UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to __________

Commission File Number 001-33458

TERADATA CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**75-3236470**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

17095 Via Del Campo
San Diego, California 92127
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (866) 548-8348

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	Trading Symbol	Name of Each Exchange on which Registered:
Common Stock, $0.01 par value	TDC	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

At July 24, 2026, the registrant had approximately 93.0 million shares of common stock outstanding.

TABLE OF CONTENTS

PART I—FINANCIAL INFORMATION

PART II—OTHER INFORMATION

Part 1—FINANCIAL INFORMATION

Item 1. Financial Statements.

Teradata Corporation
Condensed Consolidated Statements of Income (Unaudited)

In millions, except per share amounts	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Revenue				
Subscription software licenses	$ 53	$ 65	$ 152	$ 148
Services and other	310	289	611	564
Total recurring	363	354	763	712
Perpetual software licenses, hardware and other	8	3	9	13
Consulting services	39	51	82	101
Total revenue	410	408	854	826
Cost of revenue				
Subscription software licenses	8	5	19	10
Services and other	112	114	224	217
Total recurring	120	119	243	227
Perpetual software licenses, hardware and other	6	3	6	12
Consulting services	41	56	86	109
Total cost of revenue	167	178	335	348
Gross profit	243	230	519	478
Operating expenses				
Selling, general and administrative expenses	120	135	360	251
Research and development expenses	75	71	147	137
Total operating expenses	195	206	507	388
Income from operations	48	24	12	90
Other (expense) income, net				
Interest expense	(6)	(6)	(12)	(13)
Interest income	7	2	10	5
Other (expense) income	(2)	(7)	474	(11)
Total other (expense) income, net	(1)	(11)	472	(19)
Income before income taxes	47	13	484	71
Income tax expense	1	4	103	18
Net income	$ 46	$ 9	$ 381	$ 53
Net income per common share				
Basic	$ 0.49	$ 0.09	$ 4.07	$ 0.56
Diluted	$ 0.48	$ 0.09	$ 3.95	$ 0.55
Weighted average common shares outstanding				
Basic	93.9	95.3	93.5	95.2
Diluted	96.2	96.0	96.4	97.0

See Notes to Condensed Consolidated Financial Statements (Unaudited).

Teradata Corporation
Condensed Consolidated Statements of Comprehensive Income (Unaudited)

In millions	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Net income	$ 46	$ 9	$ 381	$ 53
Other comprehensive income:				
Foreign currency translation adjustments	3	18	(2)	26
Unrealized (loss) gain on cross-currency net investment hedge, before tax	(2)	(13)	2	(18)
Unrealized (loss) gain on cross-currency net investment hedge, tax portion	—	3	(1)	4
Total currency translation adjustments	1	8	(1)	12
Derivatives:				
Derivative change, before tax	(3)	(2)	(1)	(6)
Derivatives, tax portion	1	—	—	1
Derivative change, net of tax	(2)	(2)	(1)	(5)
Defined benefit plans:				
Reclassification of loss to net income, before tax	2	2	4	4
Defined benefit plans, tax portion	—	(1)	(1)	(1)
Defined benefit plans, net of tax	2	1	3	3
Other comprehensive income	1	7	1	10
Comprehensive income	$ 47	$ 16	$ 382	$ 63

See Notes to Condensed Consolidated Financial Statements (Unaudited).

Table of Contents

Teradata Corporation
Condensed Consolidated Balance Sheets (Unaudited)

In millions, except per share amounts	June 30, 2026	December 31, 2025
Assets		
Current assets		
Cash and cash equivalents	$ 414	$ 493
Accounts receivable, net	256	251
Inventories	5	13
Other current assets	98	80
Total current assets	773	837
Property and equipment, net	191	198
Right of use assets - operating lease, net	8	7
Goodwill	397	399
Capitalized contract costs, net	39	42
Deferred income taxes	166	209
Other assets	84	87
Total assets	$ 1,658	$ 1,779
Liabilities and stockholders' equity		
Current liabilities		
Current portion of long-term debt	$ —	$ 25
Current portion of finance lease liability	46	50
Current portion of operating lease liability	2	2
Accounts payable	55	96
Payroll and benefits liabilities	91	120
Deferred revenue	560	533
Other current liabilities	91	88
Total current liabilities	845	914
Long-term debt	—	431
Finance lease liability	45	45
Operating lease liability	6	4
Pension and other postemployment plan liabilities	111	114
Long-term deferred revenue	12	11
Deferred tax liabilities	12	12
Other liabilities	34	18
Total liabilities	1,065	1,549
Commitments and contingencies (Note 8)		
Stockholders' equity		
Preferred stock: par value $0.01 per share, 100.0 shares authorized, no shares issued and outstanding at June 30, 2026 and December 31, 2025, respectively	—	—
Common stock: par value $0.01 per share, 500.0 shares authorized, 93.4 and 92.5 shares issued at June 30, 2026 and December 31, 2025, respectively	1	1
Paid-in capital	2,361	2,305
Accumulated deficit	(1,617)	(1,923)
Accumulated other comprehensive loss	(152)	(153)
Total stockholders' equity	593	230
Total liabilities and stockholders' equity	$ 1,658	$ 1,779

See Notes to Condensed Consolidated Financial Statements (Unaudited).

Teradata Corporation
Condensed Consolidated Statements of Cash Flows (Unaudited)

In millions	Six Months Ended June 30, 2026	2025
Operating activities		
Net income	$ 381	$ 53
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	48	43
Stock-based compensation expense	62	53
Deferred income taxes	40	4
Loss on Blue Chip Swap	1	—
Changes in assets and liabilities:		
Receivables	(5)	(59)
Inventories	8	13
Current payables and accrued expenses	(47)	(54)
Deferred revenue	28	11
Other assets and liabilities	(9)	(13)
Net cash provided by operating activities	507	51
Investing activities		
Expenditures for property and equipment	(11)	(5)
Additions to capitalized software	(1)	—
Other investing activities, net	(1)	(1)
Net cash used in investing activities	(13)	(6)
Financing activities		
Repurchases of common stock	(74)	(72)
Repayments of long-term borrowings	(456)	(12)
Payments of finance leases	(32)	(33)
Other financing activities, net	(7)	(2)
Net cash used in financing activities	(569)	(119)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(4)	23
Decrease in cash, cash equivalents and restricted cash	(79)	(51)
Cash, cash equivalents and restricted cash at beginning of period	494	421
Cash, cash equivalents and restricted cash at end of period	$ 415	$ 370
Supplemental cash flow disclosure:		
Assets acquired under operating lease	$ 3	$ 2
Assets acquired under finance lease	$ 28	$ 52

Reconciliation of cash, cash equivalents and restricted cash to the Condensed Consolidated Balance Sheets:

	June 30, 2026	December 31, 2025
Cash and cash equivalents	$ 414	$ 493
Restricted cash	1	1
Total cash, cash equivalents and restricted cash	$ 415	$ 494

See Notes to Condensed Consolidated Financial Statements (Unaudited).

Teradata Corporation
Condensed Consolidated Statements of Changes in Stockholders' Equity (Unaudited)

In millions	Common Stock Shares	Common Stock Amount	Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
December 31, 2025	93	$ 1	$ 2,305	$ (1,923)	$ (153)	$ 230
Net income	—	—	—	335	—	335
Employee stock compensation, employee stock purchase programs and option exercises, net of tax	2	—	25		—	25
Repurchases of common stock, retired	(1)	—	—	(33)	—	(33)
Pension and postemployment benefit plans, net of tax	—	—	—	—	1	1
Unrealized gain on derivatives, net of tax	—	—	—	—	1	1
Currency translation adjustment	—	—	—	—	(2)	(2)
March 31, 2026	94	$ 1	$ 2,330	$ (1,621)	$ (153)	$ 557
Net income	—	—	—	46	—	46
Employee stock compensation, employee stock purchase programs and option exercises, net of tax	—	—	31	—	—	31
Repurchases of common stock, retired	(1)	—	—	(42)	—	(42)
Pension and postemployment benefit plans, net of tax	—	—	—	—	2	2
Derivative change, net of tax	—	—	—	—	(2)	(2)
Currency translation adjustment	—	—	—	—	1	1
June 30, 2026	93	$ 1	$ 2,361	$ (1,617)	$ (152)	$ 593

In millions	Common Stock Shares	Common Stock Amount	Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
December 31, 2024	95	$ 1	$ 2,192	$ (1,913)	$ (147)	$ 133
Net income	—	—	—	44	—	44
Employee stock compensation, employee stock purchase programs and option exercises, net of tax	2	—	22	—	—	22
Repurchases of common stock, retired	(1)	—	—	(44)	—	(44)
Pension and postemployment benefit plans, net of tax	—	—	—	—	2	2
Unrealized loss on derivatives, net of tax	—	—	—	—	(3)	(3)
Currency translation adjustment	—	—	—	—	4	4
March 31, 2025	96	$ 1	$ 2,214	$ (1,913)	$ (144)	$ 158
Net income	—	—	—	9	—	9
Employee stock compensation, employee stock purchase programs and option exercises, net of tax	—	—	30	—	—	30
Repurchases of common stock, retired	(1)	—	—	(28)	—	(28)
Pension and postemployment benefit plans, net of tax		—	—	—	1	1
Unrealized loss on derivatives, net of tax	—	—	—	—	(2)	(2)
Currency translation adjustment	—	—	—	—	8	8
June 30, 2025	95	$ 1	$ 2,244	$ (1,932)	$ (137)	$ 176

See Notes to Condensed Consolidated Financial Statements (Unaudited).

Notes to Condensed Consolidated Financial Statements (Unaudited)

1. Basis of Presentation

These statements have been prepared pursuant to the rules and regulations of the United States Securities and Exchange Commission ("SEC") and, in accordance with those rules and regulations, do not include all information and footnote disclosures normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). In the opinion of management, the condensed consolidated financial statements reflect all adjustments, consisting only of normal recurring adjustments, necessary to fairly state the results of operations, financial position and cash flows of Teradata Corporation ("Teradata" or the "Company") for the interim periods presented herein. The year-end 2025 condensed consolidated balance sheet data was derived from audited financial statements but does not include all disclosures required by GAAP. The preparation of condensed consolidated financial statements in conformity with GAAP requires management to make use of estimates and assumptions that affect the reported amounts and disclosures. Actual results may vary from these estimates.

These condensed consolidated interim financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in Teradata's most recent Annual Report on Form 10-K for the fiscal year ended December 31, 2025 (the "2025 Annual Report"). The results of operations for any interim period are not necessarily indicative of the results of operations to be expected for the full year.

2. New Accounting Pronouncements

In November 2024, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses (ASU 2024-03). The new guidance requires disaggregated information about certain income statement expense line items on an annual and interim basis. This guidance will be effective for annual periods beginning the year ended December 31, 2027 and for interim periods thereafter. The new standard permits early adoption and can be applied prospectively or retrospectively. We are evaluating the effect that this guidance will have on our Consolidated Financial Statements.

In September 2025, the FASB issued ASU No. 2025-06, Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software (ASU 2025-06). The new guidance eliminates the requirement to classify software development costs by project stage, instead, entities now capitalize internal-use software costs when management has both authorized and committed funding for the project and it is probable the software will be completed and used as intended. This guidance will be effective for annual periods beginning after December 15, 2027, and interim periods within those annual periods. Early adoption is permitted and the standard may be applied prospectively, retrospectively, or using a modified approach. We are evaluating the effect that this guidance will have on our Consolidated Financial Statements.

3. Revenue from Contracts with Customers

Disaggregation of Revenue from Contracts with Customers

The following table presents a disaggregation of revenue:

	Three Months Ended June 30,		Six Months Ended June 30,	
in millions	2026	2025	2026	2025
United States				
Recurring	$ 182	$ 187	$ 394	$ 382
Perpetual software licenses and hardware	—	1	1	5
Consulting services	9	13	20	28
Total United States	191	201	415	415
International				
Recurring	$ 181	$ 167	$ 369	$ 330
Perpetual software licenses and hardware	8	2	8	8
Consulting services	30	38	62	73
Total International	219	207	439	411
Total Revenue	$ 410	$ 408	$ 854	$ 826

Rental revenue, which is included in recurring revenue in the above table, was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
in millions	2026	2025	2026	2025
Rental revenue*	$ 61	$ 51	$ 116	$ 100

*Rental revenue includes hardware maintenance.

Contract Balances

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, contract assets, and customer advances and deposits (deferred revenue or contract liabilities) on the condensed consolidated balance sheet. Accounts receivable include amounts due from customers that are unconditional. Contract assets relate to the Company's rights to consideration for goods delivered or services completed and recognized as revenue but billing and the right to receive payment is conditional upon the completion of other performance obligations. Contract assets are included in other current assets on the balance sheet and are transferred to accounts receivable when the rights become unconditional. Deferred revenue consists of advance payments and billings in excess of revenue recognized. Deferred revenue is classified as either current or noncurrent based on the timing of when the Company expects to recognize revenue. These assets and liabilities are reported on a contract-by-contract basis at the end of each reporting period.

The following table provides information about receivables, contract assets and deferred revenue from contracts with customers:

	As of	
in millions	June 30, 2026	December 31, 2025
Accounts receivable, net	$ 256	$ 251
Contract assets	$ 5	$ 5
Current deferred revenue	$ 560	$ 533
Long-term deferred revenue	$ 12	$ 11

Revenue recognized during the six months ended June 30, 2026 from amounts included in deferred revenue at the beginning of the period was $293 million.

Transaction Price Allocated to Unsatisfied Obligations

The following table includes estimated revenue expected to be recognized in the future related to the Company's unsatisfied (or partially satisfied) obligations at June 30, 2026:

in millions	Total at June 30, 2026	Year 1	Year 2 and Thereafter
Remaining unsatisfied obligations	$ 2,026	$ 1,353	$ 673

The amounts above represent the price of firm orders for which work has not been performed or goods have not been delivered and exclude unexercised contract options outside the stated contractual term that do not represent material rights to the customer. Although the Company believes that the contract value in the above table is firm, approximately $1,084 million of the amount is under contracts that are subject to customer-only general cancellation for convenience terms that the Company is contractually obligated to perform unless the customer notifies us of cancellation. The Company expects to recognize revenue of approximately $499 million in the next year from contracts that are non-cancelable. The Company believes the inclusion of this information is important to understanding the obligations that the Company is contractually required to perform and provides useful information regarding remaining obligations related to these executed contracts.

4. Contract Costs

The Company capitalizes sales commissions and other contract costs that are incremental direct costs of obtaining customer contracts if the expected amortization period of the asset is greater than one year. These costs are recorded in capitalized contract costs, net on the Company’s balance sheet. The capitalized amounts are calculated based on the annual recurring revenue and contract value for individual multi-term contracts. The judgments made in determining the amount of costs incurred include whether the commissions are in fact incremental and would not have occurred absent the customer contract. Costs to obtain a contract are amortized as selling, general and administrative expenses on a straight-line basis over the expected period of benefit, which is typically around four years. These costs are periodically reviewed for impairment. The following table identifies the activity relating to capitalized contract costs:

in millions	December 31, 2025	Capitalized	Amortization	June 30, 2026
Capitalized contract costs	$ 42	$ 7	$ (10)	$ 39

in millions	December 31, 2024	Capitalized	Amortization	June 30, 2025
Capitalized contract costs	$ 46	$ 3	$ (12)	$ 37

5. Supplemental Financial Information

In millions	As of June 30, 2026	As of December 31, 2025
Deferred revenue		
Deferred revenue, current	$ 560	$ 533
Long-term deferred revenue	12	11
Total deferred revenue	$ 572	$ 544

In millions	Three Months Ended June 30 2026	Three Months Ended June 30 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Selling, general and administrative expenses				
SAP legal settlement fees	$ —	$ —	$ 121	$ —
Other	120	135	239	251
Selling, general and administrative expenses	$ 120	$ 135	$ 360	$ 251

In millions	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Other (expense) income				
SAP legal settlement amount	$ —	$ —	$ 480	$ —
Foreign currency losses	(1)	(4)	$ (2)	$ (4)
Other	(1)	(3)	(4)	(7)
Total Other (expense) income	$ (2)	$ (7)	$ 474	$ (11)

SAP Legal Settlement

Teradata had been involved in several litigation proceedings (collectively, the "SAP Litigation") against SAP SE, SAP America, Inc., and SAP Labs, LLC (collectively, "SAP" and with "Teradata" the "Parties"). On February 19, 2026, Teradata entered into a Settlement Agreement (the "SAP Settlement Agreement") with SAP, pursuant to which the Parties agreed, among other things, to (i) resolve all past and pending litigation between the Parties, including the SAP Litigation and (ii) mutual releases of all claims and liabilities asserted or that could have been asserted in the SAP Litigation. During the three months ended March 31, 2026, as a result of the SAP Settlement Agreement, Teradata received a gross payment of $480 million (the "SAP Legal Settlement Amount"). Additionally, the Company recorded $121 million in selling, general and administrative expenses for the associated fees and expenses for the SAP Settlement Agreement, including a customary contingent fee arrangement and other outstanding legal fees incurred in connection with the SAP Litigation (the "SAP Legal Settlement Fees"). The net cash benefit of the SAP Settlement Amount after the SAP Legal Settlement Fees was approximately $359 million before taxes (the "SAP Settlement Net Proceeds").

Other: Interest Rate Swap Termination

During the three months ended June 30, 2026, the Company recorded a gain of approximately $3 million related to the derivative's fair value upon termination of the Company's interest rate swap, see Note 7, Derivative Instruments and Hedging Activities, for further details.

Other: Argentina Blue Chip Swap Transaction
The Central Bank of Argentina continues to impose foreign exchange controls that restrict access to U.S. dollars and the remittance of funds outside Argentina. These controls have led to the development of alternative foreign exchange mechanisms, including Blue Chip Swaps, through which market-based exchange rates for U.S. dollars are established that differ from official exchange rates. During the three and six months ended June 30, 2026, the Company incurred a pre-tax investment loss of $1 million related to Blue Chip Swap transactions. During the three and six months ended June 30, 2025, the Company incurred an immaterial pre-tax investment loss related to a Blue Chip Swap transaction.

6. Income Taxes

Income tax provisions for interim periods are based on estimated annual income tax rates, adjusted to reflect the effects of any significant infrequent or unusual items which are required to be discretely recognized within the current interim period. The Company expects that a majority of its foreign earnings will be repatriated back to the U.S. As a result, the effective tax rates in the periods presented are largely based upon the forecasted pre-tax earnings mix and allocation of certain expenses in various taxing jurisdictions where the Company conducts its business.

The effective tax rate is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
In millions	2026	2025	2026	2025
Effective tax rate	2.1 %	30.8 %	21.3 %	25.4 %

For the three months ended June 30, 2026, the Company recorded $12 million of net discrete tax benefit, a majority of which related to additional tax benefit resulting from available tax elections to expense certain research and development costs for purposes of computing its Net Controlled Foreign Corporation Tested Income ("NCTI").

For the three months ended June 30, 2025, the Company recorded $1 million of net discrete tax expense, a majority of which related to additional tax expense from stock-based compensation vesting.

For the six months ended June 30, 2026, the Company recorded $67 million of net discrete tax expense, a majority of which related to the tax expense impact resulting from the receipt of the SAP Legal Settlement Amount less $121 million of legal fees recognized in the first quarter of 2026 for the SAP Litigation, for a net taxable amount of $359 million, as well as the tax benefit related to research and development costs associated with NCTI, referenced above.

For the six months ended June 30, 2025, the Company had no material net discrete tax adjustment, as the discrete tax benefit recognized in the first quarter of 2025 related to the reversal of uncertain tax positions due to the Company's completion of its IRS audit of its 2020 tax return, which was offset by incremental tax expense from stock-based compensation vesting.

Effective January 1, 2024, many jurisdictions where the Company conducts business, including several European Union members and G20 countries, have enacted a 15% global minimum tax on the income generated in each of the jurisdictions in which the Company operates, referred to as "Pillar Two" of the Global Anti-Base Erosion rules framework that was undertaken by the Organization for Economic Co-operation and Development ("OECD"). The Company continues to monitor developments and evaluate the impacts of the Pillar Two rules, however, as of the date of this Report on Form 10-Q, the Company does not expect the Pillar Two rules to have a material impact to its annual effective tax rate.

The Company estimates its annual effective tax rate for 2026 to be approximately 23%, which takes into consideration, among other things, the forecasted earnings mix by jurisdiction and the impact of discrete tax items to be recognized in 2026. Under U.S. tax law, U.S. shareholders are subject to a tax on NCTI, (formerly global intangible low-taxed income ("GILTI") tax) earned by certain foreign subsidiaries. The Company has elected to provide for the tax expense related to NCTI in the year in which the tax is incurred, if any. For the six months ended June 30, 2026, the Company has recorded $3 million of NCTI net tax expense as a discrete item related to the impacts from the SAP Legal Settlement Agreement.

7. Derivative Instruments and Hedging Activities

As a portion of Teradata's operations is conducted outside the U.S. and in currencies other than the U.S. dollar, the Company uses foreign exchange forward contracts designated as fair value hedges to mitigate the impact of currency fluctuations on foreign currency denominated assets and liabilities. These contracts generally mature in three months or less; Teradata holds both long and short positions such that net exposure is less than total contract notional amount.

Gains and losses from foreign exchange forward contracts are fully recognized each period and reported along with the offsetting gain or loss of the related hedged item, either in cost of revenues, operating expenses or in other income (expense), depending on the nature of the related hedged item.

On June 17, 2026, the Company restructured its net investment hedge by terminating its existing cross-currency swap and simultaneously entering into two replacement cross-currency swaps (designated as net investment hedges of the Company's euro-denominated net investment in certain foreign subsidiaries) of €71 million / $75 million, each. One swap matures on June 29, 2029 and the second swap matures on June 30, 2031. The restructuring extended the hedge horizon without changing the Company's risk management objective. In connection with the restructuring, the Company made a cash payment of approximately $1 million to reduce the embedded market value of the original swap. The remaining fair value was incorporated into the pricing of the replacement swaps and is being recognized consistent with the accounting for net investment hedges.

As of June 30, 2026, the Company maintained these two cross-currency swaps with an aggregate notional amount of €143 million and $150 million from the counterparty. The Company will receive monthly interest payments from the counterparty based on a fixed interest rate until maturity of the agreements. Under the agreements, the Company will deliver Euro notional amounts and receive U.S. dollar notional amounts at maturity and receives fixed-rate interest payments from the counterparties over the remaining terms of the swaps.

The Company performed an effectiveness assessment upon designation of the replacement swaps and concluded they were highly effective. Effectiveness is evaluated quarterly. Changes in fair value are recorded in Accumulated other comprehensive loss and periodic settlements are recorded in interest expense. The Company will systematically amortize the initial excluded component, which was immaterial at inception, to interest expense over the term of the hedging relationships.

On June 24, 2026, the Company repaid the outstanding balance of its term loan and terminated the related five-year Secured Overnight Financing Rate ("SOFR") based interest rate swap (initial notional amount of $450 million, stepping down per the term loan amortization schedule). As a result of the debt extinguishment, the forecasted interest payments previously designated as the hedged transactions were no longer probable of occurring and the Company discontinued hedge accounting. Amounts previously deferred in Accumulated Other Comprehensive Loss associated with the interest rate swap were reclassified into earnings. The Company received approximately $4 million upon termination of the interest rate swap, including less than $1 million related to accrued interest settlements and approximately $3 million related to the derivative's fair value.

The following table identifies the contract notional amount of the Company's derivative financial instruments:

	As of	
In millions	**June 30, 2026**	**December 31, 2025**
Contract notional amount of foreign exchange forward contracts	$ 98	$ 81
Net contract notional amount of foreign exchange forward contracts	$ 60	$ 7
Aggregate Contract notional amount of foreign currency exchanges (net investment hedges)	$ 150	$ 150

All derivatives are recorded at fair value in the condensed consolidated balance sheets. Notional amounts do not represent amounts exchanged and are not a measure of the instruments. See Note 9, Fair Value Measurements.

The Company does not hold or issue derivatives for trading or speculative purposes. Counterparty credit risk is managed by transacting exclusively with highly rated financial institutions.

8. Commitments and Contingencies

Legal Proceedings. In the ordinary course of business, the Company is subject to proceedings, lawsuits, governmental investigations, claims and other matters, including those that relate to the environment, health and safety, employee benefits, export compliance, intellectual property, tax matters and other regulatory compliance and general matters, including for Foreign Corrupt Practices Act and shareholder matters. It is not a party to any litigation, nor is it aware of any pending or threatened litigation against it that the Company believes would materially affect its business, operating results, financial condition or cash flows.

Other Contingencies. Additionally, the Company provides its customers with certain indemnification rights. In general, the Company agrees to indemnify the customer if a third party asserts patent or other infringement on the part of the customer for its use of the Company's offerings. The Company has indemnification obligations under its charter and bylaws to its officers and directors, and has entered into indemnification agreements with the officers and directors of its subsidiaries. From time to time, the Company also enters into agreements in connection with its acquisition and divestiture activities that include indemnification obligations by the Company. The fair value of these indemnification obligations is typically not readily determinable due to the conditional nature of the Company's potential obligations and the specific facts and circumstances involved with each particular agreement.
As such, the Company has generally not recorded a liability in connection with these indemnification arrangements. Historically, payments made by the Company under these types of agreements have not had a material effect on the Company's consolidated financial condition, results of operations or cash flows.

Concentrations of Risk. The Company is potentially subject to concentrations of credit risk on accounts receivable and financial instruments such as hedging instruments, and cash and cash equivalents. Credit risk includes the risk of nonperformance by counterparties. The maximum potential loss may exceed the amount recognized on the balance sheet. Exposure to credit risk is managed through credit approvals, credit limits, selecting major international financial institutions (as counterparties to hedging transactions) and monitoring procedures. Teradata's business often involves large transactions with customers, and if one or more of those customers were to default in its obligations under applicable contractual arrangements, the Company could be exposed to potentially significant losses. However, management believes that the reserves for potential losses were adequate at June 30, 2026 and December 31, 2025.

The Company is also potentially subject to concentrations of supplier risk. Our hardware components are assembled primarily by Flex Ltd. ("Flex"). Flex procures a wide variety of components used in the manufacturing process on behalf of the Company. Although many of these components are available from multiple sources, Teradata utilizes preferred supplier relationships to provide more consistent and optimal quality, cost and delivery. Typically, these preferred suppliers maintain alternative processes and/or facilities to ensure continuity of supply. Given the Company's strategy to outsource its manufacturing activities to Flex and to source certain components from single suppliers, a disruption in production at Flex or at a supplier could impact the timing of customer shipments and/or Teradata's operating results. In addition, industry-wide capacity allocations and production prioritization by component manufacturers, including manufacturers of NAND Flash Memory ("NAND") and Dynamic Random Access Memory ("DRAM") technologies, driven in part by increasing demand for artificial intelligence infrastructure, may constrain the availability of critical components, increase costs, extend lead times and adversely affect the Company's ability to manufacture and deliver products to customers in a timely manner. In addition, a significant change in the forecasts to any of these preferred suppliers could result in purchase obligations for components that may be in excess of demand.

9. Fair Value Measurements

The Company measures fair value using a three-tier hierarchy: Level 1 (quoted prices in active markets for identical assets/liabilities), Level 2 (significant other observable inputs), and Level 3 (unobservable inputs). Assets and liabilities are classified based on the lowest level of input significant to the measurement. The Company's recurring fair value measurements include money market funds (Level 1, included in cash and cash equivalents) and derivative instruments (Level 2).

The Company uses foreign exchange forward contracts and cross-currency swaps to manage foreign currency exposure. During three months ended June 30, 2026, the Company restructured its net investment hedge cross-currency swaps (aggregate notional value of €143 million/$150 million) and terminated its interest rate swap in connection with the repayment of its term loan. See Note 7, Derivative Instruments and Hedging Activities, for further detail.

Derivative fair values are measured using market spot and forward exchange rates (Level 2). Unrealized gains are recorded in other assets and unrealized losses in other liabilities, classified between current and long-term by remaining duration. Fair values of foreign exchange forward contracts and realized hedge gains/losses (net of underlying exposure offsets) were not material for the three and six months ended June 30, 2026 and 2025.

The Company's other assets and other liabilities measured at fair value on a recurring basis and subject to fair value disclosure requirements at June 30, 2026 and December 31, 2025 were as follows:

		Fair Value Measurements at Reporting Date Using		
In millions	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Money market funds at June 30, 2026	$ 92	$ 92	$ —	$ —
Money market funds at December 31, 2025	$ 162	$ 162	$ —	$ —
Interest rate swap at December 31, 2025	$ 1	$ —	$ 1	$ —
Liabilities				
3 Year foreign currency swap at June 30, 2026	$ 7	$ —	$ 7	$ —
5 Year foreign currency swap at June 30, 2026	$ 8	$ —	$ 8	$ —
4 Year foreign currency swap at December 31, 2025	$ 18	$ —	$ 18	$ —

10. Debt

On June 24, 2026, the Company entered into a Credit Agreement with Bank of America, N.A., as Administrative Agent and the lenders party thereto (the "Credit Agreement"). The Credit Agreement provides for a five-year unsecured revolving credit facility in an aggregate principal amount of up to $400 million, including a $50 million sublimit for the issuance of standby letters of credit and a $50 million sublimit for swingline loans (the "Revolving Credit Facility"). The Credit Agreement replaces the Company's prior credit agreement entered into on June 28, 2022, which provided for a revolving credit facility in the maximum principal amount of $400 million and a term loan ("Prior Term Loan") commitment in the principal amount of $500 million (the "Prior Credit Agreement"). In connection with the execution of the Credit Agreement, and using proceeds from the SAP Legal Settlement Amount (see Note 5, Supplemental Financial Information), the Company repaid in full the outstanding $450 million Prior Term Loan under the Prior Credit Agreement. In connection with the repayment of the Prior Term Loan, the Company recognized an immaterial loss on extinguishment of debt related primarily to the write-off of unamortized debt issuance costs associated with the Prior Credit Agreement. The Company incurred and capitalized approximately $1 million of debt issuance costs in connection with entering into the Credit Agreement, which are being amortized over the term of the Revolving Credit Facility.

All outstanding borrowings pursuant to the Revolving Credit Facility are due and payable on June 24, 2031, with two optional one-year extensions available by agreement of the parties. Under the terms of the Credit Agreement, Teradata may request an increase in the Revolving Credit Facility in an aggregate principal amount of up to an additional $200 million, with the commitment amount to be increased solely to the extent that existing and/or new lenders agree to provide such additional commitments. At its option, the Company may designate up to $100 million of loans under the Revolving Credit Facility to be denominated in British Pounds Sterling, Euros and Japanese Yen. The outstanding principal amount of the Revolving Credit Facility bears interest at a floating rate based upon, at the Company's option, a negotiated base rate or a rate generally based on SOFR, plus in each case, an applicable margin based on the Company's leverage ratio. The applicable margin ranges from 0.00% to 0.50% for base rate borrowings and from 1.00% to 1.50% for SOFR-based and foreign currency borrowings.

The Credit Agreement is unsecured but is guaranteed by certain material domestic subsidiaries, and contains customary representations, default provisions, and covenants, including maintenance of a leverage ratio. The Credit Agreement does not include the sustainability-linked provisions contained in the Prior Credit Agreement.

As of June 30, 2026, the Company had no borrowings outstanding under the Revolving Credit Facility, leaving $400 million in borrowing capacity available under the Revolving Credit Facility. The Company was in compliance with all covenants under the Credit Agreement as of June 30, 2026.

For the three months ended June 30, 2026 and June 30, 2025, the blended all-in interest rate associated with the Prior Term Loan was 4.10% and 4.17%, respectively.

In connection with the Prior Term Loan repayment, the Company terminated its related interest rate swap and received cash proceeds (excluding accrued interest) of $3 million. See Note 7, Derivative Instruments and Hedging Activities, for additional information.

11. Earnings per Share

Basic earnings per share is calculated by dividing net income by the weighted average number of shares outstanding during the reported period. The calculation of diluted earnings per share is similar to basic earnings per share, except that the weighted average number of shares outstanding includes the dilution from potential shares resulting from stock options, restricted stock awards and other stock awards. The components of basic and diluted earnings per share are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
In millions, except per share amounts	2026	2025	2026	2025
Net income attributable to common stockholders	$ 46	$ 9	$ 381	$ 53
Weighted average outstanding shares of common stock	93.9	95.3	93.5	95.2
Dilutive effect of employee stock options, restricted stock and other stock awards	2.3	0.7	2.9	1.8
Common stock and common stock equivalents	96.2	96.0	96.4	97.0
Net income per share:				
Basic	$ 0.49	$ 0.09	$ 4.07	$ 0.56
Diluted	$ 0.48	$ 0.09	$ 3.95	$ 0.55

Options to purchase 0.1 million shares in the three and six months ended June 30, 2025, were not included in the computation of diluted earnings per share because the exercise prices of these options were greater than the average market price of the common shares for the period, and therefore would have been anti-dilutive. There were no anti-dilutive share options for the three and six months ended June 30, 2026.

12. Segment and Other Supplemental Information

Teradata manages its business under two segments, which are also the Company’s operating segments: (1) Product Sales and (2) Consulting Services. The Company’s Product Sales segment represents the results for the Recurring Revenue and Perpetual Software Licenses, Hardware and Other line items and the Consulting Services segment represents the Consulting Services line item, each as disclosed in the Company’s financial statements and in the tables in this Form 10-Q. For purposes of discussing results by segment, management excludes the impact of certain items, consistent with the manner by which management evaluates the performance of each segment. This format is useful to investors because it allows analysis and comparability of operating trends. It also includes the same information that is used by Teradata management to make decisions regarding the segments and to assess financial performance. The chief operating decision maker, who is the Company's President and Chief Executive Officer, evaluates the performance of the segments based on revenue and multiple profit measures, including segment gross profit. For management reporting purposes, assets are not allocated to the segments.

The following table presents segment revenue and segment gross profit for the Company:

In millions	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Segment revenue				
Product Sales	$ 371	$ 357	$ 772	$ 725
Consulting Services	39	51	82	101
Total revenue	410	408	854	826
Segment cost of revenue				
Product Sales [1]	123	118	243	233
Consulting Services [2]	39	52	80	103
Total segment cost of revenue	162	170	323	336
Segment gross profit				
Product Sales	248	239	529	492
Consulting Services	—	(1)	2	(2)
Total segment gross profit	248	238	531	490
Stock-based compensation expense	4	5	8	9
Acquisition, integration, reorganization, and transformation-related costs	1	3	4	3
Total gross profit	243	230	519	478
Selling, general and administrative expenses	120	135	360	251
Research and development expenses	75	71	147	137
Income from operations	$ 48	$ 24	$ 12	$ 90

[1] Cost of Product Sales, for the three months ended June 30, included product costs of $65 million in 2026 and $59 million in 2025 for Public Cloud fees and direct product and third-party software costs associated with the Company's perpetual product sales. Depreciation expense for the three months ended June 30, included in Cost of Product Sales, was $18 million in 2026, and $19 million in 2025. The remaining cost of Product Sales included payroll and benefits costs, and corporate allocations including back-office information technology, real estate, and other support services.

Cost of Product Sales, for the six months ended June 30, included product costs of $120 million in 2026 and $123 million in 2025 for Public Cloud fees and direct product and third-party software costs associated with the Company's perpetual product sales. Depreciation expense for the six months ended June 30, included in Cost of Product Sales, was $38 million in 2026, and $35 million in 2025. The remaining cost of Product Sales included payroll and benefits costs, and corporate allocations including back-office information technology, real estate, and other support services.

[2] Cost of Consulting Services, for the three months ended June 30, included payroll and benefit costs of $26 million in 2026 and $33 million in 2025. The remaining cost of Consulting Services included corporate allocations, including back-office information technology, real estate, and other support services.

Cost of Consulting Services, for the six months ended June 30, included payroll and benefit costs of $54 million in 2026 and $65 million in 2025. The remaining cost of Consulting Services included corporate allocations, including back-office information technology, real estate, and other support services.

Certain items, including stock-based compensation and reorganization-related costs, were excluded from segment gross profit to conform to the way the Company manages and reviews the results by segment.

13. Reorganization and Business Transformation

On August 5, 2024, the Company announced that it realigned its sales function and initiated global restructuring and cost actions to optimize operations, reduce non-revenue generating expenses, and drive efficiencies for long-term growth and profitability (the "Restructuring"). The actions related to the Restructuring have been completed as of June 30, 2026.

The majority of the costs related to the Restructuring include one-time employee separation benefits, transition support, and other employee-related costs. The Company recognized costs of $20 million related to the Restructuring in 2025 and 2024. Cash expenditures related to these actions were $45 million. The Company recorded $41 million of cash payments from these actions in 2025 and 2024, and $4 million of cash payments in the six months ended June 30, 2026.

Not included in the table below are approximately $2 million in 2026 of cash payments for international employees which did not have a material impact on the Condensed Consolidated Statements of Income as the Company accounts for its International postemployment benefits under Accounting Standards Codification 712, Compensation - Nonretirement Postemployment Benefits ("ASC 712"), which uses actuarial estimates to accrue for severance benefits over the course of employees' service period.

The Company may enter into additional restructuring programs and incur future additional restructuring expenses associated with these plans or new plans. At this time, we are unable to estimate the range of costs associated with any such future phases of any of our restructuring programs or the total costs we may incur in connection with such future programs.

The 2026 activity and the reserves related to the Restructuring are as follows:

In millions	Balance at December 31, 2025	Expense accruals	Cash payments	Balance at June 30, 2026
Employee separation benefits	$ 2	$ —	$ (2)	$ —

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A").

You should read the following discussion in conjunction with the Condensed Consolidated Financial Statements (Unaudited) and the notes to those statements included elsewhere in this Quarterly Report on Form 10-Q. This Quarterly Report on Form 10-Q contains certain statements that are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. Certain statements contained in the MD&A are forward-looking statements that involve risks and uncertainties. The forward-looking statements are not historical facts, but rather are based on current expectations, estimates, assumptions and projections about our industry, business and future financial results. Our actual results could differ materially from the results contemplated by these forward-looking statements due to a number of factors, including those discussed in other sections of this Quarterly Report on Form 10-Q and in our 2025 Annual Report. The Company 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.

Overview

At Teradata Corporation ("we," "us," "Teradata," or the "Company"), we are focused on helping organizations activate the intelligence in their enterprise and turn the insights from across their organization into outcomes. We believe that we have architected our platform for autonomous AI operations and organizations' toughest data and analytics challenges, particularly as enterprises are evaluating how to cost effectively deploy agentic AI. We've also seen an emergence of hybrid environments that reflected a growing understanding of how enterprises can best leverage both on-premises and cloud deployment options to meet their diverse organizational needs.

With our AI and knowledge platform, underpinned by our extensive patented workload management optimization technology, we believe we are well positioned to help enterprises become more autonomous, while enabling our customers to focus on managing, securing, and providing trustworthy data for AI and analytics across hybrid and multi-cloud environments.

To allow for greater transparency regarding the progress we are making toward achieving our strategic objectives, we utilize the following financial and performance metrics:

- Annual Recurring Revenue ("ARR") - annual value at a point in time of recurring contracts.
- Total Annual Recurring Revenue ("Total ARR") - annual contract value for all active and contractually binding term-based contracts at the end of the period, including cloud, recurring AI services, subscriptions, hardware rental, maintenance and software upgrade rights.
- Public Cloud ARR (included within Total ARR) - annual contract value for all active and contractually binding term-based contracts at the end of the period that are operated in a public cloud environment.

Second Quarter Financial Overview

As more fully discussed in later sections of this MD&A, the following were what we view as the more significant financial items for the second quarter of 2026:

- At the end of the second quarter of 2026, Total ARR was $1.509 billion compared to $1.489 billion at the end of the second quarter of 2025, increasing 1% as compared to the second quarter of 2025, including a 1% negative impact from foreign currency fluctuations.
- At the end of the second quarter of 2026, Public Cloud ARR was $686 million compared to $634 million at the end of the second quarter of 2025, increasing 8% as compared to the second quarter of 2025, with a 1% negative impact from foreign currency fluctuations.
- Total revenue was $410 million for the second quarter of 2026, increasing by $2 million compared to the second quarter of 2025, with recurring revenue up 3%. Perpetual software licenses, hardware and other revenue increased by 167% ($5 million), and consulting services revenue decreased 24%. Foreign currency fluctuations did not have a material impact on total revenue for the quarter compared to the prior year.
- Gross margin increased to 59.3% in the second quarter of 2026 from 56.4% in the second quarter of 2025, primarily due to a greater mix of recurring revenue in the period.
- Operating expenses for the second quarter of 2026 decreased 5% compared to the second quarter of 2025, largely from lower employee compensation expense in the second quarter of 2026, due to the impact of restructuring actions taken in the prior year.
- The Company saw an operating income of $48 million in the second quarter of 2026, compared to operating income of $24 million in the second quarter of 2025.
- Net income in the second quarter of 2026 was $46 million, compared to $9 million in the second quarter of 2025.

Results of Operations for the Three Months Ended June 30, 2026
Compared to the Three Months Ended June 30, 2025

Revenue

In millions	2026	% of Revenue	2025	% of Revenue
Recurring	$ 363	88.5 %	$ 354	86.8 %
Perpetual software licenses, hardware and other	8	2.0 %	3	0.7 %
Consulting services	39	9.5 %	51	12.5 %
Total revenue	$ 410	100 %	$ 408	100 %

Total revenue increased $2 million, or 0%, in the second quarter of 2026, with no material impact from foreign currency fluctuations. Recurring revenue increased 3% as compared to the second quarter of 2025 including a 1% positive impact from foreign currency fluctuations. Recurring revenue for the second quarter of 2026 included growth from Public Cloud revenue, offset in part by lower annual upfront software subscription revenue. Revenue from perpetual software licenses, hardware and other increased $5 million year over year, primarily driven by perpetual hardware. Consulting services revenue decreased 24% or $12 million in the second quarter of 2026, with a 1% negative impact from foreign currency exchange rate fluctuations. The consulting services revenue decrease is primarily the result of lower order performance from the second half of 2025 and first quarter of 2026.

Financial and Performance Measures

Our Total ARR is composed of three main categories: (1) Public Cloud ARR, (2) ARR related to on-premises subscription-based contracts and private cloud ("Subscription ARR"), and (3) ARR related to our legacy perpetual maintenance and software upgrade rights. At June 30, 2026 and 2025 our Total ARR consisted of:

In millions	2026	2025
Public Cloud	$ 686	$ 634
Subscription	750	756
Maintenance and Software upgrade rights	73	99
Total ARR	$ 1,509	$ 1,489

At the end of the second quarter of 2026, Total ARR increased 1% as compared to the second quarter of 2025, including a 1% negative impact from foreign currency fluctuations. At the end of the second quarter of 2026, Public Cloud ARR increased 8% as compared to the second quarter of 2025, with a 1% negative impact from foreign currency fluctuations. Public Cloud ARR growth in the second quarter of 2026 was primarily driven by customer demand of our Public Cloud offering and customer migrations. The decreases in maintenance and software upgrade rights ARR were primarily driven by customer migrations to Public Cloud ARR and on-premises erosions.

In the second quarter of 2026, we experienced the following trends:

- Customers expanding into additional cloud capabilities as they see value when they migrate to our Public Cloud offering.
- Customer interest in AI-driven use cases continues to grow across various industries, including initial transactions incorporating our AI capabilities.
- Some customers implementing cloud migration projects on a staged basis over time.
- Continued macroeconomic and geopolitical uncertainty, including evolving global trade and tariff policy and elevated interest rates, contributing to elongated customer decision cycles and staged purchasing decisions.
- Began transitioning customers to a new unit-based pricing model designed to provide greater flexibility in how customers consume compute capacity across deployment options, including elastic and consumption-oriented purchasing.

As a portion of the Company's operations and revenue occur outside the United States, and in currencies other than the United States ("U.S.") dollar, the Company is exposed to fluctuations in foreign currency exchange rates. Based on currency rates as of June 30, 2026, Teradata is now estimating 0.0%-0.5% positive impact from currency translation on our 2026 full-year total reported revenues.

We expect expansion and to a lesser degree, migration activity as the primary contributors for Public Cloud ARR growth in 2026.

Gross Profit

In millions	2026	% of Revenue	2025	% of Revenue
Recurring	$ 243	66.9 %	$ 235	66.4 %
Perpetual software licenses, hardware and other	2	25.0 %	—	— %
Consulting services	(2)	(5.1)%	(5)	(9.8)%
Total gross profit	$ 243	59.3 %	$ 230	56.4 %

The increase in recurring revenue gross profit as a percentage of revenue was primarily due to continued improvement in our Public Cloud margin rate, offset in part by a higher mix of Public Cloud revenues versus on-premises revenue as compared to the prior-year period.

Perpetual software licenses, hardware and other gross profit as a percentage of revenue increased as compared to the prior-year period primarily due to deal mix.

Consulting services gross profit as a percentage of revenue increased as compared to the prior year primarily due to cost reduction efforts taken over the past year.

Operating Expenses

In millions	2026	% of Revenue	2025	% of Revenue
Selling, general and administrative expenses	$ 120	29.3 %	$ 135	33.1 %
Research and development expenses	75	18.3 %	71	17.4 %
Total operating expenses	$ 195	47.6 %	$ 206	50.5 %

Selling, general and administrative ("SG&A") expense decreased year over year due to lower employee compensation expense, the result of continued budget discipline focused on cost reductions across the Company, including the impact of restructuring actions taken in the prior year. Research and development ("R&D") expense increased year over year due to investments in Public Cloud and AI-related technology opportunities offset in part by continued cost reduction initiatives.

Other Expense, net

In millions	2026	2025
Interest income	$ 7	$ 2
Interest expense	(6)	(6)
Other	(2)	(7)
Other expense, net	$ (1)	$ (11)

Other expense, net in the second quarter of 2026 and 2025 is comprised primarily of interest expense on the recently paid-off long-term debt and finance leases, as well as benefit costs on our pension and postemployment plans, largely offset by interest income earned on our cash and cash equivalents and gains from foreign currency transactions.

During the three months ended June 30, 2026, the Company recorded a gain of approximately $3 million related to the fair value of the Company's interest rate swap upon its termination, see Note 7, Derivative Instruments and Hedging Activities, for further details. As disclosed in Note 5 of Notes to Condensed Consolidated Financial Statements (Unaudited), during the three months ended June 30, 2025, we entered into Blue Chip Swap transactions in order to remit cash from our Argentine operations that resulted in an immaterial pre-tax loss on investment that is reported in "Other" expense. During the three months ended June 30, 2026 the Company incurred a pre-tax loss on investment of $1 million from Blue Chip Swap transactions.

Provision for Income Taxes

Income tax provisions for interim periods are based on estimated annual income tax rates, adjusted to reflect the effects of any significant infrequent or unusual items which are required to be discretely recognized within the current interim period.

The effective tax rates for the three months ended June 30, 2026 and 2025 were as follows:

	2026	2025
Effective tax rate	2.1 %	30.8 %

For the three months ended June 30, 2026, the Company recorded $12 million of net discrete tax benefit, a majority of which related to additional tax benefit resulting from available tax elections to expense certain research and development costs for purposes of computing its Net Controlled Foreign Corporation Tested Income ("NCTI").

For the three months ended June 30, 2025, the Company recorded $1 million of net discrete tax expense, a majority of which related to additional tax expense from vesting of stock-based compensation.

Effective January 1, 2024, many jurisdictions where we conduct business, including several European Union members and G20 countries, have enacted a 15% global minimum tax on the income generated in each of the jurisdictions in which we operate, referred to as "Pillar Two" of the Global Anti-Base Erosion rules framework that was undertaken by the Organization for Economic Co-operation and Development ("OECD"). We are continuing to monitor developments and evaluate the impacts of the Pillar Two rules; we do not expect the Pillar Two rules to have a material impact to our annual effective tax rate.

We expect that a majority of our foreign earnings will be repatriated to the U.S. As a result, the effective tax rates in the periods presented are largely based upon the forecasted pre-tax earnings mix between the U.S. and other foreign taxing jurisdictions where we conduct our business.

We estimate that the full-year effective tax rate for 2026 will be approximately 23%, which takes into consideration, among other things, the forecasted earnings mix by jurisdiction, the estimated impact to NCTI tax, and the estimated discrete items to be recognized in 2026.

The forecasted tax rate is based on the foreign profits being taxed at an overall effective tax rate of approximately 16%, as compared to the U.S. federal statutory tax rate of 21%.

Revenue and Gross Profit by Operating Segment

Teradata manages its business under two segments, which are also the Company’s operating segments: (1) Product Sales and (2) Consulting Services. Teradata’s Product Sales segment represents the results for the Recurring Revenue and Perpetual Software Licenses, Hardware and Other line items and the Consulting Services segment represents the Consulting Services line item, each as disclosed in the Company’s financial statements and in the tables in this Form 10-Q. As the revenue and gross margin trends for these business categories are already discussed in the sections above, there is no separate segment discussion presented here. Our segment information is presented in Note 12, Segment and Other Supplemental Information, of the Notes to Condensed Consolidated Financial Statements (Unaudited).

Results of Operations for the Six Months Ended June 30, 2026

Compared to the Six Months Ended June 30, 2025

Revenue

In millions	2026	% of Revenue	2025	% of Revenue
Recurring	$ 763	89.3 %	$ 712	86.2 %
Perpetual software licenses, hardware and other	9	1.1 %	13	1.6 %
Consulting services	82	9.6 %	101	12.2 %
Total revenue	$ 854	100 %	$ 826	100 %

Total revenue increased $28 million, or 3%, in the first six months of 2026, with a 1% positive impact from foreign currency fluctuations. Recurring revenue increased 7%, with a 2% positive impact from foreign currency fluctuations, and benefit from higher annual upfront software revenue associated with on-premises subscription software as compared to the prior-year period. Within recurring revenue, Public Cloud revenue increased primarily due to expansions and migrations.

Revenues from perpetual software licenses, hardware and other decreased $4 million, or 31% year over year in the first six months of 2026.

Consulting services revenue decreased 19% in the first six months of 2026, with no material impact from foreign currency fluctuations. The consulting services revenue decrease is primarily the result of lower order performance from the second half of 2025.

Gross Profit

In millions	2026	% of Revenue	2025	% of Revenue
Recurring	$ 520	68.2 %	$ 485	68.1 %
Perpetual software licenses, hardware and other	3	33.3 %	1	7.7 %
Consulting services	(4)	(4.9)%	(8)	(7.9)%
Total gross profit	$ 519	60.8 %	$ 478	57.9 %

Recurring revenue gross profit as a percentage of revenue was relatively unchanged, with continued improvement in our Public Cloud margin rate largely offset by the impact of a higher mix of Public Cloud revenues versus on-premises revenue as compared to the prior-year period.

Perpetual software licenses, hardware and other gross profit as a percentage of revenue increased as compared to the prior-year period primarily due to deal mix.

Consulting services gross profit as a percentage of revenue increased as compared to the prior year primarily due to cost reduction efforts taken over the past year.

Operating Expenses

In millions	2026	% of Revenue	2025	% of Revenue
Selling, general and administrative expenses	$ 360	42.2 %	$ 251	30.4 %
Research and development expenses	147	17.2 %	137	16.6 %
Total operating expenses	$ 507	59.4 %	$ 388	47.0 %

SG&A expenses increased 43% for the first six months of 2026 as compared to the prior year, primarily due to the impact of the $121 million of expenses incurred in connection with the SAP litigation and related settlement and an increase in stock-based compensation expense partially offset by continued budget discipline focused on cost reductions across the Company, including the impact of restructuring actions taken in the prior year.

R&D expenses increased for the first six months of 2026 as compared to prior year, due to investments in Public Cloud and AI-related technology opportunities offset in part by continued cost reduction initiatives.

Other Income (Expense), net

In millions	2026	2025
Interest income	$ 10	$ 5
Interest expense	(12)	(13)
Other	474	(11)
Other income (expense), net	$ 472	$ (19)

Other income (expense), net for the six months of 2026 and 2025 is comprised primarily of the SAP Settlement Amount proceeds, interest income earned on our cash and cash equivalents, and gains from foreign currency transactions, offset in part by interest expense on long-term debt (which was recently paid off) and finance leases, as well as benefit costs associated with our pension and postemployment plans. Interest income is higher primarily due to higher average cash balances during the current year as compared to the prior period. Other income (expense) has improved by $491 million year-over-year primarily due to the receipt of the SAP Settlement Amount as disclosed in more detail in Item 1. Financial Statements to this Quarterly Report on Form 10-Q for the quarter ended June 30, 2026 (the "Form 10-Q") (see Note 5. Supplemental Financial Information).

During the second quarter of 2026, the Company recorded a gain of approximately $3 million related to the fair value of the Company's interest rate swap upon its termination, see Note 7, Derivative Instruments and Hedging Activities, for further details. As disclosed in Note 5 of Notes to Condensed Consolidated Financial Statements (Unaudited), during the six months ended June 30, 2025, we entered into Blue Chip Swap transactions in order to remit cash from our Argentine operations that resulted in an immaterial pre-tax loss on investment that is reported in "Other" expense. During the six months ended June 30, 2026 the Company incurred a pre-tax loss on investment of $1 million from Blue Chip Swap transactions.

Provision for Income Taxes

The effective tax rates for the six months ended June 30, 2026 and 2025 were as follows:

	2026	2025
Effective tax rate	21.3 %	25.4 %

For the six months ended June 30, 2026, the Company recorded $67 million of net discrete tax expense, a majority of which related to the tax expense impact from the receipt of the SAP Settlement Net Proceeds.

For the six months ended June 30, 2025, the Company had no material net discrete tax adjustment. The discrete tax benefit recognized in the first quarter of 2025 related to the reversal of uncertain tax positions due to the Company's completion of the IRS audit of its 2020 tax return, was offset by incremental tax expense from stock-based compensation vesting in the second quarter of 2025.

Financial Condition, Liquidity and Capital Resources

Cash provided by operating activities was $507 million, which increased by $456 million in the six months ended June 30, 2026 compared to the six months ended June 30, 2025. $337 million of the increase was due to the SAP Settlement Net Proceeds received as a result of the SAP Settlement Agreement as discussed in Note 5, Supplemental Financial Information, of the Notes to Condensed Consolidated Financial Statements (Unaudited) of this Form 10-Q. Teradata used approximately $21 million of cash in the first six months of 2026 for severance payments, as compared to $11 million in the first six months of 2025.

Teradata's management uses a financial measure called "free cash flow," which is not a measure defined under GAAP. We use free cash flow (which we define as net cash provided by operating activities less investing activities related to capital expenditures for property and equipment and additions to capitalized software) as one measure of assessing the financial performance of the Company, and this may differ from the definitions used by other companies. The components that are used to calculate free cash flow are GAAP measures taken directly from the Condensed Consolidated Statements of Cash Flows (Unaudited). We believe that free cash flow information 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 available after capital expenditures, for among other things, investments in the Company's existing businesses, strategic acquisitions and repurchases of Teradata common stock. Free cash flow does not represent the residual cash flow available for discretionary expenditures since there may be other non-discretionary expenditures that are not deducted from the measure. This non-GAAP measure should not be considered a substitute for, or superior to, cash flows from operating activities under GAAP.

The table below shows net cash provided by operating activities and net cash used in investing activities related to capital expenditures, along with free cash flow, for the following periods:

	Six Months Ended June 30,	
In millions	2026	2025
Net cash provided by operating activities	$ 507	$ 51
Less:		
Expenditures for property and equipment	(11)	(5)
Additions to capitalized software	(1)	—
Free cash flow	$ 495	$ 46

As disclosed in Note 5, Supplemental Financial Information, of the Notes to Condensed Consolidated Financial Statements (Unaudited), during the six months ended June 30, 2026, we received $480 million cash from the SAP Settlement Agreement and paid $121 million in related expenses. Additionally, $22 million in cash taxes related to the SAP Settlement Net Proceeds were paid during the first half of 2026, that was reported as an operating activity for cash flow purposes.

Financing activities and certain other investing activities, are not included in our calculation of free cash flow. There were no material other investing activities for the six months ended June 30, 2026.

Teradata's financing activities for the six months ended June 30, 2026 and 2025 primarily consisted of cash outflows for term loan debt repayments, share repurchases and payments on our finance leases. Financing cash outflows were higher in 2026 primarily due to the repayment of the remaining $450 million principal balance of the Company's term loan debt, compared to regularly scheduled principal payments on the term loan debt during 2025. At June 30, 2026, we had no outstanding borrowings on our $400 million Revolving Credit Facility (as defined below).

We have two share repurchase programs that were authorized by our Board of Directors:

- The dilution offset share repurchase program allows us to repurchase Teradata common stock to the extent (i) cash is received from the exercise of stock options and (ii) employees' purchase Teradata stock pursuant to the Teradata Employee Stock Purchase Plan ("ESPP"). The purpose of the dilution offset share repurchase program is to offset dilution from shares issued pursuant to the exercise of stock options and shares purchased under the ESPP.

- On November 17, 2025, the Board approved a share repurchase program (the "Repurchase Program") authorizing the Company to repurchase up to $500 million of its common stock. The Repurchase Program became effective on January 1, 2026, does not have an expiration date, and will continue until otherwise modified, suspended, or terminated. The purchases under the Repurchase Program may be made from time to time in the open market, in privately negotiated transactions, or by other means, including through Rule 10b5-1 trading plans, in accordance with applicable securities law and other regulatory requirements. The Repurchase Program does not obligate the Company to repurchase any shares under the authorization and the timing and amount of any repurchases will depend on a variety of factors, including the price of the Company’s common stock, general business and market conditions, and other investment considerations. There is a total authority of $430 million remaining under the Repurchase Program as of June 30, 2026.

In the aggregate under the dilution offset share repurchase program and the Repurchase Program, we repurchased approximately 2.5 million shares of common stock at an average price per share of $29.76 in the six months ended June 30, 2026.

Share repurchases are reported on a trade date basis. Our share repurchase activity depends on factors such as our working capital needs, our cash requirements for capital investments, our stock price, and economic and market conditions.

Other financing activities, including net share settlement for the payroll tax liability of section 16 officers (as discussed in Item 2. Unregistered Sales of Equity Securities and Use of Proceeds), offset by proceeds from the ESPP and the exercise of stock options, net of tax was a net outflow of $7 million for the six months ended June 30, 2026 and a net outflow of $2 million for the six months ended June 30, 2025. The ESPP proceeds are included in other financing activities, net in the Condensed Consolidated Statements of Cash Flows (Unaudited).

Our total cash and cash equivalents held outside the United States in various foreign subsidiaries was $359 million as of June 30, 2026 and $462 million as of December 31, 2025. The remaining balance held in the U.S. was $55 million as of June 30, 2026 and $32 million as of December 31, 2025. The Company expects that a majority of its foreign earnings will be repatriated to the U.S. Effective January 1, 2018, the U.S. moved to a territorial system of international taxation, and as such will generally not subject future foreign earnings to U.S. taxation upon repatriation in future years.

Management believes current cash, cash generated from operations and the $400 million available under the Revolving Credit Facility will be sufficient to satisfy future working capital, research and development activities, capital expenditures, pension contributions, and other financing requirements for at least the next twelve months. The Company principally holds its cash and cash equivalents in bank deposits and highly-rated money market funds.

The Company’s ability to generate positive cash flows from operations is dependent on general economic conditions, competitive pressures, and other business and risk factors described in the 2025 Annual Report and elsewhere in this Quarterly Report on Form 10-Q. If the Company is unable to generate sufficient cash flows from operations, or otherwise comply with the terms of the Revolving Credit Facility, the Company may be required to seek additional financing alternatives.

Long-term Debt. On June 24, 2026, the Company entered into a Credit Agreement with Bank of America, N.A., as Administrative Agent and the lenders party thereto (the "Credit Agreement"). The Credit Agreement provides for a five-year unsecured revolving credit facility in an aggregate principal amount of up to $400 million, including a $50 million sublimit for the issuance of standby letters of credit and a $50 million sublimit for swingline loans (the "Revolving Credit Facility"). The Revolving Credit Facility replaces our prior credit agreement which was entered into in 2022 (the "Prior Agreement"). In connection with the execution of the Revolving Credit Facility, the $450 million term loan outstanding under the Prior Agreement was repaid in full. Our long-term debt is discussed in Note 10, Debt, of the Notes to Condensed Consolidated Financial Statements (Unaudited). In addition, as disclosed in Note 7 Derivative Instruments and Hedging Activities, of the Notes to Condensed Consolidated Financial Statements (Unaudited), Teradata entered into a cross currency swap to hedge a portion of Euro currency exposure of its net investment in certain foreign subsidiaries. As of June 30, 2026, the Company had no borrowings outstanding under the Revolving Credit Facility, leaving $400 million in borrowing capacity available under the Revolving Credit Facility.

The material terms and conditions of Revolving Credit Facility are substantially similar to the material terms and conditions of the Prior Agreement, except for the removal of sustainability features and the term loan commitment present in the Prior Agreement and certain other changes to covenants and other matters.

Contractual and Other Commercial Commitments. There has been no significant change in our contractual and other commercial commitments as described in the 2025 Annual Report. Our commitments and contingencies are discussed in Note 8, Commitments and Contingencies, of the Notes to Condensed Consolidated Financial Statements (Unaudited).

Critical Accounting Policies and Estimates

Our financial statements are prepared in accordance with GAAP. In connection with the preparation of these financial statements, we are required to make assumptions, estimates and judgments that affect the reported amounts of assets, liabilities, revenues, expenses and the related disclosure of contingent liabilities. These assumptions, estimates and judgments are based on historical experience and assumptions that are believed to be reasonable at the time. However, because future events and their effects cannot be determined with certainty, the determination of estimates requires the exercise of judgment. Our critical accounting policies are those that require assumptions to be made about matters that are highly uncertain. Different estimates could have a material impact on our financial results. Judgments and uncertainties affecting the application of these policies and estimates may result in materially different amounts being reported under different conditions or circumstances. Our management periodically reviews these estimates and assumptions to ensure that our financial statements are presented fairly and are materially correct. We assessed certain accounting matters that generally require consideration of forecasted financial information in context with the information reasonably available to us as of June 30, 2026 and through the date of this report. The accounting matters assessed included, but were not limited to, our allowance for doubtful accounts, stock-based compensation, the carrying value of our goodwill and other long-lived assets, financial assets, valuation allowances for tax assets and revenue recognition.

In many cases, the accounting treatment of a particular transaction is specifically dictated by GAAP and does not require significant management judgment in its application. There are also areas in which management's judgment in selecting among available alternatives would not produce a materially different result. The significant accounting policies and estimates that we believe are the most critical to aid in fully understanding and evaluating our reported financial results are discussed in the 2025 Annual Report. Teradata's senior management has reviewed these critical accounting policies and related disclosures and determined that there were no significant changes in our critical accounting policies in the six months ended June 30, 2026.

New Accounting Pronouncements

See discussion in Note 2, New Accounting Pronouncements, of the Notes to Condensed Consolidated Financial Statements (Unaudited) for new accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

There have not been any material changes to the market risk factors previously disclosed in Part II, Item 7A of the 2025 Annual Report.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Teradata maintains a system of disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) that are designed to provide reasonable assurance that information required to be disclosed in its reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including, as appropriate, the Chief Executive Officer and the Chief Financial Officer, to allow timely decisions regarding required disclosures. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

Based on their evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of June 30, 2026, our disclosure controls and procedures were effective to provide reasonable assurance that the information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during the last fiscal quarter ended June 30, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II—OTHER INFORMATION

Item 1. Legal Proceedings.

The information required to be set forth under this Part II, Item 1 is incorporated by reference to Note 8, Commitments and Contingencies—Legal Proceedings and Note 5, Supplemental Financial Information of the Notes to Condensed Consolidated Financial Statements (Unaudited) included in this Quarterly Report on Form 10-Q.

Item 1A. Risk Factors.

There have not been any material changes to the risk factors previously disclosed in Part I, Item IA of the 2025 Annual Report.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Purchases of Company Common Stock

From time to time, the Company's Section 16 officers sell to the Company shares of the Company's common stock received upon vesting of restricted share units at the current market price to cover their withholding tax obligations. For the six months ended June 30, 2026, the total of these purchases was 348,235 shares at an average price of $33.99 per share.

The following table provides information relating to the Company's share repurchase programs for the six months ended June 30, 2026:

Month	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Dilution Offset Program (1)	Total Number of Shares Purchased as Part of Publicly Announced Share Repurchase Program (2)	Maximum Dollar Value that May Yet Be Purchased Under the Dilution Offset Program	Maximum Dollar Value that May Yet Be Purchased Under the Share Repurchase Program
January 2026	370,593	$ 30.24	—	370,593	$ 100,850	$ 488,793,270
February 2026	353,009	$ 30.16	—	353,009	$ 309,772	$ 478,146,852
March 2026	454,006	$ 27.16	156,515	297,491	$ 305,707	$ 470,301,056
First Quarter Total	**1,177,608**	**$ 29.03**	**156,515**	**1,021,093**	**$ 305,707**	**$ 470,301,056**
April 2026	449,012	$ 26.20	—	449,012	$ 305,707	$ 458,534,710
May 2026	399,735	$ 31.88	—	399,735	$ 522,974	$ 445,791,115
June 2026	483,167	$ 33.10	—	483,167	$ 730,792	$ 429,798,114
Second Quarter Total	**1,331,914**	**$ 30.41**	**—**	**1,331,914**	**$ 730,792**	**$ 429,798,114**

(1) The dilution offset share repurchase program allows the Company to repurchase Teradata common stock to the extent of cash received from the exercise of stock options and purchases under the ESPP to offset dilution from shares issued pursuant to these plans.

(2) The share repurchase program authorized by the Board allows the Company to repurchase outstanding shares of Teradata common stock. Share repurchases made by the Company are reported on a trade date basis. The share repurchase program has no expiration date and the purchases under program may be made from time to time in the open market, in privately negotiated transactions, or by other means, including through Rule 10b5-1 trading plans, in accordance with applicable securities law and other regulatory requirements.

Item 3. Defaults Upon Senior Securities.

None

Item 4. Mine Safety Disclosures.

None

Item 5. Other Information.

During the three months ended June 30, 2026, other than the director and officers shown in the table below, no other director or officer of Teradata adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K. Each individual noted below continues to be in compliance with the Company's applicable stock ownership requirement when factoring in the potential sales contemplated under the Rule 10b5-1 Plans disclosed in the following table.

			Trading Arrangement			
Name (Title)	Action	Date	Rule 10b5-1*	Non-Rule 10b5-1**	Total Shares to be Sold	Expiration Date
Stephen McMillan (Chief Executive Officer and director)	Adopted	May 18, 2026	x		Up to 80,000	November 30, 2027
Michael Hutchinson (Chief Operating Officer)	Adopted	May 7, 2026	x		Up to 64,102	May 6, 2027

* Intended to satisfy the affirmative defense of Rule 10b5-1(c).
**Not intended to satisfy the affirmative defense of Rule 10b5-1.

Item 6. Exhibits.

Exhibit Number per Item 601 of Regulation S-K	Description
3.1	Amended and Restated Certificate of Incorporation of Teradata Corporation as amended and restated on September 24, 2007 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K dated September 25, 2007 (SEC file number 001-33458)).
3.2	Amended and Restated By-Laws of Teradata Corporation, as amended and restated on October 31, 2022 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K dated November 1, 2022).
4.1	Common Stock Certificate of Teradata Corporation (incorporated by reference to Exhibit 4.1 to the Quarterly Report on Form 10-Q dated November 13, 2007 (SEC file number 001-33458)).
10.1*	Teradata 2023 Stock Incentive Plan (Amended and Restated as of May 14, 2026) (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K dated May 19, 2026 (SEC File No. 001-33458)).
10.2*	Teradata Employee Stock Purchase Plan (Amended and Restated as of September 1, 2026) (filed herewith).
10.3	Credit Agreement dated as of June 24, 2026 among Teradata Corporation, the lenders party thereto and Bank of America, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K dated June 24, 2026 (SEC File No. 001-33458)).
31.1	Certification pursuant to Rule 13a-14(a), dated August 5, 2026.
31.2	Certification pursuant to Rule 13a-14(a), dated August 5, 2026.
32	Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated August 5, 2026.
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TERADATA CORPORATION

Date: August 5, 2026	By:	/s/ John Ederer
		John Ederer Chief Financial Officer

Teradata EMPLOYEE STOCK PURCHASE PLAN

PLAN DOCUMENT

(As amended and restated as of September 1, 2026)

1. Purpose

The Teradata Employee Stock Purchase Plan ("ESPP" or "Plan") provides Eligible Employees with an opportunity to purchase Teradata Common Stock through payroll deductions and is intended as an employment incentive and to encourage ownership of Teradata Common Stock to enable Eligible Employees to participate in the economic progress of Teradata Corporation ("Teradata") during the term of the Plan.

The Company intends to have the Plan qualify as an "employee stock purchase plan" under Section 423 of the Code. The provisions of the Plan shall be construed so as to extend and limit participation in a manner consistent with the requirements of Section 423 of the Code. Notwithstanding the forgoing, the Company may make Offerings under the Plan that are not intended to qualify under Section 423 of the Code to the extent deemed advisable for Designated Subsidiaries outside the United States ("Non-423 Component"). Furthermore, the Company may make separate Offerings under the Plan, each of which may have different terms, but each separate Offering will be intended to comply with the requirements of Section 423 of the Code.

This Plan was originally adopted effective as of September 30, 2007 and has since been amended from time to time, including on August 2, 2021 and on February 24, 2023 when the Board of Directors approved an amendment and restatement of the Plan and such amendment and restatement was approved by the Company's stockholders at the 2023 annual meeting of stockholders. On May 13, 2026, the Plan was further amended and restated, in its entirety, effective as of September 1, 2026 as set forth below.

2. Definitions

2.1. "Administrative Committee" means an internal benefits or administrative committee designated by the Committee or the Board of Directors from time-to-time.

2.2. "Affiliate" means any person that directly, or through one or more intermediaries, controls, or is controlled by, or under common control with, the Company.

2.3. "Beneficiary" has the meaning set forth in Section 16.

2.4. "Board of Directors" means the Board of Directors of the Company.

2.5. "Code" means the Internal Revenue Code of 1986, as amended.

2.6. "Committee" means the Compensation and People Committee of the Board of Directors.

2.7. "Company" means Teradata Corporation, a Delaware corporation.

2.8. “Compensation” means the total amount received by a Participant from the Company or a Subsidiary as salary, wages, bonus or other remuneration including (i) overseas premium pay, (ii) appropriate commission or other earnings by sales personnel, (iii) overtime pay, (iv) payments for cost-of-living increases, (v) allowances (vi) vacation pay and (vii) sick pay (paid by the Company), but excluding severance pay, retention and work completion bonuses and contributions of the Company or a Subsidiary to an employee benefit plan thereof.

2.9. “Continuous Service” means the length of time an Employee has been in the continuous employ of the Company and/or a Subsidiary and/or an Affiliate.

2.10. “Designated Subsidiary” means a Subsidiary which shall have been designated by the Chief Executive Officer or the Administrative Committee of the Company to participate in the Plan; provided, that any such designation may be revoked in like manner at any time.

2.11. “Eligible Employees” means only those persons who (i) have been Employees of the Company or a Designated Subsidiary for at least 30 days prior to the Offering Date, and (ii) are not deemed for purposes of Section 423(b)(3) of the Code to own stock possessing 5% or more of the total combined voting power or value of all classes of stock of the Company or a Subsidiary or the parent of the Company, if any. With respect to Offerings made under the Non-423 Component of the Plan, the definition of “Eligible Employee” may be further limited.

2.12. “Employees” means an individual classified as an employee of the Company or a Designated Subsidiary (whether full-time or part-time) under the payroll procedures of the Company or the Designated Subsidiary at the relevant time. “Employee” does not include leased employees within the meaning of Section 414(n) of the Code and does not include “payroll service or agency employees” (i.e., contractors) as defined in the following sentence. “Payroll service or agency employee” means an individual (i) for whom the direct pay or compensation with respect to the performance of services for the Company or any Subsidiary or Affiliate is paid by any outside entity, including but not limited to a payroll service or temporary employment agency rather than by the Teradata internal corporate payroll system, or (ii) who is paid directly by the Company or any Subsidiary or Affiliate, but not through an internal corporate payroll system (e.g., through purchase order accounts). The determination whether an individual is a “payroll service or agency employee” shall be made solely according to the method of paying the individual for services, without regard to whether the individual is considered a common law employee of the Company for any other purpose, and such determination will be within the discretionary authority of the Administrative Committee.

2.13. “Enrollment Agreement” has the meaning set forth in Section 5.

2.14. “Exchange Act” means the Securities Exchange Act of 1934 and the rules and regulations thereunder, as such law, rules and regulations may be amended from time to time.

2.15. “Exercise Date” means the last business day of each Offering Period.

2.16. “Fair Market Value” means the value of one share of Teradata Common Stock on any relevant date, determined under the following rules: (a) the closing sale price per share on that date as reported on the principal exchange on which the shares are then trading, if any, or if applicable the New York Stock Exchange, or if there are no sales on that date, on the next preceding trading day during which a sale occurred; (b) if the shares are not reported on a principal exchange or national market system, the average of the closing bid and asked prices last quoted on that date by an established quotation service for over-the-counter securities; or (c) if neither (a) nor (b) applies, the fair market value as determined by the Board of Directors in good faith and in accordance with applicable laws.

2.17. "Insider" shall mean an individual who is, on the relevant date, an officer or member of the Board of Directors of the Company, or a more than ten percent (10%) beneficial owner of any class of the Company's equity securities that is registered pursuant to Section 12 of the Exchange Act, as determined by the Board of Directors in accordance with Section 16 of the Exchange Act.

2.18. "Investment Account" has the meaning set forth in Section 12.

2.19. "Offering" means the offering of shares of Teradata Common Stock to Eligible Employees pursuant to the Plan that occurs on each Offering Date.

2.20. "Offering Date" means the first business day of each Offering Period.

2.21. "Offering Period" means each six-month period commencing September 1 and ending February 28 (or February 29, as applicable) and commencing March 1 and ending August 31, or such other period as may be determined in the discretion of the Administrative Committee from time to time (but in no event will any Offering Period be longer than the maximum period permitted for an employee stock purchase plan under Section 423 of the Code).

2.22. "Open Enrollment Period" is the period of time (typically 2 weeks) during which Eligible Employees may enroll in the Plan and is determined by the Company prior to the start of the Offering Period.

2.23. "Participant" means an Eligible Employee who elects to participate in the Plan.

2.24. "Payroll Department" means the department of the Company or a Subsidiary from which a Participant's Compensation is disbursed.

2.25. "Plan" means this Teradata Employee Stock Purchase Plan.

2.26. "Recordkeeper" means the third-party administrator that maintains records for the Plan.

2.27. "Subsidiary" means any corporation in which the Company, directly or indirectly, owns stock possessing 50% or more of the total combined voting power of all classes of stock.

2.28. "Teradata Common Stock" means shares of common stock, par value $0.01, of Teradata.

3. Shares

The aggregate number of shares of Teradata Common Stock which may be purchased under the Plan shall not exceed a total of 9,300,000. Notwithstanding the foregoing, the aggregate number of shares is subject to adjustment in accordance with Section 20 hereof. Shares issued under the Plan will consist of authorized and unissued shares.

4. Offering

Each Eligible Employee on an Offering Date shall be entitled to purchase, in the manner and on the terms herein provided, shares of Teradata Common Stock at the Purchase Price set forth in Section 8 hereof with amounts withheld pursuant to Section 6 hereof during the Offering Period in which such Offering Date occurs.

Anything herein to the contrary notwithstanding, if any person entitled to purchase shares pursuant to any Offering hereunder would be deemed, for the purposes of Section 423(b)(3) of the Code, to own stock (including any number of shares which such person would be entitled to purchase hereunder and under any other similar plan or stock option plan of the Company, the parent of the Company or any Subsidiary) possessing 5% or more of the total combined voting power or value of all classes of stock of the Company, the parent of the Company or a Subsidiary, the maximum number of shares which such person shall be entitled to purchase pursuant to the Plan shall be reduced to that number which, when added to the number of shares of stock of the Company, the parent of the Company or a Subsidiary which such person is so deemed to own (excluding any number of shares which such person would be entitled to purchase hereunder), is one less than such 5% and any balance remaining in such person's account to purchase shares of Teradata Common Stock under this Plan ("Stock Purchase Account") shall be refunded.

5. Entry Into the Plan; **Enrollment Agreements**

Subject to any closed window trading period that may be in place, any Eligible Employee may become a Participant in the Plan with respect to an Offering Period during the Plan's Open Enrollment Period for that Offering Period by reviewing and acknowledging, via the Recordkeeper's website, that they have received and agree to an enrollment agreement in the form set forth on the Recordkeeper's website (the "Enrollment Agreement") in accordance with procedures established by the Administrative Committee. Once an Eligible Employee has agreed to the Enrollment Agreement on the Recordkeeper's website and becomes a Participant in the Plan, they shall remain a Participant until they withdraw from the Plan in accordance with Section 13 hereof, and they shall not be required to agree to another Enrollment Agreement for any succeeding Offering until they withdraw from the Plan.

6. Payment for Shares; Payroll Deductions

Payment for shares of Teradata Common Stock purchased hereunder shall be made by authorized payroll deductions from a Participant's Compensation pursuant to this Section. In their Enrollment Agreement, a Participant shall authorize a deduction from each payment of Compensation during an Offering Period of an amount equal to any full percentage of such payment; provided, however, that the minimum deduction shall be 1% and the maximum deduction shall be 10% of any payment of Compensation. Deductions may not be changed during the Offering Period unless the Participant withdraws from the Plan or stops future payroll deductions in accordance with Section 14 hereof. For purposes of the Plan, the employment relationship shall be treated as continuing intact while the individual is on an approved leave of absence for government or military service, sick leave, parental leave, garden leave, or for any other purpose approved by the Company or a Designated Subsidiary, if the individual's right to continued employment during the approved leave (or to reemployment at the end of the approved leave) is guaranteed either by statute, by contract or under the policy pursuant to which the leave of absence was granted. A Participant on an unpaid leave of absence will remain a Participant in the Plan but no amounts will be credited to the Participant's Stock Purchase Account during the time the Participant receives no Compensation.

7. Payroll Deductions

Amounts deducted from a Participant's Compensation pursuant to Section 6 hereof shall be recorded by the Company and applied to the purchase of Teradata Common Stock hereunder. No interest shall accrue or be payable to any Participant with respect to any deducted amounts.

8. Purchase Price

The Purchase Price per share of the shares of Teradata Common Stock sold to Participants hereunder for any Offering shall be 85% of the lower of: (i) the Fair Market Value of Teradata Common Stock on the Offering Date, or (ii) the Fair Market Value of Teradata Common Stock on the Exercise Date. Anything herein to the contrary notwithstanding, the Purchase Price per share shall not be less than the par value of a share of Teradata Common Stock.

9. Exchange Rate

The value of Shares acquired under the Plan may increase or decrease in value, even below the Purchase Price. The Company is not liable for any decrease in the value of Shares or any foreign exchange fluctuation between the Participant's local currency and the United States Dollar, or the selection by the Company or any Subsidiary or Affiliate in its sole discretion of an applicable foreign exchange rate.

10. Purchase of Shares; Limitation on Right to Purchase

As of each Exercise Date, each Participant shall be offered the right to purchase, and shall be deemed, without any further action, to have purchased, at the Purchase Price in United States dollars, the number of full shares of Teradata Common Stock which can be purchased with the amount credited to such Participant's Stock Purchase Account. All such shares shall be maintained in Investment Accounts for the Participants. All dividends paid with respect to such shares shall be credited to the Participants' Investment Accounts and will be automatically reinvested in shares of Teradata Common Stock, unless the Participant elects not to have such dividends reinvested and subject to applicable law. Any remaining balance in a Participant's Stock Purchase Account not used to purchase full shares of Teradata Common Stock shall be credited to the Participants' Investment Accounts with fractional shares. Such fractional shares shall be cashed out when a Participant closes their Investment Account in accordance with Section 23.

At the time a Participant's payroll deduction amounts are used to purchase the Teradata Common Stock, they will have all of the rights and privileges of a stockholder of Teradata with respect to the shares purchased under the Plan.

Anything herein to the contrary notwithstanding, (i) a Participant may not purchase more than 50,000 shares of Teradata Common Stock through this Plan in any Offering Period; and (ii) if at any time when any person is entitled to complete the purchase of any shares pursuant to the Plan, taking into account such person's rights, if any, to purchase stock under all other employee stock purchase plans of the Company, its parent and of any Subsidiaries, the result would be that during the then current calendar year such person would have first become entitled to purchase under the Plan and all such other plans a number of shares of stock which would exceed the maximum number of shares permitted by the provisions of Section 423(b)(8) of the Code, then the number of shares which such person shall be entitled to purchase pursuant to the Plan shall be reduced by the number which is one more than the number of shares which represents the excess, and any remaining balance of the Participant's payroll deductions shall be refunded.

11. Expiration of Offering Period

As of each Exercise Date the amount of payroll deductions for each Participant in the applicable Offering Period shall be applied to purchase shares of Teradata Common Stock at the Purchase Price.

12. Issuance of Shares

The shares of Teradata Common Stock purchased by a Participant on an Exercise Date shall, for all purposes, be deemed to have been issued and sold at the close of business on such Exercise Date. Prior to that time, none of the rights or privileges of a stockholder shall exist with respect to such shares.

As soon as practicable after such Exercise Date, the Company shall cause a book entry to be registered in the street name of the Recordkeeper on behalf of the Participants, for the number of shares of Teradata Common Stock purchased by the Participants on such Exercise Date, as designated in the Participant's Enrollment Agreement. Such designation may be changed at any time by filing notice thereof. The Administrative Committee shall have sole discretion to adopt rules governing the registration of shares purchased hereunder and may restrict the types of designations permitted under a Participant's Enrollment Agreement.

13. Investment Accounts Maintained by Recordkeeper

The Recordkeeper shall maintain an Investment Account for each Participant with a record of the shares purchased by the Participant. Subject to any closed trading window that may be in place, the Participant may at any time direct the Recordkeeper to (i) sell some or all of the shares credited to their Investment Account and deliver the cash in U.S. currency to the Participant, subject to any applicable delivery or transfer charge or (ii) provide the Participant a notice of issuance of uncertificated shares reflecting some or all of the whole shares credited to their Investment Account. Shares credited to a Participant's Investment Account shall not be transferred out of such Account during the two-year period following the Exercise Date unless: (a) sold pursuant to Section 13(i) above, (b) transferred due to death pursuant to Section 16, or (c) otherwise permitted in the sole discretion of the Administrative Committee.

14. Withdrawal / Termination of Participation

Subject to any closed trading window that may be in place, a Participant may withdraw from the Plan outside of an enrollment period only in cases of financial hardship at any time prior to the fifth month of the Offering Period by submitting a ticket in People Hub and following the process maintained by the Company and communicated to Participants. Upon approval of a Participant's withdrawal, no further payroll deductions will be made and all payroll withholdings prior to the withdrawal during the relevant Offering Period will be refunded to the Participant without interest through local payroll. No shares will be purchased on behalf of the Participant during that Offering Period. Partial withdrawals of payroll deductions may not be made. Any Participant who withdraws from the Plan may again at a later time become a Participant hereunder in accordance with Section 5 hereof.

Financial hardship is defined as financial obligations incurred by the Participant to care for their spouse/domestic partner, parents, children or tax dependent(s). Financial hardships may include:

- Unreimbursed medical expenses
- Long term care or other financial support for a parent
- Adoption
- Costs associated with the Participant's primary residence (closing costs, structural maintenance costs or payments to prevent eviction or foreclosure)
- Funeral expenses for the Participant's deceased parent, spouse/domestic partner, children or tax dependent
- College or other post-secondary education for the Participant, spouse/domestic partner, child or tax dependent, including specialized schooling to meet a child's special needs

Subject to any closed window trading period that may be in place, any Participant may stop future payroll deductions prior to the fifth month of the Offering Period or by such other date(s) as may be designated by the Administrative Committee. Upon a Participant's authorization to stop future payroll deductions, no further payroll deductions will be made and all payroll withholdings up to such time during the relevant Offering Period shall go toward the purchase of Teradata Common Stock on the next Exercise Date.

15. Termination of Continuous Service

If a Participant's Continuous Service terminates for any reason prior to the last business day of an Offering Period (*i.e.,* prior to the Exercise Date for that Offering Period), the amount credited to their Stock Purchase Account as of the termination date shall be refunded without interest to the Participant through local payroll and no further payroll deductions will be made.

If a Participant's termination date falls on or after the last business day of the Offering Period (*i.e.,* on or after the Exercise Date for that Offering Period), the Company will purchase stock on behalf of the Participant for that Offering Period and a refund of contributions will not be issued.

16. Death

If a Participant dies during an Offering Period, the amount credited to their Stock Purchase Account as of the date of death shall refunded without interest and delivered to the executor or administrator of the Participant's estate, and no further payroll deductions will be made.

The Recordkeeper shall transfer the Participant's Investment Account to the executor or administrator of the Participant's estate. If no executor or administrator is appointed (to the knowledge of the Company), the Company in its discretion may direct the Recordkeeper to transfer the Investment Account to the Participant's spouse or to any one or more dependents of the Participant.

17. Procedure if Insufficient Shares Available

In the event that on any Exercise Date the aggregate funds available for the purchase of shares of Teradata Common Stock pursuant to Section 10 hereof would purchase a number of shares in excess of the number of shares then available for purchase under the Plan, the Administrative Committee shall proportionately reduce the number of shares which would otherwise be purchased by each Participant on such Exercise Date in order to eliminate such excess, the Plan shall automatically terminate immediately after such Exercise Date and any remaining balance credited to the Stock Purchase Account of each Participant shall be refunded to each such Participant.

18. Rights not Transferable

Rights to purchase shares under the Plan are exercisable only by the Participant during their lifetime and are not transferable by him other than by will or the laws of descent and distribution. If a Participant attempts to transfer their rights to purchase shares under the Plan other than by will, they shall be deemed to have requested withdrawal from the Plan and the provisions of Section 14 hereof shall apply with respect to such Participant.

19. Administration of the Plan

Subject to the general control of, and superseding action by, the Committee, the Administrative Committee shall have full power to administer the Plan. It shall adopt rules not inconsistent with the provisions of the Plan for its administration. It shall adopt the form of Enrollment Agreement, all notices required hereunder, and any on the registration of certificates for shares purchased hereunder. Its interpretation and construction of the Plan and Rules shall, subject as aforesaid, be final and conclusive.

20. Amendment of the Plan

The Committee and/or the Board of Directors, as applicable (or the delegate of either the Committee or the Board of Directors), may at any time, or from time to time, alter or amend the Plan in any respect, except that, stockholder approval will be required for any alteration or amendment for which stockholder approval is required by applicable law or listing requirements, including any amendment that increases the number of shares reserved for purchase under the Plan other than as provided in Section 21 hereof.

21. Recapitalization; Effect of Certain Transactions

The aggregate number of shares of Teradata Common Stock reserved for purchase under the Plan as provided in Section 3 hereof, the maximum number of shares which a Participant may purchase in any Offering Period as provided in Section 10 hereof, and the calculation of the Purchase Price per share as provided in Section 8 hereof shall be appropriately adjusted to reflect a subdivision or consolidation of shares or other capital adjustment, or the payment of a stock dividend, extraordinary cash dividend or other increase or decrease in the number of issued shares of Teradata Common Stock, effected without receipt of consideration by the Company. If Teradata shall merge or consolidate, whether or not Teradata is the surviving or resulting corporation in such merger or consolidation, any Offering hereunder shall pertain to and apply to shares of stock of Teradata or any shares issued in connection with such merger or consolidation in exchange for shares of stock of Teradata, unless prior to such merger or consolidation, the Board of Directors of the Company shall, in its discretion, terminate the Plan and/or any Offering hereunder. Notwithstanding the foregoing, a dissolution or liquidation of Teradata shall cause the Plan and any Offering hereunder to terminate and the entire amount credited to the Stock Purchase Account of each Participant thereunder shall be paid to each such Participant.

22. Expiration and Termination of the Plan

The Plan shall continue in effect through September 1, 2032 unless terminated prior thereto pursuant to Section 17 or 21 hereof, or pursuant to the next succeeding sentence. The Board of Directors shall have the right to terminate the Plan or any Offering hereunder at any time. In the event of the expiration of the Plan or its termination or the termination of any Offering pursuant to the immediately preceding sentence, the entire amount credited to the Stock Purchase Account of each Participant hereunder shall be refunded to each such Participant.

23. Treatment of Fractional Shares

For any amounts of payroll deductions that are insufficient to purchase a whole share, the Recordkeeper may determine whether its standard practice will be to credit the Participants' Investment Accounts with fractional shares or with the insufficient cash amount that will be carried over and applied to the next Offering Period. If the Investment Accounts are credited with fractional shares, such fractional shares shall be cashed out when a Participant closes their Investment Account.

24. Notice

Any notice which a Participant files pursuant to the Plan shall be in the appropriate form and shall be delivered by hand or mailed, postage prepaid, to such Participant's Payroll Department or by any electronic means authorized by the Participant in the Enrollment Agreement.

25. Repurchase of Stock

The Company shall not be required to repurchase from any Participant shares of Teradata Common Stock which such Participant acquires under the Plan.

26. Use of Funds

All payroll deductions received or held by the Company under this Plan may be used by the Company for any corporate purpose and the Company shall not be obligated to segregate such payroll deductions.

27. Alternate Contribution Methods

Anything herein to the contrary notwithstanding, in the event authorized payroll deductions from a Participant's Compensation are not permitted by reason of the provisions of local law applicable to the Company or a Designated Subsidiary, or are not practicable in the opinion of the Administrative Committee, the appropriate alternative method pursuant to which affected Participants may make payment for shares of Teradata Common Stock purchased hereunder which would otherwise have been made pursuant to Section 6 hereof shall be designated by the Administrative Committee. Payments made hereunder shall be deemed to have been made pursuant to Section 6 hereof.

28. Fees

The Recordkeeper may charge Participants reasonable transaction fees, as agreed by the Company.

29. Tax Consequences

Any tax consequences arising from the grant or exercise of any right granted hereunder or the payment for Teradata Common Stock covered hereby shall be borne solely by the Participant. The Company, and/or any Affiliate or the Administrative Committee may make such provisions and take such steps as may be deemed necessary or appropriate for the withholding of all taxes required by law to be withheld as determined in the sole discretion of the Company, any Affiliate or the Administrative Committee with respect to rights granted under the Plan and the exercise of such rights or the sale of Teradata Common Stock, including, but not limited, to: (a) deducting the amount so required to be withheld from any other amount then or thereafter payable to or on behalf of a Participant, and/or (b) requiring a Participant or person or entity acting on behalf of the Participant to pay to the Company or any Affiliate the amount so required to be withheld as a condition of the issuance, delivery, distribution or release of any Teradata Common Stock, and/or (c) by causing the exercise of a right hereunder and/or the sale of any Teradata Common Stock held by or on behalf of a Participant to cover such liability, up to the amount required to satisfy minimum statutory withholding requirements as determined applicable in the sole discretion of the Company, any Affiliate or the Administrative Committee.

30. Delivery and Execution of Electronic Documents

To the extent permitted by applicable law, the Company may: (a) deliver by email or other electronic means (including posting on a web site maintained by the Company or by a third party under contract with the Company) all documents relating to this Plan (including prospectuses required by the Securities and Exchange Commission) and all other documents that the Company is required to deliver to its security holders (including annual reports and proxy statements), and (b) permit Participants to electronically execute applicable Plan documents in a manner prescribed by the Administrative Committee.

31. Compliance with Section 16(b).

With respect to Participants who are Insiders, all transactions under this Plan are intended to comply with all applicable conditions of Rule 16b-3 under the Exchange Act. All transactions under this Plan involving Insiders are subject to such conditions, regardless of whether the conditions are expressly set forth in this Plan. Any provision of this Plan that is contrary to a condition of Rule 16b-3 shall not apply to such Insiders.

[End of Document]

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECURITIES
EXCHANGE ACT RULE 13a-14

I, Stephen McMillan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Teradata Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2026

/s/ Stephen McMillan

Stephen McMillan
President and Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECURITIES
EXCHANGE ACT RULE 13a-14

I, John Ederer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Teradata Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2026

/s/ John Ederer
John Ederer
Chief Financial Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Teradata Corporation, a Delaware corporation (the “Company”), on Form 10-Q for the period ended June 30, 2026 as filed with the U.S. Securities and Exchange Commission on the date hereof (the “Report”), each of the undersigned officers of the Company does hereby certify, pursuant to 18 U.S.C. § 1350 (section 906 of the Sarbanes-Oxley Act of 2002), that:

(1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

The foregoing certification (i) is given to such officers’ knowledge, based upon such officers’ investigation as such officers reasonably deem appropriate; and (ii) is being furnished solely pursuant to 18 U.S.C. § 1350 (section 906 of the Sarbanes-Oxley Act of 2002) and is not being filed as part of the Report or as a separate disclosure document.

Date: August 5, 2026	/s/ Stephen McMillan
	Stephen McMillan President and Chief Executive Officer
Date: August 5, 2026	/s/ John Ederer
	John Ederer Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signatures that appear in typed form within the electronic version of this written statement required by Section 906, has been provided to Teradata Corporation and will be retained by Teradata Corporation and furnished to the United States Securities and Exchange Commission or its staff upon request.