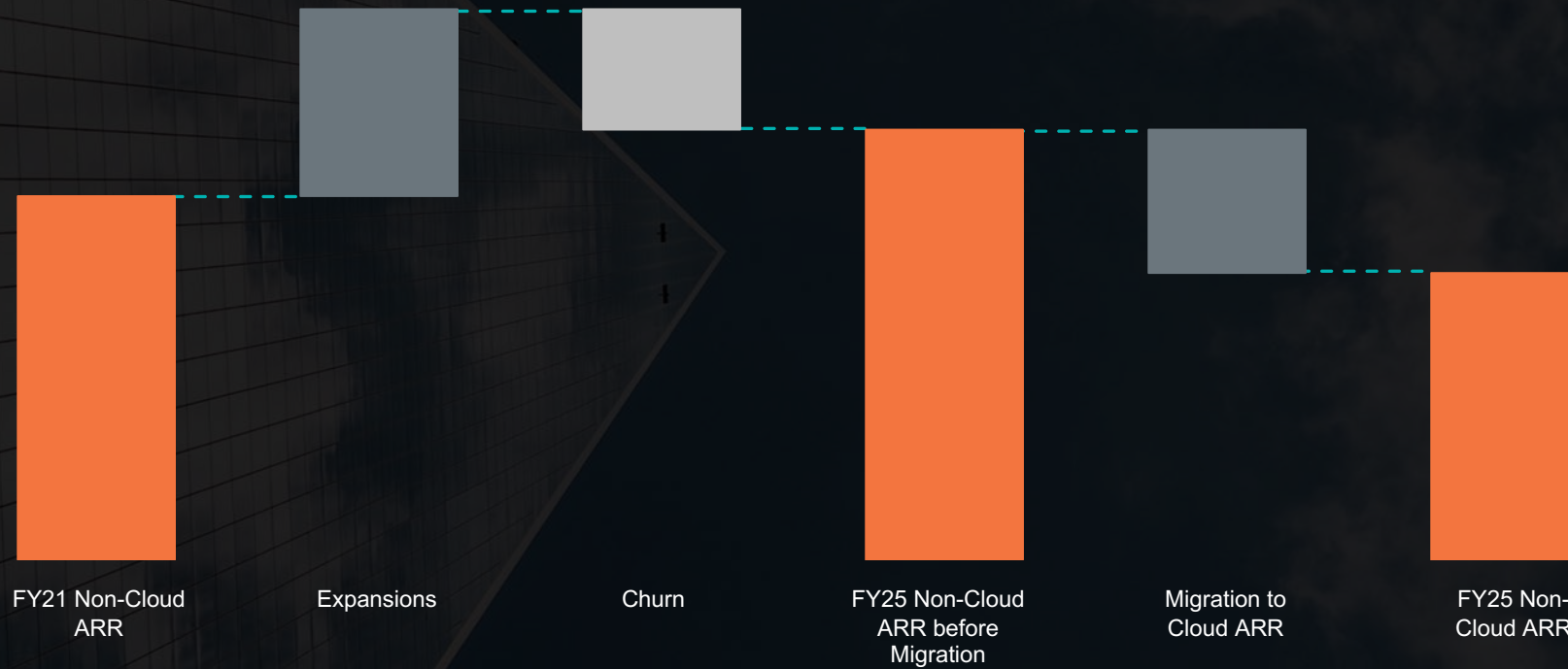
Teradata calculates its last-twelve months dollar-based cloud net expansion rate as of a fiscal quarter end as follows. We identify the ARR for active cloud customers in the fiscal quarter ending one year prior to the given fiscal quarter (the "base period"). We then identify the cloud ARR in the given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

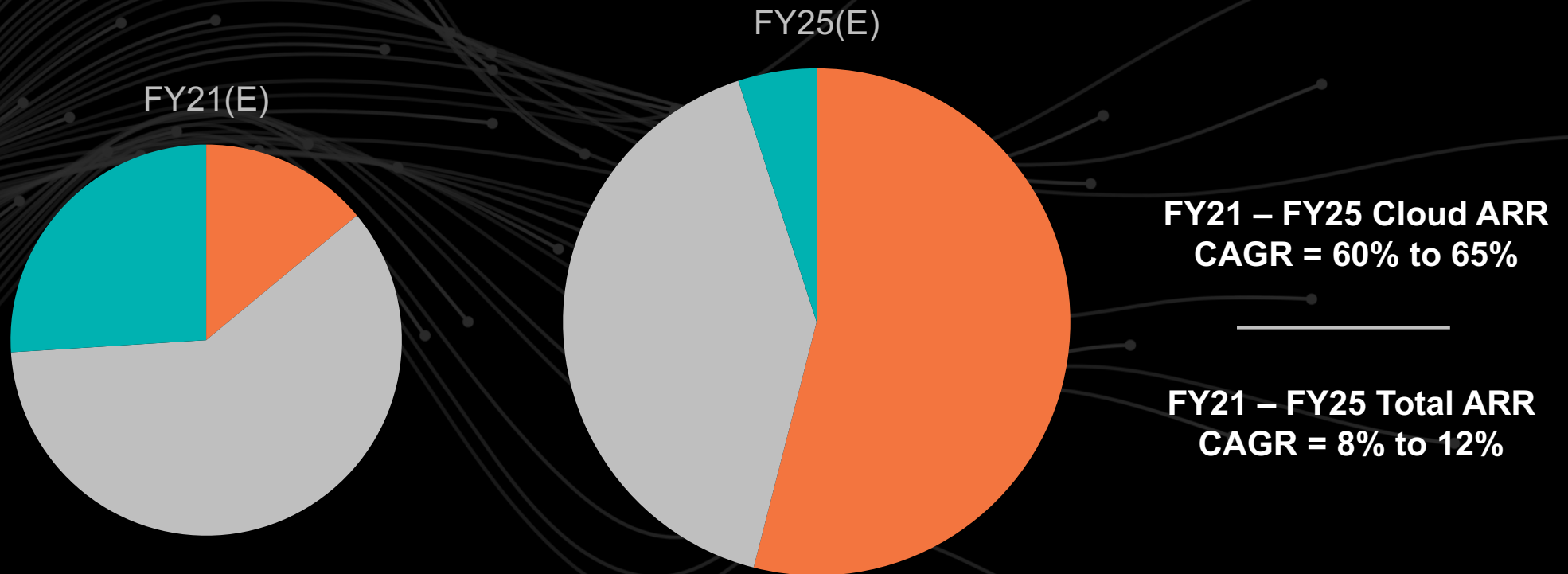
**New cloud customer  
logo growth in  
the Global 10K**

# 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.

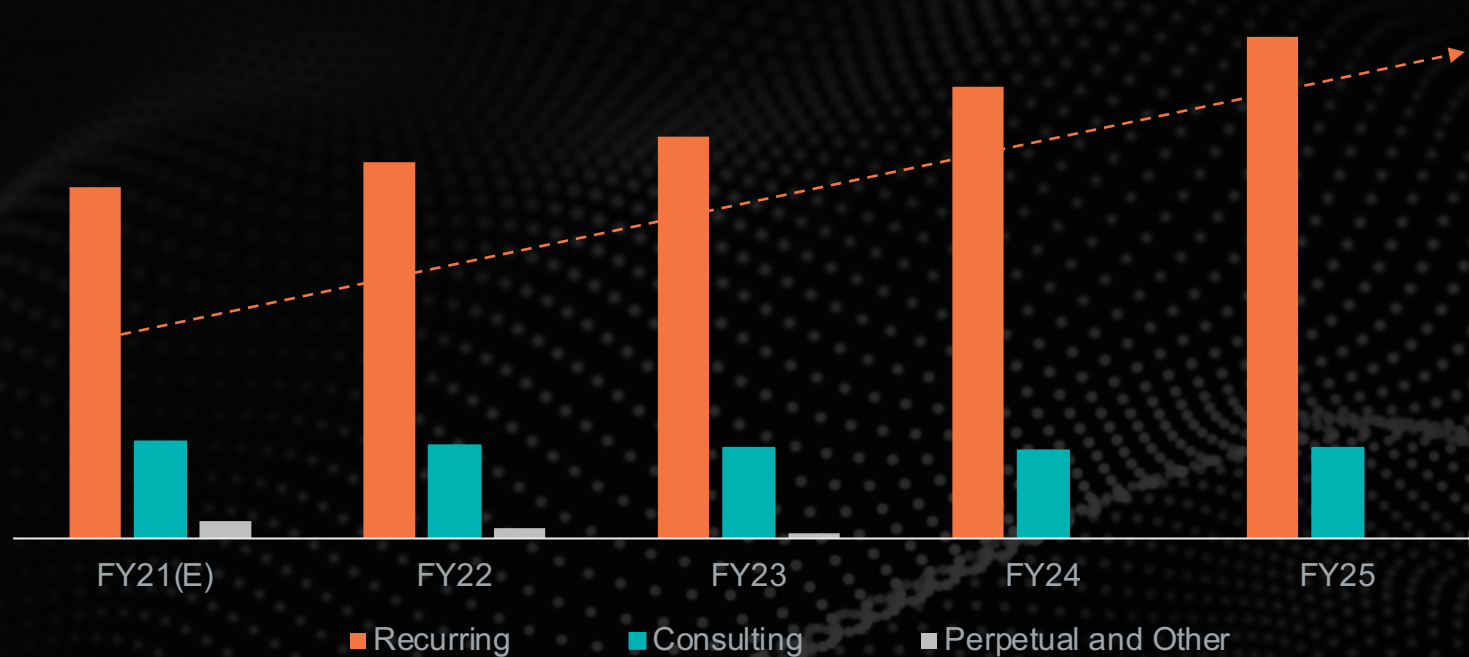
In FY25, project **Cloud ARR of \$1B+**,  
representing **over 50% in Total ARR**



● Cloud ● Perpetual and Other ● Subscription

\* 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



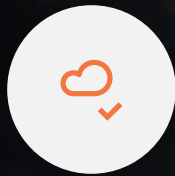
Recurring revenue growth YoY = **8% to 10%**  
(FY21 – FY25 CAGR)

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

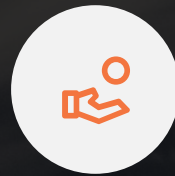
\* Amounts for fiscal 2021 represent outlook. Amounts for fiscal 2022 through 2025 represent Teradata forecasts.

# 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**

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

FY21 return target  
**at least 50%**

**Use capital to achieve business objectives**

Invest in COGS and OPEX needs to drive sustainable growth

FY22 return target  
**at least 50%**

**Deploy excess capital to achieve optimal risk adjusted ROI**

Share repurchases

M&A

Longer term return target  
**≥ 50%**

Operate at **1 – 2x** 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 \*



## Preliminary FY22 Estimates

### Cloud ARR

at least 70% growth Y/Y

### Non-GAAP Diluted EPS

\$1.60 to \$1.70

### Free cash flow

Approximately \$400 million



## Key Modeling Assumptions

### Recurring revenue growth Y/Y

3% to 5%

### Tax Rate

23%

### WASO

113 million (diluted)

### Total revenue growth Y/Y

Flat to 2%

### OI&E

Approximately \$40 million

\* Teradata forecasts for fiscal 2022. 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) and free cash flow are non-GAAP measures. Teradata is not providing a reconciliation to the most comparable GAAP measure (GAAP diluted EPS forecast for fiscal 2022 in the case of non-GAAP diluted EPS forecast for fiscal 2022 and cash provided by operating activities forecast for fiscal 2022 in the case of free cash flow forecast for fiscal 2022) 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.

# Long-term Financial Model\*

**Cloud ARR**  
FY21 – FY25 CAGR  
of 60% to 65%

**Total ARR**  
FY21 – FY25 CAGR  
of 8% to 12%

**Non-GAAP**  
**Operating Margin**  
In the low 20% range in FY25

**Free cash flow**  
Approximately \$550 million  
in FY25

\* 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. 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.

# We have a significant opportunity to **increase shareholder value**

## **Capture the Future**

- Best-of-breed technology
- Differentiated
- Continued innovation

## **Long-Term Value Creation**

## **Accelerate Growth in Large Market Opportunity**

- Investing in growth
- Opportunities to lead in large markets

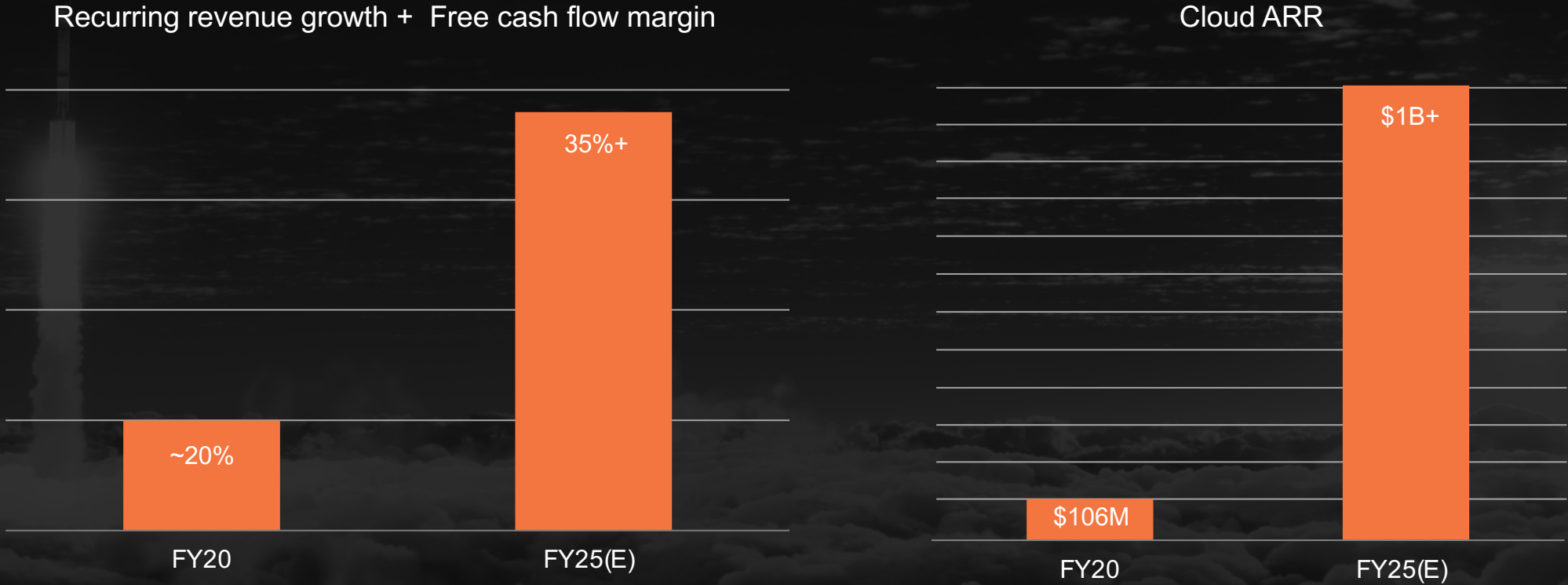
## **Sustainable Revenue Growth**

## **Scalable Financial Model**

- Recurring revenue growth
- Efficient operating models

## **Increased earnings power Greater FCF generation**

# Teradata's future valuation potential is **significant**



\* 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+**

Cloud ARR  
in FY25

**Low  
20%**

Non-GAAP  
Operating Margin  
in FY25

**~\$550M**

Free Cash Flow  
generated  
in FY25

**≥50%**

Return of  
Excess  
Capital

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# 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

<b>(in millions, except per share data)</b>			
<b>Gross Profit:</b>	<b>2017</b>	<b>2019</b>	<b>2021E</b>
GAAP Gross Profit	\$1,024	\$955	≥ \$1,088
% of Revenue	47.5%	50.3%	≥ 57.3%
Excluding:			
Stock-based compensation expense	13	14	16
Acquisition, integration, reorganization related, and other costs	4	11	15
Amortization of capitalized software	71	33	-
Non-GAAP Gross Profit	\$1,112	\$1,013	≥\$1,119
% of Revenue	51.6%	53.3%	≥59.0%

<b>(in millions, except per share data)</b>			
<b>Operating Income:</b>	<b>2017</b>	<b>2019</b>	<b>2021E</b>
GAAP Operating Income	\$68	\$6	≥\$107
% of Revenue	3.2%	0.3%	≥5.6%
Excluding:			
Stock-based compensation expense	68	87	125
Amortization of acquisition-related intangible assets	8	6	4
Acquisition, integration, reorganization related, and other costs	37	51	30
Amortization of capitalized software	71	33	-
Non-GAAP Operating Income	\$252	\$183	≥\$266
% of Revenue	11.7%	9.6%	≥14.0%

# Earnings Per Share

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

(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.

(in millions)			
	2017	2019	2021E
Cash provided by operating activities (GAAP)	\$324	\$148	≥\$440
Less capital expenditures for:			
Expenditures for property and equipment	(78)	(54)	(≥35)
Additions to capitalized software	(9)	(5)	(≥5)
Total capital expenditures	(87)	(59)	(≥40)
Free Cash Flow (non-GAAP measure)	\$237	\$89	≥\$400

Thank you.

teradata.

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