

TERADATA CORP /DE/
Form 10-Q
May 08, 2018
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 March 31, 2018
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 (I.R.S. Employer
incorporation or organization) Identification No.)
10000 Innovation Drive
Dayton, Ohio 45342

(Address of principal executive offices) (Zip Code)
Registrant's telephone number, including area code: (866) 548-8348

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting 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 April 27, 2018, the registrant had approximately 121.3 million shares of common stock outstanding.

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Part 1—FINANCIAL INFORMATION

Item 1. Financial Statements.

Teradata Corporation

Condensed Consolidated Statements of Loss (Unaudited)

In millions, except per share amounts	Three Months Ended March 31,	
	2018	2017
Revenue		
Recurring	\$302	\$273
Perpetual software licenses and hardware	69	90
Consulting services	135	128
Total revenue	506	491
Cost of revenue		
Cost of recurring	90	67
Cost of perpetual software licenses and hardware	48	61
Cost of consulting services	145	138
Total cost of revenue	283	266
Gross profit	223	225
Operating expenses		
Selling, general and administrative expenses	152	155
Research and development expenses	75	70
Total operating expenses	227	225
Loss from operations	(4)	—
Other expense, net		
Interest expense	(5)	(3)
Interest income	3	2
Other expense	(2)	(1)
Total other expense, net	(4)	(2)
Loss before income taxes	(8)	(2)
Income tax benefit	(1)	—
Net loss	\$(7)	\$(2)
Net loss per weighted average common share		
Basic	\$(0.06)	\$(0.02)
Diluted	\$(0.06)	\$(0.02)
Weighted average common shares outstanding		
Basic	121.4	130.4
Diluted	121.4	130.4

See Notes to Condensed Consolidated Financial Statements (Unaudited).

Teradata Corporation

Condensed Consolidated Statements of Comprehensive (Loss) Income (Unaudited)

	Three Months Ended March 31, 2018 2017	
In millions		
Net loss	\$ (7)	\$ (2)
Other comprehensive income:		
Foreign currency translation adjustments	4	5
Defined benefit plans:		
Defined benefit plan adjustment, before tax	—	1
Defined benefit plan adjustment, tax portion	—	—
Defined benefit plan adjustment, net of tax	—	1
Other comprehensive income	4	6
Comprehensive (loss) income	\$ (3)	\$ 4

See Notes to Condensed Consolidated Financial Statements (Unaudited).

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Teradata Corporation

Condensed Consolidated Balance Sheets (Unaudited)

In millions, except per share amounts

	March 31,	December 31,
	2018	2017

Assets

Current assets

Cash and cash equivalents	\$ 939	\$ 1,089
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Accounts receivable, net	451	554
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Inventories	43	30
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Other current assets		
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