

TERADATA CORP /DE/
Form 8-K
November 05, 2015

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (date of earliest event reported): November 5, 2015

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

Commission File Number 001-33458

Delaware
(State or other jurisdiction of
incorporation or organization)

75-3236470
(I.R.S. Employer
Identification No.)

10000 Innovation Drive
Dayton, Ohio 45342
(Address of principal executive offices and zip code)

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

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

Teradata Corporation ("Teradata" or the "Company") is furnishing the following information as required under Item 2.02 "Results of Operations and Financial Condition" of Form 8-K and Item 7.01 "Regulation FD Disclosure." Such information, including Exhibit 99.1 attached hereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934.

On November 5, 2015, the Company issued a press release setting forth its third quarter 2015 operating results as well as updated current revenue and earnings per share outlook estimates for the full-year 2015 (the "Press Release"). A copy of the Press Release is attached hereto as Exhibit 99.1 and hereby incorporated by reference.

Item 2.05 Cost Associated with Exit or Disposal Activities.

After a thorough analysis of the Company's portfolio and opportunities, in October 2015, Teradata's Board of Directors determined that it was in the long-term best interests of the Company and its shareholders to realign Teradata's business by reducing its cost structure and focusing on the Company's core Data and Analytics business. Management was directed to develop plans to implement these actions and has begun a business transformation process that will include the following actions: exiting the Marketing and Applications business and rationalizing Teradata's cost structure. While Teradata is in the early stages of developing its transformation plans in support of these initiatives, the Company committed to implementing these plans on November 2, 2015.

Teradata currently expects a benefit of approximately \$120 million in operating income in 2016 due to its cost reduction and realignment initiatives and from the exit of the Marketing Applications business (excluding the charges incurred as a result of the transformation and exit of the business). Within this estimated operating income benefit target, the total operating expense reduction for 2016 versus 2015 total operating expenses, inclusive of the Marketing Applications business, is currently estimated to be in a range of \$180 to \$200 million. The annualized estimated cost savings associated with the transformational initiatives that the Company is developing, excluding Marketing Applications, is expected to be in a range of \$80 to \$100 million. However, at this time, the Company is unable in good faith to make a determination of the estimate of the total amount or range of amounts to be incurred in connection with the business transformation, including the exit of the Marketing Applications business, nor an estimate of the amount or range of amounts of any charges that would result in future cash expenditures; however, it is expected they will likely include charges relating to one-time employee termination benefits. More information regarding each of these initiatives will be provided after the Company concludes its transformation review, which is expected to be completed in the first part of 2016.

Safe Harbor Statement

This Current Report on Form 8-K contains "forward-looking statements", including statements as to anticipated or expected results, beliefs, opinions and future financial performance, within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities and Exchange Act of 1934, as amended. All statements, other than statements of historical facts, included in this Current Report on Form 8-K which address activities, events or developments that the Company expects or anticipates will or may occur in the future, including all statements about the expected future impacts of business transformation, are forward-looking statements. These forward-looking statements are based upon current expectations and assumptions and involve risks and uncertainties that could cause Teradata's actual results to differ materially. In addition to the factors discussed in the Press Release, other risks and uncertainties could affect our future results, and could cause actual results to differ materially from those expressed in such forward-looking statements. Such factors include those relating to: the global economic environment in general or on the ability of our suppliers to meet their commitments to us, or the timing of purchases by our current and potential customers, and other general economic and business conditions; the rapidly changing and intensely competitive nature of the information technology industry and the data analytics business, including the increased pressure on price/performance for data analytics

solutions; fluctuations in our operating results, unanticipated delays or accelerations in our sales cycles and the difficulty of accurately estimating revenues; failure to realize the anticipated benefits of our business transformation program, divestitures, or other restructuring and cost saving initiatives; risks inherent in operating in foreign countries, including the impact of economic, political, legal, regulatory, compliance, cultural, foreign currency fluctuations and other conditions abroad; the timely and successful development, production or acquisition and market acceptance of new and existing products and services, including our ability to accelerate market acceptance of new products and services as well as the reliability, quality, security and operability of new products because of the difficulty and complexity associated with their testing and production; tax rates; turnover of workforce and the ability to attract and retain skilled employees; availability and successful exploitation of new acquisition and alliance opportunities; our ability to execute integration plans for newly acquired entities, including the possibility that expected synergies and operating efficiencies may not be achieved, that such integration efforts may be more difficult, time-consuming or costly than expected, and that operating costs, customer loss and business disruption (including, without limitation, difficulties in maintaining relationships with employees, customers, clients or suppliers) may be greater than expected following the transaction; recurring revenue may decline or fail to be renewed; changes in Generally Accepted Accounting Principles (GAAP) and the resulting impact, if any, on the Company's accounting policies; continued efforts to establish and maintain best-in-class and secure internal information technology and control systems; and other factors described from time-to-time in the Company's filings with the U.S. Securities and Exchange Commission, including its annual report on Form 10-K and subsequent quarterly reports on Forms 10-Q, as well as the Company's annual reports to stockholders. 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.

Item 7.01 Regulation FD Disclosure.

The information set forth above under Item 2.02 "Results of Operations and Financial Condition" is furnished pursuant to this Item 7.01 and Exhibit 99.1 is hereby incorporated by reference into this Item 7.01.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits:

The following exhibits are attached with this current report on Form 8-K:

Exhibit No.	Description
99.1	Press Release, dated November 5, 2015, issued by the Company.

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: November 5, 2015

By: /s/ Stephen M. Scheppmann
Stephen M. Scheppmann
Executive Vice President and Chief Financial Officer

Index to Exhibits

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