# Teradata Corporation (TDC)

**$31.30** (Stock Price as of 12/12/2025)

Price Target (6-12 Months): **$36.00**

| | |
|---|---|
| Long Term: 6-12 Months | **Zacks Recommendation:** **Outperform** |
| | (Since: 11/20/25) |
| | Prior Recommendation: Neutral |
| Short Term: 1-3 Months | **Zacks Rank:** (1-5) **1-Strong Buy** |
| | Zacks Style Scores: VGM: F |
| | Value: C \| Growth: D \| Momentum: F |

## Summary

Teradata's prospects are expected to benefit from an improvement in ARR growth rate, cost savings, and productivity measures. These factors are expected to drive meaningful free cash flow. Growing workloads on data platforms due to Agentic AI's 24/7, always-on query potential bodes well for TDC's prospect as it not only manages the critical enterprise data that powers these AI systems but also well positioned to deliver the performance required by these AI systems. Teradata believes that it offers the best autonomous AI and knowledge platform for Agentic workloads at best price performance, whether on-premises or in the cloud. An innovative portfolio that includes QueryGrid data analytics fabric, Enterprise Vector Store, AgentBuilder, and ClearScape Analytics with unified ModelOps capabilities are expected to drive top-line growth.

## Price, Consensus & Surprise[1]



## Data Overview

| | |
|---|---|
| 52 Week High-Low | **$33.20 - $18.43** |
| 20 Day Average Volume (sh) | **1,528,631** |
| Market Cap | **$2.9 B** |
| YTD Price Change | **0.5%** |
| Beta | **0.57** |
| Dividend / Div Yld | **$0.00 / 0.0%** |
| Industry | **Computer- Storage Devices** |
| Zacks Industry Rank | **Top 5% (13 out of 243)** |
| Last EPS Surprise | **35.9%** |
| Last Sales Surprise | **2.5%** |
| EPS F1 Est- 4 week change | **-0.1%** |
| Expected Report Date | **02/10/2026** |
| Earnings ESP | **-3.3%** |
| P/E TTM | **13.2** |
| P/E F1 | **13.2** |
| PEG F1 | **-4.2** |
| P/S TTM | **1.8** |

## Sales and EPS Growth Rates (Y/Y %)[2]



## Sales Estimates (millions of $)[2]

| | Q1 | Q2 | Q3 | Q4 | Annual* |
|---|---|---|---|---|---|
| 2026 | 406 E | 407 E | 411 E | 388 E | 1,611 E |
| 2025 | 418 A | 408 A | 416 A | 393 E | 1,635 E |
| 2024 | 465 A | 436 A | 440 A | 409 A | 1,750 A |

## EPS Estimates[2]

| | Q1 | Q2 | Q3 | Q4 | Annual* |
|---|---|---|---|---|---|
| 2026 | 0.64 E | 0.52 E | 0.59 E | 0.52 E | 2.27 E |
| 2025 | 0.66 A | 0.47 A | 0.72 A | 0.53 E | 2.38 E |
| 2024 | 0.57 A | 0.64 A | 0.69 A | 0.53 A | 2.42 A |

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 12/12/2025.
(2) The report's text, the analyst-provided estimates, and the price target are as of 12/09/2025.

## Overview

Teradata offers an open and connected hybrid cloud analytics and data platform for AI. The hybrid cloud platform, named Teradata Vantage, help enterprises solve business problems with Teradata's capabilities to provide harmonized data, trusted AI, and faster innovation, at scale.

Teradata Vantage comprises deployment options that are designed to address the full span of data analytics and AI needs. Teradata VantageCloud is a flexible, connected, and modern cloud platform and includes Teradata VantageCloud Lake, which is built on the company's cloud-native lake architecture. Teradata VantageCloud Enterprise is offered for managed enterprise workloads. Teradata VantageCore is the company's on-premises platform offering, which seamlessly integrates with the company's cloud offerings to enable hybrid environments.

Teradata Vantage's key capabilities include ClearScape Analytics and Query Grid. ClearScape Analytics provides robust in-database engine analytics functionality, open and connected integrations, and operationalization at scale for more effective data preparation, advanced analytics, and AI/ML performance. Query Grid serves as the connective tissue in multi-cloud, as well as between cloud and on-premises environments.

Teradata generated revenues of $1.75 billion in 2024. The San Diego, CA-based company reports under three segments – Recurring, Perpetual software licenses & hardware and Consulting services. Recurring, Perpetual software licenses & hardware and Consulting services accounted for 84.5%, 1.3% and 14.1% of total revenues, respectively, in 2024.

**EPS Hist. and Est.**

**Sales Hist. and Est.**

*As of 12/09/2025*

Teradata manages its business under three geographic regions — the Americas region (North America and Latin America), the EMEA region (Europe, Middle East, and Africa) and the APAC region (Asia Pacific and Japan). Americas, EMEA and APAC contributed 57.7%, 27.6% and 14.5% to total revenues, respectively, in 2024.

Teradata competes with large players such as Amazon, Google, IBM, Oracle, Microsoft, and SAP to name a few.

*As of 12/12/2025*
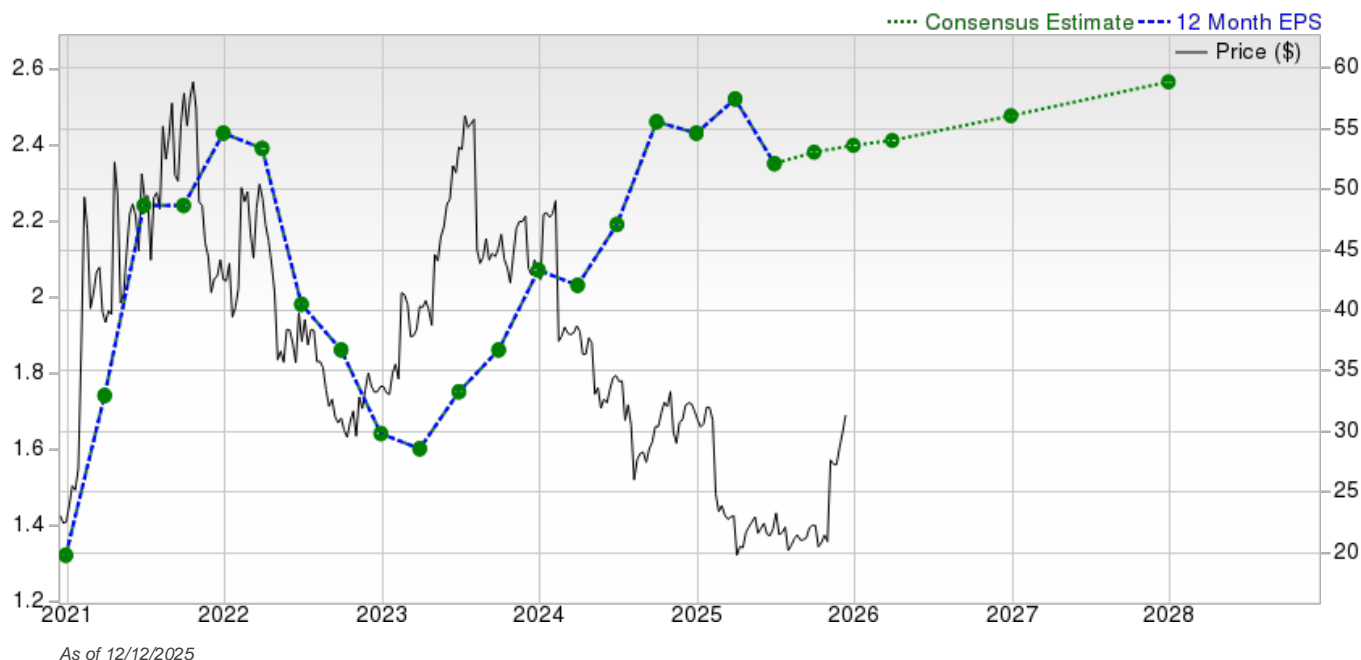
## Reasons To Buy:

▲ Teradata's platform, VantageCloud, continues to gain momentum among megadata customers, having huge chunks of data. In the third quarter of 2025, Teradata reported public cloud ARR of $633 million, up 11% year on year in constant currency, driven by increased demand for cloud solutions. The company continues to add features to the Vantage platform, both cloud and on-premise, to address customer needs for a high-performance and massively scale hybrid analytics offering.

▲ Teradata has established partnerships with the top three global public cloud service providers: AWS, Microsoft Azure, and Google Cloud. These partnerships are helping Teradata to provide companies around the globe access to its VantageCloud. In collaboration with ActionIQ, Teradata introduced a joint solution for VantageCloud customers, providing advanced control and a comprehensive 360-degree view of customer data to facilitate meaningful engagements and deliver superior experiences.

▲ Acquisitions, such as Stemma, enhance Teradata's capabilities in data search and exploration, providing added value to its analytics offerings. Teradata has introduced innovative AI capabilities like ask.ai, which are designed to simplify natural language interactions. It has introduced enhanced ModelOps features in ClearScape Analytics, aiming to provide no-code functionalities that empower customers to expand AI rapidly and advanced analytics while ensuring compliance with enterprise governance standards. ClearScape Analytics now supports bring your own model functionality and scalable model execution, empowering use cases in fraud detection, responsible gaming and sentiment analysis across healthcare, telecom and retail sectors. New product rollouts such as Enterprise Vector Store bring vector-based processing to the core analytics layer, enabling Retrieval-Augmented Generation (RAG) and Agentic AI capabilities for real-time decisions.These developments are expected to drive Teradata's clientele and top-line growth over the long haul.

▲ Teradata has a strong balance sheet and improving ARR growth with cost savings is expected to drive free cash flow. As of Sept. 30, 2025, Teradata had cash and cash equivalents of $406 million compared with long-term debt of $437 million. In the third quarter of 2025, TDC generated $94 million in cash from operating activities and a free cash flow of $88 million. The company now expects free cash flow between $260 million and $280 million for 2025.

> Teradata's premier market position, growing traction of Teradata Vantage and solid balance sheet remain positives.

## Risks[2]

- Teradata expects recurring revenues to decline between 1% and 3% year over year, at cc for the fourth quarter of 2025. The company expects total revenues to be down 2-4% year over year. For 2025, TDC expects total ARR growth between flat and up 2% year over year, at cc. Teradata expects recurring revenues to decline in the 3% to 5% range, year over year, at cc. The company expects total revenues to be down 5-7% at cc from 2024. This trend doesn't bode well for Teradata's prospects in the near term.

- Teradata's focus on high-margin consumers is hurting consulting revenues. This is expected to continue, at least in the near term. The company is prioritizing higher value, higher margin business-related consulting that leads to increasing adoption of Teradata Vantage. This strategy is also expected to hurt consulting profitability in the near term.

- Teradata competes with the likes of IBM and Oracle in the analytic data solutions markets. These IT bellwethers have a lot of financial flexibility and diverse revenue streams. These competitors are well-equipped to provide data warehousing and analytical services at a much lower cost. As a result, Teradata faces severe pricing pressure that is negatively impacting profitability.

## Last Earnings Report

### Teradata Q3 Earnings Beat Estimates, Revenues Fall Y/Y

Teradata reported third-quarter 2025 non-GAAP earnings of 72 cents per share, which beat the Zacks Consensus Estimate by 35.85%. The bottom line increased 4.3% year over year.

Revenues of $416 million beat the Zacks Consensus Estimate by 2.54%. The figure declined 5.5% year over year on a reported basis and 6% on a constant-currency (cc) basis.

Total annual recurring revenues (ARR) at the third-quarter end increased 1% year over year to $1.49 billion, flat at cc.

| FY Quarter Ending | 12/31/2024 |
|---|---|
| Earnings Reporting Date | Nov 04, 2025 |
| Sales Surprise | 2.54% |
| EPS Surprise | 35.85% |
| Quarterly EPS | 0.72 |
| Annual EPS (TTM) | 2.38 |

### TDC Q3 Top Line in Detail

Public cloud ARR increased 11% on a reported basis, as well as at cc year over year to $633 million. The growth was driven by increasing demand for its cloud solutions. The cloud net expansion rate was 112% in the reported quarter.

Recurring revenues (88% of total revenues) decreased 2% year over year on a reported basis and 3% in cc to $366 million. Perpetual software license and hardware revenues (0.7% of total revenues) dropped 57.1% year over year (down 44% at cc) to $3 million.

Consulting services' revenues (11.3% of revenues) fell 23% year over year (down 22% at cc) to $47 million. Product Sales decreased 3% year over year on a reported basis (down 3% at cc) to $369 million.

### TDC Operating Details

Third-quarter gross margin on a non-GAAP basis was 62.3%, expanding 70 basis points (bps) year over year.

Selling, general & administrative (SG&A) expenses decreased 11% year over year to $122 million. Research & development (R&D) expenses were $70 million, down 4.1% year over year.

As a percentage of revenues, SG&A decreased 180 bps year over year to 29.3%, whereas R&D inched up 20 bps year over year to 16.8%.

The non-GAAP operating margin was 23.6%, up 110 bps year over year.

### TDC's Balance Sheet Remains Strong

As of Sept. 30, 2025, Teradata had cash and cash equivalents of $406 million compared with $369 million as of June 30.

Long-term debt as of Sept. 30, 2025, was $437 million compared with $443 million as of June 30.

In the third quarter, TDC generated $94 million in cash from operating activities compared with the previous quarter's $43 million.

The company generated a free cash flow of $88 million in the reported quarter.

### TDC Offers Q4 and 2025 Guidance

For fourth-quarter 2025, non-GAAP earnings are expected to be between 53 and 57 cents per share.

Teradata expects recurring revenues to decline between 1% and 3% year over year, at cc. The company expects total revenues to be down 2-4% year over year.

For 2025, TDC expects non-GAAP earnings between $2.38 and $2.42 per share.

Public cloud ARR growth is projected to be between 14% and 18% on a year-over-year basis, at cc. Total ARR growth is expected between flat and up 2% year over year, at cc.

Teradata expects recurring revenues to decline in the 3% to 5% range, year over year, at cc. The company expects total revenues to be down 5-7% at cc from 2024.

Cash flow from operations is expected to be between $280 million and $300 million.

Free cash flow is anticipated to be in the $260-$280 million range.

## Recent News

On Oct. 28, 2025, Teradata announced its new AI Services, a comprehensive offering designed to help enterprises transform AI pilots into production-ready agentic solutions that drive measurable business value across industries.

On Oct. 7, 2025, Teradata launches Autonomous Customer Intelligence, combining data, AI, and agentic automation to transform customer signals into real-time actions, enhancing CX, AI ROI, and enterprise decision-making through its Customer Intelligence Framework.

On July 29, 2025, Teradata updates ClearScape Analytics with a unified ModelOps platform, simplifying AI deployment and governance across LLMs, ONNX, and AutoML,enabling seamless, trusted, and scalable enterprise AI operations with low-code tools.

On July 29, 2025, Teradata announced the addition of ModelOps' updates to ClearScape Analytics. The updates include seamless integration with public LLM APIs, managing and monitoring LLMs with LLMOps, streamlined ONNX embedding model deployment, low-code AutoML, and a consistent, intuitive user interface.

Teradata announced the launch of Community Edition, an open-source Teradata MCP Server. It is built on the company's Vantage platform, and helps AI agents by bridging the gap between raw data and intelligent action, leading to the delivering of meaningful outcomes.

## Valuation

Teradata shares have appreciated 37.8% in the past six-month period but down 3.4% over the trailing 12-month period. Stocks in the Zacks sub-industry have jumped 75.3% while the Zacks Computer & Technology sector has appreciated 26% in the past six-month period. Over the past year, the Zacks sub-industry and the sector has appreciated 54.2% and 27.2%, respectively.

The S&P 500 index has increased 16.5% in the past six-month period and 16.4% in the past year.

The stock is currently trading at 12.70X forward 12-month earnings compared with 19.04X for the Zacks sub-industry, 29.03X for the Zacks sector, and 23.59X for the S&P 500 index.

Over the past five years, the stock has traded as high as 85.72X and as low as 12.70X, with a five-year median of 32.65X. Our Outperform recommendation indicates that the stock will perform better than the market. Our $36 price target reflects 14.61X forward 12-month earnings.

The table below shows summary valuation data for TDC

| Valuation Multiples - TDC | | Stock | Sub-Industry | Sector | S&P 500 |
|---|---|---|---|---|---|
| P/E F12M | Current | 12.7 | 19.04 | 29.03 | 23.59 |
| | 5-Year High | 85.72 | 102.02 | 29.92 | 23.78 |
| | 5-Year Low | 12.7 | 9.84 | 18.7 | 15.73 |
| | 5-Year Median | 32.65 | 18.3 | 26.62 | 21.21 |
| P/S F12M | Current | 1.8 | 1.82 | 6.8 | 5.33 |
| | 5-Year High | 3.26 | 2.43 | 7.4 | 5.5 |
| | 5-Year Low | 1.11 | 0.91 | 4.24 | 3.83 |
| | 5-Year Median | 2.01 | 1.56 | 6.29 | 5.05 |
| EV/Sales TTM | Current | 1.79 | 2.85 | 8.25 | 5.77 |
| | 5-Year High | 3.17 | 5.11 | 8.36 | 5.81 |
| | 5-Year Low | 1.13 | 1.12 | 4.17 | 3.78 |
| | 5-Year Median | 2.03 | 2.02 | 6.92 | 5.12 |

As of 12/08/2025     Source: Zacks Investment Research

## Industry Analysis[1]   Zacks Industry Rank: Top 5% (13 out of 243)
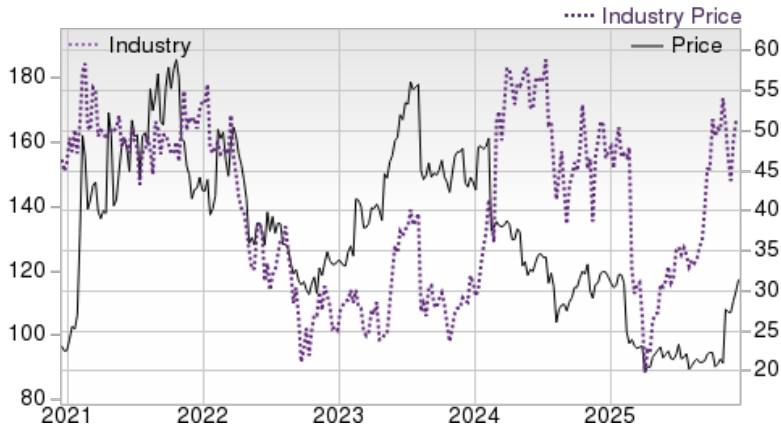


## Top Peers [1]

| Company (Ticker) | Rec | Rank |
|---|---|---|
| Western Digital Corp…(WDC) | Outperform | 1 |
| GSI Technology, Inc. (GSIT) | Neutral | |
| Microsoft Corporatio…(MSFT) | Neutral | 3 |
| Netlist, Inc. (NLST) | Neutral | 4 |
| NetApp, Inc. (NTAP) | Neutral | 3 |
| Pure Storage, Inc. (PSTG) | Neutral | 3 |
| Quantum Corporation (QMCO) | Neutral | 3 |
| Super Micro Computer…(SMCI) | Neutral | 3 |

## Industry Comparison[1]   Industry: Computer- Storage Devices

|  | TDC | X Industry | S&P 500 | NLST | PSTG | QMCO |
|---|---|---|---|---|---|---|
| **Zacks Recommendation (Long Term)** | Outperform | - | - | Neutral | Neutral | Neutral |
| **Zacks Rank (Short Term)** | 1 | - | - | 4 | 3 | 3 |
| **VGM Score** | F | - | - | C | F | D |
| Market Cap | 2.92 B | 11.11 B | 39.38 B | 242.79 M | 23.44 B | 123.90 M |
| # of Analysts | 5 | 4.5 | 22 | 1 | 10 | 1 |
| Dividend Yield | 0.00% | 0.00% | 1.41% | 0.00% | 0.00% | 0.00% |
| **Value Score** | C | - | - | F | F | F |
| Cash/Price | 0.14 | 0.12 | 0.04 | 0.09 | 0.07 | 0.12 |
| EV/EBITDA | 10.22 | 13.76 | 14.60 | -4.15 | 79.81 | -1.36 |
| PEG Ratio | -4.18 | 2.06 | 2.23 | NA | 2.16 | NA |
| Price/Book (P/B) | 13.32 | 10.24 | 3.35 | NA | 16.71 | NA |
| Price/Cash Flow (P/CF) | 12.53 | 16.43 | 15.20 | NA | 81.27 | NA |
| P/E (F1) | 13.15 | 15.68 | 19.78 | NA | 36.69 | NA |
| Price/Sales (P/S) | 1.77 | 3.45 | 3.06 | 1.65 | 6.73 | 0.48 |
| Earnings Yield | 7.67% | 5.22% | 4.99% | -10.13% | 2.72% | -26.69% |
| Debt/Equity | 2.21 | 0.14 | 0.57 | 0.00 | 0.00 | 0.00 |
| Cash Flow ($/share) | 2.50 | 1.91 | 8.99 | -0.20 | 0.88 | -14.97 |
| **Growth Score** | D | - | - | A | C | B |
| Hist. EPS Growth (3-5 yrs) | 5.79% | 9.01% | 8.16% | NA | 44.01% | NA |
| Proj. EPS Growth (F1/F0) | -1.65% | 36.14% | 8.57% | 61.90% | 14.79% | NA |
| Curr. Cash Flow Growth | 13.86% | 9.32% | 6.75% | -10.84% | 9.98% | 415.27% |
| Hist. Cash Flow Growth (3-5 yrs) | 1.86% | 4.65% | 7.43% | NA | 53.55% | NA |
| Current Ratio | 0.90 | 1.34 | 1.19 | 0.79 | 1.65 | 0.37 |
| Debt/Capital | 68.85% | 31.33% | 38.01% | NA | 0.00% | NA |
| Net Margin | 7.15% | 3.77% | 12.78% | -23.98% | 3.74% | -57.10% |
| Return on Equity | 83.22% | 21.80% | 17.00% | NA | 10.60% | NA |
| Sales/Assets | 0.95 | 0.91 | 0.53 | 3.42 | 0.87 | 1.63 |
| Proj. Sales Growth (F1/F0) | -6.60% | 1.40% | 5.77% | 6.80% | 14.60% | NA |
| **Momentum Score** | F | - | - | C | F | F |
| Daily Price Chg | -1.60% | -5.38% | -1.07% | 1.02% | -6.00% | -7.38% |
| 1 Week Price Chg | 4.82% | 2.41% | -0.63% | 9.34% | 1.26% | 3.56% |
| 4 Week Price Chg | 14.90% | 8.71% | 1.39% | 41.96% | -15.69% | 14.74% |
| 12 Week Price Chg | 42.27% | 15.45% | 2.45% | -4.82% | -18.84% | -23.99% |
| 52 Week Price Chg | -3.10% | -3.10% | 12.83% | -27.52% | 11.96% | -49.75% |
| 20 Day Average Volume | 1,528,631 | 1,875,664 | 2,728,366 | 958,767 | 5,342,901 | 527,396 |
| (F1) EPS Est 1 week change | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| (F1) EPS Est 4 week change | -0.06% | 0.00% | 0.00% | 0.00% | -18.17% | -1.98% |
| (F1) EPS Est 12 week change | 17.25% | -0.60% | 0.69% | -14.29% | -17.05% | -1.98% |
| (Q1) EPS Est Mthly Chg | -1.47% | -0.46% | 0.00% | 0.00% | -13.65% | -28.95% |

# Analyst Earnings Model[2]

**Teradata Corporation (TDC)**
*In $MM, except per share data*

| FY Ends December 31st | 2022A FY Dec-22 | 2023A FY Dec-23 | 2024A FY Dec-24 | 1QA 31-Mar-25 | 2QA 30-Jun-25 | 3QA 30-Sep-25 | 4QE 31-Dec-25 | FY Dec-25 | 1QE 31-Mar-26 | 2QE 30-Jun-26 | 3QE 30-Sep-26 | 4QE 31-Dec-26 | FY Dec-26 | 2027E FY Dec-27 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Income Statement** | | | | | | | | | | | | | | |
| **Total Revenue** | $1,795.0 | $1,833.0 | $1,750.0 | $418.0 | $408.0 | $416.0 | $392.7 | $1,634.7 | $405.5 | $407.3 | $410.6 | $388.0 | $1,611.4 | $1,649.3 |
| CC Growth | (2.0%) | 4.0% | (3.0%) | (8.0%) | (7.0%) | (6.0%) | (4.0%) | (6.3%) | (3.0%) | (0.2%) | (1.3%) | (1.2%) | (1.4%) | 2.4% |
| *YoY % Chng* | *(6.4%)* | *2.1%* | *(4.5%)* | *(10.1%)* | *(6.4%)* | *(5.5%)* | *(4.0%)* | *(6.6%)* | *(3.0%)* | *(0.2%)* | *(1.3%)* | *(1.2%)* | *(1.4%)* | *2.4%* |
| Cost of Revenue, Non-GAAP | $690.0 | $700.0 | $670.0 | $166.0 | $170.0 | $157.0 | $158.3 | $651.3 | $163.6 | $171.1 | $164.7 | $161.8 | $661.2 | $658.5 |
| *YoY % Chng* | *(1.7%)* | *1.4%* | *(4.3%)* | *(5.7%)* | *3.0%* | *(7.1%)* | *(1.1%)* | *(2.8%)* | *(1.4%)* | *0.7%* | *4.9%* | *2.2%* | *1.5%* | *(0.4%)* |
| Cost of Revenue, GAAP | $714.0 | $718.0 | $692.0 | $170.0 | $178.0 | $163.0 | $164.0 | $675.0 | $169.5 | $169.4 | $168.7 | $165.1 | $672.8 | $669.9 |
| *YoY % Chng* | *(2.3%)* | *0.6%* | *(3.6%)* | *(6.1%)* | *4.1%* | *(6.3%)* | *(1.2%)* | *(2.5%)* | *(0.3%)* | *(4.8%)* | *3.5%* | *0.7%* | *(0.3%)* | *(0.4%)* |
| **Gross Profit, Non-GAAP** | $1,105.0 | $1,133.0 | $1,080.0 | $252.0 | $238.0 | $259.0 | $234.4 | $983.4 | $241.8 | $236.2 | $245.9 | $226.2 | $950.1 | $990.8 |
| *YoY % Chng* | *(9.1%)* | *2.5%* | *(4.7%)* | *(12.8%)* | *(12.2%)* | *(4.4%)* | *(5.9%)* | *(8.9%)* | *(4.0%)* | *(0.8%)* | *(5.0%)* | *(3.5%)* | *(3.4%)* | *4.3%* |
| **Gross Profit, GAAP** | $1,081.0 | $1,115.0 | $1,058.0 | $248.0 | $230.0 | $253.0 | $228.7 | $959.7 | $235.9 | $237.9 | $241.9 | $222.8 | $938.5 | $979.4 |
| *YoY % Chng* | *(8.9%)* | *3.1%* | *(5.1%)* | *(12.7%)* | *(13.2%)* | *(4.9%)* | *(5.9%)* | *(9.3%)* | *(4.9%)* | *3.4%* | *(4.4%)* | *(2.6%)* | *(2.2%)* | *4.4%* |
| Selling, General and Administrative Expenses, Non-GAAP | $545.0 | $539.0 | $474.0 | $101.0 | $107.0 | $101.0 | $101.4 | $410.4 | $96.8 | $102.0 | $104.7 | $97.2 | $400.8 | $409.5 |
| *YoY % Chng* | *0.0%* | *(1.1%)* | *(12.1%)* | *(24.6%)* | *(6.1%)* | *(7.3%)* | *(13.3%)* | *(13.4%)* | *(4.2%)* | *(4.6%)* | *3.7%* | *(4.1%)* | *(2.3%)* | *2.2%* |
| Selling, General and Administrative Expenses, GAAP | $650.0 | $635.0 | $565.0 | $116.0 | $135.0 | $122.0 | $121.2 | $494.2 | $117.6 | $124.5 | $126.0 | $117.5 | $485.6 | $496.3 |
| *YoY % Chng* | *0.6%* | *(2.3%)* | *(11.0%)* | *(28.0%)* | *3.1%* | *(10.9%)* | *(10.9%)* | *(12.5%)* | *1.4%* | *(7.8%)* | *3.3%* | *(3.0%)* | *(1.7%)* | *2.2%* |
| Research and Development Expenses, Non-GAAP | $274.0 | $262.0 | $250.0 | $60.0 | $64.0 | $60.0 | $52.2 | $236.2 | $54.5 | $57.9 | $56.8 | $53.1 | $222.3 | $227.9 |
| *YoY % Chng* | *(1.1%)* | *(4.4%)* | *(4.6%)* | *(9.1%)* | *4.9%* | *(4.8%)* | *(13.1%)* | *(5.5%)* | *(9.2%)* | *(9.6%)* | *(5.3%)* | *1.8%* | *(5.9%)* | *2.5%* |
| Research and Development Expenses, GAAP | $313.0 | $294.0 | $284.0 | $66.0 | $71.0 | $70.0 | $59.5 | $266.5 | $62.0 | $65.9 | $65.1 | $60.6 | $253.6 | $260.2 |
| *YoY % Chng* | *1.3%* | *(6.1%)* | *(3.4%)* | *(12.0%)* | *4.4%* | *(4.1%)* | *(12.4%)* | *(6.1%)* | *(6.0%)* | *(7.2%)* | *(6.9%)* | *1.8%* | *(4.8%)* | *2.6%* |
| **Total Operating Expenses, Non-GAAP** | $819.0 | $801.0 | $724.0 | $161.0 | $171.0 | $161.0 | $153.6 | $646.6 | $151.3 | $159.9 | $161.5 | $150.3 | $623.1 | $637.4 |
| *YoY % Chng* | *(0.4%)* | *(2.2%)* | *(9.6%)* | *(19.5%)* | *(2.3%)* | *(6.4%)* | *(13.2%)* | *(10.7%)* | *(6.0%)* | *(6.5%)* | *0.3%* | *(2.1%)* | *(3.6%)* | *2.3%* |
| **Total Operating Expenses, GAAP** | $963.0 | $929.0 | $849.0 | $182.0 | $206.0 | $192.0 | $180.7 | $760.7 | $179.6 | $190.4 | $191.1 | $178.1 | $739.2 | $756.5 |
| *YoY % Chng* | *0.8%* | *(3.5%)* | *(8.6%)* | *(22.9%)* | *3.5%* | *(8.6%)* | *(11.4%)* | *(10.4%)* | *(1.3%)* | *(7.6%)* | *(0.4%)* | *(1.4%)* | *(2.8%)* | *2.3%* |
| Share Based Compensation | $126.0 | $126.0 | $119.0 | $22.0 | $31.0 | $29.0 | $26.9 | $108.9 | $27.1 | $28.6 | $28.3 | $26.6 | $110.5 | $113.5 |
| *YoY % Chng* | *12.5%* | *0.0%* | *(5.6%)* | *(35.3%)* | *6.9%* | *0.0%* | *(0.2%)* | *(8.5%)* | *23.0%* | *(7.7%)* | *(2.6%)* | *(1.2%)* | *1.5%* | *2.7%* |
| Depreciation and Amortization | $134.0 | $116.0 | $100.0 | $20.0 | $23.0 | $24.0 | $21.2 | $88.2 | $21.9 | $22.6 | $22.7 | $21.2 | $88.4 | $90.6 |
| *YoY % Chng* | *(10.1%)* | *(13.4%)* | *(13.8%)* | *(25.9%)* | *(11.5%)* | *(4.0%)* | *(3.7%)* | *(11.8%)* | *9.4%* | *(1.7%)* | *(5.4%)* | *0.1%* | *0.2%* | *2.5%* |
| **EBITDA** | $252.0 | $302.0 | $309.0 | $86.0 | $47.0 | $85.0 | $69.2 | $287.2 | $78.2 | $70.1 | $73.4 | $65.9 | $287.7 | $313.5 |
| *YoY % Chng* | *(33.7%)* | *19.8%* | *2.3%* | *14.7%* | *(48.9%)* | *4.9%* | *13.4%* | *(7.1%)* | *(9.1%)* | *49.2%* | *(13.6%)* | *(4.6%)* | *0.2%* | *9.0%* |
| **Operating Income, Non-GAAP** | $286.0 | $332.0 | $356.0 | $91.0 | $67.0 | $98.0 | $80.8 | $336.8 | $90.6 | $76.3 | $84.4 | $75.8 | $327.1 | $353.4 |
| *YoY % Chng* | *(27.2%)* | *16.1%* | *7.2%* | *2.2%* | *(30.2%)* | *(1.0%)* | *12.3%* | *(5.4%)* | *(0.5%)* | *13.8%* | *(13.9%)* | *(6.2%)* | *(2.9%)* | *8.1%* |
| **Operating Income, GAAP** | $118.0 | $186.0 | $209.0 | $66.0 | $24.0 | $61.0 | $48.0 | $199.0 | $56.3 | $47.5 | $50.7 | $44.7 | $199.3 | $222.9 |
| *YoY % Chng* | *(48.9%)* | *57.6%* | *12.4%* | *37.5%* | *(63.6%)* | *8.9%* | *23.0%* | *(4.8%)* | *(14.7%)* | *97.9%* | *(16.8%)* | *(6.7%)* | *0.2%* | *11.9%* |
| Interest Expense | $24.0 | $30.0 | $29.0 | $7.0 | $6.0 | $7.0 | $7.4 | $27.4 | $6.8 | $6.8 | $7.1 | $6.8 | $27.5 | $28.3 |
| *YoY % Chng* | *(7.7%)* | *25.0%* | *(3.3%)* | *(12.5%)* | *(14.3%)* | *0.0%* | *5.7%* | *(5.5%)* | *(2.8%)* | *14.0%* | *1.5%* | *(8.6%)* | *0.4%* | *3.0%* |
| Interest Income | $15.0 | $25.0 | $11.0 | $3.0 | $2.0 | $2.0 | $2.1 | $9.1 | $2.3 | $2.1 | $2.2 | $2.1 | $8.6 | $8.8 |
| *YoY % Chng* | *150.0%* | *66.7%* | *(56.0%)* | *(25.0%)* | *0.0%* | *(33.3%)* | *6.9%* | *(16.9%)* | *(24.5%)* | *5.6%* | *7.9%* | *(2.6%)* | *(5.7%)* | *1.8%* |
| Other Expense (Income) | $42.0 | $64.0 | $27.0 | $4.0 | $7.0 | $2.0 | $6.7 | $19.7 | $4.9 | $5.2 | $4.8 | $5.2 | $20.2 | $20.9 |
| *YoY % Chng* | *121.1%* | *52.4%* | *(57.8%)* | *(66.7%)* | *16.7%* | *(60.0%)* | *68.2%* | *(26.9%)* | *23.3%* | *(25.4%)* | *140.8%* | *(22.4%)* | *2.4%* | *3.3%* |
| Total Other Expense (Income), Net, Non-GAAP | $51.0 | $55.0 | $43.0 | $8.0 | $11.0 | $8.0 | $12.0 | $39.0 | $9.5 | $9.9 | $9.8 | $9.9 | $39.1 | $40.4 |
| *YoY % Chng* | *27.5%* | *7.8%* | *(21.8%)* | *(42.9%)* | *0.0%* | *(11.1%)* | *33.2%* | *(9.3%)* | *18.4%* | *(9.6%)* | *22.1%* | *(17.4%)* | *0.3%* | *3.4%* |
| Total Other Expense (Income), Net, GAAP | $51.0 | $69.0 | $45.0 | $8.0 | $11.0 | $7.0 | $12.0 | $38.0 | $9.5 | $9.9 | $9.8 | $9.9 | $39.1 | $40.4 |
| *YoY % Chng* | *30.8%* | *35.3%* | *(34.8%)* | *(50.0%)* | *0.0%* | *(22.2%)* | *33.2%* | *(15.6%)* | *18.4%* | *(9.6%)* | *39.5%* | *(17.4%)* | *2.9%* | *3.4%* |
| **Pre-Tax Income, Non-GAAP** | $235.0 | $277.0 | $313.0 | $83.0 | $56.0 | $90.0 | $68.9 | $297.9 | $81.1 | $66.3 | $74.6 | $65.9 | $288.0 | $313.0 |
| *YoY % Chng* | *(33.4%)* | *17.9%* | *13.0%* | *10.7%* | *(34.1%)* | *0.0%* | *9.3%* | *(4.8%)* | *(2.3%)* | *18.4%* | *(17.1%)* | *(4.2%)* | *(3.3%)* | *8.7%* |
| **Pre-Tax Income, GAAP** | $67.0 | $117.0 | $164.0 | $58.0 | $13.0 | $54.0 | $36.0 | $161.0 | $46.8 | $37.6 | $41.0 | $34.8 | $160.2 | $182.5 |
| *YoY % Chng* | *(65.1%)* | *74.6%* | *40.2%* | *81.3%* | *(76.4%)* | *14.9%* | *20.0%* | *(1.8%)* | *(19.2%)* | *188.9%* | *(24.1%)* | *(3.2%)* | *(0.5%)* | *13.9%* |
| Income Tax, Non-GAAP | $61.0 | $65.0 | $75.0 | $19.0 | $11.0 | $21.0 | $17.8 | $68.8 | $19.7 | $15.9 | $17.9 | $15.8 | $69.4 | $75.1 |
| *YoY % Chng* | *(22.8%)* | *6.6%* | *15.4%* | *5.6%* | *(52.2%)* | *(8.7%)* | *62.1%* | *(8.2%)* | *3.7%* | *44.7%* | *(14.7%)* | *(11.3%)* | *0.8%* | *8.3%* |
| Income Tax, GAAP | $34.0 | $55.0 | $50.0 | $14.0 | $4.0 | $14.0 | $11.2 | $43.2 | $12.6 | $10.1 | $11.1 | $9.4 | $43.3 | $49.3 |
| *YoY % Chng* | *(24.4%)* | *61.8%* | *(9.1%)* | *16.7%* | *(77.8%)* | *(6.7%)* | *123.1%* | *(13.7%)* | *(9.7%)* | *153.5%* | *(21.0%)* | *(15.7%)* | *0.2%* | *13.9%* |
| Tax Rate, Non-GAAP | 26.0% | 23.5% | 24.0% | 22.9% | 19.6% | 23.3% | 25.9% | 23.1% | 24.3% | 24.0% | 24.0% | 24.0% | 24.1% | 24.0% |
| Tax Rate, GAAP | 50.7% | 47.0% | 30.5% | 24.1% | 30.8% | 25.9% | 31.0% | 26.8% | 27.0% | 27.0% | 27.0% | 27.0% | 27.0% | 27.0% |
| **Net Income, Non-GAAP** | $174.0 | $212.0 | $238.0 | $64.0 | $45.0 | $69.0 | $51.0 | $229.0 | $61.4 | $50.4 | $56.7 | $50.1 | $218.6 | $237.9 |
| *YoY % Chng* | *(36.5%)* | *21.8%* | *12.3%* | *12.3%* | *(27.4%)* | *3.0%* | *(1.9%)* | *(3.8%)* | *(4.1%)* | *12.0%* | *(17.8%)* | *(1.8%)* | *(4.5%)* | *8.8%* |
| **Net Income, GAAP** | $33.0 | $62.0 | $114.0 | $44.0 | $9.0 | $40.0 | $24.8 | $117.8 | $34.2 | $27.4 | $29.9 | $25.4 | $117.0 | $133.2 |
| *YoY % Chng* | *(77.6%)* | *87.9%* | *83.9%* | *120.0%* | *(75.7%)* | *25.0%* | *(0.7%)* | *3.4%* | *(22.3%)* | *204.6%* | *(25.2%)* | *2.4%* | *(0.7%)* | *13.9%* |
| Basic Shares Outstanding | 103.2 | 99.8 | 96.4 | 95.1 | 95.3 | 94.2 | 92.8 | 94.4 | 92.8 | 92.8 | 92.8 | 92.8 | 92.8 | 92.8 |
| *YoY % Chng* | *(5.0%)* | *(3.3%)* | *(3.4%)* | *(2.4%)* | *(1.2%)* | *(2.0%)* | *(2.8%)* | *(2.1%)* | *(2.4%)* | *(2.6%)* | *(1.5%)* | *0.0%* | *(1.6%)* | *0.0%* |
| Diluted Shares Outstanding | 105.8 | 102.4 | 98.2 | 97.4 | 96.0 | 95.5 | 96.1 | 96.3 | 96.1 | 96.1 | 96.1 | 96.1 | 96.1 | 96.1 |
| *YoY % Chng* | *(6.3%)* | *(3.2%)* | *(4.1%)* | *(2.7%)* | *(1.4%)* | *(1.5%)* | *(1.3%)* | *(2.0%)* | *(1.3%)* | *0.1%* | *0.6%* | *0.0%* | *(0.2%)* | *0.0%* |
| Basic EPS, GAAP | $0.32 | $0.62 | $1.18 | $0.46 | $0.09 | $0.42 | $0.27 | $1.24 | $0.37 | $0.30 | $0.32 | $0.27 | $1.26 | $1.44 |
| *YoY % Chng* | *(76.3%)* | *93.8%* | *90.3%* | *119.0%* | *(76.3%)* | *27.3%* | *2.9%* | *(4.9%)* | *(19.9%)* | *228.3%* | *(23.3%)* | *2.4%* | *1.8%* | *13.9%* |
| Diluted EPS, Non-GAAP | $1.64 | $2.07 | $2.42 | $0.66 | $0.47 | $0.72 | $0.53 | $2.38 | $0.64 | $0.52 | $0.59 | $0.52 | $2.27 | $2.48 |
| *YoY % Chng* | *(32.5%)* | *26.2%* | *16.9%* | *15.8%* | *(26.6%)* | *4.3%* | *0.2%* | *(1.6%)* | *(3.2%)* | *11.6%* | *(18.0%)* | *(1.8%)* | *(4.5%)* | *8.8%* |
| Diluted EPS, GAAP | $0.31 | $0.61 | $1.16 | $0.45 | $0.09 | $0.42 | $0.26 | $1.22 | $0.36 | $0.29 | $0.31 | $0.26 | $1.22 | $1.39 |
| *YoY % Chng* | *(76.2%)* | *96.8%* | *90.2%* | *125.0%* | *(76.3%)* | *27.3%* | *(0.6%)* | *5.0%* | *(20.9%)* | *217.0%* | *(25.9%)* | *2.4%* | *(0.1%)* | *13.9%* |

## Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

## Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

## Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

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Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

| | |
|---|---|
| Value Score | C |
| Growth Score | D |
| Momentum Score | F |
| VGM Score | F |

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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